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## FINCARE SMALL FINANCE BANK LIMITED

Our Bank was incorporated as Banas Finlease Private Limited at Palanpur, Gujarat as a private limited company under the Companies Act, 1956, and a certificate of incorporation was granted by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli on April 5, 1995. The name of our Bank changed from Banas Finlease Private Limited to Disha Microfin Private Limited as a result of change in management of our Bank and a fresh certificate of incorporation consequent upon change of name was granted by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli on March 26, 2010. On October 7, 2015, our Bank was granted an in-principle approval by the RBI to convert into a small finance bank in the private sector under Section 22 of the Banking Regulation Act, 1949. Subsequently, our Bank was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on November 29, 2016, and a certificate of incorporation consequent upon conversion to public limited company was granted by the Registrar of Companies, Gujarat at Ahmedabad ("RoC") on December 13, 2016. Thereafter, our Bank was granted a license by the RBI on May 12, 2017, to carry on small finance bank business in India in terms of Section 22 (1) of the Banking Regulation Act, 1949. Consequently, the name of our Bank changed from Disha Microfin Limited to Fincare Small Finance Bank Limited, and on June 14, 2017 a fresh certificate of incorporation pursuant to change of name, was granted by the RoC. Our Bank commenced its operations as a small finance bank with effect from July 21, 2017. Our Bank was included in the second schedule to the RBI Act pursuant to a notification dated March 28, 2019 issued by the RBI. For further details, see "History and Certain Corporate Matters" on page 177 of the Draft Red Herring Prospectus.

**Registered Office:** 301-306, 3rd Floor, Abhijeet - V, Opp. Mayor's Bungalow, Law Garden Road, Mithakhali, Ahmedabad 380 006, Gujarat, India; **Tel:** +91 79 4001 1000

**Corporate Office:** 5th Floor, Bren Mercury, Kaikondanahalli, Sarjapur Main Road, Bengaluru 560035, Karnataka, India; **Tel:** +91 80 4250 4444

**Website:** www.fincarebank.com; **Contact Person:** Shefaly Kothari, Company Secretary and Compliance Officer; **E-mail:** sfbcompsec@fincarebank.com

**Corporate Identity Number:** U67120GJ1995PLC025373

**ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED MAY 8, 2021 ("DRAFT RED HERRING PROSPECTUS"); NOTICE TO INVESTORS (THE "ADDENDUM")**

**INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF FINCARE SMALL FINANCE BANK LIMITED ("BANK" OR "ISSUER" OR "FSFBL") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹13,300 MILLION ("OFFER") COMPRISING OF A FRESH ISSUE BY OUR BANK OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹3,300 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹10,000 MILLION ("OFFER FOR SALE") BY FINCARE BUSINESS SERVICES LIMITED ("PROMOTER SELLING SHAREHOLDER" AND SUCH EQUITY SHARES, THE "OFFERED SHARES"). THIS OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HERINAFTER REFERRED TO AS THE "NET OFFER". OUR BANK AND THE PROMOTER SELLING SHAREHOLDER MAY, IN CONSULTATION WITH THE MANAGERS, OFFER A DISCOUNT OF UP TO ₹[●] TO THE OFFER PRICE (EQUIVALENT OF ₹[●] PER EQUITY SHARE) TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE OFFER AND THE NET OFFER SHALL CONSTITUTE AT LEAST [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR BANK.**

Potential Bidders may note the following:

- The Draft Red Herring Prospectus currently includes details of the restated financial statements as at and for the nine month period ended December 31, 2020 and financial years ended March 31, 2020, 2019 and 2018. The restated financial statements included in the Draft Red Herring Prospectus depicts the preliminary impact of COVID-19 on the financial performance of the Bank only for the financial year ended March 31, 2020 and the nine month period ended December 31, 2020. Accordingly, the section titled "Financial Statements" on page 234 of the Draft Red Herring Prospectus has been updated to include the restated financial information of the Bank as of and for the full preceding financial year, being the financial year ended March 31, 2021 and the three month period ended June 30, 2021 and June 30, 2020, which takes into account the impact of COVID-19 for the immediate financial year and the three month periods ended June 30, 2021 and June 30, 2020.
- The Draft Red Herring Prospectus currently includes certain financial measures and certain other statistical information relating to Bank's operations and financial performance for the nine month period ended December 31, 2020 and financial years ended March 31, 2020, 2019 and 2018 depicting the preliminary impact of COVID-19 on the operations and financial performance of the Bank for a nine month period only and therefore the section titled "Selected Statistical Information" on page 214 of the Draft Red Herring Prospectus has been updated to provide the impact of COVID-19 on the operations and financial performance of the Bank as at and for the immediate financial year and the three month periods ended June 30, 2021 and June 30, 2020.
- In light of the updated restated financial information of the Bank, the section titled "Our Business" on page 133 of the Draft Red Herring Prospectus, has been updated to reflect the key updates pertaining to the operational and financial performance of the Bank for the subsequent periods up to the three month period ended June 30, 2021.
- The section titled "Our Management" on page 186 of the Draft Red Herring Prospectus has been updated to reflect the addition of a new Director and a Key Managerial Personnel, as well as to reflect certain factual updates to the disclosures being made in the section as on date of this Addendum.

Potential Bidders may note that in order to assist the Bidders to get a complete understanding of the updated information, the relevant portions of the sections titled "Our Business", "Our Management", "Selected Statistical Information", and "Financial Statements" have been included in this Addendum.

The above changes are to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. The information in this Addendum supplements the Draft Red Herring Prospectus and updates the information in the Draft Red Herring Prospectus, as applicable. Please note that the information included in the Draft Red Herring Prospectus including to the extent stated in this Addendum, will be suitably updated, as may be applicable in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. Investors should read the Red Herring Prospectus as and when filed with the RoC, the SEBI and the Stock Exchanges before making an investment decision in the Offer. All capitalised terms used in this Addendum shall, unless specifically defines or unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A and referred to in the Draft Red Herring Prospectus and the Addendum as "U.S. QIBs"). For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus and this Addendum as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S and pursuant to the applicable laws of the jurisdictions where those offers and sales are made.

On behalf of Fincare Small Finance Bank Limited

Sd/-

Shefaly Kothari

Company Secretary and Compliance Officer

Place: Bangalore

Date: August 19, 2021

GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS				BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER
<b>ICICI Securities Limited</b> ICICI Centre, H. T. Parekh Marg Churchgate Mumbai 400 020 Maharashtra, India Tel: +91 22 2288 2460 E-mail: fincare.ipo@icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Shekher Asnani / Anurag Byas SEBI Registration No.: INM000011179	<b>Axis Capital Limited</b> 1 <sup>st</sup> Floor, Axis House C 2 Wadia International Centre P. B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: +91 22 4325 2183 E-mail: fincare.ipo@axiscap.in Investor grievance e-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Ankit Bhatia SEBI Registration No.: INM000012029	<b>IIFL Securities Limited</b> 10 <sup>th</sup> Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Maharashtra, India Tel: +91 22 4646 4600 E-mail: fincare.ipo@iiflcap.com Investor grievance e-mail: ig_ib@iiflcap.com Website: www.iiflcap.com Contact Person: Sachin Jagad/Nishita Mody SEBI Registration No.: INM00001094	<b>SBI Capital Markets Limited</b> 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005 Maharashtra, India Tel: +91 22 2217 8300 E-mail: fincare.ipo@sbicaps.com Investor grievance e-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Aditya Deshpande SEBI Registration No.: INM000003531	<b>Ambit Private Limited</b> Ambit House 449, Senapati Bapat Marg Lower Parel Mumbai 400 013 Maharashtra, India Tel: +91 22 6623 3000 E-mail: fincare.ipo@ambit.co Investor grievance e-mail: customerservice@ambit.co Website: www.ambit.co Contact Person: Nikhil Bhiwapurkar/ Jaspreet Thukral SEBI Registration No.: INM000010585	<b>KFin Technologies Private Limited</b> (formerly known as "Karry Fintech Private Limited") Selenium, Tower B, Plot No. - 31 and 32 Financial District Nanakramguda, Serilingampally Hyderabad, Rangareddi 500 032 Telangana, India Tel: +91 40 6716 2222 E-mail: fincarebank.ipo@kfintech.com einward.ris@kfintech.com Contact Person: M Murali Krishna SEBI Registration Number: INR000000221
BID / OFFER SCHEDULE					
BID / OFFER OPENS ON			[●] <sup>(1)</sup>	BID / OFFER CLOSES ON	
				[●] <sup>(2)</sup>	

<sup>(1)</sup> Our Bank and the Promoter Selling Shareholder may, in consultation with the Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid / Offer Period shall be one Working Day prior to the Bid / Offer Opening Date i.e. [●]

<sup>(2)</sup> Our Bank and the Promoter Selling Shareholder may, in consultation with the Managers, consider closing the Bid / Offer Period for QIBs one Working Day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations

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## OUR BUSINESS

### FURTHER DEVELOPMENTS RELATING TO THE IMPACT OF COVID-19

#### *COVID-19 First Wave*

During FY2021, our disbursements and collection efficiency declined due to restricted mobility and the economic slowdown. During this year, we were selective and cautious when disbursing loans to new customers. However, we recovered well from the first wave as demonstrated by an increase in our collection efficiency by March 2021 substantially to the same level as in March 2020, due to our strong retail deposit base, good refinance lines, Capital Adequacy Ratio higher than regulatory requirements and our continuous on-ground efforts.

Our advances are largely rural and retail in nature. The impact of the first wave on these customer segments was minimal compared to the effect it had in metros and larger cities. We did witness a muted growth rate of 13.67% on AUM and 14.28% on deposits in FY2021.

#### *COVID-19 Second Wave*

The second wave unfolded in April 2021, leading to the imposition of lockdowns in some regions as well as a reduction in business activity. In comparison to the first wave, however, lockdown restrictions were more nuanced and regionalized. Urban economic activity decreased in April and May 2021, but vaccination efforts are expected to help normalize economic activity in the coming months. Rural economic activity also decreased in April 2021, which impacted our short-term collection efficiency and disbursements. However, the RBI expects the rural economy to remain strong in the near future while also acknowledging that the increased spread of COVID-19 infections in rural areas poses downside risks (*Source: RBI bulletin on June 16, 2021*). Our microloan disbursements on a monthly basis in July 2021 have recovered to 135.46% of average monthly disbursements of Q4FY21. Our microloans collection efficiency in July 2021 reached 90.98%. However, we also expect COVID-induced higher NPAs to remain on the balance sheet in the short term and have thus made adequate provisioning for that.

Our primary focus in the short term is to ensure employee safety and well-being. To that end, we have taken confidence-building measures such as ensuring payment of salaries and bonuses on time, reassuring staff by not engaging in any COVID-related layoffs, providing full hospitalization support for staff who were infected and providing COVID-19 relief benefits to staff including paid leave, reimbursements and allowances. We also have a dedicated team that monitors the vaccination and health status of our staff. Since June 2021, we have witnessed a significant decline in the number of COVID-19 cases among our staff. We continue to take initiatives to provide the best-possible support to all employees. We are certified as a 'Great Place to Work' by the GPTW Institute for the period of March 2021 to February 2022 after a comprehensive process.

#### *New Product Launches*

The Government of India and the RBI have taken various measures to combat the challenge faced by the Indian economy due to the COVID-19 pandemic. As part of relief measures, the Department of Financial Services through the National Credit Guarantee Trust Company (NGCTC) introduced the Emergency Credit Line Guarantee Scheme ("**ECLGS**") for providing 100% guarantee coverage for additional term loans to eligible MSME customers. We have offered this scheme to microloan and LAP customers eligible under the scheme.

We have partnered with ICICI Lombard General Insurance company [under the Corporate Agency model] to begin offering vehicle insurance for two wheelers and four wheelers. We also intend to start offering cyber security insurance, home insurance and shop keepers' policies to cater to such customer needs. We also launched our Imperial Savings account, a savings account for high-end customers that offers Imperial Club members unlimited ATM withdrawal facilities without any charges, among other benefits.

At the same time, we are focused on strengthening the digital core of the Bank. We are continuously enhancing our digital channels, assisted banking applications, payment-stack, automation tools and other capabilities in order to enhance customer delight and our process efficiency. We rolled out a fully automated Audit Management System mobile app covering branch audits in a comprehensive manner. We also launched an "Overdraft against FD" feature for mobile banking that requires only two clicks to activate. This provides convenience for customers while catering to short-term fund requirements without pre-closing fixed deposits.

### Monthly Collection Efficiencies

On-time collection efficiency is shown for customers who paid any EMI in the given period and represents overall book (overdue and non-overdue).

Our monthly product-wise collection efficiencies (including overdue cases) from March 2020 through July 2021 are set forth below:

₹ in millions

Particulars <sup>(1)</sup>	2020										2021						
	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Microloans	82.70%	1.49%	17.72%	59.05%	76.06%	80.85%	88.95%	91.40%	92.86%	93.31%	93.51%	93.89%	93.92%	91.23%	65.05%	77.65%	90.98%
LAP	83.87%	30.97%	46.24%	63.03%	65.45%	68.14%	85.93%	87.15%	86.17%	90.08%	89.36%	88.37%	90.33%	83.38%	78.33%	85.76%	87.50%
LAG <sup>(2)</sup>	304.43%	46.21%	171.99%	127.92%	147.41%	142.06%	120.77%	94.62%	63.95%	73.69%	58.58%	85.93%	66.26%	42.81%	40.48%	95.07%	87.61%
Affordable housing loans	100.00%	63.38%	63.36%	77.24%	81.84%	83.62%	93.54%	95.54%	95.55%	96.46%	97.38%	97.73%	97.98%	96.52%	95.96%	96.81%	98.37%
Institutional Finance	98.69%	93.19%	91.51%	97.74%	99.17%	96.45%	98.74%	98.74%	93.38%	93.42%	93.39%	92.91%	91.38%	94.39%	94.62%	93.08%	93.14%

(1) Collection efficiencies are calculated as the total collection during the month (excluding prepayments and collection in excess of current month demand) divided by demand for the month (including overdue cases demand).

(2) Collection efficiencies for LAG are calculated as the total collection during the month divided by demand for the month (including overdue cases demand).

### Collection efficiency (excluding overdue)

Our monthly product-wise collection efficiencies (excluding overdue cases) from March 2020 through July 2021 are set forth below:

₹ in millions

Particulars <sup>(1)</sup>	2020										2021						
	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Microloans	83.96%	1.51%	17.93%	60.68%	78.20%	82.72%	90.91%	97.51%	98.11%	98.92%	99.39%	99.55%	99.65%	97.14%	70.88%	91.12%	99.31%
LAP	87.33%	32.69%	48.24%	65.45%	67.64%	70.44%	88.46%	93.63%	94.64%	98.45%	98.61%	98.43%	99.56%	93.68%	90.22%	98.40%	99.17%
Affordable housing loans	100.00%	63.38%	63.36%	77.24%	81.77%	83.48%	100.00%	99.87%	98.21%	99.03%	99.38%	99.93%	99.26%	99.01%	98.12%	98.96%	100.00%
Institutional Finance	98.71%	94.29%	97.57%	100.00%	100.00%	100.00%	100.00%	100.00%	94.80%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(1) Collection efficiencies are calculated as the total collection during the month for non-overdue cases (excluding prepayments and arrears) divided by demand for the month (excluding overdue cases demand).

Our monthly state-wise on-time collection efficiencies (including overdue cases) for microloans from January 2021 through July 2021 are set forth below:

₹ in millions

Particulars <sup>(1)</sup>	2021						
	January	February	March	April	May	June	July
Andhra Pradesh	99.09%	99.12%	99.13%	99.02%	92.56%	95.68%	98.65%
Bihar	-	-	-	-	-	99.91%	99.06%
Chandigarh	95.42%	95.77%	95.29%	78.74%	62.46%	88.85%	91.11%
Gujarat	93.66%	93.68%	93.78%	90.80%	87.99%	91.08%	93.44%
Haryana	98.32%	98.30%	97.28%	98.83%	96.97%	97.47%	99.11%
Karnataka	95.57%	95.74%	95.87%	94.88%	49.50%	64.91%	91.41%
Maharashtra	91.12%	91.35%	90.89%	84.44%	78.13%	85.61%	88.99%
Madhya Pradesh	91.87%	91.95%	92.27%	84.01%	62.36%	81.81%	86.76%
Pondicherry	93.31%	93.70%	93.48%	93.13%	50.53%	64.78%	90.30%
Rajasthan	95.07%	95.05%	95.03%	88.35%	39.37%	78.06%	88.92%
Tamil Nadu	90.88%	92.07%	92.21%	91.66%	51.15%	61.84%	87.57%
Telangana	99.86%	99.91%	99.92%	99.80%	97.68%	98.65%	99.27%
Uttar Pradesh	98.27%	97.38%	93.43%	98.24%	89.16%	95.67%	97.64%
<b>Total</b>	<b>93.51%</b>	<b>93.89%</b>	<b>93.92%</b>	<b>91.23%</b>	<b>65.05%</b>	<b>77.65%</b>	<b>90.98%</b>

## GROSS LOAN PORTFOLIO

Asset products and outstanding portfolio along with the % share of total assets, as of the dates indicated, are set forth below:

₹ in millions

Asset products and outstanding portfolio	As of March 31,						As of June 30,				As of July 31,	
	2019		2020		2021		2020		2021		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Microloans	28,394.64	80.43%	42,852.74	80.22%	48,431.30	79.76%	43,243.18	80.93%	47,958.29	79.79%	49,621.69	79.93%
LAP	3,240.80	9.18%	5,320.88	9.96%	6,526.24	10.75%	5,127.84	9.60%	6,592.84	10.97%	6,831.81	11.01%
LAG	888.76	2.52%	1,838.32	3.44%	3,522.75	5.80%	2,141.41	4.01%	3,353.56	5.58%	3,341.37	5.38%
Affordable housing loans	-	-	203.4	0.38%	830.61	1.37%	217.82	0.41%	1,044.41	1.74%	1,216.17	1.96%
Institutional Finance	2,567.24	7.27%	2,553.32	4.78%	903.11	1.49%	1,961.72	3.67%	651.81	1.08%	582.71	0.94%
Two-wheeler loans	8.55	0.02%	104.65	0.20%	63.76	0.10%	94.38	0.18%	53.72	0.09%	49.82	0.08%
Other <sup>(1)</sup>	202.05	0.57%	544.94	1.02%	444.24	0.73%	646.89	1.21%	452.03	0.75%	434.74	0.70%
<b>Total</b>	<b>35,302.04</b>	<b>100.00%</b>	<b>53,418.25</b>	<b>100.00%</b>	<b>60,722.00</b>	<b>100.00%</b>	<b>53,433.23</b>	<b>100.00%</b>	<b>60,106.67</b>	<b>100.00%</b>	<b>62,078.31</b>	<b>100.00%</b>

(1) Other comprises overdraft against property, loans to staff, rural loans against property, personal loans and other loans.

As of July 31, 2021, our total Gross Loan Portfolio was ₹ 62,078.31 million, comprising of Microloans, LAP, LAG and AHL of ₹ 49,621.69 million, ₹ 6,831.81 million, ₹ 3,341.37 million and ₹ 1,216.17 million, respectively

## ASSET QUALITY

Details of our gross NPAs as of given dates are set forth below:

Provisions	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
<b>Gross NPAs / Gross advances (%)</b>					
Excluding IBPC	1.29%	0.92%	6.42%	0.63%	7.97%
Including IBPC	1.13%	0.85%	5.86%	0.60%	7.51%
<b>Net NPAs / Net advances (%)</b>					
Excluding IBPC	0.34%	0.41%	2.80%	0.32%	3.95%
Including IBPC	0.30%	0.37%	2.55%	0.30%	3.71%

Details of our provisions as of given dates are set forth below:

₹ in millions

Provisions	As of March 31,			As of June 30,	
	2019	2020	2021	2020	2021
Total provisions carried	435.04	1,340.84	3,171.32	1,491.95	3,733.19
Provision for standard assets, excluding additional COVID-19 provisions (net of utilization)	125.71	209.22	525.37	292.13	584.18
Provision for NPAs	263.99	249.71	2,051.75	155.31	2,364.35
Provision for other contingencies	45.35	30.10	3.43	3.07	3.92
Additional provision for COVID-19 (net of Utilization)	-	851.80	590.77	1,041.45	780.75

Details of our provisioning for given periods are set forth below:

₹ in millions

Provisions	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
Provision and write-offs	396.96	1,353.57	2,186.58	331.08	641.68
Provision on standard Assets	53.02	83.48	(36.92)	82.69	(6.91)
Additional COVID-19 provisions (net of utilization)	-	851.80	(261.03)	189.65	189.98
Provision towards NPA	222.68	(13.66)	1,773.72	(94.44)	(85.89)
Write-offs	101.57	454.36	339.32	163.86	78.50
Provision for restructured assets	0.82	(0.62)	381.38	0.29	464.21
Provision for other contingencies	18.87	(21.79)	(9.90)	(10.94)	1.79

Details of our provision coverage ratio for given periods are set forth below:

Particulars	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
Total provisions held (including provisions towards standard assets) / Gross advances	1.40%	2.71%	5.75%	3.00%	6.61%
Provision Coverage Ratio	94.42%	91.14%	73.68%	92.93%	67.95%
Provision Coverage Ratio including COVID provisions <sup>(1)</sup>	73.55%	246.32%	74.73%	379.95%	69.90%
Provision Coverage Ratio including COVID provisions and Standard provision <sup>(2)</sup>	108.58%	293.11%	89.59%	472.69%	82.88%

(1) Provision Coverage Ratio including COVID provisions is derived by adding NPA provisions and COVID provisions net of utilization, divided by Gross NPA.

(2) Provision Coverage Ratio including COVID provisions and Standard provision is derived by adding NPA provisions, standard asset provisions and COVID provisions net of utilization, divided by Gross NPA.

Details of our SMA portfolio as of given dates are set forth below:

Buckets	₹ in millions	
	As at March 31, 2021	As at June 30, 2021
SMA 0	1,374.49	6,927.72
SMA 1	1,115.51	4,788.60
SMA 2	732.94	920.29
<b>Total</b>	<b>3,222.94</b>	<b>12,636.61</b>

As of June 30, 2021, we had an outstanding restructured portfolio of Rs. 3,595.23 million which amounted to 6.37% of advances. Details of our restructured portfolio as of June 30, 2021 are set forth below:

Asset Classification	Microloans		LAP		AHL		Two-wheeler		Total		
	No. of loans	Total O/S	No. of loans	Total O/S	No. of loans	Total O/S	No. of loans	Total O/S	No. of loans	Total O/S	% of O/S
Standard assets	75,524	1,700.21	270	120.15	4	2.81	-	-	75,798	1,823.17	50.71%
Sub-standard assets	68,841	1,762.64	25	9.39	-	-	1	0.03	68,867	1,772.06	49.29%
<b>Total</b>	<b>144,365</b>	<b>3,462.85</b>	<b>295</b>	<b>129.54</b>	<b>4</b>	<b>2.81</b>	<b>1</b>	<b>0.03</b>	<b>144,665</b>	<b>3,595.23</b>	<b>100.00%</b>

Details of our provisions for the restructured portfolio as of June 30, 2021 are set forth below:

Provisions	As of June 30, 2021
Provision amount for restructured portfolio	845.75
Provision as % of restructured portfolio	23.52%

Details of our provisions (excluding IBPC) as of June 30, 2021 are set forth below:

Particulars	Total portfolio including restructured portfolio	Restructured portfolio	Regular portfolio excluding restructured portfolio
Gross advances (Excluding IBPC)	56,434.13	3,595.23	52,838.90
Provision for NPA	2,364.35	475.96	1,888.39
Net advances (net of Provision for NPA)	54,069.78	3,119.27	50,950.51
Classified as NPA (excluding write-off)	4,499.49	1,772.07	2,727.42
Add: Technical write-off	2,164.02	0.09	2,163.93
Classified as NPA (including write-off)	6,663.51	1,772.16	4,891.35
Additional COVID provisions	780.75	-	780.75
Gross NPA % (Excluding IBPC) <sup>(1)</sup>	7.97%	3.14%	4.83%
Net NPA % (Excluding IBPC) <sup>(1)</sup>	3.95%	2.40%	1.55%
Provision Coverage Ratio	67.95%	26.86%	82.85%
Provision Coverage Ratio with additional COVID provisions <sup>(2)</sup>	79.67%	26.86%	98.81%

(1) GNPA% and NNPA% are computed as a percentage of Gross advances and of Net advances

(2) Provision Coverage Ratio with additional COVID provisions is derived by adding NPA provisions, technical write-off and COVID provisions net of utilization, divided by Gross NPA and technical write-off.

## DISBURSEMENTS

Our product-wise disbursements on a monthly basis since December 31, 2020 are set forth below:

₹ in millions

Particulars	January 2021	February 2021	March 2021	April 2021	May 2021	June 2021	July 2021	Total	FY 22 Q1 as % of FY 21 Q4	July 2021 as % of Q4 average
Microloans	4,088.04	4,281.66	6,725.30	2,858.13	238.45	5,672.82	5,960.49	23,864.40	58.09%	118.46%
LAP	237.04	302.84	365.97	164.72	77.13	102.57	334.59	1,250.27	38.02%	110.81%
LAG	700.57	844.70	792.32	268.40	331.32	660.55	552.14	3,597.86	53.91%	70.86%
Affordable housing loans	90.58	129.24	175.68	77.99	55.10	99.86	178.57	628.44	58.90%	135.46%
Others	0.80	0.07	0.75	1.33	0.12	0.55	0.70	3.62	123.25%	129.96%
<b>Total</b>	<b>5,117.04</b>	<b>5,558.51</b>	<b>8,060.01</b>	<b>3,370.56</b>	<b>702.12</b>	<b>6,536.35</b>	<b>7,026.49</b>	<b>29,344.59</b>	<b>56.63%</b>	<b>112.51%</b>

## LIABILITIES

### Deposits

Breakdown of our deposits, as well as the % share of total deposits, are set forth below:

₹ in millions

Particulars	As of March 31, 2019		As of March 31, 2020		As of March 31, 2021		As of June 30, 2020		As of June 30, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	Demand deposits	73.23	0.36%	299.51	0.64%	560.27	1.05%	269.81	0.52%	337.08
Savings bank deposits	2,164.04	10.59%	5,251.08	11.28%	12,075.51	22.70%	6,529.05	12.54%	15,080.81	26.79%
Term Deposits	18,194.85	89.05%	40,988.71	88.07%	40,549.20	76.24%	45,280.71	86.95%	40,872.93	72.61%
<b>Total Deposits</b>	<b>20,432.12</b>	<b>100.00%</b>	<b>46,539.31</b>	<b>100.00%</b>	<b>53,184.98</b>	<b>100.00%</b>	<b>52,079.57</b>	<b>100.00%</b>	<b>56,290.82</b>	<b>100.00%</b>

Deposits mainly comprise term deposits, savings bank deposits and demand deposits.

As of July 31, 2021, based on unaudited financials, our total deposits were ₹ 56,191.49 million with a CASA ratio of 28.68% and retail share of deposits of 90.73%.

Deposits increased by 5.84% from ₹ 53,184.98 million as of March 31, 2021 to ₹ 56,290.82 million as of June 30, 2021, mainly due to our increased efforts to grow retail bank deposits. Deposits increased by 14.28% from ₹ 46,539.31 million as of March 31, 2020 to ₹ 53,184.98 million as of March 31, 2021, mainly on account of an increased number of banking outlets and increased efforts to grow savings account deposits. Deposits increased by 127.78% from ₹ 20,432.12 million as of March 31, 2019 to ₹ 46,539.33 million as of March 31, 2020, mainly due to an increase in savings bank deposits and term deposits.

### Borrowings

Borrowings primarily comprise borrowings from the RBI, other banks, other institutions and agencies, borrowings in the form of bonds and debentures, and tier 2 capital in the form of unsecured redeemable debentures and bonds.

Our borrowings increased by 25.97% from ₹ 14,004.27 million as of March 31, 2021 to ₹ 17,640.97 million as of June 30, 2021, primarily attributable to an increase in LTRO from the RBI, as a result of lower interest rates.

Our borrowings increased by 2.36% from ₹ 13,681.62 million as of March 31, 2020 to ₹ 14,004.27 million as of March 31, 2021, primarily attributable to an increase in inter-bank borrowings and borrowings from the RBI.

Our borrowings increased by 6.63% from ₹ 12,830.74 million as of March 31, 2019 to ₹ 13,681.62 million as of March 31, 2020, primarily attributable to an increase in borrowings from the RBI as a result of a lower interest rate available, from NIL as of March 31, 2019 to ₹ 1,030.00 million as of March 31, 2020, and unsecured redeemable debentures/bonds from ₹ 1,000.00 million as of March 31, 2019 to ₹ 2,000.00 million as of March 31, 2020.

### Other Liabilities and Provisions

Other liabilities and provisions represent bills payable, interest accrued, others (including provisions) and comprising contingent provisions against standard assets, and other liabilities.

Other liabilities and provisions increased by 24.57% from ₹ 2,293.84 million as of March 31, 2021 to ₹ 2,857.54 million as of June 30, 2021, primarily due to an increase in provisions for standard assets by 22.29% from ₹ 1,116.14 million as of March 31, 2021 to ₹ 1,364.93 million as of June 30, 2021.



Other liabilities and provisions increased by 20.47% from ₹ 1,904.14 million as of March 31, 2020 to ₹ 2,293.84 million as of March 31, 2021, primarily due to an increase in other liabilities by 185.36% from ₹ 155.43 million as of March 31, 2020 to ₹ 443.55 million as of March 31, 2021.

Other liabilities and provisions increased by 6.10% from ₹ 1,794.60 million as of March 31, 2019 to ₹ 1,904.14 million as of March 31, 2020, primarily due to an increase in general provision for standard assets by 744.05% from ₹ 125.71 million as of March 31, 2019 to ₹ 1,061.02 million as of March 31, 2020 as a result of a COVID-19 provision of ₹ 851.80 million. This was partially offset by a decrease in other liabilities (including provisions) from ₹ 1,530.40 million as of March 31, 2019 to ₹ 784.94 million as of March 31, 2020.

## OUR MANAGEMENT

### Board of Directors

In terms of the Articles of Association and the Companies Act, our Bank is required to have not less than three Directors and not more than fifteen Directors. As on the date of this Addendum, our Board comprises of ten Directors including one Executive Director, three Non-Executive, Non-Independent Directors (including two Nominee Directors) and six Independent Directors. Two of our Independent Directors are women Directors.

The following table sets forth details regarding our Board of Directors as of the date of this Addendum:

S. No.	Name, designation, address, occupation, nationality, term, and DIN	Age (years)	Other directorships
1.	<p><b>Pramod Kabra</b></p> <p><i>Designation:</i> Part-time Chairman and Non-Executive Director</p> <p><i>Address:</i> 2101, Floor-21, Plot-30, Tower No. 4, Strata Planet Godrej, Keshavrao Khadye Marg, Saat Rasta, Jacob Circle, Mumbai 400 011, Maharashtra, India</p> <p><i>Occupation:</i> Service</p> <p><i>Date of birth:</i> October 20, 1959</p> <p><i>Nationality:</i> Indian</p> <p><i>Period and term:</i> For a period of three years with effect from June 24, 2020</p> <p><i>DIN:</i> 02252403</p>	61	<ul style="list-style-type: none"> <li>• Actify Data Labs Private Limited;</li> <li>• Atria Convergence Technologies Limited;</li> <li>• Commguard Trade Services Private Limited; and</li> <li>• Shree Digvijay Cement Co. Limited</li> </ul>
2.	<p><b>Rajeev Yadav</b></p> <p><i>Designation:</i> Managing Director and Chief Executive Officer</p> <p><i>Address:</i> Villa 578, Phase 3, Adarsh Palm Retreat, Outer Ring Road, Devara Beesana Halli, Bellandur, Bangalore 560 103, Karnataka, India</p> <p><i>Occupation:</i> Service</p> <p><i>Date of birth:</i> July 13, 1969</p> <p><i>Nationality:</i> Indian</p> <p><i>Period and term:</i> For a period of three years with effect from July 17, 2020</p> <p><i>DIN:</i> 00111379</p>	52	Nil
3.	<p><b>Alok Prasad</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> 144, Vista Villas, Opposite Unitech Cyber Park, Sector 46, Gurgaon 122 001, Haryana, India</p> <p><i>Occupation:</i> Service</p> <p><i>Date of birth:</i> September 8, 1952</p> <p><i>Nationality:</i> Indian</p> <p><i>Period and term:</i> For a period of five years with effect from July 20, 2017, i.e., until July 19, 2022 and is not liable to retire by rotation.</p> <p><i>DIN:</i> 00080225</p>	68	<ul style="list-style-type: none"> <li>• Arman Financial Services Limited;</li> <li>• Gang-Jong Development Finance Private Limited; and</li> <li>• Muthoot Microfin Limited</li> </ul>

S. No.	Name, designation, address, occupation, nationality, term, and DIN	Age (years)	Other directorships
4.	<p><b>Aarthi Sivanandh</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> Flat No 3B, Door No 209/12, Pooja Poora Apartments, 209 St Marys Road, Alwarpet, Chennai 600 018, Tamil Nadu, India</p> <p><i>Occupation:</i> Lawyer</p> <p><i>Date of birth:</i> July 4, 1977</p> <p><i>Nationality:</i> Indian</p> <p><i>Period and term:</i> For a period of five years with effect from April 28, 2021, i.e., until April 27, 2026 and is not liable to retire by rotation.</p> <p><i>DIN:</i> 00140141</p>	44	Nil
5.	<p><b>Nanda Sameer Dave</b></p> <p><i>Designation:</i> Additional Director (Independent)</p> <p><i>Address:</i> Paras Emperor A-703, Bawadia Kalan, Hazur, Bhopal 462 039, Madhya Pradesh, India</p> <p><i>Occupation:</i> Consultant</p> <p><i>Date of birth:</i> August 31, 1960</p> <p><i>Nationality:</i> Indian</p> <p><i>Period and term:</i> With effect from June 21, 2021 until the next general meeting</p> <p><i>DIN:</i> 08673208</p>	60	Kisetsu Saison Finance (India) Private Limited
6.	<p><b>Ravindran Lakshmanan</b></p> <p><i>Designation:</i> Nominee Director*</p> <p><i>Address:</i> 15/4, Maanappa Gounder Street 3, Erode, Surampatti 638 009, Tamil Nadu, India</p> <p><i>Occupation:</i> Service</p> <p><i>Date of birth:</i> August 14, 1967</p> <p><i>Nationality:</i> Indian</p> <p><i>Period and term:</i> With effect from May 19, 2018 and is not liable to retire by rotation.</p> <p><i>DIN:</i> 07631421</p>	54	<ul style="list-style-type: none"> <li>• Gujarat Industrial and Technical Consultancy Organisation Limited; and</li> <li>• Gujarat State Financial Corporation</li> </ul>
7.	<p><b>Sameer Yogesh Nanavati</b></p> <p><i>Designation:</i> Nominee Director*</p> <p><i>Address:</i> 2, Avkar Society, Manjalpur, Vadodara 390 011, Gujarat, India</p> <p><i>Occupation:</i> Service</p> <p><i>Date of birth:</i> October 3, 1971</p> <p><i>Nationality:</i> Indian</p> <p><i>Period and term:</i> With effect from June 24, 2017 and is liable to retire by rotation</p>	49	<ul style="list-style-type: none"> <li>• Barefoot Organics Private Limited;</li> <li>• Fincare Community Development Foundation; and</li> <li>• ILIFE Clinics and Research Private Limited</li> </ul>

S. No.	Name, designation, address, occupation, nationality, term, and DIN	Age (years)	Other directorships
	<i>DIN:</i> 00157693		
8.	<p><b>Sunil Satyapal Gulati</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> Flat No. 703, Sterling Sea Face, Dr. Worli, Mumbai 400 018, Maharashtra, India</p> <p><i>Occupation:</i> Consultant</p> <p><i>Date of birth:</i> July 28, 1961</p> <p><i>Nationality:</i> Indian</p> <p><i>Period and term:</i> For a period of five years with effect from July 20, 2017, i.e., until July 19, 2022 and is not liable to retire by rotation.</p> <p><i>DIN:</i> 00016990</p>	60	<ul style="list-style-type: none"> <li>• Arthan Finance Private Limited;</li> <li>• Empays Payment Systems India Private Limited;</li> <li>• Merisis Advisors Private Limited;</li> <li>• Paradime Technologies Private Limited;</li> <li>• Perfios Account Aggregation Services Private Limited</li> <li>• PNB Metlife India Insurance Company Limited;</li> <li>• Samunnati Financial Intermediation &amp; Services Private Limited;</li> <li>• SBI Mutual Fund Trustee Company Private Limited;</li> <li>• Tapstart Capital Private Limited;</li> <li>• Varthana Finance Private Limited; and</li> <li>• Visage Holdings and Finance Private Limited</li> </ul>
9.	<p><b>Varun Sabhlok</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> 237, Arcadia Road, #01-01, The Arcadia Singapore 289 844</p> <p><i>Occupation:</i> Consultant and Advisor</p> <p><i>Date of birth:</i> September 16, 1955</p> <p><i>Nationality:</i> Indian</p> <p><i>Period and term:</i> For a period of five years with effect from August 31, 2017, i.e., until August 30, 2022 and is not liable to retire by rotation</p> <p><i>DIN:</i> 07704720</p>	65	Nil
10.	<p><b>Vinay Baijal</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> 701, Lodha Grandeur, Sayani Road, Near Parel S.T. Depot, Prabhadevi, Mumbai 400 025, Maharashtra, India</p> <p><i>Occupation:</i> Service</p> <p><i>Date of birth:</i> June 15, 1951</p> <p><i>Nationality:</i> Indian</p> <p><i>Period and term:</i> With effect from February 25, 2017 and is not liable to retire by rotation</p> <p><i>DIN:</i> 07516339</p>	70	<ul style="list-style-type: none"> <li>• Aye Finance Private Limited; and</li> <li>• Peridot Financial Services (India) Pvt. Ltd.</li> </ul>

\*Ravindran Lakshmanan and Sameer Yogesh Nanavati are Nominee Directors of our Promoter, on our Board.

## Relationship between our Directors

None of our Directors are related to each other.

## Brief Biographies of Directors

**Pramod Kabra** is the Part-time Chairman and Non-Executive Director of our Bank. He holds a bachelor's degree in commerce from Jodhpur University. He is also a chartered accountant with the Institute of Chartered Accountants of India. He is currently associated with True North Managers LLP.

**Rajeev Yadav** is the Managing Director and Chief Executive Officer of our Bank. He holds a bachelor's degree in technology from the Indian Institute of Technology, Kanpur, and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He was previously the chief executive officer of G.E. Money Financial Services Private Limited.

**Alok Prasad** is an Independent Director of our Bank. He holds a master's degree in arts from the University of Delhi. He was previously the chief executive officer of Microfinance Institutions Network (MFIN), the chairperson and director of South Asia Micro-entrepreneurs Network (SAMN) and has worked with the Reserve Bank of India and the National Housing Bank.

**Aarthi Sivanandh** is an Independent Director of our Bank. She holds a bachelor's degree in commerce from the University of Madras, a bachelor's degree in law from The Tamil Nadu Dr. Ambedkar Law University and a master's degree in law from Tulane University. She is enrolled with the Bar Council of Tamilnadu. She was the co-founder of Vichar Partners, an independent legal firm, which subsequently merged with J. Sagar and Associates. She is presently an equity partner with J. Sagar Associates.

**Nanda Sameer Dave** is an Additional Director (Independent) of our Bank. She holds a bachelor's degree in science from the University of Lucknow and a master's degree in business administration from the University of Lucknow. She has previously worked with the Reserve Bank of India, from where she retired as an executive director.

**Ravindran Lakshmanan** is a Nominee Director of our Bank. He holds a bachelor's degree in commerce and a bachelor's degree in law from the University of Mumbai and a post graduate diploma in management and financial management from the Indira Gandhi National Open University. He is an associate of the Indian Institute of Bankers. He has been associated with SIDBI for the last three decades.

**Sameer Yogesh Nanavati** is a Nominee Director of our Bank. He holds a master's degree in business administration (marketing management) from the Sardar Patel University, Gujarat. He is one of the founders of our Bank. He has been a director on the board of ILIFE Clinics and Research Private Limited, Barefoot Organics Private Limited and Fincare Community Development Foundation since their inception.

**Sunil Satyapal Gulati** is an Independent Director of our Bank. He holds a bachelor's degree in technology from the Indian Institute of Technology, Delhi, and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has previously worked with Bank of America, RBL Bank Limited, Yes Bank Limited, GE Capital Services India and ING Vysya Bank Limited.

**Varun Sabhlok** is an Independent Director of our Bank. He holds a bachelor's degree in arts from the University of Bombay, bachelor's degree in science (Economics) from the London School of Economics and Political Science and is an associate of the Institute of Chartered Accountants in England and Wales. He was the founder of AVS Asia Ventures, a management consulting services and has previously worked with Safeguard Real Estate Management Pte. Limited.

**Vinay Baijal** is an Independent Director of our Bank. He holds a master's degree in science from University of Allahabad. He is an associate of the Indian Institute of Bankers. He was previously associated with the Reserve Bank of India, from where he retired as the chief general manager, Department of Banking Operations and Development. He has also previously worked with the International Monetary Fund, Mizuho Bank Limited, Paypal Payments Private Limited, and Experian Services India Private Limited. He is currently an advisor to BSR & Co. LLP. He has been a member of the MFIN Enforcement Committee, Committee on Investment Pattern for Insurance and Pension Sector, Ministry of Finance, GoI and the Financial Action Task Force, Ministry of Finance, GoI.

## Confirmations

None of our Directors is, or was a director of any listed company during the last five years preceding the date of the Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Bank.

None of our Directors is, or was a director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company.

## Terms of appointment of Directors

### 1. Remuneration to Executive Director:

Rajeev Yadav was appointed as the MD and CEO of our Bank vide a board resolution dated June 24, 2017, and Shareholders' resolution dated July 10, 2017. His appointment was approved by RBI pursuant to letter dated July 17, 2017. The Board passed a resolution dated January 22, 2020 for re-appointing him as the MD & CEO. His re-appointment as MD and CEO was approved by the RBI pursuant to letter dated July 6, 2020. The re-appointment was approved by the Shareholders' vide a resolution dated July 31, 2020

During Fiscal 2021, Rajeev Yadav was paid a total remuneration of ₹29.52 million. Pursuant to letter dated January 14, 2020 read with approval dated July 6, 2020 provide by the RBI, set out below are details of remuneration governing his appointment with effect from April 1, 2020.

Particulars	Remuneration (₹ in million)
Gross Salary (including allowances)	₹29.50 million*
Allowances	House rent allowance, vehicle lease allowance, professional development allowance, leave travel allowance, food allowance, communication allowance and gift allowance

\*including house rent and other allowances amounting to ₹6.15 million.

Note: An application dated July 9, 2021 has been submitted to the RBI seeking approval to pay Rajeev Yadav, Managing Director and CEO variable pay of ₹20.70 million for Fiscal 2020. This variable pay includes a cash component of ₹7.40 million and a non-cash component of ₹13.30 million. The cost pertaining to the proposed grant has not been accounted for in the Restated Financial Statements.

### 2. Remuneration to Non-Executive Directors:

Our Part-time Chairman and Non-Executive Director, Pramod Kabra, is not entitled to any remuneration from our Bank. Accordingly, he was not paid any amount in Fiscal 2021.

#### Independent Directors

Pursuant to a circular resolution of the Board dated July 1, 2021, each Independent Director is entitled to receive sitting fees of approximately ₹0.10 million per meeting for attending meetings of the Board and sitting fees of ₹0.05 million per meeting for attending meetings of committees of the Board, within the limits prescribed under the Companies Act, 2013, and the rules made thereunder.

The details of remuneration paid to our Independent Directors during Fiscal 2021 are as follows:

S. No.	Name of Director	Sitting fees paid (₹ in million)
1.	Alok Prasad	2.00
2.	Anisha Motwani*	0.45
3.	Sunil Satyapal Gulati	2.00
4.	Varun Sabhlok	2.00
5.	Vinay Baijal	2.00
6.	Aarthi Sivanandh**	Nil
7.	Susan Thomas***	0.15
8.	Nanda Sameer Dave**	Nil

\*Anisha Motwani resigned with effect from April 15, 2021

\*\*Aarthi Sivanandh and Nanda Sameer Dave were appointed as an Independent Director with effect from April 28, 2021 and an Additional Director (Independent) with effect from June 21, 2021, respectively, and therefore, no remuneration was paid to them for Fiscal 2021

\*\*\* Susan Thomas resigned with effect from December 7, 2020

#### Nominee Directors

Pursuant to the circular resolution of the Board dated July 1, 2021, Sameer Yogesh Nanavati, the Nominee Director of our Promoter on our Board, is entitled to receive sitting fees of approximately ₹0.10 million per meeting for attending meetings of the Board and sitting fees of ₹0.05 million per meeting for attending meetings of committees of the Board. He was paid a total of ₹1.80 million as sitting fees during Fiscal 2021.

Ravindran Lakshmanan, a Nominee Director of our Promoter on our Board is not entitled to any remuneration from our Bank. Accordingly, he was not paid any amount in Fiscal 2021.

## Arrangement or understanding with major Shareholders, customers, suppliers or others

Except for Sameer Yogesh Nanavati and Ravindran Lakshmanan, Nominee Directors of our Promoter on the Board of our Bank, both nominated pursuant to the SPSSA and our AoA, there is no other arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Director was selected as a director. For details, see “History and Certain Corporate Matters - Key terms of subsisting shareholders’ agreements”.

### Shareholding of Directors in our Bank

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Other than as disclosed below, none of our Directors hold any Equity Shares of our Bank:

Sr. No.	Name	No. of Equity Shares	Percentage of the pre- Offer Equity Share Capital (%)	Number of employee stock options outstanding	Percentage of the post-Offer of Equity Share Capital (%)
<b>Directors</b>					
1.	Sameer Yogesh Nanavati	162,213	0.07	Nil	[●]
2.	Rajeev Yadav	336	Negligible	370,452*	[●]

\* Pursuant to approval from the RBI vide letter dated February 10, 2021, the Bank has made a grant of 48,188 employee stock options pertaining to Financial Year 2018 and 75,296 employee stock options pertaining to Financial Year 2019 to Rajeev Yadav, the Managing Director and Chief Executive Officer. This has been accounted in the Restated Financial Statements for Financial Year 2021. Subsequently, the Nomination and Remuneration Committee and the Board in their meeting dated May 30, 2021 and May 31, 2021, respectively, adjusted number of employee stock option granted under ESOP 2018 in light of the bonus issue of Equity Shares dated May 4, 2021. Accordingly, an adjustment to the number of employee stock options from 123,484 to 370,452 employee stock options, at an exercise price of ₹88.33 per employee stock option for 144,564 employee stock options pertaining to Fiscal 2018 and ₹97 per employee stock option for 225,888 employee stock options pertaining to Fiscal 2019, under the ESOP Scheme 2018.

### Shareholding of Directors in subsidiaries and associate companies

Our Bank does not have any subsidiaries or associate companies.

### Interests of Directors

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Bank. Further, our Directors (excluding our Independent Directors) are entitled to participate in the ESOP 2018.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them, as well as to the extent of any employee stock options granted to them.

Other than Sameer Yogesh Nanavati, who is one of the founders of our Bank, and the Nominee Directors on our Board, none of our Directors have any interest in the promotion or formation of our Bank.

None of our Directors have any interest in any property acquired or proposed to be acquired by the Bank.

Except as disclosed in “Financial Statements – Annexure 22 - Notes forming part of the restated summary statements - 22.9 - Related party disclosure” on page 88 of this Addendum and this section, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

No loans have been availed by our Directors from our Bank.

None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Bank.

None of the Directors is party to any bonus or profit-sharing plan of our Bank other than the performance linked incentives given to each of the Directors in accordance with the terms of their appointment.

Except as disclosed in “Financial Statements – Annexure 22 - Notes forming part of the restated summary statements - 22.9 - Related party disclosure” on page 88 of this Addendum and this section, our Directors do not have any interest in the Bank or its business.

### Changes in the Board in the last three years

Name	Date of Appointment/ Change/Cessation	Reason
Nanda Sameer Dave	June 21, 2021	Appointment as an Additional Director (Independent)
Aarthi Sivanandh	May 1, 2021	Re-designated as an Independent Director

Name	Date of Appointment/ Change/Cessation	Reason
Aarthi Sivanandh	April 28, 2021	Appointment as an Additional Director (Independent)
Anisha Motwani	April 15, 2021	Resignation as an Independent Director
Anisha Motwani	March 31, 2020	Re-designated as an Independent Director
Anisha Motwani	December 7, 2020	Appointment as an Additional Director (Independent)
Susan Thomas	December 7, 2020	Resignation as an Independent Director
Rajeev Yadav	July 17, 2020	Re-appointment as Managing Director and CEO
Pramod Kabra	June 24, 2020	Re-appointment as Non-Executive Director and Part time Chairman

### **Borrowing Powers of Board**

Pursuant to a special resolution passed by the Shareholders of our Bank in their meeting held on December 28, 2016 and subject to the Companies Act, 2013 or any amendment or modification thereof, our Board is authorised to raise or borrow from time to time such sum or sums as they deem appropriate for the purposes of our Bank from financial institutions, non-banking finance companies, co-operative banks, investment institutions, banks, mutual funds, and other body corporates in Indian rupees or equivalent thereof in any foreign currency(ies), whether by way of advances, loans, issue of debentures/ bonds/ and/ or any other instruments, any sum of moneys on such terms and conditions and with our without security as our Board may think fit which together with the money already borrowed by our Bank (apart from temporary loans obtained or to be obtained from our Bank's bankers in the ordinary course of business), may exceed the aggregate of its paid-up share capital and free reserves, provided however, the total amount so borrowed shall not exceed ₹25,000 million.

### **Corporate Governance**

The corporate governance provisions of the Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies, to the extent applicable. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, the Listing Regulations, guidelines issued by the RBI from time to time, and in accordance with best practices in corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides the Board of Directors detailed reports on its performance periodically.

The composition of our Board is also in compliance with the Banking Regulation Act, SFB Licensing Guidelines and conditions stipulated by the RBI Final Approval.

Pursuant to RBI approval dated July 17, 2017, read with RBI approval dated June 22, 2020, Pramod Kabra was appointed as the Part-time Chairman and Non-Executive Director of our Bank for a period of three years with effect from June 24, 2020. Thereafter, pursuant to RBI approval dated July 17, 2017, read with RBI approval dated July 6, 2020, Rajeev Yadav was appointed as the Managing Director and Chief Executive Officer of our Bank for a period of three years with effect from July 17, 2020.

### **Committees of the Board**

#### ***Audit Committee***

The members of the Audit Committee are:

1. Vinay Baijal, *Chairman*;
2. Pramod Kabra
3. Alok Prasad;
4. Sameer Yogesh Nanavati;
5. Sunil Gulati;
6. Varun Sabhlok; and
7. Nanda Sameer Dave



The Audit Committee was constituted by our Board of Directors at their meeting held on April 15, 2011. The Audit Committee was last reconstituted on June 21, 2021. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013, the Listing Regulations and the guidelines issued by the RBI from time to time. The terms of reference of the Audit Committee include the following:

A. Audit-related functions

1. Recommending to the Board, the appointment, re-appointment, terms of reference and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
2. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
3. Reviewing and monitoring the statutory and internal auditors' independence and performance, and effectiveness of audit process.
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
5. Review of compliance with the inspection and audit reports of Reserve Bank of India, review of the findings of internal investigations, discussion on the scope of audit with external auditors and examination of reasons for substantial defaults.
6. A consolidated review of cases of fraud, dacoity, robbery etc., detected during the year containing information such as area of operations where such attempts were made, effectiveness of new processes and procedures put in place during the year, trend of such cases during the last three years, need for further change in processes and procedures, if any, etc. as on March 31 every year should be put up to the ACB within three months of the end of the relative year.

B. Financial Statements

1. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (iv) Significant adjustments made in the financial statements arising out of audit findings;
  - (v) Compliance with legal requirements relating to financial statements;
  - (vi) Disclosure of any related party transactions; and
  - (vii) Qualifications in draft Audit report.
2. Reviewing, with the management, the half-yearly financial statements before submission to the Board for approval; and
3. Reviewing, with the management, the quarterly financial statements.

C. Internal audit related functions

1. Reviewing with management the adequacy of the internal control systems;
2. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
3. Discussing with internal auditors any significant findings and follow up there on; and
4. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

D. Related Party Transactions

Approval or any subsequent modification of transactions of the Bank with related parties.

E. Others

1. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.
2. Evaluation of internal financial controls and risk management systems;
3. To appoint valuers for valuation of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a Bank or liability of the Bank under the provision of the Companies Act, 2013.
4. To undertake and / or approve of valuation of undertakings or assets of the Bank, wherever it is necessary;
5. To scrutinize inter-Bank loans and investments;
6. To review guidelines for investing surplus funds of the Bank.
7. To review investment proposals before submission to the Board of Directors
8. To review proposal for mergers, demergers, acquisitions, carve-outs, sale, transfer of business / real estate and its valuation report and fairness opinion, if any, thereof.
9. Pre-approval or any subsequent modification of transactions of the Bank with related parties
10. To ensure proper system of storage, retrieval, display, or printout of the electronic record.
11. To look into the reasons for substantial defaults in the payment to the debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower I vigil mechanism. The procedures should ensure adequate safeguards against victimization of persons using such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
13. Any other requirement in accordance with the applicable provisions of Companies Act, or any re-enactment, amendment or modification thereto from time to time.
14. To review findings and report of Fraud Monitoring Committee on periodic basis on the cases of attempted fraud and any other findings.
15. Review the KYC/Anti-Money Laundering (AML) / Counter - Financing of Terrorism (CFT) policy annually and review the implementation of the Bank's AML / CFT programme.
16. The Committee will perform any other duties and responsibilities that are consistent with the Committee's purpose, Articles of Association as the Board or Committee deems necessary or appropriate.
17. To approve appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
18. Carrying out any other function as is mentioned in the terms of reference of the audit committee
19. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision

F. Disclosure

1. Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. The Committee shall take note of required disclosures on significant changes in internal controls over financial reporting during the year;
3. The Audit Committee shall mandatorily review the following information:
  - (i) Management discussion and analysis of financial condition and results of operations; Statement of significant related party transactions, (as defined by the Audit Committee), submitted by management;
  - (ii) Management letters of internal control weaknesses issued by the statutory auditors;
  - (iii) Internal audit reports relating to internal control weaknesses;

- (iv) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
- (v) Statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice.

The Audit Committee is required to meet at least four times in a year and not more than 120 days are permitted to elapse between two meetings under the terms of the Listing Regulations.

#### ***Nomination and Remuneration Committee***

The members of the Nomination and Remuneration Committee are:

1. Alok Prasad, *Chairperson*;
2. Sunil Gulati;
3. Pramod Kabra; and
4. Vinay Baijal

The Nomination and Remuneration Committee was first constituted by a meeting of our Board of Directors held on April 15, 2011 and last reconstituted on June 21, 2021. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013, guidelines issued by the RBI from time to time, and the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include:

1. Formulating the criteria for determining qualifications, compliance with the fit and proper criteria as required under the Reserve Bank of India Guidelines for Licensing of Small Finance Banks in the Private Sector, positive attributes and independence of a director and recommend to the Board of directors a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. The Nomination and Remuneration Committee, while formulating the above policy, should ensure that —
  - (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Bank successfully;
  - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Bank and its goals
3. Formulating criteria for evaluation of performance of independent directors and the Board of Directors;
4. To review the performance of each existing Director and consider the results of such review when determining whether or not to recommend the nomination of such Director for the next year;
5. Devising a policy on diversity of Board of Directors;
6. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Bank shall disclose the remuneration policy and the evaluation criteria in its annual report;
7. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
8. Recommending to the board, all remuneration, in whatever form, payable to senior management;
9. Determine the Bank's policy on specific remuneration packages for Whole-time Directors / Executive Directors including pension rights and any compensation payment;

10. Decide the actual Salary, Salary Grades, Overseas Allowance, Perquisites, Retirals and Increment of Whole-time Directors;
11. Define and implement the performance linked incentive scheme and evaluate the performance and determine the amount of incentive of the Whole-time Directors for that purpose;
12. Administering, monitoring and formulating detailed terms and conditions of the Employees Stock Option Scheme of the Bank;
13. Periodically review and suggest revision of the total remuneration package of the Whole-time Directors keeping in view performance of the Bank, standards prevailing in the industry, Norms specified by RBI, statutory guidelines, etc;
14. Carrying out any other function as is mandated by the Board from time to time and / or enforced/mandated by any statutory notification, amendment or modification, as may be applicable;
15. The Committee shall plan for CEO/ Senior Management succession including plans for interim succession in the event of an unexpected occurrence and submit a report to the Board to nominate potential successors to CEO/ Senior Management personnel;
16. To ensure that a Deed of Covenant and a declaration and undertaking in Bank's favor, as may be specified by RBI is obtained from every Director;
17. To ensure that an annual declaration is obtained from its Directors that the information provided has not undergone change and where there is any change, requisite details from them has been obtained forthwith;
18. To scrutinize Deed of Covenant and declaration and undertaking submitted by each of its Directors and on a continuing basis perform due diligence in respect of each of its Directors and shall report to the Reserve Bank if any of its directors fails to fulfil the 'fit and proper' criteria as specified by Reserve Bank from time to time. The Committee shall review and assess its performance on an annual basis;
19. Oversee the Director succession planning process for ensuring the right mix of Directors on the Board;
20. In cases where Director provides any services to the Bank in any other capacity, evaluating whether the Director possesses the requisite qualification for the practice of such profession;
21. Develop an Orientation (new Directors) and Continuing Education Program (CEP) for the Board and individual Directors so as to keep abreast of changes in the Bank and the environment in which it operates; and
22. Performing such other functions as may be necessary or appropriate for the performance of its duties.

### ***Stakeholders' Relationship Committee***

The members of the Stakeholders' Relationship Committee are:

1. Alok Prasad, *Chairman*
2. Sameer Yogesh Nanavati; and
3. Rajeev Yadav

The Stakeholders' Relationship Committee was first constituted by our Board of Directors at their meeting held on April 26, 2021 and last reconstituted on June 21, 2021. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee are as follows:

1. To resolve the grievances of the security holders of the Bank including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
2. To review of measures taken for effective exercise of voting rights by shareholders;
3. To review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. To review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Bank;
5. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

6. To redress of shareholders' and investors' complaints/ grievances such as transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc;
7. To approve, register, refuse to register transfer or transmission of shares and other securities;
8. To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Bank;
9. Allotment and listing of shares, approval of transfer or transmission of shares, debentures or any other securities;
10. To authorise affixation of common seal of the Bank;
11. To approve the transmission of shares or other securities arising as a result of death of the sole/ any joint shareholder;
12. To dematerialize or rematerialize the issued shares;
13. To Ensure proper and timely attendance and redressal of investor queries and grievances;
14. To carry out any other functions contained in the Listing Regulations, Companies Act, 2013 and/ or equity listing agreements (if applicable), as and when amended from time to time; and
15. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

### ***Corporate Social Responsibility Committee***

The members of the Corporate Social Responsibility Committee are:

1. Aarthi Sivanandh, *Chairman*;
2. Sameer Yogesh Nanavati;
3. Varun Sabhlok; and
4. Ravindran Lakshmanan

The Corporate Social Responsibility Committee was first constituted by a meeting of our Board of Directors held on May 27, 2015 and last reconstituted on June 21, 2021. One of the members, Anisha Motwani, has resigned from the Board and consequently, from the Corporate Social Responsibility Committee, since its last reconstitution. The terms of reference of the Corporate Social Responsibility Committee of our Bank include the following:

1. Formulation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Bank in areas or subject specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder;
2. Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Bank in the three immediately preceding financial years;
3. Recommending to the Board, the amount of expenditure to be incurred on the activities pertaining to CSR. (Prescribed in Schedule VII) and monitor the same;
4. Review and monitor the corporate social responsibility activities of the Bank on behalf of the Board to ensure that the Bank is in compliance with appropriate laws and legislations;
5. Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Bank;
6. Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
7. Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
8. Review management's position on key stakeholder expectations involving corporate social responsibility and provide perspectives for Board's consideration;
9. Identifying and appointing the corporate social responsibility team of the Bank including corporate social responsibility manager, wherever required;
10. Review management-identified opportunities to optimize the use of technology for the use of CSR activities; and

11. Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Bank.

### ***Risk Management Committee***

The members of the Risk Management Committee are:

1. Sunil Gulati, *Chairman*;
2. Rajeev Yadav;
3. Alok Prasad;
4. Varun Sabhlok; and
5. Ravindran Lakshmanan

The Risk Management Committee was first constituted by a meeting of our Board of Directors held on April 15, 2011 and last reconstituted on June 21, 2021. The terms of reference of the Risk Management Committee of our Bank include the following:

#### **A. Risk Management**

1. To ensure that all the current and future material risk exposures of the Bank are assessed, identified, quantified, appropriately mitigated and managed;
2. To establish a framework for the risk management process and to ensure its implementation in the Bank;
3. To ensure that the Bank is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
4. Review and recommend changes, from time to time, to the Risk Management plan and/ or associated frameworks, processes and practices of the Bank;
5. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices;
6. To verify adherence to various risk parameters and prudential limits for treasury operations and to review its risk monitoring system.
7. Perform other activities related to this charter as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.
8. To develop an integrated framework for charting / categorizing various types of loans, to determine implications on quality and review of returns and reports to the Reserve Bank of India pertaining to the Risk Monitoring function.
9. Evaluate overall risks faced by the bank and determining the level of risks which will be in the best interest of the bank.
10. To review management's formulation of procedures, action plans and strategies to mitigate risks on short term as well as long term basis;
11. To review the credit and liquidity stress test results on a quarterly basis
12. Identify, monitor and measure the risk profile of the bank.
13. To ensure that the Bank's credit exposure to any one group or industry does not exceed the internally set limits and that the risk is prudently diversified.
14. Develop policies and procedures, verify the models that are used for pricing complex products, review the risk models as development takes place in the markets and also identify new risks.
15. Design stress scenarios to measure the impact of unusual market conditions and monitor variance between the actual volatility of portfolio value and that predicted by the risk measures.
16. Monitor compliance of various risk parameters by operating Departments.
17. Review the outsourcing functions of the Bank
18. Review of risk management practices, procedures and systems to ensure that same are adequate to limit all potential risks, faced by the bank to prudent levels (Annually). (Risk Management Framework to be reviewed for adequacy).

19. Limit Management Framework to be defined by outlining of the tolerance limits. Any exceptions and breaches to be reported on a quarterly basis.
20. Reviewing adequacy of insurance policies taken by Management to cover risks/ transfer risk exposures.
21. To ensure compliance with Banks Group policy and regulatory requirement.

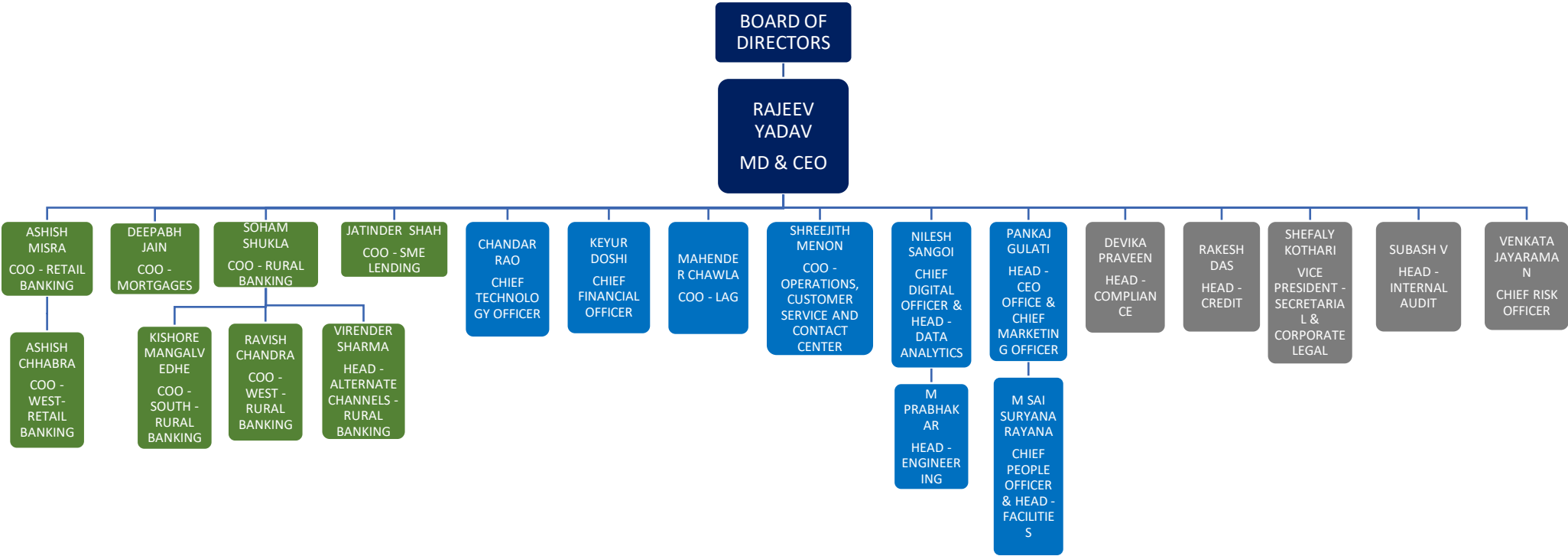
B. Liquidity Management

1. To ensure compliance with Banks Group policy and regulatory requirement
2. To set local targets and review assumptions used for forecasting cash flows
3. Review and approve contingency plans for liquidity and realisability assumption
4. To review and manage concentration risk arising from both borrowers and depositors
5. To ensure business activity is consistent with the structural integrity of the balance sheet, including capital consumption
6. To ensure that risks inherent in local payment systems are evaluated, quantified and managed.

**Other committees of our Bank**

In addition to the committees mentioned—in “ - *Committees of the Board*” on page 14 of this Addendum, our Bank has constituted various other committees, such as, the credit approval committee, fraud monitoring committee, IT strategy committee and customer service committee to oversee and govern various internal functions and activities of our Bank.

# Management Organisation Chart





## Key Managerial Personnel

The details of the Key Managerial Personnel of our Bank are as follows:

**Rajeev Yadav** is the Managing Director and Chief Executive Officer of our Bank. For further details in relation to Rajeev Yadav, see “– *Brief Biographies of Directors*” on page 10 of this Addendum. For details of compensation paid to him, see “–*Terms of Appointment of Directors*” on page 12 of this Addendum.

**Ashish Misra** is the Chief Operating Officer – Retail Banking of our Bank. He holds a bachelor’s degree in commerce from the University of Delhi and a post graduate diploma in business administration from K.J. Somaiya Institute of Management Studies and Research, Mumbai. He has previously worked with ICICI Bank Limited, IndusInd Bank Limited and the Royal Bank of Scotland N.V. He joined our Bank with effect from August 16, 2017. During Fiscal 2021, he received a remuneration of ₹10.43 million.

**Ashish Chhabra** is the Chief Operating Officer – Retail Banking (West) of our Bank. He holds a master’s degree in technology from the Birla Institute of Technology and a doctorate in philosophy from the University of Rajasthan, Jaipur. He has previously worked with ICICI Bank Limited, IndusInd Bank Limited and UTI Bank Limited. He joined our Bank with effect from October 15, 2018. During Fiscal 2021, he received a remuneration of ₹4.21 million.

**Deepabh Jain** is the Chief Operating Officer – Mortgages of our Bank. He holds a bachelor’s degree in technology (electrical) from the Banaras Hindu University and a post graduate diploma in management from the Indian Institute of Management, Calcutta. He has previously worked with Tata Capital Financial Services Limited. He joined our Bank with effect from July 2, 2018. During Fiscal 2021, he received a remuneration of ₹11.54 million.

**Jatindra Mohan Singh Shah** is the Chief Operating Officer – SME Lending of our Bank. He holds a post graduate diploma in management (system and marketing) from the Symbiosis Institute of Management Studies, Pune. He has previously worked with Clix Capital Services Private Limited, GE Money Financial Services Limited, ICICI Bank Limited, Neo Growth Credit Private Limited, Religare Finvest Limited and ABN-AMRO Bank. He joined our Bank with effect from April 9, 2021 and accordingly, did not receive any remuneration from our Bank during Fiscal 2021.

**Kishore Mangalvedhe** is the Chief Operating Officer – Rural Banking (South) of our Bank. He holds a bachelor’s degree in science from the Bangalore University, post graduate diploma in management in dispute resolution from NALSAR, University of Law, Hyderabad and a post graduate diploma in international marketing from Osmania University. He has previously worked with L&T Finance Limited, Sinclair Televisions Private Limited, Kalyani Sharp India Limited, Investsmart India Limited, Eureka Forbes Limited, Bharat Forge Limited, Asia Pacific Investment Trust Limited and Alpic Finance Limited. He joined our Bank with effect from April 25, 2014. During Fiscal 2021, he received a remuneration of ₹5.09 million.

**Ravish Chandra** is the Chief Operating Officer – Rural Banking (West) of our Bank. He holds a post graduate diploma in business administration from the Institute of Chartered Financial Analyst of India. He has previously worked with Lanbit Networks Private Limited, HDFC Bank Limited and Kotak Mahindra Bank Limited. He joined our Bank with effect from September 1, 2017. During Fiscal 2021, he received a remuneration of ₹5.12 million.

**Soham Shukla** is the Chief Operating Officer – Rural Banking of our Bank. He holds a bachelor’s degree in engineering (electronics) and a master’s in business administration (marketing management) from the Sardar Patel University, Gujarat. He is one of the founders of our Bank. He has previously worked with Core Healthcare Limited, Network Limited and Tata Metals and Strips Limited. He joined our Bank with effect from July 3, 2017. During Fiscal 2021, he received a remuneration of ₹11.60 million.

**Virender Sharma** is the Head – Alternate Channels (Rural Banking) of our Bank. He holds a bachelor’s degree in engineering from the Bangalore University. He has previously worked with HSBC Limited, Digivation Digital Solutions Private Limited, Whirlpool of India Limited, Barclays Bank PLC, RBL Finserve Limited and Janalakshmi Financial Services Limited. He joined our Bank with effect from May 16, 2019. During Fiscal 2021, he received a remuneration of ₹6.25 million.

**Chandar Rao V.** is the Chief Technology Officer of our Bank. He holds a diploma in computer science from the Department of Technical Education, Government of Karnataka and an honours diploma in software technology and systems management from NIIT, Hyderabad. He has previously worked with Bhartiya Samruddhi Finance Limited, Financial Information Network & Operations Limited, ICICI Bank Limited and Stay-on Papers (P)

Limited. He joined India Finserve Advisors Private Limited with effect from September 3, 2010, which amalgamated with our Promoter pursuant to a scheme of amalgamation. Subsequently, he stood transferred to our Bank. During Fiscal 2021, he received a remuneration of ₹8.43 million.

**Keyur Doshi** is the Chief Financial Officer of our Bank. He has a bachelor's degree in science (mathematics) from Maharaja Sayajirao University, Baroda and master's in business administration from University of Pune. He is one of the founders of our Bank. He was previously a partner at Disha Support Services. He has also been a director on the board of ILIFE Clinics and Research Private Limited since its inception. He joined our Bank as the Chief Financial Officer with effect from May 1, 2017. During Fiscal 2021, he received a remuneration of ₹12.12 million.

**Mahender Ramchand Chawla** is the Chief Operating Officer – Loan against Gold of our Bank. He is an associate of the Institute of Cost Accountants of India. He has previously worked with HSBC Limited. He joined our Bank with effect from March 1, 2016. During Fiscal 2021, he received a remuneration of ₹7.36 million.

**M Sai Suryanarayan** is the Chief People Officer and Head – Facilities of our Bank. He holds a post graduate diploma in personnel management from the Xavier Institute of Social Service, Ranchi. He has previously worked with Bharat Earth Movers Limited, GlaxoSmithKline Pharmaceuticals Limited, AU Small Finance Bank Limited, ING Vysya Bank Limited, ITC Limited, TI Cycles of India, Toyota Financial Services India Limited. He joined our Bank with effect from March 4, 2021. During Fiscal 2021, he received a remuneration of ₹0.49 million.

**M Prabhakar** is the Head – Engineering of our Bank. He holds a bachelor's degree in engineering (computer science and engineering) from the Anna University, Chennai. He has previously worked with the National Payments Corporation of India, FIS Global Business Solutions India Private Limited, Leiten Technologies Private Limited, Lipi Data Systems Ltd., T&B International Pvt. Ltd., Diebold Systems Private Limited and Rupenet Technology Solutions Private Limited. He joined our Bank with effect from March 5, 2021. During Fiscal 2021, he received a remuneration of ₹0.43 million.

**Nilesh Sangoi** is the Chief Digital Officer and the Head-Data Analytics of our Bank. He holds a diploma in audio and video engineering from the Radio Electric Institute, Mumbai. He has previously worked with Meru Mobility Tech Private Limited. He joined our Bank with effect from December 23, 2019. During Fiscal 2021, he received a remuneration of ₹11.59 million.

**Pankaj Gulati** is the Head – CEO Office and Chief Marketing Officer of our Bank. He holds a bachelor's degree in science from the University of Delhi, post graduate diploma in business management (finance) from the Sardar Patel College of Communication and Management, New Delhi and has completed the executive general management programme from the Indian Institute of Management, Bangalore. He has previously worked with MetLife India Insurance Company Limited. He joined India Finserve Advisors Private Limited with effect from December 20, 2010, which amalgamated with our Promoter pursuant to a scheme of amalgamation. Subsequently, he stood transferred to our Bank. During Fiscal 2021, he received a remuneration of ₹8.71 million.

**Devika Praveen** is the Head – Compliance of our Bank. She holds a bachelor's degree in science and a master's degree in business administration from the University of Mysore. She has previously worked with Kotak Mahindra Bank Limited. She joined our Bank with effect from June 8, 2017. During Fiscal 2021, she received a remuneration of ₹3.13 million.

**Rakesh Das** is the Head - Credit of our Bank. He holds a post graduate diploma in rural development from the Xavier Institute of Social Service, Ranchi. He has previously worked with Arohan Financial Services Limited, Indian Grameen Services and IFMR Capital Finance Private Limited. He joined our Bank with effect from August 1, 2016. During Fiscal 2021, he received a remuneration of ₹5.56 million.

**Shefaly Kothari** is the Vice President – Secretarial and Corporate Legal, the Company Secretary and the Compliance Officer of our Bank. She holds a bachelor's degree in commerce from the University of Mumbai and a bachelor's degree in law from the Shreemati Nathibai Damodar Thackersey Women's University, Mumbai. She is a fellow member of the Institute of Company Secretaries of India. She has previously worked with Rathi & Associates, Aditya Birla Insurance Brokers Limited and Birla Sun Life Insurance Company Limited. She joined our Bank with effect from August 11, 2016. During Fiscal 2021, she received a remuneration of ₹2.81 million.

**Subash V.** is the Vice President – Internal Audit of our Bank. He holds a master's degree in business administration (international business) from the Indian Institute of Foreign Trade, Delhi. He has previously

worked with Kotak Mahindra Bank Limited. He joined our Bank with effect from September 4, 2017. During Fiscal 2021, he received a remuneration of ₹2.65 million.

**Venkata Jayaraman M.** is the Chief Risk Officer of our Bank. He holds a bachelor's degree in science from the University of Madras and a post graduate diploma in personnel management from Annamalai University. He has previously worked with Kotak Mahindra Bank Limited, Corporation Bank and Andhra Bank. He joined our Bank with effect from July 18, 2016. During Fiscal 2021, he received a remuneration of ₹7.89 million.

**Shreejith Menon** is the Chief Operating Officer – Operations, Customer Service and Contact Center of our Bank. He is a member of the Institute of Chartered Accountants of India. He has previously worked with PMAM IT Services Pvt. Ltd., Citicorp Finance (India) Limited, Fullerton India Credit Company Limited, RBL Bank Ltd & IDFC First Bank Limited. He joined our Bank with effect from July 12, 2021 and accordingly, did not receive any remuneration from our Bank during Fiscal 2021.

#### Relationship between our Key Managerial Personnel and other Key Managerial Personnel and Directors

None of the Key Managerial Personnel are related to each other or to the Directors.

#### Shareholding of Key Managerial Personnel

Except as disclosed below, none of our Key Managerial Personnel hold any Equity Shares as of the date of this Addendum:

Sr. No.	Name	No. of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)	Number of employee stock options outstanding*	Percentage of the post-Offer of Equity Share Capital (%)
1.	Keyur Doshi	245,946	0.11	132,300	[●]
2.	Pankaj Gulati	131,976	0.06	89,000	[●]
3.	Mahender Ramchand Chawla	86,730	0.04	73,400	[●]
4.	Chandar Rao V.	81,678	0.04	70,500	[●]
5.	Soham Shukla	71,823	0.03	132,300	[●]
6.	Venkata Jayaraman M.	68,040	0.03	35,300	[●]
7.	Kishore Mangalvedhe	45,006	0.02	54,100	[●]
8.	Deepabh Jain	43,860	0.02	80,700	[●]
9.	Rakesh Das	26,850	0.01	36,000	[●]
10.	Ravish Chandra	24,930	0.01	51,100	[●]
11.	Nilesh Sangoi	15,270	0.01	128,000	[●]
12.	Devika Praveen	14,910	0.01	25,300	[●]
13.	Ashish Chhabra	12,270	0.01	35,800	[●]
14.	Virender Sharma	11,067	0.01	62,700	[●]
15.	Subash V	4,017	Negligible	10,440	[●]
16.	Rajeev Yadav	336	Negligible	370,452**	[●]
17.	Shefaly Kothari	Nil	Nil	13,230	[●]
18.	Ashish Mishra	Nil	Nil	98,800	[●]

Sr. No.	Name	No. of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)	Number of employee stock options outstanding*	Percentage of the post-Offer of Equity Share Capital (%)
<b>Total</b>		<b>884,709</b>	<b>0.41</b>	<b>1,499,422</b>	[●]

\* The Nomination and Remuneration Committee and the Board in their meeting dated May 30, 2021 and May 31, 2021, respectively, adjusted the number of employee stock options granted under ESOP 2018 in light of the bonus issue of Equity Shares dated May 4, 2021.

\*\* Pursuant to approval from the RBI vide letter dated February 10, 2021, the Bank has made a grant of 48,188 employee stock options pertaining to Financial Year 2018 and 75,296 employee stock options pertaining to Financial Year 2019 to Rajeev Yadav, the Managing Director and Chief Executive Officer. This has been accounted in the Restated Financial Statements for Financial Year 2021. Subsequently, the Nomination and Remuneration Committee and the Board in their meeting dated May 30, 2021 and May 31, 2021, respectively, adjusted number of employee stock option granted under ESOP 2018 in light of the bonus issue of Equity Shares dated May 4, 2021. Accordingly, an adjustment to the number of employee stock options from 123,484 to 370,452 employee stock options, at an exercise price of ₹88.33 per employee stock option for 144,564 employee stock options pertaining to Fiscal 2018 and ₹97 per employee stock option for 225,888 employee stock options pertaining to Fiscal 2019, under the ESOP Scheme 2018.

### Bonus or Profit-Sharing Plans of the Key Managerial Personnel

Our Bank has a wealth share plan which was instituted during Financial Year 2017 (“Wealth Share Plan”) pursuant to which, certain bands of employees of our Bank are eligible to receive performance linked incentives in addition to their salary. Except for Shefaly Kothari, who is one of our Key Managerial Personnel and a party to this Wealth Share Plan, no other Key Managerial Personnel is a party to any bonus or profit-sharing plan of our Bank. The Wealth Share Plan was terminated in March 2019. For details of the incentives paid to employees under the Wealth Share Plan, please see “Financial Statements” on page 53 of this Addendum.

### Status of Key Managerial Personnel

All the Key Managerial Personnel are permanent employees of our Bank.

### Interests of Key Managerial Personnel

Our Key Managerial Personnel do not have any interest in our Bank other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. The Key Managerial Personnel may also be deemed to be interested to the extent of their shareholding or the shareholding of their relatives in the Bank and any dividend payable to them and other distributions in respect of Equity Shares held in our Bank, if any. Some of our KMPs are entitled to employee stock options and equity shares resulting from the exercise of options issued by our Bank and our Promoter.

Except as stated below, no other KMP holds equity shares in FBSL, our Promoter and is interested to the extent of the equity shares held by them in our Promoter.

Sr. No.	Name	No. of equity shares*
1.	Keyur Doshi	2,071,540
2.	Pankaj Gulati	685,670
3.	Mahender Ramchand Chawla	525,170
4.	Chandar Rao V.	0**
5.	Soham Shukla	718,580
6.	Venkata Jayaraman M.	215,000
7.	Kishore Mangalvedhe	170,030
8.	Deepabh Jain	70,000
9.	Rakesh Das	20,000
10.	Ravish Chandra	26,050
11.	Nilesh Sangoi	10,000
12.	Devika Praveen	2,500
13.	Virender Sharma	25,000
14.	Rajeev Yadav	1,080

\*Based on the beneficiary position statement dated August 13, 2021.

\*\* Please note that there are certain transactions that have taken place in respect of the equity shares of FBSL, which are yet to be recorded by the board of directors of FBSL.

None of the Key Managerial Personnel have been paid any consideration of any nature from our Bank on whose rolls they are employed, other than their remuneration. None of our Key Managerial Personnel have availed any loan from our Bank.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as member of senior management.

### Changes in the Key Managerial Personnel

The changes in the Key Managerial Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
M Sai Suryanarayana	Chief People Officer and Head – Facilities	June 1, 2021	Re-designation from Chief People Officer to Chief People Officer and Head – Facilities
Mahender Ramchand Chawla	Chief Operations Officer – Operations and Loan against Gold	July 12, 2021	Re-designation from Chief Operations Officer – Operations and Loan against Gold to Chief Operations Officer – Loan against Gold
Shreejith Menon	Chief Operating Officer – Operations, Customer Service and Contact Center	July 12, 2021	Appointment
Jatindra Mohan Singh Shah	Chief Operating Officer – SME Lending	April 9, 2021	Appointment
Deepabh Jain	Chief Operating Officer – Mortgages	April 1, 2021	Re-designation from Chief Operating Officer – LAP and Affordable Housing Loan to Chief Operating Officer - Mortgages
M Prabhakar	Head – Engineering	March 5, 2021	Appointment
M Sai Suryanarayan	Chief People Officer	March 4, 2021	Appointment
Pankaj Gulati	Head – CEO Office and Chief Marketing Officer	March 4, 2021	Re-designation from Chief People Officer/ Chief Marketing Officer to Head – CEO Office and Chief Marketing Officer
Shashi Kumar T	Head – IT Project Management	February 4, 2021	Resignation
Prakash Sundaram S	Chief Strategy Officer	January 30, 2021	Resignation
Suresh Krishnamurthy	Chief Operating Officer – Retail Banking (South)	June 30, 2020	Resignation
Sandeep Bhalla	Head – CEO Office	June 30, 2020	Resignation
Kishore Mangalvedhe	Chief Operating Officer – Rural Banking (South)	May 8, 2020	Re-designation from Chief Operating Officer – FFSL to Chief Operating Officer – Rural Banking (South)
Mahender Ramchand Chawla	Chief Operating Officer – Operations and Loan against Gold	May 7, 2020	Re-designation from Chief Operating Officer – Channel Operations to Chief Operating Officer – Operations and Loan against Gold
Rakesh Das	Head – Credit	April 24, 2020	Re-designation from Head - Risk to Head - Credit
Ravish Chandra	Chief Operating Officer – Rural Banking (West)	April 24, 2020	Re-designation from Chief Operating Officer – Retail Banking (West) to Chief Operating Officer – Rural Banking (West)
Kavya Shetty	Head – Strategic Initiatives	February 25, 2020	Resignation
Sandeep Bhalla	Head – CEO Office	January 1, 2020	Appointment
Nilesh Sangoi	Chief Digital Officer and Head-Data Analytics	December 23, 2019	Appointment
Raghavendra Rao T. S.	Chief compliance officer	December 20, 2019	Resignation
Dennies Vargheese	National Sales Manager – Retail LAP	August 23, 2019	Resignation
Virender Sharma	Head – Alternate Channels (Rural Banking)	May 16, 2019	Appointment
Venkata Jayaraman M	Chief Risk Officer	December 15, 2018	Re-designation from Chief Operating Officer – Central Operations to Chief Risk Officer

<b>Name</b>	<b>Designation</b>	<b>Date of change</b>	<b>Reason for change</b>
Ashish Chhabra	Chief Operating Officer – Retain Banking (West)	October 15, 2018	Appointment
Usha Murali	Chief risk officer	September 7, 2018	Resignation

### **Service Contracts with Directors and Key Managerial Personnel**

Other than statutory benefits upon termination of their employment in our Bank on retirement, no officer of our Bank, including our Directors and the Key Managerial Personnel has entered into a service contract with our Bank pursuant to which they are entitled to any benefits upon termination of employment.

### **Contingent and deferred compensation payable to our Director and Key Managerial Personnel**

Other than the deferred bonus compensation payable to our KMPs, and deferred performance payable to Rajeev Yadav on receipt of approval from RBI, there is no contingent or deferred compensation payable to our Directors and KMPs, which does not form a part of their remuneration.

### **Payment or benefit to Key Managerial Personnel**

Our Bank has a Wealth Share Plan. For details, see “*Bonus or Profit-Sharing Plans of the Key Managerial Personnel.*” Except for Shefaly Kothari, who is one of our Key Managerial Personnel and a party to this Wealth Share Plan, no other Key Managerial Personnel has been paid or given any non-salary amount or benefit within the two preceding years of the date of the Draft Red Herring Prospectus. For details in relation to the non-salary amounts paid to the Bank’s officers during the two preceding years from the date of the Draft Red Herring Prospectus, see “*Financial Statements*” on page 53 of this Addendum.

### **Employees Stock Options**

For details of our employee stock options, see “*Capital Structure*” on page 68 of the Draft Red Herring Prospectus.

## SELECTED STATISTICAL INFORMATION

*Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Addendum. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. However, note that these non-GAAP financial measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies.*

*The following information should be read together with our Restated Financial Statements, including the notes thereto, appearing elsewhere in this Addendum. Unless otherwise stated, all averages presented in this section are presented on the basis of month end balances outstanding.*

*As required by the RBI, we prepare and report our financial information in Indian GAAP.*

*Where indicated, some financial and operating ratios for the three months ended June 30, 2020 and 2021 are annualized to enable better comparison with the fiscal years 2019, 2020 and 2021. Annualized ratios are calculated by multiplying the underlying three-month data by the number of days in the year divided by the number of days in the period (365 / 91).*

### **YEARS ENDED MARCH 31, 2019, 2020 and 2021 and THREE MONTHS ENDED JUNE 30, 2020 and 2021**

#### **Average Balance Sheet and Net Interest Margin**

The tables below present the average balances for our interest-earning assets and interest-bearing liabilities together with the related interest income and expense amounts, resulting in the presentation of the average yields and cost for each period. The average balance is the average of advances and deposits for the period. The average yield on average assets is the ratio of interest earned to average interest-earning assets (except that investments include equity investments). The average cost on average interest-bearing liabilities is the ratio of interest expense to average interest-bearing liabilities. Average interest-earning assets, yields, average non-interest earning assets, average interest-bearing liabilities, average non-interest bearing liabilities and cost of funds are non-GAAP measures. The tables below set forth the reconciliation of such non-GAAP measures to the GAAP measures appearing in our Restated Financial Information:

Particulars	Year ended March 31, 2019			Year ended March 31, 2020			Year ended March 31, 2021			Three months ended June 30, 2020				Three months ended June 30, 2021			
	Average Balance <sup>(1)</sup>	Interest Income <sup>(2)</sup> ( <sup>(3)</sup> / interest expense <sup>(4)</sup> )	Average Yield / Cost of funds <sup>(5)</sup> (%)	Average Balance <sup>(1)</sup>	Interest Income <sup>(2)</sup> ( <sup>(3)</sup> / interest expense <sup>(4)</sup> )	Average Yield / Cost of funds <sup>(5)</sup> (%)	Average Balance <sup>(1)</sup>	Interest Income <sup>(2)</sup> ( <sup>(3)</sup> / interest expense <sup>(4)</sup> )	Average Yield / Cost of funds <sup>(5)</sup> (%)	Average Balance <sup>(1)</sup>	Interest Income <sup>(2)</sup> ( <sup>(3)</sup> / interest expense <sup>(4)</sup> )	Average Yield / Cost of funds <sup>(5)</sup> (%) (Non-annualized)	Average Yield / Cost of funds <sup>(5)</sup> (%) (Annualized)	Average Balance <sup>(1)</sup>	Interest Income <sup>(2)</sup> ( <sup>(3)</sup> / interest expense <sup>(4)</sup> )	Average Yield / Cost of funds <sup>(5)</sup> (%) (Non-annualized)	Average Yield / Cost of funds <sup>(5)</sup> (%) (Annualized)
<b>Interest-earning assets</b>																	
Advances	21,321.94	5,199.29	24.38%	38,314.15	9,445.78	24.65%	50,297.35	11,482.82	22.83%	48,291.41	2,971.17	6.15%	24.68%	52,687.87	3,069.68	5.83%	23.37%
Investments	4,423.77	306.04	6.92%	7,282.73	499.37	6.86%	12,170.44	685.15	5.63%	11,233.85	161.42	1.44%	5.76%	16,223.22	203.87	1.26%	5.04%
Other interest-earning assets <sup>(6)</sup>	1,278.36	85.76	6.71%	7,841.81	438.85	5.60%	8,545.01	342.00	4.00%	9,831.24	119.79	1.22%	4.89%	9,730.48	87.05	0.89%	3.59%
<b>Total interest-earning assets (A)</b>	<b>27,024.08</b>	<b>5,591.10</b>	<b>20.69%</b>	<b>53,438.69</b>	<b>10,384.00</b>	<b>19.43%</b>	<b>71,012.80</b>	<b>2,509.97</b>	<b>17.62%</b>	<b>69,356.50</b>	<b>3,252.38</b>	<b>4.69%</b>	<b>18.81%</b>	<b>78,641.56</b>	<b>3,360.60</b>	<b>4.27%</b>	<b>17.14%</b>
<b>Non-interest earning assets</b>																	
Fixed Assets	264.54	-	-	365.09	-	-	367.07	-	-	389.42	-	-	-	356.37	-	-	-
Other non-interest earning assets <sup>(7)</sup>	2,731.48	-	-	3,063.90	-	-	4,839.03	-	-	4,663.33	-	-	-	4,390.53	-	-	-
<b>Total non-interest earning assets (B)</b>	<b>2,996.01</b>	<b>-</b>	<b>-</b>	<b>3,428.98</b>	<b>-</b>	<b>-</b>	<b>5,206.10</b>	<b>-</b>	<b>-</b>	<b>5,052.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,746.90</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets (A+B)</b>	<b>30,020.09</b>	<b>-</b>	<b>-</b>	<b>56,867.67</b>	<b>-</b>	<b>-</b>	<b>76,218.89</b>	<b>-</b>	<b>-</b>	<b>74,409.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,388.46</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interest-bearing liabilities</b>																	
Demand Deposits (i)	82.97	-	-	93.47	-	-	320.06	-	-	231.29	-	-	-	373.09	-	-	-
Savings bank deposits (ii)	1,131.96	62.87	5.55%	3,595.02	210.91	5.87%	7,984.84	467.65	5.86%	5,627.44	84.85	1.51%	6.0%	12,849.93	194.32	1.51%	6.07%
Term Deposits (iii)	12,027.88	1,108.62	9.22%	30,499.98	2,808.55	9.21%	42,669.70	3,692.86	8.65%	43,443.69	973.87	2.24%	9.0%	40,939.87	846.79	2.07%	8.30%
<b>Total Deposits (i + ii + iii)</b>	<b>13,242.80</b>	<b>1,171.49</b>	<b>8.85%</b>	<b>34,188.47</b>	<b>3,019.46</b>	<b>8.83%</b>	<b>50,974.60</b>	<b>4,160.51</b>	<b>8.16%</b>	<b>49,302.42</b>	<b>1,058.72</b>	<b>2.15%</b>	<b>8.61%</b>	<b>54,162.89</b>	<b>1,041.11</b>	<b>1.92%</b>	<b>7.71%</b>
Borrowings <sup>(8)</sup>	9,975.66	1,119.12	11.22%	12,523.02	1,495.56	11.94%	12,306.33	1,340.71	10.89%	13,345.04	393.70	2.95%	11.8%	15,323.45	351.47	2.29%	9.20%
<b>Total interest-bearing liabilities</b>	<b>23,218.47</b>	<b>2,290.62</b>	<b>9.87%</b>	<b>46,711.49</b>	<b>4,515.02</b>	<b>9.67%</b>	<b>63,280.93</b>	<b>5,501.21</b>	<b>8.69%</b>	<b>62,647.46</b>	<b>1,452.42</b>	<b>2.32%</b>	<b>9.30%</b>	<b>69,486.34</b>	<b>1,392.58</b>	<b>2.00%</b>	<b>8.04%</b>
<b>Non-interest bearing liabilities</b>																	
Capital	461.76	-	-	586.44	-	-	636.10	-	-	636.10	-	-	-	1,446.91	-	-	-
Reserves and surplus	4,172.94	-	-	7,204.64	-	-	9,159.01	-	-	8,590.95	-	-	-	10,148.01	-	-	-
Other liabilities and provisions <sup>(9)</sup>	2,166.93	-	-	2,365.11	-	-	3,142.84	-	-	2,534.73	-	-	-	2,307.18	-	-	-
<b>Total non-interest bearing liabilities</b>	<b>6,801.62</b>	<b>-</b>	<b>-</b>	<b>10,156.18</b>	<b>-</b>	<b>-</b>	<b>12,937.96</b>	<b>-</b>	<b>-</b>	<b>11,761.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,902.10</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>30,020.09</b>	<b>-</b>	<b>-</b>	<b>56,867.67</b>	<b>-</b>	<b>-</b>	<b>76,218.89</b>	<b>-</b>	<b>-</b>	<b>74,409.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,388.46</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interest spread <sup>(10)</sup>	-	-	10.82%	-	-	9.77%	-	-	8.92%	-	-	2.37%	9.51%	-	-	2.27%	9.10%



- (1) *Average Balances are defined as the average month end balances for the items listed in the table.*
- (2) *Interest Income on advances includes interest/discount on advances/bills. It excludes income from securitization/assignment of loans.*
- (3) *Other Interest Income includes interest on RBI / inter-bank borrowings, interest income on fixed deposits, interest income on money market instruments and interest income on tri-party repo lending.*
- (4) *Interest expended on borrowings includes interest on RBI / inter-bank borrowings and interest expended – others.*
- (5) *Cost of funds is the ratio of interest expended during the period to the average interest-bearing liabilities for the period.*
- (6) *Other interest-earning assets includes money at call and short notice, balances with banks in other deposits and balances in reverse Repo – LAF.*
- (7) *Other non-interest earning assets includes cash and balances with the RBI, balances with other banks, interest accrued on advances, deferred tax asset and other assets.*
- (8) *Borrowings includes borrowings as per the Restated Summary Statement of Assets and Liabilities.*
- (9) *Other liabilities and provisions includes interest accrued on borrowings/deposits, provision for income tax and other liabilities.*
- (10) *"Interest spread" means the difference between the average yield on total interest-earning assets and average cost of total interest-bearing liabilities*

## Yields, Spreads and Margins

₹ in millions

Particulars	Year ended March 31,			Three months ended June 30,			
	2019	2020	2021	2020 (Non-annualized)	2020 (Annualized)	2021 (Non-annualized)	2021 (Annualized)
Average interest-earning advances <sup>(1)</sup>	21,321.94	38,314.15	50,297.35	48,291.41	-	52,687.87	-
Average interest-earning assets <sup>(1)</sup>	27,024.08	53,438.69	71,012.80	69,356.50	-	78,641.56	-
Average interest-bearing liabilities <sup>(1)</sup>	23,218.47	46,711.49	63,280.93	62,647.46	-	69,486.34	-
Average total assets or average liabilities (including equity and reserves and surplus) <sup>(1)</sup>	30,020.09	56,867.67	76,218.89	74,409.25	-	83,388.46	-
Average interest-earning assets as a percentage of average total assets (%) <sup>(1)</sup>	90.02%	93.97%	93.17%	93.21%	-	94.31%	-
Average interest-bearing liabilities as a percentage of average total assets (%) <sup>(1)</sup>	77.34%	82.14%	83.03%	84.19%	-	83.33%	-
Average Balance of interest-earning assets as a percentage of Total Average Interest-Bearing Liabilities <sup>(1)</sup>	116.39%	114.40%	112.22%	110.71%	-	113.18%	-
Average Interest-Earning Advances as a percentage of average total assets <sup>(1)</sup>	71.03%	67.37%	65.99%	64.90%	-	63.18%	-
Yield on average interest-earning assets (%) <sup>(1)(2)</sup>	20.69%	19.43%	17.62%	4.69%	18.81%	4.27%	17.14%
Yield on average interest-earning advances <sup>(1)(3)</sup>	24.38%	24.65%	22.83%	6.15%	24.68%	5.83%	23.37%
Cost of deposits (%) <sup>(4)</sup>	8.85%	8.83%	8.16%	2.15%	8.61%	1.92%	7.71%
Cost of borrowing (%) <sup>(5)</sup>	11.22%	11.94%	10.89%	2.95%	11.83%	2.29%	9.20%
Cost of subordinate debt (%) <sup>(6)</sup>	11.58%	11.82%	12.19%	3.05%	12.22%	3.05%	12.25%
Cost of refinance borrowing (%) <sup>(7)</sup>	8.37%	9.33%	8.61%	2.30%	9.22%	1.98%	7.92%
Cost of funds (%) <sup>(1)(8)</sup>	9.87%	9.67%	8.69%	2.32%	9.30%	2.00%	8.04%
Cost of funds (%) incl. IBPC borrowings <sup>(8)</sup>	9.13%	9.60%	8.27%	2.18%	8.73%	1.88%	7.54%
Cost of funds (%) (includes Equity and Current Deposit) <sup>(9)</sup>	7.63%	7.94%	7.22%	1.95%	7.83%	1.67%	6.70%
Cost of funds (%) (includes Equity and Reserves & Surplus including IBPC Borrowings) <sup>(9)</sup>	7.18%	7.51%	6.92%	1.85%	7.42%	1.58%	6.35%
Interest Spread (%) <sup>(1)(10)</sup>	10.82%	9.77%	8.92%	2.37%	9.51%	2.27%	9.10%
Net Interest Margin <sup>(11)</sup>	12.21%	10.98%	9.87%	2.60%	10.41%	2.50%	10.04%

(1) Average Balances are defined as the average month end balances for the items listed in the table.

(2) Yield on interest-earning assets is interest earned divided by total average interest-earning assets.

(3) Yield on Average Interest-Earning Advances is calculated as ratio of interest earned on advances divided by Average Interest-Earning Advances.

(4) Cost of deposits are the ratio of interest expended on deposits during the period to the average month end balance of total deposits.

(5) Cost of borrowing is the ratio of interest expended on borrowings to the average month end balances of borrowings.

(6) Cost of subordinate debt is the ratio of interest expended on subordinated debt to the average month end balances of subordinated debt.

(7) Cost of refinance borrowing is the ratio of interest expended on refinance borrowings to the average month end balances of refinance borrowings.

(8) Calculated as total interest expended divided by the average month end balance of interest-bearing liabilities (includes cost of deposits).

(9) Calculated as total interest expended divided by the average month end balance of interest-bearing liabilities, equity and reserves and surplus.

(10) Calculated as Yield on average interest-earning assets less cost of funds.

(11) Calculated as Net Interest Income divided by average interest-earning assets.

## Financial and Operational Metrics and Ratios

The following table sets forth, as of and for the periods indicated, certain financial and operational metrics and ratios:

₹ in millions

Particulars	Year ended March 31,			Three months ended June 30,			
	2019	2020	2021	2020 (Non-annualized)	2020 (Annualized)	2021 (Non-annualized)	2021 (Annualized)
Gross Loan Portfolio <sup>(1)</sup>	35,302.04	53,418.25	60,722.11	53,433.15	-	60,105.59	-
Average Gross Loan Portfolio <sup>(2)</sup>	27,932.61	43,576.96	54,266.47	53,205.66	-	60,115.92	-
Average Gross Loan Portfolio Growth (%) <sup>(3)</sup>	81.40%	56.00%	24.53%	22.10%	-	10.78%	-
On-book advances <sup>(4)</sup>	27,646.96	48,155.76	53,011.20	49,538.45	-	54,069.78	-
Average balance of on-book advances <sup>(5)</sup>	21,321.94	38,314.15	50,297.35	48,291.41	-	52,687.87	-
Average on-book advances growth (%)	82.3%	79.7%	31.28%	26.04%	-	4.75%	-
Outstanding value of loans securitized <sup>(6)</sup>	3,113.22	666.84	574.38	574.97	-	573.86	-
Deposits	20,432.12	46,539.33	53,184.98	52,079.57	-	56,290.82	-
Retail deposits <sup>(7)</sup>	11,828.96	35,789.27	48,597.56	41,928.34	-	50,865.15	-
Bulk deposits	8,603.16	10,750.06	4,587.41	10,151.23	-	5,425.67	-
Average Deposits	13,242.80	34,188.47	50,974.60	49,302.42	-	54,162.89	-
Average Deposits growth (%)	350.58%	158.17%	49.10%	44.21%	-	6.25%	-
Disbursements <sup>(8)</sup>	32,210.23	49,497.11	46,564.57	5,959.78	-	10,609.03	-
Disbursements Growth (%) <sup>(9)</sup>	55.85%	53.67%	(5.92)%	-	-	78.01%	-
CASA	2,237.27	5,550.60	12,635.78	6,798.86	-	15,417.88	-
CASA (%) of Deposits	10.95%	11.93%	23.76%	13.05%	-	27.39%	-
CASA growth (%)	508.63%	148.10%	127.65%	22.49%	-	22.02%	-
Shareholder's equity <sup>(10)</sup>	6,659.94	9,037.67	10,179.02	9,446.58	-	12,054.26	-
Total assets	41,717.40	71,162.74	79,662.18	77,324.22	-	88,843.59	-
Total borrowings	12,830.74	13,681.62	14,004.34	13,070.35	-	17,640.97	-
Retail Term Deposit to Total Term deposit ratio	52.72%	73.77%	88.69%	77.58%	-	86.73%	-
Retail deposits (Retail Term Deposits + CASA) to total deposit ratio <sup>(8)</sup>	57.89%	76.90%	91.37%	80.51%	-	90.36%	-
Total Income <sup>(11)</sup>	6,748.82	12,157.20	13,784.07	3,369.86	-	3,639.32	-
Total interest earned	6,051.51	10,702.56	12,510.31	3,252.72	-	3,360.60	-
Interest on advances <sup>(12)</sup>	5,199.29	9,445.78	11,482.82	2,971.17	-	3,069.68	-
Other Income	697.31	1,454.64	1,273.76	117.14	-	278.72	-
Interest expended <sup>(13)</sup>	2,290.74	4,515.04	5,500.88	1,452.43	-	1,392.58	-
Net Interest Income <sup>(14)</sup>	3,300.48	5,868.98	7,008.75	1,799.96	-	1,968.02	-
Net Interest Margin (%)	12.21%	10.98%	9.87%	2.60%	10.41%	2.50%	10.04%
Operating Income (Net Interest Income + Other Income) <sup>(15)</sup>	4,458.20	7,642.18	8,282.87	1,917.45	-	2,246.74	-
Total Expenses <sup>(16)</sup>	5,248.71	8,776.36	10,133.62	2,517.00	-	2,772.13	-
Operating Expense <sup>(17)</sup>	2,958.10	4,261.34	4,632.41	1,064.57	-	1,379.54	-
Operating Expense / Average Gross Loan Portfolio (%)	10.59%	9.78%	8.54%	2.00%	8.03%	2.29%	9.20%
Cost to Income Ratio <sup>(18)</sup>	66.35%	55.76%	55.93%	55.52%	-	61.40%	-
Pre-provisioning operating profit	1,500.11	3,380.84	3,650.46	852.87	-	867.19	-
Pre-provisioning operating profit / Average gross loan portfolio	5.37%	7.76%	6.73%	1.60%	6.43%	1.44%	5.79%
Provisions and write-offs <sup>(19)</sup>	396.96	1,353.57	2,186.58	331.08	-	641.68	-
COVID-19 related provisions, net of utilization	-	851.80	(261.03)	189.62	-	189.98	-
Provisions for NPA (including write-offs)	324.25	440.70	2,113.04	69.42	-	(7.39)	-
Provisions for standard assets <sup>(20)</sup>	53.02	935.28	(297.94)	272.31	-	183.07	-

Particulars	Year ended March 31,			Three months ended June 30,			
	2019	2020	2021	2020 (Non-annualized)	2020 (Annualized)	2021 (Non-annualized)	2021 (Annualized)
Provisions and write-offs / Average Gross Loan Portfolio (%)	1.42%	3.11%	4.03%	0.62%	2.50%	1.07%	4.28%
Credit cost <sup>(21)</sup>	1.35%	3.16%	4.05%	0.64%	2.58%	1.06%	4.27%
Profit before tax <sup>(22)</sup>	1,103.02	2,027.05	1,463.88	521.78	-	225.51	-
Profit before tax – adjusted for COVID-19 related provisions (net of utilization)	1,103.14	2,879.05	1,202.86	711.40	-	415.50	-
Profit after tax <sup>(23)</sup>	1,019.80	1,434.49	1,131.40	403.45	-	173.03	-
Profit after tax – adjusted for COVID-19 related provisions (net of utilization)	1,019.80	2,071.91	936.07	545.35	-	315.20	-

(1)Gross Loan Portfolio represents the total portfolio of loans outstanding (gross i.e. without netting-off the related provisioning) held by us as well as the outstanding of loan portfolio which have been transferred by us by way of securitization as at the end of the relevant period. It does not include interest accrued and due on advances at the end of the relevant period.

(2)Average Gross Loan Portfolio is the average month end balances of our Gross Loan Portfolio outstanding during the relevant period.

(3)Gross Loan Portfolio Growth represents percentage growth in Average Gross Loan Portfolio for the relevant period over Average Gross Loan Portfolio of the previous period.

(4)On-book advances represents the total portfolio of loans outstanding that we hold, net of IBPC and NPA provisions.

(5)Average balance of on-book advances represents the average month end balances of the total portfolio of loans outstanding that we hold, net of IBPC and NPA provisions.

(6)Outstanding value of loans securitized represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for our loan portfolio that has been transferred by us by way of securitization and is outstanding as of the last day of the relevant period.

(7)Retail deposits are deposits sourced primarily by our banking outlets and include staff deposits, CASA and Retail Term Deposits.

(8)Disbursements represent the aggregate of all loan amounts extended to our borrowers in the relevant period.

(9)Disbursements Growth represents percentage growth in Disbursements for the relevant period over Disbursements of the previous period.

(10)Average shareholder's equity is the aggregate of the average month end balances of capital and reserves and surplus during the period.

(11)Total Income represents our restated total income for the period and is the sum of total interest earned and other income.

(12)Interest on advances excludes income from securitization/assignment of loans.

(13)Interest expended represents our restated interest expended for the period, comprising interest on deposits, interest on RBI and inter-bank borrowings and interest on other borrowings.

(14)Net Interest Income represents interest earned for the relevant period reduced by interest expended in such period.

(15)Operating income is calculated as Income from interest earning assets plus other income including securitization income net of cost expended on interest-bearing liabilities.

(16)Total Expenses represents our restated total expenses for the relevant period. Total Expenses comprises interest expended, employee benefits expenses, depreciation and amortization and other expenses. It does not include provisions and contingencies.

(17)Operating Expense represents employee benefits expenses, depreciation and amortization expenses and other expenses.

(18)Cost to Income Ratio is calculated as the ratio of our Operating Expense to the sum of our Net Interest Income and Other Income.

(19)Provisions and write-offs represent the aggregate of provisions and write-offs (excluding provision for taxes).

(20)Provisions for standard assets is inclusive of COVID-19 related provisions.

(21)Credit cost is calculated as the ratio of provisions and write-offs (excluding provision for contingencies) to our average Gross Loan Portfolio outstanding during the relevant period.

(22)Profit before tax represents our restated profit before tax.

(23)Profit after tax represents our restated profit for the period from continuing operations.

## Productivity Ratios

The following table sets forth, as of and for the periods indicated, certain productivity ratios for us:

Particulars	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
Number of banking outlets (including BC outlets) <sup>(1)</sup>	569	711	809	712	855
Number of BC outlets	152	202	259	202	272
Number of ATMs (including cash recyclers)	71	108	108	110	108
Number of employees <sup>(2)</sup>	5,498	7,363	8,850	7,271	9,854
Number of loan officers <sup>(3)</sup>	2,658	3,412	4,687	3,430	5,104
Number of active loan accounts <sup>(4)</sup>	1,546,079	2,273,474	2,263,448	2,251,468	2,368,598
Gross Loan Portfolio per banking outlet <sup>(5)</sup> (₹ in million)	62.04	75.13	75.06	75.04	70.30
Gross Loan Portfolio per employee <sup>(6)</sup> (₹ in million)	6.42	7.25	6.86	7.35	6.10

Particulars	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
Gross Loan Portfolio per active loan account <sup>(7)</sup> (₹)	22,833.27	23,496.31	26,827.21	23,732.62	25,376.51
Disbursement per banking outlet <sup>(8)</sup> (₹ in million)	56.61	69.62	57.56	8.37	12.41
Disbursement per employee <sup>(9)</sup> (₹ in million)	5.86	6.72	5.26	0.82	1.08
Disbursement per loan officer <sup>(10)</sup> (₹ in million)	12.12	14.51	9.93	1.74	2.08
Deposits per employee <sup>(11)</sup> (₹ in million)	3.72	6.32	6.01	7.16	5.71
Deposits per banking outlet <sup>(12)</sup> (₹ in million)	35.91	65.46	65.74	73.15	65.84

- (1) Number of banking outlets represents our aggregate number of banking outlets (including BC outlets) as of the last day of the relevant period.
- (2) Number of employees represents our aggregate number of employees as of the last day of the relevant period.
- (3) Number of loan officers represents our aggregate number of officers in sales and collections (including relationship officers) as of the last day of the relevant period.
- (4) Number of active loan accounts represents the aggregate number of all loan assets under management which includes loan assets held by us as of the last day of the relevant period as well as loan assets which have been transferred by us by way of securitization or assignment and are outstanding as of the last day of the relevant period.
- (5) Gross Loan Portfolio per banking outlet represents Gross Loan Portfolio as of last day of the relevant period divided by number of banking outlets.
- (6) Gross Loan Portfolio per employee represents Gross Loan Portfolio as of the last day of the relevant period divided by number of employees.
- (7) Gross Loan Portfolio per active loan accounts represents Gross Loan Portfolio as of the last day of the relevant period divided by number of active loan accounts.
- (8) Disbursement per banking outlet represents Disbursements in the relevant period divided by number of banking outlets as of the last day of the relevant period.
- (9) Disbursement per employee represents Disbursements in the relevant period divided by number of employees as of the last day of the relevant period.
- (10) Disbursement per loan officer represents Disbursements in the relevant period divided by number of loan officers as of the last day of the relevant period.
- (11) Deposits per employee represents deposits in the relevant period divided by number of employees as of the last day of the relevant period.
- (12) Deposits per banking outlet represents deposits in the relevant period divided by number of banking outlets as of the last day of the relevant period.

### Analysis of Changes in Interest Income and Interest Expenses Volume and Rate Analysis

The following tables set forth, for the periods indicated, the allocation of the changes in our interest income and interest expended between average volume and changes in average rates. The changes in Net Interest Income between periods have been reflected as attributed to either volume or rate changes.

₹ in millions

Particulars	Year ended March 31, 2020 vs Year ended March 31, 2019			Year ended March 31, 2020 vs Year ended March 31, 2021		
	Net changes in interest	Change in average volume <sup>(1)</sup>	Change in average rate <sup>(2)</sup>	Net changes in interest	Change in average volume <sup>(1)</sup>	Change in average rate <sup>(2)</sup>
Interest Income						
-Advances <sup>(3)</sup>	4,246.49	4,143.50	102.99	2,037.04	2,954.28	(917.24)
-Investments	193.33	197.78	(4.46)	185.78	335.14	(149.36)
-Other Interest Income <sup>(4)</sup>	353.08	440.33	(87.25)	(96.85)	39.35	(136.21)
<b>Total Interest Income</b>	<b>4,792.90</b>	<b>4,781.62</b>	<b>11.29</b>	<b>2,125.97</b>	<b>3,328.78</b>	<b>(1,202.81)</b>
Interest Expended						
-Total Deposits	1,847.86	1,852.91	(4.94)	1,141.05	1,482.52	(341.47)
-Borrowings <sup>(5)</sup>	376.44	285.78	90.66	(154.86)	(25.88)	(128.98)
<b>Total Interest Expended</b>	<b>2,224.30</b>	<b>2,138.68</b>	<b>85.72</b>	<b>986.19</b>	<b>1,456.64</b>	<b>(470.45)</b>
<b>Net Interest Income</b>	<b>2,568.60</b>	<b>2,642.93</b>	<b>(74.44)</b>	<b>1,139.78</b>	<b>1,872.13</b>	<b>(732.36)</b>

- (1) Change in average volume is computed as the increase in average balances for the year/period multiplied by yield/cost of the base year/period.
- (2) Change in average rate represents the change in rates during the year/period multiplied by average balance for the current year/period.
- (3) Interest Income on advances includes interest/discount on advances/bills.
- (4) Other Interest Income includes interest from interest-earning assets, interest on RBI / inter-bank borrowings, interest income on fixed

deposit and other interest income.

(5) Interest expended on borrowings includes interest on borrowings, interest on RBI / inter-bank borrowings and interest expended – others.

## Return on Equity and Assets and Other Financial Ratios

₹ in millions

Particulars	Year ended March 31,			Three months ended June 30,			
	2019	2020	2021	2020 (Non-annualized)	2020 (Annualized)	2021 (Non-annualized)	2021 (Annualized)
Average total assets <sup>(1)</sup>	30,020.09	56,867.67	76,218.89	74,409.25	-	83,388.46	-
Average shareholders' equity <sup>(2)</sup>	4,634.70	7,791.07	9,795.12	9,227.06	-	11,594.92	-
Return on equity (Profit after tax to average shareholders' equity) (%)	22.00%	18.41%	11.55%	4.37%	17.54%	1.49%	5.99%
Return on equity (Profit after tax to average shareholders' equity) (%) – Pro forma (excluding COVID-19 related provisions)	22.00%	26.28%	8.75%	5.42%	21.75%	2.65%	10.65%
Return on assets (Profit after tax to average assets) (%)	3.40%	2.52%	1.48%	0.54%	2.17%	0.21%	0.83%
Return on assets (Profit after tax to average total assets) (%) – Pro forma (excluding COVID-19 related provisions)	3.40%	3.64%	1.23%	0.73%	2.94%	0.38%	1.52%
Average shareholders' equity <sup>(3)</sup> as a percentage of average total assets (%)	15.44%	13.70%	12.85%	12.40%	-	13.90%	-
Tier I capital adequacy ratio (%)	21.48%	23.46%	24.91%	22.37%	-	28.82%	-
Tier II capital adequacy ratio (%)	2.15%	5.82%	4.65%	5.15%	-	4.19%	-
Total capital adequacy ratio (%)	23.63%	29.28%	29.56%	27.52%	-	33.01%	-
Credit to deposit ratio (%) <sup>(4)</sup>	135.31%	103.47%	99.67%	95.12%	-	96.05%	-
Other income to operating income ratio (%) <sup>(5)</sup>	15.64%	19.03%	15.38%	6.11%	-	12.41%	-
Operating profit to average total assets (%) <sup>(6)</sup>	5.00%	5.95%	4.79%	1.15%	4.60%	1.04%	4.17%
Basic Earnings per share <sup>(7)</sup>	22.41	24.43	17.78	6.34	25.44	0.79	3.17
Diluted Earnings per share <sup>(8)</sup>	22.41	24.43	17.78	6.34	25.44	0.79	3.17
Book value per share <sup>(9)</sup>	118.01	142.08	160.02	148.51	-	54.60	-

(1) Average total assets are calculated on the basis of the average month end balance.

(2) Average shareholder's equity referred to in the above table is defined as the average of month end balances of capital and reserves and surplus.

(3) Average shareholder's equity is the aggregate of the average month end balances of capital and reserves and surplus during the period.

(4) Credit to Deposit Ratio is computed as the ratio of on-book advances to total deposits. On-book advances represents the total portfolio of loans outstanding that we hold, net of IBPC and NPA provisions.

(5) Calculated as the ratio of Other Income to Operating Income.

(6) Calculated as profit before provisions and contingencies and taxes divided by average total assets.

(7) Calculated as restated profit after tax during the period divided by the weighted average number of shares outstanding during the period.

(8) Calculated as restated profit after tax during the period divided by the weighted average number of dilutive shares outstanding during the period.

(9) Calculated as our shareholder's equity divided by the number of shares outstanding as on the date.

## Funding

Our funding operations are designed to optimize the cost of funding and effective liquidity management. The primary source of funding is deposits accepted from our customers.

## Deposits

₹ in millions

Particulars	Year ended March 31,			Three months ended June 30,			
	2019	2020	2021	2020 (Non-annualized)	2020 (Annualized)	2021 (Non-annualized)	2021 (Annualized)
Period/year end balance	20,432.27	46,539.31	53,184.98	52,079.57	-	56,290.82	-
Average balance during the period/year <sup>(1)</sup>	13,242.80	34,188.47	50,974.60	49,302.42	-	54,162.89	-
Interest expended during the period/year on deposits	1,171.49	3,019.46	4,160.51	1,058.72	-	1,041.11	-
Interest for savings accounts	62.87	210.91	467.65	84.85	-	194.32	-
Interest for term deposit	1,108.62	2,808.55	3,692.86	973.87	-	846.79	-
Average interest rate during the period (%) <sup>(2)</sup>	8.85%	8.83%	8.16%	2.15%	8.61%	1.92%	7.71%
Average interest rate at period end (%) <sup>(3)</sup>	5.73%	6.49%	7.82%	2.03%	8.15%	1.85%	7.42%
Average interest rate for the new term deposits raised during the period (%) <sup>(4)</sup>	8.33%	8.19%	6.39%	7.80%	-	4.93%	-
Average balance of retail term deposits <sup>(5)</sup>	5,031.16	17,536.35	35,604.53	32,738.40	-	35,674.25	-
CASA (%) of Deposits	10.95%	11.93%	23.76%	13.05%	-	27.39%	-

(1) Average balance represents average month end balances for the items listed in the table.

(2) Calculated as interest expended during the period over the average month end balances of total deposits during the period.

(3) Calculated as interest expended over period end balances of total deposits.

(4) Average interest rate for the new term deposits raised during the period is calculated based on interest cost accrued only for the new deposits raised during the period divided by the daily average balance of new term deposits raised.

(5) Average balance of retail term deposits represents the average of month end balances of Retail Term Deposits.

### Category of deposits

The following table sets forth, as of the dates indicated, our categories and costs of deposits:

₹ in millions

Particulars	Year ended March 31,									Three months ended June 30,							
	2019			2020			2021			2020				2021			
	Amount	%	Average Cost <sup>(1)</sup>	Amount	%	Average Cost <sup>(1)</sup>	Amount	%	Average Cost <sup>(1)</sup>	Amount	%	Average Cost (Non-annualized)	Average Cost (Annualized)	Amount	%	Average Cost (Non-annualized)	Average Cost (Annualized)
Demand deposits	73.30	0.36%	-	299.52	0.64%	-	560.27	1.05%	-	269.81	0.52%	-	-	337.07	0.60%	-	-
Savings deposits	2,164.04	10.59%	5.55%	5,251.08	11.28%	5.87%	12,075.51	22.70%	5.86%	6,529.05	12.54%	1.51%	6.05%	15,080.81	26.79%	1.51%	6.07%
Retail Term Deposits <sup>(2)</sup>	10,741.69	46.94%	7.44%	30,638.67	64.97%	8.24%	35,961.79	67.62%	8.55%	35,129.47	67.45%	2.22%	8.80%	35,447.26	62.97%	1.94%	8.41%
Bulk Term Deposits <sup>(3)</sup>	7,453.16	42.11%	10.49%	10,350.06	23.10%	10.52%	4,587.41	8.63%	9.16%	10,151.23	19.49%	2.30%	9.57%	5,425.67	9.64%	2.92%	7.55%
<b>Total</b>	<b>20,432.12</b>	<b>100.00%</b>	<b>8.85%</b>	<b>46,539.33</b>	<b>100.00%</b>	<b>8.83%</b>	<b>53,184.98</b>	<b>100.00%</b>	<b>8.16%</b>	<b>52,079.57</b>	<b>100.00%</b>	<b>2.15%</b>	<b>8.61%</b>	<b>56,290.82</b>	<b>100.00%</b>	<b>1.92%</b>	<b>7.71%</b>

(1) Average Cost represents interest expended over average month end balances during the period.

(2) Retail Term Deposits are deposits below ₹ 20 million.

(3) Bulk Term Deposits are deposits of ₹ 20 million and above. Bulk deposits include deposits from financial institutions, banks (including co-operative banks), TASC and government offices.

The following table sets forth, as of the dates indicated, the average ticket size of deposits by category:

Amount in ₹

Particulars	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
Demand deposits	227,428.69	106,947.36	138,871.44	77,668.26	74,792.56
Savings deposits	2,653.87	2,396.20	4,585.40	2,798.47	5,779.21
Retail Term Deposits <sup>(1)</sup>	215,333.77	246,882.60	141,193.33	257,592.60	129,377.92
Bulk Term Deposits <sup>(2)</sup>	70,024,496.69	52,184,647.64	62,841,298.25	57,677,443.58	67,820,887.38
<b>Total Average</b>	<b>23,748.16</b>	<b>20,086.89</b>	<b>18,388.62</b>	<b>21,061.71</b>	<b>19,491.81</b>

(1) Retail Term Deposits are deposits below ₹ 20 million.

(2) Bulk Term Deposits are deposits of ₹ 20 million and above. Bulk deposits include deposits from financial institutions, banks (including co-operative banks), TASC and government offices.



The following table sets forth, as of the dates indicated, the geographical spread of our deposits by state and Union Territory:

₹ in millions

Particulars	As of March 31,						As of June 30,			
	2019		2020		2021		2020		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Andhra Pradesh	275.00	1.35%	1,526.16	3.28%	2,243.23	4.22%	1,948.37	3.74%	2,218.93	3.94%
Chandigarh	-	-	84.99	0.18%	336.98	0.63%	141.10	0.27%	363.45	0.65%
Chhattisgarh	-	-	9.13	0.02%	12.58	0.02%	8.74	0.02%	14.74	0.03%
Gujarat	3,321.94	16.26%	6,002.69	12.90%	7,669.99	14.42%	6,798.21	13.05%	7,907.48	14.05%
Haryana	1,030.32	5.04%	1,684.26	3.62%	2,446.73	4.60%	1,905.12	3.66%	2,721.47	4.83%
Karnataka	5,614.65	27.48%	5,621.61	12.08%	5,312.83	9.99%	6,378.89	12.25%	5,731.34	10.18%
Kerala	2,396.74	11.73%	7,419.90	15.94%	8,894.36	16.72%	8,735.71	16.77%	9,361.78	16.63%
Madhya Pradesh	921.58	4.51%	1,072.35	2.30%	1,116.88	2.10%	1,116.79	2.14%	1,168.53	2.08%
Maharashtra	1,039.04	5.09%	6,381.01	13.71%	4,628.67	8.70%	6,237.20	11.98%	5,049.62	8.97%
NCT of Delhi	950.05	4.65%	2,895.14	6.22%	3,498.06	6.58%	3,107.05	5.97%	4,463.95	7.93%
Puducherry	66.81	0.33%	256.82	0.55%	418.80	0.79%	320.51	0.62%	437.07	0.78%
Rajasthan	2,885.36	14.12%	4,734.99	10.17%	4,072.00	7.66%	4,693.15	9.01%	3,877.21	6.89%
Tamil Nadu	1,690.48	8.27%	4,825.96	10.37%	7,710.94	14.50%	5,853.38	11.24%	7,730.18	13.73%
Telangana	222.73	1.09%	854.76	1.84%	1,437.33	2.70%	1,339.59	2.57%	1,670.90	2.97%
Uttar Pradesh	17.40	0.09%	3,169.57	6.81%	3,385.50	6.37%	3,495.69	6.71%	3,574.17	6.35%
<b>Total</b>	<b>20,432.12</b>	<b>100.00%</b>	<b>46,539.33</b>	<b>100.00%</b>	<b>53,184.88</b>	<b>100.00%</b>	<b>52,079.51</b>	<b>100.00%</b>	<b>56,290.82</b>	<b>100.00%</b>

The following table sets forth, as at the dates indicated, our outstanding deposits based on how they were sourced:

₹ in millions

Particulars	As of March 31,			As of June 30,	
	2019	2020	2021	2020	2021
	Amount	Amount	Amount	Amount	Amount
Deposits sourced through our own network <sup>(1)</sup>	20,429.74	46,532.42	53,176.34	52,069.03	56,281.17
Deposits sourced through BC network	2.39	6.91	8.54	10.48	9.64
<b>Total</b>	<b>20,432.12</b>	<b>46,539.33</b>	<b>53,184.88</b>	<b>52,079.51</b>	<b>56,290.82</b>

(1) All deposits from individuals are digitally sourced.

## Borrowings

₹ in millions

Particulars	Year ended March 31,			Three months ended June 30,			
	2019	2020	2021	2020 (Non-annualized)	2020 (Annualized)	2021 (Non-annualized)	2021 (Annualized)
Period end balance	12,830.76	13,681.60	14,004.27	13,070.35	-	17,640.97	-
Average balance during the period/year <sup>(1)</sup>	9,975.66	12,523.02	12,306.33	13,345.04	-	15,323.45	-
Interest on RBI / inter-bank borrowings and other interest expended	1,119.12	1,495.56	1,340.71	393.70	-	351.47	-
Cost of Borrowings (%) <sup>(2)</sup>	11.22%	11.94%	10.89%	2.95%	11.83%	2.29%	9.20%
Average interest rate at period/year end (%) <sup>(3)</sup>	8.72%	10.93%	9.57%	3.01%	12.08%	1.99%	7.99%

(1) Average balance is the average of month end balances during the period.

(2) Cost of Borrowings includes interest on RBI / inter-bank borrowings and other interest expended over average month end balances of borrowings during the period.

(3) Average interest rate includes interest on RBI / inter-bank borrowings and other interest expended over the period end balance.

## Source of funding

The following table sets forth, as of the dates indicated, our sources of funding:

₹ in millions

Particulars	Year ended March 31,						Three months ended June 30,			
	2019		2020		2021		2020		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Deposits	20,432.12	61.43%	46,539.33	77.28%	53,184.98	79.16%	52,079.57	79.94%	56,290.82	76.14%
Debentures - Unsecured	1,425.00	4.28%	2,000.00	3.32%	2,000.00	2.98%	2,000.00	3.07%	2,000.00	2.71%
Borrowings	11,405.74	34.29%	11,681.62	19.40%	12,004.34	17.86%	11,070.35	16.99%	15,640.97	21.15%
From banks (including RBI)	1,231.81	3.70%	1,330.00	2.21%	560.00	0.83%	1,180.00	1.81%	4,460.00	6.03%
From Financial Institutions and Others	10,173.93	30.59%	10,351.62	17.19%	11,444.34	17.03%	9,890.35	15.18%	11,180.97	15.12%
<b>Total</b>	<b>33,262.86</b>	<b>100.00%</b>	<b>60,220.95</b>	<b>100.00%</b>	<b>67,189.32</b>	<b>100.00%</b>	<b>65,149.92</b>	<b>100.00%</b>	<b>73,931.79</b>	<b>100.00%</b>

## Classification of investments (gross)

₹ in millions

Particulars	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
Held to maturity <sup>(1)</sup>	2,865.28	5,816.44	8,654.16	6,840.18	7,836.98
Available for sale <sup>(2)</sup>	4,143.32	4,253.16	4,139.43	5,924.80	11,011.48
Held for trading <sup>(3)</sup>	-	-	-	-	-
<b>Total</b>	<b>7,008.60</b>	<b>10,069.60</b>	<b>12,793.59</b>	<b>12,764.98</b>	<b>18,848.46</b>

(1) Held to maturity are investments that we intend to hold to maturity.

(2) Available for sale are investments that are not classified as either held to maturity or held for trading.

(3) Held for trading are investments that are held principally for resale within 90 days from the date of purchase.

## Loan Portfolio

### Gross Loan Portfolio

The following table sets forth, as of the dates indicated, our asset products and outstanding portfolio as well as respective share:

₹ in millions

Asset products and outstanding portfolio	As at March 31,						As at June 30,				As at July 31,	
	2019		2020		2021		2020		2021		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Microloans	28,394.64	80.43%	42,852.74	80.22%	48,431.30	79.76%	43,243.18	80.93%	47,958.29	79.77%	49,621.69	79.93%
LAP	3,240.80	9.18%	5,320.88	9.96%	6,526.24	10.75%	5,127.8	9.60%	6,592.8	10.97%	6,831.81	11.01%

Asset products and outstanding portfolio	As at March 31,						As at June 30,				As at July 31,	
	2019		2020		2021		2020		2021		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
							4		4			
LAG	888.76	2.52%	1,838.32	3.44%	3,522.75	5.80%	2,141.41	4.01%	3,353.56	5.58%	3,341.37	5.38%
Affordable housing loans	-	-	203.40	0.38%	830.61	1.37%	217.82	0.41%	1,044.41	1.74%	1,216.17	1.96%
Institutional Finance	2,567.24	7.27%	2,553.32	4.78%	903.11	1.49%	1,961.72	3.67%	651.81	1.08%	582.71	0.94%
Two-wheeler loans	8.55	0.02%	104.65	0.20%	63.76	0.10%	94.38	0.18%	53.72	0.09%	49.82	0.08%
Other <sup>(1)</sup>	202.05	0.57%	544.94	1.02%	444.24	0.73%	646.80	1.21%	452.03	0.75%	434.74	0.70%
<b>Total</b>	<b>35,302.04</b>	<b>100.00%</b>	<b>53,418.25</b>	<b>100.00%</b>	<b>60,722.00</b>	<b>100.00%</b>	<b>53,425.46</b>	<b>100.00%</b>	<b>60,106.67</b>	<b>100.00%</b>	<b>62,078.31</b>	<b>100.00%</b>

(1) Other comprises overdraft against property, loans to staff, rural loans against property and other loans.

The following table sets forth, as of the dates indicated, our product-wise disbursements as well as respective share:

₹ in millions

Product-wise disbursements <sup>(1)</sup>	Year ended March 31,						Three months ended June 30,			
	2019		2020		2021		2020		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Microloans	25,779.27	80.03%	40,219.03	81.26%	36,103.58	77.53%	4,982.16	83.60%	8,769.40	82.66%
LAP	2,398.55	7.45%	2,914.10	5.89%	2,159.62	4.64%	75.93	1.27%	344.42	3.25%
LAG	1,648.78	5.12%	3,372.47	6.81%	7,316.33	15.71%	877.45	14.72%	1,260.26	11.88%
Affordable housing loans	-	-	209.65	0.42%	672.07	1.44%	23.71	0.40%	232.95	2.20%
Institutional Finance	2,277.00	7.07%	2,293.00	4.63%	300.00	0.64%	-	-	-	-
Two-wheeler loans	8.84	0.03%	121.88	0.25%	-	-	-	-	-	-
Other <sup>(2)</sup>	97.79	0.30%	366.98	0.74%	12.97	0.03%	0.53	0.01%	2.00	0.02%
<b>Total</b>	<b>32,210.23</b>	<b>100.00%</b>	<b>49,497.11</b>	<b>100.00%</b>	<b>46,564.57</b>	<b>100.00%</b>	<b>5,959.78</b>	<b>100.00%</b>	<b>10,609.03</b>	<b>100.00%</b>

(1) Product-wise disbursements excludes overdraft given against fixed deposits.

(2) Other comprises overdraft against property, loans to staff, rural loans against property and other loans.

The following table sets forth, as of the dates indicated, our product-wise average ticket size of loans disbursed:

Amount in ₹

Product-wise average ticket size <sup>(1)</sup>	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
	Microloans	29,143.54	29,424.46	33,750.47	25,298.74
LAP	530,300.84	542,663.86	490,376.13	174,556.37	339,041.90
LAG	68,839.80	82,788.56	114,948.13	104,383.29	85,204.74
Affordable housing loans	-	623,946.05	674,766.25	348,666.75	656,191.10
Institutional Finance	75,900,000.00	81,892,857.14	150,000,000.00	-	-
Two-wheeler loans	53,579.26	57,005.30	-	-	-

(1) Average ticket size represents total disbursements in a particular period divided by the number of loans disbursed in that particular period.

The following table sets forth, as of the dates indicated, our product-wise average weighted tenor (in days):

Product-wise average weighted tenor <sup>(1)</sup>	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
	Microloans	741	737	737	698
LAP	2,387	2,534	2,628	2,373	2,568
LAG	181	259	176	179	170
Affordable housing loans	-	4,831	4,915	4,785	4,831
Institutional Finance	673	605	639	731	-
Two-wheeler loans	979	920	-	-	-

(1) Average weighted tenor is calculated as the original tenor of each loan product weighted by disbursements.

The following table sets forth, as of the dates indicated, our product-wise average yields:

Product-wise average yields <sup>(1)</sup>	Year ended March 31,			Three months ended June 30,			
	2019	2020	2021	2020 (Non-annualized)	2020 (Annualized)	2021 (Non-annualized)	2021 (Annualized)
Microloans	21.09%	23.60%	22.26%	5.88%	23.59%	5.68%	22.76%
LAP	19.55%	19.49%	18.00%	4.81%	19.29%	4.56%	18.29%
LAG	14.57%	17.24%	16.87%	4.21%	16.90%	3.90%	15.63%
Affordable housing loans	NA	12.52%	13.12%	3.61%	14.50%	3.41%	13.68%
Institutional Finance	12.70%	13.57%	12.94%	3.44%	13.80%	2.79%	11.19%
Two-wheeler loans	14.90%	24.89%	24.10%	6.21%	24.90%	4.56%	18.29%

(1) Average yield is calculated as interest/discount on advances/bills plus income from securitization/assignment of loans during the year/period divided by the average month end balances of Gross Loan Portfolio outstanding during the year/period.

### Geographical spread of loan accounts

The following table sets forth, as of the dates indicated, the geographical spread of our loan accounts by state and Union Territory:

Particulars	Year ended March 31,						Three months ended June 30,			
	2019		2020		2021		2020		2021	
	Count	%	Count	%	Count	%	Count	%	Count	%
Andhra Pradesh	18,482	1.20%	74,373	3.27%	141,510	6.25%	77,197	3.43%	154,752	6.53%
Bihar	-	-	-	-	-	-	-	-	2,203	0.09%
Chandigarh	-	-	5	-	30	-	4	-	34	-
Chhattisgarh	-	-	5,466	0.24%	5,839	0.26%	5,797	0.26%	6,161	0.26%
Gujarat	289,307	18.71%	436,570	19.20%	407,095	17.99%	438,255	19.47%	392,813	16.58%
Haryana	181	0.01%	13,203	0.58%	19,576	0.86%	13,195	0.59%	19,783	0.84%
Karnataka	286,248	18.51%	368,737	16.22%	340,302	15.03%	355,990	15.81%	367,179	15.50%
Kerala	18	-	61	-	166	0.01%	102	-	154	0.01%
Madhya Pradesh	240,819	15.58%	306,737	13.49%	274,144	12.11%	299,397	13.30%	275,825	11.65%
Maharashtra	89,228	5.77%	159,841	7.03%	151,459	6.69%	161,568	7.18%	147,806	6.24%
NCT of Delhi	78	0.01%	302	0.01%	423	0.02%	332	0.01%	402	0.02%
Puducherry	11,810	0.76%	20,646	0.91%	19,220	0.85%	20,604	0.92%	21,938	0.93%
Rajasthan	137,941	8.92%	211,957	9.32%	202,589	8.95%	215,495	9.57%	205,893	8.69%
Tamil Nadu	471,847	30.52%	607,622	26.73%	553,922	24.47%	592,838	26.33%	614,558	25.95%
Telangana	110	0.01%	38,024	1.67%	90,729	4.01%	40,672	1.81%	101,425	4.28%
Uttar Pradesh	10	-	29,930	1.32%	56,444	2.49%	30,022	1.33%	57,672	2.43%
<b>Total</b>	<b>1,546,079</b>	<b>100.00%</b>	<b>2,273,474</b>	<b>100.00%</b>	<b>2,263,448</b>	<b>100.00%</b>	<b>2,251,468</b>	<b>100.00%</b>	<b>2,368,598</b>	<b>100.00%</b>

### Geographical spread of Gross Loan Portfolio

The following table sets forth, as of the dates indicated, the geographical spread of our Gross Loan Portfolio by state and Union Territory:

Particulars	Year ended March 31,						Three months ended June 30,			
	2019		2020		2021		2020		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Andhra Pradesh	607.58	1.72%	2,169.94	4.06%	4,375.85	7.21%	2,137.96	4.00%	4,549.73	7.57%
Bihar	-	-	-	-	-	-	-	-	35.74	0.06%
Chandigarh	-	-	0.30	-	2.21	-	0.17	-	3.27	0.01%
Chhattisgarh	-	-	129.51	0.24%	127.74	0.21%	127.30	0.24%	127.72	0.21%
Gujarat	7,442.99	21.08%	11,213.74	20.99%	12,506.77	20.60%	11,435.77	21.40%	12,254.85	20.39%
Haryana	1,551.83	4.40%	404.39	0.76%	468.49	0.77%	371.39	0.70%	413.44	0.69%
Karnataka	5,770.63	16.35%	10,068.97	18.85%	9,445.98	15.56%	9,450.24	17.69%	9,387.08	15.62%
Kerala	0.22	-	7.67	0.01%	32.90	0.05%	11.37	0.02%	29.55	0.05%
Madhya Pradesh	4,169.93	11.81%	5,533.67	10.36%	5,938.76	9.78%	5,716.95	10.70%	5,839.68	9.72%
Maharashtra	1,519.64	4.30%	3,156.46	5.91%	3,708.94	6.11%	3,430.13	6.42%	3,750.71	6.24%
NCT of Delhi	12.97	0.04%	30.50	0.06%	61.90	0.10%	34.22	0.06%	67.33	0.11%
Puducherry	353.97	1.00%	609.35	1.14%	627.96	1.03%	618.85	1.16%	609.69	1.01%
Rajasthan	2,789.47	7.90%	4,309.57	8.07%	4,726.42	7.78%	4,404.23	8.24%	4,658.50	7.75%

Particulars	Year ended March 31,						Three months ended June 30,			
	2019		2020		2021		2020		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Tamil Nadu	11,072.48	31.36%	13,991.98	26.19%	15,327.02	25.24%	14,010.53	26.22%	14,998.35	24.95%
Telangana	9.91	0.03%	940.04	1.76%	2,011.59	3.31%	883.52	1.65%	2,196.81	3.65%
Uttar Pradesh	0.43	-	852.17	1.60%	1,359.48	2.24%	800.59	1.50%	1,184.31	1.97%
<b>Total</b>	<b>35,302.04</b>	<b>100.00%</b>	<b>53,418.25</b>	<b>100.00%</b>	<b>60,722.00</b>	<b>100.00%</b>	<b>53,433.23</b>	<b>100.00%</b>	<b>60,106.75</b>	<b>100.00%</b>

The following table sets forth, as of the dates indicated, the regional spread of our Gross Loan Portfolio by metropolitan, urban, semi-urban and rural areas:

₹ in millions

Particulars	Year ended March 31,						Three months ended June 30,			
	2019		2020		2021		2020		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Metropolitan <sup>(1)</sup>	1,958.37	5.55%	6,242.36	11.69%	7,250.37	11.94%	5,850.75	10.95%	6,880.02	11.45%
Urban <sup>(2)</sup>	10,462.11	29.64%	12,440.90	23.29%	14,230.24	23.44%	12,386.62	23.18%	13,927.16	23.17%
Semi-urban <sup>(3)</sup>	19,306.62	54.69%	29,021.14	54.33%	33,005.52	54.36%	29,324.92	54.88%	32,994.11	54.89%
Rural <sup>(4)</sup>	3,574.94	10.13%	5,713.86	10.70%	6,235.87	10.27%	5,870.93	10.99%	6,305.47	10.49%
<b>Total</b>	<b>35,302.04</b>	<b>100.00%</b>	<b>53,418.25</b>	<b>100.00%</b>	<b>60,722.00</b>	<b>100.00%</b>	<b>53,433.23</b>	<b>100.00%</b>	<b>60,106.75</b>	<b>100.00%</b>

(1) Metropolitan is defined as a population of 1,000,000 and above.

(2) Urban is defined as a population of 100,000 to 999,999.

(3) Semi-urban is defined as a population of 10,000 to 99,999.

(4) Rural is defined as a population of less than 10,000.

#### Geographical spread of deposits

The following table sets forth, as of the dates indicated, the regional spread of our deposits by metropolitan, urban, semi-urban and rural areas:

₹ in millions

Particulars	Year ended March 31,						Three months ended June 30,			
	2019		2020		2021		2020		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Metropolitan <sup>(1)</sup>	13,389.35	65.53%	28,363.18	60.94%	27,904.14	52.47%	30,042.71	57.69%	29,922.47	53.16%
Urban <sup>(2)</sup>	5,369.58	26.28%	15,760.92	33.87%	22,231.68	41.80%	19,251.20	36.97%	23,202.24	41.22%
Semi-urban <sup>(3)</sup>	1,490.60	7.30%	2,265.45	4.87%	2,811.21	5.29%	2,603.02	5.00%	2,918.90	5.19%
Rural <sup>(4)</sup>	182.60	0.89%	149.78	0.32%	237.85	0.45%	182.57	0.35%	247.20	0.44%
<b>Total</b>	<b>20,432.12</b>	<b>100.00%</b>	<b>46,539.33</b>	<b>100.00%</b>	<b>53,184.88</b>	<b>100.00%</b>	<b>52,079.51</b>	<b>100.00%</b>	<b>56,290.82</b>	<b>100.00%</b>

(1) Metropolitan is defined as a population of 1,000,000 and above.

(2) Urban is defined as a population of 100,000 to 999,999.

(3) Semi-urban is defined as a population of 10,000 to 99,999.

(4) Rural is defined as a population of less than 10,000.

#### Geographical spread of banking outlets and BC outlets

The following table sets forth, as of the dates indicated, the geographical spread of our banking outlets and BC outlets by state and Union Territory:

Particulars	Year ended March 31,						Three months ended June 30,			
	2019		2020		2021		2020		2021	
	Count	%	Count	%	Count	%	Count	%	Count	%
Andhra Pradesh	80	14.06%	134	18.85%	155	19.16%	136	19.10%	157	18.36%
Bihar	-	-	-	-	-	-	-	-	6	0.70%
Chandigarh	-	-	1	0.14%	1	0.12%	1	0.14%	1	0.12%
Chhattisgarh	-	-	7	0.98%	7	0.87%	7	0.98%	7	0.82%
Gujarat	80	14.06%	92	12.94%	94	11.62%	93	13.06%	100	11.70%
Haryana	2	0.35%	3	0.42%	4	0.49%	3	0.42%	4	0.47%
Karnataka	75	13.18%	81	11.39%	81	10.01%	82	11.52%	81	9.47%
Kerala	1	0.18%	4	0.56%	55	6.80%	4	0.56%	67	7.84%
Madhya Pradesh	55	9.67%	63	8.86%	63	7.79%	63	8.85%	67	7.84%
Maharashtra	52	9.14%	55	7.74%	53	6.55%	53	7.44%	53	6.20%

Particulars	Year ended March 31,						Three months ended June 30,			
	2019		2020		2021		2020		2021	
	Count	%	Count	%	Count	%	Count	%	Count	%
NCT of Delhi	3	0.53%	4	0.56%	4	0.49%	4	0.56%	4	0.47%
Puducherry	3	0.53%	3	0.42%	3	0.37%	3	0.42%	3	0.35%
Rajasthan	33	5.80%	40	5.63%	38	4.70%	39	5.48%	39	4.56%
Tamil Nadu	97	17.05%	109	15.33%	111	13.72%	109	15.31%	115	13.45%
Telangana	87	15.29%	111	15.61%	136	16.81%	111	15.59%	137	16.02%
Uttar Pradesh	1	0.18%	4	0.56%	4	0.49%	4	0.56%	14	1.64%
<b>Total</b>	<b>569</b>	<b>100.00%</b>	<b>711</b>	<b>100.00%</b>	<b>809</b>	<b>100.00%</b>	<b>712</b>	<b>100.00%</b>	<b>855</b>	<b>100.00%</b>

The following table sets forth, as of the dates indicated, the regional spread of our banking outlets by metropolitan, urban, semi-urban and rural areas:

Particulars <sup>(5)</sup>	Year ended March 31,						Three months ended June 30,			
	2019		2020		2021		2020		2021	
	Count	%	Count	%	Count	%	Count	%	Count	%
Metropolitan <sup>(1)</sup>	38	6.68%	52	7.31%	58	7.17%	59	8.29%	58	6.78%
Urban <sup>(2)</sup>	94	16.52%	114	16.03%	126	15.57%	114	16.01%	133	15.56%
Semi-urban <sup>(3)</sup>	298	52.37%	385	54.15%	576	71.20%	491	68.96%	608	71.11%
Rural <sup>(4)</sup>	139	24.43%	160	22.50%	49	6.06%	48	6.74%	56	6.55%
<b>Total</b>	<b>569</b>	<b>100.00%</b>	<b>711</b>	<b>100.00%</b>	<b>809</b>	<b>100.00%</b>	<b>712</b>	<b>100.00%</b>	<b>855</b>	<b>100.00%</b>

(1) Metropolitan is defined as a population of 1,000,000 and above.

(2) Urban is defined as a population of 100,000 to 999,999.

(3) Semi-urban is defined as a population of 10,000 to 99,999.

(4) Rural is defined as a population of less than 10,000.

(5) The categorisation of loan accounts is based on the branches to which the customer is mapped.

### Priority sector advances

The following table sets forth, as of and for the periods indicated, our priority sector advances:

₹ in millions

Particulars	Year ended March 31,						Three months ended June 30,			
	2019		2020		2021		2020		2021	
	Advances <sup>(1)</sup>	% of ANBC <sup>(1)(2)</sup>	Advances <sup>(1)</sup>	% of ANBC <sup>(1)</sup>	Advances <sup>(1)</sup>	% of ANBC <sup>(1)</sup>	Advances <sup>(1)</sup>	% of ANBC <sup>(1)</sup>	Advances <sup>(1)</sup>	% of ANBC <sup>(1)</sup>
Agriculture advances	12,630.32	87.24%	23,271.54	105.33%	29,235.03	73.27%	29,118.80	91.07%	31,043.23	62.58%
Small-scale industry (SME)	3,890.22	26.87%	8,627.09	39.21%	7,800.89	20.33%	10,073.39	31.51%	3,753.63	7.57%
Others	1,582.19	10.93%	2,558.33	11.72%	6,831.52	15.85%	2,979.94	9.32%	13,946.51	28.12%
Total priority Sector (Gross)	18,102.73	125.04%	34,456.96	156.25%	43,867.44	109.45%	42,172.13	131.90%	48,743.37	98.27%
Less: PSLC	5,225.00	-	16,007.50	-	12,125.00	-	3,000.00	-	8,000.00	-
Priority sector advance (net of PSLC)	12,877.73	88.95%	18,449.46	86.91%	31,742.44	82.49%	39,172.13	122.52%	40,743.37	82.14%

(1) Advances and ANBC are quarterly averages for the FY2019, FY2020, FY2021, three months ended June 30, 2020 and three months ended June 30, 2021.

(2) % of ANBC for the year ended March 31, 2019 is calculated using March 31, 2018 ANBC numbers, and the % is not an average.

### Product line break up of Gross NPAs

The following table sets forth, as of and for the periods indicated, our Gross NPAs by product line:

₹ in millions

Particulars	Year ended March 31,						Three months ended June 30,			
	2019		2020		2021		2020		2021	
	Gross NPAs	% of Gross Advances	Gross NPAs	% of Gross Advances	Gross NPAs	% of Gross Advances	Gross NPAs	% of Gross Advances	Gross NPAs	% of Gross Advances
Microloans	282.96	1.34%	270.77	0.72%	2,659.42	5.49%	122.27	0.28%	3,417.11	7.13%

Particulars	Year ended March 31,						Three months ended June 30,			
	2019		2020		2021		2020		2021	
	Gross NPAs	% of Gross Advances	Gross NPAs	% of Gross Advances	Gross NPAs	% of Gross Advances	Gross NPAs	% of Gross Advances	Gross NPAs	% of Gross Advances
LAP	63.12	1.99%	165.52	3.13%	573.65	8.79%	164.93	3.22%	631.09	9.57%
LAG	3.53	0.40%	0.80	0.04%	143.63	4.08%	0.48	0.02%	303.18	9.04%
Affordable housing loans	-	-	-	-	10.77	1.03%	-	-	12.09	1.16%
Institutional finance	-	-	-	-	120.35	13.33%	15.32	0.78%	90.82	13.93%
Two-wheeler loans	-	-	0.05	0.04%	4.96	7.79%	0.09	0.09%	10.31	19.19%

### Interest sensitivity analysis

The following table sets forth the interest rate sensitivity analysis of certain items of assets and liabilities as at June 30, 2020 and is prepared/compiled based on guidelines provided by the RBI:

₹ in millions

	Up to Three Months	Over Three Months to One Year	Over One Year to Five Years	Over Five Years	Non-Sensitive	Total
Cash and Balances with RBI	6,810.00	-	-	-	1,374.76	8,184.76
Balances with Other Banks	1,502.82	-	38.05	-	430.13	1,971.00
Investments	3,276.91	2,593.81	2,688.30	4,205.97	-	12,764.98
Advances	2,551.67	19,870.02	25,731.23	1,385.54	-	49,538.46
Other assets <sup>(1)</sup>	-	-	-	-	4,863.59	4,863.59
<b>Total Assets</b>	<b>14,141.40</b>	<b>22,463.83</b>	<b>28,457.58</b>	<b>5,591.50</b>	<b>6,668.48</b>	<b>77,322.79</b>
Capital and reserves	-	-	-	-	9,439.86	9,439.86
Borrowings	1,610.40	2,220.65	8,239.30	1,000.00	-	13,070.35
Deposits	9,978.83	9,711.63	32,387.72	1.40	-	52,079.58
Other liabilities <sup>(2)</sup>	-	-	0	-	2,733.00	2,733.00
<b>Total Liabilities</b>	<b>11,589.23</b>	<b>11,932.28</b>	<b>40,627.02</b>	<b>1,001.40</b>	<b>12,172.86</b>	<b>77,322.79</b>

(1) Other assets include, among others, fixed assets, net inter-office adjustments, interest accrued, net tax paid in advance/tax deducted at source, security deposits and net deferred tax assets.

(2) Other liabilities include, among others, bills payable, net inter-office adjustments, interest accrued and others, including provisions for standard assets, provision for gratuity, TDS payable and provision for tax.

The following table sets forth the interest rate sensitivity analysis of certain items of assets and liabilities as at June 30, 2021 and is prepared/compiled based on guidelines provided by the RBI:

₹ in millions

	Up to Three Months	Over Three Months to One Year	Over One Year to Five Years	Over Five Years	Non-Sensitive	Total
Cash and Balances with RBI	11,180.00	-	-	-	1,980.81	13,160.81
Balances with Other Banks	3.00	25.00	-	-	288.97	316.97
Investments	2,939.92	8,294.39	3,528.20	4,085.95	-	18,848.46
Advances	11,386.25	21,795.04	19,418.00	1,470.49	-	54,069.78
Other assets <sup>(1)</sup>	-	-	-	-	2,391.91	2,391.91
<b>Total Assets</b>	<b>25,509.17</b>	<b>30,114.43</b>	<b>22,946.20</b>	<b>5,556.44</b>	<b>4,661.69</b>	<b>88,787.93</b>
Capital and reserves	-	-	-	-	12,054.91	12,054.91
Borrowings	1,286.33	2,382.94	13,879.43	92.27	-	17,640.97
Deposits	7,618.88	16,119.93	32,551.48	0.53	-	56,290.82
Other liabilities <sup>(2)</sup>	-	-	0	-	2,801.18	2,801.18
<b>Total Liabilities</b>	<b>8,905.21</b>	<b>18,502.87</b>	<b>46,430.91</b>	<b>92.80</b>	<b>14,856.09</b>	<b>88,787.88</b>

(1) Other assets include, among others, fixed assets, net inter-office adjustments, interest accrued, net tax paid in advance/tax deducted at source, security deposits and net deferred tax assets.

(2) Other liabilities include, among others, bills payable, net inter-office adjustments, interest accrued and others, including provisions for standard assets, provision for gratuity, TDS payable and provision for tax.

### *Size and concentration of advances and deposits*

As of FY2021, our single largest borrowing accounted for 0.22% of our total advances. Our ten largest borrowers (including groups of related individuals and companies) accounted for 1.20% of our total advances and our twenty largest borrowers (including groups of related individuals and companies) accounted for 1.68% of our total advances. Our ten largest deposit holders (including groups of related individuals and companies) accounted for 10.33% of our total deposits and twenty largest deposit holders (including groups of related individuals and companies) accounted for 16.20% of our total deposits.

The following table sets forth, as of the dates indicated, our largest borrowings as a percentage of our total advances and our largest deposits as a percentage of our total deposits:

Particulars	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
<b>Borrowings</b>					
Single largest borrower	0.54%	0.30%	0.22%	0.26%	0.18%
Ten largest borrowers	4.77%	2.54%	1.20%	2.08%	0.93%
Twenty largest borrowers	7.91%	4.32%	1.68%	3.41%	1.23%
<b>Deposits</b>					
Single largest deposit holder	6.52%	1.73%	1.42%	1.58%	1.80%
Ten largest deposit holders	22.55%	11.86%	10.33%	11.05%	11.26%
Twenty largest deposit holders	30.49%	18.05%	16.20%	17.71%	17.47%

### *Secured and unsecured advances*

The following table sets forth our secured and unsecured advances, classified (in the case of secured loans) according to the type of security:

Particulars	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
Secured %	24.28%	21.72%	20.22%	19.00%	20.20%
<b>Total Secured</b>	<b>6,712.38</b>	<b>10,459.93</b>	<b>12,277.79</b>	<b>10,165.37</b>	<b>12,141.63</b>
Unsecured %	75.72%	78.28%	79.78%	81.00%	79.80%
<b>Total Unsecured</b>	<b>20,934.51</b>	<b>37,695.86</b>	<b>48,444.21</b>	<b>43,267.86</b>	<b>47,965.04</b>

₹ in millions

### **Classification of Assets**

#### *Classification policy*

Advances are classified into performing (or standard) and non-performing advances ("NPAs") as per the RBI guidelines and are stated net of specific provisions made towards NPAs. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI.

As per IRAC norms prescribed by the RBI, a loan or an advance is classified as NPA where the interest and/or instalment of principle remains overdue for a period of more than 90 days in respect of a term loan or where the account remains "out of order" in respect of an overdraft/cash credit facility.

In the case of microloans, rural loans against property, loans against gold, two-wheeler loans and CASA accounts with debit balances, NPAs are classified as sub-standard assets as per RBI guidelines. Further, such NPAs that become overdue for more than 180 days are classified as loss assets. In the case of secured institutional finance and secured overdraft against property, NPAs are classified as sub-standard and doubtful assets as per RBI guidelines. However, NPAs overdue for more than 820 days are classified as loss assets. In the case of loans against property with a registered mortgage, NPAs are classified as sub-standard and doubtful assets as per RBI guidelines. However, NPAs overdue for more than



1,185 days are classified as loss assets. "Overdue" refers to interest and / or instalment remaining unpaid from the day it becomes receivable.

### Provisioning

General provision for standard assets made in accordance with RBI Guidelines is included under "Other Liabilities and Provision". Further, provision for sub-standard, doubtful and loss assets in case of loan portfolio are provided based on our management's best estimates, subject to minimum provisioning level prescribed by the RBI under IRAC norms.

Loan loss provisions in respect of NPAs are charged to the Profit and Loss Account and included under Provisions and Contingencies. NPAs that have been fully provided for are written off, based on our management's estimate and as per our NPA provisioning and write-off policy. Recoveries from bad debts written-off are recognized in the Profit and Loss Account and included under Miscellaneous income within Other Income.

### Standard Assets

#### Asset classification of Advances (including IBPC)

The following table provides a breakdown of our Advances (including IBPC) by asset classification as at the dates indicated:

Asset Classification	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
	Amount				
<b>Loan Outstanding (gross)</b>					
Standard Assets	31,426.98	52,294.74	56,602.93	52,533.72	55,023.74
Sub-Standard Assets	127.98	241.10	2,202.68	136.77	2,678.15
Doubtful Assets	17.70	43.88	123.16	66.98	128.88
Loss assets	213.25	162.21	1,210.04	111.22	1,692.48
<b>Total Loan Outstanding (gross)<sup>(1)</sup></b>	<b>31,785.91</b>	<b>52,741.93</b>	<b>60,138.81</b>	<b>52,848.70</b>	<b>59,523.24</b>

(1) Total Loan Outstanding (gross) represents Advances per the Restated Summary Statement of Assets and Liabilities plus NPA provisions and IBPC. It does not include interest accrued and due on advances at the end of the relevant period.

### Non-Performing Assets

Once loan accounts are identified as non-performing, interest and other fees charged in the account, if uncollected, are reversed. In compliance with regulations governing the presentation of financial information by banks, we report non-performing assets net of cumulative provisions. In accordance with the RBI guidelines, interest income from advances for NPAs is recognized upon realization, rather than on an accrual basis as with all other loans. Any recoveries in the non-performing advances account will be first appropriated to Fees/Charges outstanding if any, then interest outstanding and then principal outstanding except in those cases where bank has a specific agreement with a borrower with regards to appropriation of recoveries.

The following table sets forth, as at the dates indicated, certain information about our NPAs:

Particulars	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
Gross NPAs	358.92	447.18	3,535.85	314.98	4,499.49
Net NPAs	94.93	197.47	1,484.10	159.67	2,135.14
Provisions <sup>(1)</sup>	263.99	249.71	2,051.75	155.31	2,364.35

(1) Provisions represents provision for NPAs as on the year/period end.

The following table sets forth, as at the dates indicated, certain information about our DPD movement:

Particulars <sup>(1)</sup>	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
31 to 60 DPD	128.48	199.05	1,177.90	138.10	5,727.20
61 to 90 DPD	80.19	134.83	790.00	261.40	1,133.90
91+DPD	968.01	1,092.41	3,615.00	877.00	3,169.20

(1) The above table represents respective "Days Past Due" buckets for our Total Gross Loan Portfolio.

We define Net NPAs as Gross NPAs less our loan loss provisions. The following table sets forth, as at the dates indicated, certain information about our non-performing loan portfolio:

Particulars	As at / Year ended March 31,			As at / Three months ended June 30,	
	2019	2020	2021	2020	2021
	₹ in millions				
Opening balance of Gross NPAs at the beginning of the period/year	172.17	358.92	447.18	447.18	3,535.85
Additions during the period/year	435.62	743.30	3,571.17	58.50	2,705.93
Less: Reductions during the period on account of recovery	25.71	41.34	14.27	0.64	-
Less: Reductions during the period on account of write-offs (technical + prudential)	101.57	454.36	339.31	163.86	67.39
Less: Write-offs other than technical and prudential write-offs	-	-	-	-	11.11
Less: Upgradation	121.59	159.34	128.92	26.20	1,663.79
Gross NPAs at the close of the period/year	358.92	447.18	3,535.85	314.98	4,499.49
Gross Advances <sup>(1)</sup>	27,910.88	48,405.50	55,062.95	49,693.76	56,434.13
Net Advances <sup>(2)</sup>	27,646.89	48,155.79	53,011.20	49,538.45	54,069.78
Gross NPAs / Gross Advances (%)	1.29%	0.92%	6.42%	0.63%	7.97%
Gross NPA / Gross Advances (including IBPC) (%) <sup>(3)</sup>	1.13%	0.85%	5.86%	0.60%	7.51%
Net NPA (%) <sup>(4)</sup>	0.34%	0.41%	2.80%	0.32%	3.95%
Net NPA / Net Advances (including IBPC)	0.30%	0.37%	2.55%	0.30%	3.71%
NPA provisions	263.99	249.71	2,051.75	155.31	2,364.35
Voluntary Provisions <sup>(5)</sup>	-	825.00	590.77	987.85	780.75
Total of NPA provisions and Voluntary Provisions <sup>(6)</sup>	263.99	1,074.71	2,642.52	1,143.16	3,145.10
Total provisions (including provisions towards standard assets) <sup>(7)</sup>	389.70	1,310.73	3,167.89	1,488.89	3,729.28
Total provisions (including provisions towards standard assets) held as percentage of Gross Advances <sup>(7)</sup>	1.40%	2.71%	5.75%	3.00%	6.61%
Provision Coverage Ratio	94.42%	91.14%	73.68%	92.93%	67.95%
Provision Coverage Ratio (including additional COVID provisions) <sup>(8)</sup>	73.55%	246.32%	74.73%	379.95%	69.90%
Provision Coverage Ratio (including additional COVID provisions and standard provisions) <sup>(9)</sup>	108.58%	293.11%	89.59%	472.69%	82.88%
Gross Advances (including IBPC) <sup>(10)</sup>	31,785.88	52,773.50	60,307.94	52,861.75	59,929.13

(1) Gross Advances represents Advances per the Restated Summary Statement of Assets and Liabilities plus NPA provisions.

(2) Net Advances represents Advances as on the year/period end as per the Restated Summary Statement of Assets and Liabilities.

(3) Calculated as Gross NPA over Gross Advances inclusive of IBPC portfolio.

(4) Calculated as Net NPAs over Net Advances.

(5) Voluntary Provisions represents COVID-19 related provisions outstanding as on the year/period end.

(6) Total of NPA provisions and Voluntary Provisions represents the aggregate of NPA provisions and COVID-19 related provisions outstanding as on the year/period end.

(7) Total provisions are created on advances. Provisions towards standard assets are inclusive of COVID-19 related provisions.

(8) Provision Coverage Ratio (including additional COVID provisions net of utilization) is calculated as NPA provisions plus additional COVID-19 provisions net of utilization divided by Gross NPAs.

(9) Provision Coverage Ratio (including additional COVID provision and standard assets) is calculated as NPA provisions plus additional COVID-19 provisions net of utilization and standard provisions divided by Gross NPAs.

(10) Gross Advances (including IBPC) represents Advances per the Restated Summary Statement of Assets and Liabilities plus NPA provisions and

**Movement in NPA provisions**

₹ in millions

Particulars	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
Opening balance at the beginning of the year/period	40.49	263.99	249.71	249.71	2,051.75
Addition during the year/period	400.70	484.62	2,110.78	73.43	1,280.65
Less reductions during the period on account of recovery and write-offs	177.20	498.90	308.74	167.83	968.05
Provisions at the close of the year/period	263.99	249.71	2,051.75	155.31	2,364.35

**Info related to digital banking channels**

Particulars <sup>(1)</sup>	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
Total debit cards issued	8,14,518	22,02,776	2,749,279	2,345,761	2,803,630
Number of active debit cards	8,13,626	21,85,495	2,357,371	2,321,193	2,262,507
Number of debit card transactions	39,77,001	81,23,605	6,570,524	1,098,685	1,338,613
Value of debit card transactions (₹ in millions)	20,191.61	39,704.55	25,880.67	3,464.81	5,173.46
Number of internet banking transactions	20,045	40,680	109,783	21,649	34,571
Value of internet banking transactions (₹ in millions)	1,001.81	2,666.65	7,688.06	1,583.49	3,019.97
Number of mobile banking transactions	2,29,032	6,02,823	1,586,647	310,443	258,828
Value of mobile banking transactions (₹ in millions)	4,048.32	11,124.21	18,320.86	4,617.79	3,959.48
Number of RTGS transactions	2,069	10,065	21,638	2,976	7,275
Value of RTGS transactions (₹ in millions)	19,820.70	12,246.36	22,203.55	3,079.41	6,882.18
Number of NEFT transactions	13,693	27,650	85,777	14,890	23,166
Value of NEFT transactions (₹ in millions)	612.14	1,283.19	3,868.98	498.69	1,231.15
Number of IMPS transactions	1,42,037	4,24,928	943,834	210,099	137,826
Value of IMPS transactions (₹ in millions)	1,208.61	3,655.76	7,848.45	1,452.20	1,696.18
Number of UPI transactions	-	16,21,207	11,508,915	1,212,721	3,739,033
Value of UPI transactions (₹ in millions)	-	1,463.44	11,042.50	1,090.16	3,576.30

(1) Number and value of digital transactions in any mode represents "Debit only" transactions in customer accounts of that mode.

### Largest NPAs

As of FY2021, our ten largest NPAs accounted for 0.23% of our total advances, 4.01% of our Gross NPAs and 9.54% of our Net NPAs.

As of the three months ended June 30, 2020, our ten largest NPAs accounted for 0.07% of our total advances, 12.33% of our Gross NPAs and 24.33% of our Net NPAs.

As of the three months ended June 30, 2021, our ten largest NPAs accounted for 0.21% of our total advances, 2.77% of our Gross NPAs and 5.84% of our Net NPAs.

Particulars	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
Ten largest NPAs as a % of our total advances	0.03%	0.05%	0.23%	0.07%	0.21%
Ten largest NPAs as a % of our Gross NPAs	3.10%	5.50%	4.01%	12.33%	2.77%
Ten largest NPAs as a % of our Net NPAs	11.74%	12.46%	9.54%	24.33%	5.84%

### Cash Flow Mismatch

The table below sets forth our structural liquidity gap position as of the financial year ended March 31, 2021, based on contractual undiscounted cash flows:

Particulars	<i>₹ in millions</i>							
	1-30 days	31 days to 3 months	3-6 months	6-12 months	1-3 years	3-5 years	Over 5 years	Total
Cash and balances with the RBI/interbank	10,104.21	53.24	140.24	419.72	720.63	118.27	0.02	11,556.32
Advances <sup>(1)</sup>	2,875.91	6,275.62	8,897.98	14,095.46	15,608.34	3,139.99	2,117.90	53,011.20
Investments <sup>(2)</sup>	4,708.26	302.56	779.99	1,674.97	4,655.53	672.16	0.12	12,793.59
Other assets	1,031.22	2.53	0.36	-	904.96	0.03	361.90	2,301.01
Total Assets	18,719.59	6,633.94	9,818.58	16,190.15	21,889.45	3,930.45	2,479.95	79,662.11
Borrowings	180.00	83.30	1,286.33	1,864.51	7,401.69	3,091.04	97.40	14,004.27
Deposits	2,314.49	2,280.20	5,160.26	11,758.70	28,917.02	2,753.62	0.69	53,184.98
Other liabilities and provisions	758.25	190.30	750.66	553.48	51.04	-	-	2,303.74
Capital and reserves	-	-	-	-	-	-	10,169.13	10,169.13
Total Liabilities	3,252.74	2,553.81	7,197.25	14,176.69	36,369.76	5,844.66	10,267.21	79,662.11
Liquidity gap	15,466.85	4,080.14	2,621.33	2,013.46	(14,480.31)	(1,914.20)	(7,787.27)	-
Cumulative liquidity gap	15,466.85	19,546.99	22,168.32	24,181.77	9,701.47	7,787.27	-	-
Cumulative liabilities	3,252.74	5,806.55	13,003.79	27,180.49	63,550.24	69,394.90	79,662.11	-
Cumulative liquidity gap as a % of cumulative liabilities	475.50%	336.64%	170.48%	88.97%	15.27%	11.22%	-	-

(1) Advances represents Advances as on the year/period end as per the Restated Summary Statement of Assets and Liabilities.

(2) Investments include Repo but exclude reverse Repo.

The table below sets forth our structural liquidity gap position as of the three months ended June 30, 2020, based on contractual undiscounted cash flows:

Particulars	<i>₹ in millions</i>							
	1-30 days	31 days to 3 months	3-6 months	6-12 months	1-3 years	3-5 years	Over 5 years	Total
Cash and balances with the RBI/interbank	9,091.69	133.01	124.66	107.44	587.02	91.70	20.25	10,155.76
Advances <sup>(1)</sup>	250.89	1,291.86	6,076.74	14,344.67	24,142.98	1,877.82	1,553.51	49,538.46
Investments <sup>(2)</sup>	4,296.81	964.25	903.75	988.87	4,799.76	664.76	146.78	12,764.98
Other assets	3,783.18	495.82	18.56	-	189.15	0.01	376.88	4,863.59
Total assets	17,422.57	2,884.94	7,123.71	15,440.98	29,718.90	2,634.28	2,097.42	77,322.79
Borrowings	559.50	1,050.90	603.25	1,617.40	5,889.30	2,350.00	1,000.00	13,070.35
Deposits	3,752.34	6,226.49	4,318.00	5,393.63	28,132.87	4,254.85	1.40	52,079.57

Particulars	1-30 days	31 days to 3 months	3-6 months	6-12 months	1-3 years	3-5 years	Over 5 years	Total
Other liabilities and provisions	642.43	228.62	863.94	661.29	336.73	-	-	2,733.00
Capital and reserves	-	-	-	-	-	-	9,439.86	9,439.86
Total Liabilities	4,954.27	7,506.00	5,785.20	7,672.31	34,358.89	6,604.85	10,441.26	77,322.79
Liquidity gap	12,468.30	(4,621.06)	1,338.51	7,768.66	(4,639.99)	(3,970.58)	(8,343.85)	-
Cumulative liquidity gap	12,468.30	7,847.24	9,185.75	16,954.41	12,314.42	8,343.85	-	-
Cumulative liabilities	4,954.27	12,460.27	18,245.47	25,917.78	60,276.68	66,881.53	77,322.79	-
Cumulative liquidity gap as a % of cumulative liabilities	251.67%	62.98%	50.35%	65.42%	20.43%	12.48%	-	-

(1) Advances represents Advances as on the year/period end as per the Restated Summary Statement of Assets and Liabilities.

(2) Investments include Repo but exclude reverse Repo.

The table below sets forth our structural liquidity gap position as of the three months ended June 30, 2021, based on contractual undiscounted cash flows:

₹ in millions

Particulars	1-30 days	31 days to 3 months	3-6 months	6-12 months	1-3 years	3-5 years	Over 5 years	Total
Cash and balances with the RBI/interbank	11,934.51	101.77	233.52	264.76	867.93	75.28	0.01	13,477.78
Advances <sup>(1)</sup>	3,505.62	7,514.27	8,642.91	13,483.90	14,620.44	4,057.10	2,245.54	54,069.78
Investments <sup>(2)</sup>	6,375.90	537.07	1,100.47	1,397.23	9,040.42	397.30	0.08	18,848.46
Other assets	1,072.37	654.06	17.81	29.13	259.52	0.01	359.01	2,391.91
Total assets	22,888.41	8,807.18	9,994.70	15,175.00	24,788.31	4,529.69	2,604.64	88,787.93
Borrowings	227.13	1,059.20	576.43	1,806.51	11,668.39	2,211.04	92.27	17,640.97
Deposits	3,247.66	4,371.23	6,626.88	9,493.05	31,262.46	1,289.03	0.53	56,290.82
Other liabilities and provisions	940.65	231.62	853.27	674.10	101.53	-	-	2,801.18
Capital and reserves	-	-	-	-	-	-	12,054.91	12,054.91
Total Liabilities	4,415.44	5,662.04	8,056.57	11,973.66	43,032.38	3,500.07	12,147.71	88,787.88
Liquidity gap	18,472.97	3,145.13	1,938.13	3,201.34	(18,244.07)	1,029.63	(9,543.07)	0.05
Cumulative liquidity gap	18,472.97	21,618.10	23,556.23	26,757.57	8,513.49	9,543.12	0.05	0.11
Cumulative liabilities	4,415.44	10,077.48	18,134.06	30,107.72	73,140.10	76,640.16	88,787.88	-
Cumulative liquidity gap as a % of cumulative liabilities	418.37%	214.52%	129.90%	88.87%	11.64%	12.45%	-	-

(1) Advances represents Advances as on the year/period end as per the Restated Summary Statement of Assets and Liabilities.

(2) Investments include Repo but exclude reverse Repo.

## Capital Adequacy

The following table sets forth certain details regarding our capital under Basel II as of the dates indicated:

₹ in millions

Particulars	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
Tier 1 capital	6,220.07	8,485.81	9,404.81	8,795.46	11,103.21
Tier 2 capital	623.79	2,103.34	1,755.64	2,025.08	1,615.30
<b>Total capital</b>	<b>6,843.86</b>	<b>10,589.15</b>	<b>11,160.45</b>	<b>10,820.54</b>	<b>12,718.51</b>
<b>Total risk weighted assets and contingents</b>	<b>28,962.64</b>	<b>36,167.66</b>	<b>37,756.89</b>	<b>39,313.06</b>	<b>38,529.83</b>
<b>Capital Adequacy Ratios</b>					
Tier 1 capital ratio (%)	21.48%	23.46%	24.91%	22.37%	28.82%
Tier 2 capital ratio (%)	2.15%	5.82%	4.65%	5.15%	4.19%
CRAR (%)	23.63%	29.28%	29.56%	27.52%	33.01%

## Customer Base

The following table sets forth certain information relating to our customer base:

Particulars	As of March 31,			As of June 30,		As of July 31,
	2019	2020	2021	2020	2021	2021
Borrowers	1,622,073	2,291,720	2,286,199	2,249,033	2,279,286	2,297,536
Depositors	822,040	2,198,617	2,370,116	2,334,517	2,275,023	2,303,782
Both Borrowers and Depositors	1,681,277	2,543,726	2,709,223	2,631,585	2,650,100	2,667,657
<b>Of Depositors:</b>						
CASA Customers	814,831	218,8248	2,360,469	2,323,714	2,265,882	2,294,859
Term Deposit Customers	27,869	74,970	198,808	77,841	220,785	238,488
Both CASA and TD	822,040	2,198,617	2,370,116	2,334,517	2,275,023	2,303,782

## March 31, 2021 and June 30, 2021 Update

The following table sets forth certain information updated to March 31, 2021 and June 30, 2021:

Particulars	As of March 31,			As of June 30,	
	2019	2020	2021	2020	2021
Number of banking outlets (including BC outlets) <sup>(1)</sup>	569	711	809	712	855
Number of BC outlets	152	202	259	202	272
Number of customers	1,683,639	2,546,222	2,849,852	2,635,721	2,826,068
Number of states and union territories	13	19	19	19	19
Total Disbursements (₹ in million)	32,210.23	49,497.11	46,564.57	5,959.78	10,609.03

(1) Number of banking outlets represents our aggregate number of banking outlets (including BC outlets).

**FINANCIAL STATEMENTS**

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## INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

The Board of Directors  
**Fincare Small Finance Bank Limited**  
301-306, 3<sup>rd</sup> Floor, Abhijeet – V  
Opposite Mayor Bunglow  
Law Garden Road, Mithakhali  
Ahmedabad – 380006

Dear Sirs,

1. We have examined the attached Restated Financial Information of Fincare Small Finance Bank Limited (the “Bank” or the “Issuer”), comprising the Restated Statement of Assets and Liabilities as at June 30, 2021 and June 30, 2020, and as at March 31, 2021, 2020, and 2019, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the three month periods ended June 30, 2021 and 2020 and for the years ended March 31, 2021, 2020 and 2019, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the Bank at their meeting held on August 14, 2021 for the purpose of inclusion in the addendum to the Draft Red Herring Prospectus (“Addendum DRHP”), the Red Herring Prospectus and the Prospectus prepared by the Bank in connection with its proposed Initial Public Offer of equity shares (“IPO”) prepared in terms of the requirements of:
  - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”);
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
  - c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).
2. The Bank’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Addendum DRHP, Red Herring Prospectus and Prospectus to be filed with Securities and Exchange Board of India, Bombay Stock Exchange and National Stock Exchange in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Bank on the basis of preparation stated in annexure 5.2 (i) to the Restated Financial Information. The Board of Directors of the Bank responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Bank complies with the Act, ICDR Regulations and the Guidance Note.



3. We have examined such Restated Financial Information taking into consideration:
  - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 26 March 2020 in connection with the proposed IPO of equity shares of the Bank;
  - b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - d. The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Financial Information have been compiled by the management from:
  - a. Audited special purpose interim financial statements of the Bank as at and for the three month periods ended June 30, 2021 and June 30, 2020 prepared in accordance with Accounting Standard (AS) 25 "Interim Financial Reporting", specified under section 133 of the Act read with Companies (Accounting Standards) Rules 2014, as amended and other accounting principles generally accepted in India (the "Special Purpose Interim Financial Statements") which have been approved by the Board of Directors at their meeting held on August 14, 2021.
  - b. Audited financial statements of the Bank as at and for the years ended March 31, 2021, 2020 and 2019 prepared in accordance with the Accounting Standards (referred to as "AS") as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2014, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on June 14, 2021, June 08, 2020 and May 18, 2019, respectively.
5. For the purpose of our examination, we have relied on:
  - a. Auditors' reports issued by us dated August 14, 2021 on the special purpose interim financial statements of the Bank as at and for the three months ended June 30, 2021 and June 30, 2020 and the audit reports dated June 14, 2021, June 08, 2020 and May 18, 2019 on the financial statements of the Bank as at and for the years ended March 31, 2021, 2020 and 2019 as referred in Paragraph 4 above.

6. The audit reports on the financial statements issued by us were modified and included following matters giving rise to modifications on the financial statements as at and for the three months periods ended June 30, 2021 and 2020 and as at and for the years ended March 31, 2021 and 2020:

**Three months period ended June 30, 2021**

“We draw attention to Schedule 17, Note 2.1 (ii) to the accompanying special purpose interim financial statements, which describes the uncertainties due to the outbreak of Covid-19 pandemic. The impact of the pandemic on the Bank’s operations and financial metrics will depend on future developments which are highly uncertain at this time. Our opinion is not modified in respect of this matter.”

**Three months period ended June 30, 2020**

“We draw attention to Schedule 17, Note 2.1 (ii) to the accompanying special purpose interim financial statements, which describes the uncertainties due to the outbreak of Covid-19 pandemic. The impact of the pandemic on the Bank’s operations and financial metrics will depend on future developments which are highly uncertain at this time. Our opinion is not modified in respect of this matter.”

**Financial year ended March 31, 2021**

“We draw attention to Schedule 17, Note 2.1 (ii) to the accompanying financial statements, which describes the economic and social disruption the Bank is facing as a result of Covid-19 pandemic. In view of these uncertainties, the impact of the pandemic on the Bank’s operations and financial metrics will depend on future developments which are uncertain at this time. Our opinion is not modified in respect of this matter.”

**Financial year ended March 31, 2020**

“We draw attention to Schedule 17, Note 2.1 (ii) to the accompanying financial statements, which describes the economic and social disruption the Bank is facing as a result of COVID-19 pandemic including the moratorium period offered to borrowers as directed by the Reserve Bank of India. The full extent of impact of the events on the Bank’s operations and financial metrics will depend on future developments which are uncertain at this time. Our opinion is not modified in respect of this matter.”

7. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:
- a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years/period ended March 31, 2021, 30 June 2020, March 31, 2020 and 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the three month period ended June 30, 2021; and
  - b. do not require any adjustments for the matters giving rise to modifications mentioned in paragraph 6 above; and

- c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited special purpose interim financial statements and audited financial statements mentioned in paragraph 4 above.
9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. Our report is intended solely for use of the Board of Directors for inclusion in the Addendum DRHP, Red Herring Prospectus and Prospectus to be filed with Securities and Exchange Board of India, Bombay Stock Exchange and National Stock Exchange in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co. LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013

**Manish Gujral**  
Partner  
Membership No.: 105117  
UDIN : 21105117AAAAHA2658

Place: Mumbai  
Date: 14 August 2021

**Annexure - 1: Restated Summary Statement of Assets and Liabilities**

(All amounts in ₹ million except otherwise stated)

	Annexure	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
<b>Capital &amp; Liabilities</b>						
Capital	6	2,207.80	636.10	636.10	636.10	564.36
Employees stock options outstanding		15.10	5.47	9.97	-	-
Reserves and surplus	7	9,831.36	8,805.01	9,532.95	8,401.55	6,095.58
Deposits	8	56,290.82	52,079.57	53,184.98	46,539.33	20,432.12
Borrowings	9	17,640.97	13,070.35	14,004.34	13,681.62	12,830.74
Other liabilities and provisions	10	2,857.54	2,727.72	2,293.84	1,904.14	1,794.60
<b>TOTAL</b>		<b>88,843.59</b>	<b>77,324.22</b>	<b>79,662.18</b>	<b>71,162.74</b>	<b>41,717.40</b>
<b>Assets</b>						
Cash and balances with Reserve Bank of India	11	13,160.81	8,184.76	10,364.98	10,585.33	1,419.14
Balances with banks and money at call and short notice	12	316.97	1,971.00	1,191.34	243.73	3,796.68
Investments	13	18,848.46	12,764.98	12,793.59	10,069.60	7,008.60
Advances	14	54,069.78	49,538.45	53,011.20	48,155.79	27,646.89
Fixed assets	15	359.01	376.89	361.91	403.64	330.74
Other assets	16	2,088.56	4,488.14	1,939.16	1,704.65	1,515.35
<b>TOTAL</b>		<b>88,843.59</b>	<b>77,324.22</b>	<b>79,662.18</b>	<b>71,162.74</b>	<b>41,717.40</b>
Contingent liabilities	17	32.65	32.65	32.66	183.67	1,147.53
Bills for collection		-	-	-	-	-
Significant Accounting Policies	5					
Notes to Restated Summary Statements	22					

The accompanying annexures are an integral part of this statement.

For **Walker Chandio and Co. LLP**  
Chartered Accountants  
Firm Registration No: 001076N / N500013

For and on behalf of the Board of Directors of  
**Fincare Small Finance Bank Limited**

**Manish Gujral**  
Partner  
Membership No.: 105117

Mumbai  
14 August 2021

**Rajeev Yadav**  
MD and CEO  
DIN: 00111379

Bengaluru  
14 August 2021

**Vinay Bajjal**  
Director  
DIN: 07516339

Mumbai  
14 August 2021

**Sameer Yogesh Nanavati**  
Director  
DIN: 00157693

Ahmedabad  
14 August 2021

**Shefaly Kothari**  
Company Secretary  
M No. F7698

Bengaluru  
14 August 2021

**Keyur Doshi**  
Chief Financial Officer

Bengaluru  
14 August 2021

**Fincare Small Finance Bank Limited**
**Annexure - 2: Restated Summary Statement of Profit and Loss**

(All amounts in ₹ million except otherwise stated)

	Annexure	Three Months ended 30 June 2021	Three Months ended 30 June 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
<b>I. Income</b>						
Interest earned	18	3,360.60	3,252.72	12,510.31	10,702.56	6,051.51
Other income	19	278.72	117.14	1,273.76	1,454.64	697.31
<b>TOTAL</b>		<b>3,639.32</b>	<b>3,369.86</b>	<b>13,784.07</b>	<b>12,157.20</b>	<b>6,748.82</b>
<b>II. Expenditure</b>						
Interest expended	20	1,392.58	1,452.43	5,500.88	4,515.04	2,290.74
Operating expenses	21	1,379.54	1,064.57	4,632.41	4,261.34	2,958.10
Provision and contingencies (refer Annexure 22.16)	22.16	694.17	449.40	2,519.38	1,946.33	480.18
<b>TOTAL</b>		<b>3,466.29</b>	<b>2,966.40</b>	<b>12,652.67</b>	<b>10,722.71</b>	<b>5,729.02</b>
<b>III. Profit / (loss)</b>						
Net profit / (loss) for the period / year		173.03	403.46	1,131.40	1,434.49	1,019.80
Profit / (loss) brought forward		1,810.84	970.74	970.74	(61.75)	(795.46)
<b>Total profit</b>		<b>1,983.87</b>	<b>1,374.20</b>	<b>2,102.14</b>	<b>1,372.74</b>	<b>224.34</b>
<b>IV. Appropriation/transfers</b>						
Transfer to statutory reserves		-	-	282.90	358.70	254.96
Transfer to other reserves		137.44	44.07	8.40	43.30	31.13
Transfer to Government/proposed dividend		-	-	-	-	-
Balance carried over to the balance sheet		1,846.43	1,330.13	1,810.84	970.74	(61.75)
<b>Total</b>		<b>1,983.87</b>	<b>1,374.20</b>	<b>2,102.14</b>	<b>1,372.74</b>	<b>224.34</b>
Significant Accounting Policies	5					
Notes to Restated Summary Statement	22					
<b>Earnings per equity share</b>						
Basic and diluted (₹)		0.79	6.34	17.78	24.43	22.41
Face value per share (₹)		10.00	10.00	10.00	10.00	10.00

The accompanying annexures are an integral part of this statement.

 For **Walker Chandio and Co. LLP**  
 Chartered Accountants  
 Firm Registration No: 001076N / N500013

 For and on behalf of the Board of Directors of  
**Fincare Small Finance Bank Limited**
**Manish Gujral**  
 Partner  
 Membership No.: 105117

 Mumbai  
 14 August 2021

**Rajeev Yadav**  
 MD and CEO  
 DIN: 00111379

 Bengaluru  
 14 August 2021

**Vinay Bajjal**  
 Director  
 DIN: 07516339

 Mumbai  
 14 August 2021

**Sameer Yogesh Nanavati**  
 Director  
 DIN: 00157693

 Ahmedabad  
 14 August 2021

**Shefaly Kothari**  
 Company Secretary  
 M No. F7698

 Bengaluru  
 14 August 2021

**Keyur Doshi**  
 Chief Financial Officer

 Bengaluru  
 14 August 2021

Annexure - 3: Restated Summary Statement of Cash Flows

(All amounts in ₹ million except otherwise stated)

	Three Months ended 30 June 2021	Three Months ended 30 June 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
<b>A. Cash flows from/(used in) operating activities:</b>					
<b>Profit before tax</b>	<b>225.52</b>	<b>521.78</b>	<b>1,464.21</b>	<b>2,027.25</b>	<b>1,103.02</b>
<b>Adjustments for :</b>					
Depreciation and amortisation expenses	34.89	41.11	170.08	169.04	121.93
Amortisation of premium on investments	20.23	14.86	68.49	16.02	5.63
(Profit) / loss on disposal of fixed assets	(0.03)	0.02	(0.08)	0.66	0.25
Share / debenture issue expenses	-	-	-	-	3.81
Goodwill written off	-	-	-	-	47.10
Employee stock option cost	5.13	5.47	9.97	-	-
Loan portfolio written off (net of recovery)	60.28	162.59	339.31	454.36	101.57
Provision for loan portfolio	561.39	178.16	1,857.22	921.04	276.50
Provision for other contingencies	0.49	(27.03)	(26.67)	(15.25)	(173.21)
Provision / depreciation - Investments	0.15	(0.79)	(0.51)	(0.79)	-
(Profit) on sale of investment in SLR securities	(45.62)	(5.03)	(12.21)	(1.79)	(2.81)
Loss on sale of investment in SLR securities	-	1.32	9.94	1.26	2.64
(Profit) on sale of investment in mutual funds	-	(0.58)	(2.93)	(10.64)	(13.09)
<b>Operating profits before working capital changes</b>	<b>862.42</b>	<b>891.88</b>	<b>3,876.82</b>	<b>3,561.16</b>	<b>1,473.34</b>
<b>Movement in working capital:</b>					
Increase in deposits	3,105.84	5,540.24	6,645.67	26,107.21	13,161.14
Increase / (decrease) in other liabilities	256.84	448.13	408.98	(576.04)	583.12
(Increase) in investments (net)	(6,029.63)	(2,705.74)	(2,789.71)	(3,075.70)	(4,286.94)
(Increase) in advances	(1,431.46)	(1,450.85)	(6,996.81)	(20,948.98)	(11,676.00)
Decrease / (increase) in fixed deposits	100.00	35.56	(51.57)	642.70	(1,262.19)
(Increase) in other assets	(127.79)	(2,740.01)	(2.06)	(269.99)	(462.93)
<b>Cash generated (used in) / from operating activities</b>	<b>(3,263.77)</b>	<b>19.21</b>	<b>1,091.32</b>	<b>5,440.36</b>	<b>(2,470.46)</b>
Taxes on income paid, net	(16.52)	(31.88)	(612.92)	(746.55)	(276.00)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>(3,280.29)</b>	<b>(12.67)</b>	<b>478.42</b>	<b>4,693.81</b>	<b>(2,746.46)</b>
<b>B. Cash flows from investing activities:</b>					
Purchase of fixed assets	(32.08)	(14.44)	(129.15)	(243.32)	(230.68)
Proceeds from sale of fixed assets	0.12	0.06	0.88	0.73	0.79
Purchase of investments in mutual funds	-	(300.00)	(1,799.98)	(4,800.00)	(19,195.12)
Proceeds from sale of investments in mutual funds	-	300.58	1,802.86	4,810.64	19,208.21
Proceeds from term money lending	399.92	(1,500.00)	(399.92)	899.90	-
<b>Net cash generated / (used in) from investing activities (B)</b>	<b>367.96</b>	<b>(1,513.80)</b>	<b>(525.31)</b>	<b>667.95</b>	<b>(216.80)</b>
<b>C. Cash flows from financing activities:</b>					
Proceeds from issue of equity shares	1,697.07	-	-	943.22	2,264.70
Share / debenture issue expenses	-	-	-	-	(3.81)
Repayment of borrowing under the LAF segment	3,900.00	-	(470.00)	-	-
Proceeds from borrowing under the LAF segment	-	-	-	1,030.00	-
Proceeds from loans availed from banks and financial institutions	-	-	4,700.00	4,249.93	6,500.00
Repayment of loans availed from banks and financial institutions	(263.37)	(611.27)	(3,907.33)	(5,004.07)	(4,259.09)
Proceeds from issue of non-convertible debentures	-	-	-	1,000.00	-
Redemption of non-convertible debentures	-	-	-	(425.00)	(100.00)
<b>Net cash generated / (used in) from financing activities (C)</b>	<b>5,333.70</b>	<b>(611.27)</b>	<b>322.67</b>	<b>1,794.08</b>	<b>4,401.80</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period/year (A+B+C)</b>	<b>2,421.37</b>	<b>(2,137.74)</b>	<b>275.78</b>	<b>7,155.84</b>	<b>1,438.54</b>
<b>Cash and cash equivalents at the beginning of the period / year</b>	<b>11,028.41</b>	<b>10,752.63</b>	<b>10,752.63</b>	<b>3,596.79</b>	<b>2,158.25</b>
<b>Cash and cash equivalents at the end of the year<sup>1</sup></b>	<b>13,449.78</b>	<b>8,614.89</b>	<b>11,028.41</b>	<b>10,752.63</b>	<b>3,596.79</b>

<sup>1</sup> Includes cash and bank balances with Reserve Bank of India [refer Annexure 11], balances with Banks in current account and money at call and short notice [refer Annexure 12] as on June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019.

**Annexure - 3: Restated Summary Statement of Cash Flows (cont'd)**

(All amounts in ₹ million except otherwise stated)

	Three Months ended 30 June 2021	Three Months ended 30 June 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
<b>Components of cash and cash equivalents</b>					
Cash and balances with Reserve Bank of India (refer Annexure 11)	13,160.81	8,184.76	10,364.98	10,585.33	1,419.14
Balances with banks and money at call and short notice (refer Annexure 12)	288.97	430.13	663.43	167.30	2,177.65
	<b>13,449.78</b>	<b>8,614.89</b>	<b>11,028.41</b>	<b>10,752.63</b>	<b>3,596.79</b>

For **Walker Chandiook and Co. LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors of  
**Fincare Small Finance Bank Limited**

**Manish Gujral**  
Partner  
Membership No.: 105117

Mumbai  
14 August 2021

**Rajeev Yadav**  
MD and CEO  
DIN: 00111379

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14 August 2021

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Company Secretary  
M No. F7698

Bengaluru  
14 August 2021

**Keyur Doshi**  
Chief Financial Officer

Bengaluru  
14 August 2021

**Annexure - 4: Restated Statement of Material Adjustment and Regrouping**

**4.1 Material adjustments**

The accounting policies as at and for the three months ended June 30, 2021 are materially consistent with the policies adopted for each of the years ended March 31, 2021, March 31, 2020, March 31, 2019 and three months ended June 30, 2020. The Restated Summary Statements have been prepared based on the respective audited Historical Financial Statements for the years ended March 31, 2021, 2020 and 2019 and the period ended June 30, 2021 and June 30, 2020.

**4.2 Non adjusting items**

Restated Financial Information does not contain any qualifications requiring adjustments, however, Auditor's Reports for the three months period ended June 30, 2021 and June 30, 2020 and for the years ended March 31, 2021 and March 31, 2020 includes an Emphasis of Matter paragraph on impact of COVID 19 on operations of the Bank.

**(a) Emphasis of Matter in Auditor's Report**

**(i) On financial statements for the three months ended June 30, 2021**

We draw attention to Schedule 17, Note 2.1 (ii) to the accompanying special purpose interim financial statements, which describes the uncertainties due to the outbreak of Covid-19 pandemic. The impact of the pandemic on the Bank's operations and financial metrics will depend on future developments which are highly uncertain at this time. Our opinion is not modified in respect of this matter.

**(ii) On financial statements for the three months ended June 30, 2020**

We draw attention to Schedule 17, Note 2.1 (ii) to the accompanying special purpose interim financial statements, which describes the uncertainties due to the outbreak of Covid-19 pandemic. The impact of the pandemic on the Bank's operations and financial metrics will depend on future developments which are highly uncertain at this time. Our opinion is not modified in respect of this matter.

**(iii) On financial statements for the year ended March 31, 2021**

We draw attention to Schedule 17, Note 2.1 (ii) to the accompanying financial statements, which describes the uncertainties due to the outbreak of Covid-19 pandemic. The impact of the pandemic on the Bank's operations and financial metrics will depend on future developments which are highly uncertain at this time. Our opinion is not modified in respect of this matter.

**(iv) On financial statements for the year ended March 31, 2020**

We draw attention to Schedule 17, Note 2.1 (ii) to the accompanying financial statements, which describes the economic and social disruption the Bank is facing as a result of COVID-19 pandemic including the moratorium period offered to borrowers as directed by the Reserve Bank of India. The full extent of impact of the events on the Bank's operations and financial metrics will depend on future developments which are uncertain at this time. Our opinion is not modified in respect of this matter.

**4.3 Changes in estimates**

(i) During the year ended March 31, 2019, the Bank had revised its estimate for making provisions against non-performing loans in accordance with a resolution passed by the Board of Directors. As a result, the aggregate provision on loan portfolio for the year ended March 31, 2019 was higher by ₹ 121.90 million and consequently the net profit was lower by ₹ 121.90 million.

For the purpose of Restated Summary Statements the above changes in estimates have not been restated.

**4.4 Material regroupings**

Appropriate regrouping/reclassifications have been made in the Restated Summary Statements in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended), in respect of the corresponding items of assets, liabilities, income, expenses and cash flows in order to align them with the groupings as per the audited financial statements of the Bank as at and for the three months period ended June 30, 2021.

Non financial information including ratios, percentages, etc. disclosed in annexure 22, have been updated to the extent applicable, as a consequence of regroupings/reclassifications made, as indicated above.

**4.5 Material errors**

There are no material errors that require any adjustment in the Restated Summary Statements.



**Annexure - 5: Significant accounting policies forming part of the restated summary statements**

**5.1 Background**

Fincare Small Finance Bank Limited (formerly Disha Microfin Limited) ("the Bank") is a Scheduled Bank in India having commenced its operations as a small finance bank with effect from July 21, 2017. The Bank has been accorded the Scheduled Bank status by Reserve Bank of India vide Notification No. DBR.NBD. (SFB-Fincare). No.8140/16/13.216/2018-19 dated March 28, 2019 and published in the Gazette of India on April 13, 2019.

The Bank's operation includes retail and wholesale banking activities. These activities primarily include micro finance lending activities to provide financial assistance to women borrowers of economically weaker society, who are organized as joint liability groups ('JLG'), with a view of enhancement of their livelihoods in a financially viable manner, primarily in the rural areas of India. Further, the Bank is engaged in providing financial assistance to the borrowers to use the money to augment the household income through loan against property. In addition, the Bank offers other products, including institutional finance, gold loan, two wheeler loans, affordable housing loans and overdraft facility against fixed deposits or properties. The Bank operates across various states and union territories of India.

**5.2 Basis of preparation**

- (i) The Restated Summary Statement of Assets and Liabilities of the Bank as at March 31, 2019, March 31, 2020, March 31, 2021, June 30, 2020, and June 30, 2021 and the related Restated Summary Statement of Profits and Losses and related Restated Summary Statement of Cash Flows for the years ended March 31, 2019, March 31, 2020, March 31, 2021, and the periods ended June 30, 2021 and June 30, 2020 (herein collectively referred to as "Restated Summary Statements") have been compiled by the management from the then audited financial statements for the years ended March 31, 2019, March 31, 2020, March 31, 2021 and the period ended June 30, 2021 and June 30, 2020 respectively which were originally approved by the Board of Directors of the Bank at that relevant time. The accounting policies have been consistently applied by the Bank in preparation of the Restated Summary Statements and are consistent with those adopted in the preparation of financial statements for the period ended June 30, 2021.

The audited financial statements as at year ended March 31, 2019, March 31, 2020, March 31, 2021 and the three months period ended June 30, 2021 and June 30, 2020 have been prepared in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these audited financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounting Standard) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India. The Bank follows the historical cost convention and accrual method of accounting, except in the case of interest and other income on non-performing assets (NPAs) where it is recognised upon realisation.

The Restated Summary Statements have been prepared specifically for the inclusion in the Addendum to DRHP, Red Herring Prospectus and Prospectus to be filed by the Bank with the Securities and Exchange Board of India ('SEBI') in connection with its proposed initial public offering. The Restated Summary Statements have been prepared by the Bank to comply in all material respects with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of The Companies Act, 2013 read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and (the Securities and Exchange Board of India Issue of Capital and Disclosure Requirements) Regulations, 2018 ("the SEBI Guidelines") issued by SEBI on September 11, 2018 as amended from time to time.

**(ii) Impact of COVID 19**

- (i) In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Bank granted a moratorium of three months on the payment of all instalments and / or interest, as applicable, falling due between March 01, 2020 and May 31, 2020, to all eligible borrowers. In line with the additional Regulatory Package guidelines dated May 23, 2020, the Bank granted a second phase of three months moratorium on instalments and / or interest, as applicable, falling due between June 01, 2020 and August 31, 2020.

(ii) In management's view providing moratorium to borrowers at a mass scale based on the RBI directives, by itself is not considered to result in a significant increase in credit risk for such borrowers. The full extent of impact of the pandemic on the Bank's operations and financial metric (including impact on provision for loan portfolio) will depend on future developments including the second wave that has significantly increased the number of cases in India, governmental and regulatory measures and the Bank's responses thereto, which are uncertain at this time.

The second wave of the Covid-19 pandemic in April-May 2021 led to the re-imposition of localised/regional lock down measures in various parts of the country. In the absence of regulatory dispensations like moratorium on loan repayments and standstill on asset classification, the impact on the quality of the loan portfolio would likely be sharper and earlier during the financial year ended March 31, 2022. The second wave has started to subside from June 2021 onwards and there has been a gradual lifting of lock downs, resulting in an increase in economic activity.

The Bank held an aggregate Covid-19 related provision of ₹ 590.77 million as at March 31, 2021. Further, the Bank made Covid-19 related provision amounting to ₹ 431.56 million for the period ended June 30, 2021. As at June 30, 2021, the Bank held an aggregate Covid-19 related provision of ₹ 780.75 million (included in General provision for standard assets) after utilisation towards Covid-19 related delinquencies.

- (iii) The Supreme Court, in a writ petition through its interim order dated September 03, 2020, had directed that accounts which were not declared as NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Bank had not classified any account which was not NPA as of August 31, 2020 as per the RBI norms, as NPA after August 31, 2020. However, the Bank had made a contingency provision for such borrower accounts not classified as non-performing and included such provision in above mentioned Covid-19 related provision.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors. and other connected matters. In this connection, the RBI vide its circular dated April 07, 2021 has provided extant instructions to all lending institutions for asset classification of all borrower accounts subsequent to the above mentioned judgement. The Bank has accordingly classified these borrower accounts as per the extant IRAC norms with effect from September 01, 2020 and utilised the above Covid-19 related provision towards provision on these accounts.

**5.3 Significant Accounting Policies**

**5.3.1 Use of estimates**

The preparation of the Restated Summary Statements in conformity with the Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure on contingent liabilities as at the date of the restated year end / period end financial statements and the results of the operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by the management in the preparation of these restated financial statements include estimates of the economic useful lives of fixed assets, deferred tax, accrual for employee benefits and provision for standard and non-performing assets. Difference between the actual results and estimates are recognised in the period in which the results are known/materialized. Any revisions to the accounting estimates are recognised prospectively in the current and future periods.

### 5.3 Significant Accounting Policies (cont'd)

#### 5.3.2 Revenue recognition

- (i) Interest income on loans is recognised in the Profit and Loss Account as it accrues by applying the rate of interest as per the agreement. Interest income on non-performing asset is recognised only when realised. Any such income recognised before the asset became non-performing and remaining unrealized as on the date of being classified as non-performing asset is reversed, as per the income recognition and asset classification norms of RBI.
- (ii) Interest on discounted instruments is recognised over the tenure of the instrument on a constant Yield to Maturity method.
- (iii) Loan processing fees is recognised on an upfront basis when it becomes due.
- (iv) The fees charged on debit card issuance is recognised on an upfront basis.
- (v) The Bank enters into transactions for the sale of Priority Sector Lending Certificates (PSLCs). In the case of sale transaction, the Bank sells the fulfillment of priority sector obligation through the RBI trading platform. There is no transfer of risks or loan assets. The fee received for the sale of PSLCs is recognised under Miscellaneous Income within Other income on a straight line basis over the tenure of the certificate.
- (vi) Interest income on deposits with banks and financial institutions is recognised on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.
- (vii) Dividend income is recognised when the right to receive payment is established on the balance sheet date.
- (viii) All other fees are accounted for as and when they become due.

#### 5.3.3 Advances

##### *Classification*

Advances are classified into performing and non-performing advances ('NPA') based on the RBI guidelines and are stated net of specific provisions made towards NPAs. Further, NPAs are classified into sub-standard, doubtful and loss assets based on NPA classification and provisioning policy of the Bank, subject to the minimum classification and provisioning level prescribed by the RBI under the Income Recognition and Asset Classification ('IRAC') norms.

As per IRAC norms prescribed by the RBI, a loan or an advance is classified as NPA where, the interest and/or instalment of principle remains overdue for a period of more than 90 days in respect of a term loan or the account remains "out of order" in respect of an overdraft/cash credit (OD/CC) facility.

"Overdue" refers to interest and / or instalment remaining unpaid from the day it became receivable.

In case of micro-finance loans, rural micro enterprise loans, loan against gold, two wheeler loans and CASA accounts with debit balances, NPAs are classified as sub-standard assets as per the RBI guidelines. Further, such NPAs which become overdue for more than 180 days are classified as loss assets.

In case of secured institutional finance and secured overdraft against property, NPAs are classified as sub-standard and doubtful assets as per the RBI guidelines. However, NPAs overdue for more than 820 days are classified as loss assets.

In case of loan against property with registered mortgage, NPAs are classified as sub-standard and doubtful assets as per the RBI guidelines. However, NPAs overdue for more than 1,185 days are classified as loss assets.

##### *Provisioning*

General provision for standard assets made in accordance with the RBI Guidelines is included under "Other Liabilities & Provisions-Others".

Further, provision for sub-standard, doubtful and loss assets in case of loan portfolio are provided based on management's best estimates, subject to minimum provisioning level prescribed by the RBI under IRAC norms.

Loan loss provisions in respect of NPAs are charged to the Profit and Loss Account and included under Provisions and Contingencies.

NPAs which have been fully provided for, are written off, based on management estimate and as per the NPA Provisioning and Write off Policy of the Bank.

Recoveries from bad debts written-off are recognized in the Profit and Loss Account and included under Miscellaneous income within Other Income.

##### *Provision policy for securitised loans*

Provision for losses arising in respect of securitisation/assignment of micro finance portfolio loan is made in accordance with the provisioning policy for micro finance own portfolio and in case of other securitized portfolio loans, it is made in accordance with the provisioning policy for loan against property own portfolio, subject to maximum guarantee (including cash collaterals and unfunded guarantee) given in respect of these arrangements.

#### 5.3.4 Inter-bank participation certificate ('IBPC')

The Bank enters into inter-bank participation with risk sharing as issuing bank and the aggregate amount of participation are reduced from aggregate advance outstanding.

#### 5.3.5 Investments

##### *Classification*

In accordance with the RBI guidelines on investment classification and valuation, investments are classified on the date of purchase into "Held for Trading" ('HFT'), "Available for Sale" ('AFS') and "Held to Maturity" ('HTM') categories (hereinafter called 'categories'). Subsequent shifting amongst the categories is done in accordance with the RBI guidelines. Under each of these categories, investments are further classified under six groups (hereinafter called 'groups') -

(a) Government Securities, (b) Other Approved Securities, (c) Shares, (d) Debentures and Bonds, (e) Investments in Subsidiaries/Joint Ventures and (f) Other Investments.

Purchase and sale transactions in respect of all securities are recorded under 'Settlement Date' of accounting.

##### *Basis of classification*

Investments that are held principally for resale within 90 days from the date of purchase are classified under HFT category.

Investments which the Bank intends to hold till maturity are classified as HTM securities. Investments which are not classified in either of the above categories are classified under AFS category.

##### *Acquisition cost*

Brokerage, commission and broken period interest on debt instruments are recognised in the Profit and Loss Account and are not included in the cost of acquisition.

##### *Disposal of investments*

Profit/loss on sale of investments under the aforesaid three categories is recognised in the Profit and Loss Account. Cost of investments is based on the weighted average cost method. The profit from sale of investment under HTM category, net of taxes and transfer to statutory reserve, is appropriated from the Profit and Loss Account to Capital Reserve in accordance with the RBI Guidelines.

**5.3 Significant Accounting Policies (cont'd)**

**5.3.5 Investments (cont'd)**

**Valuation**

Investments classified under AFS and HFT categories are marked to market as per the RBI guidelines.

Traded investments are valued based on the trades / quotes on the recognised stock exchanges, price list of the RBI or prices declared by Primary Dealers Association of India ('PDAI') jointly with Fixed Income Money Market and Derivatives Association ('FIMMDA')/Financial Benchmark India Private Limited ('FIBL'), periodically.

The market value of unquoted government securities which qualify for determining the Statutory Liquidity Ratio ('SLR'), included in the AFS and HFT categories, is computed as per the Yield-to-Maturity ('YTM') rates published by FIMMDA/FIBL.

Units of mutual funds are valued at the latest repurchase price / net asset value declared by the mutual fund.

Treasury bills, commercial papers and certificate of deposits being discounted instruments, are valued at carrying cost.

Net depreciation in the value, if any, compared to the acquisition cost, in any of the groups, is charged to the Profit and Loss Account. The net appreciation, if any, in any of the groups is not recognised except to the extent of depreciation already provided.

Investments classified under HTM category are carried at their acquisition cost and not marked to market. Any premium on acquisition is amortised over the remaining maturity period of the security on a constant yield-to-maturity basis. Such amortisation of premium is adjusted against interest income under the head Income from investments as per the RBI guidelines.

Non-performing investments are identified and depreciation / provision are made thereon based on the RBI guidelines. The depreciation / provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognised in the Profit and Loss Account until received.

**5.3.6 Transfer and servicing of assets**

The Bank transfers loans through securitization/direct assignment transactions. The transferred loans are de-recognised when the Bank surrenders the rights to benefits specified in the underlying securitized/direct assignment loan contract.

Cash profit arising at the time of securitisation/assignment of loan portfolio (Premium loan transfer transactions) is amortised over the life of the underlying loan portfolio and the unamortised amount is disclosed as Deferred Income within 'Other liabilities' on the balance sheet.

Contractual rights to receive a portion of interest ('Unrealised profits') arising at the time of securitisation/ assignment of loan portfolio (PAR transactions) is recorded at its present value and disclosed as 'Interest strip on securitisation/ assignment of loan portfolio' within 'Other assets' on the balance sheet. In accordance with the RBI guidelines, the unrealised profits in respect of securitised/ assigned loan portfolio that is not due for collection is recorded at its present value and disclosed as 'Interest strip on securitisation/ assignment of loan portfolio' within 'Other liabilities' on the balance sheet. Income from interest strip (excess interest spread) is recognised in the profit and loss account, net of any losses, when redeemed in cash.

**5.3.7 Fixed assets**

Fixed assets, capital work-in progress are stated at their original cost of acquisition less accumulated depreciation. Cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the profit and loss account for the period during which such expenses are incurred.

Advances paid towards the acquisition of tangible assets outstanding at each Balance Sheet date are disclosed as capital advances under Other Assets. The cost incurred towards tangible assets, but not ready for their intended use before each Balance Sheet date is disclosed as capital work-in-progress, if any.

Gains or losses arising from de-recognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Profit and Loss Account when the asset is derecognized.

**5.3.8 Intangible assets**

Intangible assets are amortized over their estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Bank for its use. Intangible assets include computer software, which is acquired, capitalized and amortized on a straight-line basis over the estimated useful life.

**5.3.9 Depreciation and amortisation**

Depreciation on tangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Bank has used the following useful lives to provide depreciation on its tangible assets:

Tangible asset description	Useful life
Office equipments	5 years
Computer equipments	3 years
Furniture and fixtures	10 years
Leasehold improvements	Over the period of lease

Intangible assets are amortised, on a straight line basis, commencing from the date the asset is available for its use, over their respective individual estimated useful lives as estimated by the management:

Intangible asset description	Useful life
Computer software	3 years

Depreciation / amortisation is charged on a proportionate basis for all assets purchased and sold during the year.

**5.3 Significant Accounting Policies (cont'd)**

**5.3.10 Impairment of assets**

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the profit and loss account. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the bank estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

**5.3.11 Employee benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15, Employee Benefits.

*Provident fund*

The Bank contributes to the statutory provident fund of the Regional Provident Fund Commissioner, in accordance with the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

*Gratuity*

Gratuity is a post-employment benefit and is a defined benefit plan. The liability recognised in the Balance Sheet represents the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets (if any), together with adjustments for unrecognised actuarial gains or losses and past service costs. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Profit and Loss Account in the year in which such gains or losses arises.

*Compensated absences*

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability / asset in respect of earned leave becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of actuarial valuation as at the balance sheet date in a manner similar to gratuity liability.

*Other short-term benefits*

Expense in respect of other short-term benefits including performance incentive is recognised on the basis of amount paid or payable for the period for which the employee render services.

*Other long-term employee benefits- Deferred cash variable pay*

As per the Bank's policy, in general, 40% of cash variable pay (where it exceeds a specified threshold) of any employee of the Bank shall vest at the end of performance period and the remaining 60% shall be under deferral arrangement.

The deferred cash variable pay has been recognised as liability at present value of the defined benefit obligation at the balance sheet date, as required by AS-15 on Employee benefits. The present value has been determined using actuarial valuation after factoring in assumptions of attrition and discounting.

**5.3.12 Employee share based payments**

*Equity-settled scheme:*

The Employees Stock Option Scheme (the Scheme) provides for grant of options on the Bank's equity shares to employees, including Managing Director and Whole Time Directors, of the Bank. The Scheme provides that employees may be granted an option to subscribe to equity shares of the Bank that shall vest as per the vesting schedule determined by Nomination and Remuneration Committee. The options, post vesting, may be exercised within a specified period. In accordance with the Guidance Note on Accounting for Employee Share-based payments, issued by The Institute of Chartered Accountants of India, the cost of equity settled transactions has been measured using the fair value method. Details regarding the determination of the fair value of the options are set out in Schedule 18.25. The fair value of the options determined as at the grant date is expensed on a straight-line basis over the vesting period, based on the Bank's estimate of equity instruments that will eventually vest, with a corresponding credit to Employee stock options outstanding account. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee stock options outstanding account.

The options that do not vest because of failure to satisfy vesting condition are reversed by a credit to employee compensation expense in "Payment to and provision for employee", equal to the amortised portion of the cost of lapsed option . In respect of the options which expire unexercised the balance standing to the credit of Employee stock options outstanding account is transferred to General Reserve.

**5.3.13 Taxes on income**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of the earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Bank has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Bank re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Bank writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**5.3 Significant Accounting Policies (cont'd)****5.3.13 Taxes on income (cont'd)**

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the Profit and Loss Account as current tax. The Bank recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Bank will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Bank recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the profit and loss account and shown as "MAT Credit Entitlement". The Bank reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Bank does not have convincing evidence that it will pay normal tax during the specified period.

**5.3.14 Foreign currency transactions***Initial recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

*Conversion*

Foreign currency monetary items are reported using the closing rate as at the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

*Exchange differences*

Exchange differences arising on the settlement of monetary items or on reporting Bank's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

**5.3.15 Provisions and contingent liabilities**

A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Bank or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Bank does not recognize a contingent liability but discloses its existence in the financial statements.

**5.3.16 Borrowing costs**

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalised as part of the cost of such assets, in accordance with Accounting Standard (AS) 16, Borrowing Costs. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the profit and loss account as incurred.

**5.3.17 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**5.3.18 Transaction costs**

Transaction costs (including loan origination costs) are incremental costs that are directly attributable to the acquisition of share capital and financial liabilities. Transaction cost includes fees paid to advisors and levies by regulatory agencies, including taxes and duties. Transaction costs incurred towards:

- i. Issuance of share capital and debentures is expensed to the profit and loss account.
- ii. Acquisition of borrowings is expensed to the profit and loss account in the year in which they are incurred.

**5.3.19 Leases***Operating leases*

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

**5.3.20 Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprises of cash in hand, balances with the RBI, balances with other banks and money at call and short notice.

**5.3.21 Segment reporting**

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by the RBI.

Business segments have been identified and reported taking into account, the customer profile, the nature of products and services, the differing risks and returns, the organisation structure and the guidelines prescribed by RBI. The Bank operates in the following segments:

**(a) Treasury**

The treasury segment primarily consists of entire investment portfolio of the Bank.

**(b) Corporate/Wholesale banking**

Wholesale banking includes all advances to companies and statutory bodies, which are not included under retail banking.

**(c) Retail banking**

The retail banking segment serves retail customers through the branch network. Exposures are classified under retail banking taking into account the status of the borrower (orientation criterion), the nature of product, granularity of the exposure and the quantum thereof. Revenues of the retail banking segment are primarily derived from interest and fees earned on retail loans, interest on deposits placed as collateral with banks and financial institutions. Expenses of this segment primarily comprise interest expense on borrowings, deposits, infrastructure and premises expenses for operating the branch network, personnel costs and other direct overheads.

Since the business operations of the Bank are primarily concentrated in India, the Bank is considered to operate only in the domestic segment.

Annexures forming part of the Restated Summary Statement of Assets and Liabilities

(All amounts in ₹ million except otherwise stated)

Annexure 6 - Restated Statement of Share Capital	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
<b>Authorised capital<sup>1</sup></b>					
<b>Equity Share of ₹ 10 each</b>					
- Number of shares	300,000,000	100,000,000	300,000,000	100,000,000	100,000,000
- Amount in ₹	<b>3,000.00</b>	<b>1,000.00</b>	<b>3,000.00</b>	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued, subscribed and fully paid-up capital<sup>2</sup></b>					
<b>Equity Share of ₹ 10 each</b>					
- Number of shares	2,207,797,200	63,610,481	63,610,481	63,610,481	56,435,981
- Amount in ₹	<b>2,207.80</b>	<b>636.10</b>	<b>636.10</b>	<b>636.10</b>	<b>564.36</b>

**Notes**

- Pursuant to the approval of shareholders, the Bank has increased its authorised share capital during the years ended March 31, 2021 and March 31, 2019.
- Rights and preference of equity shareholders**  
Each holder of an equity share is entitled to one vote per share. The Bank declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Bank, the holders of equity shares will be entitled to receive the remaining assets of the Bank, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Annexure 7 - Restated Statement of Reserves and Surplus	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
<b>I. Statutory reserve</b> <i>(Created pursuant to Section 17(2) of Banking Regulation Act, 1949)</i>					
Opening balance	941.55	658.65	658.65	299.95	44.99
Transfer from statutory reserve	-	-	-	-	-
Additions during the period / year	-	-	282.90	358.70	254.96
Deductions during the period / year	-	-	-	-	-
	<b>941.55</b>	<b>658.65</b>	<b>941.55</b>	<b>658.65</b>	<b>299.95</b>
<b>II. Share premium</b>					
Opening balance	6,697.68	6,697.68	6,697.68	5,826.20	3,751.27
Additions during the period / year	1,597.24	-	-	871.48	2,074.93
Deductions during the period / year	(1,471.86)	-	-	-	-
	<b>6,823.06</b>	<b>6,697.68</b>	<b>6,697.68</b>	<b>6,697.68</b>	<b>5,826.20</b>
<b>III. General reserves</b>					
Opening balance	0.05	0.05	0.05	0.05	0.05
Additions during the period / year	-	-	-	-	-
Deductions during the period / year	-	-	-	-	-
	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>
<b>IV. Investment Fluctuation Reserve</b>					
Opening balance	82.83	74.43	74.43	31.13	-
Additions during the period / year	137.44	44.07	8.40	43.30	31.13
Deductions during the period / year	-	-	-	-	-
	<b>220.27</b>	<b>118.50</b>	<b>82.83</b>	<b>74.43</b>	<b>31.13</b>
<b>V. Balance in profit and loss account</b>	<b>1,846.43</b>	<b>1,330.13</b>	<b>1,810.84</b>	<b>970.74</b>	<b>(61.75)</b>
	<b>1,846.43</b>	<b>1,330.13</b>	<b>1,810.84</b>	<b>970.74</b>	<b>(61.75)</b>
<b>Total Reserves and Surplus</b>	<b>9,831.36</b>	<b>8,805.01</b>	<b>9,532.95</b>	<b>8,401.55</b>	<b>6,095.58</b>

Annexure 8 - Restated Statement of Deposits	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
<b>A. I. Demand deposits</b>					
i) From banks	57.18	59.73	103.45	7.64	-
ii) From others	279.90	210.08	456.81	291.88	73.23
	<b>337.08</b>	<b>269.81</b>	<b>560.26</b>	<b>299.52</b>	<b>73.23</b>
<b>II. Savings bank deposits</b>	<b>15,080.81</b>	<b>6,529.05</b>	<b>12,075.52</b>	<b>5,251.08</b>	<b>2,164.04</b>
<b>III. Term deposits</b>					
i) From banks	15,535.50	17,710.57	14,908.50	16,702.32	7,437.58
ii) From others	25,337.43	27,570.14	25,640.70	24,286.41	10,757.27
	<b>40,872.93</b>	<b>45,280.71</b>	<b>40,549.20</b>	<b>40,988.73</b>	<b>18,194.85</b>
<b>Total Deposits</b>	<b>56,290.82</b>	<b>52,079.57</b>	<b>53,184.98</b>	<b>46,539.33</b>	<b>20,432.12</b>
<b>B. I. Deposits of branches in India</b>	56,290.82	52,079.57	53,184.98	46,539.33	20,432.12
<b>II. Deposits of branches outside India</b>	-	-	-	-	-
<b>Total Deposits</b>	<b>56,290.82</b>	<b>52,079.57</b>	<b>53,184.98</b>	<b>46,539.33</b>	<b>20,432.12</b>



Annexures forming part of the Restated Summary Statement of Assets and Liabilities

(All amounts in ₹ million except otherwise stated)

Annexure 9 - Restated Statement of Borrowings	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
<b>I. Borrowings in India</b>					
i) Reserve Bank of India <sup>1</sup>	4,460.00	1,030.00	560.00	1,030.00	-
ii) Other banks <sup>2</sup>	-	150.00	-	300.00	1,231.81
iii) Other Institutions and agencies					
a) Government of India	-	-	-	-	-
b) Financial Institutions <sup>2</sup>	11,180.97	9,890.35	11,444.34	10,351.62	10,173.93
iv) Borrowings in the form of bonds and debentures (excluding sub-ordinated debts)	-	-	-	-	425.00
v) Unsecured redeemable debentures/bonds (sub-ordinated debt included in Tier 2 capital)	2,000.00	2,000.00	2,000.00	2,000.00	1,000.00
<b>Total Borrowings in India</b>	<b>17,640.97</b>	<b>13,070.35</b>	<b>14,004.34</b>	<b>13,681.62</b>	<b>12,830.74</b>
<b>II. Borrowings outside India</b>	-	-	-	-	-
<b>Total Borrowings</b>	<b>17,640.97</b>	<b>13,070.35</b>	<b>14,004.34</b>	<b>13,681.62</b>	<b>12,830.74</b>

1 Represents borrowings made under Liquidity Adjustment Facility (LAF).

2 Secured borrowings included in I above is ₹ 33.05 million, ₹ 72.35 million, ₹ 33.05 million, ₹72.40 million and ₹ 583.64 million as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019 respectively.

Annexure 10 - Restated Statement of Other liabilities and provisions	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
I. Bills payable	-	-	-	-	-
II. Inter-office adjustments (net)	-	-	-	-	-
III. Interests accrued	249.83	238.12	143.86	58.18	138.49
IV. General provision for standard assets (refer annexure 22.4E)	1,364.93	1,333.58	1,116.14	1,061.02	125.71
V. Others (including provisions) <sup>1</sup>	1,242.78	1,156.02	1,033.84	784.94	1,530.40
<b>Total Other liabilities and provisions</b>	<b>2,857.54</b>	<b>2,727.72</b>	<b>2,293.84</b>	<b>1,904.14</b>	<b>1,794.60</b>

1 Others (including provisions)	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Interest strip on securitisation/assignment of portfolio loans	-	-	-	47.73	282.22
Payable towards securitisation/assignment of loans	-	-	-	3.40	530.44
Provision for other contingencies	3.92	3.07	3.43	30.10	45.35
Tax deducted at source payable	58.84	31.63	48.33	53.86	34.76
Statutory liability payable	55.05	44.31	42.98	32.51	34.18
Accrued expenses	215.83	267.05	187.21	198.62	104.28
Accrued employee expenses	173.57	183.05	191.58	146.69	106.18
Provision for gratuity (refer annexure 22.15A)	38.59	43.23	14.73	41.07	46.81
Provision for compensated absences (refer annexure 22.15C)	114.86	83.99	102.03	75.53	45.24
Provision for tax (net of advance tax)	57.58	177.65	-	-	-
Other liabilities	524.54	322.04	443.55	155.43	300.94
	<b>1,242.78</b>	<b>1,156.02</b>	<b>1,033.84</b>	<b>784.94</b>	<b>1,530.40</b>

Annexure 11 - Restated Statement of Cash and balances with Reserve Bank of India	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
I. Cash in hand (including foreign currency notes) <sup>1</sup>	346.73	236.01	262.76	180.69	75.93
II. Balances with Reserve Bank of India					
i) In current account	1,634.08	1,138.75	1,582.22	1,224.64	1,343.21
ii) In other account	11,180.00	6,810.00	8,520.00	9,180.00	-
<b>Total Cash and balances with Reserve Bank of India</b>	<b>13,160.81</b>	<b>8,184.76</b>	<b>10,364.98</b>	<b>10,585.33</b>	<b>1,419.14</b>

1 The Bank does not have any foreign currency note balances as on June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019.

Annexure 12 - Restated Statement of Balances with banks and money at call and short notice	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
<b>I. In India</b>					
i) Balances with banks					
a) In current accounts	288.97	430.13	663.43	167.30	527.96
b) In other deposit accounts <sup>1</sup>	28.00	40.87	128.00	76.43	1,619.03
ii) Money at call and short notice					
a) With banks	-	1,500.00	-	-	950.00
b) With other institutions	-	-	399.91	-	699.69
<b>Total</b>	<b>316.97</b>	<b>1,971.00</b>	<b>1,191.34</b>	<b>243.73</b>	<b>3,796.68</b>
<b>II. Outside India</b>					
i) In current accounts	-	-	-	-	-
ii) In other deposit accounts	-	-	-	-	-
iii) Money at call and short notice	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (I+II)</b>	<b>316.97</b>	<b>1,971.00</b>	<b>1,191.34</b>	<b>243.73</b>	<b>3,796.68</b>

1 Includes ₹ 25.00 million, ₹ 25.00 million, ₹ 25.00 million, ₹ 25.00 million and ₹ 47.63 as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, respectively under lien marked towards term loans availed from banks and financial institutions and cash collateral amounting to Nil, Nil, ₹40.75 million, ₹ 251.42 million and ₹ 273.10 million as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

Annexures forming part of the Restated Summary Statement of Assets and Liabilities

(All amounts in ₹ million except otherwise stated)

Annexure 13 - Restated Statement of Investments	As at	As at	As at	As at	As at
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
<b>I. Investment in India in</b>					
i) Government securities	18,848.46	12,764.98	12,793.59	10,069.60	7,008.60
ii) Other approved securities	-	-	-	-	-
iii) Shares	-	-	-	-	-
iv) Debentures and bonds	-	-	-	-	-
v) Subsidiaries and/or joint ventures	-	-	-	-	-
vi) Others	-	-	-	-	-
<b>Total investments in India<sup>1</sup></b>	<b>18,848.46</b>	<b>12,764.98</b>	<b>12,793.59</b>	<b>10,069.60</b>	<b>7,008.60</b>
<b>II. Investment outside India in</b>					
i) Government securities (including local authorities)	-	-	-	-	-
ii) Subsidiaries and/or joint ventures abroad	-	-	-	-	-
iii) Others	-	-	-	-	-
<b>Total investments outside India</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total investments<sup>1</sup></b>	<b>18,848.46</b>	<b>12,764.98</b>	<b>12,793.59</b>	<b>10,069.60</b>	<b>7,008.60</b>
<b>III. Investments</b>					
<b>A. Investments in India</b>					
Gross value of investments	18,848.89	12,764.98	12,793.87	10,070.39	7,008.60
Less: Aggregate of provision/depreciation/(appreciation)	(0.43)	-	(0.28)	(0.79)	-
<b>Net investments</b>	<b>18,848.46</b>	<b>12,764.98</b>	<b>12,793.59</b>	<b>10,069.60</b>	<b>7,008.60</b>
<b>B. Investments outside India</b>					
Gross value of investments	-	-	-	-	-
Less: Aggregate of provision/depreciation/(appreciation)	-	-	-	-	-
<b>Net investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total investments<sup>1</sup></b>	<b>18,848.46</b>	<b>12,764.98</b>	<b>12,793.59</b>	<b>10,069.60</b>	<b>7,008.60</b>

1 Refer Annexure 22.2 - Investments.

Annexure 14 - Restated Statement of Advances (net of Provisions)	As at	As at	As at	As at	As at
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
<b>A. i) Bill purchased and discounted</b>	-	-	-	-	-
ii) Cash credits, overdrafts and loans repayable on demand <sup>1</sup>	239.99	299.48	196.49	166.11	85.20
iii) Term loans <sup>1</sup>	53,829.79	49,238.97	52,814.70	47,989.68	27,561.69
<b>Total advances</b>	<b>54,069.78</b>	<b>49,538.45</b>	<b>53,011.19</b>	<b>48,155.79</b>	<b>27,646.89</b>
<b>B. i) Secured by tangible assets (including advances against book debts)</b>	11,903.29	10,094.64	12,107.13	10,459.93	6,712.38
ii) Covered by banks/Government guarantees	-	-	-	-	-
iii) Unsecured	42,166.49	39,443.81	40,904.07	37,695.86	20,934.51
<b>Total advances</b>	<b>54,069.78</b>	<b>49,538.45</b>	<b>53,011.20</b>	<b>48,155.79</b>	<b>27,646.89</b>
<b>C. I. Advances in India</b>					
i) Priority sectors	46,605.37	42,044.81	44,371.16	40,386.78	22,225.12
ii) Public sector	-	-	-	-	-
iii) Banks	-	-	-	-	-
iv) Others	7,464.41	7,493.64	8,640.04	7,769.01	5,421.77
<b>Total advances in India</b>	<b>54,069.78</b>	<b>49,538.45</b>	<b>53,011.20</b>	<b>48,155.79</b>	<b>27,646.89</b>
<b>II. Advances outside India</b>					
- Due from banks	-	-	-	-	-
- Due from others	-	-	-	-	-
a) Bills purchased and discounted	-	-	-	-	-
b) Syndicated loans	-	-	-	-	-
c) Others	-	-	-	-	-
<b>Total advances outside India</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total advances</b>	<b>54,069.78</b>	<b>49,538.45</b>	<b>53,011.20</b>	<b>48,155.79</b>	<b>27,646.89</b>

1 Net of provision for non-performing assets aggregating to ₹ 2,364.35 million, ₹ 155.31 million, ₹ 2051.80 million, ₹ 249.71 million and ₹ 263.99 million as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, respectively and outstanding Inter-Bank Participation Certificate (IBPC) of ₹ 3,495.00 million, ₹ 3,168.00 million, ₹ 5,245.00 million, ₹ 4,368.00 million and ₹ 3,875.00 million as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, respectively.



Annexures forming part of the Restated Summary Statement of Assets and Liabilities

(All amounts in ₹ million except otherwise stated)

Annexure 15 - Restated Statement of Fixed Assets	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
<b>A. Premises</b>					
<b>Gross block</b>					
Opening balance	-	-	-	-	-
Additions during the period / year	-	-	-	-	-
Deductions during the period / year	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-
Less: Depreciation to date	-	-	-	-	-
<b>Net Block</b>	-	-	-	-	-
<b>B. Other fixed assets (including furniture and fixtures)</b>					
<b>Gross block</b>					
Opening balance	920.89	797.64	797.64	558.44	329.64
Additions during the period / year	32.08	14.44	129.15	243.32	230.68
Deductions during the period / year	(0.39)	(0.44)	(5.90)	(4.12)	(1.88)
<b>Closing balance</b>	<b>952.58</b>	<b>811.64</b>	<b>920.89</b>	<b>797.64</b>	<b>558.44</b>
<b>C. Accumulated depreciation</b>					
Opening balance	558.98	394.00	394.00	227.70	106.61
Charge for the period / year	34.89	41.11	170.08	169.04	121.93
Deductions during the period / year	(0.30)	(0.36)	(5.10)	(2.74)	(0.84)
<b>Closing balance</b>	<b>593.57</b>	<b>434.75</b>	<b>558.98</b>	<b>394.00</b>	<b>227.70</b>
<b>Net Block<sup>1</sup></b>	<b>359.01</b>	<b>376.89</b>	<b>361.91</b>	<b>403.64</b>	<b>330.74</b>
<b>Total fixed assets</b>	<b>359.01</b>	<b>376.89</b>	<b>361.91</b>	<b>403.64</b>	<b>330.74</b>

1 Including capital work-in progress of Nil, ₹ 0.27 million, Nil, Nil, and ₹ 0.34 million as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, respectively; and intangible assets of ₹ 8.54 million, ₹ 20.91 million, ₹ 10.20 million, ₹ 27.22 million and ₹ 28.86 million as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

Annexure 16 - Restated Statement of Other Assets	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
I. Inter-office adjustments (net)	-	-	-	-	-
II. Interest accrued	944.99	3,712.17	932.46	963.69	457.66
III. Tax paid in advance / tax deducted at source (net)	-	-	18.84	2.30	47.64
IV. Stationery and stamps	-	-	-	-	-
V. Non-banking assets acquired in satisfaction of claims	-	-	-	-	-
VI. Others <sup>1</sup>	1,143.57	775.97	987.86	738.66	1,010.05
	<b>2,088.56</b>	<b>4,488.14</b>	<b>1,939.16</b>	<b>1,704.65</b>	<b>1,515.35</b>

1 Others	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Loans given as collateral towards securitisation transactions	32.65	32.65	32.66	64.69	343.92
Interest strip on securitisation / assignment of loans	-	-	-	47.73	282.22
Goodwill	-	-	-	-	-
Deferred tax asset (refer schedule 22.30)	705.51	495.37	665.05	401.86	96.87
MAT credit entitlement	-	-	-	-	105.86
Security deposits	126.38	121.34	123.44	113.23	88.11
Goods & Services Tax input credit	65.81	45.80	52.10	32.10	30.27
Other receivables	213.22	80.81	114.61	79.05	62.80
	<b>1,143.57</b>	<b>775.97</b>	<b>987.86</b>	<b>738.66</b>	<b>1,010.05</b>

Annexure 17 - Restated Statement of Contingent Liabilities	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
I. Claims against the Bank not acknowledged as debts - taxes <sup>1</sup>	-	-	-	-	-
II. Claims against the Bank not acknowledged as debts - others <sup>2</sup>	32.65	32.65	32.66	183.67	1,147.53
III. Liability for partly paid investments	-	-	-	-	-
IV. Liability on account of outstanding forward exchange contracts	-	-	-	-	-
V. Guarantees given on behalf of constituents	-	-	-	-	-
a) In India	-	-	-	-	-
b) Outside India	-	-	-	-	-
VI. Acceptances, endorsements and other obligations	-	-	-	-	-
VII. Other items for which the Bank is contingently liable	-	-	-	-	-
<b>Total contingent liabilities</b>	<b>32.65</b>	<b>32.65</b>	<b>32.66</b>	<b>183.67</b>	<b>1,147.53</b>

1 Represents a show cause notice from the Commissioner of Customs, Central Excise and Service Tax in respect of a service tax matter for the financial years 2009-2012. Based on management's assessment, the Bank had made a provision in the books of accounts on a conservative basis during the year ended March 31, 2019 and hence is not disclosed under contingent liabilities as at March 31, 2019.

2 Claims against the Bank not acknowledged as debts-others	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
i) Cash collateral	-	-	-	40.75	251.42
ii) Unfunded guarantee	-	-	-	30.47	269.97
iii) Principal subordination	32.65	32.65	32.66	64.72	343.92
iv) Interest subordination	-	-	-	47.73	282.22
	<b>32.65</b>	<b>32.65</b>	<b>32.66</b>	<b>183.67</b>	<b>1,147.53</b>

3 The Hon'ble Supreme Court had, in a recent decision dated February 28, 2019, ruled that special allowance would form part of basic wages for computing the Provident Fund (PF) contribution. The management has obtained a legal opinion to ascertain whether this is applicable to the Bank basis its wage structure and believes that it will not have any material adverse effect on the financial position and results of its operations.

Annexures forming part of the Restated Summary Statement of Profit and Loss

(All amounts in ₹ million except otherwise stated)

Annexure 18 - Restated Statement of Interest Earned		Three months ended	Three months ended	Year ended	Year ended	Year ended
		30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
I.	Interest/discount on advances/bills	3,069.68	2,971.17	11,482.82	9,445.78	5,199.29
II.	Income on investments	203.87	161.42	685.15	499.37	306.04
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	86.90	94.69	326.12	343.21	59.28
IV.	Others <sup>1</sup>	0.15	25.44	16.22	414.20	486.90
	<b>Total interest earned</b>	<b>3,360.60</b>	<b>3,252.72</b>	<b>12,510.31</b>	<b>10,702.56</b>	<b>6,051.51</b>
<hr/>						
<b>1 Others</b>		<b>Three months ended</b>	<b>Three months ended</b>	<b>Year ended</b>	<b>Year ended</b>	<b>Year ended</b>
		<b>30 June 2021</b>	<b>30 June 2020</b>	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
	Income from securitisation/assignment of loans	-	0.35	0.30	318.56	460.41
	Interest income on money market instruments	-	21.29	11.72	21.29	25.27
	Interest income on fixed deposit	-	-	-	-	0.32
	Interest income on Tri party repo lending	0.14	3.78	4.14	74.12	0.90
	Others	0.01	0.02	0.06	0.23	-
		<b>0.15</b>	<b>25.44</b>	<b>16.22</b>	<b>414.20</b>	<b>486.90</b>
<hr/>						
Annexure 19 - Restated Statement of Other Income		Three months ended	Three months ended	Year ended	Year ended	Year ended
		30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
I.	Commission, exchange and brokerage	133.67	58.28	509.80	566.10	352.16
II.	Profit on sale of investments	45.62	5.61	15.12	12.41	15.90
	(Less): Loss on sale of investments	-	(1.32)	(9.94)	(1.26)	(2.64)
III.	Profit on revaluation of investments	-	-	-	-	-
	(Less): Loss on revaluation of investments	-	-	-	-	-
IV.	Profit on sale of land, buildings and other assets	0.05	0.01	0.32	0.23	0.04
	(Less): Loss on sale of land, buildings and other assets	(0.02)	(0.03)	(0.24)	(0.89)	(0.29)
V.	Profit on exchange/derivative transactions	-	-	-	-	-
	(Less): Loss on exchange/derivative transactions	-	-	-	-	-
VI.	Income earned by way of dividends from subsidiaries, companies and/or joint ventures abroad/in India	-	-	-	-	-
VII.	Miscellaneous income <sup>1</sup>	99.40	54.59	758.70	878.05	332.14
	<b>Total other income</b>	<b>278.72</b>	<b>117.14</b>	<b>1,273.76</b>	<b>1,454.64</b>	<b>697.31</b>
<hr/>						
<b>1 Miscellaneous income</b>		<b>Three months ended</b>	<b>Three months ended</b>	<b>Year ended</b>	<b>Year ended</b>	<b>Year ended</b>
		<b>30 June 2021</b>	<b>30 June 2020</b>	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
	Income from sale of Priority Sector Lending Certificate	24.01	0.25	409.57	433.77	76.07
	Recovery against loans written off	7.56	1.42	19.70	27.59	46.70
	Income tax refund	-	1.15	-	-	-
	Debit card issue/maintenance charges	43.44	33.70	230.94	348.34	183.73
	Others	24.39	18.07	98.49	68.35	25.64
		<b>99.40</b>	<b>54.59</b>	<b>758.70</b>	<b>878.05</b>	<b>332.14</b>
<hr/>						
Annexure 20 - Restated Statement of Interest Expended		Three months ended	Three months ended	Year ended	Year ended	Year ended
		30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
I.	Interest on deposits	1,041.12	1,058.72	4,160.17	3,019.48	1,171.62
II.	Interest on Reserve Bank of India/Inter-bank borrowings	60.44	84.26	205.39	408.12	381.31
III.	Others	291.02	309.45	1,135.32	1,087.44	737.81
	<b>Total interest expended</b>	<b>1,392.58</b>	<b>1,452.43</b>	<b>5,500.88</b>	<b>4,515.04</b>	<b>2,290.74</b>
<hr/>						
Annexure 21 - Restated Statement of Operating Expenses		Three months ended	Three months ended	Year ended	Year ended	Year ended
		30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
I.	Payments to and provisions for employees	926.84	660.55	2,891.86	2,599.27	1,806.29
II.	Rent, taxes and lighting (refer annexure 22.31)	92.37	69.56	316.72	283.47	171.51
III.	Printing and stationery	12.47	7.82	51.83	90.64	66.08
IV.	Advertisement and publicity	11.89	16.64	50.44	102.93	64.80
V.	Depreciation on Bank's property	34.89	41.11	170.08	169.04	121.93
VI.	Directors' fees, allowances and expenses	6.92	3.00	11.34	9.74	7.66
VII.	Auditors' fees and expenses	2.30	1.64	6.59	8.37	5.28
VIII.	Law charges	0.83	0.14	0.17	2.42	2.67
IX.	Postage, telegrams, telephones, etc.	29.63	38.58	114.90	123.04	79.71
X.	Repairs and maintenance	11.57	12.03	54.02	69.77	80.13
XI.	Insurance	13.13	10.57	47.71	21.46	8.88
XII.	Professional fee	72.54	71.08	283.36	245.26	202.52
XIII.	Goodwill written off	-	-	-	-	47.10
XIV.	Other expenditure <sup>1</sup>	164.16	131.85	633.39	535.93	293.54
		<b>1,379.54</b>	<b>1,064.57</b>	<b>4,632.41</b>	<b>4,261.34</b>	<b>2,958.10</b>

**Fincare Small Finance Bank Limited**  
**Annexures forming part of the Restated Summary Statement of Profit and Loss**  
 (All amounts in ₹ million except otherwise stated)

**Annexure 21 - Restated Statement of Operating Expenses (cont'd)**

1 Other expenditure	Three months ended 30 June 2021	Three months ended 30 June 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Travelling and conveyance	11.24	4.43	53.40	99.33	88.39
Communication expenses	13.43	10.47	46.51	26.43	13.84
Contribution towards CSR expenses (refer schedule 22.36)	6.75	1.32	14.87	3.80	0.06
Bank charges	1.88	2.01	10.46	13.70	0.82
Loss on securitisation	-	6.97	6.97	-	59.98
ATM recycler charges	20.72	18.26	98.54	121.74	62.44
Credit Bureau charges	3.52	4.94	15.14	81.68	8.68
Business correspondence commission	67.02	41.53	197.52	55.19	1.48
Miscellaneous expense	39.60	41.92	189.98	134.06	57.85
	<b>164.16</b>	<b>131.85</b>	<b>633.39</b>	<b>535.93</b>	<b>293.54</b>

**Fincare Small Finance Bank Limited**

**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

The following disclosures have been made taking into account the requirements of Accounting Standards and Reserve Bank of India (RBI) guidelines

**22.1 Capital**

**A. Capital Adequacy Ratio**

The following table sets forth for the period / year indicated, computation of capital adequacy as per RBI guidelines (under Basel II):

Particulars	As at	As at	As at	As at	As at
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
Common equity tier 1 capital ratio (%)					
Tier 1 capital ratio (%)	28.82%	22.37%	24.91%	23.46%	21.48%
Tier 2 capital ratio (%)	4.19%	5.15%	4.65%	5.82%	2.15%
<b>Total Capital Ratio (CRAR) (%)</b>	<b>33.01%</b>	<b>27.52%</b>	<b>29.56%</b>	<b>29.28%</b>	<b>23.63%</b>
Amount of equity capital raised (including share premium)	1,697.07	-	-	943.21	2,264.70
Number of Bonus shares issued	147,186,480	-	-	-	-
<b>Amount of Additional Tier 1 capital raised; of which:</b>					
Perpetual Non Cumulative Preference Shares (PNCPS)	-	-	-	-	-
Perpetual Debt Instruments (PDI)	-	-	-	-	-
<b>Amount of Tier 2 capital raised; of which:</b>					
Debt capital instruments (discounted value) <sup>1</sup>	1,150.00	1,550.00	1,300.00	1,700.00	750.00
Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS)/ Redeemable Non Cumulative Preference Shares (RNCPS)/ Redeemable Cumulative Preference Shares (RCPS)]	-	-	-	-	-

1 Subordinated debt (considered in Tier 2 capital) outstanding of ₹ 2,000.00 million, ₹ 2,000.00 million, ₹ 2,000.00 million, ₹2,000.00 million, and ₹ 750.00 million as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

**B. Capital infusion**

The details of movement in the paid up equity share capital are as below:

Particulars	Thee months ended		Thee months ended		Year ended	
	30 June 2021		30 June 2020		31 March 2021	
	Equity Shares	Amount	Equity Shares	Amount	Equity Shares	Amount
Equity shares at the beginning of the period / year	63,610,481	636.10	63,610,481	636.10	63,610,481	636.10
Addition pursuant to equity shares issued during the period / year	9,982,759	99.83	-	-	-	-
Addition pursuant to bonus equity shares issued during the period	147,186,480	1,471.87	-	-	-	-
<b>Equity shares outstanding at the end of the period / year</b>	<b>220,779,720</b>	<b>2,207.80</b>	<b>63,610,481</b>	<b>636.10</b>	<b>63,610,481</b>	<b>636.10</b>

Particulars	Year ended		Year ended	
	31 March 2020		31 March 2019	
	Equity Shares	Amount	Equity Shares	Amount
Equity shares at the beginning of the period / year	56,435,981	564.36	37,459,354	374.59
Addition pursuant to equity shares issued during the period / year	7,174,500	71.74	18,976,627	189.77
<b>Equity shares outstanding at the end of the period / year</b>	<b>63,610,481</b>	<b>636.10</b>	<b>56,435,981</b>	<b>564.36</b>

**22.2 Investments**

The following table sets forth, for the periods indicated, the details of investments and the movement in provision held towards depreciation on investments of the Bank.

**A. Particulars of Investments and movement in provision held towards depreciation on Investments**

Particulars	As at	As at	As at	As at	As at
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
<b>a) Value of investments:</b>					
i) Gross value of investments					
a) In India	18,848.89	12,764.98	12,793.87	10,070.39	7,008.60
b) Outside India	-	-	-	-	-
	<b>18,848.89</b>	<b>12,764.98</b>	<b>12,793.87</b>	<b>10,070.39</b>	<b>7,008.60</b>
ii) Provision for depreciation					
a) In India	(0.43)	-	(0.28)	(0.79)	-
b) Outside India	-	-	-	-	-
	<b>(0.43)</b>	<b>-</b>	<b>(0.28)</b>	<b>(0.79)</b>	<b>-</b>
iii) Net value of investments					
a) In India	18,848.46	12,764.98	12,793.59	10,069.60	7,008.60
b) Outside India	-	-	-	-	-
	<b>18,848.46</b>	<b>12,764.98</b>	<b>12,793.59</b>	<b>10,069.60</b>	<b>7,008.60</b>

Fincare Small Finance Bank Limited

Annexure 22 - Notes forming part of the restated summary statements

(All amounts in ₹ million except otherwise stated)

22.2 Investments (cont'd)

Particulars	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
<b>b) Movement of provisions held towards depreciation on investments:</b>					
i) Opening balance	0.28	0.79	0.79	-	-
ii) Add: Provision made during the period / year	0.43	-	0.28	0.79	-
iii) Less: Write-off / write back of excess provision during the period / year	(0.28)	(0.79)	(0.79)	-	-
iv) Closing balance	<b>0.43</b>	-	<b>0.28</b>	<b>0.79</b>	-

Category wise details of investments (net of provision for depreciation):

Particulars	Three months ended 30 June 2021		Three months ended 30 June 2020		Year ended 31 March 2021	
	HTM	AFS	HTM	AFS	HTM	AFS
i) Government securities	7,836.98	11,011.48	6,840.18	5,924.80	8,654.16	4,139.43
ii) Other approved securities	-	-	-	-	-	-
iii) Shares	-	-	-	-	-	-
iv) Debentures and bonds	-	-	-	-	-	-
v) Subsidiaries and/or joint ventures	-	-	-	-	-	-
vi) Others	-	-	-	-	-	-

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	HTM	AFS	HTM	AFS
i) Government securities	5,816.44	4,253.16	2,865.28	4,143.32
ii) Other approved securities	-	-	-	-
iii) Shares	-	-	-	-
iv) Debentures and bonds	-	-	-	-
v) Subsidiaries and/or joint ventures	-	-	-	-
vi) Others	-	-	-	-

B. Repurchase transactions

Tri - Party Repo

Particulars	Three months ended 30 June 2021				Three months ended 30 June 2020			
	Minimum outstanding during the period ended 30 June 2021	Maximum outstanding during the period ended 30 June 2021	Daily Average outstanding during period ended 30 June 2021	Outstanding as on 30 June 2021	Minimum outstanding during the period ended 30 June 2020	Maximum outstanding during the period ended 30 June 2020	Daily Average outstanding during period ended 30 June 2020	Outstanding as on 30 June 2020
<b>Securities sold under repo<sup>1</sup></b>								
i. Government securities	539.70	5,119.43	2,328.07	4,144.12	988.72	4,062.62	3,509.66	988.72
ii. Corporate debt securities	-	-	-	-	-	-	-	-
<b>Securities purchased under reverse repo<sup>1</sup></b>								
i. Government securities	7,381.16	12,420.58	9,778.22	10,893.68	6,014.38	13,251.93	11,501.95	6,014.38
ii. Corporate debt securities	-	-	-	-	-	-	-	-

<sup>1</sup> Amount reported are based on the value of securities under Repo and Reverse Repo.

Tri - Party Repo

Particulars	Year ended 31 March 2021				Year ended 31 March 2020			
	Minimum outstanding during the year 2020-21	Maximum outstanding during the year 2020-21	Daily Average outstanding during the year 2020-21	Outstanding as on 31 March 2021	Minimum outstanding during the year 2019-20	Maximum outstanding during the year 2019-20	Daily Average outstanding during the year 2019-20	Outstanding as on 31 March 2020
<b>Securities sold under repo<sup>1</sup></b>								
i. Government securities	539.70	4,062.62	2,502.18	539.70	-	3,434.16	804.68	988.72
ii. Corporate debt securities	-	-	-	-	-	-	-	-
<b>Securities purchased under reverse repo<sup>1</sup></b>								
i. Government securities	3,225.86	13,251.93	8,283.89	9,053.85	-	11,552.99	6,138.66	8,590.83
ii. Corporate debt securities	-	-	-	-	-	-	-	-

<sup>1</sup> Amount reported are based on the value of securities under Repo and Reverse Repo.

**Fincare Small Finance Bank Limited**

**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

**22.2 Investments (cont'd)**

**B. Repurchase transactions (cont'd)**

**Tri - Party Repo**

Particulars	Year ended 31 March 2019			
	Minimum outstanding during the year 2018-19	Maximum outstanding during the year 2018-19	Daily Average outstanding during the year 2018-19	Outstanding as on 31 March 2019
<b>Securities sold under repo<sup>1</sup></b>				
i. Government securities	105.12	105.12	105.12	-
ii. Corporate debt securities	-	-	-	-
<b>Securities purchased under reverse repo<sup>1</sup></b>				
i. Government securities	50.34	700.14	429.91	700.14
ii. Corporate debt securities	-	-	-	-

<sup>1</sup> Amounts disclosed are based on face value of securities under Repo and Reverse Repo.

**Qualitative disclosure**

The Bank applied for the segment of Tri Party Repo (TREP's) on November 30, 2018 and received the membership approval on March 05, 2019. The Bank has commenced the Treps borrowing and lending w.e.f. March 18, 2019 after requisite collateral and default funds were in place. The Bank was a participant in the segment for a total of 13 days in FY 2018-19.

The Bank has commenced the reverse repo borrowing and lending w.e.f. March 18, 2019 after requisite collateral and default funds were in place.

The Bank applied for the segment of Repo/Reverse repo post receipt of scheduled bank license from the RBI and received the approval for the said segment. The Bank has commenced the Repo and Reverse repo operation w.e.f. August 01, 2019 after requisite collateral and default funds were in place.

The securities provided/allotted to the Bank till date for reverse repo transactions are all issued by Government of India in the form of government securities, floating rate bonds and T-Bills.

**C. Non-SLR investment portfolio**

**a) Issuer composition of Non-SLR investments**

As at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, respectively; there are no outstanding Non-SLR investments.

**b) Non-performing Non-SLR investments**

During the periods ended June 30, 2021, June 30, 2020 and years ended March 31, 2021, March 31, 2020 and March 31, 2019, respectively; there are no non performing Non - SLR investments.

**D. Sale and Transfer to/from HTM Category**

During the periods ended June 30, 2021, June 30, 2020 and years ended March 31, 2021, March 31, 2020 and March 31, 2019, respectively; there was no sale and transfer to/from HTM category.

**22.3 Derivatives**

During the periods ended June 30, 2021, June 30, 2020 and years ended March 31, 2021, March 31, 2020 and March 31, 2019, respectively; the Bank has not undertaken any derivative transaction and there is no outstanding position as at the period / year end. Hence, disclosures related to forward rate agreement / interest rate swap and exchange traded interest rate derivatives are not provided.

Fincare Small Finance Bank Limited

Annexure 22 - Notes forming part of the restated summary statements

(All amounts in ₹ million except otherwise stated)

22.4 Asset quality

A. Non-performing assets<sup>1</sup>

The following table sets forth, for the periods indicated, the details of movement of gross non-performing assets (NPAs), net NPAs and provisions.

Particulars	As at	As at	As at	As at	As at
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
<b>(i) Net NPAs to Net Advances (%)</b>	3.95%	0.32%	2.80%	0.41%	0.34%
<b>(ii) Movement of NPAs (Gross)</b>					
(a) Opening balance	3,535.85	447.18	447.18	358.92	172.17
(b) Additions during the period/year	2,705.93	58.50	3,571.17	743.30	435.62
(c) Reductions during the period/year	(1,742.29)	(190.70)	(482.50)	(655.04)	(248.87)
(d) Closing balance	<b>4,499.49</b>	<b>314.98</b>	<b>3,535.85</b>	<b>447.18</b>	<b>358.92</b>
<b>(iii) Movement of Net NPAs</b>					
(a) Opening balance	1,484.10	197.47	197.47	94.93	131.68
(b) Additions during the period/year	1,807.05	42.19	1,501.19	453.82	249.89
(c) Reductions during the period/year	(1,156.01)	(79.99)	(214.56)	(351.28)	(286.64)
(d) Closing balance	<b>2,135.14</b>	<b>159.67</b>	<b>1,484.10</b>	<b>197.47</b>	<b>94.93</b>
<b>(iv) Movement of provisions for NPAs (excluding provision on standard assets)</b>					
(a) Opening balance	2,051.75	249.71	249.71	263.99	40.49
(b) Provision made during the period / year	1,280.65	73.43	2,110.78	484.62	400.70
(c) Write off/ write back of excess provision	(968.05)	(167.83)	(308.74)	(498.90)	(177.20)
(d) Closing balance	<b>2,364.35</b>	<b>155.31</b>	<b>2,051.75</b>	<b>249.71</b>	<b>263.99</b>

<sup>1</sup> Non performing assets include only non performing advances as on June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019.

**Fincare Small Finance Bank Limited**

**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

**22.4 Asset quality (cont'd)**

**C. Details of financial assets sold to securitisation / reconstruction company for asset reconstruction**

The Bank has not sold any financial assets during the period ended June 30, 2021, June 30, 2020 and years ended March 31, 2021, March 31, 2020 and March 31, 2019, to securitisation / reconstruction company for asset reconstruction.

**D. Details of non-performing financial assets purchased / sold**

The Bank has not purchased or sold any non performing financial assets during the during the period ended June 30, 2021, June 30, 2020 and the year ended March 31, 2021, March 31, 2020 and March 31, 2019.

**E. (i) Provisions towards standard assets**

Particulars	As at	As at	As at	As at	As at
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
Provisions towards standard assets	1,364.93	1,333.58	1,116.14	1,061.02	125.71
	<b>1,364.93</b>	<b>1,333.58</b>	<b>1,116.14</b>	<b>1,061.02</b>	<b>125.71</b>

**(ii) General provision for COVID 19 deferment cases as per the RBI COVID 19 Regulatory package**

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Bank granted a moratorium of three months on the payment of all instalments and / or interest, as applicable, falling due between March 01, 2020 and May 31, 2020, to all eligible borrowers. In line with the additional Regulatory Package guidelines dated May 23, 2020, the Bank granted a second phase of three months moratorium on instalments and / or interest, as applicable, falling due between June 01, 2020 and August 31, 2020.

**The quantitative disclosures as required by RBI circular dated April 17, 2020 for the following periods / years:**

Particulars	As at	As at	As at	As at
	30 June 2020	31 March 2021	31 March 2020	31 March 2019
- Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended in terms of paragraph 2 and 3 of the circular (as of 29 February 2020)	478.68	478.68	478.68	-
- Of the above, respective amounts where asset classification benefits is extended	402.48	339.56	408.31	-
- Provision made in terms of paragraph 5 of the COVID-19 Regulatory Package during the period / year				
- In Q4 FY2020	26.80	26.80	26.80	-
- In Q1 FY 2021	26.80	26.80	-	-
- Provision adjusted against slippages during the period / year in terms of paragraph 6 of the COVID 19 Regulatory Package	-	53.60	-	-
- Residual provision held at the period / year ended	53.60	-	26.80	-

**(iii) Higher provision for COVID 19**

In management's view providing moratorium to borrowers at a mass scale based on the RBI directives, by itself is not considered to result in a significant increase in credit risk for such borrowers. The full extent of impact of the pandemic on the Bank's operations and financial metric (including impact on provision for loan portfolio) will depend on future developments including the second wave that has significantly increased the number of cases in India, governmental and regulatory measures and the Bank's responses thereto, which are uncertain at this time.

The second wave of the Covid-19 pandemic in April-May 2021 led to the re-imposition of localised/regional lock down measures in various parts of the country. In the absence of regulatory dispensations like moratorium on loan repayments and standstill on asset classification, the impact on the quality of the loan portfolio would likely be sharper and earlier during the financial year ended March 31, 2022. The second wave has started to subside from June 2021 onwards and there has been a gradual lifting of lock downs, resulting in an increase in economic activity.

The Bank held an aggregate Covid-19 related provision of ₹ 590.77 million as at March 31, 2021. Further, the Bank made Covid-19 related provision amounting to ₹ 431.56 million for the period ended June 30, 2021. As at June 30, 2021, the Bank held an aggregate Covid-19 related provision of ₹ 780.75 million (included in General provision for standard assets) after utilisation towards Covid-19 related delinquencies.

**(iv) Update on Supreme Court of India order**

The Supreme Court, in a writ petition through its interim order dated September 03, 2020, had directed that accounts which were not declared as NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Bank had not classified any account which was not NPA as of August 31, 2020 as per the RBI norms, as NPA after August 31, 2020. However, the Bank had made a contingency provision for such borrower accounts not classified as non-performing and included such provision in above mentioned Covid-19 related provision.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors. and other connected matters. In this connection, the RBI vide its circular dated April 07, 2021 has provided extant instructions to all lending institutions for asset classification of all borrower accounts subsequent to the above mentioned judgement. The Bank has accordingly classified these borrower accounts as per the extant IRAC norms with effect from September 01, 2020 and utilised the above Covid-19 related provision towards provision on these accounts.



## Fincare Small Finance Bank Limited

### Annexure 22 - Notes forming part of the restated summary statements

(All amounts in ₹ millions except otherwise stated)

#### 22.4 Asset quality (cont'd)

#### B. Particulars of accounts restructured for the three months period ended June 30, 2021

Type of Restructuring	Asset Classification	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	224	14,317	-	28	14,569	224	14,317	-	28	14,569
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	7.77	548.42	-	0.78	556.97	7.77	548.42	-	0.78	556.97
	Provision thereon	-	-	-	-	-	-	-	-	-	-	1.94	138.51	-	0.78	141.23	1.94	138.51	-	0.78	141.23
Fresh restructuring during the three month ended	No. of borrowers	-	-	-	-	-	-	-	-	-	-	30	33,856	-	-	33,886	30	33,856	-	-	33,886
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	0.24	689.50	-	-	689.74	0.24	689.50	-	-	689.74
	Provision thereon	-	-	-	-	-	-	-	-	-	-	0.08	174.73	-	-	174.81	0.08	174.73	-	-	174.81
Upgradations to restructured standard category during the three month ended	No. of borrowers	-	-	-	-	-	-	-	-	-	-	10	-	(10)	-	-	10	-	(10)	-	
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	0.25	-	(0.25)	-	-	0.25	-	(0.25)	-	
	Provision thereon	-	-	-	-	-	-	-	-	-	-	0.06	-	(0.06)	-	-	0.06	-	(0.06)	-	
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next period	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Downgradations of restructured accounts during the three month ended	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(106)	(78)	-	184	-	(106)	(78)	-	184	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	(3.23)	(2.61)	-	5.84	-	(3.23)	(2.61)	-	5.84	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.83)	(5.01)	-	5.84	-	(0.83)	(5.01)	-	5.84	-
Write-offs of restructured accounts during the three month ended	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	(1)	-	(5)	(6)	-	(1)	-	(5)	(6)
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.01)	-	(0.09)	(0.10)	-	(0.01)	-	(0)	(0.10)
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	(0.00)	-	(0.09)	(0.09)	-	(0.00)	-	(0)	(0.09)
Movement in accounts	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(23)	(1,167)	-	(2)	(1,192)	(23)	(1,167)	-	(2)	(1,192)
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	(0.91)	(46.15)	-	(0)	(47.16)	(0.91)	(46.15)	-	(0)	(47.16)
	Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.23)	(3.89)	-	(0)	(4.41)	(0.23)	(3.89)	-	(0)	(4.41)
Restructured Accounts as on June 30 (closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	125	46,937	-	195	47,257	125	46,937	-	195	47,257
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	3.87	1,189.40	-	6.18	1,199.45	3.87	1,189.40	-	6.18	1,199.45
	Provision thereon	-	-	-	-	-	-	-	-	-	-	0.96	304.40	-	6.18	311.54	0.96	304.40	-	6.18	311.54

1 Out of 33,856 accounts, 5,934 restructured accounts have been provided additional finance as a part of resolution plan which was initially classified as standard as per Prudential Framework for resolution of stressed assets dated June 7, 2019. The amounting outstanding and provision thereon, towards such additional finance is ₹ 1,21.56 million and ₹ 30.40 million respectively as on June 30, 2021.

2 Additional finance having an amount outstanding and provision thereon of ₹ 205.77 million and ₹ 51.45 million respectively as on June 30, 2021 was downgraded to sub-standard during the three months ended June 30, 2021.

## Fincare Small Finance Bank Limited

### Annexure 22 - Notes forming part of the restated summary statements

(All amounts in ₹ million except otherwise stated)

#### 22.4 Asset quality (cont'd)

#### B. Particulars of accounts restructured for the three months period ended June 30, 2020

Type of Restructuring	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
<b>Restructured Accounts as on April 1 of the FY (opening figures)</b>	No. of borrowers	-	-	-	-	-	-	-	-	-	-	49	-	15	64	-	49	-	15	64
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	0.17	-	0.11	0.28	-	0.17	-	0.11	0.28
	Provision there-on	-	-	-	-	-	-	-	-	-	-	0.09	-	0.11	0.20	-	0.09	-	0.11	0.20
<b>Fresh restructuring during the three months ended<sup>1</sup></b>	No. of borrowers	-	-	-	-	-	-	-	-	-	-	50	-	-	50	-	50	-	-	50
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	1.64	-	-	1.64	-	1.64	-	-	1.64
	Provision there-on	-	-	-	-	-	-	-	-	-	-	0.41	-	-	0.41	-	0.41	-	-	0.41
<b>Upgradations to restructured standard category during the three months ended</b>	No. of borrowers	-	-	-	-	-	-	-	-	-	2	-	-	(2)	-	2	-	-	(2)	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	0.00	-	-	(0.00)	-	0.00	-	-	(0.00)	-
	Provision there-on	-	-	-	-	-	-	-	-	-	0.00	-	-	(0.00)	-	0.00	-	-	(0.00)	-
<b>Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next period</b>	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Downgradations of restructured accounts during the three months ended</b>	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(1)	-	1	-	-	(1)	-	1	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	(0.00)	-	0.00	-	-	(0.00)	-	0	-
	Provision there-on	-	-	-	-	-	-	-	-	-	-	(0.00)	-	0.00	-	-	(0.00)	-	0	-
<b>Write-offs of restructured accounts during the three months ended</b>	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(2)	-	(10)	(12)	-	(2)	-	(10)	(12)
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	(0.01)	-	(0.10)	(0.11)	-	(0.01)	-	(0.10)	(0.11)
	Provision there-on	-	-	-	-	-	-	-	-	-	-	(0.00)	-	(0.10)	(0.10)	-	(0.00)	-	(0.10)	(0.10)
<b>Movement in accounts</b>	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(12)	-	(3)	(15)	-	(12)	-	(3)	(15)
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	(0.00)	-	(0.01)	(0.01)	-	(0.00)	-	(0.01)	(0.01)
	Provision there-on	-	-	-	-	-	-	-	-	-	-	(0.00)	-	(0.01)	(0.01)	-	(0.00)	-	(0.01)	(0.01)
<b>Restructured Accounts as on June 30 (closing figures)</b>	No. of borrowers	-	-	-	-	-	-	-	-	-	2	84	-	1	87	2	84	-	1	87
	Amount Outstanding	-	-	-	-	-	-	-	-	-	0.00	1.79	-	0.00	1.79	0.00	1.79	-	0.00	1.79
	Provision there-on	-	-	-	-	-	-	-	-	-	0.00	0.49	-	0.00	0.49	0.00	0.49	-	0.00	0.49

<sup>1</sup> The 50 accounts have been provided additional finance as a part of resolution plan which is classified as standard as per Prudential Framework for resolution of stressed assets dated June 7, 2019. The amount outstanding and provision thereon, towards such additional finance is ₹ 1.02 millions and ₹ 0.25 million respectively as on June 30, 2020.

Fincare Small Finance Bank Limited

Annexure 22 - Notes forming part of the restated summary statements

(All amounts in ₹ million except otherwise stated)

22.4 Asset quality (cont'd)

B. Particulars of accounts restructured for year ended March 31, 2021

Type of Restructuring	Asset Classification	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	49	-	15	64	-	49	-	15	64
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	0.17	-	0.11	0.28	-	0.17	-	0.11	0.28
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	0.09	-	0.11	0.20	-	0.09	-	0.11	0.19
Fresh restructuring during the year	No. of borrowers <sup>1</sup>	-	-	-	-	-	-	-	-	-	-	238	14,326	-	-	14,564	238	14,326	-	-	14,564
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	8.18	548.84	-	-	557.02	8.18	548.84	-	-	557.02
	Provision thereon	-	-	-	-	-	-	-	-	-	-	2.33	138.91	-	-	141.24	2.33	138.91	-	-	141.24
Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Downgradations of restructured accounts during the FY	No. of borrowers <sup>2</sup>	-	-	-	-	-	-	-	-	-	-	(14)	(14)	-	28	-	(14)	(14)	-	28	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	(0.41)	(0.36)	-	0.77	-	(0.41)	(0.36)	-	0.77	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.39)	(0.38)	-	0.77	-	(0.39)	(0.38)	-	0.77	-
Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	(13)	-	(10)	(23)	-	(13)	-	(10)	(23)
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.04)	-	(0.10)	(0.14)	-	(0.04)	-	(0.10)	(0.14)
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	(0.02)	-	(0.10)	(0.12)	-	(0.02)	-	(0.10)	(0.12)
Movement in accounts	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	(31)	-	(5)	(36)	-	(31)	-	(5)	(36)
	Amount	-	-	-	-	-	-	-	-	-	-	-	(0.10)	-	(0.01)	(0.11)	-	(0.10)	-	(0.01)	(0.11)
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	(0.05)	-	0.00	(0.05)	-	(0.05)	-	0.00	(0.05)
Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	224	14,317	-	28	14,569	224	14,317	-	28	14,569
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	7.77	548.51	-	0.77	557.05	7.77	548.51	-	0.77	557.05
	Provision thereon	-	-	-	-	-	-	-	-	-	-	1.94	138.56	-	0.77	141.27	1.94	138.56	-	0.77	141.27

1 Out of 14,326 accounts, 14,231 restructured accounts have been provided additional finance as a part of resolution plan which was initially classified as standard as per Prudential Framework for resolution of stressed assets dated 7 June 2019. The amount outstanding and provision thereon, towards such additional finance is 332.52 million and 83.92 million respectively as on March 31, 2021.

2 Additional finance, with an amount outstanding and provision thereon of ₹ 13.31 million and 3.9 million respectively as on March 31, 2021 was downgraded to sub-standard during the year ended March 31, 2021.

**Fincare Small Finance Bank Limited**

**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

**B. Particulars of accounts restructured during the year ended March 31, 2020**

Type of Restructuring Asset Classification	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
<b>Restructured Accounts as on April 1 of the FY (opening figures)</b>	No. of borrowers	-	-	-	-	-	-	-	-	-	-	164	-	-	164	-	164	-	-	164
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	1.63	-	-	1.63	-	1.63	-	-	1.63
	Provision there-on	-	-	-	-	-	-	-	-	-	-	0.82	-	-	0.82	-	0.82	-	-	0.82
<b>Fresh restructuring during the year</b>	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Upgradations to restructured standard category during the year</b>	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next year</b>	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Downgradations of restructured accounts during the FY</b>	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(15)	-	15	-	-	(15)	-	15	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	(0.11)	-	0.11	-	-	(0.11)	-	0.11	-
	Provision there-on	-	-	-	-	-	-	-	-	-	-	(0.06)	-	0.06	-	-	(0.06)	-	0.06	-
<b>Write-offs of restructured accounts during the FY</b>	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(23)	-	-	(23)	-	(23)	-	-	(23)
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	(0.24)	-	-	(0.24)	-	(0.24)	-	-	(0.24)
	Provision there-on	-	-	-	-	-	-	-	-	-	-	(0.12)	-	-	(0.12)	-	(0.12)	-	-	(0.12)
<b>Movement in accounts</b>	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(77)	-	-	(77)	-	(77)	-	-	(77)
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	(1.11)	-	-	(1.11)	-	(1.11)	-	-	(1.11)
	Provision there on	-	-	-	-	-	-	-	-	-	-	(0.56)	-	-	(0.56)	-	(0.56)	-	-	(0.56)
<b>Restructured Accounts as on March 31 of the FY (closing figures)</b>	No. of borrowers	-	-	-	-	-	-	-	-	-	-	49	-	15	64	-	49	-	15	64
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	0.17	-	0.11	0.28	-	0.17	-	0.11	0.28
	Provision there-on	-	-	-	-	-	-	-	-	-	-	0.09	-	0.11	0.20	-	0.09	-	0.11	0.20

**Fincare Small Finance Bank Limited**

**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

**B. Particulars of accounts restructured during the year ended March 31, 2019**

Type of Restructuring	Asset Classification	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	164	-	-	-	164	-	164	-	-	164
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	1.63	-	-	-	1.63	-	1.63	-	-	1.63
	Provision there-on	-	-	-	-	-	-	-	-	-	-	0.82	-	-	-	0.82	-	0.82	-	-	0.82
Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	164	-	-	-	164	-	164	-	-	164
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	1.63	-	-	-	1.63	-	1.63	-	-	1.63
	Provision there-on	-	-	-	-	-	-	-	-	-	-	0.82	-	-	-	0.82	-	0.82	-	-	0.82

The Bank has not restructured any accounts during the year ended March 31, 2018. Therefore, no disclosure has been provided the same.

## Fincare Small Finance Bank Limited

### Annexure 22 - Notes forming part of the restated summary statements

(All amounts in ₹ million except otherwise stated)

#### 22.4 Asset quality (cont'd)

##### C.I Particulars of accounts restructured for the year ended 30 June 2021 as per the RBI notification on Resolution framework for COVID-19-related stress dated August 06, 2020

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan <sup>2</sup>	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate persons <sup>1</sup>	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	73,036	1,020.14	-	841.01	321.49
<b>Total</b>	<b>73,036</b>	<b>1,020.14</b>	<b>-</b>	<b>841.01</b>	<b>321.49</b>

1 As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

2 This amount does not include interest accrued as on the date of implementation of the plan.

##### C.II Details of restructuring under Resolution framework 2.0 - Resolution of COVID-19- related stress of Individuals and Small Businesses issued by RBI dated May 05, 2021

The Bank has restructured 32,532 loans amounting to ₹ 581.80 million under the said framework. The amount outstanding and provision thereon towards these restructured accounts is ₹ 700.91 million and ₹ 138.90 million respectively as on June 30, 2021.

##### C.I Particulars of accounts restructured for the year ended 31 March 2021 as per the RBI notification on Resolution framework for COVID-19-related stress dated 06 August 2020

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan <sup>2</sup>	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate persons <sup>1</sup>	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	35,826	412.26	-	825.99	214.17
<b>Total</b>	<b>35,826</b>	<b>412.26</b>	<b>-</b>	<b>825.99</b>	<b>214.17</b>

1 As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

2 This amount does not include interest accrued as on the date of implementation of the plan.

**Fincare Small Finance Bank Limited**

**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

**22.5 Provisioning coverage ratio**

Particulars	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
The provisioning coverage ratio of the Bank computed in terms of the RBI guidelines after considering technical write off	67.95%	92.93%	73.68%	91.14%	94.42%

**22.6 Business ratios**

Particulars	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(i) Interest income as a percentage to working funds <sup>1</sup>	3.97%	4.12%	15.88%	18.18%	19.74%
(ii) Non interest income as a percentage to working funds <sup>1</sup>	0.33%	0.15%	1.62%	2.47%	2.27%
(iii) Operating profit <sup>2</sup> as a percentage to working funds <sup>1</sup>	1.02%	1.08%	4.63%	5.74%	4.89%
(iv) Return on assets (average) <sup>3</sup>	0.20%	0.51%	1.44%	2.44%	3.33%
(v) Business <sup>3</sup> per employee <sup>2</sup> (₹ in million)	10.07	11.42	11.47	9.62	6.18
(vi) Profit per employee <sup>4</sup> (₹ in million)	0.02	0.06	0.15	0.23	0.21

1 For the purpose of computing the ratio, working funds represent the monthly average of total assets computed for reporting dates of Form X submitted to the RBI under Section 27 of the Banking Regulation Act, 1949.

2 Operating profit is net profit for the period / year before provisions and contingencies.

3 Business is monthly average of advances and deposits (net of inter bank deposits) as reported to the RBI in Form X under section 27 of the Banking Regulation Act, 1949.

4 Productivity ratios are based on average number of employees.

**Fincare Small Finance Bank Limited**

**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

**22.7 Asset liability management (ALM)**

i) **Assets and liabilities are classified in the maturity buckets as per the guidelines issued by the RBI. The following table sets forth, the maturity pattern of assets and liabilities of the Bank as at June 30, 2021.**

	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	2 months to 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	1,279.23	507.92	878.72	581.79	2,502.02	1,869.21	6,626.88	9,493.05	31,262.45	1,289.02	0.53	56,290.82
Advances <sup>2,3</sup>	154.86	560.30	869.32	1,921.14	3,842.51	3,671.77	8,642.91	13,483.90	14,620.45	4,057.10	2,245.54	54,069.78
Investments	5,857.67	163.37	123.26	231.60	189.71	347.36	1,100.47	1,397.22	9,040.42	397.30	0.08	18,848.46
Borrowings <sup>1</sup>	47.13	-	180.00	-	175.90	883.30	576.43	1,806.51	11,668.39	2,211.04	92.27	17,640.97
Foreign currency assets	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Foreign currency liabilities	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

ii) **Assets and liabilities are classified in the maturity buckets as per the guidelines issued by the RBI. The following table sets forth, the maturity pattern of assets and liabilities of the Bank as at June 30, 2020.**

	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	2 months to 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	413.92	559.07	783.90	1,995.44	3,673.23	2,553.25	4,318.00	5,393.63	28,132.88	4,254.85	1.40	52,079.57
Advances <sup>2,3</sup>	14.55	25.38	29.43	181.52	502.25	788.80	6,076.74	14,344.67	24,143.79	1,877.81	1,553.51	49,538.45
Investments	3,696.73	156.90	102.14	341.05	561.19	403.06	903.75	988.87	4,799.78	664.76	146.75	12,764.98
Borrowings <sup>1</sup>	192.00	-	367.50	-	357.15	693.75	603.25	1,617.40	5,889.30	2,350.00	1,000.00	13,070.35
Foreign currency assets	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Foreign currency liabilities	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

iii) **Assets and liabilities are classified in the maturity buckets as per the guidelines issued by the RBI. The following table sets forth, the maturity pattern of assets and liabilities of the Bank as at March 31, 2021.**

	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	2 months to 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	512.41	598.31	741.71	462.02	1,126.51	1,153.70	5,160.31	11,758.70	28,916.96	2,753.65	0.70	53,184.98
Advances <sup>2,3</sup>	164.80	470.12	747.08	1,493.93	3,039.43	3,236.19	8,897.99	14,095.47	15,608.29	3,140.00	2,117.90	53,011.20
Investments	3,996.80	194.30	183.40	333.80	142.70	159.80	780.00	1,674.99	4,655.50	672.20	0.10	12,793.59
Borrowings <sup>1</sup>	-	-	180.00	-	-	83.30	1,286.34	1,864.50	7,401.71	3,091.04	97.45	14,004.34
Foreign currency assets	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Foreign currency liabilities	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

iv) **The following table sets forth, the maturity pattern of assets and liabilities of the Bank as at March 31, 2020**

	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	2 months to 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	112.20	696.33	523.10	862.98	953.48	1,783.33	8,447.06	6,347.32	26,169.18	642.23	2.12	46,539.33
Advances <sup>2,3</sup>	-	17.89	11.66	136.33	172.54	2,386.94	8,107.77	14,618.38	19,308.00	1,937.19	1,459.09	48,155.79
Investments	2,781.92	146.17	92.69	292.56	214.64	161.83	1,275.00	1,017.18	3,786.71	151.51	149.39	10,069.60
Borrowings <sup>1</sup>	-	-	367.50	-	-	243.77	1,610.40	1,898.63	6,211.32	2,350.00	1,000.00	13,681.62
Foreign currency assets	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	N.A.
Foreign currency liabilities	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	N.A.

v) **The following table sets forth, the maturity pattern of assets and liabilities of the Bank as at March 31, 2019**

	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	2 months to 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	120.04	274.71	202.30	339.01	482.53	863.83	1,753.60	5,385.17	11,001.95	7.10	1.88	20,432.12
Advances <sup>2,3</sup>	46.18	229.82	330.31	736.57	1,409.42	1,430.42	4,534.10	7,749.63	9,336.28	1,138.90	705.26	27,646.89
Investments	3,345.06	165.98	88.87	136.33	141.82	102.20	341.33	880.50	1,632.56	55.02	118.93	7,008.60
Borrowings <sup>1</sup>	8.78	-	267.50	72.14	173.16	341.93	1,466.22	2,207.19	4,800.12	2,743.70	750.00	12,830.74
Foreign currency assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Foreign currency liabilities	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**Notes:**

1 The above borrowings exclude interest accrued and due and interest accrued but not due.

2 The advances comprise of portfolio loan and does not include interest accrued and not due.

3 Includes interest bearing loans only.

4 Classification of assets and liabilities under the different maturity buckets is based on the estimates and assumptions used by the Bank for compiling the structural liquidity statement submitted to the RBI. This has been relied upon by the auditor.

5 In view of the COVID-19 pandemic, the Reserve Bank of India announced measures to support the economy and the financial system. The measures permit banks to offer a moratorium or deferment on all term loans or working capital facilities outstanding as on March 01, 2020. As a prudent measure, in view of the potential relief to borrowers, for ALM purposes, the contractual inflows as on March 31, 2020 on borrower accounts have been suitably adjusted for the moratorium given to customers by the Bank upto May 31, 2020, based on the information available upto a point in time.



**Fincare Small Finance Bank Limited**

**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

**22.8 - Segment reporting**

Business segments have been identified and reported taking into account, the customer profile, the nature of products and services, the differing risks and returns, the organisation structure and the guidelines prescribed by RBI. The Bank operates in the following segments:

**a) Treasury**

The treasury segment primarily consists of entire investment portfolio of the Bank.

**b) Corporate/Wholesale banking**

Wholesale banking includes all advances to companies and statutory bodies, which are not included under Retail banking.

**c) Retail banking**

The retail banking segment serves retail customers through the branch network. Exposures are classified under retail banking taking into account the status of the borrower (orientation criterion), the nature of product, granularity of the exposure and the quantum thereof. Revenues of the retail banking segment are primarily derived from interest and fees earned on retail loans, interest on deposits placed as collateral with banks and financial institutions. Expenses of this segment primarily comprise interest expense on borrowings, deposits, infrastructure and premises expenses for operating the branch network, personnel costs and other direct overheads.

**d) Other banking operations**

Other Banking operations include other items not attributable to any particular business segment.

**e) Unallocated**

All items which are reckoned at an enterprise level are classified under this segment. This includes other unallocable assets and liabilities.

**Geographical segments**

The business operations of the Bank are concentrated in India hence the Bank is considered to operate only in domestic segment.

Business segments Particulars	Treasury		Corporate/Wholesale Banking		Retail Banking		Other Banking Operations		Total	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Revenue	336.84	286.65	21.73	78.93	3,280.75	3,004.28	-	-	3,639.32	3,369.86
Result	213.26	140.04	15.18	52.52	294.65	615.81	-	-	523.09	808.37
Unallocated expenses									297.57	286.59
<b>Operating profit</b>									<b>225.52</b>	<b>521.78</b>
Income taxes									52.49	118.32
<b>Net profit</b>									<b>173.03</b>	<b>403.46</b>
<b>Other information:</b>										
Segment assets	32,426.16	23,066.42	563.08	1,952.75	54,291.27	51,153.40	-	-	87,280.51	76,172.57
Unallocated assets									1,563.08	1,151.65
<b>Total assets</b>									<b>88,843.59</b>	<b>77,324.22</b>
Segment liabilities	9,623.89	6,580.22	227.47	675.79	65,760.40	59,519.03	-	-	75,611.76	66,775.04
Unallocated liabilities									13,231.83	10,549.18
<b>Total liabilities</b>									<b>88,843.59</b>	<b>77,324.22</b>

Business segments Particulars	Treasury		Corporate/Wholesale Banking		Retail Banking		Other Banking Operations		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Revenue	1,033.47	949.20	215.69	331.60	12,534.91	10,876.40	-	-	13,784.07	12,157.20
Result	574.72	300.47	76.52	173.00	1,913.45	2,596.80	-	-	2,564.69	3,070.27
Unallocated expenses									1,100.49	1,043.04
<b>Operating profit</b>									<b>1,464.20</b>	<b>2,027.23</b>
Income taxes									332.80	592.74
<b>Net profit</b>									<b>1,131.40</b>	<b>1,434.49</b>
<b>Other information:</b>										
Segment assets	24,474.19	21,034.20	785.71	2,560.10	52,870.62	46,765.70	-	-	78,130.52	70,360.00
Unallocated assets									1,531.66	802.74
<b>Total assets</b>									<b>79,662.18</b>	<b>71,162.74</b>
Segment liabilities	4,555.03	5,723.00	298.30	1,030.70	63,673.50	54,352.50	-	-	68,526.83	61,106.20
Unallocated liabilities									11,135.35	10,056.54
<b>Total liabilities</b>									<b>79,662.18</b>	<b>71,162.74</b>

Business segments Particulars	Treasury	Corporate/Whole sale Banking	Retail Banking	Other Banking Operations	Total
	31 March 2019	31 March 2019	31 March 2019	31 March 2019	31 March 2019
Revenue	405.20	223.10	6,121.64	-	6,749.94
Result	(57.43)	107.80	2,096.44	-	2,146.81
Unallocated expenses					1,043.79
<b>Operating profit</b>					<b>1,103.02</b>
Income taxes					83.22
<b>Net profit</b>					<b>1,019.80</b>
<b>Other information:</b>					
Segment assets	12,263.24	2,574.14	26,339.67	-	41,177.05
Unallocated assets					540.35
<b>Total assets</b>					<b>41,717.40</b>
Segment liabilities	7,063.81	1,497.16	26,249.24	-	34,810.21
Unallocated liabilities					6,907.19
<b>Total liabilities</b>					<b>41,717.40</b>

**Note:**

1 The Bank does not have any operations under the "Other Banking Operations" segment in the three months ended June 30, 2021, June 30, 2020 and years ended March 31, 2021, March 31, 2020 and March 31, 2019. Hence the same has not been disclosed in the table above.

2 In computing the above disclosure, certain assumptions and estimates are made by the management which have been relied upon by the auditor.

**Fincare Small Finance Bank Limited**

**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

**22.9 - Related party disclosure**

**A. Description of relationship**

**Nature of relationship**

*i) Parties where control exists*

Fincare Business Services Limited (formerly Fincare Business Services Private Limited)

Holding Company (w.e.f September 16, 2016)

*ii) Key management personnel*

Mr. Rajeev Yadav  
Mr. Keyur Doshi  
Ms. Shefaly Kothari

Managing Director and Chief Executive Officer (w.e.f. May 01, 2017)  
Chief Financial Officer (w.e.f May 01, 2017)  
Company Secretary (w.e.f February 23, 2017)

*iii) Other related parties*

Lok Management Services Private Limited<sup>1</sup>  
Mr. Rakesh Rai, Ms. Komal Keyur Doshi, Mr. Parth Keyur Doshi, Mr. Gopalbhai Doshi, Ms. Sarojben Doshi, Dr. Poonam Yadav, Mr. Viraj Yadav, Ms. Nysa Yadav, Ms. Saroj Khola, Mr. H S Khola and Ms. Rekha Pratulchandra Kothari

Entities under common control and shareholder  
Relatives of key management personnel

**Note:**

<sup>1</sup> Lok Management Services Private Limited had applied to the National Company Law Tribunal (NCLT) for amalgamation with Fincare Business Services Limited with an appointed date of the scheme is April 01, 2019. On obtaining the NCLT order dated March 05, 2020, Lok Management Services Private Limited ceased to exist and has merged with Fincare Business Services Limited.

**B. The transactions with related parties during the period/year :**

Nature of transaction	Relationship	For the three months ended	For the three months ended	For the year ended	For the year ended	For the year ended
		30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
<b>Issue of equity shares</b>						
Fincare Business Services Limited (formerly Fincare Business Services Private Limited)	Holding company	-	-	-	57.43	161.48
Lok Management Services Private Limited	Entities under common control and shareholder	-	-	-	10.61	19.17
Mr. Rajeev Yadav (June 30, 2021 : ₹ 1,010)	Key management personnel	0.00	-	-	-	-
Mr. Keyur Doshi	Key management personnel	0.68	-	-	-	-
Relative of key management personnel	Relative of key management personnel	5.72	-	-	-	-
<b>Issue of Bonus shares</b>						
Fincare Business Services Limited (formerly Fincare Business Services Private Limited)	Holding company	1,156.60	-	-	-	-
Mr. Rajeev Yadav (June 30, 2021 : ₹ 2,240)	Key management personnel	0.00	-	-	-	-
Mr. Keyur Doshi	Key management personnel	1.64	-	-	-	-
Relative of key management personnel	Relative of key management personnel	12.35	-	-	-	-
<b>Securities premium on equity shares</b>						
Fincare Business Services Limited (formerly Fincare Business Services Private Limited)	Holding company	-	-	-	697.57	1,488.95
Lok Management Services Private Limited	Entities under common control and shareholder	-	-	-	128.93	490.83
Mr. Rajeev Yadav	Key management personnel	0.02	-	-	-	-
Mr. Keyur Doshi	Key management personnel	10.91	-	-	-	-
Relative of key management personnel	Relative of key management personnel	91.51	-	-	-	-
<b>Managerial remuneration / remuneration for KMP</b>						
Mr. Rajeev Yadav	MD & Chief Executive Officer	7.38	7.37	29.52	39.06	30.19
Mr. Keyur Doshi	Chief Financial Officer	5.35	2.63	12.12	12.46	10.71
Ms. Shefaly Kothari	Company Secretary	0.81	0.50	2.81	2.22	2.01

**Fincare Small Finance Bank Limited**

**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

**22.9 - Related party disclosure (cont'd)**

**B. The transactions with related parties during the period/year (cont'd) :**

Nature of transaction	Relationship	For the three months ended	For the three months ended	For the year ended	For the year ended	For the year ended
		30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
<b>Term deposits made with the Bank <sup>1</sup></b>						
Fincare Business Services Limited (formerly Fincare Business Services Private Limited)	Holding company	232.48	91.02	676.54	-	738.40
Lok Management Services Private Limited	Entities under common control and shareholder	-	-	-	0.07	1,296.50
Ms. Shefaly Kothari	Key Management Personnel	-	-	-	-	0.34
Mr. Keyur Doshi	Key Management Personnel	-	-	-	-	-
Mr. Rajeev Yadav (March 31, 2021: ₹ 3,000)	Key Management Personnel	-	-	0.00	0.58	-
Relative of key management personnel	Relative of key management personnel	0.45	13.30	22.88	8.36	2.75
<b>Term deposits matured <sup>1</sup></b>						
Fincare Business Services Limited (formerly Fincare Business Services Private Limited)	Holding company	160.54	91.08	677.09	-	738.40
Lok Management Services Private Limited	Entities under common control and shareholder	-	-	-	0.07	1,499.18
Mr. Rajeev Yadav	Key Management Personnel	-	-	-	0.60	-
Ms. Shefaly Kothari	Key Management Personnel	-	-	-	0.25	1.39
Relative of key management personnel	Relative of key management personnel	1.39	-	4.03	2.26	-
<b>Interest expense on term deposits</b>						
Mr. Rajeev Yadav	Key management personnel	0.02	0.01	0.06	0.06	0.10
Mr. Keyur Doshi (June 30, 2021: ₹ 3,315, June 30, 2020: ₹ 3,018)	Key management personnel	0.00	0.00	0.01	0.01	0.01
Ms. Shefaly Kothari	Key management personnel	-	-	-	0.02	0.03
Fincare Business Services Limited (formerly Fincare Business Services Private Limited)	Holding Company	0.46	0.07	0.56	-	3.06
Lok Management Services Private Limited	Entities under common control and shareholder	-	-	-	-	10.46
Relative of key management personnel	Relative of key management personnel	0.78	0.50	2.81	1.04	0.19
<b>Interest expense on Sub Debts</b>						
Fincare Business Services Limited (formerly Fincare Business Services Private Limited)	Holding Company	-	5.27	0.39	31.56	60.69
<b>Professional charges</b>						
Lok Management Services Private Limited	Entities under common control and shareholder	-	-	-	-	8.54
<b>Receipt towards other receivable</b>						
Fincare Business Services Limited (formerly Fincare Business Services Private Limited)	Holding Company	-	-	-	-	1.20

<sup>1</sup> Deposits made with the Bank and deposits matured during the three months period ended June 30, 2021, June 30, 2020 and financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, exclude reinvestment transactions.

**Fincare Small Finance Bank Limited**

**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

**22.9 - Related party disclosure (cont'd)**

**C. Closing balance of the transactions with related parties :**

Nature of transaction	Relationship	As at	As at	As at	As at	As at
		30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
<b>Deposit balance (savings and term deposit)</b>						
Fincare Business Services Limited (formerly Fincare Business Services Private Limited)	Holding Company	72.02	-	-	-	-
Mr. Rajeev Yadav	Key management personnel	0.71	0.74	0.68	0.80	0.75
Mr. Keyur Doshi	Key management personnel	0.51	0.17	0.19	0.18	0.33
Ms. Shefaly Kothari	Key management personnel	0.20	0.46	0.58	0.20	0.95
Relative of key management personnel	Relative of key management personnel	84.60	33.12	67.17	19.76	7.52
<b>Interest expense payable on deposit balance (savings and term deposit)</b>						
Mr. Rajeev Yadav	Key management personnel	-	-	-	-	-
Mr. Keyur Doshi	Key management personnel	-	-	-	-	-
Ms. Shefaly Kothari	Key management personnel	-	-	-	-	-
Relative of key management personnel	Relative of key management personnel	-	-	-	-	-
<b>Sub-debt payable</b>						
Fincare Business Services Limited (formerly Fincare Business Services Private Limited)	Holding Company	-	186.90	-	186.90	288.40
<b>Interest payable on Sub-debt</b>						
Fincare Business Services Limited (formerly Fincare Business Services Private Limited)	Holding Company	-	5.27	-	0.52	0.80
<b>Current account balance</b>						
Fincare Business Services Limited (formerly Fincare Business Services Private Limited)	Holding Company	0.71	0.50	14.18	0.16	53.98
Lok Management Services Private Limited	Entities under common control and shareholder	-	-	-	0.09	5.09

**D. Maximum outstanding during the period/year**

<b>Deposit balance (savings and term deposit)</b>						
Lok Management Services Private Limited	Entities under common control and shareholder	-	-	-	0.07	442.59
Fincare Business Services Limited (formerly Fincare Business Services Private Limited)	Holding Company	232.56	91.08	900.73	-	448.56
Mr. Rajeev Yadav	Key management personnel	0.90	0.92	1.08	2.45	4.38
Mr. Keyur Doshi	Key management personnel	82.37	0.22	2.73	2.96	10.20
Ms. Shefaly Kothari	Key management personnel	0.58	0.46	0.85	1.74	2.32
Relative of key management personnel	Relative of key management personnel	235.46	43.16	90.58	26.41	55.46
<b>Interest expense payable on deposit balance (savings and term deposit)</b>						
Lok Management Services Private Limited	Entities under common control and shareholder	-	-	-	-	2.59
Fincare Business Services Limited (formerly Fincare Business Services Private Limited)	Holding Company	-	-	-	-	0.15
Mr. Rajeev Yadav (June 30, 2021: ₹ 950, June 30, 2020: ₹ 1,211, March 31, 2021: ₹ 3,349, March 31, 2020: ₹ 1,163)	Key management personnel	0.00	0.00	0.00	0.00	0.02
Mr. Keyur Doshi (June 30, 2020: ₹ 281, March 31, 2021: ₹ 1,746, March 31, 2020: ₹ 1,166)	Key management personnel	0.05	0.00	0.00	0.00	0.01
Ms. Shefaly Kothari (June 30, 2021: ₹ 3,268, June 30, 2020: ₹ 1,856)	Key management personnel	0.00	0.00	0.01	0.01	0.01
Relative of key management personnel	Relative of key management personnel	1.36	0.04	0.59	0.04	0.30

**Fincare Small Finance Bank Limited**

**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

**22.9 - Related party disclosure (cont'd)**

**D. Maximum outstanding during the period/year (cont'd)**

Nature of transaction	Relationship	As at	As at	As at	As at	As at
		30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
<b>Sub-debt payable</b>						
Fincare Business Services Limited (formerly Fincare Business Services Private Limited)	Holding Company	-	186.90	186.90	288.40	750.00
<b>Interest on Sub-debt payable</b>						
Fincare Business Services Limited (formerly Fincare Business Services Private Limited)	Holding Company	-	5.27	0.39	16.21	0.80
<b>Current account balance</b>						
Fincare Business Services Limited (formerly Fincare Business Services Private Limited)	Holding Company	119.36	112.43	223.64	873.30	1,404.39
Lok Management Services Private Limited	Entities under common control and shareholder	-	-	-	5.10	515.09

**Note:**

Lok Management Services Private Limited (LMSPL) had applied to the Regional Director (South East Region), Ministry of Corporate Affairs (MCA), Hyderabad for amalgamation with Fincare Business Services Limited with an appointed date of April 01, 2019. On obtaining the order dated March 05, 2020 from the Regional Director (South East Region), MCA, LMSPL ceased to exist and has been merged with Fincare Business Services Limited.

Annexure 22 - Notes forming part of the restated summary statements

(All amounts in ₹ million except otherwise stated)

22.10 - Concentration of deposits, advances, exposures and NPAs

A. Concentration of deposits

Particulars	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Total deposits of twenty largest depositors	9,833.45	9,221.50	8,614.05	8,401.85	6,229.83
Percentage of deposits of twenty largest depositors to total deposits of the Bank	17.47%	17.71%	16.20%	18.05%	30.49%

B. Concentration of advances

Particulars	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Total advances to twenty largest borrowers	662.91	1,687.23	892.31	2,078.94	2,186.60
Percentage of advances to twenty largest borrowers to total advances of the Bank	1.11%	3.19%	1.48%	3.94%	6.88%

C. Concentration of exposures

Particulars	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Total exposure to twenty largest borrowers / customers	662.91	1,687.23	892.31	2,078.94	2,186.60
Percentage of exposures to twenty largest borrowers / customers to total exposure of the Bank on borrowers / customers	1.11%	3.19%	1.48%	3.94%	6.88%

D. Concentration of NPAs

Particulars	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Total exposure to top four NPA accounts	90.82	20.45	108.49	9.96	5.26

E. Movement of non-performing assets<sup>1</sup>

Particulars	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
<b>(i). Movement of non-performing assets (Gross)</b>					
Opening Balance	3,535.85	447.18	447.18	358.92	172.17
Additions: Fresh NPAs during the period/year	2,705.93	58.50	3,571.17	743.30	435.62
<b>Sub total (A)</b>	<b>6,241.78</b>	<b>505.68</b>	<b>4,018.35</b>	<b>1,102.22</b>	<b>607.79</b>
Less :-					
(i) Upgradations	1,663.79	26.20	128.92	159.34	121.59
(ii) Recoveries (excluding recoveries made from upgraded accounts)	-	0.64	14.27	41.34	25.71
(iii) Technical / Prudential Write offs	67.39	163.86	339.31	454.36	101.57
(iv) Write offs other than those under (iii) above	11.11	-	-	-	-
<b>Sub-total (B)</b>	<b>1,742.29</b>	<b>190.70</b>	<b>482.50</b>	<b>655.04</b>	<b>248.87</b>
<b>Closing balance (A-B)</b>	<b>4,499.49</b>	<b>314.98</b>	<b>3,535.85</b>	<b>447.18</b>	<b>358.92</b>
<b>(ii). Movement in technical /prudential write off</b>					
Opening balance of Technical / Prudential written off accounts as at 1 April	2,103.74	1,781.38	1,781.39	1,343.29	1,892.54
Add : Technical / Prudential write offs during the period/year	67.39	163.86	339.32	454.36	101.57
<b>Sub total (A)</b>	<b>2,171.13</b>	<b>1,945.24</b>	<b>2,120.71</b>	<b>1,797.65</b>	<b>1,994.11</b>
Less : Permanent write off <sup>2</sup>	-	-	-	-	607.21
Less : Recoveries made from previously technical / prudential written off accounts during the period/year (B)	7.11	1.27	16.97	16.27	43.61
<b>Closing balance (A-B)</b>	<b>2,164.02</b>	<b>1,943.97</b>	<b>2,103.74</b>	<b>1,781.38</b>	<b>1,343.29</b>

1 Non performing assets include only non performing advances as on June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019.

2 The Bank had classified written off loans in the erstwhile Loan Management System (LMS) amounting to ₹ 607.21 million as permanent write off, at the time of migration of all the loans disbursed in the erstwhile LMS to the Core Banking System (CBS), in March 2019.

**Fincare Small Finance Bank Limited**

**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

**22.11 - Sector-wise advances**

Sector <sup>1</sup>	As at 30 June 2021			As at 30 June 2020		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to total advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to total advances in that sector
<b>A. Priority Sector</b>						
Agriculture and allied activities	31,043.23	2,608.36	8.40%	29,118.80	126.02	0.43%
- Small & Marginal Farmers	24,657.57	2,152.27	8.73%	24,631.65	55.53	0.23%
- Agriculture-Others	6,385.66	456.09	7.14%	4,487.15	70.49	1.57%
Advances to industries sector eligible as priority sector lending	7.73	0.96	12.42%	10.11	2.65	26.21%
Services	3,745.90	451.54	12.05%	10,063.28	38.22	0.38%
Personal loans	13,946.51	649.54	4.66%	2,979.94	11.61	0.39%
<b>Sub-total (A)</b>	<b>48,743.37</b>	<b>3,710.90</b>		<b>42,172.13</b>	<b>178.52</b>	
<b>B. Non Priority Sector</b>						
Agriculture and allied activities	330.06	10.49	3.18%	88.40	0.03	0.03%
Industry	176.19	2.84	1.61%	27.08	0.82	3.03%
Services	609.76	12.77	2.09%	85.63	2.59	3.02%
Personal loans	6,574.75	763.00	11.61%	7,320.52	133.02	1.82%
<b>Sub-total (B)</b>	<b>7,690.76</b>	<b>789.10</b>		<b>7,521.63</b>	<b>136.46</b>	
<b>Total (A+B)</b>	<b>56,434.13</b>	<b>4,500.00</b>		<b>49,693.76</b>	<b>314.98</b>	

Sector <sup>1</sup>	As at 31 March 2021			As at 31 March 2020			As at 31 March 2019		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to total advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to total advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to total advances in that sector
<b>A. Priority Sector</b>									
Agriculture and allied activities	29,801.48	1,848.47	6.20%	27,952.59	208.90	0.75%	14,397.08	100.12	0.70%
- Small & Marginal Farmers	23,746.87	1,482.91	6.24%	23,856.10	113.53	0.48%	10,203.80	25.90	0.25%
- Agriculture-Others	6,054.61	365.56	6.04%	4,096.49	95.37	2.33%	4,193.28	74.22	1.77%
Advances to industries sector eligible as priority sector lending	9.24	0.96	10.87%	10.48	2.74	25.71%	-	-	-
Services	5,288.52	737.09	13.94%	9,558.31	84.68	0.89%	5,867.52	83.28	1.42%
Personal loans	12,026.66	333.53	2.77%	3,091.59	30.46	0.99%	2,183.80	88.59	4.06%
<b>Sub-total (A)</b>	<b>47,125.90</b>	<b>2,920.05</b>		<b>40,612.96</b>	<b>326.78</b>		<b>22,448.40</b>	<b>271.99</b>	
<b>B. Non Priority Sector</b>									
Agriculture and allied activities	234.92	5.51	2.34%	0.74	-	0.00%	-	-	-
Industry	115.78	1.66	1.47%	14.33	0.49	3.50%	-	-	-
Services	516.09	9.35	1.80%	103.01	2.93	2.82%	2,653.77	-	0.00%
Personal loans	7,070.26	599.28	8.48%	7,674.46	116.98	1.52%	2,808.71	86.93	3.09%
<b>Sub-total (B)</b>	<b>7,937.05</b>	<b>615.80</b>		<b>7,792.54</b>	<b>120.40</b>		<b>5,462.48</b>	<b>86.93</b>	
<b>Total (A+B)</b>	<b>55,062.95</b>	<b>3,535.85</b>		<b>48,405.50</b>	<b>447.18</b>		<b>27,910.88</b>	<b>358.92</b>	

1 Gross of provision on Gross NPA amounting to ₹ 2,364.35 million as at June 30, 2021, ₹ 155.31 million as at June 30, 2020, ₹ 2051.75 million as at March 31, 2021, ₹ 249.71 million as at March 31, 2020, ₹ 263.99 million and as at March 31, 2019.

## Fincare Small Finance Bank Limited

### Annexure 22 - Notes forming part of the restated summary statements

(All amounts in ₹ million except otherwise stated)

#### 22.12 - Liquidity coverage ratio

Quantitative information on Liquidity coverage ratio (LCR) is given below:

Particulars	Quarted ended 30 June 2021		Quarted ended 30 June 2020	
	Total Unweighted Value* (average)	Total Weighted Value * (average)	Total Unweighted Value* (average)	Total Weighted Value * (average)
1) Total High Quality Liquid Assets (HQLA)	NA	24,747.70	NA	20,534.22
<b>Cash outflows</b>				
2) Retail deposits and deposits from small business customers, of which:				
- Stable deposits	-	-	-	-
- Less stable deposits	32,302.29	3,230.23	24,909.74	2,490.97
3) Unsecured wholesale funding, of which:				
- Operational deposits (all counterparties)	5,298.86	5,298.86	5,963.13	5,963.13
- Non operational deposits (all counterparties)	-	-	-	-
- Unsecured debt	-	-	-	-
4) Secured wholesale funding	1,296.64	708.79	3,034.45	382.42
5) Additional requirements, of which				
- Outflows related to derivative exposures and other collateral requirements	-	-	-	-
- Outflows related to loss of funding on debt products	-	-	-	-
- Credit and liquidity facilities	368.11	18.41	273.08	33.38
6) Other contractual funding obligations	-	-	-	-
7) Other contingent funding obligations	-	-	-	-
<b>8) Total Cash Outflows</b>	N.A.	9,256.29	N.A.	8,869.90
<b>Cash Inflows</b>				
9) Secured lending (e.g. reverse repos)	10,218.90	-	12,726.84	-
10) Inflows from fully performing exposures	3,171.45	1,585.73	174.16	87.08
11) Other cash inflows	17.58	17.58	274.58	274.58
<b>12) Total Cash Inflows</b>	13,407.93	1,603.31	13,175.58	361.66
<b>13) Total HQLA</b>	N.A.	24,747.70	N.A.	20,534.22
<b>14) Total Net Cash Outflows</b>	N.A.	7,652.98	N.A.	8,508.24
<b>15) Liquidity Coverage Ratio (%)</b>	N.A.	323.37%	N.A.	241.35%

\*The disclosure is arrived taking into account simple average of each of the line item of LCR components over 90 days of the three months ended June ,30 2021 and June, 30 2020. In computing the above information, certain assumptions and estimate have been made by the management which have been relied upon by the auditor.



## Fincare Small Finance Bank Limited

### Annexure 22 - Notes forming part of the restated summary statements

(All amounts in ₹ million except otherwise stated)

#### 22.12 - Liquidity coverage ratio (cont'd)

Quantitative information on Liquidity coverage ratio (LCR) is given below:

Particulars	Quarted ended 30 June 2020		Quarted ended 30 September 2020		Quarted ended 31 December 2020		Quarted ended 31 March 2021	
	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)
1) Total High Quality Liquid Assets (HQLA)	NA	20,534.22	NA	17,937.62	NA	20,321.94	NA	19,746.88
<b>Cash outflows</b>								
2) Retail deposits and deposits from small business customers, of which:								
- Stable deposits	-	-	-	-	-	-	-	-
- Less stable deposits	24,909.74	2,490.97	27,547.44	2,754.74	29,172.95	2,917.30	30,768.94	3,076.89
3) Unsecured wholesale funding, of which:								
- Operational deposits (all counterparties)	5,963.13	5,963.13	8,111.28	8,111.28	6,818.95	6,818.95	6,532.72	6,532.72
- Non operational deposits (all counterparties)	-	-	-	-	-	-	-	-
- Unsecured debt	-	-	-	-	-	-	-	-
4) Secured wholesale funding	3,034.45	382.42	2,843.06	1,039.45	2,063.93	285.33	1,809.10	641.67
5) Additional requirements, of which								
- Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
- Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
- Credit and liquidity facilities	273.08	33.38	596.27	29.81	678.29	33.91	258.50	12.93
6) Other contractual funding obligations	-	-	-	-	-	-	-	-
7) Other contingent funding obligations	-	-	-	-	-	-	-	-
<b>8) Total Cash Outflows</b>	N.A.	8,869.90	N.A.	11,935.28	N.A.	10,055.49	N.A.	10,264.21
<b>Cash Inflows</b>								
9) Secured lending (e.g. reverse repos)	12,726.84	-	6,800.61	-	9,110.43	-	8,081.11	-
10) Inflows from fully performing exposures	174.16	87.08	507.08	253.53	2,713.27	1,356.64	3,666.58	1,833.29
11) Other cash inflows	274.58	274.58	1,329.50	1,329.50	398.28	398.28	249.44	249.44
<b>12) Total Cash Inflows</b>	13,175.58	361.66	8,637.19	1,583.03	12,221.98	1,754.92	11,997.13	2,082.73
<b>13) Total HQLA</b>	N.A.	20,534.22	N.A.	17,937.62	N.A.	20,321.94	N.A.	19,746.88
<b>14) Total Net Cash Outflows</b>	N.A.	8,508.24	N.A.	10,352.25	N.A.	8,300.57	N.A.	8,181.48
<b>15) Liquidity Coverage Ratio (%)</b>	N.A.	241.35%	N.A.	173.27%	N.A.	244.83%	N.A.	241.36%

\*The disclosure is arrived taking into account simple average of each of the line item of LCR components over 90 days of each quarter of year ended March 31, 2021 and March 31, 2020. In computing the above information, certain assumptions and estimate have been made by the management which have been relied upon by the auditor.

## Fincare Small Finance Bank Limited

### Annexure 22 - Notes forming part of the restated summary statements

(All amounts in ₹ million except otherwise stated)

#### 22.12 - Liquidity coverage ratio (cont'd)

The table sets out Quantitative information on LCR for the three months ended March 31, 2020 as follows:

Particulars	Quarted ended 30 June 2019		Quarted ended 30 September 2019		Quarted ended 31 December 2019		Quarted ended 31 March 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)
1) Total High Quality Liquid Assets (HQLA)	NA	8,547.47	NA	14,182.06	NA	14,222.14	NA	14,187.19
<b>Cash outflows</b>								
2) Retail deposits and deposits from small business customers, of								
- Stable deposits	-	-	-	-	-	-	-	-
- Less stable deposits	9,577.20	957.72	12,552.15	1,255.22	16,126.84	1,612.68	20,863.72	2,086.37
3) Unsecured wholesale funding, of which:								
- Operational deposits (all counterparties)	2,716.61	2,716.61	3,916.23	3,916.22	4,478.58	4,478.58	5,637.41	5,637.41
- Non operational deposits (all counterparties)	-	-	-	-	-	-	-	-
- Unsecured debt	-	-	-	-	-	-	-	-
4) Secured wholesale funding	849.82	845.79	571.40	535.00	2,919.08	788.64	1,660.25	500.98
5) Additional requirements, of which								
- Outflows related to derivative exposures and other collateral	-	-	-	-	-	-	-	-
- Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
- Credit and liquidity facilities	322.90	258.90	268.00	192.56	332.98	98.98	264.70	57.61
6) Other contractual funding obligations								
7) Other contingent funding obligations								
<b>8) Total Cash Outflows</b>	<b>N.A.</b>	<b>4,779.02</b>	<b>N.A.</b>	<b>5,899.00</b>	<b>N.A.</b>	<b>6,978.88</b>	<b>N.A.</b>	<b>8,282.37</b>
<b>Cash Inflows</b>								
9) Secured lending (e.g. reverse repos)	1,785.57	-	7,566.94	-	9,238.50	-	7,310.20	-
10) Inflows from fully performing exposures	1,483.54	741.77	1,845.43	922.72	2,112.89	1,056.43	2,577.56	1,288.75
11) Other cash inflows	1,910.53	1,910.53	987.77	987.77	1,659.00	1,659.00	587.60	587.60
<b>12) Total Cash Inflows</b>	<b>5,179.64</b>	<b>2,652.30</b>	<b>10,400.14</b>	<b>1,910.49</b>	<b>13,010.39</b>	<b>2,715.43</b>	<b>10,475.36</b>	<b>1,876.35</b>
<b>13) Total HQLA</b>	<b>N.A.</b>	<b>8,547.47</b>	<b>N.A.</b>	<b>14,182.06</b>	<b>N.A.</b>	<b>14,222.14</b>	<b>N.A.</b>	<b>14,187.19</b>
<b>14) Total Net Cash Outflows</b>	<b>N.A.</b>	<b>2,126.72</b>	<b>N.A.</b>	<b>3,988.51</b>	<b>N.A.</b>	<b>4,263.45</b>	<b>N.A.</b>	<b>6,406.02</b>
<b>15) Liquidity Coverage Ratio (%)</b>	<b>N.A.</b>	<b>401.91%</b>	<b>N.A.</b>	<b>355.57%</b>	<b>N.A.</b>	<b>333.58%</b>	<b>N.A.</b>	<b>221.47%</b>

\*The disclosure is arrived taking into account simple average of each of the line item of LCR components over 90 days of each quarter of year ended March 31, 2020. In computing the above information, certain assumptions and estimate have been made by the management which have been relied upon by the auditor.

## Fincare Small Finance Bank Limited

### Annexure 22 - Notes forming part of the restated summary statements

(All amounts in ₹ million except otherwise stated)

#### 22.12 - Liquidity coverage ratio (cont'd)

The table sets out Quantitative information on LCR for all four quarters of the financial year ended March 31, 2019 as follows:

Particulars	Quarted ended 30 June 2018		Quarted ended 30 September 2018		Quarted ended 31 December 2018		Quarted ended 31 March 2019	
	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)
1) Total High Quality Liquid Assets (HQLA)	N.A.	2,106.21	N.A.	3,359.51	N.A.	4,004.32	N.A.	5,726.88
<b>Cash outflows</b>								
2) Retail deposits and deposits from small business customers, of which:								
- Stable deposits	-	-	-	-	-	-	-	-
- Less stable deposits	1,926.28	192.63	3,623.60	362.36	4,834.64	483.46	7,018.45	701.85
3) Unsecured wholesale funding, of which:								
- Operational deposits (all counterparties)	2,190.12	2,190.12	3,207.43	3,207.43	4,051.12	4,051.12	2,916.30	2,916.30
- Non operational deposits (all counterparties)	-	-	-	-	-	-	-	-
- Unsecured debt	-	-	-	-	-	-	-	-
4) Secured wholesale funding	N.A.	180.26	N.A.	202.94	N.A.	109.47	N.A.	217.98
5) Additional requirements, of which								
- Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
- Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
- Credit and liquidity facilities	175.04	175.04	195.17	195.17	267.47	241.86	320.90	272.53
6) Other contractual funding obligations	-	-	-	-	-	-	-	-
7) Other contingent funding obligations	-	-	-	-	-	-	-	-
<b>8) Total Cash Outflows</b>	N.A.	2,738.05	N.A.	3,967.90	N.A.	4,885.91	N.A.	4,108.66
<b>Cash Inflows</b>								
9) Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
10) Inflows from fully performing exposures	1,189.90	594.97	1,058.90	529.45	1,280.78	640.38	1,169.67	584.83
11) Other cash inflows	814.54	814.54	1,028.14	1,028.14	749.77	749.77	1,372.20	1,372.20
<b>12) Total Cash Inflows</b>	2,004.44	1,409.51	2,087.04	1,557.59	2,030.55	1,390.15	2,541.87	1,957.03
<b>13) Total HQLA</b>	N.A.	2,106.21	N.A.	3,359.51	N.A.	4,004.32	N.A.	5,726.88
<b>14) Total Net Cash Outflows</b>	N.A.	1,328.54	N.A.	2,410.31	N.A.	3,495.76	N.A.	2,151.63
<b>15) Liquidity Coverage Ratio (%)</b>	N.A.	158.54%	N.A.	139.38%	N.A.	114.55%	N.A.	266.17%

\*The disclosure is arrived taking into account simple average of each of the line item of LCR components over 90 days of each quarter of year ended March 31, 2019. In computing the above information, certain assumptions and estimate have been made by the management which have been relied upon by the auditor.

## Fincare Small Finance Bank Limited

### Annexure 22 - Notes forming part of the restated summary statements

(All amounts in ₹ million except otherwise stated)

#### 22.12 - Liquidity coverage ratio (cont'd)

##### Qualitative Disclosure around LCR (cont'd)

##### (a) the main drivers of their LCR results and the evolution of the contribution of inputs to the LCR's calculation over time

The Bank has adopted the Basel III framework on liquidity standards as prescribed by the RBI for reporting LCR. The objective of LCR is to ensure that the Bank maintains an adequate stock of unencumbered HQLA to survive a significant liquidity stress lasting for a period of 30 days.

##### (b) intra period changes as well as changes over time

The LCR is calculated by dividing the amount of High Quality Liquid unencumbered Assets (HQLA) by the estimated net cash outflows over a stressed 30 calendar day period as per RBI Guidelines. Minimum LCR requirement for small finance banks is 90% with effect from 01 January 2020 with a requirement to achieve 100% by January 01, 2021.

The excess SLR has been reckoned in HQLA over and above the mandatory basis market value with effect from October 01, 2018 on a conservative basis. Prior to this date, excess SLR has been reckoned basis book value of eligible SLR securities.

##### (c) the composition of HQLA

HQLA comprises of cash in hand, excess CRR, excess SLR securities, maximum liquidity facility allowed by RBI under Marginal Standing Facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR).

The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits, borrowings including grandfathered borrowings), as well as contingent liabilities, partially offset by inflows from assets maturing within 30 days.

##### (d) concentration of funding sources

The major sources of funding is term deposits by retail customers as well as corporate and financial institutions, refinance borrowings, securitization and IBPC.

##### Reason for LCR in excess of minimum regulatory requirement are as follows:

The LCR percentage is above the minimum threshold prescribed for Small Finance Banks which indicates comfortable liquidity profile.

\* As per the RBI guidelines, the minimum LCR required to be maintained by small finance bank shall be implemented in a phased manner from January 01, 2018, as given below:

Year	Till December 31, 2017	By January 01, 2018	By January 01, 2019	By January 01, 2020	By January 01, 2021
Min LCR	60%	70%	80%	90%	100%

##### (e) derivative exposures and potential collateral calls

Not applicable

##### (f) currency mismatch in the LCR

Not applicable

##### (g) a description of the degree of centralisation of liquidity management and interaction between the group's units

Not applicable

##### (h) other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile

Not applicable

**Annexure 22 - Notes forming part of the restated summary statements**  
(All amounts in ₹ million except otherwise stated)

**22.13 - Exposures**

**A. Exposure to Real Estate Sector**

The Bank has an exposure of ₹ 1,043.56 million, ₹ 217.83 million, ₹ 819.84 million, ₹ 203.40 million as at June 30, 2021, June 30, 2020, March 31, 2021 and as at March 31, 2020, respectively and the Bank does not have any exposure to real estate sector as on March 31, 2019.

**B. Exposure to capital market**

As at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019 the Bank does not have any exposure to capital market.

**C. Risk category wise country exposure**

The Bank's exposures are concentrated in India only, hence disclosure of country risk exposure as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019 is Nil.

**D. Details of single borrower limit (SGL) / group borrower limit (GBL) exceeded by the bank**

During the period three months ended June 30, 2021, June 30, 2020 and years ended March 31, 2021, March 31, 2020 and March 31, 2019, the Bank's credit exposures to single borrowers and group borrowers are within the limits prescribed under extant RBI guidelines.

**E. Unsecured advances**

The Bank has not extended any advances where the collateral is an intangible asset such as a charge over rights, licenses, authorizations, etc. The unsecured advances of ₹ 42,166.49 million, ₹ 39,443.81 million, ₹ 40,904.07 million, ₹ 37,695.86 million and ₹ 20,934.51 million as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, respectively, disclosed in Annexure 14B (ii) are without any collateral or security.

**F. Intra group exposure**

The Bank does not have any intra group advances, hence intra group exposure as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019 is Nil.

**22.14 - Disclosure of penalties imposed by the RBI**

A penalty of ₹ 0.10 million had been levied on the Bank by the RBI vide penalty order PDO.NDS.Bounce 980/08.03.000/2019-20 dated December 26, 2019, on account of a single instance of SGL bounce occurred on December 10, 2019. No such penalty has been imposed by the RBI for the year ended March 31, 2021 and March 31, 2019. Appropriate control measures have been taken by the Bank internally to prevent such instances from recurrence.

**22.15 - Employee benefits**

**A. Gratuity**

The Bank has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the Profit and Loss account and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Particulars	Three months ended	Three months ended	Year ended	Year ended	Year ended
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
<b>The amounts recognised in the Profit and Loss account are as follows:</b>					
Service cost	9.73	8.25	32.80	31.69	19.15
Interest cost	1.96	1.58	6.13	4.53	2.30
Expected return on plan assets	(1.72)	(0.98)	(4.94)	(2.87)	(1.02)
Net actuarial loss on plan assets	13.87	(5.16)	(17.66)	10.88	8.58
Admin expenses / taxes paid from plan assets	0.02	0.02	0.09	0.08	1.24
<b>Expense recognised in the Profit and Loss account</b>	<b>23.86</b>	<b>3.71</b>	<b>16.42</b>	<b>44.31</b>	<b>30.25</b>
Particulars	Three months ended	Three months ended	As at	As at	As at
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
<b>The amounts recognised in the Balance Sheet are as follows:</b>					
Present value of the obligation as at the end of the period / year	142.04	108.96	118.61	105.76	61.06
Fair value of plan assets as at the end of the period / year	103.45	65.73	103.88	64.69	14.25
<b>Net liability recognised in the Balance Sheet</b>	<b>38.59</b>	<b>43.23</b>	<b>14.73</b>	<b>41.07</b>	<b>46.81</b>

**Annexure 22 - Notes forming part of the restated summary statements**  
(All amounts in ₹ million except otherwise stated)

22.15 - Employee benefits (cont'd)

**A. Gratuity (cont'd)**

Particulars	Three months ended	Three months ended	As at	As at	As at
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
<b>Changes in the present value of defined benefit obligation:</b>					
Defined benefit obligation at the beginning of the period / year	118.61	105.76	105.76	61.06	32.67
Service cost	9.73	8.25	32.80	31.69	19.15
Interest cost	1.96	1.58	6.13	4.53	2.30
Actuarial (gain) / loss	13.64	(5.08)	(17.71)	11.77	8.64
Benefits paid	(1.90)	(1.55)	(8.37)	(3.29)	(1.70)
Defined benefit obligation at the end of the period / year	<b>142.04</b>	<b>108.96</b>	<b>118.61</b>	<b>105.76</b>	<b>61.06</b>
<b>Changes in the fair value of plan assets:</b>					
Fair value at the beginning of the period / year	103.88	64.69	64.69	14.25	14.41
Expected return on plan assets	1.72	0.98	4.94	2.88	1.02
Actuarial gain/(loss)	(0.23)	0.08	(0.04)	0.89	0.06
Contributions	-	-	38.99	50.04	1.70
Employer direct benefit payments	-	1.55	3.77	-	-
Benefits paid	(1.90)	(1.55)	(8.37)	(3.29)	(1.70)
Admin expenses / taxes paid from plan assets	(0.02)	(0.02)	(0.09)	(0.08)	(1.24)
Fair value as at the end of the period / year	<b>103.45</b>	<b>65.73</b>	<b>103.88</b>	<b>64.69</b>	<b>14.25</b>
<b>Assumptions used in the above valuations are as under:</b>					
Discount rate	6.78%	5.99%	6.67%	6.03%	7.62%
Expected return on plan assets	6.67%	6.03%	6.03%	7.62%	7.21%
Future salary increase	10.00%	10.00%	10.00%	11.00%	11.00%
Attrition rate	30.00%	30.00%	30.00%	30.00%	30.00%
Retirement age (years)	60 Yrs	60 Yrs	60 Yrs	60 Yrs	60 Yrs

**Experience adjustments:**

Particulars	Three months ended	Three months ended	Year ended	Year ended	Year ended
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
Defined benefit obligation	142.04	108.96	118.61	105.76	61.06
Plan assets	103.45	65.73	103.88	64.69	14.25
<b>Deficit</b>	<b>38.59</b>	<b>43.23</b>	<b>14.73</b>	<b>41.07</b>	<b>46.81</b>
Experience adjustments on liabilities - (gain) / loss	14.82	1.38	2.15	0.10	(1.17)
Experience adjustments on assets - gain / (loss)	(0.23)	0.08	(0.05)	0.89	0.06

**B. Defined contribution plan**

The Bank makes contributions to the statutory provident fund as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. This is a defined contribution plan as per Accounting Standard (AS) 15. Contributions made during the period three months ended June 30, 2021: ₹ 38.68 million, June 30, 2020: ₹ 30.36 million, and years ended March 31, 2021: ₹ 127.80 million, March 31, 2020: ₹ 106.70 million and March 31, 2019: ₹ 66.42 million.

**C. Compensated absences**

The actuarial liability in respect of privilege leave granted to employees of the Bank and outstanding of ₹ 114.86 million, ₹ 83.99 million, ₹ 102.03 million, ₹ 75.53 million and ₹ 45.24 million as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

Assumptions used in the above valuations are as under:	As at	As at	As at	As at	As at
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
Discount rate	6.78%	5.99%	6.67%	6.03%	7.62%
Future salary increase	10.00%	10.00%	10.00%	11.00%	11.00%

22.16 - Provisions and contingencies

Provision and contingencies recognised in the Profit and Loss Account comprise:

Particulars	Three months ended	Three months ended	Year ended	Year ended	Year ended
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
Provision for income tax					
- current tax	92.95	211.83	595.99	791.89	285.95
- deferred tax (credit)/charge (refer annexure 22.30)	(40.46)	(93.51)	(263.19)	(304.99)	(96.87)
- MAT credit entitlement	-	-	-	105.86	(105.86)
Provision for standard assets <sup>3</sup>	183.07	272.31	(297.94)	935.28	53.02
Provision for non-performing assets <sup>1, 2, 3</sup>	(7.39)	69.42	2,113.04	440.70	324.25
Provision for restructured assets (refer Annexure 22.4B)	464.21	0.29	381.38	(0.62)	0.82
Provision for other contingencies	1.79	(10.94)	(9.90)	(21.79)	18.87
	<b>694.17</b>	<b>449.40</b>	<b>2,519.38</b>	<b>1,946.33</b>	<b>480.18</b>

**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

**22.16 - Provisions and contingencies (cont'd)**

- 1 Includes bad debts written off for the period three months ended June 30, 2021: 78.50 million, June 30, 2020: 163.86 million and years ended March 31, 2021: ₹ 339.32 million, March 31, 2020: ₹ 454.36 million and March 31, 2019: ₹ 101.57 million.
- 2 Consequent to the change in the accounting policy with regard to asset classification and provisioning, an aggregate provision on asset under management is higher by ₹ 177.77 million and net profit is lower by ₹ 177.77 million for the year ended March 31, 2018.
- 3 During the year ended March 31, 2020, the Bank has revised the accounting estimate for writing off loan portfolio in accordance with the resolution passed by the Board of Directors. As a result, the loans written off during the year ended March 31, 2020 is higher by ₹ 175.04 million. However, the same does not have an impact on the results for the year.

**22.17 - Floating provision**

During the period three months ended June 30, 2021, June 30, 2020 and years ended March 31, 2021, March 31, 2020 and March 31, 2019, respectively the Bank has not created any floating provision.

**22.18 - Draw down from reserves**

During the period three months ended June 30, 2021, June 30, 2020 and years ended March 31, 2021, March 31, 2020 and March 31, 2019, respectively, there were no drawdown from reserves.

**22.19 - Disclosure of complaints**

**A. Customer complaints**

Particulars	Three months ended	Three months ended	Year ended	Year ended	Year ended
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
(a) No. of complaints pending at the beginning of the period / year	6	39	39	7	2
(b) No. of complaints received during the period / year	95	166	418	501	197
(c) No. of complaints redressed during the period / year	95	205	451	469	192
(d) No. of complaints pending at the end of the period / year	6	-	6	39	7

**B. Awards passed by the Banking Ombudsman**

Particulars	Three months ended	Three months ended	Year ended	Year ended	Year ended
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
(a) No. of unimplemented awards at the beginning of the period / year	1	-	-	-	-
(b) No. of awards passed by the Banking Ombudsmen during the period / year	-	-	4	-	-
(c) No. of awards implemented during the period / year	1	-	3	-	-
(d) No. of unimplemented awards at the end of the period / year	-	-	1	-	-

**C. ATM related complaints**

Particulars	Three months ended	Three months ended	Year ended	Year ended	Year ended
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
(a) No. of complaints pending at the beginning of the period / year	-	2	2	-	-
(b) No. of complaints received during the period / year	7	25	113	104	28
(c) No. of complaints redressed during the period / year	7	27	115	102	28
(d) No. of complaints pending at the end of the period / year	-	-	-	2	-

The above information is as certified by the Management and relied upon by the auditors.

**22.20 - Letter of comfort**

The Bank has not issued letter of comfort during the period three months ended June 30, 2021, June 30, 2020 and the years ended March 31, 2021, March 31, 2020 and March 31, 2019.

**22.21 - Insurance business**

The fees or commission earned in respect of insurance/mutual fund broking business.

Particulars	Three months ended	Three months ended	Year ended	Year ended	Year ended
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
Income for selling life insurance policies	20.38	10.76	79.36	59.56	23.72
Income from selling non-life insurance policies	1.77	1.01	6.48	3.09	0.12
Income from selling Mutual Fund Product	-	-	-	-	-

**22.22 - Overseas Assets, NPAs and Revenue**

The Bank does not hold any overseas assets / NPAs as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019 and also no overseas operations were undertaken during the respective periods. Hence, revenue from overseas operation in 'Nil'.

**22.23 - Off Balance Sheet SPVs Sponsored (which are required to be consolidated as per accounting norms)**

There are no off balance sheet SPVs sponsored by the Bank, which needs to be consolidated as per accounting norms as on June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019.

**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

**22.24 - Disclosure on Remuneration**

**A) Qualitative Disclosures**

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

The Nomination and Remuneration Committee (NRC) of the Board is the main body that sets the principles, parameters and governance framework of the remuneration policy and also assist the Board to fulfil its responsibility to ensure that remuneration policy and practices, reward, fairly and responsibly, in relation to the Bank and individual performance.

As on 30 June 2021, the NRC had four members of which three are Independent Directors. The functions of the committee include recommendation of appointment of Directors to the Board, evaluation of the performance of the Directors, approve remuneration for Directors, Key Management Personnel (KMP) viz. Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary, as well as senior management personnel viz. Material Risk Takers (MRT) of the Bank.

As on 30 June 2020, the NRC had five members of which four are Independent Directors. The functions of the committee include recommendation of appointment of Directors to the Board, evaluation of the performance of the Directors, approve remuneration for Directors, Key Management Personnel (KMP) viz. Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary, as well as senior management personnel viz. Material Risk Takers (MRT) of the Bank.

As on March 31, 2021, the NRC had four members of which three are Independent Directors. The functions of the committee include recommendation of appointment of Directors to the Board, evaluation of the performance of the Directors, approve remuneration for Directors, Key Management Personnel (KMP) viz. Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary, as well as senior management personnel viz. Material Risk Takers (MRT) of the Bank.

**External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process**

The Bank did not take any advise from an external consultant on any area of remuneration for the period three months ended June 30, 2021, June 30, 2020 and years ended March 31, 2021, March 31, 2020 and March 31, 2019.

**Scope of the Bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches**

The Compensation Policy of the Bank, approved by the Board on June 16, 2020, pursuant to the guidelines issued by RBI covers all employee of the Bank.

**Type of employees covered and number of such employees**

All permanent employees of the Bank, categorised into Whole Time Directors, Chief Executive Officer, MRT, Control function staff and Others, are covered under the policy. The total number of permanent employees of the Bank as at June 30, 2021: 9,397, June 30, 2020: 7,154, March 31, 2021 : 8,385, March 31, 2020 : 7,131 and March 31, 2019 : 5,296.

**(b) Information relating to the design and structure of remuneration processes.**

**Key features and objectives of remuneration policy:** The Bank has, under the guidance of the Board and the NRC, followed remuneration practices intended to drive meritocracy and performance based on a prudent risk management framework. The Compensation policy is aligned to the guidelines issued by the RBI vide notification RBI/2019-20/89 DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 04, 2019 (the RBI guidelines).

**The Remuneration policy of the Bank is designed with a view to**

i. ensure that the level and composition of remuneration is in line with other companies in the industry, sufficient to attract and retain right talent, at all levels and keep them motivated enough to meet the organizational objectives.

ii. ensure that a reasonable balance is maintained in terms of composition of remuneration, both,

a. performance-linked - fixed and variable components

b. time horizon linked – immediate and long term retention components

iii. Ensure that remuneration is linked to nature of role played by the individual in the Bank (i.e., Whole Time Directors, Chief Executive Officer, MRT, Control function staff or Others)

Effective governance of compensation: The NRC has oversight over compensation to KMP as well as MRT.

**Alignment of compensation philosophy with prudent risk taking:** While the Bank seeks to achieve a mix of fixed and variable remuneration that is prudent, it currently has designed the remuneration composition based on role of the individual in the Bank.

-For Whole Time Directors, Chief Executive Officer and MRT, a balanced combination of fixed and variable pay (immediate and deferred) is used.

-For Control function staff and Others, the predominant component is fixed pay and variable pay is used for rewarding performance.

Also, the remuneration of employees in financial and risk control functions is not linked to business outcomes and solely depends on their individual/department quality and performance goal achievement. The Bank seeks to align remuneration with financial and non- financial performance indicators.

**Whether the remuneration committee reviewed the Bank's s remuneration policy during the past period, and if so, an overview of any changes that were made:** The Board/NRC has been appraised of the Bank's remuneration policy. The policy was revised in May 2021, to bring the same in line with the RBI guidelines and approved by the NRC / Board.

**Discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee:** The remuneration of employees in control functions such as Risk and Compliance depends solely on their individual/department performance and is not linked to any business outcomes.

**c) Description of the ways in which current and future risks are taken into account in the remuneration processes.**

**Overview of the key risks that the Bank takes into account when implementing remuneration measures:** The Board approves the overall risk management policy including risk framework, limits, etc. The Bank conducts all its business activities within this framework. The NRC while assessing the performance of the Bank, Whole Time Directors, Chief Executive Officer and MRT, considers adherence to the policies and accordingly make its recommendations to the Board.

**Overview of the nature and type of key measures used to take account of these risks, including risks difficult to measure:** The evaluation process incorporates both qualitative and quantitative aspects including asset quality, provisioning, increase in stable funding sources, refinement/improvement of the risk management framework, effective management of stakeholder relationships and continuity of key members of senior management.

**Discussion of the ways in which these measures affect remuneration:** In order to ensure alignment of remuneration with prudent practices, in addition to business performance, the NRC takes into account adherence to the risk & compliance framework .

**Discussion of how the nature and type of these measures have changed over the past period and reasons for the changes, as well as the impact of changes on remuneration :** With the adoption of new compensation policy in line with RBI guidelines, there is greater emphasis on linking variable pay of WTD and MRT to risk taking and to bring a reasonable balance in their fixed and variable pay. Also, the elements of Deferral, Malus and Clawback have been adopted for WTD and MRT.



**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

**22.24 - Disclosure on Remuneration**

**A) Qualitative Disclosures**

**d) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration**

**Overview of main performance metrics for the Bank, top level business lines and individuals:** The main performance metrics include reasonable business growth, asset quality, profitability, productivity and efficiency metrics, compliance, digital quotient and customer-centricity.

**Discussion of how amounts of individual remuneration are linked to the Bank-wide and individual performance:** The assessment of employees is based on parameters viz. Bank level goals, functional goals, individual competency assessment and subjective evaluation. The proposed weightage of performance parameters for MRT is Bank goals - 20%, Functional goals-40%, Competency Rating - 20% and Subjective Assessment - 20%

**e) Discussion of the Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance:** As per the Bank's policy, in general, 40% of non cash variable pay (wherever applicable) and cash variable pay (where it exceeds a specified threshold) of any employee of the Bank shall vest at the end of performance period and the remaining 60% shall be under deferral arrangement. The deferral period shall be for three years from the end of performance period. The deferral shall be on a pro-rata basis i.e., 1/3rd of deferred component and shall vest at the end of each year for the next three years. Vesting shall take place on a yearly basis after a proper assessment of performance by the NRC and adjustments can be made based on actual results.

**Discussion of the measures the Bank will in general implement to adjust remuneration in the event that performance metrics are weak, including the Bank's criteria for determining weak performance metrics :** The variable compensation paid to Whole Time Directors, Chief Executive Officer and MRT is linked to the achievement of Bank level goals and functional goals. As per the Bank's policy, the deterioration in financial performance of the Bank shall lead to contraction in variable pay, which can even be reduced to zero. While deterioration on account of uncontrollable factors may not necessarily be considered for contraction in variable compensation, the NRC may take a decision on the percentage of contraction based on available information. Further deferred vesting, malus and clawback shall be applicable to variable pay component of Whole Time Directors, Chief Executive Officer and MRT to facilitate adjusting remuneration in the event that performance metrics are weak .

**Description of the ways in which the Bank seeks to adjust remuneration to take account of the longer term performance:** Adjustments to remuneration on account of long term performance is included in the Variable Pay philosophy. Variable Pay shall have a mix of cash and non cash components for Whole Time Directors, Chief Executive Officer and MRT. For other employees, eligibility for non cash variable pay shall be determined by the NRC on a case to case basis. The non cash component shall be in the form of Stock Options. As per policy, in general, 40% of non cash variable pay (wherever applicable) and cash variable pay (where it exceeds a specified threshold) of any employee of the Bank shall vest at the end of performance period and the remaining 60% shall be under deferral arrangement.

**Discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements:** As part of the new compensation policy, malus and clawback is applicable to all categories of staff. The variable shall be subject to malus and clawback arrangements in the event of subdued or negative financial performance. Malus shall cover future vesting only and shall not reverse vesting after it has already occurred. In the event of willful and deliberate misrepresentation or misreporting of financial performance of the Bank in any year, clawback shall be applicable. The decision shall be taken by the NRC after taking into account all material facts. A lookback period of 3 years from the date of vesting shall be applicable to the clawback clause.

**f) Description of the different forms of variable remuneration that the Bank utilises and the rationale for using these different forms**

Overview of the forms of variable remuneration offered. A discussion of the use of different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or group of employees, a description of the factors that determine the mix and their relative importance:

**The forms of variable remuneration used by the Bank are:**

- Performance Incentives** – used for rewarding teams (primarily Business functions) for business growth, customer count/satisfaction, asset quality, audit score etc.
- Performance Pay** – used for rewarding performance against quarterly/yearly goals/key risk areas.
- Share-linked Instruments** - As per the Compensation policy of the Bank, variable pay shall have a mix of cash and non cash components for Whole Time Directors, Chief Executive Officer and MRT. For other employees, eligibility for non cash variable pay shall be determined by the NRC on a case to case basis. The non cash component shall be in the form of Stock Options.
- Long Term Retention Bonus (LTRB)** – a tool for retention and improved morale - While short-term retention bonus plan continues to be in use, LTRB is discontinued w.e.f. 01 March 2019.

**B) Quantitative Disclosures**

Particulars	Three months ended	Three months ended	Year ended	Year ended	Year ended
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
a) i - Number of meetings held by the Remuneration Committee during the period/year	Seven	Four	Twelve	Nine	Seven
ii - remuneration paid to its members.	-	-	-	-	-
b) Number of employees having received a variable remuneration award during the period/year.	13 employees received Performance pay and 13 employee was granted employee stock options.	No employee received performance pay and 1 employee was granted employee stock options.	15 employees received Performance pay and 1 employee was granted employee stock options.	16 employees received Performance pay	10 employees received Performance pay
c) Number and total amount of sign on awards made during the period/year.	-	-	-	-	-
d) Details of guaranteed bonus, if any, paid as joining / sign on bonus	-	-	-	-	-
e) Details of severance pay, in addition to accrued benefits, if any.	-	-	-	-	-
f) Total amount of outstanding deferred remuneration					
- Cash (₹ in million)	27.46	5.45	20.70	-	-
- Shares	-	-	-	-	-
- Share linked instruments (ESOPs)	1,415,152	123,484	123,484	-	-
- Others	-	-	-	-	-
g) Total amount of deferred remuneration paid out in the period / year.	-	-	-	-	-

22.24 - Disclosure on Remuneration (cont'd)

B) Quantitative Disclosures (cont'd)

Particulars	Three months ended	Three months ended	Year ended	Year ended	Year ended
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
h) Breakdown of amount of remuneration awards for the period / year to show fixed and variable, deferred and non deferred.					
- Fixed pay	39.25	36.98	143.67	142.14	111.64
- Variable pay					
- Non deferred <sup>4</sup> (₹ in million)	21.28	-	15.59	27.37	12.81
- Deferred <sup>2</sup> (ESOPs)	1,044,700	123,484	123,484	-	-
i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	-	-	-	-	-
j) Total amount of reductions during the period / year due to ex post explicit adjustments.	-	-	-	-	-
k) Total amount of reductions during the period / year due to ex post implicit adjustments.	-	-	-	-	-
l) Number of MRTs identified <sup>3-4</sup>	16 employees	16 employees	18 employees	-	-
m) Number of cases where malus has been exercised <sup>4</sup>	-	-	-	-	-
n) Number of cases where clawback has been exercised <sup>4</sup>	-	-	-	-	-
o) Number of cases where both malus and clawback have been exercised <sup>4</sup>	-	-	-	-	-
p) The mean pay for the bank as a whole (excluding sub-staff) <sup>4,5</sup>	0.09	0.08	0.34	-	-
q) Deviation/Ratio of the pay of Managing Director from/to the mean pay <sup>4,5</sup> (₹ in millions/times)	6.78/77.83X	7/92.42X	28.5/85.13X	-	-

Notes

1 Details pertain to remuneration awards for the financial years ended March 31, 2020 and March 31, 2019 awarded during the three months period ended June 30, 2021, June 30, 2020 and financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, respectively. Remuneration award for the period ended June 30, 2021 are subject to the review and approval of the NRC.

2 The Bank had granted 48,188 options as at May 10, 2019 and 75,296 options as at January 22, 2020 to MD & CEO which has been accounted during the period after due approval received from the RBI. Further, the Bank has granted 187,500 options on December 07, 2020 to the MD & CEO under the scheme for which approval is awaited from the RBI. Therefore, the cost pertaining to this grant has not been accounted for in the financial statements.

3 Includes one MRT who resigned during the year ended March 31, 2021.

4 Reporting for these clauses is effective from April 01, 2020.

5 Amount includes fixed pay and variable paid during the year but does not include value of ESOPs.

22.25 - Employee Share Based Payments

ESOP-2019-FSFB Plan:

At their meetings held on March 29, 2019 and May 10, 2019, the Board and the shareholders of the Bank respectively passed a resolution approving the "Fincare Small Finance Bank Stock Option Scheme" (as amended from time to time) (hereinafter referred as "the scheme") to create, offer, issue and allot in one or more tranches, to or for the benefit of employees including Managing Director and Whole Time Directors of the Bank, such number of employee options, not exceeding 3,000,000, that would eventually convert into equity shares of ₹ 10 each in the hands of the employees of the Bank.

The eligible employees under this scheme are determined by the Nomination and Remuneration Committee (hereinafter referred as "the NRC") at its sole discretion. The NRC would determine the vesting schedule of any grant made under this scheme and the same would be intimated to the eligible employee at the time of the grant. An eligible employee shall be entitled to exercise the vested option(s) and seek allotment of the shares of the Bank as per this scheme, within a period of five years from the vesting date at the exercise price intimated at the time of the grant.

a) The details of activity under ESOP-2018-FSFB Plan have been summarised below:

	Three months ended 30 June 2021		Three months ended 30 June 2020	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding at the beginning of the period	370,452	93.62	-	-
Granted during the period <sup>1</sup>	1,887,680	106.91	123,484	280.85
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Options outstanding at the end of the period	2,258,132	104.73	123,484	280.85
Out of the above exercisable at the end of the period	169,995	92.13	15,902	265.00

	Year ended 31 March 2021		Year ended 31 March 2020	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding at the beginning of the period	-	-	-	-
Granted during the period <sup>1</sup>	123,484	280.85	123,484	280.85
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Options outstanding at the end of the period	123,484	280.85	123,484	280.85
Out of the above exercisable at the end of the period	40,750	280.85	15,902	265.00

<sup>1</sup> The Bank had granted 48,188 options as at May 10, 2019 and 75,296 options as at January 22, 2020 to the MD & CEO which has been accounted after due approval received from the RBI. The options vest in a graded manner over a period of three years and are exercisable in one or more tranches within a period of five years from the date of vesting, failing which the options shall lapse.

Further, the Bank has granted 187,500 options on December 07, 2020 to the MD & CEO under the scheme for which approval is awaited from the RBI. Therefore, the cost pertaining to this grant has not been accounted for in the financial statements.

During the quarter ended June 30, 2021, the Bank has granted 18,87,680 options to employees of the Bank other than MD & CEO under the scheme as per resolution passed by NRC and the Board on May 30, 2021 and May 31, 2021 respectively.

# During the quarter ended June 30, 2021, the Bank issued bonus shares. Therefore, in accordance with the requirements of the scheme, the NRC and the Board approved necessary adjustments to the terms of the options granted to MD & CEO on May 30, 2021 and May 31, 2021 respectively, so that the total benefit from the grant remains unchanged.

b) The details of exercise price for stock options outstanding at the end of the period are:

Range of exercise prices	Three months ended 30 June 2021			Three months ended 30 June 2020		
	No. of options outstanding	Weighted average remaining contractual life of options (years)	Weighted average exercise price (Rs.)	No. of options outstanding	Weighted average remaining contractual life of options (years)	Weighted average exercise price (₹)
81-90	144,564	2.58	88.33	-	-	-
91-100	225,888	3.15	97.00	-	-	-
101-110	1,887,680	4.42	106.91	-	-	-
261-270	-	-	-	48,188	3.40	265.00
271-280	-	-	-	-	-	-
281-290	-	-	-	-	-	-
291-300	-	-	-	75,296	4.08	291.00
	<b>2,258,132</b>			<b>123,484</b>		

c) Fair value of Employee stock options

The fair value of the options is estimated using Black-Scholes options pricing model. The following table lists the inputs to the model used for determining fair value of the options.

	Three months ended	Three months ended	Year ended	Year ended	Year ended
	30 June 2021	30 June 2021	31 March 2021	31 March 2020	31 March 2019
Weighted average exercise price (₹)	104.73	280.85	280.85	-	-
Weighted average share price (₹)	104.73	265.00	280.85	-	-
Expected volatility	33.50% - 43.49%	33.50% - 36.40%	33.50% - 36.40%	-	-
Life of the options granted (Vesting and exercise period)					
- At the grant date	3.50 yrs - 5.50 yrs	3.50 yrs - 5.50 yrs	3.50 yrs - 5.50 yrs	-	-
Risk free interest rate	5.22% - 7.19%	6.48% - 7.19%	6.48% - 7.19%	-	-
Expected Dividend rate	-	-	-	-	-

As Fincare Small Finance Bank Limited is an unlisted company, so the Bank calculated the expected annual volatility of stock price using stock price volatility information of other peers from BSE for the latest historical period as per time to maturity.

d) Effect of the employee share-based payment plans on the Profit and Loss Account and on the financial position:

	Three months ended	Three months ended	Year ended	Year ended	Year ended
	30 June 2021	30 June 2021	31 March 2021	31 March 2020	31 March 2019
Total employee compensation cost pertaining to share-based payment plans	5.13	5.47	9.97	-	-
Compensation cost pertaining to equity-settled employee share-based payment plan included above	5.13	5.47	9.97	-	-
Liability for employee stock options outstanding as at period / year ended	15.10	5.47	9.97	-	-

22.26 - Disclosures relating to securitisation

Particulars	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
a) No of SPVs sponsored by the Bank for securitisation transactions	9	9	9	11	20
b) Total amount of securitised assets as per books of the SPVs sponsored by the bank	573.86	574.97	573.97	666.84	3,113.22
c) Total amount of exposures retained by the bank to comply with MRR as on the date of balance sheet					
i) Off-balance sheet exposures					
First loss	-	-	-	30.47	173.56
Others	-	-	-	-	-
ii) On-balance sheet exposures					
First loss	32.65	32.65	32.66	105.48	595.34
Others	-	-	-	-	-
d) Amount of exposures to securitisation transactions other than MRR					
a) Off-balance sheet exposures					
(i) Exposures to own securitisation					
First loss	-	-	-	-	96.41
Others	-	-	-	-	-
(ii) Exposures to third party securitisation					
First loss	-	-	-	-	-
Others	-	-	-	-	-
b) On-balance sheet exposures					
(i) Exposures to own securitisation					
First loss	-	-	-	-	-
Others	-	-	-	47.73	282.22
(ii) Exposures to third party securitisation					
First loss	-	-	-	-	-
Others	-	-	-	-	-

22.27 - Credit Default Swaps

The Bank has not transacted in credit default swaps during the period three months ended June 30, 2021, June 30, 2020 and the years ended March 31, 2021, March 31, 2020 and March 31, 2019.

22.28 - Depositor Education and Awareness Fund

During the period three months ended June 30, 2021, June 30, 2020 and the years ended March 31, 2021, March 31, 2020 and March 31, 2019, respectively, no amount has been transferred to Depositor Education and Awareness Fund.

22.29 - Unhedged Foreign currency Exposure

The Bank does not have any unhedged foreign currency exposure as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019.

22.30 - Deferred tax assets

Particulars	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Deferred tax asset/(liability) arising on:					
Depreciation and amortisation	35.86	34.64	46.50	33.26	24.05
Provision for employee benefits:					
Compensated absences	27.71	19.12	25.67	19.00	13.16
Gratuity	21.06	4.34	5.83	10.34	13.63
Bonus and variable pay	12.01	7.64	10.26	4.86	6.10
Deferred rent	-	-	-	0.11	0.84
Provision on portfolio loans	608.18	428.99	575.93	329.89	36.39
Others	0.69	0.64	0.86	4.40	2.70
	<b>705.51</b>	<b>495.37</b>	<b>665.05</b>	<b>401.86</b>	<b>96.87</b>

**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

**22.31 - Operating leases**

The Bank's significant leasing arrangements are in respect of operating leases for office premises which are renewable on mutual consent at agreed terms. The aggregate lease rentals payable are charged to the Profit and Loss Account.

Head office, registered office and branch office premises are obtained on operating lease. The branch office premises are generally rented on cancellable term ranging from twelve months to thirty six months with escalation clause; however none of the branch lease agreement carries non-cancellable lease periods. There are no restrictions imposed by lease arrangements. There are no subleases. Certain offices of the Bank have non-cancellable lease arrangements and the minimum lease payments for such arrangements during the non-cancellable period have been disclosed below.

Lease payments during the period / year are charged to the Profit and Loss Account.

Particulars	Three months ended	Three months ended	Year ended	Year ended	Year ended
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
Lease payments recognised in the profit and loss account.	75.86	58.18	266.86	223.64	133.87

The details of lease commitments in terms of minimum lease payments within the non-cancellable period are as follows:

Payments falling due within	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
	Within 1 year	10.26	18.16	21.81	14.94
Later than one year but not later than five years	8.18	15.99	42.33	21.28	39.48
Later than 5 years	1.98	3.44	17.71	2.78	3.47

**22.32 - Micro small and medium enterprises**

Particulars	Three months ended	Three months ended	Year ended	Year ended	Year ended
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
i) Principal amount remaining unpaid (but within due date as per the MSMED Act) [June 30, 2021 : ₹ 2,000]	0.00	-	3.90	4.63	1.67
ii) Interest due thereon remaining unpaid	-	-	-	-	-
iii) Interest paid by the Bank in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-	-	-	-
iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-	-	-	-
v) Interest accrued and remaining unpaid	-	-	-	-	-
vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-	-	-	-

There are no delays in payments to micro and small enterprises as required to be disclosed under 'The Micro, Small and Medium Enterprises Development Act, 2006'. The determination has been made to the extent such parties were identified by the management based on the information available and are relied upon by the auditor.

**22.33 - Disclosure of provision for fraud**

Particulars	Three months ended	Three months ended	Year ended	Year ended	Year ended
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
Number of frauds reported during the period / year to the RBI	7	4	35	47	37
Amount involved in such frauds	0.74	0.04	85.90	4.79	6.89
Provision made during the period / year (net of recovery)	0.45	-	83.57	3.80	4.72
Unamortised provision debited from other reserves	-	-	-	-	-

**22.34 - Earnings per equity share**

Particulars	Three months ended	Three months ended	Year ended	Year ended	Year ended
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
Net profit/(loss) attributable to equity shareholders	173.03	403.46	1,131.40	1,434.49	1,019.80
Weighted average number of shares outstanding during the period / year used for computing basic and diluted earnings per share (nos)	218,647,381	63,610,481	63,610,481	58,705,378	45,498,832
Weighted average number of shares outstanding during the period / year used for computing Diluted earnings per share (nos)	218,647,381	63,610,481	63,610,481	-	-
Basic and diluted earnings per share	0.79	6.34	17.78	24.43	22.41

**22.35 - Inter-Bank Participation Certificate (IBPC) transactions**

During the three months period ended June 30, 2021, June 30, 2020 and the years ended March 31, 2021, March 31, 2020 and March 31, 2019, the Bank has sold its advances through IBPCs. The details are as follows:

Particulars	Three months ended	Three months ended	Year ended	Year ended	Year ended
	30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
i) Acquire value of IBPCs transaction during the period/year <sup>1</sup>	-	-	8,045.00	8,278.00	5,625.00
ii) Aggregate consideration received	-	-	8,045.00	8,278.00	5,625.00
iii) Aggregate gain recorded	-	-	-	-	-
iv) IBPCs outstanding	3,495.00	3,168.00	5,245.00	4,368.00	3,875.00

<sup>1</sup> Aggregate value of the own portfolio pool identified for IBPC transaction as at June 30, 2021: 'Nil', June 30, 2020: 'Nil', March 31, 2021: ₹ 20,112.50 million, March 31, 2020: ₹ 20,695.00 million and March 31, 2019: ₹ 14,062.50 million.

**Annexure 22 - Notes forming part of the restated summary statements**

(All amounts in ₹ million except otherwise stated)

**22.36 - Corporate social responsibility (CSR)**

a) Gross amount required to be spent by the Bank during the period ended June 30, 2021 is ₹ 30.63 million, June 30, 2020 is ₹ 14.88 million and the year ended March 31, 2021 is ₹ 14.88 million, March 31, 2020 is ₹ 2.24 million and March 31, 2019 is Nil under section 135 of the Companies Act, 2013.

**b) Amount spent during the year period ended June 30, 2021**

Particulars	In cash	Yet to be paid in cash	Total
i) Construction /acquisition of asset	-	-	-
ii) On purpose other than (i) above	3.51	3.24	6.75
	<b>3.51</b>	<b>3.24</b>	<b>6.75</b>

**c) Amount spent during the year period ended June 30, 2020**

Particulars	In cash	Yet to be paid in cash	Total
i) Construction /acquisition of asset	-	-	-
ii) On purpose other than (i) above	1.32	-	1.32
	<b>1.32</b>	<b>-</b>	<b>1.32</b>

**d) Amount spent during the year period ended March 31, 2021**

Particulars	In cash	Yet to be paid in cash	Total
i) Construction /acquisition of asset	-	-	-
ii) On purpose other than (i) above	14.87	-	14.87
	<b>14.87</b>	<b>-</b>	<b>14.87</b>

**e) Amount spent during the year ended March 31, 2020**

Particulars	In cash	Yet to be paid in cash	Total
i) Construction /acquisition of asset	-	-	-
ii) On purpose other than (i) above	3.80	-	3.80
	<b>3.80</b>	<b>-</b>	<b>3.80</b>

**f) Amount spent during the year ended March 31, 2019**

Particulars	In cash	Yet to be paid in cash	Total
i) Construction /acquisition of asset	-	-	-
ii) On purpose other than (i) above	0.06	-	0.06
	<b>0.06</b>	<b>-</b>	<b>0.06</b>

**22.37 - Priority Sector Lending Certificate (PSLC) Income**

During the three months ended 30 June 2021, the Bank sold PSLCs amounting to ₹ 8,000.00 millions under small and marginal farmers category and Nil under Micro enterprises category. The income earned on the PSLCs sold during the three months is ₹ 24.01 millions.

During the three months period ended 30 June 2020, the Bank sold PSLCs amounting to ₹ 3,000.00 million under small and marginal farmers category. The income earned on the PSLCs sold during the three months period ended 30 June 2020 is ₹ 0.25 million.

During the year ended March 31, 2021, the Bank sold PSLCs amounting to ₹ 750.00 million under agriculture category and ₹ 25,750.00 million under small and marginal farmers category. The income earned on the PSLCs sold and received during the nine months period ended March 31, 2021 is ₹ 409.57 million.

During the year ended March 31, 2020, the Bank sold PSLCs amounting to ₹ 2,000.00 million under agriculture category, ₹ 23,520.00 million under small and marginal farmers category and ₹ 1,010.00 million under Micro enterprises category. The income earned on the PSLCs sold during the year is ₹ 433.77 million.

During the year ended March 31, 2019, the Bank sold PSLCs amounting to ₹ 1,000.00 million under agriculture category and ₹ 6,900.00 million under small and marginal farmers category. The income earned on the PSLCs sold during the year is ₹ 76.07 million.

As per our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors of  
Fincare Small Finance Bank Limited

**Manish Gujral**  
Partner  
Membership No.: 105117

Mumbai  
14 August 2021

**Rajeev Yadav**  
Director  
DIN: 00111379

Bengaluru  
14 August 2021

**Vinay Baijal**  
Director  
DIN: 07516339

Mumbai  
14 August 2021

**Sameer Yogesh Nanavati**  
Director  
DIN: 00157693

Ahmedabad  
14 August 2021

**Shelaly Kothari**  
Company Secretary  
M No. F7698

Bengaluru  
14 August 2021

**Kezur Doshi**  
Chief Financial Officer

Bengaluru  
14 August 2021

## **DECLARATION**

We hereby certify and declare that all relevant provisions of the Companies Act and the rules/guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Addendum are true and correct.

**SIGNED BY THE DIRECTORS OF OUR BANK**

---

**Pramod Kabra**

*Part-Time Chairman and Non-Executive Director*

**Date: 19th Aug 2021**

**Place: Bangalore**

## **DECLARATION**

We hereby certify and declare that all relevant provisions of the Companies Act and the rules/guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Addendum are true and correct.

**SIGNED BY THE DIRECTORS OF OUR BANK**

---

**Rajeev Yadav**

*Managing Director and Chief Executive Officer*

**Date: 19th Aug 2021**

**Place: Bangalore**

## **DECLARATION**

We hereby certify and declare that all relevant provisions of the Companies Act and the rules/guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Addendum are true and correct.

**SIGNED BY THE DIRECTORS OF OUR BANK**

---

**Alok Prasad**

*Independent Director*

**Date: 19th Aug 2021**

**Place: Bangalore**



## **DECLARATION**

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**SIGNED BY THE DIRECTORS OF OUR BANK**

---

**Aarthi Sivanandh**  
*Independent Director*

**Date: 19th Aug 2021**  
**Place: Bangalore**

## **DECLARATION**

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**SIGNED BY THE DIRECTORS OF OUR BANK**

---

**Nanda Sameer Dave**

*Additional Director (Independent)*

**Date: 19th Aug 2021**

**Place: Bangalore**

## **DECLARATION**

We hereby certify and declare that all relevant provisions of the Companies Act and the rules/guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Addendum are true and correct.

**SIGNED BY THE DIRECTORS OF OUR BANK**

---

**Ravindran Lakshmanan**

*Nominee Director*

**Date: 19th Aug 2021**

**Place: Bangalore**

## **DECLARATION**

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**SIGNED BY THE DIRECTORS OF OUR BANK**

---

**Sameer Yogesh Nanavati**

*Nominee Director*

**Date: 19th Aug 2021**

**Place: Bangalore**

## **DECLARATION**

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**SIGNED BY THE DIRECTORS OF OUR BANK**

---

**Sunil Satyapal Gulati**  
*Independent Director*

**Date: 19th Aug 2021**  
**Place: Bangalore**

## **DECLARATION**

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**SIGNED BY THE DIRECTORS OF OUR BANK**

---

**Varun Sabhlok**

*Independent Director*

**Date: 19th Aug 2021**

**Place: Bangalore**

## **DECLARATION**

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**SIGNED BY THE DIRECTORS OF OUR BANK**

---

**Vinay Baijal**

*Independent Director*

**Date: 19th Aug 2021**

**Place: Bangalore**

## **DECLARATION**

We hereby certify and declare that all relevant provisions of the Companies Act and the rules/guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Addendum are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR BANK**

---

**Keyur Doshi**  
*Chief Financial Officer*

**Date: 19th Aug 2021**  
**Place: Bangalore**



**DECLARATION BY FINCARE BUSINESS SERVICES LIMITED AS THE PROMOTER SELLING  
SHAREHOLDER**

Fincare Business Services Limited hereby confirms that all statements, disclosures and undertakings made or confirmed by it in this Addendum about or in relation to itself, as the Promoter Selling Shareholder and its portion of the Offered Shares, are true and correct. Fincare Business Services Limited assumes no responsibility for any other statements, disclosures and undertakings, including any statements made or confirmed by, or relating to, the Bank or any other person(s) in this Addendum.

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Signed for and on behalf of Fincare Business Services Limited

**Name:** Gunnamreddy Dasaratha Reddy

**Designation:** Managing Director

**Date:** 19-08-2021

**Place:** Chittoor, Andhra Pradesh