



INDEPENDENT AUDITOR'S REPORT

To the Members of The Nainital Bank Limited

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the standalone financial statements of The Nainital Bank Limited ("the Bank"), which comprise the balance sheet as at 31st March, 2022, and the statement of profit and loss and the statement of cash flows for the year ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information in which are included the returns of 26 branches audited by us, 72 branches audited by Statutory Branch Auditors and 66 unaudited branches of bank at Delhi, Haryana, Uttar Pradesh, Rajasthan and Uttarakhand. The branches audited by us and those audited by other Statutory Branch Auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time, of the state of the affairs of the Bank as at 31st March 2022, and loss and its cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

3. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no Key Audit matters for reporting.



Emphasis of Matter

1. We draw attention to Note No. (t) of Schedule 18 regarding amendments in Financial Statements pursuant to the decision taken by the Board of Directors of the Bank. We had issued our audit report dated May 12, 2022 on the Financial Statements which comprises the Balance Sheet as at March 31, 2022, the Profit and Loss Account, Cash Flow Statement for the year ended March 31, 2022, and Notes to Financial Statements including Significant Accounting Policies and the other explanatory information, approved by the Board of Directors of the Bank in their meeting held on May 12, 2022. The Board of Directors have now recommended to amend the financial statements w.r.t additional disclosures and enhancement of Investment Fluctuation Reserve so as to comply the RBI Master Direction on Financial Statement-Presentation and Disclosures dated August 30, 2021, RBI Master Circular on Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks and to comply with the observations raised by the RBI and accordingly the Financial Statements have been amended to that extent and approved by the Board of the bank in their meeting held on July 04, 2022. Our audit procedures in relation to the subsequent events are restricted solely to the amendments in the Financial Statements pursuant to the Decision of the Board of Directors.
2. We draw attention to Note No. 14(q) of Schedule 18 of the accompanying statement which describes the uncertainties due to the outbreak of Novel Coronavirus (Covid-19). The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis with respect to the challenges faced.
3. Independent audit of the Business Continuity Plan and the corresponding test results were not undertaken by the Bank, Bank to ensure the BCP is undertaken and the outcome is placed before the ACB and the Board.
4. Considering a number of Office Accounts / Internal Accounts being operated by the bank, close and continuous monitoring of such accounts as per RBI guidelines to be undertaken by bank and kept on record, further the Bank should strengthen the system based control mechanism for monitoring the transactions in internal office accounts.
5. During the year the Bank reported 323 cases of quick mortality aggregating Rs. 11.56 Crore, the investigation thereon and fixing of staff accountability is under process by the Bank. The Bank should strengthen the credit monitoring and post disbursal follow up/review.
6. The Bank should comply the following:
 - Focus on standardizing the process of credit monitoring of large value loans.
 - The appraisal, underwriting and post-sanction monitoring of advances, needs to be strengthened and the system of generation and reporting of Early Warning Signals (EWS) to ensure timely reporting and action on the identified accounts. Further the Bank to ensure compliance of RBI circular RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12th 2021, requiring Banks to specify the exact due dates for repayment of a loan in the loan sanction/appraisal document.
7. In terms of Para no. 2.8, 2.4, 2.5, 2.6 of RBI circular on Automation of Income Recognition, Asset Classification and Provisioning processes in banks dated September 14, 2020, the process of NPA identification, income recognition de-recognition and asset classification as a part of day end process, is pending and requires immediate attention and compliance of the said circular be ensured by the Bank. Further, the asset classification and SMA generation needs to be done on daily basis by the Bank. Furthermore, the identification of customers having same PAN/UID for NPA classification should be automated.
8. Concerns in the areas of system-based risk categorization of customers under the KYC/AML framework persisted and required a more focused attention of the Senior Management. Bank has ensured that the system based risk categorization will be implemented by June 2022.
9. The Bank has assured to conduct an audit of all the NPA accounts by September 2022 to identify the



amount of un-realized interest (if any) not reversed/incorrectly accounted in the P&L and reverse the same.

Further Rs. 13.46 Crore lying under Interest Suspense GL head pertaining to unrealized interest/interest suspense on existing NPA accounts should also be reversed / credited to respective loan account.

10. The bank has assured that critical data fields for review/renewal of accounts including short term reviews, Priority Sector Lending identification are adequately captured; correct mapping of scheme, activity/purpose codes are properly captured in CBS with necessary system validations.
11. It is recommended to have a "Special Asset Recovery Branches" in the Bank so that the recovery process may be strengthened.
12. The Bank had migrated to FINACLE in February 11, 2022. During the course of audit, we observed that few issues relating to interest application, security updation, renewal of deposits, repayment schedule etc. exist, which require immediate attention of the Bank for rectification. Further, Bank needs to closely monitor operations and processes in Finacle so as to stabilize the application at the earliest and utilize the advanced features available in Finacle.

Our Opinion is not modified in respect of this matter

Information Other than the Financial Statements and Auditor's Report Thereon

4. The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in Board's Report and annexure to Board Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

5. The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free



from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatements in the standalone financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in



internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

7. We did not audit the financial statements / information of 72 branches and processing centers included in the standalone financial statements of the Bank whose financial statements / financial information reflect total assets of Rs.3796,22,49,115.54/-as at 31stMarch 2022 and total revenue of Rs. 257,48,17,409.69/- for the year ended on that date, as considered in the standalone financial statements. These branches and processing centers cover 41.38 % of advances, 47.66 % of deposits and 32.68 % of Non-performing assets as at 31st March 2022 and 42.73 % of revenue for the year ended 31st March 2022. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.
8. *Pursuant to Note No. (t) of Schedule 18 of the accompanying financial statements, regarding amendments in financial statements, this report supersedes our earlier report issued on 12.05.2022.*

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

The Balance Sheet and the Statement of Profit and Loss have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:

- a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
- b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
- c) the returns received from the offices; and branches of the Bank have been found adequate for the purposes of our audit;
- d) the profit and loss account shows a true balance [of profit or loss] for the year then ended.

10. Further, as required by section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our



knowledge and belief were necessary for the purpose of our audit:

- b. In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c. The reports on the accounts of the branch offices of the Bank audited under Section 143(8) of the Act by statutory branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
- d. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
- e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars, guidelines and directions issued by the Reserve Bank of India („RBI“) from time to time.
- f. On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate report in „Annexure-A“;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, remuneration paid to the Directors are not in excess of the limit laid down in the Section 197 of the Companies Act, 2013
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Bank does not have any long term contracts including derivative contracts for which there are any material foreseeable losses;
 - ii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank.
- iii. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities („Intermediaries“), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company („Ultimate Beneficiaries“) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities („Funding Parties“), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party („Ultimate Beneficiaries“) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
(c) Based on such audit procedures that were considered reasonable and appropriate by us in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (a) and (b) contain any material misstatement.
- iv. The dividend declared or paid during the year by the Bank is in compliance with section 123 of the Companies Act, 2013.
- v. The Bank has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for



record retention- This clause is not applicable as Ministry of Corporate Affairs has amended the proviso vide Companies (Accounts) Second Amendment Rules, 2022 vide notification dated 31.03.2022 extends implementation of Audit Trail software to financial year commencing on or after the April 1, 2023.

For **Dharam Raj & Co.**

Chartered Accountants

Firm's Registration No. 014461N



Dharam Raj

Partner

Membership Number-094108

UDIN: 22094108AMJBFG 9257

Date: 04/07/2022

Place: Ghaziabad

Annexure A to the independent auditor's report of even date on the standalone financial statements of The Nainital Bank Limited

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

1. We have audited the internal financial controls over financial reporting of The Nainital Bank Limited ('the Bank') as at 31 March 2022 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls over Financial Reporting

2. The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing ("the Standards"), as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



statements for external purposes in accordance with generally accepted accounting principles. A bank's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Emphasis of Matter

According to the information and the explanations given to us and based on our audit, the following weaknesses have been identified as at March 31, 2022:

- a) Bank to ensure the completeness and integrity of the automated Asset Classification (classification of advances/investments as NPA/NPI and their upgradation), Provisioning calculation and Income Recognition processes.
- b) Central Audit Inspection Department (CIAD) lacked focus on providing independent assurance and needs strengthening. Further Bank to ensure compliance culture in the Bank.
- c) Bank needs to closely monitor operations and processes in Finacle so as to stabilize the application at the earliest and utilize the advanced features available in Finacle.
- d) Post sanction review of accounts needs to be strengthened whereby various deficiencies were observed such as non-verification of stock statements, stock statement not as per bank format, drawing power being entered into Term loan accounts and review of credit and debit summations in loan accounts.
- e) Considering a number of Office Accounts / Internal Accounts being operated by the bank, close and continuous monitoring of such accounts as per RBI guidelines to be undertaken by bank and kept on record, further the Bank should strengthen the system based control mechanism for monitoring the transactions in internal office accounts.

During the year the Bank reported 323 cases of quick mortality. The Bank should strengthen pre – sanctioning mechanism, credit monitoring and post disbursal follow up/review so as to control such cases.

13. The Bank should strengthen the following controls:

- Standardizing the process of credit monitoring of large value loans.
- The appraisal, underwriting and post-sanction monitoring of advances, needs to be strengthened and also the system of generation and reporting of Early Warning Signals (EWS) to ensure timely reporting and action on the identified accounts.

14. It is recommended to have a "Special Asset Recovery Branches" in the Bank so that the recovery process may be strengthened.



15. The Bank had migrated to FINACLE in February 11, 2022. During the course of audit, we observed that few issues relating to interest application, security updation, renewal of deposits, repayment schedule etc exist, which require immediate attention of the Bank for rectification. Further, Bank needs to closely monitor operations and processes in Finacle so as to stabilize the application at the earliest and utilize the advanced features available in Finacle.

However, our opinion is not modified in respect of above stated matters

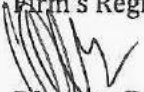
Opinion

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our Aforesaid report under Section 143(3)(i) of the Act on the adequacy of internal financial controls over Financial reporting in so far as it relates to bank branches, is based on the corresponding reports of the branch auditors and certification by the management. Our opinion is not modified in respect of this matter.

For Dharam Raj & Co.
Chartered Accountants
Firm's Registration No. 014461N


Dharam Raj
Partner
Membership Number-094108
UDIN: 22094108AMJBFG9257



Date: 04/07/2022
Place: Ghaziabad



NAINITAL BANK
THE NAINITAL BANK LTD.

THE NAINITAL BANK LTD
Head Office : Nainital Bank House
Seven Oaks, Mailital
Nainital 263001 (Uttarakhand)

BALANCE SHEET OF THE NAINITAL BANK LIMITED
BALANCE AS ON 31st March 2022

(` In thousands)

CAPITAL AND LIABILITIES	SCHEDULE	As on 31-03-2022 (Current Year)	As on 31-03-2021 (Previous year)
Capital	1	775000	775000
Reserves & Surplus	2	5457824	5115491
Deposits	3	74858785	74125888
Borrowings	4		
Other Liabilities & Provisions	5	2286979	1806272
	Total	83378588	81822651
ASSETS			
Cash & Balances With Reserve Bank of India	6	3209750	3415707
Balances with Banks & Money at call and Short Notice	7	13422893	15791517
Investments	8	22910966	23190150
Advances	9	39168277	36477004
Fixed Assets	10	754622	328365
Other Assets	11	3912080	2619908
	Total	83378588	81822651
Contingent Liabilities	12	975167	1305172
Bills for collection			757
Significant Accounting Policies	17		
Notes on Accounts	18		
Schedules referred above form an integral part of Balance Sheet			

N.K. Chari
Non Executive Chairman
DIN - 07409731

Nikhil Mohan
Managing Director &
Chief Executive Officer
DIN - 09655509

Binita Shah
Independent Director
DIN - 01538965

Sanjay Mudaliar
Non-Independent Director
DIN - 07484086

Manoj Sharma
Independent Director
DIN - 09085665

Uttam Chand Nahta
Independent Director
DIN - 08533075

Ravindra Singh Negi
Non-Independent Director
DIN - 08248608

M.K. Goyal
Chief Financial Officer

Vivek Sah
Company Secretary

as per our report of even date
For Dharam Raj & Co.
Chartered Accountants
FRN- 014461N

CA Dharam Raj
Partner, M.N.No.094108

Place : Nainital
Date : 04 July 2022



PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2022

(In thousands)

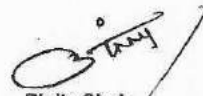
	SCHEDULE	Period Ended 31.03.2022	Year Ended 31.03.2021
I. INCOME			
Interest Earned	13	5619884	5931299
Other Income	14	406377	459919
Total		6026261	6391218
II. EXPENDITURE			
Interest Expended	15	3121100	3621528
Operating Expenses	16	1902134	1618007
Provisions & Contingencies		713701	1139067
Total		5736935	6378602
III. PROFIT			
Net profit for the year		289326	12616
Profit available for appropriation		289326	12616
IV. APPROPRIATIONS			
Statutory Reserve		72332	3154
Revenue & Other Reserves:			
i) Investment Reserve Account		-29904	
ii) General reserve			62
iii) special reserve created u/s 36(i)(viii)			9400
Interim Dividend Paid			
Dividend Tax on Interim Dividend Paid			
Proposed Dividend		38750	
Balance Carried over to Balance Sheet		208148	0
Total		289326	12616
Earnings per share (Rs)			
Basic		3.73	0.16
Diluted		3.73	0.16



N.K. Chari
Non Executive Chairman
DIN - 07409731



Nikhil Mohan
Managing Director &
Chief Executive Officer
DIN - 09655509

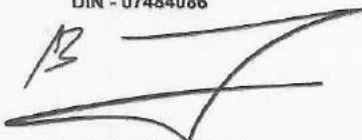


Binita Shah
Independent Director
DIN - 01538965

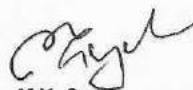
Sanjay Mudaliar
Non-Independent
DIN - 07484086

Manoj Sharma
Independent Director
DIN - 09085665

Uttam Chand Nahta
Independent Director
DIN - 08533075



Ravindra Singh Negi
Non-Independent Director
DIN - 08248608



M.K. Goyal
Chief Financial Officer



Vinay Sah
Company Secretary

as per our report of even date
For Dharam Raj & Co.
Chartered Accountants
FRN - 014461N



Dharam Raj
Partner, M.N.No.094108

Place : Nainital
Date : 04 July 2022



STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31ST MARCH 2022

(₹ in Thousands)

	Period Ended 31.03.2022	Year Ended 31.03.2021
A. Cash flow from operating activities :		
Net profit before taxes.	290353	141716
Adjustments for :		
Depreciation on fixed Assets	67453	-28142
Depreciation on investment Written back	115891	30776
Provision made on Investment	91757	141981
Provision in respect of NPA.	425250	850101
Provision for standard assets restr.	76162	-21707
Provision for other items.		
Profit (Loss) on sale of fixed Assets.	-57	6894
Deferred Tax for Current year	7154	36926
Excess Provision written back		0
	1073964	1214829
Adjustment for :		
(Increase)/Decrease in investments	163293	-6458758
(Increase)/Decrease in advances	-2691273	1812879
(Increase)/Decrease in other assets	-1292174	145522
Increase/(Decrease) in Borrowings		-60
Increase/(Decrease) in deposits	732898	-2668408
Increase/(Decrease) in other liabilities and provisions	-27859	-827977
Direct Taxes paid.	-1027	-129100
Net cash from operating activities (A)	-2042177	-6911073
B. Cash flow from investing activities :		
(Increase)/Decrease in fixed Assets	-493654	-37672
Changes in Trade related investments		
Dividend received from subsidiaries/others		
Net Cash from investing activities (B)	-493654	-37672
C. Cash flow from financing activities		
Share Capital/Share Premium		
Dividend	-38750	
Interest paid/payable on unsecured redeemable bonds		
Net Cash from financing activities (C)	-38750	
Net increase in cash & cash equivalents (A)+(B)+(C)	-2574581	-6948745
Opening Cash & cash equivalents	19207224	26155969
Closing Cash & cash equivalents	16632643	19207224

N.K.Chari
 Non Executive Chairman
 DIN - 07409731

Nikhil Mohan
 Managing Director &
 Chief Executive Officer
 DIN - 09655509

Binita Shah
 Independent Director
 DIN - 01562965

Sanjay Mudaliar
 Non-Independent Director
 DIN - 07484096

Manoj Sharma
 Independent Director
 DIN - 09085665

Uttam Chand Nahta
 Independent Director
 DIN - 08533075

Ravindra Singh Negi
 Non-Independent Director
 DIN - 08248608

M.K. Goyal
 Chief Financial Officer

Vivek Sah
 Company Secretary

as per our report of even date
 For Dharam Raj & Co.
 Chartered Accountants
 FRN- 014461N

CA Dharam Raj
 Partner, M.N.No.094108

Place : Nainital
 Date : 04 July 2022



(` in Thousands)

SCHEDULE 1-CAPITAL

	As on 31/03/2022	As on 31/03/2021
Authorised Capital (15,00,00,000 Equity Shares) of Rs. 10/- each (Previous Year 15,00,00,000 Equity Shares of Rs. 10/- each)	1500000	1500000
Issued,Subscribed,Called up and Paid up capital 775,00,000 Equity Shares of Rs. 10/- each (Bank of Baroda holds 98.57%)	775000	775000
Total	775000	775000

SCHEDULE 2- RESERVES & SURPLUS

I Statutory Reserve :		
Opening Balance	1671885	1668731
Addition during the year	72332	3154
Closing Balance	1744216	1671885
II Capital Reserve :	162413	164418
a) Revaluation Reserve		
Opening Balance	164418	262931
addition/deletion during the year -		-87097
Depreciation on account of revaluation of premises transferred to Profit & Loss Account	-2005	-11416
Closing Balance	162413	164418
B) Others		
addition during the year		
Closing Balance		
III Share Premium :		
Opening Balance	775000	775000
Addition During the Year	-	-
Deduction During the Year*	-	-
Closing Balance	775000	775000
IV Revenue & Other Reserves		
(i) Investment Fluctuation Reserve :		
Opening Balance	120717	19117
Addition During the Year	91757	101600
Less: Transferred To General Provision	-	-
Closing Balance	212474	120717
(ii) Other Reserve :		
Opening Balance	2087731	2076253
Addition : Transferred from Profit & Loss Account	210153	11478
Deduction:	-	-
Closing Balance	2297884	2087731
Investment Reserve A/C	10478	40382
special reserve u/s 36(1) (VIII)	255358	245958
Addition During the Year	0	9400
Closing Balance	255358	255358
Total(IV)	2776194	2504188
V Balance in Profit & Loss Account	0	
Total (I,II,III, IV & V)	5457824	5115491

(` in Thousands)

SCHEDULE 3 -DEPOSITS

	As on 31/03/2022	As on 31/03/2021
A I) Demand Deposits		
i)From Banks	9911	26676
ii)From Others	4627820	4364829
Total	4637731	4391505
II) Savings Bank Deposits	25773441	23880593
III) Term Deposits		
i)From Banks	3723925	5886381
ii)From Others	40723688	39967409
Total	44447613	45853790
Total (I, II & III)	74858785	74125888
B I)Deposits of Branches in India	74858785	74125888
II)Deposits of Branches outside India		
Total (I & II)	74858785	74125888

SCHEDULE 4 -BORROWINGS

I Borrowings in India		
i)Reserve Bank Of India	-	-
ii)Other Banks	-	-
iii)Other Institutions and Agencies	-	-
II Borrowings outside India	-	
Total (I & II)	-	-
Secured Borrowings Included in I above	-	-

SCHEDULE 5 -OTHER LIABILITIES AND PROVISIONS

I Bills Payable	294996	272884
II Inter Office Adjustments(Net)		
III Interest Accrued	118058	82443
IV Others(Including Provisions)	1873925	1450945
Total(I,II ,III & IV)	2286979	1806272
NOTE:Subordinated Debts raised in Tier II Capital	Nil	Nil



SCHEDULE 6 -CASH AND BALANCES WITH RESERVE BANK OF INDIA

(` in Thousands)

	As on 31/03/2022	As on 31/03/2021
I Cash in hand(Including foreign currency notes)	292266	210179
II Balances with Reserve Bank of India		
i)In Current Accounts	2917484	3205528
ii)In Other Accounts		
Total (I & II)	3209750	3415707

SCHEDULE 7- BALANCES WITH BANKS & MONEY AT CALL AND SHORT NOTICE

I In India		
i) Balances with Banks		
In Current Accouts	147293	131517
In Other Deposit Accounts	11425600	14260000
Total	11572893	14391517
ii)Money at call and short notice		
With banks	600000	400000
With other institutions	1250000	1000000
Total	1850000	1400000
Total (i & ii)	13422893	15791517
II Outside India	NIL	NIL
Total (I & II)	13422893	15791517

SCHEDULE 8- INVESTMENTS

I Investments in India(Gross)	23057633	23220926
Less : Provision for Depreciation	146667	30776
Net Investments in India	22910966	23190150
Break up		
i)Government Securities	20815629	20521329.6
ii)Other Approved Securities		
iii)Shares		
iv)Debentures and Bonds	1854581	2429332
v)Subsidiaries and/or Joint Ventures		
vi)Others(units of UTI , other mutual funds, commercial papers)	240756	239489
Total	22910966	23190150
II Investments outside India	Nil	Nil
Total (I & II)	22910966	23190150

SCHEDULE 9- ADVANCES

(` in Thousands)

	As on 31/03/2022	As on 31/03/2021
A i)Bills Purchased and Discounted	4390	9540
ii)Cash Credit ,Overdrafts , Loans repayable on demand	20321409	19725107
iii)Term Loans	18842479	16742357
Total	39168277	36477005
B i)Secured by Tangible Assets	36271937	35669782
ii)Covered by Bank/Govt. Guarantees	8	160
iii)Unsecured	2896332	807062
Total	39168277	36477004
C I)Advances in India		
i)Priority Sector	18635847	20718768
Net Priority Sector	18635847	20718768
ii)Public Sector	1985	7452
iii)Banks		
iv)Others	20530445	15750784
Net Others	39168277	36477004
II)Advances outside India		
Total	39168277	36477004

SCHEDULE 10- FIXED ASSETS

I Premises		
At cost/revalued amount as on 31st March of the preceeding year	220799	334737
Addition during the Period	1468	64046
Deduction during the Period		177985
Depreciation to date(including incremental depreciation due to revaluation)	29047	27042
Closing Block I	193220	193756
II Other Fixed Assets(including Furniture & Fixtures)		
At cost as on 31st March of the preceeding year	595503	537883
Addition during the period*	492425	57960
Deductions during the period	222	339
Depreciation to date *	526304	460895
Closing Block II*	561402	134609
Total	754622	328365

*Note - During the year the Bank capitalised Rs. 4,10,302.34 (in Thousands) towards FINACLE project, and charged Rs. 24463.76 (In Thousand)as Depreciation thereon, the closing WDV is Rs. 3,85,838.58(In Thousand)

SCHEDULE 11- OTHER ASSETS

I Inter Office Adjustment (Net)	97293	239
II Interest Accrued	661882	810486
III Tax Paid in advance/tax deducted at source (net of provisions)	208260	188989
IV Stationery and Stamps	41	37
V Others	2944604	1620157
Total (I,II,III, IV & V)	3912080	2619908



SCHEDULE 12- CONTINGENT LIABILITIES

(` in Thousands)

	As on 31/03/2022	As on 31/03/2021
I Claims against the Bank not acknowledged as Debts	4754	4754
II Liability against frauds		
III Guarantees given on behalf of constituents - IN INDIA	676625	838272
IV Acceptances,Endorsements and Other Obligations	11808	148830
V Other items for which the bank is contingently liable	281980	313316
Total (I,II,III & IV)	975167	1305172

SCHEDULE 13- INTEREST EARNED

I Interest/Discount on Advances/Bills	3308186	3239533
II Income on Investments (Net) (less amount amortised during the year)	1556006	1453887
III Interest on Balances with Reserve Bank Of India and other Inter Bank Placements	706477	1102955
IV Others	49215	134925
Total (I,II,III & IV)	5619884	5931299

SCHEDULE 14- OTHER INCOME

I Commission,Exchange & Brokerage	27620	25761
II Profit / Loss on sale of investments Less: Loss on sale of investments	96659	163011
III.Profit on revaluation of investments Less: Loss on revaluation of investments	-53282	0
IV Profit on sale of land, buildings and other assets Less: Loss on sale of land, buildings and other assets	57	-6894
V Miscellaneous Income	318604	262124
VI Third party commission	16718	15917
Total (I,II,III, IV, V & VI)	406377	459919

SCHEDULE 15-INTEREST EXPENDED

I Interest on Deposits	3121087	3621333
II Interest on RBI / Inter Bank Borrowings	13	196
III Others		
Total (I, II, & III)	3121100	3621528



THE NAINITAL BANK LTD
Head Office :Nainital Bank House
Seven Oaks,Mallital
Nainital 263001 (Uttarakhand)

SCHEDULE 16- OPERATING EXPENSES

(` in Thousands)

	As on 31/03/2022	As on 31/03/2021
I Payments to and Provisions for Employees	1132660	999314
II Rent,Taxes and Lighting	167690	155964
III Printing and Stationery	11492	7761
IV Advertisement and Publicity	2803	3787
V Depreciation on Bank's Property Less:Depreciation adjusted from Capital reserve on account of revaluation of premises	67453	28142
VI Director's Fees Allowances and Expenses	2110	647
VII Auditor's Fees & Expenses (including Branch Auditor's fee & expenses)	6024	3019
VIII Law Charges	8275	13735
IX Postage,Telegrams,Telephones etc	11736	8774
X Repairs and Maintenance	13315	18834
XI Insurance	82922	80875
XII Other Expenditure	395654	297154
Total (I TO XII)	1902134	1618007



THE NAINITAL BANK LIMITED
(Regd. Office: G.B. Pant Road, Nainital)

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

1. BACKGROUND

The Nainital Bank Limited, incorporated in Nainital, Uttarakhand in the year 1922, is a banking company governed by the Banking Regulation Act, 1949 and is engaged in providing a wide range of banking and financial services including commercial banking and treasury operations.

2. BASIS OF PREPARATION:

The financial statements are prepared following the going concern concept, on historical cost basis and conform to the Generally Accepted Accounting Principles (GAAP) in India which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI) from time to time, notified Accounting Standards (AS) issued under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, to the extent applicable and current practices prevailing in the banking industry in India. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

3. USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to the accounting estimates is recognised prospectively in the current and future periods unless otherwise stated.

4. INVESTMENTS:

4.1 Investments are categorized into three categories –

- (i) Held to Maturity (HTM),
- (ii) Held for Trading (HFT) and
- (iii) Available for Sale (AFS)

with sub-classification under each category viz., (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures & Bonds, (v) Subsidiaries and Joint Ventures and (vi) Others – Units of Mutual Funds, Certificate of Deposits, Commercial Paper, Security Receipts and other investments, in accordance with RBI guidelines.

The category under which the investments would be classified is decided at the time of acquisition. Investments which the bank intends to hold till maturity are classified as “Held to



Maturity". Investments which are primarily held for sale within 90 days from the date of purchase are classified as "Held for Trading".

As per RBI guidelines, HFT Securities which remain unsold for a period of 90 days are classified as AFS Securities on that date. Investments which are not classified in either of the above two categories are classified as "Available for Sale".

Shifting of securities among the categories is accounted at the least of the acquisition cost / book value / market price prevailing on the date of shifting and depreciation, if any, on such shifting is fully provided for. Investments classified under HTM category are carried at acquisition cost. Any premium on acquisition of government securities are amortized over the remaining maturity of the security on a straight line basis. Investments classified under the AFS and HFT categories are marked-to-market. The market / fair value of quoted investments included in the 'AFS' and 'HFT' categories is measured with respect to the Market Price of the Scrip as available from the trades / quotes on the stock exchanges, SGL account transactions, price list of RBI or prices declared by Financial Benchmark India Private Limited, periodically. Net depreciation, if any, within each category of investment classification is recognised in Profit and Loss Account. The net appreciation, if any, under each category of Investment is ignored, Except in cases where provision for diminution other than temporary is created, the book value of individual securities is not changed consequent to the periodic valuation of Investments.

The Bank follows settlement date method of accounting for purchase / sale of investments, and weighted average cost method for determining cost and accounting of profit on sale of investments. Brokerage, commission and securities transaction tax (STT) etc., pertaining to investment, paid at the time of acquisition are charged to the profit and loss account. Broken period interest on debt instruments and government securities is treated as a revenue item. Treasury Bills, Commercial Paper and Certificate of Deposits, being discounted instruments, are valued at carrying cost. Units of Mutual Funds are valued at the latest repurchase price / NAV declared by the Mutual Fund. In case of unquoted bonds, debentures and preference shares where interest / dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity (YTM) for Government Securities as published by Financial Benchmarks India Pvt. Ltd. (FBIL)/Fixed Income Money Market and Derivatives Association of India (FIMMDA) and suitably marked up for credit risk applicable to the credit rating of the instrument. Non Performing Investments are identified and valued based on RBI guidelines. Sale / Redemption of Investments Profit or loss on sale / redemption in respect of securities in HFT and AFS category is included in the Profit and Loss account. Profit on sale / redemption of investments in HTM category is included in the Profit and Loss Account and is appropriated to Capital Reserve after adjustments for tax and transfer to Statutory Reserve, as per RBI guidelines.

4.2 Investment fluctuation reserve

To ensure building up of adequate reserves and protect against increase in yields, RBI through circular number RBI/2017-18/147 DBR.No.BP. BC.102/21.04.048/2017- 18 dated April 2, 2018, advised all banks to create an IFR with effect from the FY 2018-19.



Transfer to IFR will be lower of the following (i) net profit on sale of investments during the year or (ii) net profit for the year less mandatory appropriations, until the amount of IFR is at least 2% of the HFT and AFS portfolio, on a continuing basis.

5. ADVANCES AND PROVISIONS THEREON:

Advances are classified as standard and non-performing assets and provisions are made as per the prudential norms prescribed by RBI. Advances stated in the Balance Sheet are net of provisions, interest suspense, claims received from credit guarantee institutions and recoveries pending appropriation and held in sundry account. Interest on non-performing advances is transferred to an unrealized interest account and not recognized in profit and loss account until received. Amounts recovered against debts written off is recognised as income and provisions no longer considered necessary based on the current status of the borrower, is reversed to the profit and loss account. In respect of restructured / rescheduled assets, provision is made in accordance with RBI guidelines, including diminution in the fair value of the assets to be provided on restructuring, as applicable.

Provision for standard assets, is made in accordance with the guidelines and at levels stipulated by RBI from time to time. Transfer of advances through inter-bank participation is undertaken with and without risk in accordance with RBI guidelines. In case of participation with risk, the aggregate amount of participation sold / purchased by the Bank is reduced from / included in advances. In case of participation without risk, the aggregate amount of participation sold / purchased by the Bank is classified under borrowings / investments.

6. FIXED ASSETS:

Premises and other fixed assets are accounted for at historical cost as reduced by depreciation written off. The cost includes cost of purchase and all expenditure such as site preparation, installation cost, expenditure incurred for development of software, and GST (net of ITC). Subsequent expenditure incurred on the assets already in use are capitalised only when it increases the future benefits from such assets or their functioning capacity.

Revaluation of Fixed Assets

Premises are revalued periodically (every 3rd year) by two independent valuers, to reflect current market valuation. Appreciation, if any, on revaluation is credited to Revaluation Reserve under Capital Reserves. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to Other Revenue Reserve. A decrease in the carrying amount of an asset arising on revaluation should be charged to the statement of profit and loss. However, the decrease should be debited directly revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

7. DEPRECIATION:

7.1 Depreciation on Fixed Assets [other than those referred in Paragraph 7.2] is provided in accordance with Schedule II to the Companies Act, 2013 as per written down value method, as



per following table, except in case of revalued assets, in respect of which depreciation is provided on the basis of estimated useful life of these revalued assets

Sr. No.	Description of fixed assets	Method of charging depreciation/ Amortization	Depreciation/ amortization rate
1.	Computers (End user device such as laptop, desktop)	Straight Line Method	33.33% every year
2.	Computer software's, forming an integral part of hardware	Straight Line Method	33.33% every year
3.	High End Servers and networks/Network devices (Data Centers etc)	Straight Line Method	16.67 % every year
4.	Core Banking Solution viz Finacle 10 and related Implementation cost.	Straight Line Method	16.67 % every year
5.	Other fixed assets (Furniture & Fittings, Plant & Machinery, Vehicles and Office Equipment's)	Written down value method	Various rates depending upon useful life given under Schedule II of Companies Act 2013

7.2 Depreciation on Computers (Laptops/Desktop/Printer) and Software forming an integral part of Computer Hardware, is provided on Straight Line Method at the rate of 33.33% p.a., as per the guidelines of RBI.

Depreciation on additions is provided proportionately from the date of purchase/put to use.

8. EMPLOYEE BENEFITS

8.1 PROVIDENT FUND

Provident fund is a statutory obligation as per The Nainital Bank Limited PF Rules, the Bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to Profit and Loss Account. The fund is managed by The Nainital Bank Limited Provident Fund Trust.

8.2 GRATUITY



Gratuity liability is a statutory obligation being higher of gratuity payment as per The Nainital Bank Limited Gratuity Fund Rules and Regulations and Payment of Gratuity Act 1972. This is provided for on the basis of an actuarial valuation. +

8.3 PENSION

Pension liability is a defined benefit obligation under The Nainital Bank Ltd (Employees) Pension Regulations 1995, and is provided for on the basis of actuarial valuation, for the employees who have joined Bank up to 31.03.2010 and opted for pension. The pension liability is funded by The Nainital Bank Limited (Employees) Pension Fund Trust.

New Pension Scheme which is applicable to employees enrolled under the scheme is a defined contribution scheme, Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit and Loss Account.

8.4 Wage revision- The wage revision of Bank employees takes place after every five years through bilateral talks between Indian Bank Association (IBA), (a representative body of management of Banks) and Employees Unions & Officers' Associations. The last wage revision had become applicable w.e.f. November 01, 2017.

9. REVENUE RECOGNITION

Income and Expenditure are generally accounted on accrual basis, except otherwise stated. Interest/other charges from loans, advances and investments other than on non-performing assets, are recognized on accrual basis. Interest income on nonperforming Advances/Investments are recognized upon realisation, as per prudential norms prescribed by RBI.

Recoveries made in non-performing advances are appropriated as under:

- a) In case of Non-Performing assets, the recoveries are appropriated in the order of charges, interest and principal dues;
- b) In case of One Time Settlement accounts the recoveries are first adjusted to principal balance. In compromise settlement cases / sale to Asset Reconstruction Companies (ARC), sacrifice on settlement is accounted at the time of closure of account.

Commission on bank guarantees / letters of credit, locker rent, banc assurance and third party products, Priority Sector Lending Certificate trading, annual fee on cards are accounted on receipt basis.

Processing / other fees collected on loans approved / disbursed, along with related loan acquisition costs are recognised at inception / renewal of the facility.

Dividend income and interest on Income Tax refund is recognised when the right to receive payment is established. Goods & Service Tax input credit is accounted for in the books within the time limit prescribed under CGST Rules, 2017, as amended.



10. TAXES ON INCOME:

Income Tax expense comprises of current tax provision made after due consideration of the judicial pronouncements and legal opinion (i.e. the amount of tax for the period determined in accordance with the Income Tax Act, 1961, the rules framed there under and considering the material principles set out in Income Computation and Disclosure Standards) and the net change in the deferred tax asset or liability during the year.

Deferred income taxes recognize timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are recognized in the books of account to the extent of their future reversibility. Deferred Tax Liabilities are recognized fully in the year of accrual. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

11. EARNINGS PER SHARE

The bank reports basic and diluted earnings per equity share in accordance with the AS 20 (Earnings per Share) issued by the ICAI. Basic earnings per equity share have been computed by dividing net income by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

12. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As per AS 29 (Provisions, Contingent Liabilities and Contingent Assets) issued by the ICAI, the Bank recognises provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

13. SEGMENT REPORTING

The Bank recognizes the Business Segment as the Primary reporting segment and Geographical segment as the Secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by ICAI.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, balances with the Reserve Bank of India, balances with other banks and money at call and short notice.

15. Corporate Social Responsibility Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013 is recognised in the Profit and Loss Account.



THE NAINITAL BANK LIMITED
Regd. Office: G.B. Pant Road, Nainital -263001

SCHEDULE 18: NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2022

1. Regulatory Capital

a) Composition of Regulatory Capital

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Common Equity Tier 1 capital (CET 1)	592.06	563.90
ii)	Additional Tier 1 capital	NIL	NIL
iii)	Tier 1 capital (i + ii)	592.06	563.90
iv)	Tier 2 capital	41.33	34.47
v)	Total capital (Tier 1+Tier 2)	633.39	598.37
vi)	Total Risk Weighted Assets (RWAs)	4508.86	4376.40
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	13.13%	12.88%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	13.13%	12.88%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0.92%	0.79%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	14.05%	13.67%
xi)	Leverage Ratio	6.86%	6.65%
xii)	Percentage of the shareholding of		
	a) Government of India	NIL	NIL
	b) State Government		
	c) Sponsor Bank		
xiii)	Amount of paid-up equity capital raised during the year	NIL	NIL
xiv)	Amount of non-equity Tier 1 capital raised during the year	NIL	NIL
xv)	Amount of Tier 2 capital raised during the year	NIL	NIL

b) Draw down from Reserves

An amount of Rs. 2.99 Crores have been utilized from Investment reserve account (IRA) during the Financial Year on account of depreciation in the AFS portfolio, which is equivalent to MTM in such category of investment (net of Taxes and net of amount required to be transferred to Statutory Reserve) in accordance with RBI Master Direction on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021



2. Asset liability management

a) Maturity pattern of certain items of assets and liabilities as on 31-03-2022

(Amount in ₹ crore)

	Day 1	2 to 7 days	8 to 14 days	15 to 30 Days	31 daysto 2 months	Over2 monthsand to 3 months	Over3 monthsand up to 6 Months	Over6 monthsand up to 1 year	Over 1 yearand up to 3 years	Over 3 yearsand up to 5 years	Over5 years	Total
Deposits	122.66 (86.93)	216.17 (190.93)	241.50 (216.99)	205.12 (173.48)	307.23 (383.66)	388.07 (389.33)	927.32 (1267.74)	1514.15 (1464.71)	3456.02 (3130.62)	88.12 (90.93)	19.52 (17.27)	7485.88 (7412.59)
Advances	18.10 (23.13)	89.18 (98.13)	104.16 (117.86)	207.95 (227.36)	105.48 (109.41)	104.29 (112.05)	1.90 (57.28)	6.48 (128.23)	1569.41 (1649.34)	342.01 (415.77)	1367.87 (709.14)	3916.83 (3647.70)
Investments	6.26 (0.00)	0.00 (0.00)	0.00 (19.13)	49.88 (0.00)	84.73 (44.67)	0.00 (16.62)	135.04 (148.00)	40.24 (156.76)	270.95 (360.89)	694.37 (547.93)	1009.63 (1025.02)	2291.10 (2319.02)
Borrowings	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Foreign Currency assets	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Foreign Currency liabilities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

Note: Figures in bracket indicates previous year figures for corresponding period (i.e 31st March 2021)



b) Liquidity coverage ratio (LCR)

(Amount in ₹ crore)

		Q1 2021-2022		Q2 2021-2022		Q3 2021-2022		Q4 2021-2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1.	Total High Quality Liquid Assets (HQLA)		2073.47		2069.11		2086.82		2138.68
Cash Outflows									
2.	Retail deposits and deposits from small business customers, of which:	5358.59	340.85	5423.15	345.95	5464.26	349.69	5522.52	353.90
(i)	Stable deposits	3900.28	195.01	3927.29	196.36	3934.64	196.73	3967.10	198.36
(ii)	Less stable deposits	1458.31	145.83	1495.87	149.59	1529.62	152.96	1555.42	155.54
3.	Unsecured wholesale funding, of which:	1553.33	855.49	1604.74	916.41	1518.99	820.42	1535.13	824.60
(i)	Operational deposits (all counterparties)	0	0	0.00	0.00	0.00	0.00	0	0
(ii)	Non-operational deposits (all counterparties)	1553.33	855.49	1604.74	916.41	1518.99	820.42	1535.13	824.60
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	Secured wholesale funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.	Additional requirements, of which	626.99	34.73	613.61	33.16	584.75	31.56	582.45	31.83
(i)	Outflows related to derivative exposures and other collateral requirements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Outflows related to loss of funding on	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



	debt products								
(iii)	Credit and liquidity facilities	626.99	34.73	613.61	33.16	584.75	31.56	582.45	31.83
6.	Other contractual funding obligations	122.74	122.74	115.61	115.61	159.87	159.87	217.14	217.14
7.	Other contingent funding obligations	123.40	3.70	121.82	3.65	125.32	3.76	123.30	3.70
8.	Total Cash Outflows	7785.05	1357.50	7878.93	1414.79	7853.18	1365.30	7980.53	1431.17
Cash Inflows									
9.	Secured lending (e.g. reverse repos)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10.	Inflows from fully performing exposures	216.54	216.37	292.99	292.49	190.09	189.79	153.81	151.68
11.	Other cash inflows	200.68	100.34	215.26	107.63	229.19	114.59	249.94	124.97
12.	Total Cash Inflows	417.22	316.71	508.25	400.12	419.27	304.38	403.75	276.65
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total HQLA		2073.47		2069.11		2086.82		2138.68
14.	Total Cash Outflows less Total Cash Inflows	7367.83	1040.79	0.00	1014.67	7433.91	1060.92	7576.79	1154.52
15.	25% of Total Cash outflows	1946.26	339.38	0.00	353.70	1963.30	341.32	1995.14	357.79
16.	Total Net Cash Outflows [Higher of 14 or 15]	7367.83	1040.79	0.00	1014.67	7433.91	1060.92	7576.79	1154.52
17.	Liquidity Coverage Ratio (%) (HQLA/Total net Cash Outflows)		199.22%		203.92%		196.70%		185.24%

Qualitative-

The Basel Committee for Banking Supervision (BCBS) had proposed the liquidity coverage ratio (LCR) in order to ensure that a bank has an adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant liquidity



stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. As per the RBI guidelines the minimum LCR required to be maintained by banks shall be implemented in the phased manner from January 1, 2015 as given below.

Starting from January 1	2015	2016	2017	2018	2019
Minimum LCR	60%	70%	80%	90%	100%

Further due to Covid 19 pandemic RBI has revised the LCR guidelines w.e.f. 17.04.2020, details as given below:

From date of circular to September 30, 2020	80%
Oct 1, 2020 to March 31, 2021	90%
April 1, 2021 onwards	100%

The LCR has two components:

- (a) The value of the stock of high-quality liquid assets (HQLA) in stressed conditions.
- (b) Total net cash outflows: The term "Total net cash outflows" is defined as "Total expected cash outflows" minus "Total expected cash inflows" in the specified stress scenario for the subsequent 30 calendar days (the stressed period).

$LCR = \text{Stock of High Quality Liquid Assets} / \text{Total Net Cash Outflows over the next 30 calendar days} \geq 100\%$

High Quality Liquid Assets (HQLA):

Liquid assets comprise of high quality assets that can be readily sold or used as collateral to obtain funds in a range of stress scenarios. They should be unencumbered i.e. without legal, regulatory or operational impediments. Assets are considered to be high quality liquid assets if they can be easily and immediately converted into cash at little or no loss of value.

Bank's composition of HQLA mainly consists of government securities in excess of minimum Statutory Liquidity Ratio (SLR), the extent allowed under the Marginal Standing Facility (MSF) and the Facility to Avail Liquidity for LCR (FALLCR). Additionally, cash, balances in excess of cash reserve requirement with RBI. Level 2 HQLA primarily consisted of AA- and above rated corporate bonds and commercial papers.

Bank's Cash Outflow mainly consists of Retail Deposit, Unsecured Wholesale Funding, and Funding from other legal entity customers, Undrawn Committed Credit & Liquidity Facilities, Guarantees Letter Of Credit & Trade Finance, and Other Contractual Outflows.

The cash Inflow mainly consists of amount received from Retail & Small Business Counterparties, amount to be received from Non-Financial Wholesale Counterparties, amount to be received from Financial Institutions & RBI, and from Other Contractual Cash Inflows.

The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities as well as to undrawn commitments, partially offset by inflows from assets maturing within 30 days.

The average LCR for the quarter ended March 2022 was 185.24% comfortably above RBI prescribed minimum requirement i.e. 100%. Average cash outflows were Rs.1431.17 Crore, Average cash inflows were Rs.276.65 Crores. Average High Quality Liquid Assets were Rs.2138.68 Crores of the quarter ended March 2022.

c) NSFR Disclosure Standards

NSFR Qualitative Disclosure

The RBI guidelines stipulated the implementation of NSFR effective from 1st October 2021 at a consolidated level with disclosure from quarter ended December 2021. Accordingly, the bank is computing the Consolidated NSFR. The NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding;

$NSFR = (\text{Available Stable Funding (ASF)}) / (\text{Required Stable Funding (RSF)})$



Available stable funding (ASF) is measured based on the broad characteristics of relative stability of funding sources, including contractual maturity of its liabilities and the differences in the tendency of different types of funding providers to withdraw their funding. Required Stable Funding (RSF) is a function of the liquidity characteristics and residual maturities of the various assets held by the bank including Off-Balance Sheet (OBS) exposures.

The table attached herewith sets out the un-weighted and weighted value of the NSFR components as on 31st December 2021 and 31st March 2022 based on audited financials.

At a consolidated level, the NSFR of the bank comes out to 206.52% as on 31st December 2021 and 216.17% as on 31st March 2022 against the requirement of 100% as per RBI guidelines.

To promote the consistency and usability of disclosures related to the NSFR and to enhance market discipline, bank is required to publish its NSFR according to a common template given by RBI. Bank is therefore required to publish this disclosure along with the publication of financial statements (i.e. typically quarterly or semi-annually), irrespective of whether the financial statements are audited. The NSFR information is calculated on a consolidated basis and presented in Indian Rupee.

Data must be presented as quarter-end observations. Both un-weighted and weighted values of the NSFR components are to be disclosed unless otherwise indicated. Weighted values are calculated as the values after applying ASF (Available stable funding) or RSF (Required stable funding) factors.

RBI in its circular dated 05.02.2021 decided that NSFR guidelines will come into effect from October 1,2021.

Rs. In Crs

Appendix II						
NSFR Disclosure Template-31.12.2021						
(Rs.in Crore)		Unweighted value by residual maturity				Weighted value
		No matur	< 6 months	6 months to < 1yr	≥ 1yr	
ASF It						
1	Capital: (2+3)	0.00	0.00	0.00	602.59	602.59
2	Regulatory capital	0.00	0.00	0.00	602.59	602.59
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits from small business customers: (5+6)	0.00	0.00	5854.26	0.00	5,440.48
5	Stable deposits	0.00	0.00	3,432.87	0.00	3,261.23
6	Less stable deposits	0.00	0.00	2,421.39	0.00	2,179.25
7	Wholesale funding: (8+9)	0.00	0.00	1198.38	0.00	599.19
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	0.00	0.00	1,198.38	0.00	599.19
10	Other liabilities: (11+12)	0.00	0.00	80.96	0.00	72.55
11	NSFR derivative liabilities		0.00	0.00	0.00	
12	All other liabilities and equity not included in the categories	0.00	0.00	80.96	0.00	72.55
13	Total ASF (1+4+7+10)					6,714.81
RSF It						



14	Total NSFR high-quality liquid assets (HQLA)					
15	Deposits held at other financial institutions for operational purposes	0.00	0.00	0.00	0.00	0.00
16	Performing loans and securities: (17+18+19+21+23)	0.00	0.00	917.86	2598.59	2,148.01
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	0.00	0.00	0.00	0.00
19	Performing loans to non-financial corporate clients, loans to retail small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	0.00	917.86	0.00	458.93
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	0.00	0.00
21	Performing residential mortgages, of which:	0.00	0.00	0.00	2,598.59	1,689.08
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	2,598.59	1,689.08
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	0.00	0.00	0.00	0.00
24	Other assets: (sum of rows 25 to 29)	0.00	3043.00	945.76	333.88	1097.21
25	Physical traded commodities, including gold		0.00	0.00	0.00	0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.00	0.00	0.00	0.00
27	NSFR derivative assets		0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted		0.00	0.00	0.00	0.00
29	All other assets not included in the above categories		3,043.00	945.76	333.88	1,097.21
30	Off-balance sheet items		125.08	0.00	0.00	6.25
31	Total RSF (14+15+16+24+30)					3,251.47
32	Net Stable Funding Ratio (%)					206.52%



Rs.In Crs

Appendix II						
NSFR Disclosure Template-31.03.2022						
(Rs.in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	0.00	0.00	0.00	633.39	633.39
2	Regulatory capital	0.00	0.00	0.00	633.39	633.39
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits small business customers: (5+6)	0.00	0.00	5796.65	0.00	5387.82
5	Stable deposits	0.00	0.00	3416.66	0.00	3245.83
6	Less stable deposits	0.00	0.00	2379.99	0.00	2141.99
7	Wholesale funding: (8+9)	0.00	0.00	1366.07	0.00	683.04
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	0.00	0.00	1366.07	0.00	683.04
10	Other liabilities: (11+12)	0.00	0.00	11.81	119.50	119.50
11	NSFR derivative liabilities		0.00	0.00	0.00	
12	All other liabilities and equity not included the above categories	0.00	0.00	11.81	119.50	119.50
13	Total ASF (1+4+7+10)					6823.74
RSF Item						
14	Total NSFR high-quality liquid Assets (HQLA)					0.00
15	Deposits held at other financial institutions for operational purposes	0.00	0.00	0.00	0.00	0.00
16	Performing loans and securities (17+18+19+21+23)	0.00	0.00	637.53	3052.84	2303.12
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00



18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	0.00	0.00	0.00	0.00
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	0.00	637.53	0.00	318.77
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	0.00	0.00
21	Performing residential mortgages, of which:	0.00	0.00	0.00	3052.84	1984.35
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	3052.84	1984.35
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	0.00	0.00	0.00	0.00
24	Other assets: (sum of rows 25 to 29)	0.00	1791.15	737.77	364.70	847.04
25	Physical traded commodities, including gold					
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.00	0.00	0.00	0.00
27	NSFR derivative assets		0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted		0.00	0.00	0.00	0.00
29	All other assets not included in the above categories		1791.15	737.77	364.70	847.04



30	Off-balance sheet items		130.57	0.00	0.00	6.53
31	Total RSF (14+15+16+24+30)					3156.69
32	Net Stable Funding Ratio (%)					216.17%



3. Investments

a) Composition of Investment Portfolio as at 31st March 2022:

(Amount in ₹ crore)

	Investments in India						Investments outside India			
	Govt. Securities	Other approved Securities	Shares	Debentures/ Bonds	Others	Total Investment in India	Govt. Securities	Others	Total Investment outside India	Total Investments
Held to Maturity										
Gross	1243.39	0.00	0.00	0.00	0.00	1243.39	0.00	0.00	0.00	1243.39
Less: Provision for non- performing Investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	1243.39	0.00	0.00	0.00	0.00	1243.39	0.00	0.00	0.00	1243.39
Available for Sale										
Gross	846.38	0.00	0.00	186.19	29.80	1062.37	0.00	0.00	0.00	1062.37
Less: Provision for depreciation and NPI	8.21	0.00	0.00	0.74	5.72	14.67	0.00	0.00	0.00	14.67
Net	838.17	0.00	0.00	185.45	24.08	1047.70	0.00	0.00	0.00	1047.70
Held for Trading										
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net							0.00	0.00	0.00	
Total Investments	2089.77	0.00	0.00	186.19	29.80	2305.76	0.00	0.00	0.00	2305.76
Less: Provision for non-performing investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	8.21	0.00	0.00	0.74	5.72	14.67	0.00	0.00	0.00	14.67
Net	2081.56	0.00	0.00	185.45	24.08	2291.09	0.00	0.00	0.00	2291.09



Composition of Investment Portfolio as at 31st March 2021:

(Amount in ₹ crore)

	Investments in India						Investments outside India			
	Govt. Securities	Other approved Securities	Shares	Debentures/ Bonds	Others	Total Investment in India	Govt. Securities	Others	Total Investment outside India	Total Investments
Held to Maturity										
Gross	1314.09	0.00	0.00	0.00	0.00	1314.09	0.00	0.00	0.00	1314.09
Less: Provision for non-performing Investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	1314.09	0.00	0.00	0.00	0.00	1314.09	0.00	0.00	0.00	1314.09
Available for Sale										
Gross	741.12	0.00	0.00	242.93	23.95	1008	0.00	0.00	0.00	1008
Less: Provision for depreciation and NPI	3.08	0.00	0.00	0.00	0.00	3.08	0.00	0.00	0.00	3.08
Net	738.04	0.00	0.00	242.93	23.95	1004.92	0.00	0.00	0.00	1004.92
Held for Trading										
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net							0.00	0.00	0.00	
Total Investments	2055.21	0.00	0.00	242.93	23.95	2322.09	0.00	0.00	0.00	2322.09
Less: Provision for non-performing investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	3.08	0.00	0.00	0.00	0.00	3.08	0.00	0.00	0.00	3.08
Net	2052.13	0.00	0.00	242.93	23.95	2319.01	0.00	0.00	0.00	2319.01



b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amount in ₹ crore)

(i)	Movement of provisions held towards depreciation on investments	Current Year	Previous Year
(a)	Opening Balance	3.08	0.00
(b)	Add: Provisions made during the year	5.33	3.08
(c)	Less: Write off / write back of excess provisions during the year	NIL	NIL
(d)	Closing Balance	8.41	3.08
(ii)	provisions for Security Receipts		
(a)	Opening Balance	NIL	NIL
(b)	Less: Write back of excess provision	NIL	NIL
(c)	Add: Provisions made during the quarter	5.72	NIL
(d)	Less: Write off/Write back of excess provisions during the year	NIL	NIL
(e)	Closing Balance	5.72	NIL
(iii)	Movement of provisions for NPI		
(a)	Opening Balance	NIL	NIL
(b)	Less: Write back of excess provision	NIL	NIL
(c)	Add: Provisions made during the quarter	0.54	Nil
(d)	Less: Write off/Write back of excess provisions during the year	NIL	NIL
(e)	Closing Balance	0.54	NIL

(Amount in ₹ crore)

	Movement in Investment Fluctuation Reserve	Current Year	Previous Year
1.	Opening Balance	12.07	1.91
2.	Amount transferred during the year	9.18	10.16
3.	Less: Drawdown	NIL	NIL
4.	Closing balance as on 31.03.2022	21.25	12.07
5.	Closing balance in IFR as a percentage of closing balance of investments in AFS* and HFT/Current category	2.00%	1.20%

c) Sale and transfers to/from HTM category

Details of Transfer of Securities to/from HTM portfolio to AFS in excess of 5% : NIL.

d) Non-SLR investment portfolio

i) Non-performing non-SLR investments

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
a)	Opening balance	NIL	NIL
b)	Additions during the year since 1 st April	0.54	NIL
c)	Reductions during the above period	NIL	NIL



d)	Closing balance	0.54	NIL
e)	Total provisions held	0.54	NIL

ii) Issuer composition of non-SLR investments

(Amount in ₹ crore)

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Public Issue		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
		(3)		(4)		(5)				(6)		(7)	
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
a)	PSUs	40.00	50.01	40.00	50.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b)	FIs	30.90	50.89	30.90	50.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c)	Banks	29.82	39.79	29.82	39.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d)	Private Corporates	34.93	39.87	34.93	39.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e)	Subsidiaries/ Joint Ventures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f)	Others	80.34	86.32	70.37	48.96	0.00	0.00	0.00	37.36	6.26	0.00	6.26	23.95
g)	Provision held towards depreciation	(6.46)	0.00	(6.46)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	209.53	266.88	203.27	229.52	0.00	0.00	0.00	37.36	6.26	0.00		

e) Repo transactions (in face value terms) - The Bank had not entered into any Repo or reverse repo transactions during the current year and last year.



4. Asset quality

a) (i) Classification of advances and provisions held as on March 31st 2022:

(Amount in ₹ crore)

	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	3377.93	166.09	385.86	98.72	650.67*	4028.60
Add: Additions during the year					129.97	
Less: Reductions during the year*					272.69	
Closing balance	3690.37	126.62	356.99	24.34	507.95@	4198.32
*Reductions in Gross NPAs due to:						
i) Upgradation					74.09	74.09
ii) Recoveries (excluding recoveries from upgraded accounts)					78.73	78.73
iii) Technical/ Prudential Write-offs					119.09	119.09
iv) Write-offs other than those under (iii) above					0.78	0.78
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	18.32	25.08	237.68	95.84	358.60	376.92
Add: Fresh provisions made during the year					91.45	91.45
Less: Excess provision reversed/ Write-off loans					168.89	168.89
Closing balance of provisions held	25.94	20.72	236.10	24.34	281.16	307.10
Net NPAs						
Opening Balance					206.93	
Add: Fresh additions during the year					NIL	
Less: Reductions during the year					43.32	
Closing Balance					163.61	163.61

*The opening Gross NPA Includes Interest suspense of Rs. 21.73.

@Excluding interest suspense of Rs. 13.46 crore



	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Floating Provisions						
Opening Balance						62.85
Add: Additional provisions made during the year						NIL
Less: Amount drawn down during the year						NIL
Closing balance of floating provisions						62.85
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						18.60
Add: Technical/ Prudential write-offs during the year						119.09
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						0.01
Closing balance						137.68

(ii) Classification of advances and provisions held as on March 31st 2021:

(Amount in ₹ crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Total Standard Advances	Sub-standard	Doubtful
Gross Standard Advances and NPAs						
Opening Balance	3581.97	114.97	319.69	101.37	536.03	4118.00
Add: Additions during the year					176.94	
Less: Reductions during the year*					62.30	
Closing balance	3377.93	166.09	385.86	98.72	650.67	4028.60
*Reductions in Gross NPAs due to:					62.30	62.30
i) Upgradation					9.60	9.60
ii) Recoveries (excluding recoveries from upgraded accounts)					52.70	52.70



iii) Technical/ Prudential Write-offs					nil	nil
iv) Write-offs other than those under (iii) above					nil	nil
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	20.49	17.09	159.52	98.09	274.70	
Add: Fresh provisions made during the year					85.00	
Less: Excess provision reversed/ Write-off loans					1.10	
Closing balance of provisions held	18.32	25.08	237.68	95.84	358.60	
Net NPAs #						
Opening Balance					184.14	
Add: Fresh additions during the year					22.79	
Less: Reductions during the year					-	
Closing Balance					206.93	

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Floating Provisions						
Opening Balance						62.85
Add: Additional provisions made during the year						NIL
Less: Amount drawn down during the year						NIL
Closing balance of floating provisions						62.85
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						18.85
Add: Technical/ Prudential write-offs during the year						NIL
Less: Recoveries made from previously technical/ prudential written-off						0.25



accounts during the year	
Closing balance	18.60

Ratios (in per cent)	Current Year	Previous Year
Gross NPA to Gross Advances	12.10 %	16.15%
Net NPA to Net Advances	4.25%	5.77%
Provision coverage ratio	67.72%	64.77%

(ii) Sector-wise Advances and Gross NPAs

(Amounts in ₹ crore)

Sr. No.	Sector	Current Year			Previous Year		
		Outstanding Total Advances#	Gross NPAs#	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
i)	Priority Sector						
a)	Agriculture and allied activities	858.06	172.30	20.08%	844.26	163.77	19.40%
b)	Advances to Industries sector eligible as priority sector lending	412.63	141.78	34.36%	410.46	141.72	34.53%
c)	Services	666.02	78.55	11.79%	648.34	30.06	4.64%
d)	Personal Loan	352.86	18.12	5.14%	365.29	83.58	22.88%
	Subtotal (i)	2289.57	410.75		2268.35	419.13	
ii)	Non-priority Sector						
a)	Agriculture and allied activities	4.23	1.18	27.90%	2.01	1.08	53.73%
b)	Industry	73.38	15.74	21.45%	197.28	129.50	65.64%
c)	Services	274.11	29.65	10.82%	1115.31	42.57	3.82%
d)	Personal Loan	1557.03	50.63	3.25%	445.64	58.39	13.10%
	Sub-total (ii)	1908.75	97.20		1760.24	231.54	
	Total (i + ii)	4198.32	507.95		4028.59	650.67	

#Excludes Interest suspense of Rs. 13.46 Crore



b) Particulars of resolution plan and restructuring

i) Particulars of resolution plan implemented vide circular DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 - NIL

ii) Details of accounts subjected to restructuring

		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Standard	Number of borrowers	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Gross Amount (₹ crore)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Provision held (₹ crore)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-standard	Number of borrowers	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Gross Amount (₹ crore)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Provision held (₹ crore)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Doubtful	Number of borrowers	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Gross Amount (₹ crore)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Provision held (₹ crore)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	Number of borrowers	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Gross Amount (₹ crore)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Provision held (₹ crore)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

(iii) In accordance with RBI Circular No. DBR.No.BP.BC.18/21.04.048/2018-19 dated 01.01.2019, RBI circular No DOR. No. BP. BC. 34/21.04.048/2019-20 dated 11.02.2020 & RBI circular No DOR. No. BP. BC/4/21.04.048/2020-21 dated 06.08.2020 on 'Restructuring of Advances - Micro, Small and Medium Enterprises (MSME) Sector' (One Time Restructuring), the details of MSME restructured borrowers as on 31.03.2022 is as under:

(In ₹ Lakhs)

No of Accounts	Amount as on 31.03.2022
3	1449.81



(iv) In accordance with RBI circular No DOR.STR.REC.12/21.04.048/2021-22 dated **05.05.2021** & RBI circular No DOR.STR.REC.21/21.04.048/2021-22 dated **04.06.2021** on Resolution Framework 2.0 – Resolution of Covid-19 related stress of **Micro, Small and Medium Enterprises (MSMEs)**, the details of accounts restructured is as under.

(In ₹ Lakhs)

No of Accounts	Funded O/s as on 31.03.2022	Provision Held
226	2749.46	300.32

(v) In accordance with the RBI Cir. No. DOR.STR.REC.11/21.04.048/2021-22 dated **05.05.2021** on “Resolution Framework – 2.0: Resolution of COVID – 19 **related stress of Individuals¹ and Small Business²**”, the number of borrower accounts where modification were sanctioned and implemented and the aggregate exposure to such borrowers are as under:-

(In ₹ Lakhs)

No of Accounts	Aggregate exposure as on 31.03.2022
205	2672.10

(1. Individual covers only Personal Loan segment as per RBI circular No DOR. No. BP.BC/3/21.04.048/2020-21 dated August 6, 2020 and now covered in to para 5(a) of RBI circular No DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021.

2. Small Business (including retail trade and wholesale trade) extended to individual which were covered under MSME as per RBI circular No DOR. No. BP.BC/4/21.04.048/2020-21 dated August 6, 2020 and now covered in to para 5(b) of RBI circular No DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021.)

(vi) Format – X Format for disclosures to be made in the quarters ending September 30, 2021 and December 31, 2021, RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22

Sl. No	Description	Individual Borrowers		Small businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	198	8	25
(B)	Number of accounts where resolution plan has been implemented under this window	198	8	24
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	1900.8	22.65	1160.07
(D)	Of (C), aggregate amount of debt that was converted into other securities	0	0	0
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	0	0	0
(F)	Increase in provisions on account of the implementation of the resolution plan	181.55	4.45	128.36

(vii) Details of Loan Assets subjected to restructuring during financial year 2020-21, status as on 31st March 2022:

Rs. In Lacs

		Amount as on 31.03.2022	Date of restructure	Provision
1	Ganga Tourism	1.94	30.03.2021	0.19
2	AVM Resorts Private Limited	393.38	31.03.2021	39.34
3	L P Greens	1054.50	30.03.2021	57.99

c) Divergence in asset classification and provisioning

As per RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and/or additional Gross NPAs



identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period then banks are required to disclose divergences from prudential norms on income recognition, asset classification and provisioning.

(Amount in ₹ Cr)

Sr.	Particulars	Amount
1.	Gross NPAs as on March 31, 2021 as reported by the bank	650.67
2.	Gross NPAs as on March 31, 2021 as assessed by Reserve Bank of India	655.67
3.	Divergence in Gross NPAs (2-1)	5.00
4.	Net NPAs as on March 31, 2021 as reported by the bank	206.93
5.	Net NPAs as on March 31, 2021 as assessed by Reserve Bank of India	210.83
6.	Divergence in Net NPAs (5-4)	3.90
7.	Provisions for NPAs as on March 31, 2021 as reported by the bank	358.60
8.	Provisions for NPAs as on March 31, 2021 as assessed by Reserve Bank of India	359.70
9.	Divergence in provisioning (8-7)	1.10
10.	Report Profit before Provisions and Contingencies for the year ended March 31, 2021	118.24
11.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2021	1.26
12.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2021 after considering the divergence in provisioning	0.16

d) **Disclosure of transfer of loan exposures** – The Bank have not transferred any loan exposure in current and previous financial year.

e) **Fraud accounts**

Particulars	As on March 31, 2022	As on March 31, 2021
Number of frauds reported during the year	13 No's	06 No's
Amounts Involved in Fraud (in ₹ Cr)	73.45	1.235
Amount of Provisions made for such frauds (in ₹ Cr)	5.65	1.235
Provisions held at the end of the year (in ₹ Cr)	13.03	7.43
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (in ₹ Cr)	NIL	NIL

f) **Disclosure under Resolution Framework for COVID-19-related Stress**

Details of Resolution plan implemented under Resolution Framework for COVID 19 related stress as per RBI circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 06.August 2020 as of March 31, 2022.

(Amt in ₹ Cr)

Type of borrower	Exposure to accounts classified as standard consequent to implementation of Resolution Plan – Position as at the end of the Previous half-year i.e 30.09.2021 (A)	Of (A), Aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of Resolution Plan – Position as at the end of this half-year (A)
Personal Loans					
Corporate persons*					



Of which, MSMEs			NIL		
Others					
Total					

5. Exposures

a) Exposure to real estate sector

(Rs. In Crore)

Category	31.03.2022	31.03.2021
a) Direct exposure		
(i) Residential Mortgages –		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (*Individual housing loans classified as Priority Sector as per RBI guidelines may be shown separately)	838.77	744.75
	(307.02)	(336.39)
(ii) Commercial Real Estate –		
**Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	82.00	81.5
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
a. Residential,	0.00	0.00
b. Commercial Real Estate.		
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		
Total Exposure to Real Estate Sector	920.77	826.25
**Exposure to Commercial Real Estate includes		
-Funded Exposure	Rs.76.56 Crore	
-Non Funded Exposure	Rs.5.44 Crore	
*include staff housing loans.		

b) Exposure to capital market - NIL

c) Risk category-wise country exposure – Not Applicable

d) Unsecured advances

(Amounts in ₹ crore)

Particulars	Current year	Previous Year
Total unsecured advances of the bank	289.63	80.71



Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	NIL	NIL
Estimated value of such intangible securities	NA	NA

e) Factoring exposures – NIL

f) Intra Group Exposures:

(Amounts in ₹ crore)

Particulars	As on March 31, 2022			As on March 31, 2021		
	Fund Based	Investment Based	Total	Fund Based	Investment Based	Total
Total Amount of Intra Group Exposures	NIL	NIL	NIL	NIL	NIL	NIL
Total amount of Top 20 Intra Group Exposures	NIL	NIL	NIL	NIL	NIL	NIL
Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	NIL	NIL	NIL	NIL	NIL	NIL
Details of breach of limits on intra-group exposures and regulatory action thereon, if any	NIL	NIL	NIL	NIL	NIL	NIL

Related party Disclosure – (Accounting Standard - 18):

(Amounts in ₹ crore)

Nature of Transaction	Parent (as per ownership or control)	Parent's Subsidiaries	Associates/ joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Total
Interest Earned	0.61	NIL	NIL	NIL	NIL	0.61
Other Income	NIL	NIL	0.0032	NIL	NIL	0.0032
Commission Income	NIL	NIL	0.0714	NIL	NIL	0.0714
Dividend Paid	NIL	NIL	NIL	NIL	NIL	NIL
Commission Paid	0.02	NIL	NIL	NIL	NIL	NIL



Remuneration	NIL	NIL	NIL	0.256	NIL	0.256
Rendering of services	NIL	NIL	NIL	NIL	NIL	NIL
Deposits (CASA)						
- Placements	7.61	NIL		NIL		7.61
- Received			178.72			178.72
Investments:		NIL	NIL	NIL	NIL	
- Call Money	60.00					60.00
Advances						
IBPC Issued	0.00 (0.00)	NIL	NIL	NIL	NIL	0.00 (0.00)
IBPC Participated	0.00 (0.00)					0.00 (0.00)
Non-funded commitments At the year end	6.13	NIL	NIL	NIL	NIL	6.13

The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31 March, 2022 are given below:

(Amounts in ₹ crore)						
Items/ Related Party	Parent (as per Ownership or control)	Subsidiaries	Associates/ Joint ventures #	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposit Received			178.72			178.72
Placement of deposits	7.61					7.61
Advances *						
Investments						
Non-funded commitments						
Call Lending	60.00					60.00
Swap/Forwards Contract						
Investment of related party in Hybrid Capital/ Bonds of the Bank						
Payable under management contracts						
Other receivables (net)			0.11			0.11
Other payables (net)						



Names of the related parties and their relationship with the Bank:

(i)	Parent	:	Bank of Baroda (Major Shareholder with 98.57% equity)
(ii)	Key Management Personnel	(I)	Shri Dinesh Pant (Managing Director & CEO)
(iii)	Parent's Subsidiary		Domestic Subsidiaries
		(I)	Baroda Global Shared Services Limited
		(II)	BOB Financial Solutions Limited (formerly known as BOB cards Limited)
		(III)	BOB Capital Markets Ltd.
		(IV)	Baroda Asset Management India Limited (Formerly known as Baroda Pioneer Asset Management Company Limited)
		(V)	Baroda BNP Paribas Trustee India Private Limited (Formerly Baroda Trustee India Private Limited)
			Overseas Subsidiaries
		(I)	Bank of Baroda (Botswana) Ltd.
		(II)	Bank of Baroda (Kenya) Ltd.
		(III)	Bank of Baroda (Uganda) Ltd., Baroda Capital Market (Uganda) Limited
		(IV)	Bank of Baroda (Guyana) Ltd.
		(V)	Bank of Baroda (New Zealand) Ltd.
		(VI)	Bank of Baroda (Tanzania) Ltd.
		(VIII)	Bank of Baroda (UK) Ltd.
iv)	Parents' Associates	(I)	Baroda Uttar Pradesh Gramin Bank
		(II)	Baroda Rajasthan Kshetriya Gramin Bank
		(III)	Baroda Gujrat Gramin Bank
v)	Parents' Joint Ventures	(I)	India Infradebt Limited
		(II)	India First Life Insurance Company Limited

g) Unhedged foreign currency exposure - NIL

6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
Total deposits of the twenty largest depositors	771.57	744.93
Percentage of deposits of twenty largest depositors to total deposits of the bank	10.31 %	10.05 %

b) Concentration of advances

(Amount in ₹ crore)

Particulars	Current	Previous
-------------	---------	----------



	Year	Year
Total advances to the twenty largest borrowers	397.63	608.34
Percentage of advances to twenty largest borrowers to total advances of the bank	9.16	14.63

C) Concentration of exposures

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
Total exposure to the twenty largest borrowers/customers	606.21	778.73
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/ Customers	11.85	15.64

d) Concentration of NPAs

(Amount in ₹ crore)

	Current Year	Previous Year
Total Exposure to the top twenty NPA accounts	220.46	350.14
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	43.40	53.81

7. **Derivatives** – The Bank did not enter into the derivative transactions during the current year and previous year.

8. **Disclosures relating to securitization** – The bank had not sold any financial assets to Securitization / Reconstruction Company for Asset Reconstruction

The Bank being a member of Committee of Creditors in a consortium finance lent to M/s Benlon India Limited (NPA) (other members - State Bank of India, Punjab National Bank, Bank of Baroda, Indian Bank, Nainital Bank Ltd. and Hero Fincorp Ltd.), In view of the Corporate Insolvency Resolution Process CIRP initiated by National Company Law Tribunal (NCLT) against the said NPA account the Bank has received "Security receipts" (SR's) of Rs. 5.72 Crore from "Prudent ARC Ltd." in its Investment books which are fully provided.

Further the Bank also received Optionally Convertible Debentures (OCD) of M/s Benlon India Limited (NPA account) for Rs. 54.00 lacs in its Investment Books. Since M/s Benlon India Limited was already classified as NPA by the bank as on 28-02-2019, the investment in Optionally Convertible Debentures OCD of M/s Benlon India Limited percolated to Non performing Investments (NPI). Accordingly, the Bank has provided provision of Rs 54.00 lacs against such Optionally Convertible Debentures (OCD) of M/s Benlon India Limited as on 31-03.2022.

Investment in SRs (Security Receipts):

(Rs in crores)

Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i) Book value of SRs backed by NPAs sold by the bank as underlying	5.72	0.00	0.00
Provision held against (i)	5.72	0.00	0.00
(ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	0.00	0.00	0.00
Provision held against (ii)	0.00	0.00	0.00
Total (i) + (ii)	5.72	0.00	0.00



9. Off Balance Sheet SPV sponsored -NIL

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Opening balance of amounts transferred to DEA Fund	22.52	19.05
ii)	Add: Amounts transferred to DEA Fund during the year	3.19	3.77
iii)	Less: Amounts reimbursed by DEA Fund towards claims	0.35	0.30
iv)	Closing balance of amounts transferred to DEA Fund	25.36	22.52

11. Disclosure of complaints

Particulars	As on 31 st March, 2022	As on 31 st March, 2021
Complaints received by the Bank from its customers		
No. of complaints pending at the beginning of the year	3	2
Add: No. of complaints received during the year	302	164
Less: No. of complaints disposed during the year	305	163
Of which, number of complaints rejected by the bank	NIL	NIL
No. of complaints pending at the end of the year	NIL	3

Total customer complaints and ATM transaction disputes:

Particulars	As on 31 st March, 2022	As on 31 st March, 2021
No. of complaints pending at the beginning of the year	14	14
Add: No. of complaints received during the year	1641	1813
Less: No. of complaints redressed during the year	1643	1813
No. of complaints pending at the end of the year	12	14

Summary information on complaints received by the bank from customers and from the OBOs FY 2021-22

Particulars	As on 31 st March, 2022	As on 31 st March, 2021
Maintainable complaints received by the Bank from Office of ombudsman		
No. of complaints received by the bank from OBOs	51	26
No. of complaints resolved in favour of the bank by BOs	51	26
No. of complaints resolved through conciliation/mediation/advisories issued by BOs	Nil	Nil
No. of complaints resolved after passing of Awards By BOs against the Bank.	Nil	Nil
Number of awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil
Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2006 and covered within the ambit of the Scheme.		

*2 complaints out of total 32 complaints received from OBO were pending on 31.03.2021.

Top five grounds of complaints received by the bank from customers



Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
2021-22					
Ground - 1	ATM/Debit Cards	1641	(-9.4)%	12	0
Ground - 2	Loans and advances	32	18.755%	0	0
Ground - 3	Internet/Mobile/Electronic Banking	82	241.66%	0	0
Ground - 4	Account opening/difficulty in operation of accounts	7	(-66.66%)	0	0
Ground - 5	Facilities for customers visiting the branch/adherence to prescribed working hours by the branch, etc.	55	76.36%	0	0
	Others	126	57.50%	0	0
Total		1943		12	1

2020-21					
Ground - 1	ATM/Debit Cards	1813	(2)%	14	0
Ground - 2	Loans and advances	26	62.5%	0	0
Ground - 3	Internet/Mobile/Electronic Banking	24	71.43%	0	0
Ground - 4	Account opening/difficulty in operation of accounts	21	53.84%	0	0
Ground - 5	Facilities for customers visiting the branch/adherence to prescribed working hours by the branch, etc.	13	85.71%	0	0
	Others	80	70.21%	3	1
Total		1977		17	1

12. Disclosure of penalties imposed by the Reserve Bank of India

a) Disclosure of penalties imposed by RBI / Overseas Regulators

(Amounts in ₹ crore)

Particulars	Nature of Breach	For the year ended March 31, 2022		For the year ended March 31, 2021	
		No	of Amount	No	of Amount



		Cases		Cases	
Penalties Imposed by RBI	Regulatory & Operational	04	0.59	NIL	NIL
Penalties Imposed on Overseas territories by their respective regulators		Not Applicable	Not Applicable	Not Applicable	Not Applicable

b) Disclosure on imposition of penalty for bouncing of SGL forms

Year ended	Date of bouncing SGL form	Amount	Remarks
2021-22	NIL	NIL	NIL
2020-21	NIL	NIL	NIL

c) Disclosure of penalty imposed by RBI in a reverse repo transaction (Applicable for Defaulting participant).
Nil

d) Details of any other penalty imposed by RBI under the various provisions of :

- 1) Banking Regulation Act, 1949, - NIL
- 2) Payment and Settlement Act, 2007,- NIL
- 3) Government Securities Act, 2006. - NIL

13. Disclosures on remuneration

(Applicable to Banking Companies, including Foreign Banks operating in India)

Banks are required to make disclosure on remuneration of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers on an annual basis at the minimum, in their Annual Financial Statements. Banks shall make the disclosures in table or chart format and make disclosures for previous as well as the current reporting year. Further, private sector banks and foreign banks (to the extent applicable), shall disclose the following information:

Type of disclosure		Information	
Qualitative	(a)	Information relating to the composition and mandate of the Nomination and Remuneration Committee.	Present composition of NRC Committee Members - 1. Binita Shah - Chairperson 2. N.K. Chari - Member 3. Manoj Sharma - Member
	(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	The Bank has formulated and adopted the Remuneration Policy for Non-Executive Chairperson and Non-Executive Directors of the Bank in terms of the relevant provisions of Section 178 of the Companies Act, 2013, the relevant Rules made thereunder, rules relating to Corporate Governance and the Guidelines issued by the RBI, in this regard.



	(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	Nomination and remuneration committee undertakes risk evaluation based on industry standards and risk profile of the Bank.
	(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	The Nomination & Remuneration and Human Resource Committee (NRHR) considers, the skill set, knowledge, regional and industry experience, track record, expertise and other relevant information and adherence to the fit and proper norms by each Director, before making appropriate recommendations to the Board with regard to their appointment/re-appointment, which is designed to provide the Board with Members who have diverse knowledge, practical experience and requisite set of skills to serve the business interests of the Bank and enhance the overall effectiveness of the Board. In terms of the Policy for Board of Directors, the NRHR assesses the 'Fit and Proper' status of the Director, before considering his candidature for appointment/re-appointment as a Director of the Bank and annually i.e. as at 31st March every year
Type of disclosure		Information	
	(e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.	Bank has a compensation policy with due incorporation of all such covenants
	(f)	Description of the different forms of variable remuneration (i.e., cash and types of share-linked instruments) that the bank utilizes and the rationale for using these different forms.	Bank has a compensation policy with due incorporation of all such covenants

			Current Year	Previous Year
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Quantitative disclosures (The quantitative disclosures should only cover Whole Time Directors/ Chief Executive Officer/ Material Risk Takers)	(g)	Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members.	10	8
	(h)	(i) Number of employees having received a variable remuneration award during the financial year. (ii) Number and total amount of sign-on/joining bonus made during the financial year. (iii) Details of severance pay, in addition to accrued benefits, if any.	NA	NA
	(i)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms. (ii) Total amount of deferred remuneration paid out in the financial year.	NA	NA
	(j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	NA	NA
	(k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	NA	NA
			Current Year	Previous Year
		(ii) Total amount of reductions during the financial year due to ex post explicit adjustments. (iii) Total amount of reductions during the financial year due to ex post implicit adjustments.	NA	NA
	(l)	Number of MRTs identified.	NA	NA
	(m)	(i) Number of cases where malus has been exercised. (ii) Number of cases where clawback has been exercised. (iii) Number of cases where both malus and clawback have been exercised.	NA	NA



General Quantitative Disclosure	(n)	The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	NA	NA
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The remuneration paid to non-executive director/chairman during current financial year is Rs. 5,11,000/-, and to the MD & CEO is Rs. 25,60,000/-

14. Other Disclosures

a) Business ratios

Item	As on 31 st March, 2022	As on 31 st March, 2021
i. Interest Income as a percentage to Working Funds (%)	6.70	7.11
ii. Non-interest income as a percentage to Working Funds(%)	0.48	0.59
iii. Operating Profit as a percentage to Working Funds(%)	1.20	1.42
iv. Return on Assets(%)	0.34	0.02
v. Business (Deposits plus Advances excluding Bank deposits) per employee (Rs. in crore)	13.58	12.30
vi. Net Profit per employee (Rs. in crore)	0.03469	0.0014
VII Net Interest Margin	2.98%	2.77%
VIII Cost of Deposits	4.34%	5.02%
IX Yield on Advances	8.24%	8.36%

b) Banc assurance business

The total income of the bank in respect of bank assurance business was Rs. 149.89 Lakh during the period ended 31.03.2022 with details as under:

(Rs in lakh)

Sr. No.	Insurance Company	Amount	
		As on 31 st March, 2022	As on 31 st March, 2021
1.	Exide Life Insurance Company Ltd.	107.87	105.53
2.	National Insurance Company Ltd	10.35	22.59
3.	India First Life Insurance Co. Ltd	7.14	11.82
4.	Life Insurance Corp of India	2.76	2.85
5.	Future Generali Insurance Ltd.	21.77	26.47
	Total	149.89	169.26

The total income of the bank in respect of other products was 0.10 lacs during the period ended 31.03.2022, with details as under.

(Rs . in Lakh)

Sr. No.	Company	Amount	
		As on 31 st March, 2022	As on 31 st March, 2021
1.	Weizmann Forex Ltd.	0.05	0.04
2.	Stock Holding Corporation of India Ltd.	0.02	0.05
3.	Atal Pension Yojna	0.03	0.00
	Total	0.10	0.09

c) Marketing and distribution

NIL

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs) – NIL



e) Reserves and Surplus

Statutory Reserve the Bank has made an appropriation of 7.23 Crores (Previous Year: 0.31 Crores) out of profits for the year ended March 31, 2022 to the Statutory Reserve pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI guidelines dated September 23, 2000.

Capital Reserve - Capital Reserve includes appreciation arising on revaluation of immovable properties,

Investment Fluctuation Reserve - In accordance with RBI guidelines, banks are required to create an Investment Fluctuation Reserve (IFR) equivalent to 2% of their HFT and AFS investment portfolios, within a period of three years starting fiscal 2019, subject to profit availability after statutory appropriation. During the year ended March 31, 2022, the Bank has made 9.18 Crores appropriation to the Investment Fluctuation Reserve from the Profit and Loss Account. (Previous Year: 10.16 Crore)

f) Accounting Standard -19 - "Lease" Premises taken on operating lease are given below

The operating leases primarily comprise office premises, which are renewable at the option of the Bank.

i) The following table sets forth, for the period indicated, the details of future rental payments on Premises taken on Non-Cancellable operating leases:

Particulars -Lease Rent Obligations	31 st March 2022 (Amount in Crores)
Not later than one year	1.08
Later than one year and not later than five years	3.72
Later than five years	4.36
Total	9.16

g) Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies (Accounting Standard -5)

(i) Prior Period Items: During the year, there were no material prior period income / expenditure items.

(ii) Accounting policy: During the year the Bank has refined the accounting policy relating to depreciation on high end servers/networks (viz data centres) and CBS application (FINACLE 10), having estimated life of 6 years as per Companies Act, 2013 and shall be depreciated as per Straight Line Method over a period of 6 years.

h) Provisions and contingencies

Provision debited to Profit and Loss Account	Current Year	Previous Year
i) Provisions for NPI	0.54	NIL
ii) Provision towards NPA	42.53	85.01
iii) Provision made towards Income tax	0.81	16.60
iv) Other Provisions and Contingencies		
- Standard Advance	7.62	(2.17)
- Provision for Security Receipt	5.72	NIL
- Miscellaneous Provisions	1.49	0.04



- Provision for claims against the bank not acknowledged as debt	0.95	NIL
- Investment Fluctuation Reserve		
- Investment Reserve Account	9.18	10.16
- Provision for Frauds	NIL	4.04
- Provision for Interest Payable on Overdue TDR accounts	NIL	0.23
	2.53	NIL

(Amount in ₹ crore)

i) Implementation of IFRS converged Indian Accounting Standards (IndAS)

The Ministry of Corporate Affairs (MCA), in 2015, had notified the Companies (Indian Accounting Standards (IND AS) Rules 2015, which stipulated the adoption and applicability of IND AS in a phased manner beginning from the Accounting period 2016-17, as per said notification banks were required to comply with these standards from 01st April 2018 onwards i.e. during Phase-III of IND-AS implementation, however, RBI vide notification no. "DBR.BP.BC.No.29/21.07.001/2018-19" dated March 22nd, 2019, has deferred the applicability of these standards till further notice.

Further RBI from time to time have been instructing Banks to be in preparedness for implementation of Indian Accounting Standards (Ind AS), and submit Proforma Ind AS Financial Statements from the half year ended September 30th, 2016 onwards. These Proforma Statements are for the regulatory analysis purpose and may not be necessarily be completely IND AS compliant or indicative of the trial format to be specified in the third schedule to the Banking Regulation Act 1949.

Our Bank is regularly submitting half yearly proforma IND AS to RBI within stipulated time.

j) Disclosure of facilities granted to directors and their relatives

The Bank has not granted any facility whether fund based or non-fund based (guarantees, letters of credit, etc.) to the directors, their relatives, companies or firms in which they are interested.

k) Payment of DICGC Insurance Premium

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	9.71	9.36
ii)	Arrears in payment of DICGC premium	NIL	NIL

l) Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks

The Bank had estimated the additional liability on account of revision in family pension for employees covered as per IBA Joint Note/Bipartite settlement dated November 11, 2020, amounting to Rs. 28.45 lakhs. RBI vide their Circular no. "RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22" dated 4th October 2021, has permitted Banks to amortize the said additional liability over a period of not exceeding 5 (five) years, beginning with financial year ending 31st March 2022, subject to a minimum of 1/5th of the total amount being expensed every year.

Bank did not opt the said option and charged the entire amount to the Profit & Loss account for the FY ended 31st March 2022.

m) Defined Benefit Plans (Funded Obligation - Pension, Leave Encashment and Gratuity)



a) Change in present value of Defined Benefit Obligation

(Amount in ₹ Cr)

Particulars	Pension		Leave Encashment		Gratuity	
	As on March 31, 2022	As on March 31, 2021	As on March 31, 2022	As on March 31, 2021	As on March 31, 2022	As on March 31, 2021
Opening Defined Benefit Obligation	349.90	319.71	18.67	19.72	33.62	37.22
Opening Adjusted						
Add- Acquisition Adjustment						
Add: Interest Cost	24.39	21.77	1.30	1.34	2.34	2.53
Add : Past Service Cost						
Add: Current Service Cost	4.60	5.16	1.23	1.48	1.85	1.83
Less: Benefits Paid	(11.43)	(3.24)	(4.71)	(2.69)	(7.40)	(6.18)
Add: Actuarial (Gain)/ loss on obligation	0.19	6.50	0.69	(1.18)	1.50	(1.80)
Closing Defined Benefit Obligation	367.64	349.90	17.19	18.67	31.91	33.62

b) Change in Fair value of Plan Assets

(Amount in ₹ Cr)

Particulars	Pension		Leave Encashment		Gratuity	
	As on March 31, 2022	As on March 31, 2021	As on March 31, 2022	As on March 31, 2021	As on March 31, 2022	As on March 31, 2021
Opening Fair Value of plan assets	142.02	146.35	17.19	18.67	34.46	37.40
Opening Adjusted						
Add- Expected Return on Plan Assets	10.04	9.75	1.04	1.21	1.81	2.43
Add- Expected Return on Plan Assets						
Add- Contributions	13.35	11.07	4.22		2.45	0.81
Less- Benefits Paid	(43.04)	(25.15)	(4.71)	(2.69)	(7.40)	(6.18)
Add- Actuarial gain/(-)loss						
Closing Fair Value of Plan Assets	122.37	142.02	17.74	17.19	31.32	34.46

c) Amount recognized in the Balance Sheet

(Amount in ₹ Cr)

Particulars	Pension		Leave Encashment		Gratuity	
	As on March 31, 2022	As on March 31, 2021	As on March 31, 2022	As on March 31, 2021	As on March 31, 2022	As on March 31, 2021
a) Closing Defined Benefit Obligation	367.64	349.90	17.19	18.67	31.91	33.62
b) Closing Fair Value of Plan Assets	122.37	142.02	17.74	17.19	31.32	34.46
c) Difference	245.28	207.87	0.55	1.48	0.59	0.85
d) Unrecognized						



transitional liability						
e) Liability Recognized in the BS	245.28	207.87	-0.55	1.48	0.59	0.85

d) Amount recognized in the Profit & Loss Account

(Amount in ₹ Cr)

Particulars	Pension		Leave Encashment		Gratuity	
	As on March 31, 2022	As on March 31, 2021	As on March 31, 2022	As on March 31, 2021	As on March 31, 2022	As on March 31, 2021
a) Current Service Cost	4.60	5.16	1.23	1.48	1.85	1.83
b) Past Service Cost						
c) Interest Cost	24.39	21.77	1.30	1.34	2.34	2.53
d) Expected Return on Plan Assets	(9.90)	(10.24)	(1.20)	(1.31)	(2.40)	(2.80)
e) Net Actuarial Loss/gain(-)	0.05	6.99	0.85	(1.08)	2.09	(1.42)
f) Expenses Recognized in P&L	19.14	23.68	2.19	0.43	3.88	1.41

e) Principal Actuarial Assumptions

Particulars	Pension		Leave Encashment		Gratuity	
	As on March 31, 2022	As on March 31, 2021	As on March 31, 2022	As on March 31, 2021	As on March 31, 2022	As on March 31, 2021
Discount rate	7.21 %	6.97 %	7.21 %	6.97 %	7.21 %	6.97 %
Salary Escalation Rate	5%	5%	5%	5%	5%	5%
Expected Rate of Return on plan Assets	7%	7%	7.21 %	6.97 %	7.21 %	6.97 %

Accounting for Taxes on Income (Accounting Standard 22)

n) Current Tax

In view of the newly introduced section 115BAA in the Income Tax Act 1961 ("Act") vide the Taxation Laws (Amendment) Ordinance 2019 dated September 20, 2019, the bank had opted for new tax regime from Financial year 2019-20 i.e. Assessment year 2020-21, and decided to continue with the same in current financial year, accordingly effective tax rate is 25.168%.

The bank has made a provision for income tax as tabulated below:

(Amount in ₹ Cr)

Item	As on 31 st March, 2022	As on 31 st March, 2021
Provision for Income Tax	0.10*	12.91

*During the financial year 2021-22, the Bank has claimed deduction under section 36(1)(viii) of Income Tax Act, 1961 read with Hon'ble Supreme Court Judgement in Catholic Syrian Bank Ltd. v/s Commissioner of Income Tax dated 17th February 2012, on account of Bad Debts written off to the tune of Rs. 116.60 Cr. Which resulted in reduction of Tax Liability.

B) Deferred Tax

During the period ended March 31st 2022, the bank has created deferred tax Liability to the tune of Rs 4.10 Crore by Debiting the profit and loss account, (previous year deferred tax liability was Rs. 3.39 Crore). Major components of Deferred Tax Liabilities are as under:



Rs. In Crores

Components	Closing balance (Amount in Crores)	DTA @25.168%	DTL @ 25.168%
Provision Related to employee benefits	0.82	0.21	
Provision For Ex-Gratia	2.35	0.59	
Provision For LFC	1.74	0.44	
Provision For baggage	0.10	0.02	
Reserves created as per section 36(1)(viii) of Income Tax Act, 1961	25.54		6.43
Difference in WDV's as per Income Tax Act & Books	4.25	1.07	
Total DTA/ DTL (CURRENT YEAR)	34.79	2.33	6.43
Net DTL as on 31 st March 2022			4.10
Opening Balance of DTL as on 31 st March 2022			3.39
Amount charged to PL a/c during the year			0.71

o) Technological advancements

The Bank has upgraded its Core Banking System (CBS) FINCRAFT with industry specific and more robust CBS application "FINACLE10.X" and has migrated to new CBS with effect from 11th February 2022. The detailed breakup of cost incurred and depreciation claimed on the project is tabulated below:

Rs. In Crores

Sr. No.	Particulars	Amount capitalised as per AS-10 and other applicable regulations	Depreciation till March 2022
1	Tangible items viz high end servers & networks	21.79	2.21
2.	Licences, implementation, customisation of new CBS/treasury and other ancillary modules	19.24	0.24

p) Segment Reporting (Accounting Standard 17)**Part A: Business segments**

(Amount in ₹ Cr)

Business Segments	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Operation	Total
Particulars	31 ST MARCH 2022	31 ST MARCH 2022	31 ST MARCH 2022	31 ST MARCH 2022	31 ST MARCH 2022
Revenue	235.91 (268.91)	36.11 (61.03)	328.56 (307.07)	2.05 (2.11)	602.63 (639.12)
Result	69.39 (76.28)	-4.55 (-1.30)	39.10 (-1.05)	2.04 (2.11)	105.98 (76.04)
Unallocated expenses					76.95 (61.87)
Total profit before tax					29.03 (14.17)
Income taxes					0.10



					(12.91)
Extraordinary profit/ loss					0.00 (0.00)
Net profit					28.93 (1.26)
Segment assets	3812.08 (4042.70)	916.46 (715.94)	3533.86 (3390.79)	0.00 (0.00)	8262.40 (8149.43)
Unallocated assets					75.46 (32.84)
Total assets					8337.86 (8182.27)
Segment liabilities	3539.02 (3738.17)	864.93 (674.89)	3332.92 (3196.26)	0.00 (0.00)	7736.87 (7609.33)
Unallocated liabilities					600.99 (572.94)
Total liabilities					8337.86 (8182.27)

Note: Figures in bracket indicates previous year figures (i.e March 2021 figures)

q) Covid -19 Regulatory Impact:

In the aftermath of COVID-19 pandemic, the economy is still in the stage of revival. The impact of COVID-19, including changes in customer behavior and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The Bank's results will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

On account of continuous volatility in financial market, the Bank has considered internal and external sources of information including economic forecasts and industry reports up to the date of approval of financial results in determining the impact on various elements of its financial statements including recoverability of advances & provision thereon, investment valuation, other assets and liabilities of the Bank. Given the uncertainty because of COVID-19 pandemic, the Bank is continuously monitoring any material change in future economic condition which may impact the Bank's operations and its financial results depending on the developments which may differ from that estimated as at the date of approval of these financial results.

r) Statement of contingent Liability & Provisions (Accounting Standard 29)

(Amount in ₹ Cr)

Item	Provision As per AS – 29							
	Amt. for which the Bank is contingently Liable	Provision as at the beginning of the Year	Addition during the year	Amount used during the year	Unused amount reversed during the year	Provision as at the close of the year	Major assumption regarding future events	Remarks



Claims against the Bank not acknowledged as debt*	1.57 (0.53)	0.06 (0.06)	1.03 -	- -	- -	1.09 (0.06)		
Guarantees issued on behalf of constituents	67.66 (83.83)	NA NA	NA NA	NA NA	NA NA	NA NA	NA NA	NA NA
Acceptance Endorsements and other obligations	1.18 (14.88)	NA NA	NA NA	NA NA	NA NA	NA NA	NA NA	NA NA
Other items, for which the Bank is contingently liable	28.20 (31.33)	NA NA	NA NA	NA NA	NA NA	NA NA	NA NA	NA NA

Figures in bracket represents the amount outstanding as at 31st March 2021

*Such liabilities are dependent upon the outcome of court/arbitration/out of court settlement, disposal of appeals, the amount being called up, terms of contractual obligations, development and raising of demand by concerned parties respectively.

S) Earnings per share-

Particulars		As on 31 st March, 2022	As on 31 st March, 2021
a)	Earnings per share		
	Basic (annualized)	3.73	0.16
	Diluted** (annualized)	3.73	0.16
b)	Amount used as numerator (Profit after tax)	28.93 Crore	1.26 Crore
c)	Nominal value of shares	Rs 10.00/-per share	Rs 10.00/-per share
d)	Weighted average number of equity shares used as the denominator	77500000	77500000

f) Additional Disclosures:

- **Re-grouping & Re-classification:** Previous year's figures have been regrouped where necessary to conform to current year classification.

- **Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006:** There have been no reported cases of delayed payments of the principal amount or interest due thereon to Micro & Small Enterprises and hence disclosure for payment of interest on delayed payments to MSME is not applicable.

- **Pursuant to the decision of the Board in their meeting dated 04 th July 2022, the financial statements approved by the Board earlier in their meeting dated 12 th May stand amended with the following:**

i. In order to comply with RBI Master Direction on Financial Statements - Presentation and Disclosures" dated August 30, 2021, the absolute amount of Tier-1, Tier-2 capital and Risk weighted assets, Leverage Ratio and the



percentage of Net Interest Margin and Cost of Deposit has been additionally disclosed. There is no monetary impact of such disclosure in the financial statement

ii. As per RBI Master Circular No. DBOD.BP.BC.20/21.04.141/2014-15 dated July 1, 2014, amount withdrawn from Investment reserve account Rs. 2.99 Crores should have been a down the line item. The financial statement has been amended accordingly; Resultant, the Net Profit of the Bank has reduced by Rs. 2.99 Crores. However, the amount has been shown as appropriation of profit.

iii. As per The "Master Direction on Financial Statements - Presentation and Disclosures" dated August 30, 2021, MTM Provision for depreciation on investment should be reduced from other income. The financial statement has been amended accordingly; Resultant, the Operating Profit has reduced by Rs. 5.33 Crores. However, there is no impact of such amount on Net Profit.

iv. In terms of Para 18(i)(a) of Master Direction -Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021, banks are required to create an Investment Fluctuation Reserve (IFR) until the amount of IFR is at least 2 per cent of the HFT and AFS portfolio, on a continuing basis. Therefore, the provision has been enhanced by Rs. 1.09 Crore; Resultant, the Net Profit of the Bank has reduced by Rs. 1.09 Crores.

v. There is minor impact of aforementioned amendments on the CRAR – Tier I Capital Ratio, CRAR – Tier II Capital Ratio, Earnings per share, Dividend payout ratio, return on Assets and Operating Profit as a % to working Fund Leverage Ratio.

