

Notes to financial statements

for the year ended March 31, 2022

Investment Fluctuation Reserve (IFR)

In accordance with RBI guidelines, Banks are required to create an IFR equivalent to 2% of their HFT and AFS investment portfolios, within a period of three years starting fiscal 2019. The balance held in IFR as at March 31, 2022 is more than 2% of the outstanding HFT and AFS portfolios as on that date. Accordingly, during the year ended March 31, 2022, the Bank has not made any appropriation to IFR from the profit and loss account. A sum of ₹ 52,829 ('000) was transferred to IFR account from Profit and Loss Account in the financial year 2020-21.

Draw down from reserves

Share Premium

The Bank has not undertaken any drawdown from share premium during the year ended March 31, 2022 and March 31, 2021.

2 Investments

2.1 Details of Investments

Particulars	(₹ in 000's)	
	As on March 31, 2022	As on March 31, 2021
Value of Investments		
(i) Gross Value of Investments		
(a) In India	41,532,752	25,164,501
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	3,404	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	41,529,348	25,164,501
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	3,404	-
(iii) Less : Write-off / (write-back) of excess provisions during the year	-	-
(iv) Closing balance	3,404	-
Movement of Investment Fluctuation Reserve		
a) Opening balance	205,131	152,302
b) Add: Amount transferred during the year	-	52,829
c) Less: Drawdown	-	-
d) Closing balance	205,131	205,131
Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	3.23%	6.54%

Notes to financial statements

for the year ended March 31, 2022

	(₹ in 000's)										
	Investments in India					Investments outside India					
	Government securities	Other approved securities	Shares	Debentures and bonds	Subsidiaries and/or Joint Ventures	Others -Security receipts, pass through certificates, mutual fund etc.*	Total Investments in India	Government securities	Subsidiaries and/or Joint Ventures	Others -Security receipts, pass through certificates, mutual fund etc.*	Total Investments outside India
Held to Maturity											
Gross	35,175,706	-	-	-	-	-	35,175,706	-	-	-	35,175,706
Less: Provision for non-performing Investments(NPI)	-	-	-	-	-	-	-	-	-	-	-
Net	35,175,706	-	-	-	-	-	35,175,706	-	-	-	35,175,706
Available For Sale											
Gross	5,887,314	1,002	-	-	-	-	6,014,610	-	-	-	6,014,610
Less: Provision for depreciation and NPI	3,404	-	-	-	-	-	3,404	-	-	-	3,404
Net	5,883,910	1,002	-	-	-	-	6,011,206	-	-	-	6,011,206
Held for Trading											
Gross	342,436	-	-	-	-	-	342,436	-	-	-	342,436
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-
Net	342,436	-	-	-	-	-	342,436	-	-	-	342,436
Total Investments											
Gross	41,405,456	1,002	-	-	-	-	41,532,752	-	-	-	41,532,752
Less: Provision for non-performing Investments(NPI)	-	-	-	-	-	-	-	-	-	-	-
Net	41,405,456	1,002	-	-	-	-	41,532,752	-	-	-	41,532,752
Less: Provision for depreciation and NPI	3,404	-	-	-	-	-	3,404	-	-	-	3,404
Net	41,402,052	1,002	-	-	-	-	41,529,348	-	-	-	41,529,348

Notes to financial statements

For the year ended March 31, 2022

2.2 Composition of Investment Portfolio (Cont.) As on March 31, 2021

	Investments in India						Investments outside India			Total Investments
	Government securities	Other approved securities	Shares	Debentures and bonds	Subsidiaries and/or Joint Ventures	Total Investments in India (including local authorities)	Government securities	Subsidiaries and/or Joint Ventures	Others - Security receipts, pass through certificates, mutual fund etc.*	
Held to Maturity						22,027,759				22,027,759
Gross	22,027,759					22,027,759				22,027,759
Less: Provision for non-performing Investments (NPI)										
Net	22,027,759					22,027,759				22,027,759
Available For Sale						972,736				972,736
Gross	2,163,004	1,002				3,136,742				3,136,742
Less: Provision for depreciation and NPI										
Net	2,163,004	1,002				3,136,742				3,136,742
Held for Trading										
Gross										
Less: Provision for depreciation and NPI										
Net										
Total Investments						24,190,763				25,164,501
Gross	24,190,763	1,002				25,164,501				25,164,501
Less: Provision for non-performing Investments (NPI)										
Less: Provision for depreciation and NPI										
Net	24,190,763	1,002				25,164,501				25,164,501

Notes to financial statements

For the year ended March 31, 2022

2.3 Details of Repos/Reverse Repos including Liquidity Adjustment Facility (LAF) transactions (in face value terms) as at March 31, 2022:

Particulars	Minimum outstanding during the Year				Maximum outstanding during the Year				Daily average outstanding during the Year				Outstanding as on March 31, 2022			
Securities sold under repo																
i) Government Securities	1,380,000				5,944,651				3,696,408				3,880,000			
ii) Corporate debt securities	-				-				-				-			
Security purchased under reverse repo																
i) Government Securities	570,000				16,000,000				8,003,977				9,239,885			
ii) Corporate debt securities	-				-				-				-			

Details of Repos/Reverse Repos including Liquidity Adjustment Facility (LAF) transactions (in face value terms) as at March 31, 2021:

Particulars	Minimum outstanding during the Year				Maximum outstanding during the Year				Daily average outstanding during the Year				Outstanding as on March 31, 2021			
Securities sold under repo																
i) Government Securities	1,380,000				3,784,622				2,262,338				1,380,000			
ii) Corporate debt securities	-				-				-				-			
Security purchased under reverse repo																
i) Government Securities	-				16,450,000				7,124,355				12,820,000			
ii) Corporate debt securities	-				-				-				-			

2.4 Non-SLR Investment Portfolio

Issuer Composition of Non-SLR Investments as at March 31, 2022 are as follows:

Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted securities'
i) Public Sector Undertakings	-	-	-	-	-
ii) Financial Institutions	-	-	-	-	-
iii) Banks	-	-	-	-	-
iv) Private Corporates	1,002	-	-	-	1,002
v) Subsidiaries/Joint ventures	-	-	-	-	-
vi) Others*	126,294	126,294	-	-	-
vii) Provision held towards depreciation	-	-	-	-	-
Total	127,296	126,294	-	-	1,002

Note: Amounts reported under columns 3,4,5 and 6 above are not mutually exclusive

*PTCs of ₹ 1,26,294 are pending to be allotted.

Notes to financial statements

For the year ended March 31, 2022

Issuer Composition of Non-SLR Investments as at March 31, 2021 are as follows:

Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted securities'	(₹ in 000's)
i) Public Sector Undertakings	-	-	-	-	-	
ii) Financial Institutions	-	-	-	-	-	
iii) Banks	-	-	-	-	-	
iv) Private Corporates	1,002	-	-	-	1,002	
v) Subsidiaries/Joint Ventures	-	-	-	-	-	
vi) Others	972,736	-	-	-	-	
vii) Provision held towards depreciation	-	-	-	-	-	
Total	973,738	-	-	-	1,002	

Note: Amounts reported under columns 3,4,5 and 6 above are not mutually exclusive

2.5 Non-Performing Non-SLR Investments

The Bank does not have any Non-Performing Non-SLR Investments as at March 31, 2022 and March 31, 2021.

2.6 Sale and transfer of securities to/ from HTM Category

During the current and previous year, the value of sales and transfers of securities to/ from HTM category excluding one time transfer of securities to/ from HTM category with the approval of Board of Directors permitted to be undertaken by banks at the beginning of the accounting year has not exceeded 5 per cent of the book value of investments held in HTM category at the beginning of the year. Hence, specific disclosure on book value/market value and provisions if any, relating to such transfer is not required to be made.

3 DERIVATIVES/ EXCHANGE TRADED INTEREST DERIVATIVES/ RISK EXPOSURE IN DERIVATIVES

The Bank has not entered into any derivative instruments for trading / speculative purposes either in Foreign Exchange or domestic treasury operations. The Bank does not have any Forward Rate Agreement or Interest rate swaps.

4 ASSET QUALITY

4.1 Non-Performing Assets:

Particulars	(₹ in 000's)	
	As on March 31, 2022	As on March 31, 2021
(i) Net NPAs to Net advances (%)	0.61%	2.93%
(ii) Movement of Gross NPAs		
Opening balance	10,705,976	1,371,410
Add: Additions (Fresh NPAs) during the year #*	20,883,500	10,328,031
Subtotal (A)	31,589,476	11,699,441
Less: Reductions during the year #		
(i) Upgradations	5,663,179	100,446
(ii) Recoveries (excluding recoveries made from upgraded accounts)	5,199,725	154,553
(iii) Technical/ Prudential Write-offs (only principal amount)	7,524,359	-
(iv) Write-offs other than those under (iii) above	361,440	738,466
Subtotal (B)	18,748,703	993,465
Closing balance (A-B)	12,840,773	10,705,976
(iii) Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	6,460,136	1,096,516
Add: Provisions made during the year	13,557,632	6,142,370
Add: Floating provision made during the year(not considered as part of Tier -II capital)	2,500,000	-

Notes to financial statements

For the year ended March 31, 2022

Non-Performing Assets (Cont.)

Particulars	(₹ in 000's)	
	As on March 31, 2022	As on March 31, 2021
Less: Write-back of excess provisions	10,672,974	778,750
Closing balance	11,844,794	6,460,136
(iv) Movement of Net NPAs		
Opening balance	4,245,840	274,894
Add: Additions during the year #*	7,594,986	4,299,436
Less: Reductions during the year #*	8,344,846	328,490
Less: Floating provision made during the year(not considered as part of Tier -II capital)	2,500,000	-
Closing balance	995,979	4,245,840

additions and reductions do not include cases which have become NPA during the year and subsequently moved out of NPA in the same year.

*Outstanding balance as of March 31, 2022 has been considered in 'Additions during the year' for accounts which are classified as NPA post vacation of standstill of NPAs as per the Supreme Court judgement dated March 23, 2021 and the RBI circular dated April 07, 2021.

4.2 Technical or Prudential Write Offs:

Technical or prudential write-offs refer to the amount of non-performing assets which are outstanding in the product level systems, but have been written-off (fully or partially) at the financial ledger level. The financial accounting systems of the Bank are integrated and centralised at the Head Office and no books are maintained at the Branches.

Movement in the stock of technically or prudentially written-off accounts given below:

Particulars	(₹ in 000's)	
	As on March 31, 2022	As on March 31, 2021
Opening balance of technical / prudential write-offs accounts	-	-
Add: Technical/Prudential write offs during the Year (only principal amount)	7,524,359	-
Less: Recoveries made from previously technically / prudentially written-off accounts during the Year	350,795	-
Less: Actual write off during the Year	-	-
Closing balance of technical / prudential write-offs accounts	7,173,564	-

Ratios:

Particulars	(₹ in 000's)	
	As on March 31, 2022	As on March 31, 2021
Gross NPA to Gross Advances	7.34%	7.07%
Net NPA to Net Advances	0.61%	2.93%
Provision Coverage Ratio	92.20%	60.34%

4.3 Provisions on Standard Assets:

Bank has followed the prudential norms on income recognition, asset classification and provisions. The excess provisions over and above the same is as per the Board approved policy.

The provision on standard assets is included in 'Other Liabilities and Provisions – (iv) Standard asset-General Provisions' in Schedule 5, and is not netted off from Advances.

Notes to financial statements

for the year ended March 31, 2022

The provision written back in respect of standard assets during the year amounting to ₹ 16,25,877 ('000) is pertaining to previous year(s).

Particulars	₹ in 000's	
	As on March 31, 2022	As on March 31, 2021
Provisions towards Standard Assets	1,459,621	3,085,498

4.4 Unsecured advances

The Bank has not extended any project advances where the collateral is an intangible asset such as a charge over rights, licenses, authorizations, etc. The Advances as at March 31, 2022 of ₹ 1,19,200,659 ('000) (March 31, 2021 of ₹ 1,04,689,831 ('000)) disclosed in Schedule 9B (iii) are without any primary or collateral security.

4.5 Divergence in Asset Classification and Provisioning for NPAs

As part of Supervisory process through the mode of Annual Financial Inspection and consequent RBI AFI Report (Position as on March 2020), there is no financial divergence reported.

4.6 a) Details of Financial Assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for Asset Reconstruction

The details of securitisation to a special purpose vehicle is furnished in schedule. 18(38).

b) Details of book value of investment in Security Receipts

During the current and previous year, the Bank has not made investment in Security Receipts.

4.7 Details of NPA Purchase/Sold

During the current and previous year, there has been no purchase/ sale of non-performing financial assets from/to other banks.

4.8 Intra-Group Exposure

During the current and previous year, the Bank does not have any Intra Group Exposure.

4.9 Disclosures Resolution of Stressed Assets

There were no accounts that have been restructured under prudential framework on resolution of stressed assets as per the circular no. RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated June 07, 2019 during the year ended March 31, 2022. (March 31, 2021: Nil). However, the Bank has restructured 4,14,930 accounts of borrowers with outstanding of ₹ 85,48,047 (in 000's) on the date of restructuring, affected by COVID in accordance with extant RBI Restructuring Framework II norms.

5 BUSINESS RATIOS:

Particulars	₹ in 000's	
	As on March 31, 2022	As on March 31, 2021
Interest income as a percentage to working funds ¹	13.81%	14.67%
Non-interest income as a percentage to working funds ¹	1.54%	1.62%
Cost of Deposits	6.16%	7.09%
Net interest Margin	8.79%	9.45%
Operating profit as a percentage to working funds ^{1,4}	2.91%	4.23%
Return on assets ²	(2.04%)	0.04%
Business (deposits plus gross advances) per employee (in 000's) ³	18,099	13,772
Profit/(Loss) per employee (in 000's)	(252.63)	4.82

Notes:

- Working Funds represent average of total assets as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949 during the Year.
- Returns on assets are computed with reference to average working funds.

Notes to financial statements

for the year ended March 31, 2022

3) Business is defined as total of average of gross advances and deposits (net of inter-bank deposits and Certificate of Deposits).

4) Operating profit is net profit for the Year before provisions and contingencies and profit / (loss) on sale of building and other assets (net).

6 CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES & NPAS

6.1 Concentration of Deposits

Particulars	₹ in 000's	
	As on March 31, 2022	As on March 31, 2021
Total Deposits to twenty largest Depositors	41,157,769	38,476,328
Percentage of Deposits of twenty largest Depositors to Total Deposits of the Bank	22.50%	29.29%

6.2 Concentration of Advances*

Particulars	₹ in 000's	
	As on March 31, 2022	As on March 31, 2021
Total Advances to twenty largest Borrowers	7,037,837	5,930,209
Percentage of Advances of twenty largest Borrowers to Total Advances of the Bank	3.94%	3.88%

*Advances are computed as per the definition of Credit Exposure including derivatives as prescribed in Master Circular on Exposure Norms DBR.No. Dir.BC.12/13.03.00/2015-16 dated July 1, 2015. Total advances is the aggregate advances of the bank before subtracting provisions for NPA and Floating provision

6.3 Concentration of Exposures*

Particulars	₹ in 000's	
	As on March 31, 2022	As on March 31, 2021
Total Exposure to twenty largest Borrowers/Customers	7,037,837	14,104,259
Percentage of Exposures of twenty largest Borrowers/Customers to Total Exposure of the Bank on borrowers/customers	3.94%	8.70%

*Exposures are computed based on Credit and Investment Exposure as prescribed in the Master Circular on Exposure Norms DBR.No.Dir. BC.12/13.03.00/2015-16 dated July 1, 2015.

6.4 Concentration of NPAs

Particulars	₹ in 000's	
	As on March 31, 2022	As on March 31, 2021
Total Exposure to the top twenty NPA accounts	193,853	100,417
Percentage of Exposures to the twenty largest NPA exposure to total Gross NPAs	1.51%	0.94%

Notes to financial statements

For the year ended March 31, 2022

7 SECTOR-WISE ADVANCES AND NPA

As on March 31, 2022

Sector	Outstanding Total Advances	Gross NPAs	(% of Gross NPAs to Total Advances in that sector)
			(₹ in 000's)
Priority sector:			
Agriculture and allied activities	46,481,180	3,300,588	7.10%
Advances to industries eligible as priority sector lending	5,205,763	1,108,059	21.29%
Services	10,888,439	3,958,028	36.35%
Personal loans	74,046,327	2,547,137	3.44%
-of which Housing Loans	22,673,591	1,432,032	6.32%
Sub-Total (A)	136,621,709	10,913,812	7.99%
Non-Priority sector:			
Agriculture and Allied activities			
Services	8,558,031	44,168	0.52%
-of which NBFC Loans	8,558,031	44,168	0.52%
Personal loans	29,696,768	1,882,793	6.34%
-of which Housing Loans	9,380,156	569,272	6.07%
Sub-Total (B)	38,254,799	1,926,961	5.04%
Total (A) + (B)	174,876,508	12,840,773	7.34%

As on March 31, 2021

Sector	Outstanding Total Advances	Gross NPAs	(% of Gross NPAs to Total Advances in that sector)
			(₹ in 000's)
Priority sector:			
Agriculture and allied activities	15,854,646	1,334,371	8.42%
Advances to industries eligible as priority sector lending	4,675,067	485,661	10.39%
Services	450,620	46,238	10.26%
Personal loans	61,748,058	3,597,324	5.83%
-of which Housing Loans	17,174,983	1,040,457	6.06%
Sub-Total (A)	82,728,391	5,463,594	6.60%
Non-Priority sector:			
Agriculture and allied activities	22,500,240	1,893,681	8.42%
Services	6,484,791	956	0.01%
-of which NBFC Loans	6,484,791	-	0.00%
Personal loans	39,686,232	3,347,745	8.44%
-of which Housing Loans	10,304,792	271,485	2.63%
Sub-Total (B)	68,671,263	5,242,382	7.63%
Total (A) + (B)	151,399,654	10,705,976	7.07%

Notes to financial statements

For the year ended March 31, 2022

8 PRIORITY SECTOR LENDING CERTIFICATES (PSLC)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	PSLC Sold	PSLC Purchased	PSLC Sold	PSLC Purchased
1) PSLC Agriculture	-	-	-	-
2) PSLC Small Farmers / Marginal Farmers	11,500,000	-	22,500,000	-
3) PSLC Micro Enterprises	5,000,000	11,310,000	18,000,000	-
4) PSLC General	-	-	-	-
Total	16,500,000	11,310,000	40,500,000	-

9 INTER- BANK PARTICIPATION WITH RISK SHARING

The aggregate amount of participation issued by the bank and reduced from advances as per regulatory guidelines as at March 31, 2022 ₹: 42,50,000 ('000) and for March 31, 2021 is Nil.

10 ASSET LIABILITY MANAGEMENT (ALM)

Maturity Pattern of certain items of Assets and Liabilities Specified Assets and Liabilities as on March 31, 2022:

Maturity Buckets	Loans & Advances				Investments				Deposits				Borrowings			
	Loans & Advances				Investments				Deposits				Borrowings			
1 day	18,988				-				525,534				-			
2 days to 7 days	1,614,857				-				4,952,324				-			
8 days to 14 days	2,661,201				-				4,773,711				11,400			
15 days to 30 days	3,307,503				-				7,098,582				-			
31 days to 2 months	7,801,081				-				14,321,559				1,511,400			
Over 2 months up to 3 months	7,861,645				-				9,169,041				178,000			
Over 3 months up to 6 months	14,371,456				2,763,708				19,686,837				2,725,016			
Over 6 months up to 12 months	39,785,702				3,254,841				38,962,593				3,734,800			
Over 1 year up to 3 years	51,668,415				1,967,653				81,384,273				6,475,000			
Over 3 years up to 5 years	15,301,228				6,426,975				1,946,047				-			
Over 5 years	18,639,638				27,116,171				101,668				3,000,000			
Total	163,031,714				41,529,348				182,922,169				17,635,616			

Note:

- The bucketing structure has been revised based on RBI guideline dated March 23, 2016.
- The Bank is following 30 day month convention for calculation of bucket sizes for ALM.
- There are no Foreign Currency Assets or Liabilities with the Bank as at March 31, 2022.
- Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI.

Notes to financial statements

For the year ended March 31, 2022

Specified Assets and Liabilities as on March 31, 2021

Maturity Buckets	(₹ in 000's)			
	Loans & Advances	Investments	Deposits	Borrowings
1 day	15,446	-	306,460	-
2 days to 7 days	1,479,981	-	3,076,031	-
8 days to 14 days	2,771,855	-	2,304,519	5,221,400
15 days to 30 days	4,315,983	-	3,421,202	-
31 days to 2 months	7,924,119	248,886	7,098,127	6,221,400
Over 2 months up to 3 months	7,701,434	-	9,486,291	1,538,000
Over 3 months up to 6 months	21,905,795	988,507	19,014,365	4,045,500
Over 6 months up to 12 months	35,159,196	2,917,289	48,776,103	6,320,467
Over 1 year up to 3 years	34,178,515	1,106,833	37,444,601	8,626,400
Over 3 years up to 5 years	9,710,519	1,503,046	362,104	500,000
Over 5 years	19,776,675	18,399,940	67,870	-
Total	144,939,518	25,164,501	131,357,673	32,473,167

Note:

- The bucketing structure has been revised based on RBI guideline dated March 23, 2016.
- The Bank is following 30 day month convention for calculation of bucket sizes for ALM.
- There are no Foreign Currency Assets or Liabilities with the Bank as at March 31, 2021
- Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI.
- RBI vide its circular dated March 27, 2020 on 'COVID-19 Regulatory Package' permitted the Bank to grant a moratorium of three months on payment of all instalments falling due between March 1, 2020 and May 31, 2020. The Bank in line with the said circular has offered moratorium on the respective maturity buckets presented above. The Bank estimates that considerable portion of the cash flows impacted by the moratorium will be received within 1-3 years from the balance sheet date and the same has been factored in the above disclosure.

11 EXPOSURE

11.1 Exposure to Real Estate Sector:

Particulars	As on March 31, 2022	As on March 31, 2021
A) Direct Exposure		
i) Residential Mortgages (of which housing loans eligible for Inclusion in priority sector Advances)	26,881,365 15,685,343	33,720,696 12,332,350
ii) Commercial Real Estate	463,348	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures: - Residential - Commercial Real Estate	- - -	- - -
Total (A)	27,344,713	33,720,696
B) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	1,026,042
Total (B)	-	1,026,042
Total Real Estate Exposure (A+B)	27,344,713	34,746,738

Notes to financial statements

For the year ended March 31, 2022

11.2 Exposure to Capital Market:

Sl. No.	Particulars	(₹ in 000's)	
		As on March 31, 2022	As on March 31, 2021
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1,002	1,002
2	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for Investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the Advances;	-	-
5	Secured and Unsecured Advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
6	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
7	Bridge loans to companies against expected equity flows / issues;	-	-
8	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
9	Financing to stockbrokers for margin trading;	-	-
10	All exposures to Venture Capital Funds (both registered and unregistered);	-	-
	Total Exposure to Capital Market	1,002	1,002

Note: During the Year, Bank has not converted any debt to equity as a part of strategic debt restructuring which is exempt from Capital Market Exposure limit.

11.3 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the Bank:

During the current and previous year there are no instances of SBL/GBL limit exceeding the sanctioned limit or outstanding whichever is higher.

12 DISCLOSURE OF PENALTIES IMPOSED BY RBI

Year ended March 31, 2022

During the FY 2021-22, RBI has imposed the following penalties on the bank under the provisions of the Government Securities Act 2006 (for bouncing of SGL) in terms of circular ref. IDMD.DOD.17/11.01.01 (B) 2010-11 dated July 14, 2010;

- On July 8, 2021 Public Debt Office (PDO) RBI had levied a penalty of ₹ 1,00,000 for a shortage of balance of security in a deal executed by the bank on July 01, 2021. This was the first instance of SGL bouncing; and
- On August 23, 2021 Public Debt Office (PDO) RBI had levied a penalty of ₹ 50,000 for a shortage of balance of security in a deal executed by the bank on August 05, 2021. This was the second instance of SGL bouncing.

RBI has not levied any other penalties under the provisions of the Banking Regulations Act 1949 and Payment and Settlement Act, 2007 as per the Master Direction on Financial Statements - Presentation and Disclosures dated August 30, 2021.

Year ended March 31, 2021

During the FY 2020-21, RBI has not imposed any penalty on the Bank.

Notes to financial statements

For the year ended March 31, 2022

13 OVERSEAS ASSETS, NPAS AND REVENUE

The Bank does not have any overseas branches and hence the disclosure regarding overseas assets, NPAs and revenue is not applicable.

14 SUMMARY INFORMATION ON COMPLAINTS RECEIVED BY THE BANK FROM CUSTOMERS AND FROM THE OFFICES OF BANKING OMBUDSMAN (OBOS)

Sl. No.	Particulars	₹ in 000's	
		As on March 31, 2022	As on March 31, 2021
	Customer complaints (received by the bank)	FY 2021 - 2022	FY 2020 - 2021
1	Number of complaints pending at beginning of the year	561	1,056
2	Number of complaints received during the year	22,812	26,985
3	Number of complaints disposed during the year	23,060	27,480
	Of which, number of complaints rejected by the bank	532	370
4	Number of complaints pending at the end of the year	313	561
	Maintainable complaints received by the bank from OBOS		
5	Number of maintainable complaints received by the bank from OBOS	142	133
	Of 5, number of complaints resolved in favour of the bank by BOs	139	125
	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs	3	8
	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021

15 TOP FIVE GROUNDS OF COMPLAINTS RECEIVED BY THE BANK FROM CUSTOMERS:

For the year ended March 31, 2022

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
					(₹ in 000's)
Internet/Mobile/Electronic Banking	160	7,272	-16%	79	-
ATM/Debit Cards	181	7,079	3%	145	9
Account opening/difficulty in operation of accounts	59	2,553	-131%	8	-
Others	110	2,672	-2%	45	7
Loans and advances	27	1,196	-13%	7	-
Miscellaneous Items*	24	2,040	17%	29	-
Total	561	22,812	-26%	313	16

*It includes levy of charges without prior notice/excessive charges/foreclosure charges, Mis-selling/ Para-banking, Staff behaviour, Non-observance of Fair Practices Code, Cheques/drafts/bills, Exchange of coins and issuance/acceptance of small denomination notes and coins.

Notes to financial statements

For the year ended March 31, 2022

For the year ended March 31, 2021

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
					(₹ in 000's)
ATM/Debit Cards	270	8,420	-24%	160	18
Internet/Mobile/Electronic Banking	389	6,871	-53%	181	12
Account opening/difficulty in operation of accounts	73	5,905	9%	59	-
Others	138	2,735	20%	110	34
Levy of charges without prior notice/excessive charges/foreclosure charges Loans and advances	13	1,357	27%	27	2
Miscellaneous Items*	173	1,697	-18%	24	5
Total	1,056	26,985	-26%	561	71

*It includes loans and advances, staff behaviour, Non-observance of Fair Practices Code and Mis-selling/Para-banking, Cheques/draft/bills.

16 FRAUD ACCOUNTS

Particulars	₹ in 000's	
	As on March 31, 2022	As on March 31, 2021
Number of frauds reported	383	203
Amount involved in fraud	53,053	23,561
Amount of provision made for such frauds *	26,091	9,690
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	NA	NA

* Note: The provision amount is net of recovery/write off's as at the end of the year

17 PROVISIONS AND CONTINGENCIES

Particulars	₹ in 000's	
	As on March 31, 2022	As on March 31, 2021
Provision for NPA (including bad debts written off and net off bad debts written off earlier and now recovered)	12,804,336	6,022,293
Provision for Standard Assets	(1,625,877)	1,882,215
Provision for Income tax (Net of deferred tax liability/(asset) of ₹ (13,57,681) (000's) (₹ (16,91,058) (000's) previous year.) refer schedule 18 (26.1)	(1,357,681)	19,006
Other Provisions	229,986	1,353
Total	10,050,764	7,924,868

Notes to financial statements

For the year ended March 31, 2022

18. BANCASSURANCE BUSINESS

Commission income for the year ended March 31, 2022 includes fees of ₹ 2,64,065 (000's) (previous year: ₹ 1,98,513 (000's)) in respect of insurance business.

19. LIQUIDITY COVERAGE RATIO (LCR)

The Bank adheres to RBI guidelines on given in "Basel III Framework on Liquidity Standards - (LCR), Liquidity Risk Monitoring Tools and the LCR Disclosure Standards" and "Operating Guidelines for Small Finance Banks".

LCR is the ratio of unencumbered High Quality Liquid Assets (HQLA) to Net Cash Outflows over the next 30 calendar days. LCR measures the Bank's ability to manage and survive under combined idiosyncratic and market-wide liquidity stress condition that would result in accelerated withdrawal of deposits from retail as well wholesale depositors, partial loss of secured funding, increase in collateral requirements, unscheduled draw down of unused credit lines, etc. These stress conditions are captured as a part of the Net Cash Outflows. HQLA of the Bank consist of cash, unencumbered excess SLR, a portion of statutory SLR as allowed under the guidelines and cash balance with RBI in excess of statutory cash reserve requirements.

LCR aims to ensure that the Bank has an adequate stock of unencumbered HQLA to meet its liquidity needs for a 30 calendar day liquidity stress scenario. As mentioned in the "Operating Guidelines for Small Finance Banks", the Bank has to maintain the prescribed level of LCR as follows:

Particulars	Till December 31, 2017	By January 1, 2018	By January 1, 2019	By January 1, 2020	By January 1, 2021
Minimum LCR	60%	70%	80%	90%	100%

Notes to financial statements

For the year ended March 31, 2022

19. (A) QUANTITATIVE DISCLOSURE AROUND LCR

Particulars	Quarter ended March 31, 2022**		Quarter ended December 31, 2021**		Quarter ended September 30, 2021**		Quarter ended June 30, 2021**	
	Unweighted Value (average)*	Total Weighted Value (average)*	Unweighted Value (average)*	Total Weighted Value (average)*	Unweighted Value (average)*	Total Weighted Value (average)*	Unweighted Value (average)*	Total Weighted Value (average)*
High Quality Liquid Assets								
1. Total High Quality Liquid Assets (HQLA)		37,732,514		33,362,312		37,486,035		33,959,990
Cash Outflows								
2. Retail deposits and deposits from small business customers, of which:								
(i) Stable deposits	8,386,127	419,306	-	-	-	-	28,954,577	1,447,729
(ii) Less stable deposits	66,143,222	6,614,322	65,937,629	6,593,763	59,352,210	5,935,221	24,863,926	2,486,393
3. Unsecured wholesale funding, of which:								
(i) Operational deposits (all counterparties)	-	-	33,725,306	21,668,627	36,128,303	25,763,253	38,024,236	28,594,202
(ii) Non-operational deposits (all counterparties)	14,286,252	1,422,792	13,396,310	1,339,631	11,516,722	1,151,672	10,390,420	960,386
(iii) Unsecured debt	26,853,115	25,938,685	20,328,996	20,328,996	24,611,582	24,611,582	27,633,817	27,633,817
4. Secured wholesale funding	376,212	27,002	1,971,619	-	1,783,391	41,033	672,826	-
5. Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	3,548,384	177,419	2,555,283	127,764	1,640,564	82,028	1,114,300	55,715
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	3,548,384	177,419	2,555,284	127,764	1,640,565	82,028	1,114,301	55,715
6. Other contractual funding obligations	71,943	71,943	64,689	64,689	59,524	59,524	51,642	51,642
7. Other contingent funding obligations	2,076,115	830,446	1,964,099	785,640	1,423,466	569,386	931,389	372,555
8. Total Cash Outflows	121,741,370	35,501,916	106,218,626	29,240,483	100,387,460	32,450,447	94,612,897	33,008,237
Cash Inflows								
9. Secured lending (e.g. reverse repos)	5,947,859	-	6,949,585	-	10,889,924	-	8,196,980	-
10. Inflows from fully performing exposures	10,076,490	5,652,043	9,005,205	5,172,204	11,683,811	7,788,989	12,793,371	8,366,321
11. Other cash inflows	833,333	-	1,500,000	-	1,500,000	-	1,333,333	-
12. Total Cash Inflows	16,857,682	5,652,043	17,454,790	5,172,204	24,073,735	7,788,989	22,323,684	8,366,321
13. TOTAL HQLA		37,732,514		33,362,312		37,486,035		33,959,990
14. Total Net Cash Outflows		29,849,874		24,068,279		24,661,457		24,641,916
15. Liquidity Coverage Ratio (%)		126.41%		138.62%		152.00%		137.81%

*Average weighted and unweighted amounts are calculated taking simple daily average for all quarters.

Notes to financial statements

For the year ended March 31, 2022

Quantitative disclosure around LCR

The table sets out Quantitative information for all four quarters of the financial year ended March 31, 2021 as follows:

Particulars	Quarter ended March 31, 2021**		Quarter ended December 31, 2020**		Quarter ended September 30, 2020**		Quarter ended June 30, 2020**	
	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)	28,873,606	31,296,181	31,296,181	33,000,760	30,357,704	30,357,704	30,357,704	30,357,704
Cash Outflows								
2. Retail deposits and deposits from small business customers, of which:	50,471,834	3,346,889	3,346,889	3,203,926	41,998,653	41,998,653	41,998,653	2,998,280
(i) Stable deposits	29,959,748	1,497,987	27,272,508	1,363,626	25,700,143	24,031,706	24,031,706	1,201,585
(ii) Less stable deposits	20,512,086	2,051,209	19,832,633	1,983,263	19,189,184	17,966,947	17,966,947	1,796,695
3. Unsecured wholesale funding, of which:	36,267,427	27,444,723	31,555,771	23,527,722	34,774,533	32,876,871	32,876,871	25,358,890
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	9,715,356	892,652	8,833,239	805,189	10,021,878	8,286,788	8,286,788	768,807
(iii) Unsecured debt	26,552,071	26,552,071	22,722,532	22,722,533	24,752,655	24,590,083	24,590,083	24,590,083
4. Secured wholesale funding	488,582	41,680	300,773	45,112	1,297,135	472,018	472,018	-
5. Additional requirements, of which	777,013	38,851	588,376	29,419	510,292	575,887	575,887	28,794
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	777,013	38,851	588,376	29,419	510,292	575,887	575,887	28,794
6. Other contractual funding obligations	45,220	45,220	36,263	36,263	34,151	44,726	44,726	44,727
7. Other contingent funding obligations	647,011	258,804	622,918	249,167	716,748	687,667	687,667	275,067
8. Total Cash Outflows	88,697,087	31,378,474	80,209,242	27,189,460	82,222,186	76,655,822	76,655,822	28,705,758
Cash Inflows								
9. Secured lending (e.g. reverse repos)	5,394,687	-	5,600,451	-	9,994,792	7,391,993	7,391,993	-
10. Inflows from fully performing exposures	10,256,197	6,515,970	14,319,500	9,664,081	15,443,327	8,636,946	8,636,946	5,907,255
11. Other cash inflows	510,753	-	500,000	-	500,000	500,000	500,000	-
12. Total Cash Inflows	16,161,637	6,515,970	20,419,951	9,664,081	25,938,119	16,528,939	16,528,939	5,907,255
13. TOTAL HQLA	28,873,606	31,296,181	31,296,181	33,000,760	30,357,704	30,357,704	30,357,704	30,357,704
14. Total Net Cash Outflows	24,862,504	17,525,379	17,525,379	18,670,047	22,798,503	22,798,503	22,798,503	22,798,503
15. Liquidity Coverage Ratio (%)	116.13%	178.58%	178.58%	176.76%	133.16%	133.16%	133.16%	133.16%

*Average weighted and unweighted amounts are calculated taking simple daily average for all quarters.

** The disclosure is based on the BLR return (BLR 1) for the respective quarter filed by the Bank with the RBI except for quarter ended March 31, 2021. Disclosure for quarter ended March 31, 2021 is based on BLR Return including the impact on disclosure due to adjustments made in books of accounts.

Notes to financial statements

For the year ended March 31, 2022

19. (B) NET STABLE FUNDING RATIO AS ON MARCH 31, 2022

Particulars	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item					
1 Capital: (2+3)	24,455,217	-	-	-	24,455,217
2 Regulatory capital	24,455,217	-	-	-	24,455,217
3 Other capital instruments	-	-	-	-	-
4 Retail deposits and deposits from small business customers: (5+6)	92,412,264	-	-	-	85,496,687
5 Stable deposits	46,512,999	-	-	-	44,187,349
6 Less stable deposits	45,899,264	-	-	-	41,309,338
7 Wholesale funding: (8+9)	-	6,334,941	22,232,747	17,433,247	31,717,091
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	6,334,941	22,232,747	17,433,247	31,717,091
10 Other liabilities: (11+12)	10,078,523	62,798,146	594,207	341,684	-
11 NSFR derivative liabilities	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	10,078,523	62,798,146	594,207	341,684	-
13 Total ASF (1+4+7+10)					141,668,995
RSF Item					
14 Total NSFR high-quality liquid assets (HQLA)					1,044,257
15 Deposits held at other financial institutions for operational purposes	-	302,758	-	1,010	151,884
16 Performing loans and securities: (17+18+19+21+23)	-	57,931,936	37,451,462	88,597,720	122,185,376
17 Performing loans to financial institutions secured by Level 1 HQLA	-	3,259,172	2,069,619	17,788,049	20,452,444
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	2,582,846	-	-	387,427
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:	-	52,089,918	35,381,843	58,772,437	93,495,844
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	52,089,918	35,381,843	58,772,437	93,495,844
21 Performing residential mortgages, of which:	-	-	-	11,909,938	7,741,460
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	11,909,938	7,741,460
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	127,296	108,202
24 Other assets: (sum of rows 25 to 29)	10,817,955	-	-	1,643,033	12,460,988
25 Physical traded commodities, including gold	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
27 NSFR derivative assets	-	-	-	-	-
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29 All other assets not included in the above categories	10,817,955	-	-	1,643,033	12,460,988
30 Off-balance sheet items		436,215	550,983	4,451,776	271,949
31 Total RSF (14+15+16+24+30)					136,114,455
32 Net Stable Funding Ratio (%)					104%

Notes to financial statements

for the year ended March 31, 2022

20. DISCLOSURE ON RESTRUCTURING

Disclosure on accounts subjected to Restructuring for the year ended March 31, 2022

Sr No.	Type of Restructuring	Under CDR Mechanism			Under SME debt restructuring mechanism			Total	
		Standard	Substandard	Doubtful	Loss	Standard	Substandard		Doubtful
Asset Classification									
1	Restructured Accounts as on April 1 of the FY (opening figures)	-	-	-	-	-	-	-	-
	No. of Borrowers	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-
2	Fresh restructuring during the period	-	-	-	-	-	-	-	-
	No. of Borrowers	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-
3	Up gradation to restructured standard category during the year	-	-	-	-	-	-	-	-
	No. of Borrowers	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	-	-	-	-	-	-	-	-
	No. of Borrowers	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the year	-	-	-	-	-	-	-	-
	No. of Borrowers	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-
6	Increase/Decrease in existing restructured accounts during the year	-	-	-	-	-	-	-	-
	No. of Borrowers	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-
7	Write-offs/fully repaid of restructured accounts during the year	-	-	-	-	-	-	-	-
	No. of Borrowers	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-
8	Restructured Accounts as on March 31, 2022 (closing figures)	-	-	-	-	-	-	-	-
	No. of Borrowers	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-

Notes to financial statements

for the year ended March 31, 2022

Sr No.	Type of Restructuring	Others			Total			Total			
		Standard	Substandard	Doubtful	Loss	Total	Doubtful		Loss		
Asset Classification											
1	Restructured Accounts as on April 1 of the FY (opening figures)	368,144	26,085	1,248	18	395,495	368,144	26,085	1,248	18	395,495
	No. of Borrowers	368,144	26,085	1,248	18	395,495	368,144	26,085	1,248	18	395,495
	Amount Outstanding	7,912,944	474,647	25,458	1,708	8,414,758	7,912,944	474,647	25,458	1,708	8,414,758
	Provision thereon	668,234	255,629	24,781	1,708	950,352	668,234	255,629	24,781	1,708	950,352
2	Fresh restructuring during the year#	378,079	-	-	-	378,079	378,079	-	-	-	378,079
	No. of Borrowers	378,079	-	-	-	378,079	378,079	-	-	-	378,079
	Amount Outstanding	10,347,880	-	-	-	10,347,880	10,347,880	-	-	-	10,347,880
	Provision thereon	1,729,073	-	-	-	1,729,073	1,729,073	-	-	-	1,729,073
3	Up gradation to restructured standard category during the year	18	(14)	(4)	-	-	18	(14)	(4)	-	-
	No. of Borrowers	18	(14)	(4)	-	-	18	(14)	(4)	-	-
	Amount Outstanding	1,911	(646)	(1,837)	-	(571)	1,911	(646)	(1,837)	-	(571)
	Provision thereon	72	(298)	(1,432)	-	(1,658)	72	(298)	(1,432)	-	(1,658)
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	-	-	-	-	-	-	-	-	-	-
	No. of Borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the year	(234,888)	34,073	198,738	2,077	-	(234,888)	34,073	198,738	2,077	-
	No. of Borrowers	(234,888)	34,073	198,738	2,077	-	(234,888)	34,073	198,738	2,077	-
	Amount Outstanding	(6,095,731)	1,090,993	4,114,216	35,346	(855,177)	(6,095,731)	1,090,993	4,114,216	35,346	(855,177)
	Provision thereon	(855,914)	844,912	4,093,821	35,346	4,118,166	(855,914)	844,912	4,093,821	35,346	4,118,166
6	Increase/Decrease in existing restructured accounts during the year	(3,233,658)	25,266	(24)	-	(3,233,682)	(3,233,658)	-	(24)	-	(3,233,682)
	No. of Borrowers	(3,233,658)	25,266	(24)	-	(3,233,682)	(3,233,658)	-	(24)	-	(3,233,682)
	Amount Outstanding	(463,745)	25,266	(18)	-	(438,497)	(463,745)	25,266	(18)	-	(438,497)
7	Write-offs/fully repaid of restructured accounts during the year	(263,511)	(11,956)	(81,132)	(2,045)	(358,644)	(263,511)	(11,956)	(81,132)	(2,045)	(358,644)
	No. of Borrowers	(263,511)	(11,956)	(81,132)	(2,045)	(358,644)	(263,511)	(11,956)	(81,132)	(2,045)	(358,644)
	Amount Outstanding	(4,177,011)	(144,544)	(1,767,640)	(35,966)	(6,125,161)	(4,177,011)	(144,544)	(1,767,640)	(35,966)	(6,125,161)
	Provision thereon	(417,735)	(116,843)	(1,767,445)	(35,966)	(2,337,989)	(417,735)	(116,843)	(1,767,445)	(35,966)	(2,337,989)
8	Restructured Accounts as on March 31, 2022 (closing figures)	247,842	48,188	118,850	50	414,930	247,842	48,188	118,850	50	414,930
	No. of Borrowers	247,842	48,188	118,850	50	414,930	247,842	48,188	118,850	50	414,930
	Amount Outstanding	4,756,336	1,420,450	2,370,173	1,088	8,548,047	4,756,336	1,420,450	2,370,173	1,088	8,548,047
	Provision thereon	659,985	1,008,666	2,349,708	1,088	4,019,447	659,985	1,008,666	2,349,708	1,088	4,019,447

The Bank has restructured accounts during the year ended March 31, 2022 including:

a) The standard MSME accounts restructured based on RBI circular dated January 01, 2019 and further extended by RBI circular dated February 11, 2020 & August 06, 2020 and

b) The Standard accounts restructured under resolution framework for COVID-19-related Stress as per RBI circular dated August 06, 2020

Notes to financial statements

for the year ended March 31, 2022

Sr No.	Type of Restructuring	Others				Total					
		Standard	Substandard	Doubtful	Loss	Standard	Substandard	Doubtful	Loss		
	Asset Classification Details										
1	Restructured Accounts as on April 1 of the FY (opening figures)	23,670	2,226	49	-	23,670	2,226	49	-	25,945	-
	Amount Outstanding	313,166	41,870	3,718	-	313,166	41,870	3,718	-	358,754	-
2	Fresh restructuring during the year#	20,117	32,247	3,229	-	20,117	32,247	3,229	-	55,593	-
	Amount Outstanding	429,312	3	-	-	429,312	3	-	-	429,315	-
	Amount Outstanding	10,117,680	28	-	-	10,117,708	10,117,680	28	-	10,117,708	-
3	Up gradation to restructured standard category during the year	820,862	9	-	-	820,862	9	-	-	820,871	-
	No. of Borrowers	4	(4)	-	-	4	(4)	-	-	-	-
	Amount Outstanding	11	(74)	-	-	11	(74)	-	-	(63)	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	1	(39)	-	-	1	(39)	-	-	(38)	-
	No. of Borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the year	(26,129)	24,886	1,224	18	(26,129)	24,886	1,224	18	(1)	(1)
	Amount Outstanding	(521,945)	448,047	21,990	1,708	(521,945)	448,047	21,990	1,708	(50,200)	(50,200)
	Provision thereon	(40,930)	235,306	21,802	1,708	(40,930)	235,306	21,802	1,708	217,886	217,886
6	Increase/Decrease in existing restructured accounts during the year	-	1	-	-	-	1	-	-	1	1
	Amount Outstanding	(1,248,971)	(8)	(19)	-	(1,248,971)	(8)	(19)	-	(1,248,998)	(1,248,998)
	Provision thereon	(90,611)	(8)	(19)	-	(90,611)	(8)	(19)	-	(90,638)	(90,638)
7	Write-offs/fully repaid of restructured accounts during the year	(58,713)	(1,027)	(25)	-	(58,713)	(1,027)	(25)	-	(59,765)	(59,765)
	Amount Outstanding	(746,997)	(15,215)	(231)	-	(746,997)	(15,215)	(231)	-	(762,443)	(762,443)
	Provision thereon	(41,205)	(11,886)	(231)	-	(41,205)	(11,886)	(231)	-	(53,322)	(53,322)
8	Restructured Accounts as on March 31, 2021 (closing figures)	368,144	26,085	1,248	18	368,144	26,085	1,248	18	395,495	395,495
	Amount Outstanding	7,912,944	474,648	25,458	1,708	7,912,944	474,648	25,458	1,708	8,414,758	8,414,758
	Provision thereon	668,234	255,629	24,781	1,708	668,234	255,629	24,781	1,708	950,352	950,352

Notes to financial statements

for the year ended March 31, 2022

21 EMPLOYEE BENEFITS (AS-15) REVISED

21.1 Gratuity:

Gratuity is a defined benefits plan. The Bank has obtained qualifying insurance policies from Insurance Company. The following table summarises the components of net expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet on the basis of actuarial Valuation. Actuarial losses/gains are recognised in the Profit and Loss Account in the year in which they arise.

Details of defined benefit plan of gratuity are given below:

	As on March 31, 2022	As on March 31, 2021
(₹ in 000's)		
Changes in the present value of the obligation		
Opening balance of Present Value of Obligation	561,538	444,552
Interest Cost	33,952	27,885
Current Service Cost	114,586	117,997
Benefits Paid	(68,672)	(23,097)
Actuarial loss / (gain) on Obligation	(40,716)	(5,799)
Acquisitions/Divestures/Transfers	1,148	-
Closing balance of Present Value of Obligation	601,836	561,538
Reconciliation of opening and closing balance of the fair value of the Plan Assets		
Opening balance of Fair value of Plan Assets	459,403	294,783
Adjustment to Opening Balance	-	-
Transfer In/Acquisitions	1,148	-
Expected Return on Plan assets	29,371	23,064
Contributions	62,000	149,796
Other charges (Service tax, FMC, Mortality charges, etc)	-	-
Benefits Paid	(68,672)	(23,097)
Actuarial Gain/(loss) Return on Plan Assets	4,462	14,857
Closing balance of Fair Value of Plan Assets	487,712	459,403
Actual Return on Plan Assets	33,833	37,921

	Year ended March 31, 2022	Year ended March 31, 2021
(₹ in 000's)		
Profit and Loss – Expenses		
Current Service Cost	114,586	117,997
Interest Cost	33,952	27,885
Expected Return on Plan assets	(29,371)	(23,064)
Net Actuarial loss/(gain) recognized in the year	(45,177)	(20,656)
Expenses recognized in the Profit and Loss Account	73,989	102,162

	As on March 31, 2022	As on March 31, 2021
(₹ in 000's)		
Funded status (100% Insurance managed funds)		
Actuarial Assumptions		
Discount Rate	7.08%	6.44%
Expected Rate of Return on Plan Assets	6.44%	6.44%
Expected Rate of Salary Increase	9.00%	9.00%
Employee Attrition Rate	21.74%	19.69%

Notes to financial statements

for the year ended March 31, 2022

EMPLOYEE BENEFITS (AS-15) REVISED (CONT.)

Particulars	(₹ in 000's)				
	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020	As on March 31, 2019	As on March 31, 2018
Experience Adjustments					
Plan Assets	487,712	459,403	294,783	232,305	171,565
Defined benefit obligation	601,836	561,538	444,552	310,438	227,763
Surplus/ (Deficit)	(114,125)	(102,135)	(149,769)	(78,133)	(56,198)
Actuarial (Gain)/ Losses due to Experience on Defined Benefit Obligation	(566)	(8,681)	(8,038)	3,788	13,670

The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

Category of Plan Assets	(₹ in 000's)	
	As on March 31, 2020	As on March 31, 2019
Assets Under Insurance Schemes	100%	100%

- The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.
- During the current and previous year the Bank does not have unamortised gratuity and pension liability.
- Discount rate is based on the prevailing market yields of Indian Government Bonds as on the Balance Sheet date for the estimated term of the obligation.
- The Code on Wages, 2019 ("Code") and other connected legislations enacted by the Government of India envisages payment of wages (as defined) which is not less than 50% of all monthly remuneration paid to employees (as defined). The effective date of these legislations and the rules relevant thereto have not yet been notified by the Government of India. The current wages as a percentage to the remuneration for certain employees as per Company's salary structure is less than that envisaged in these legislations. As and when the legislations are notified, there may be an increase in the accrued gratuity liability of the employees of the Company. This possible additional liability has currently not been quantified.

21.2 Compensated Absences

The Actuarial liability of compensated absences of accumulated privileged leaves of the employees is given below:

Particulars	(₹ in 000's)	
	As on March 31, 2022	As on March 31, 2021
Privileged Leave Actuarial Liability	442,876	428,875
Assumptions		
Discount Rate	7.08%	6.44%
Salary Escalation Rate	9.00%	9.00%

21.3 Defined Contribution Plans

Amount recognised in the Statement of Profit and Loss	(₹ in 000's)	
	As on March 31, 2022	As on March 31, 2021
(i) Provident fund Contributed to the Authorities	186,635	155,454
(ii) Pension fund Contributed to the Authorities	233,215	240,398
(iii) National pension scheme Contributed to Authorities	10,210	8,858

Notes to financial statements

for the year ended March 31, 2022

22 SEGMENT REPORTING

In accordance with the guidelines issued by RBI & AS-17, the Bank has adopted Segment Reporting as under:

A) Treasury :

The Treasury Segment primarily consists of net interest earnings from the Bank's Investment portfolio, money market borrowing and lending, gains or losses on Investment operations and income from sale of PSLC.

B) Retail Banking:

The Retail Banking Segment serves retail customers through a branch network and other delivery channels. Retail Banking includes lending to and deposits from retail customers and identified earnings and expenses of the segment. This segment raises deposits from customers and provides loans and other services to customers. Revenues of the retail banking segment are derived from interest earned on retail loans, processing fees earned and other related incomes. Expenses of this segment primarily comprise interest expense on deposits & Borrowings, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

C) Corporate/ Whole Sale Banking:

The Wholesale Banking Segment provides loans to Corporates and Financial Institutions. Revenues of the wholesale banking segment consist of interest earned on loans made to customers. The principal expenses of the segment consist of interest expense on funds borrowed from external sources and other internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses of delivery channels, specialist product groups, processing units and support groups.

(₹ in 000's)

Part A: Business segments					
Sr. No	Business Segments →	Treasury	Retail Banking	Corporate/ Wholesale Banking	Total
Particulars ↓		March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
1	Revenue	2,821,324	27,692,669	746,743	31,260,736
2	Unallocated Revenue	-	-	-	-
3	(less) Inter Segment Revenue	-	-	-	-
4	Total Income (1+2-3)	2,821,324	27,692,668	746,743	31,260,736
5	Segment Result	(904,885)	(4,625,315)	375,175	(5,155,025)
6	Unallocated Expenses	-	-	-	348,560
7	Operating Profit	-	-	-	(5,503,585)
8	Tax Expenses (including deferred tax)	-	-	-	(1,357,681)
9	Extraordinary Profit/ Loss	-	-	-	-
10	Net Profit (5-6-8-9)	-	-	-	(4,145,905)
Other Information:		-	-	-	-
11	Segment Assets	61,766,622	161,706,653	8,436,055	231,909,331
12	Unallocated Assets	-	-	-	4,135,311
13	Total Assets				236,044,642
14	Segment Liabilities	54,498,992	142,679,793	7,443,443	204,622,228
15	Unallocated Liabilities	-	-	-	3,648,737
16	Capital Employed	7,267,650	19,026,881	992,612	27,287,144
17	Unallocated Capital Employed	-	-	-	486,533
18	Total Capital Employed				27,773,677

Tax paid in advance / tax deducted at source (net of provisions), Deferred Tax Assets and others which cannot be allocated to any segments, have been classified as unallocated assets.

Notes to financial statements

For the year ended March 31, 2022

Part B: Geographic Segment

The Bank operations are predominantly confirmed within one geographical segment (India) and accordingly, this is considered as the only secondary segment.

(₹ in 000's)

Part A: Business segments					
Sr. No	Business Segments →	Treasury	Retail Banking	Corporate/ Wholesale Banking	Total
		March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
	Particulars ↓				
1	Revenue	3,193,116	27,408,339	567,407	31,168,862
2	Unallocated Revenue	-	-	-	-
3	(less) Inter Segment Revenue	-	-	-	-
4	Total Income (1+2-3)	3,193,116	27,408,339	567,407	31,168,862
5	Segment Result	1,029,285	(481,699)	297,429	845,015
6	Unallocated Expenses	-	-	-	743,040
7	Operating Profit	-	-	-	101,975
8	Tax Expenses (including deferred tax)	-	-	-	19,006
9	Extraordinary Profit/ Loss	-	-	-	-
10	Net Profit (5-6-8-9)	-	-	-	82,969
	Other Information:				
11	Segment Assets	49,303,326	145,452,429	6,486,523	201,242,278
12	Unallocated Assets	-	-	-	2,562,262
13	Total Assets	-	-	-	203,804,540
14	Segment Liabilities	41,516,690	122,480,649	5,462,085	169,459,425
15	Unallocated Liabilities	-	-	-	2,157,595
16	Capital Employed	7,786,636	22,971,829	1,024,423	31,782,888
17	Unallocated Capital Employed	-	-	-	404,632
18	Total Capital Employed	-	-	-	32,187,520

Tax paid in advance / tax deducted at source (net of provisions), Deferred Tax Assets and others which cannot be allocated to any segments, have been classified as unallocated assets.

Part B: Geographic Segment

The Bank operations are predominantly confirmed within one geographical segment (India) and accordingly, this is considered as the only secondary segment.

23 RELATED PARTY DISCLOSURES (AS-18)

As per AS 18 Related Party Disclosures notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2014 and Companies (Accounting Standards) Amendment Rules 2016, the Banks' related parties during the year ended March 31, 2022 are disclosed below:

Holding company :

Ujjivan Financial Services limited (UFSL)

Key Management Personnel (KMP) :

Mr. Nitin Chugh (Managing Director and CEO)	(Up to September 30, 2021)
Mr. Ittira Davis (Managing Director and CEO)	(From January 14, 2022)
Ms Upma Goel (Chief Financial Officer)	(Up to September 30, 2021)
Mr. M.D. Ramesh Murthy (Chief Financial Officer)	(From March 14, 2022)
Mr. Chanchal Kumar (Company Secretary)	
Mr. Martin P S (Officer on Special Duty)	(From September 16, 2021 to January 13, 2022)

Notes to financial statements

For the year ended March 31, 2022

Directors :

Mr. Umang Bedi (Independent Director)*

Mrs. Mona Kachhwaha (Non-Executive Director)**

Mr. Prabal Kumar Sen (Independent Director)***

Ms. Chitra K Alai (Nominee Director)****

Mr. Mahadev Lakshminarayanan (Independent Director)*****

Mr. Nandlal Laxminarayan Sarada (Independent Director)*****

Mr. Harish Devarajan (Additional Independent Director)*****

Mr. Umesh Bellur (Additional Independent Director)*****

Mrs. Rajni Anil Mishra (Additional Independent Director)^

Mr. Rajesh Kumar Jogi (Additional Non-Independent Director)^

Mr. Banavar Anantharamaiah Prabhakar (Independent Director)^

Mr. Ravichandran Venkataraman (Independent Director)^

Mr. Samit Kumar Ghosh (Non-Executive Director)^

Ms. Sudha Suresh (Non-Executive Director)^

Mr. P N Raghunath (Additional Director)^

Mr. Satyaki Rastogi (Nominee Director)^

*Resigned as Independent Director of the Bank w.e.f October 1, 2021

**Resigned as Non- Executive Director w.e.f August 10, 2021

***Resigned as Independent Director w.e.f January 15, 2022

****Resigned as Nominee Director w.e.f December 22, 2021.

*****Resigned as Independent Director w.e.f June 18, 2021.

*****Resigned as Independent Director w.e.f July 26, 2021.

*****Resigned as Non-Executive Director of the Bank w.e.f July 23, 2021.

*****Resigned as Additional Non-Independent Director of the Bank w.e.f August, 12, 2021.

*****Resigned as Additional Independent Director of the Bank w.e.f September, 27, 2021.

^Appointed as Additional Independent Director of the Bank w.e.f December 16, 2020.

^Appointed as Additional Non-Independent Director of the Bank w.e.f March 13, 2021.

^^Appointed as Independent Director of the Bank w.e.f August, 20, 2021.

^^^Appointed as Independent Director of the Bank w.e.f August, 20, 2021.

^^^^Appointed as Non-Executive Director of the Bank w.e.f August, 20, 2021.

^^^^^Appointed as Non-Executive Director of the Bank w.e.f August, 20, 2021.

^^^^^^Appointed as Additional Director of the Bank w.e.f November, 29, 2021.

^^^^^^^Appointed as Nominee Director of the Bank w.e.f December, 22, 2021.

Enterprise in which relatives of Director/KMP are members :

Parinaam Foundation (From August 20, 2021)

Notes to financial statements

For the year ended March 31, 2022

Enterprise in which KMP are members :

Ujjivan Welfare and Relief Trust
USFB Employee's Gratuity Trust
UFSL Employee's Gratuity Trust

In accordance with paragraph 5 of AS - 18, the Bank has not disclosed certain transactions with relatives of Key Management Personnel as they are in the nature of banker-customer relationship. In like manner breakup of deposits accepted during the year, deposits outstanding at the end of the year and interest on deposits has not been furnished partywise in respect of KMP and enterprises in which relatives of KMP are members since they are in the nature of bank and customer transactions.

Transactions with Related Parties for the year ended March 31, 2022

Items/Related Party	Holding Company	Key Management Personnel	Directors	Enterprise in which relatives of Key Management Personnel/ Directors are members	Enterprise in which KMP are members	Total
						(₹ in 000's)
Deposit*	(1,055,776)	(228,072)	(24,289)	(57,700)	(5,587)	(1,371,424)
	1,055,776	3,482	24,289	57,700	5,587	1,146,834
Deposit accepted during the year	1,067,000	2,018	18,300	57,700	3,150	1,148,168
Deposit repaid during the year	915,000	215,310	9,000	18,000	-	1,157,310
Inter Company Transfer - Amount Paid	-	-	-	-	1,399	1,399
Reimbursement of expenses - Amount Received	2,492	-	-	-	-	2,492
Reimbursement of expenses - Amount Paid	248	-	-	-	-	248
Transfer of Assets - Amount Paid	12	-	-	-	-	12
Bank Contribution to Related parties under CSR/Donation	-	-	-	13,570	830	14,400
Sitting Fees paid	-	-	19,025	-	-	19,025
Interest on Deposits	52,494	4,266	1,455	1,491	295	60,001
Payment of Remuneration **	-	31,578	-	-	-	31,578
Rendering of services	-	-	-	4,157	-	4,157

*Figures in bracket indicate maximum balance outstanding during the year based on comparison of the total outstanding balances at each quarter-end.

**The above Remuneration excludes accrued gratuity and compensated absence provision, since the same is assessed for the bank as a whole.

Note: An amount of ₹ 363 (000's) received by UFSL is towards employees perquisite tax and includes OSD remuneration.

Notes to financial statements

For the year ended March 31, 2022

Transactions with Related Parties for the year ended March 31, 2021

Items/Related Party	Holding Company	Key Management Personnel	Directors	Enterprise in which relatives of Key Management Personnel/ Directors are members	Enterprise in which KMP are members	Total
						(₹ in 000's)
Deposit*	(1,292,983)	(223,742)	(3,883)	-	(5,291)	(1,525,899)
	915,040	223,651	3,883	-	4,086	1,146,660
Deposit accepted during the year	905,000	87,575	2,486	42,802	-	1,037,863
Deposit repaid during the year	1,279,580	1,157	2,782	88,591	5,450	1,377,560
Reimbursement of expenses - Amount Paid	3,571	-	-	-	-	3,571
Reimbursement of expenses - Amount Received	4,401	-	-	-	-	4,401
Inter Company Transfer- Amount Received**	38	-	-	-	-	38
Inter Company Transfer- Amount paid***	-	-	-	-	13,485	13,485
Interim Preference Dividend	-	-	-	-	-	-
Bank Contribution to Parinaam Foundation & USFB Welfare and Relief Trust**	-	-	-	-	1,430	1,430
Sitting Fees paid	-	-	12,345	-	-	12,345
Interest on Deposits	79,348	12,169	237	-	500	92,254
Payment of Remuneration ****	-	26,847	-	-	-	26,847
Rendering of services	-	-	-	-	-	-

*Figures in bracket indicate maximum balance outstanding during the year based on comparison of the total outstanding balances at each quarter end.

** Employee Contribution to USFB Relief Fund through Payroll recovery of ₹ 13485 (000's) & Quantum of Donation by Bank is restricted to 1% of PY Net Profit as per RBI Regulation - ₹ 5,273 (000's)

***The above Remuneration excludes Gratuity provision

Note: An amount of ₹ 21,391 (000's) received by UFSL and an amount of ₹ 435 (000's) is paid by USFB towards employees perquisite tax

Balances with Related Parties for the year

Particulars	(₹ in 000's)	
	As on March 31, 2022	As on March 31, 2021
Enterprise in which KMP are members		
Ujjivan Welfare and Relief Trust	(5,587)	(8,360)
	5,645	4,175
Outstanding Balance with enterprise in which relative of Key Management Personnel are Members		
Parinaam Foundation	(57,700)	-
	58,947	-
Holding Company		
Ujjivan Financial Services limited	(1,055,776)	(1,292,983)
	1,055,776	917,472
Key Managerial Personnel		
	(228,072)	(223,742)
	3,482	223,651
Directors	(24,289)	(3,883)
	24,289	3,883

Figures in bracket indicates maximum balance outstanding during the year based on comparison of the total outstanding balances at each quarter end.

Notes to financial statements

For the year ended March 31, 2022

24 OPERATING LEASES (AS-19)

The bank has taken premises and certain equipments on operating lease for a period of time. There are no provisions relating to contingent rent.

The future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	(₹ in 000's)	
	As on March 31, 2022	As on March 31, 2021
i) Not later than one year	703,900	701,292
ii) Later than one year but not later than five years	2,755,326	2,949,350
iii) Later than five years	308,423	843,697

Particulars	(₹ in 000's)	
	Year ended March 31, 2022	Year ended March 31, 2021
The total of minimum lease payments recognized in the Profit and Loss Account for the year	746,232	704,964

There are no provisions relating to contingent rent.

25 EARNINGS PER SHARE

The Bank reports basic and diluted earnings per Equity share in accordance with Accounting Standard-20 Earnings Per Share.

Particulars	(₹ in 000's)	
	Year ended March 31, 2022	Year ended March 31, 2021
Profit available to equity share holders (in 000's) - (A)	(4,145,904)	82,969
Weighted average shares outstanding – Basic (Nos. in 000's) - (B)	1,728,314	1,728,244
Weighted average shares outstanding – Diluted (Nos. in 000's) - (C)	1,728,314	1,728,743
Nominal Value of Equity Shares (₹)	10	10
Earnings per share – Basic (₹) - (A/B)	(2.40)	0.05
Earnings per share – Diluted (₹)	(2.40)	0.05

Note:- The effect of potential equity shares on EPS is anti-dilutive for the year ended March 31, 2022.

26 MISCELLANEOUS

26.1 Provisions for taxation during the year:

Particulars	(₹ in 000's)	
	Year ended March 31, 2022	Year ended March 31, 2021
Income Tax	-	1,625,457
Income Tax - Prior Period	-	84,607
Deferred tax Liability/ (Asset) - (Refer Schedule 18(27))	(1,357,681)	(1,691,058)
Total	(1,357,681)	19,006

Notes to financial statements

For the year ended March 31, 2022

26.2 Disclosure relating to Depositor Education and Awareness Fund (DEAF):

The details of amount transferred to Depositor Education and Awareness Fund during the current and previous year.

Particulars	(₹ in 000's)	
	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance of amounts transferred to DEAF	2,188	2,037
Add: Amounts transferred to DEAF during the year	78	151
Less: Amounts reimbursed by DEAF towards claims	6	-
Closing balance of amounts transferred to DEAF	2,260	2,188

As per RBI circular DBR. No. DEA Fund Cell. BC. 67/3-.01.002/2014-15 dated February 02, 2015, the details of unclaimed Security Deposits has been displayed on our website with respect to amount transferred to DEAF.

26.3 Drawdown from Reserves

The Bank has not undertaken any drawdown from reserves during the financial year ended March 31, 2022 and March 31, 2021.

26.4 Fixed Assets

Particulars	(₹ in 000's)	
	As on March 31, 2022	As on March 31, 2021
Fixed Assets excluding Computer Software		
Opening balance (cost)	3,531,940	3,346,166
Additions during the year	148,000	213,704
Deduction during the year	(40,997)	(27,930)
Depreciation to date	(2,239,732)	(1,798,200)
Balance at the end of the year	1,399,211	1,733,740

26.5 Computer Software

The movement in fixed assets capitalized as computer software is given below:

Particulars	(₹ in 000's)	
	As on March 31, 2022	As on March 31, 2021
Opening balance (cost)	1,916,292	1,389,447
Additions during the year	356,771	526,845
Deduction during the year	(28,513)	-
Depreciation to date	(1,207,745)	(890,615)
Balance at the end of the year	1,036,805	1,025,677

26.6 Description of Contingent Liabilities:

Particulars	(₹ in 000's)	
	As on March 31, 2022	As on March 31, 2021
i) Claims against the Bank not acknowledged as debt		
- Taxation	785,439	17,106
- Other Legal cases	2,969	228,719
ii) Guarantees given on behalf of Constituents	2,500	2,500
iii) Other items for which the Bank is contingently liable		
- Capital commitments not provided	579,137	155,084
- Amount transferred to Depositor Education and Awareness Fund (DEAF)	2,260	2,188
Total	1,372,305	405,597

Notes to financial statements

For the year ended March 31, 2022

Contingent liability	Brief description
Claims against the Bank not acknowledged as debts - taxation	The Bank is a party to various taxation matters in respect of which appeals are pending. The Bank expects the outcome of the appeals to be favourable based on decisions on similar issues in the previous years by the appellate authorities, based on the facts of the case and the provisions of Income Tax Act, 1961. It includes ₹ 7,80,113 ('000) intimation received by Bank under section 143(1) on 23-Dec-2021, because an incorrect date of filing of return is considered for processing the intimation order and the bank has filed an appeal with CIT (A) as well as an application for rectification and application for stay in demand with the AO has been filed.
Claims against the Bank not acknowledged as debts - Other legal cases	The Bank is a party to various legal proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.
Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the Bank's customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfil its financial or performance obligations.
Other items for which the Bank is contingently liable	These include: a) Capital commitments; b) Amount transferred to the RBI under the Depositor Education and Awareness Fund (DEAF)

26.7 Disclosure of Letters of Comfort issued by the Bank:

The Bank has not issued any Letter of Comfort during the current and previous year.

26.8 Investor education and protection fund

There is no amount required to be transferred to Investor Education and Protection Fund by the bank during the current and previous year.

26.9 Other Expenditure:

Other expenditure includes below expenses exceeding 1% of the total income of the Bank.

Particulars	₹ in 000's	
	For the year ended March 31, 2022	For the year ended March 31, 2021*
Manpower Cost	629,402	116,003
Collection Agency Charges	314,197	54,711
Local Conveyance	395,334	286,283
NFS - Expenses	410,349	258,474

* Previous year figures did not exceed 1% of the total income of the bank for the FY 2020-21. They have been given as comparative figures for the current year data.

26.10 The Bank has a process whereby periodically all long term contract are assessed for material foreseeable losses. At the year end, the Bank has reviewed and ensured that no provision is required under any law / accounting standards on such long term contracts as on March 31, 2022 and March 31, 2021.

26.11 Credit default Swaps

The Bank has not entered into any credit default swap transactions during the current and previous year.

26.12 Credit card and debit card reward points

The Bank does not have credit card products, hence reward points are not applicable. Also, the Bank does not provide any reward points on debit card.

26.13 Off balance sheet SPVs sponsored

There are no off-balance sheet SPVs sponsored by the bank as at March 31, 2022, and at March 31, 2021. Refer note 18(38) of the notes to accounts.

Notes to financial statements

For the year ended March 31, 2022

26.14 Details of factoring exposure

The factoring exposure of the Bank as at March 31, 2022 and as at March 31, 2021 is Nil.

26.15 Country wise risk exposure

The Bank does not have any country wise Risk Exposure as at March 31, 2022 and as at March 31, 2021.

26.16 Unhedged foreign currency exposure

The Bank does not have any unhedged foreign country exposure as at March 31, 2022 and as at March 31, 2021.

27 DEFERRED TAX

In accordance with Accounting Standard -22 "Accounting for Taxes on Income", the company has recognized deferred tax (asset)/Liability as detailed below:

As at March 31, 2022

Particulars	₹ in 000's		
	Deferred Tax (Assets) / Liabilities as on April 01, 2021	Current year (credit) / charge	Deferred Tax (Assets) / Liabilities as on March 31, 2022
Deferred Tax Liability			
Difference between book and tax depreciation	102,047	(40,581)	61,466
Deferred Tax Asset			
Provision for Employee benefits recognised in the financial statements, but to be allowed on payment	(199,498)	(47,326)	(246,824)
Provision for non performing advances/ standard advances recognised in financial statements, but to be allowed on write off	(1,885,188)	(1,151,429)	(3,036,616)
On account of unobserved losses and allowance			
Others	(108,890)	(118,346)	(227,236)
Net Deferred Tax (Asset) / Liability	(2,091,529)	(1,357,681)	(3,449,210)

As at March 31, 2021

Particulars	₹ in 000's		
	Deferred Tax (Assets) / Liabilities as on April 01, 2020	Current year (credit) / charge	Deferred Tax (Assets) / Liabilities as at March 31, 2021
Deferred Tax Liability			
Difference between book and tax depreciation	101,325	722	102,047
Deferred Tax Asset			
Provision for Employee benefits recognised in the financial statements, but to be allowed on payment	(106,520)	(92,978)	(199,498)
Provision for non performing advances/ standard advances recognised in financial statements, but to be allowed on write off	(238,387)	(1,646,801)	(1,885,188)
On account of unobserved losses and allowance			
Others	(156,889)	47,999	(108,890)
Net Deferred Tax (Asset) / Liability	(400,471)	(1,691,058)	(2,091,529)

28 DISCLOSURES ON REMUNERATION:

28.1 Qualitative Disclosures

(A) Information relating to the composition and mandate of the Remuneration Committee.

Bank has constituted a Nomination and Remuneration Committee (NRC). The NRC comprises of five members out of which three are Independent Directors. Mandate of the Nomination and Remuneration Committee, inter alia, is to oversee the framing, review and implementation of the Banks's Compensation policy & Nomination & Remuneration Policy for Whole Time Director/Chief Executive Officers/Risk Takers, control function staff and other employees of the Bank for ensuring effective alignment between remuneration and risks. The Committee also ensures that level and composition of remuneration is reasonable and sufficient, relationship of remuneration

Notes to financial statements

For the year ended March 31, 2022

to performance is clear and meets appropriate performance benchmarks. The Nomination and Remuneration Committee reviews Compensation policy and Nomination & Remuneration Policy of the Bank with a view to attract, retain and motivate employees.

(B) Information relating to the design and structure of remuneration processes and the key features and objectives of Compensation Policy and Nomination & Remuneration Policy

The Compensation Policy and Nomination & Remuneration Policy has been laid out keeping the following perspectives into considerations:

- (a) Our Compensation principles should support us in achieving our mission of providing a full range of financial services to the economically active poor of India who are not adequately served (unserved and underserved) by financial institutions. Therein, this policy should support us to attract and retain talent and skills required to further the organizations purpose and ideology.
- (b) The pay structure and amounts confirms and shall always conform to applicable Income Tax and other similar statutes.
- (c) All practices of Ujjivan SFB shall comply with applicable labour laws.
- (d) The pay structure should be standardized for a level of employees.
- (e) Elements eligible for tax exemption may be introduced at appropriate levels to enable employees take applicable tax breaks. Amounts related to certain benefits may undergo change due to change in grade/ roles/ function/ state/ region in the organization.
- (f) The compensation structure shall be easy to understand for all levels of employees.
- (g) The compensation policy is designed to promote meritocracy in the organization i.e. other things being equal, performers in a given role are expected to earn more than his/her peer group.
- (h) The directors are paid sitting fees as approved by the Board for attending the Board and Board Committee Meetings.

(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.

- (a) Structurally, the Control functions such as Credit, Risk and Vigilance are independent of the business functions and each other, thereby ensuring independent oversight from various aspects on the business functions.
- (b) The Bank is in the process of comprehensively measuring and reviewing material risks to which Bank is exposed to under IGAAP. The Bank also complies with Basel II requirements.

(D) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.

- (a) The compensation policy is designed to promote meritocracy in the organization i.e. other things being equal, performers in a given role are expected to earn more than his/her peer group.
- (b) Ujjivan shall, from time to time benchmark its compensation against identified market participants to define its pay structure and pay levels.
- (c) The merit increments will be finalized and approved by the NHRC year on year, basis organization's budgets and accomplishments as well as market reality.
- (d) Ujjivan believes in paying its employees in an equitable and fair manner basis the incumbent's Role, Personal Profile (Education/Experience etc.) as well as Performance on the Job.
- (e) Employees rated "Below Expectations" shall not be provided any increments, unless statutorily required.

(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.

The performance bonus payout shall be Annual. Discretion is typically applied related to staggered payout in case large payouts, particularly for

Notes to financial statements

For the year ended March 31, 2022

functions like Credit and Risk. Bonus is to be prorated for employees who have worked for part of the year at Ujjivan.

Ujjivan believes in the philosophy of collective ownership by its employees. Thus, Employee Stock Options of the Holding Company Ujjivan Financial Services Ltd are distributed amongst employees basis their criticality and performance.

Typically, all Stock option schemes at Ujjivan vest in a staggered manner. Besides the statutory requirement of grant and 1 year vesting, the total set of options vest in various tranches for up to a period of 3 years.

Malus/ Clawback: In the event of negative contributions of the individual towards the achievements of the Banks objectives in any year, the deferred compensation should be subjected to Malus/Clawback arrangements. Similar provisions shall apply in case the individual is found guilty of any major non-compliance or misconduct issues.

(F) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.

Variable Compensation at Ujjivan has the following distinct forms:

1. Statutory Bonus
2. Performance Pay:
 - a. Performance Bonus
 - b. Monthly Variable Pay
3. Rewards & Recognition

The policy has been laid out keeping the following perspectives into considerations:

The Variable pay structure and amounts shall always conform to applicable Income Tax statutes, Labour Laws, Regulatory Requirements, any other applicable statutes and prevalent market practice.

It is designed to promote meritocracy in the organization i.e. other things being equal, performers in a given role are expected to earn more than his/her peer group.

Statutory Bonus: Statutory Bonus in India is paid as per Payment of Bonus Act, 1965.

Performance Bonus: All employees who are not a part of any Monthly Variable Pay but part of the year end performance review will be covered under the Performance Bonus Plan of Ujjivan Small Finance Bank. However, the actual payout of performance bonus shall be paid only to employees who have met our performance criteria.

Sales Awards: Employees in the Sales function, directly responsible for revenue generation shall be covered under the Sales Award Scheme if meeting the criteria of the respective scheme. Typically some of the entry level roles and up to two levels of supervision thereof shall be covered by sales awards.

Rewards & Recognition: Ujjivan shall design schemes and practices from time to time to celebrate employees / departmental / organizational success. These celebrations may include offering tokens of appreciation to employees as defined in specific schemes. Fairness of application and transparency of communication shall be the hallmark of all such schemes. These will be subject to income tax laws, as applicable. Examples of such schemes may include: Long Service Awards (currently at one, three, five, seven and ten yrs. of completion of service with Ujjivan), Portfolio Improvement Reward Scheme; Functional R&R Schemes; Organizational Rewards Schemes such as: Service Champion; Process Excellence; Customer Connect Awards; Above and Beyond; Recognition program for Liabilities Branches for Retail Deposits; Recognition program for Asset growth in Branches

Notes to financial statements

For the year ended March 31, 2022

28.2 Quantitative Disclosures

The quantitative disclosures cover the Bank's Whole Time Director (WTD) and Material Risk Takers (MRT). The Bank's MRT includes Managing Director and Chief Executive Officer (MD & CEO), Head- Treasury, Current and Ex-Chief Credit Officer (CCO), Head - Liabilities and Head - Micro & Rural Banking.

(₹ in 000's)		
Particulars	Year ended March 31, 2022 ¹	Year ended March 31, 2021 ¹
Number of meetings held by Nomination & Remuneration Committee (NRC) and remuneration paid to its members	13 meetings of Nomination & Remuneration Committee (NRC) were held during April 01, 2021 to March 31, 2022. NRC members were paid total sitting fees of ₹ 3,250 (000's) for Thirteen meetings.	8 meetings of Nomination & Remuneration Committee (NRC) were held during April 01, 2020 to March 31, 2021. NRC members were paid total sitting fees of ₹ 1,370 (000's) for Eight meetings. Human Resource and Compensation Committee (HRC) was merged with NRC on Feb 03, 2021. No meeting of HRC was held during Financial Year 2020-21.
Number of employees having received a variable remuneration award.	MD & CEO	Nil
Number and total amount of 'sign on' awards	Nil	Nil
Details of guaranteed bonus if any paid as sign on bonus.	Nil	Nil
Details of severance pay in addition to the accrued benefits.#	₹ 4,329 (000's)	₹ 7,409 (000's)
Total amount of outstanding deferred remuneration split into cash, shares and share linked instruments and other forms.	Cash : 3450 ('000) ESPS shares : Nil ESOP grants : 3,41,785*** MD & CEO, Head- Treasury, Chief Credit Officer (CCO), Head - Liabilities and Head - Micro & Rural Banking.	Cash : Nil ESPS shares : Nil ESOP grants : 2,54,874*** MD & CEO, Head- Treasury, Chief Credit Officer (CCO), Head - Liabilities and Head - Micro & Rural Banking.
Total amount of deferred remuneration paid.	Cash- ₹ 3110('000)	Nil
Breakdown of amount of remuneration awards for the financial Period to show fixed and variable, deferred and non-deferred	Fixed gross : ₹ 45,309 ('000) Variable deferred : ₹ 3,110('000) Fixed gross of the following employees : MD & CEO, Head- Treasury, Current and Ex-Chief Credit Officer (CCO), Head - Liabilities and Head - Micro Banking.	Fixed gross : ₹ 49,198 ('000) Variable deferred : ₹ NIL Fixed gross of the following employees : MD & CEO, Head- Treasury, Current and Ex-Chief Credit Officer (CCO), Head - Liabilities and Head - Micro & Rural Banking.
Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and implicit adjustments.	Variable Provisioned - ₹ 3450('000)	Nil
Total amount of reductions during the FY due to ex – post explicit adjustments	Nil	Nil
Total amount of reductions during the FY due to ex – post implicit adjustments	Nil	Nil
Number of Material Risk Takers (MRT) identified	7 ⁴	4
Number of cases where malus has been exercised ³	Nil	Nil
Number of cases where clawback has been exercised ³	Nil	Nil
Number of cases where both malus and clawback have been exercised ³	Nil	Nil

Notes to financial statements

For the year ended March 31, 2022

(₹ in 000's)		
Particulars	Year ended March 31, 2022 ¹	Year ended March 31, 2021 ¹
General Quantitative Disclosure³		
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.	₹ 422 ('000) (excluding MD & CEO) 34.80 X	₹ 372 ('000) (excluding MD & CEO) 39.48 X

Note:

#The amount includes the following paid to Ex-MD&CEO who retired on September 30, 2021.

*** Excluding ESOPs of Active MRT since it was granted as sign-on grant and bank ESOP additional grant. ESOPs are granted not exercised.

1. Current year disclosure is for WTD and MRTs. Previous year disclosure is for WTD and Key Risk Takers (KRTs).
2. For cash component - payment to be made as per guidance and approval of regulatory authority.
3. As per RBI circular 2019-20/89 DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 04, 2019, new disclosure have been presented for current year only.
4. The number is inclusive of MRT who have resigned during the year.

29 DISCLOSURE ON REMUNERATION TO NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors are paid Sitting Fees for attending meetings of the Board and its Committees. During the year, the sitting fees was paid at the rate of ₹ 75 (000's) per Board meeting and at the rate of ₹ 50 (000's) per Board Committee Meetings. The Bank has paid total ₹ 19,025 (000's)

(₹ in 000's)		
Name of Directors	Year ended March 31, 2022	Year ended March 31, 2021
Mr. Biswamohan Mahapatra	-	1,605
Ms. Vandana Viswanathan	-	835
Mr. Nandlal Sarada	675	1,615
Mr. Prabal Kumar Sen	1,400	1,455
Ms. Mona Kachhwaha ⁷	650	1,465
Mr. Jayanta Kumar Basu	-	1,470
Ms. Chitra K Alai (SIDBI)	425	270
Mr. Mahadev Lakshminarayanan	375	1,845
Mr. Umang Bedi ¹	700	1,135
Ms. Rajni Mishra ²	2,725	425
Mr. Ittira Davis ³	525	75
Mr. Rajesh Kumar Jogi ⁴	2,975	75
Mr. Harish Devarajan ⁵	375	75
Mr. Umesh Bellur ⁶	350	-
Mr. Banavar Anantharamaiah Prabhakar ⁸	1,950	-
Mr. Ravichandran Venkataraman ⁹	2,150	-
Mr. Samit Kumar Ghosh ¹⁰	1,750	-
Ms. Sudha Suresh ¹¹	1,850	-
Mr. Satyaki Rastogi ¹²	150	-
Total	19,025	12,345

- 1) Mr. Umang Bedi was appointed as Additional Director (Independent) w.e.f. April 01, 2020 and was subsequently appointed as the Independent Director in the Annual General Meeting held on September 02, 2020. He resigned from the office of Independent Director w.e.f. October 01, 2021.

Notes to financial statements

For the year ended March 31, 2022

- 2) Mrs. Rajni Anil Mishra was appointed as an Additional Director (Independent) w.e.f. December 16, 2020 and was subsequently appointed as the Independent Director in the Annual General Meeting held on September 27, 2021.
- 3) Mr. Ittira Davis was appointed as an Additional Director (Non- Executive, Non-Independent) and Part-Time chairman (subject to approval of RBI) w.e.f. March 13, 2021 and resigned from the office of Additional Director (Non- Executive, Non-Independent) w.e.f. July 23, 2021. Mr. Ittira Davis appointed as MD and CEO w.e.f. January 14, 2022.
- 4) Mr. Rajesh Kumar Jogi was appointed as an Additional Director (Non-Executive, Non- Independent) w.e.f. March 13, 2021 and his designation was recategorised from Additional Director (Non-Executive, Non-Independent) to Additional Director (Independent) w.e.f. August 25, 2021. He was subsequently appointed as the Independent Director in the Annual General Meeting held on September 27, 2021.
- 5) Mr. Harish Devarajan was appointed as an Additional Director (Independent) of the Bank w.e.f. March 13, 2021 and resigned w.e.f. August 12, 2021.
- 6) Mr. Umesh Bellur was appointed as an Additional Director (Independent) of the Bank w.e.f. March 13, 2021 and retired in the Annual General Meeting held on September 27, 2021.
- 7) Ms. Mona Kachhwaha resigned from the office of Non-Executive, Non-Independent Director w.e.f. August 10, 2021.
- 8) Mr. Banavar Anantharamaiah Prabhakar was appointed as an Additional Director (Independent) w.e.f. August 20, 2021 and was subsequently appointed as the Independent Director in the Annual General Meeting held on September 27, 2021 and as Part Time Chairman w.e.f. November 23, 2021.
- 9) Mr. Ravichandran Venkataraman was appointed as an Additional Director (Independent) w.e.f. August 20, 2021 and was subsequently appointed as the Independent Director in the Annual General Meeting held on September 27, 2021.
- 10) Mr. Samit Kumar Ghosh was appointed as an Additional Director (Non-Executive, Non-Independent) w.e.f. August 20, 2021 and was subsequently appointed as the Non Executive Director (Non-Independent) in the Annual General Meeting held on September 27, 2021.
- 11) Ms. Sudha Suresh was appointed as an Additional Director (Non-Executive, Non-Independent) w.e.f. August 20, 2021 and was subsequently appointed as the Non Executive Director (Non Independent) in the Annual General Meeting held on September 27, 2021 and was further recategorized as Independent Director w.e.f. April 01, 2022.
- 12) Mr. Satyaki Rastogi was appointed by SIDBI as a Nominee Director w.e.f. December 22, 2021.
- 13) Mr. P.N. Raghunath was appointed as an Additional Director by RBI w.e.f. Nov 29, 2021
- 30** The Micro, Small and Medium Enterprises Development Act, 2006 that came into force from October 2, 2006, provides for certain disclosures in respect of Micro, Small and Medium enterprises.
- The Bank does not have comprehensive data of the status of its vendors and service providers. Based on the limited data available, there were no dues to Micro, small and medium enterprises as at year ended March 31, 2022 and for the year ended March 31, 2021.

31 CORPORATE SOCIAL RESPONSIBILITY

As per Sec 135 (1) of the Companies Act "Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director". Pursuant to this, Bank has duly constituted a Corporate Social Responsibility Committee.

Further, the section stipulates that the company should spend, in every financial year, at least two per cent of the average net profits made during the three immediately preceding financial years and in pursuance of its Corporate Social Responsibility Policy.

Notes to financial statements

For the year ended March 31, 2022

Gross amount required to be spent by the Bank during the financial year ended March 31, 2022 is ₹ 49,657 ('000) (P.Y 49,567 ('000))

Particulars	Year ended March 31, 2022		
	Amount Spent	Amount unpaid/ provision	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	42,706	7,257	49,963

Particulars	Year ended March 31, 2021		
	Amount Spent	Amount unpaid/ provision*	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	55,338	306	55,644

32 PAYMENTS TO AUDITOR'S (SCHEDULE -16 AUDITOR'S FEES AND EXPENSES)

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Audit Fees	4,200	4,088
Tax Audit Fees	500	194
Certification and other attest services	7,724	5,119
Out of Pocket Expenses	446	-
Total	12,870	9,401

33 SHARE-BASED PAYMENTS

33(A) Employee Share Option Plan(ESOP)

33(A)(1) Details of the employee share option plan of the Bank

The Bank has share option scheme for employees (which includes the employees of the Holding Company) , being ESOP 2019.

Employee Stock Options (ESOPs): The ESOP 2019 is the scheme under which the Bank has issued options to the employees (which includes the employees of the Holding Company). The Bank has approved its ESOP Plan, 2019 in the Shareholders meeting held on March 29, 2019. During the year, the Bank has granted 3,06,39,119 options under the ESOP 2019 to eligible employees (which includes the employees of the Holding Company) during the year ended March 31, 2022. As on March 31, 2022, out of the 71,742,768 options granted, 61,967 options has been exercised and 17,185,468 options are lapsed/cancelled. Further, 97,14,703 options are vested and 44,780,630 are yet to be vested.

The vesting period for the options granted under ESOP 2019 is as under:

Particulars	Options Granted	Year 1	Year 2	Year 3	Year 4	Year 5
ESOP 2019 - Original	37,000,403	20%	20%	20%	20%	20%
ESOP 2019 - Additional	3,798,697	52%	48%	-	-	-
ESOP 2019 - Senior Hire	304,549	20%	20%	20%	20%	20%
ESOP 2019 (Senior Hire) Additional	199,949	20%	20%	20%	20%	20%
ESOP 2019 Additional Grant	30,157,303	15%	20%	25%	40%	-
ESOP 2019 (Senior Hire) Additional Grant-2	166,842	20%	20%	20%	20%	20%
ESOP 2019 (Senior Hire) Additional Grant-3	115,025	20%	20%	20%	20%	20%
Total	71,742,768					

Notes to financial statements

For the year ended March 31, 2022

The following share-based payment arrangements were in existence during the current year:

Options Series	Number	Grant Date	Date of Vesting	Expiry Date	Exercise Price	Fair value at Grant Date
ESOP 2019 - Original	37,000,403	August 08, 2019	August 07, 2020	August 07, 2025	35.00	17.25
		August 08, 2019	August 07, 2021	August 07, 2026	35.00	19.31
		August 08, 2019	August 07, 2022	August 07, 2027	35.00	21.13
		August 08, 2019	August 07, 2023	August 07, 2028	35.00	22.77
		August 08, 2019	August 07, 2024	August 07, 2029	35.00	24.24
ESOP 2019 - Additional	3,798,697	December 4, 2019	December 12, 2020	December 12, 2025	35.00	17.25
		December 4, 2019	December 12, 2021	December 12, 2026	35.00	19.31
ESOP 2019 - Senior Hire	304,549	November 02, 2020	November 02, 2021	November 01, 2026	30.75	11.78
		November 02, 2020	November 02, 2022	November 01, 2027	30.75	13.08
		November 02, 2020	November 02, 2023	November 01, 2028	30.75	14.81
		November 02, 2020	November 02, 2024	November 01, 2029	30.75	16.03
		November 02, 2020	November 02, 2025	November 01, 2030	30.75	16.83
ESOP 2019 (Senior Hire) Additional	199,949	August 23, 2021	August 23, 2022	August 23, 2027	19.7	7.81
		August 23, 2021	August 23, 2023	August 23, 2028	19.7	8.52
		August 23, 2021	August 23, 2024	August 23, 2029	19.7	9.71
		August 23, 2021	August 23, 2025	August 23, 2030	19.7	10.26
		August 23, 2021	August 23, 2026	August 23, 2031	19.7	10.91
ESOP 2019 Additional Grant	30,157,303	August 01, 2021	August 01, 2023	August 01, 2028	19.95	5.26
		August 01, 2021	August 01, 2024	August 01, 2029	19.95	7.20
		August 01, 2021	August 01, 2025	August 01, 2030	19.95	8.90
		August 01, 2021	August 01, 2026	August 01, 2031	19.95	9.77
		ESOP 2019 (Senior Hire) Additional Grant-2	166,842	January 05, 2022	January 05, 2023	January 05, 2028
		January 05, 2022	January 05, 2024	January 05, 2029	19.05	8.29
		January 05, 2022	January 05, 2025	January 05, 2030	19.05	8.92
		January 05, 2022	January 05, 2026	January 05, 2031	19.05	9.93
		January 05, 2022	January 05, 2027	January 05, 2032	19.05	10.50
ESOP 2019 (Senior Hire) Additional Grant-3	115,025	March 23, 2022	March 23, 2024	March 23, 2029	16.6	7.65
		March 23, 2022	March 23, 2025	March 23, 2030	16.6	8.29
		March 23, 2022	March 23, 2026	March 23, 2031	16.6	8.92
		March 23, 2022	March 23, 2027	March 23, 2032	16.6	9.93
		March 23, 2022	March 23, 2028	March 23, 2033	16.6	10.5
Total	71,742,768					

33(A)(2) Fair value of share options granted in the year

The weighted average fair value of the share options granted during the FY 2021-22 is 15.75 and for FY 2020-21 is 14.51. Options were calculated using Black and Scholes Model. Vested ESOPs can be exercised within five years from their corresponding dates of vesting. ESOPs vested can be exercised between date of vesting and on or before option expiry date. The term of the option is assumed to be the sum of a) duration till vesting; and b) the midpoint of the remaining exercise period from date of vesting, in absence of historical exercise pattern. Volatility of comparable Banks have been considered for the purposes of valuation.

Notes to financial statements

For the year ended March 31, 2022

Inputs considered for calculating options fair value are as follows:

Particulars	ESOP 2019				
	Vesting 1	Vesting 2	Vesting 3	Vesting 4	Vesting 5
Grant date share price	40.76	40.76	40.76	40.76	40.76
Exercise price	35	35	35	35	35
Expected volatility	40.08%	40.08%	40.08%	40.08%	40.08%
Option life	3.5	4.5	5.5	6.5	7.5
Risk-free interest rate	5.75%	5.90%	6.03%	6.13%	6.22%

Particulars	ESOP 2019 - Senior Hire				
	Vesting 1	Vesting 2	Vesting 3	Vesting 4	Vesting 5
Grant date share price	30.75	30.75	30.75	30.75	30.75
Exercise price	30.75	30.75	30.75	30.75	30.75
Expected volatility	43.50%	41.93%	43.29%	43.12%	41.66%
Option life	3.5	4.5	5.5	6.5	7.5
Risk-free interest rate	5.30%	5.30%	5.40%	5.40%	5.40%

Particulars	ESOP 2019 (Senior Hire) Additional				
	Vesting 1	Vesting 2	Vesting 3	Vesting 4	Vesting 5
Grant date share price	18.45	18.45	18.45	18.45	18.45
Exercise price	19.7	19.7	19.7	19.7	19.7
Expected volatility	45.64%	43.01%	44.95%	43.07%	42.58%
Option life	3.54	4.54	5.54	6.54	7.54
Risk-free interest rate	5.30%	5.30%	5.40%	5.40%	5.40%

Particulars	ESOP 2019 Additional Grant			
	Vesting 1	Vesting 2	Vesting 3	Vesting 4
Grant date share price	29	29	29	29
Exercise price	19.95	19.95	19.95	19.95
Expected volatility	42.48%	44.97%	47.17%	44.18%
Option life	1.34	2.34	3.34	4.34
Risk-free interest rate	4.35%	4.95%	5.41%	5.78%

Particulars	ESOP 2019 (Senior Hire) Additional Grant-2				
	Vesting 1	Vesting 2	Vesting 3	Vesting 4	Vesting 5
Grant date share price	19.85	19.85	19.85	19.85	19.85
Exercise price	19.05	19.05	19.05	19.05	19.05
Expected volatility	46.95%	43.90%	41.83%	43.58%	42.73%
Option life	3.56	4.56	5.56	6.56	7.56
Risk-free interest rate	5.30%	5.30%	5.30%	5.30%	5.30%

Particulars	ESOP 2019 (Senior Hire) Additional Grant-3				
	Vesting 1	Vesting 2	Vesting 3	Vesting 4	Vesting 5
Grant date share price	16.55	16.55	16.55	16.55	16.55
Exercise price	16.6	16.6	16.6	16.6	16.6
Expected volatility	46.95%	43.90%	41.83%	43.58%	42.73%
Option life	3.56	4.56	5.56	6.56	7.56
Risk-free interest rate	5.30%	5.30%	5.30%	5.30%	5.30%

Notes to financial statements

For the year ended March 31, 2022

33(A)(3) Movements in share options issued During the year ended March 31, 2022

Particulars (Nos.)	Options granted and outstanding as at beginning of year	Granted during the year	Exercised during the year	Forfeited/ Expired during the year	Option exercisable at the end of the year
ESOP 2019 - Original	30,947,310			7,092,770	23,854,540
ESOP 2019 - Additional	3,798,697			3,798,697	-
ESOP 2019 - Senior Hire	304,549			239,383	65,166
ESOP 2019 (Senior Hire) Additional		199,949		34,264	165,685
ESOP 2019 Additional Grant		30,157,303		29,228	30,128,075
ESOP 2019 (Senior Hire) Additional Grant-2		166,842			166,842
ESOP 2019 (Senior Hire) Additional Grant-3		115,025			115,025
Total	35,050,556	30,639,119	-	11,194,342	54,495,333
Weighted average exercise price	34.96	19.93		34.82	26.54

During the year ended March 31, 2021

Particulars (Nos.)	Options granted and outstanding as at beginning of year	Granted during the year	Exercised during the year	Forfeited/ Expired during the year	Option exercisable at the year end
ESOP 2019 - Original	34,277,160.00	-	61,967	3,267,883	30,947,310
ESOP 2019 - Additional	3,798,697.00	-	-	-	3,798,697
ESOP 2019 - Senior Hire	-	304,549	-	-	304,549
Total	38,075,857.00	304,549	61,967	3,267,883	35,050,556
Weighted average exercise price	35.00	30.75	35.00	35.00	34.96

33(A)(4) Share options exercised during the year

No options has been exercised during the year 61,967 options has been exercised out of the ESOPs granted under the ESOP Plan 2019 in 2020-21

33(A)(5) Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 26.54 (PY - ₹ 34.96) for ESOP 2019 scheme and a weighted average remaining contractual life of 6.59 Years (PY 6.24 Years).

33(A)(6) Expense arising from share based payment transaction recognized in Statement of profit or loss as employee benefit expense are as follows:

Particulars	₹ in 000's	
	Year ended March 31, 2022	Year ended March 31, 2021
Employee benefit expense	(16,039)	224,465

Notes to financial statements

For the year ended March 31, 2022

33(A)(7) ESOP arrangement with the Holding company (Ujjivan Financial Services Limited)

As per guidance note issued by ICAI on Share-based Payment, stock options have to be fair valued on the grant date and expense has to be recognised over the vesting period. The Bank has accordingly determined the cost of the employee share-based payments considering the fair value principles, recognised the share based payment expense for all the unvested options as on date for the period starting from the grant date. Total 601,561 options granted to Holding Company employees for which Bank has decided to cross charge the stock compensation expense through related party transaction.

33(B) Employee Stock Purchase Scheme 2019 (ESPS):

The ESPS Scheme was approved by the Shareholders in the Extra-Ordinary General Meeting held on August 03, 2019. Under the ESPS 2019 scheme the employees of the Bank and of Ujjivan Financial Services Limited (UFSL) subscribed to 1,40,55,097 number of equity shares at a price of ₹ 35 per equity share. During the year ended March 31, 2021, the Bank allotted 29,069 equity shares under ESPS 2019 on November 07, 2020 at price of ₹ 35 per equity share.

34 Consequent to the outbreak of COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional post COVID 19 restrictions continue to be implemented in areas with a significant number of COVID-19 cases. India had experienced a "second wave" of the COVID-19 pandemic in Apr-May 2021 following the discovery of mutual variant, leading to the re-imposition of regional lockdowns. These were gradually lifted as the Second wave subsided. The impact of COVID-19, including changes in customer behaviour 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 disruptions following the outbreak, impacted loan originations and the efficiency in collection efforts resulting in increase in the number of customer defaults and consequently an increase in provisions there against.

India is emerging from the COVID-19 pandemic. The extent to which any new wave of COVID-19 will impact the Bank's operations and financial results will depend on ongoing as well as future developments, 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 the Bank.

35 Details of resolution plan implemented under the Resolution Framework for COVID-19 related stress as per RBI circular dated August 6, 2020 are given below:

(A) Details of resolution plan implemented under the Resolution Framework for COVID-19 related stress as per RBI circular dated August 6, 2020 are given below:

Type of borrower	₹ in '000				
	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year i.e., September 30, 2021 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2022	Of (A) amount written off during the half-year ended March 31, 2022	Of (A) amount paid by the borrowers during the half-year ended March 31-2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year i.e., March 31, 2022
Personal Loans	642,038	279,215	156,445	111,771	373,822
Corporate persons*					
Of which, MSMEs					
Others**	2,991,555	1,048,140	1,088,522	598,083	1,304,951
Total	3,633,593	1,327,354	1,244,966	709,854	1,678,773

Notes to financial statements

For the year ended March 31, 2022

(B) Details of Resolution Plan implemented under the RBI Resolution Framework 2.0 - Resolution of COVID-19 related stress of individual and small businesses dated May 5, 2021 are given below:

(₹ in '000)

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., September 30, 2021 (A)	Addition - Exposure to accounts classified as Standard consequent to implementation of resolution plan, where applications received by September '21 (Position as on restructuring date)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2022	Of (A) amount written off during the half-year ended March 31, 2022	Of (A) amount paid by the borrowers during the half-year ended March 31, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year, i.e., March 31, 2022
Personal Loans	1,277,341	16,123	218,462		409,402	884,062
Corporate persons*						
Of which MSMEs						
Others	4,540,448	13,742	543,108		1,782,194	2,771,996
Total	5,817,789	29,865	761,570		2,191,596	3,656,058

* As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016

** PSL status as of Mar'22 has been considered for reporting and hence there is a slight change in the opening value, i.e., "Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e., September 30, 2021 (A)"

36 REFUND / ADJUSTMENT OF 'INTEREST ON INTEREST'

In accordance with the instructions in the aforesaid RBI circular dated April 07, 2021, the Bank shall refund/adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been circulated by the Indian Banks Association ('IBA'). Based on the methodology recommended by the IBA, the Bank has calculated the said amount to be refunded and accordingly reduced ₹ 3.50 lakhs from the interest income for the year ended March 31, 2021. The same has been paid during the year ended 31st March 2022.

37 The Bank received a notice on March 16, 2021, regarding non-remittance of statutory Provident Fund (PF) dues on the applicable wage components from February 2017 until March 2019 amounting to ₹ 227,040 ('000). Bank has filed the initial responses to the PF Commissioner and contented that said notice does not have a stand based on definition of basic wages under EPF Act, 1952 and various case laws. However, due to ongoing pandemic the hearing has been adjourned until further notice.

The bank has made a provision during the FY 2021-22 for an amount of ₹ 227,040 ('000) as a matter of prudence, which was treated as contingent liability for the FY 2020-21.

Notes to financial statements

For the year ended March 31, 2022

38 SECURITIZATION TRANSACTION

The details of Securitization deals outstanding as at March 31, 2022 and as at March 31, 2021 as below.

Particulars	(₹ in 000's)	
	As on March 31, 2022	As on March 31, 2021
No. of SPEs holding assets for securitization transactions originated by the originator (only SPV relating to outstanding securitisation exposure to be reported here)	2	-
Total amount of securitized assets as per books of the SPEs sponsored by the Bank	2,525,883	-
Total amount of exposures retained by the Bank to comply with MRR as on the date of balance sheet	-	-
a) Off balance sheet exposures	-	-
First loss	-	-
Others	-	-
b) On-balance sheet exposures	-	-
First loss	252,588	-
Others	-	-
Amount of exposures to securitization transactions other than MRR	-	-
a) Off balance sheet exposures	-	-
i) Exposure to own securitizations	-	-
First loss	-	-
Loss	-	-
ii) Exposure to third party securitizations	-	-
First loss	-	-
Others	-	-
b) On balance sheet exposures	-	-
i) Exposure to own securitizations	-	-
First loss	75,776	-
Others	-	-
ii) Exposure to third party securitizations	-	-
First loss	-	-
Others	-	-
Sale Consideration received for the securitised assets and gain/loss on sale on account of securitisation	2,450,106	-
Form and quantum (outstanding value) of services provided by way of credit enhancement, liquidity support, post-securitisation asset servicing, etc	-	-
Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.	-	-
a) Amount paid	-	-
b) Repayment received (Inclusive of Principle and interest)	62,914	-
c) Outstanding amount	2,494,082	-
Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e., RMBS, Vehicle loans etc.	-	-
Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc.	NA	NA
Investor complaints	NA	NA
(a) Directly/Indirectly received and;		
(b) Complaints outstanding		

Notes to financial statements

For the year ended March 31, 2022

39 DIVIDEND:

No dividend has been declared/paid during the financial year ended March 31, 2022 and March 31, 2021.

Particulars	₹ in 000's	
	Year ended March 31, 2022	Year ended March 31, 2021
First Interim Preference Dividend of ₹ Nil (Previous year ₹ Nil)	-	-
Second Interim Preference Dividend of ₹ Nil (Previous year-₹ Nil)	-	-

40 PAYMENT OF DICGC INSURANCE PREMIUM

Sl. No	Particulars	₹ in 000's	
		As on March 31, 2022	As on March 31, 2021
i)	Payment of DICGC Insurance premium	119,022	93,910
ii)	Arrears in Payment of Insurance premium	-	-

41 MARKETING AND DISTRIBUTION

There is no fees/remuneration received in respect of the marketing and distribution function (exclude bancassurance business) undertaken by the bank for current year and previous year.

42 In the normal course of business of banking, the Bank has borrowed funds from certain institutions in refinance of certain advances granted by it or for utilization for granting advances by it. In like manner, the Bank has advanced monies to certain NBFCs for granting loans by them to their customers. These are in addition to other banking business carried on by the Bank. Read with this, 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 lend or invest in party identified by or on behalf of the Bank (Ultimate Beneficiaries). The Bank has not received any fund from any party(s) (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

43 The Board of Directors of the Bank and UFSL have approved a scheme of amalgamation of the latter with the former in terms of Sections 230 to 232 of the Companies Act, 2013. In terms of the said scheme, UFSL will be amalgamated into and with the Bank and its assets, liabilities, contracts, employees, licenses, records and approvals will be transferred to and will be deemed to have been transferred to and vested in our Bank, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein. All the Key Managerial Personnel, and other employees of UFSL who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of the Bank, without any break or interruption in their services and on the same terms and conditions (and which are not less favourable than those) on which they are engaged by UFSL as on the Effective Date. All proceedings by or against UFSL shall continue by or against the Bank. The appointed date under the said Scheme is February 01, 2022 or such other date as may be approved by the NCLT. In consideration of the proposed merger, the Bank will allot 115 (One hundred and Fifteen) equity shares each of ₹ 10/- for every 10 equity shares of ₹ 10/- each held by its shareholders in UFSL. The shares held by UFSL in the Bank shall stand extinguished on the amalgamation taking effect. The Scheme is subject to the provisions of the Scheme document and receipt of the relevant regulatory and statutory approvals (including but not limited to NCLT) and in accordance with applicable law and the conditions prescribed by the SEBI and RBI.

44 IMPLEMENTATION OF IFRS CONVERGED INDIAN ACCOUNTING STANDARDS (IND AS)

Reserve Bank of India (RBI) through press release RBI/2018-2019/146 DBR.BP.BC.No.29/21.07.001/2018-19, dated March 22, 2019, updated all Scheduled Commercial Banks that legislative amendments recommended by the RBI are under consideration of the Government of India. Accordingly, RBI had decided to defer the implementation of Ind AS till further notice. Bank is gearing itself to bring the necessary systems in place to facilitate the Proforma

submission to RBI. With respect to various instructions from Ministry of Corporate Affairs and Reserve Bank of India (RBI), the actions taken by the Bank are as follows:

1. Bank is in the process of Implementing changes required in existing IT architecture and other processes to enable smooth transition to Ind AS.
2. As directed by RBI, the Bank is submitting half yearly Proforma Ind AS financial statements to RBI within the stipulated timelines.
3. Training to the employees is imparted in phased manner
4. The Bank is currently preparing Special Purpose Ind AS Financials for the Holding company i.e. UFSL, for the purpose of consolidation.
5. The Bank will continue its preparedness towards adoption of Ind AS as per the regulatory requirement, and liaise with RBI and Industry Bodies on various aspects pertaining to Ind AS implementation.

45 COMPARATIVE FIGURES

Figures of the previous year have been regrouped/ reclassified wherever necessary to confirm to the current year's presentation.

As per our report of even date

For B K Ramadhyani & Co LLP
Chartered Accountants
FRN: 002878S/ S200021

Mukund M Chitale & Co.
Chartered Accountants
FRN:106655W

For and on behalf of Board of Directors of
Ujjivan Small Finance Bank Limited

Vasuki H S
Partner
MN: 212013

Nilesh RS Joshi
Partner
M N.114749

Ittira Davis
DIN: 06442816
Managing Director & CEO

B A Prabhakar
DIN: 02101808
Independent Director

Rajni Mishra
DIN: 08386001
Independent Director

Sudha Suresh
DIN: 06480567
Independent Director

M.D. Ramesh Murthy
Chief Financial Officer

Sanjeev Barnwal
Company Secretary

Bengaluru
May 12, 2022