



NAINITAL BANK
THE NAINITAL BANK LTD.

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

CIN - U65923UR1922PLC000234

BALANCE SHEET OF THE NAINITAL BANK LIMITED
BALANCE AS ON 31st March 2024

(In thousands)

CAPITAL AND LIABILITIES	SCHEDULE	As on 31-03-2024 (Current Year)	As on 31-03-2023 (Previous year)
Capital	1	117,44,63	117,44,63
Reserves & Surplus	2	700,28,79	647,34,09
Deposits	3	8267,74,44	7681,82,73
Borrowings	4		
Other Liabilities & Provisions	5	221,34,34	210,05,96
Total		9306,82,20	8656,67,41
ASSETS			
Cash & Balances With Reserve Bank of India	6	529,97,62	412,52,62
Balances with Banks & Money at call and Short Notice	7	1642,22,76	1328,98,25
Investments	8	1989,07,34	2130,23,87
Advances	9	4517,84,44	4317,03,82
Fixed Assets	10	79,05,84	81,48,53
Other Assets	11	548,64,20	386,40,32
Total		9306,82,20	8656,67,41
Contingent Liabilities	12	106,37,09	107,14,72
Bills for collection			
Significant Accounting Policies	17		
Notes on Accounts	18		
Schedules referred above form an integral part of Balance Sheet			

N.K.Chari
Non Executive -
Independent Chairman
DIN - 07409731

Neelam Damodharan
Non-Executive -
Independent Director
DIN - 07759291

Nikhil Mohan
Managing Director &
Chief Executive Officer
DIN - 09655509

Binita Shah
Non-Executive -
Independent Director
DIN - 01538965

Gopal Singh Gusain
Additional Director
DIN - 03522170

Manoj Sharma
Non-Executive
Independent Director
DIN - 09085665

Uttam Chand Nahta
Non-Executive
Independent Director
DIN - 08533075
as per our report of even date
For AR & Co.
Chartered Accountants
FRN- 002744C

Rakesh Nema
Non-Executive/ Non Independent Director
DIN - 07207816

M.K. Goyal
Chief Financial Officer

Vivek Sah
Company Secretary

Place : Nainital
Date : 30 April 2024

CA Anil Gaur
Partner, M.N.No.017546



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PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2024

(In thousands)

	SCHEDULE	Year Ended 31 March 2024	Year Ended 31 March 2023
I. INCOME			
Interest Earned	13	692,13,26	587,73,38
Other Income	14	62,78,63	14,82,45
Total		754,91,89	602,55,83
II. EXPENDITURE			
Interest Expended	15	372,04,58	308,71,95
Operating Expenses	16	275,58,97	216,90,34
Provisions & Contingencies		60,18,68	30,62,67
Total		707,82,23	556,24,96
III. PROFIT			
Net profit for the year		47,09,66	46,30,87
Profit available for appropriation		47,09,66	46,30,87
IV. APPROPRIATIONS			
Statutory Reserve		11,77,42	11,57,72
Revenue & Other Reserves:			
I) Investment Reserve Account		14,40,65	3,38,05
ii) Investment Fluctuation Reserve		-	-
iii) special reserve created u/s 36(i)(viii)		1,79,35	-
Proposed Dividend		-	4,66,97
Balance Carried over to Balance Sheet		19,12,24	26,68,13
Total		47,09,66	46,30,87
Earnings per share (Rs)			
Basic		4.01	3.94
Diluted		4.01	3.94

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STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31ST MARCH 2024

(` in Thousands)

	Period Ended 31.03.2024	Year Ended 31.03.2023
A. Cash flow from operating activities :		
Net profit before taxes.	74,11,99	50,76,87
Adjustments for :		
Depreciation on fixed Assets	14,59,71	14,37,51
Depreciation on investment Written back	-3,06,675	19,68,21
Provision made on Investment		
Provision in respect of NPA.	40,89,52	20,07,62
Provision for standard assets restr,	-1,136	-10,626
Provision for other items.		
Profit (Loss) on sale of fixed Assets.	-101	-408
Deferred Tax for Current year	-36,853	4,02,86
Excess Provision written back		
	95,13,57	107,82,74
Adjustment for :		
(Increase)/Decrease in investments	171,83,28	141,17,58
(Increase)/Decrease in advances	-20,08,062	-40,02,105
(Increase)/Decrease in other assets	-16,22,389	48,051
Increase/(Decrease) in Borrowings		
Increase/(Decrease) in deposits	585,91,72	195,94,88
Increase/(Decrease) in other liabilities and provisions	-2,58,126	-4,16,806
Direct Taxes paid.	-2,70,231	-44,600
Net cash from operating activities (A)	437,00,47	3,40,61
B. Cash flow from investing activities :		
(Increase)/Decrease in fixed Assets	-63,097	-2,03,576
Changes in Trade related investments		
Dividend received from subsidiaries/others		
Net Cash from investing activities (B)	-63,097	-2,03,576
C. Cash flow from financing activities		
Share Capital/Share Premium	0	99,86,56
Dividend	-	-46,697
Interest paid/payable on unsecured redeemable bonds		
Net Cash from financing activities (C)	0	95,19,59
Net increase in cash & cash equivalents (A)+(B)+(C)	430,69,50	78,24,44
Opening Cash & cash equivalents	1741,50,87	1663,26,43
Closing Cash & cash equivalents	2172,20,37	1741,50,87

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CA Anil Gaur
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Place : Nainital
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SCHEDULE 1-CAPITAL

(` in Thousands)

	As on 31/03/2024	As on 31/03/2023
Authorised Capital (23,00,00,000 Equity Shares of Rs. 10/- each)* (Last year 15,00,00,000 Equity Shares of Rs. 10/- each)	230,00,00	150,00,00
Issued Capital 11,74,46,250 Equity Shares of Rs.10/- each	117,44,63	117,44,63
Subscribed Capital 11,74,46,250 Equity Shares of Rs.10/- each	117,44,63	117,44,63
Called up Capital 11,74,46,250 Equity Shares of Rs.10/- each (Bank of Baroda holds 98.57%)	117,44,63	117,44,63
Less : Calls Upnaid	NIL	NIL
Total	117,44,63	117,44,63

*During the year, the authorized capital of the Bank was increased from 150 crore to 230 crore.

SCHEDULE 2- RESERVES & SURPLUS

I Statutory Reserve :		
Opening Balance	185,99,88	174,42,16
Addition during the year	11,77,42	11,57,72
Closing Balance	197,77,30	185,99,88
II Capital Reserve :	21,80,67	16,08,67
A) Revaluation Reserve		
Opening Balance	16,08,67	16,24,14
addition/deletion during the year -	5,85,03	
Less : Depreciation pertaining to revalued Asset	(1,303)	(1,547)
Closing Balance	21,80,67	16,08,67
B) Others		
addition during the year		
Closing Balance		
III Share Premium :		
Opening Balance	137,41,94	77,50,00
Addition During the Year		59,91,94
Deduction During the Year		
Closing Balance	137,41,94	137,41,94
IV Revenue & Other Reserves		
(i) Investment Fluctuation Reserve :		
Opening Balance	21,24,74	21,24,74
Addition During the Year		
Less: Transferred To General Provision		
Closing Balance	21,24,74	21,24,74
(iii) Investment Reserve A/C		
Opening Balance	4,42,84	1,04,78
Addition During the Year	14,40,65	3,38,06
Deductions during the year		
Closing Balance	18,83,49	4,42,84
(iv) special reserve u/s 36(1) (VIII)		
Opening Balance	25,53,58	25,53,58
Addition During the Year	1,79,35	
Deductions during the year		
Closing Balance	27,32,93	25,53,58
Total(IV)	67,41,16	51,21,16
V Balance in Profit & Loss Account		
Opening Balance	256,62,45	229,78,84
Addition : Surplus in Profit & Loss Account	19,12,24	26,68,13
Addition : Depreciation pertaining to revalued Asset	1,303	1,547
Closing Balance	275,87,72	256,62,44
Total (I,II,III, IV & V)	700,28,79	647,34,09



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(` in Thousands)

SCHEDULE 3 -DEPOSITS

	As on 31/03/2024	As on 31/03/2023
A I) Demand Deposits		
i)From Banks	64,37	1,25,45
ii)From Others	500,76,69	439,34,87
Total	501,41,06	440,60,32
II) Savings Bank Deposits	2950,20,66	2685,64,43
III) Term Deposits		
i)From Banks	461,76,54	370,09,74
ii)From Others	4354,36,18	4185,48,24
Total	4816,12,72	4555,57,98
Total (I, II & III)	8267,74,44	7681,82,73
B I)Deposits of Branches in India	8267,74,44	7681,82,73
II)Deposits of Branches outside India		
Total (I & II)	8267,74,44	7681,82,73

SCHEDULE 4 -BORROWINGS

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

SCHEDULE 5 -OTHER LIABILITIES AND PROVISIONS

I Bills Payable	26,58,72	22,76,53
II Inter Office Adjustments(Net)		
III Interest Accrued	10,20,14	8,81,73
IV Others(Including Provisions)	184,55,48	178,47,70
Total(I,II ,III & IV)	221,34,34	210,05,96



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SCHEDULE 6 -CASH AND BALANCES WITH RESERVE BANK OF INDIA

(* in Thousands)

	As on 31/03/2024	As on 31/03/2023
I Cash in hand(Including foreign currency notes)	18,26,47	25,07,12
II Balances with Reserve Bank of India		
i)In Current Accounts	511,71,15	387,45,50
ii)In Other Accounts		
Total (I & II)	529,97,62	412,52,62

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

I In India		
i) Balances with Banks		
In Current Accouts	17,21,76	16,52,25
In Other Deposit Accounts	1503,01,00	1262,46,00
Total	1520,22,76	1278,98,25
ii)Money at call and short notice		
With banks	47,00,00	
With other institutions	75,00,00	50,00,00
Total	122,00,00	50,00,00
Total (i & ii)	1642,22,76	1328,98,25
II Outside India	NIL	NIL
Total (I & II)	1642,22,76	1328,98,25

SCHEDULE 8- INVESTMENTS

I Investments in India(Gross)	1992,75,47	2164,58,75
Less : Provision for Depreciation	3,68,13	34,34,88
Net Investments in India	1989,07,34	2130,23,87
Break up		
i)Government Securities	1882,89,78	2001,27,01
ii)Other Approved Securities		
iii)Shares		
iv)Debentures and Bonds	106,17,56	128,96,86
v)Subsidiaries and/or Joint Ventures		
vi)Others		
Total	1989,07,34	2130,23,87
II Investments outside India	Nil	Nil
Total (I & II)	1989,07,34	2130,23,87

SCHEDULE 9- ADVANCES

(` in Thousands)

	As on 31/03/2024	As on 31/03/2023
A i)Bills Purchased and Discounted	4,69,61	2,63,48
ii)Cash Credit ,Overdrafts , Loans repayable on demand	2528,82,57	2522,31,77
iii)Term Loans	1984,32,26	1792,08,57
Total	4517,84,44	4317,03,82
B i)Secured by Tangible Assets	4421,40,81	4103,30,62
ii)Covered by Bank/Govt. Guarantees		
iii)Unsecured	96,43,63	213,73,20
Total	4517,84,44	4317,03,82
C I)Advances in India		
i)Priority Sector	2197,90,03	1941,34,29
Net Priority Sector	2197,90,03	1941,34,29
ii)Public Sector		
iii)Banks		
iv)Others	2319,94,41	2375,69,53
Net Others	4517,84,44	4317,03,82
II)Advances outside India		
Total	4517,84,44	4317,03,82

SCHEDULE 10- FIXED ASSETS

I Premises		
At cost/revalued amount as on 31st March of the preceeding year	22,54,58	22,22,66
Addition during the Period	5,85,03	31,92
Deduction during the Period		
Depreciation to date(including incremental depreciation due to revaluation)	3,25,18	3,08,71
Closing Block I	25,14,43	19,45,87
II Other Fixed Assets(including Furniture & Fixtures)		
At cost as on 31st March of the preceeding year	128,84,97	108,77,06
Addition during the period	6,32,43	20,10,11
Deductions during the period	39	2,20
Depreciation to date	81,25,60	66,82,31
Closing Block II	53,91,41	62,02,66
Total	79,05,84	81,48,53

SCHEDULE 11- OTHER ASSETS

I Inter Office Adjustment (Net)	2,754	27,31
II Interest Accrued	91,03,28	69,13,40
III Tax Paid in advance/tax deducted at source	14,08,09	5,30,62
IV Stationery and Stamps	86	70
V Deferred Tax Asset		
VI Others	443,24,43	311,68,29
Total (I,II,III, IV & V)	548,64,20	386,40,32



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SCHEDULE 12- CONTINGENT LIABILITIES

(` in Thousands)

	As on 31/03/2024	As on 31/03/2023
I Claims against the Bank not acknowledged as Debts	49,78	49,78
II Liability on partly paid Investments		
III Guarantees given on behalf of constituents - IN INDIA	55,63,88	63,04,45
IV Acceptances,Endorsements and Other Obligations	-	19,81
V Other items for which the bank is contingently liable	50,23,43	43,40,68
Total (I,II,III, IV & V)	106,37,09	107,14,72

SCHEDULE 13- INTEREST EARNED

I Interest/Discount on Advances/Bills	421,43,31	354,97,56
II Income on Investments (less amount amortised during the year)	148,81,30 -10,849	154,82,57 -15,130
III Interest on Balances with Reserve Bank Of India and other Inter Bank Funds	111,19,47	72,72,19
IV Others	11,77,67	6,72,36
Total (I,II,III & IV)	692,13,26	587,73,38

SCHEDULE 14- OTHER INCOME

I Commission,Exchange & Brokerage	1,46,60	1,64,93
II Profit / Loss on sale of investments Less: Loss on sale of investments	-6,020	2,49,40
III. Profit on revaluation of investments Less: Loss on revaluation of investments	25,67,08	-2,09,463
IV Profit on sale of land, buildings and other assets Less: Loss on sale of land, buildings and other assets	1,01	408
V Miscellaneous Income	34,02,60	29,96,36
VI Third party commission	2,21,54	1,62,31
Total (I,II,III, IV, V & VI)	62,78,63	14,82,45

SCHEDULE 15-INTEREST EXPENDED

I Interest on Deposits	372,00,21	308,68,31
II Interest on RBI / Inter Bank Borrowings	4,37	3,64
III Others		
Total (I, II, & III)	372,04,58	308,71,95



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SCHEDULE 16- OPERATING EXPENSES

(in Thousands)

	As on 31/03/2024	As on 31/03/2023
I Payments to and Provisions for Employees	183,77,89	120,53,29
II Rent,Taxes and Lighting	18,03,01	17,11,77
III Printing and Stationery	1,24,55	80,94
IV Advertisement and Publicity	58,13	1,09,82
V Depreciation on Bank's Property Less:Depreciation adjusted from Capital reserve on account of revaluation of premises	14,59,71	14,37,51
VI Director's Fees Allowances and Expenses	34,53	22,88
VII Auditor's Fees & Expenses (including Branch Auditor's fee & expenses)	52,98	77,00
VIII Law Charges	90,07	72,68
IX Postage,Telegrams,Telephones etc	1,06,76	97,06
X Repairs and Maintenance	1,45,68	93,99
XI Insurance	9,04,02	8,68,21
XII Other Expenditure	44,01,64	50,65,19
Total (I TO XII)	275,58,97	216,90,34

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

SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES

1. BACKGROUND

The Nainital Bank Limited, incorporated in Nainital, Uttarakhand in the year 1922, is a banking company governed by the Banking Regulation Act, 1949, The Companies act, 2013 and other applicable regulations/guidelines issued from time to time by regulator(RBI) and Govt. of India, the Bank is engaged in providing a wide range of banking and financial services including commercial banking and treasury operations.

2. BASIS OF PREPARATION:

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

3. USE OF ESTIMATES:

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

4. INVESTMENTS:

4.1 Investments are categorized into three categories -

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

For the purpose of disclosure in the balance sheet, investments are classified and disclosed in Schedule 8 ('Investments') under six groups with sub-classification under each category viz., (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures & Bonds, (v) Subsidiaries and Joint Ventures and (vi) Others - Units of Mutual Funds, Certificate of Deposits, Commercial Paper, Security Receipts and other investments, in accordance with RBI guidelines.

4.2 Cost of acquisition

Brokerage, commission and securities transaction tax (STT) etc., pertaining to investment, paid at the time of acquisition are charged to the profit and loss account.

4.3 Transfer between categories

The category under which the investments would be classified is decided at the time of acquisition. Investments which the bank intends to hold till maturity are classified as "Held to Maturity". Investments which are primarily held for sale within 90 days from the date of purchase are classified as "Held for Trading".

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

Shifting of securities among the categories is accounted at the least of the acquisition cost / book value / market price prevailing on the date of shifting and depreciation, if any, on such shifting is fully provided for. Investments classified under HTM category are carried at acquisition cost.

4.4 Valuation of Securities

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

The Bank follows settlement date method of accounting for purchase / sale of investments, and weighted average cost method for determining cost and accounting of profit on sale of investments. Broken period interest on debt instruments and government securities is treated as a revenue item. Treasury Bills, Commercial Paper and Certificate of Deposits, being discounted instruments, are valued at carrying cost. Units of Mutual Funds are valued at the latest repurchase price / NAV declared by the Mutual Fund. In case of unquoted bonds, debentures and preference shares where interest / dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity (YTM) for Government Securities as published by Financial Benchmarks India Pvt. Ltd. (FBIL)/Fixed Income Money Market and Derivatives Association of India (FIMMDA) and suitably marked up for credit risk applicable to the credit rating of the instrument. Non Performing Investments are identified and valued based on RBI guidelines.

4.5 Disposal of Investments

Sale / Redemption of Investments Profit or loss on sale / redemption in respect of securities in HFT and AFS category is included in the Profit and Loss account. Profit on sale / redemption of investments in HTM category is included in the Profit and Loss Account and is appropriated to Capital Reserve after adjustments for tax and transfer to Statutory Reserve, as per RBI guidelines.

Investments for which such rates / quotes are not available are valued as per norms laid down by Reserve Bank of India.

Based on RBI Master Direction on Financial Statements - Presentation and Disclosures issued on August 30, 2021: Provision for depreciation on performing standard investments earlier classified as part of provisions and contingencies has been reclassified as part of other income.

4.6 Investment fluctuation reserve

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

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

5. ADVANCES AND PROVISIONS THEREON:

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

Provision for standard assets, is made in accordance with the guidelines and at levels stipulated by RBI from time to time.

Transfer of advances through inter-bank participation is undertaken with and without risk in accordance with RBI guidelines. In case of participation with risk, the aggregate amount of participation sold / purchased by the Bank is reduced from / included in advances. In case of participation without risk, the aggregate amount of participation sold / purchased by the Bank is classified under borrowings / investments.

6. FLOATING PROVISIONS:

The floating provisions are utilized only for contingencies under extraordinary circumstances specified in extent guidelines of RBI and in with prior permission of Reserve Bank of India.

7. FIXED ASSETS:

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

Revaluation of Fixed Assets

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

Intangible Assets

- It is an identifiable asset without physical substance form which future economic benefits are expected to generate and meets recognition criteria as prescribed in Accounting Standard 26 issued by ICAI and applicable guidelines of Regulator viz RBI. **Example - Software License fees (CBS, Treasury/Third party applications). Implementation cost.**

8. DEPRECIATION:

8.1 Depreciation on Fixed Assets [other than those referred in Paragraph 7.2] is provided in accordance with Schedule II to the Companies Act, 2013 as per written down value method, as per following table, except in case of revalued assets, in respect of which depreciation is provided on the basis of estimated useful life of these revalued assets

Sr. No.	Description of fixed Assets	Method of charging depreciation/ Amortization	Useful Life (Years)	Depreciation/ amortization rate
1.	Computers (End user device such as laptop, desktop)	Straight Line Method	3	33.33% Per annum
2.	Computer software's, forming an integral part of hardware	Straight Line Method	3	33.33% Per annum
3.	Servers and networks/Network devices (Data Centers/Data Recovery Centre etc)	Straight Line Method	6	16.67 % Per annum
4.	Intangible Assets	Straight Line Method	6	16.67 % Per annum

5.	General furniture and fittings	Written Down Value method	10	25.89 % Per annum
6	Office Equipment's	Written Down Value method	5	45.07 % Per annum
7	Plant and Machinery	Written Down Value method	15	18.10 % Per annum
8	Vehicles - Motor cycles, Scooters and other 2 wheelers	Written Down Value method	10	25.89 % Per annum
9	Vehicles - Motor Cars and other four wheelers	Written Down Value method	8	31.23 % Per annum

8.2 Depreciation on Computers (Laptops/Desktop/Printer) and Software forming an integral part of Computer Hardware, is provided on Straight Line Method at the rate of 33.33% p.a., as per the guidelines of RBI. Depreciation on additions is provided proportionately from the date of purchase/put to use.

9. RESERVES AND SURPLUS

Revenue and other Reserves include Statutory Reserves, capital reserve, share premium, Investment fluctuation and Investment reserves, surplus accumulated in profit and loss account.

10. EMPLOYEE BENEFITS

10.1 PROVIDENT FUND

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

10.2 GRATUITY

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

10.3 PENSION

Pension liability is a defined benefit obligation under The Nainital Bank Ltd (Employees) Pension Regulations 1995, and is provided for on the basis of actuarial valuation, for the employees who have

joined Bank up to 31.03.2010 and opted for pension. The pension liability is funded by The Nainital Bank Limited (Employees) Pension Fund Trust.

New Pension Scheme the Bank contributes 14% of the total basic salary + DA of certain employees enrolled under National Pension Scheme (NPS), a defined contribution plan, which is managed and administered by pension fund management companies. The amounts so contributed/paid by the Bank to the NPS during the year are recognized in the profit and loss account.

10.4 Wage revision- The wage revision of Bank employees takes place after every five years through bilateral talks between Indian Bank Association (IBA), (a representative body of management of Banks) and Employees Unions & Officers' Associations. The last wage revision had become applicable w.e.f. November 01, 2022.

11. REVENUE RECOGNITION

In respect of existing NPAs, where suit is not filed, recoveries effected in the account (including recovery under Public Money Recovery Act.) from time to time shall be appropriated in the following manner:

- i. Towards all costs, commission, charges and expenses paid or incurred by the Bank
- ii. Towards interest, additional interest, further interest, penal interest due to the Bank.
- iii. Towards Principal (Instalment).

Recovery in suit filed/ decreed accounts shall be appropriated as per the directives of the Court, in case of absence of directives, as applicable to non-suit filed account.

In case of Resolution/Settlement through NCLT or compromise sanctioned account, recovery should be appropriated as per the terms of compromise sanction/resolution settlement.

The appropriation of recovery in Standard Accounts is effected as per the date of demands raised and the earliest demand is being satisfied in the following order:

- Towards all costs, commission, charges and expenses paid or incurred by the Bank
- Towards interest, additional interest, further interest, penal interest due to the Bank
- Towards payment of the principal money

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

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

In view of uncertainty of collection of income in cases of Non-performing Assets/Investments, such income is accounted for only on realisation in terms of the RBI guidelines.

Income (other than mentioned above)/ expenditure is generally recognised on accrual basis. Dividend income and interest on Income Tax refund is recognised when the right to receive payment is established. Goods & Service Tax input credit is accounted for in the books within the time limit prescribed under CGST Rules, 2017, as amended.

12. IMPAIRMENT OF ASSETS

Impairment losses (if any) on Fixed Assets (including revalued assets) are recognised in accordance with AS 28 (Impairment of Assets) issued by the ICAI and charged off to Profit and Loss Account.

The carrying amount of assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. 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 risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over remaining useful life.

13. TAXES ON INCOME:

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

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

This comprise of provision for Income tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) as determined in accordance with AS 22 (Accounting for taxes on Income) issued by ICAI. Deferred tax is recognised subject to consideration of prudence in respect of items of income and expenses those arise at one point of time and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the timing differences are expected to be reversed. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the income statement in the period of enactment of the change.

14. EARNINGS PER SHARE

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

15. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

16. SEGMENT REPORTING

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

17. CASH AND CASH EQUIVALENTS

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

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

19. OTHERS/MISC.

- I. Loan are classified as short term in case the maturity is less than 12 months. Loans other than short term are classified as long term.
- II. The funds for future appropriation in the participating fund represent the surplus assets in excess of the liabilities set aside to meet Policyholder Reasonable Expectation (PRE). This amount is not allocated to the shareholders or policyholders at the balance sheet date. The funds for future appropriation when allocated in the future to policyholders would give rise to a transfer to the shareholder's profit and loss account in the proportion stipulated by regulation.
- III. The actuarial liabilities of the company have been calculated in accordance with the requirements of Insurance Act, 1938 and amendments thereon, Insurance Regulatory and Development Authority (Assets, Liabilities, and Solvency Margin of Insurers) Regulations, 2016, Actuarial Practice Standards and Guidance Notes issued by Institute of Actuaries of India and generally accepted actuarial practices. Long term non-linked contracts are valued using a gross premium valuation (GPV) method.

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

SCHEDULE 18: NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2024

1. Regulatory Capital

a) Composition of Regulatory Capital

(Amount in ₹ crore)

Sr. No.	Particulars	CurrentYear	Previous* Year
i)	Common Equity Tier 1 capital (CET 1)	711.18	709.36
ii)	Additional Tier 1 capital	NIL	NIL
iii)	Tier 1 capital (i + ii)	711.18	709.36
iv)	Tier 2 capital	47.95	47.26
v)	Total capital (Tier 1+Tier 2)	759.13	756.62
vi)	Total Risk Weighted Assets (RWAs)	4986.48	4658.89
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	14.26%	15.23%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	14.26%	15.23%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0.97%	1.01%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (TotalCapital as a percentage of RWAs)	15.22%	16.24%
xi)	Leverage Ratio	7.40%	7.90%
xii)	Percentage of the shareholding of a) Government of India b) State Government c) Sponsor Bank	NIL	NIL
xiii)	Amount of paid-up equity capital raised during the year	NIL	39.95
xiv)	Amount of non-equity Tier 1 capital raised during the year	NIL	NIL
xv)	Amount of Tier 2 capital raised during the year	NIL	NIL

Note - During the year, the members of the Bank through postal ballot dated March 10, 2024 approved the agenda for increase in authorized capital of the Bank from 150 crores to 230 crores.

*Previous year the ratios have been recalculated after incorporating the divergence observed by RBI in its ISE 2023. Before divergence the CRAR was 16.64% (CET 1 ratio was 15.63% and CET 2 ratio was 1.01%)

b) Draw down from Reserves

An amount of Rs. 13.03 lacs have been appropriated from Revaluation reserve to Revenue reserve in compliance of Accounting Standard -10 (accounting for Fixed Assets) the same reflects the depreciation on revalued portion of fixed assets.

2. Asset liability management

a) Maturity pattern of certain items of assets and liabilities as on 31-03-2024

(Amount in ₹ crore)

	Day 1	2 to 7 days	8 to 14 days	15 to 30 Days	31 days to 2 months	Over 2 Months and to 3 Months	Over 3 Months and up to 6 Months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Deposits	54.14 (75.46)	326.93 (215.57)	269.71 (262.24)	171.54 (192.96)	360.02 (342.41)	380.59 (343.04)	1091.65 (870.48)	2254.13 (1691.67)	3310.58 (3609.32)	37.04 (64.90)	11.41 (13.77)	8267.74 (7681.82)
Advances	14.28 (13.92)	85.67 (81.91)	100.59 (96.14)	202.14 (193.70)	120.81 (111.91)	222.33 (558.73)	332.14 (416.58)	175.32 (144.82)	1763.30 (1617.68)	431.70 (317.92)	1069.56 (763.73)	4517.84 (4317.04)
Investments	515.54 (700.87)	0.00 (0.00)	0.00 (0.00)	169.09 (0.00)	64.77 (0.00)	64.28 (0.00)	178.07 (0.00)	363.81 (29.99)	571.11 (45.04)	6.78 (428.81)	55.62 (925.53)	1989.07 (2130.24)
Borrowings	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Foreign Currency assets	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Foreign Currency liabilities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

Note: Figures in bracket indicates previous year figures for corresponding period (i.e 31st March 2023)

(ii)	Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	847.12	46.52	919.23	53.14	1113.43	73.03	1158.39	77.63
6.	Other contractual funding obligations	201.86	201.86	202.10	199.91	169.83	169.83	188.48	188.48
7.	Other contingent funding obligations	91.21	2.74	79.72	2.39	79.72	2.39	84.01	2.52
8.	Total Cash Outflows	8278.74	1376.36	8472.18	1456.87	8604.39	1400.33	8779.00	1461.81
Cash Inflows									
9.	Secured lending (e.g. reverse repos)	0.00	0.000	0.00	0.00	0.00	0.00	0.00	0.00
10.	Inflows from fully performing exposures	299.85	200.02	455.68	345.33	253.70	193.42	284.96	219.59
11.	Other cash inflows	108.94	54.47	118.20	59.10	126.68	63.34	144.14	72.07
12.	Total Cash Inflows	408.80	254.49	573.88	404.43	380.38	256.76	429.10	291.66
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total HQLA	2075.88	2075.88	2002.86	2002.86	1923.21	1923.21	1911.65	1911.65
14.	Total Cash Outflows less Total Cash Inflows	7869.94	1121.86	7898.29	1052.44	8224.01	1143.57	8349.90	1170.15
15.	25% of Total Cash outflows	2069.69	344.09	2118.04	364.22	2151.10	350.08	2194.75	365.45
16.	Total Net Cash Outflows [Higher of 14 or 15]	7869.94	1121.86	7898.29	1052.44	8224.01	1143.57	8349.90	1170.15
17.	Liquidity Coverage Ratio (%) (HQLA/Total net Cash Outflows)		185.04%		190.31%		168.18%		163.37%

Qualitative-

The Basel Committee for Banking Supervision (BCBS) had proposed the liquidity coverage ratio (LCR) in order to ensure that a bank has an adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. As per the RBI guidelines the minimum LCR required to be maintained by banks shall be implemented in the phased manner from January 1, 2015 as given below.

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

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

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

The LCR has two components:

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

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

Main Drivers of LCR:

High Quality Liquid Assets (HQLA):

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

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

Intra-period changes as well as changes over time

LCR on consolidated basis were 170.86%, 171.02% and 154.49% as at the months ended January 2024, February 2024 and March 2024 respectively as against the regulatory requirement of 100%.

Concentration of Funding Sources:

A significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the bank's total liabilities. The significant counterparty Deposit as of 31st March 2024 was from "Baroda UP Gramin Bank" and Baroda Rajasthan Khetriya Gramin Bank" and "USDMA state disaster response fund" i.e. 2.34%, 1.09% and 1.07% of our Total Liabilities.

Top 20 depositors of the Bank constitute 8.59% of our total deposit.

Derivative Exposures and potential collateral calls:

As on 31 March 2024, Bank's exposure to Derivative is NIL.

Currency Mismatch in the LCR:

As per the RBI guidelines, the LCR standard is required to be met on one single currency, Bank is maintaining LCR on daily basis in INR. As on 31st March 2024, Bank deals only in INR, hence no currency mismatch.

Description of the degree of centralization of liquidity management and interaction between the group's units:

The liquidity management for the Bank is the responsibility of the Board of Directors. Board of Directors has delegated its responsibilities to a Committee of the Board called as the "Risk Management Committee of Board". The Committee is responsible for overseeing the inter linkages between different types of risk and its impact on liquidity.

Bank has a ALM Policy which provides the broad guidelines under which all the bank operates in terms of liquidity and interest rate risk. The monitoring of liquidity and interest rate risk management of the Bank's operations of the bank is being done by the Bank's ALCO committee which is headed by MD & CEO. ALM Cell of Risk Management Department manages bank's liquidity on day to day basis.

Other inflows and outflows in the LCR calculation:

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

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

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

The average LCR for the quarter ended March 2024 was 163.37% comfortably above RBI prescribed minimum requirement i.e.100%. Average cash outflows were Rs 1461.81 Crore, Average cash inflows were Rs 291.66 Crores. Average High Quality Liquid Assets were Rs 1911.65 Crores of the quarter ended March 2024.

c) NSFR Disclosure Standards

NSFR Qualitative Disclosure

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

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

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

The table attached herewith sets out the un-weighted and weighted value of the NSFR components as on 31st March 2024 based on audited financials.

At a consolidated level, the NSFR of the bank comes out to 188.68% as on 31st March 2024 against the requirement of 100% as per RBI guidelines.

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

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

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

NSFR DISCLOSURE TEMPLATE - AS OF 31.03.2024

NSFR DISCLOSURE TEMPLATE - AS OF 31.03.2024						
(Rs.in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	0.00	0.00	0.00	759.57	759.57
2	Regulatory capital	0.00	0.00	0.00	759.57	759.57
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits from small business customers: (5+6)	2,814.11	1,812.26	1,752.79	0.00	5,954.51
5	Stable deposits	1,717.32	724.11	683.74	0.00	3,025.92
6	Less stable deposits	1,096.79	1,088.15	1,069.05	0.00	2,928.59
7	Wholesale funding: (8+9)	108.51	75.50	340.95	0.00	262.48
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	108.51	75.50	340.95	0.00	262.48
10	Other liabilities: (11+12)	0.00	1,146.97	0.00	380.14	380.14
11	NSFR derivative liabilities		0.00	0.00	0.00	
12	All other liabilities and equity not included in the above categories	0.00	1,146.97	0.00	380.14	380.14
13	Total ASF (1+4+7+10)					7,356.70
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					
15	Deposits held at other financial institutions for operational purposes	17.22	0.00	0.00	0.00	8.61
16	Performing loans and securities: (17+18+19+21+23)	0.00	5,843.33	860.10	884.75	3,019.73
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00

18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	0.00	0.00	0.00	0.00
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	2,740.51	86.88	436.22	1,614.36
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	0.00	0.00
21	Performing residential mortgages, of which:	0.00	471.96	8.21	348.71	469.85
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	471.96	8.21	348.71	469.85
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	2,630.86	765.01	99.82	935.52
24	Other assets: (sum of rows 25 to 29)	0.00	1398.19	0.00	0.00	868.21
25	Physical traded commodities, including gold		0.00	0.00	0.00	0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.00	0.00	0.00	0.00
27	NSFR derivative assets		0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted		0.00	0.00	0.00	0.00
29	All other assets not included in the above categories	0.00	1,398.19	0.00	0.00	868.21
30	Off-balance sheet items		85.44	0.00	0.00	2.56
31	Total RSF (14+15+16+24+30)					3,899.11
32	Net Stable Funding Ratio (%)					188.68%

NSFR DATA AS OF 31.03.2024

	Statement of NSFR	BLR 7
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SI No.	Items			
Table 1	Components of ASF category (liability categories)	Associated ASF factors	Unweighted Amount (Rs. Crore)	Weighted Amount (Rs. Crore)
1	Total regulatory capital (excluding Tier 2 instruments with residual maturity of less than one year)	100%	759.57	759.57
2	Other capital instruments and liabilities with effective residual maturity of one year or more	100%	0.00	0.00
3	Other liabilities with effective residual maturity of 1 year or more	100%	380.14	380.14
4	Stable non-maturity (demand) deposits and term deposits with residual maturity of less than one year provided by retail and small business customers	95%	3185.17	3025.91
5	Less stable non-maturity deposits and term deposits with residual maturity of less than one year provided by retail and small business customers	90%	3253.99	2928.59
6	Funding with residual maturity of less than one year provided by non-financial corporate customers	50%	83.51	41.76
7	Operational deposits	50%	0.00	0.00
8	Funding with residual maturity of less than one year from sovereigns, PSEs, and multilateral and national development banks	50%	236.05	118.03
9	Other funding with residual maturity between six months and less than one year not included in the above categories, including funding provided by central banks and financial institutions	50%	205.40	102.70
10	All other liabilities and equity not included in the above categories, including liabilities without a stated maturity (with a specific treatment for deferred tax liabilities and minority interests)	0%	1037.99	0.00
11	NSFR derivative liabilities net of NSFR derivative assets if NSFR derivative liabilities are greater than NSFR derivative assets	0%	0.00	0.00
12	"Trade date" payables arising from purchases of financial instruments, foreign currencies	0%	0.00	0.00
	Total Available Stable Funding		9141.82	7356.69
Table 2	Components of RSF category	Associated RSF Factor	Un-weighted Amount (Rs. Crore)	Weighted Amount (Rs. Crore)
A	On Balance Sheet Items			
1	Coins and banknotes	0%	18.26	0.00

2	Cash Reserve Ratio (CRR) including excess CRR	0%	511.71	0.00
3	All claims on central banks with residual maturities of less than six months	0%	0	0.00
4	"Trade date" receivables arising from sales of financial instruments, foreign currencies and commodities.	0%	0.00	0.00
5	Unencumbered Level 1 assets, excluding coins, banknotes, CRR and SLR Securities	5%	0.00	0.00
6	Unencumbered SLR Securities	5%	1882.83	94.14
7	Unencumbered loans to financial institutions with residual maturities of less than six months, where the loan is secured against Level 1 assets as defined in LCR circular dated June 9, 2014, and where the bank has the ability to freely rehypothecate the received collateral for the life of the loan	10%	0.00	0.00
8	All other 'standard' unencumbered loans to financial institutions with residual maturities of less than six months not included in the above categories	15%	504.78	75.72
9	Unencumbered Level 2A assets	15%	0	0.00
10	Unencumbered Level 2B assets	50%	0.00	0.00
11	HQLA encumbered for a period of six months or more and less than one year	50%	0.00	0.00
12	'Standard' Loans to financial institutions and central banks with residual maturities between six months and less than one year	50%	3.37	1.69
13	Deposits held at other financial institutions for operational purposes	50%	17.22	8.61
14	All other assets not included in the above categories with residual maturity of less than one year, including 'standard' loans to non-financial corporate clients, to retail and small business customers, and 'standard' loans to sovereigns and PSEs	50%	4293.12	2146.56
15	Unencumbered 'standard' residential mortgages with a residual maturity of one year or more and assigned the minimum risk weight under the Standardised Approach	65%	348.71	226.66
16	Other unencumbered 'standard' loans not included in the above categories, excluding loans to financial institutions, with a residual maturity of one year or more and with a risk weight of less than or equal to 35% under the Standardised Approach	65%	0.00	0.00
17	Cash, securities or other assets posted as initial margin for derivative contracts and cash or other	85%	0.00	0.00

	assets provided to contribute to the default fund of a CCP			
18	Other unencumbered performing loans with risk weights greater than 35% under the Standardised Approach and residual maturities of one year or more, excluding loans to financial institutions	85%	436.22	370.79
19	Unencumbered securities that are not in default and do not qualify as HQLA with a remaining maturity of one year or more and exchange-traded equities	85%	99.82	84.85
20	Physical traded commodities, including gold	85%	0.00	0.00
21	All assets that are encumbered for a period of one year or more	100%	0	0.00
22	NSFR derivative assets net of NSFR derivative liabilities if NSFR derivative assets are greater than NSFR derivative liabilities	100%	0.00	0.00
23	20% of derivative liabilities	100%	0.00	0.00
24	All other assets not included in the above categories, including non-performing loans, loans to financial institutions with a residual maturity of one year or more, non-exchange-traded equities, fixed assets, items deducted from regulatory capital, retained interest, insurance assets, subsidiary interests and defaulted securities	100%	868.21	868.21
25	All restructured 'standard' loans which attract higher risk weight and additional provision	100%	19.33	19.33
A	Required Stable Funding – On Balance Sheet Assets [Sum of 1 to 25]		9003.58	3896.55
B	Off-Balance Sheet Assets	Associated RSF Factor		
26	Currently Undrawn Position of Irrevocable and conditionally revocable credit and liquidity facilities to any client	5% of the currently undrawn portion	0.00	0.00
27	Currently Undrawn Position of Other contingent funding obligations, including products and instruments (a) + (b) + (c)	5% of the currently undrawn portion	85.44	2.56
27 (a)	Currently Undrawn Position of Unconditionally revocable credit and liquidity facilities	5% of the currently undrawn portion	0.00	0.00
27 (b)	Trade finance-related obligations (including guarantees and letters of credit)	3% of the currently undrawn portion	0.00	0.00
27 (c)	Guarantees and letters of credit unrelated to trade finance obligations	3% of the currently undrawn portion	85.44	2.56
28	Non-contractual obligations 28(a) + 28(b) + 28(c)		0.00	0.00

28 (a)	potential requests for debt repurchases of the bank's own debt or that of related conduits, securities investment vehicles and other such financing facilities	5%	0.00	0.00
28 (b)	structured products where customers anticipate ready marketability, such as adjustable rate notes and variable rate demand notes (VRDNs)	5%	0.00	0.00
28 (c)	managed funds that are marketed with the objective of maintaining a stable value	5%	0.00	0.00
B	Required Stable Funding – Off Balance Sheet Items (Sum of 26 to 28)		85.44	2.56
	Total Required Stable Funding (A+B)		9089.02	3899.11
	(Total Available Stable Funding)*100/Total Required Stable Funding (NSFR)			188.68

3. Investments

a) Composition of Investment Portfolio as at 31st March 2024:

(Amount in ₹ crore)

	Investments in India						Investments outside India			Total Investments
	Govt. Securities	Other approved Securities	Shares	Debentures/ Bonds	Others	Total Investment in India	Govt. Securities	Others	Total Investment outside India	
Held to Maturity										
Gross	951.87	0	0	0	0	951.87	0	0	0	951.87
Less: Provision for non-performing investments (NPI)	0	0	0	0	0	0	0	0	0	0
Net	951.87	0	0	0	0	951.87	0	0	0	951.87
Available for Sale										
Gross	931.02	0	0	109.86	0	1040.88	0	0	0	1040.88
Less: Provision for depreciation and NPI	0	0	0	3.68	0	3.68	0	0	0	3.68
Net	931.02	0	0	106.18	0	1037.2	0	0	0	1037.2
Held for Trading										
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments	1882.89	0	0	109.86	0	1992.75	0	0	0	1992.75
Less: Provision for non-performing investments	0	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	0	3.68	0	3.68	0	0	0	3.68
Net	1882.89	0	0	106.18	0	1989.07	0	0	0	1989.07

Composition of Investment Portfolio as at 31st March 2023:

(Amount in ₹ crore)

	Investments in India					Investments outside India				
	Govt. Securities	Other approved Securities	Shares	Debentures/Bonds	Others	Total Investment in India	Govt. Securities	Others	Total Investment outside India	Total Investments
Held to Maturity										
Gross	1218.37	0.00	0.00	0.00	0.00	1218.37	0.00	0.00	0.00	1218.37
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	1218.37	0.00	0.00	0.00	0.00	1218.37	0.00	0.00	0.00	1218.37
Available for Sale										
Gross	806.37	0.00	0.00	135.39	4.46	946.22	0.00	0.00	0.00	946.22
Less: Provision for depreciation and NPI	23.47	0.00	0.00	6.42	4.46	34.35	0.00	0.00	0.00	34.35
Net	782.90	0.00	0.00	128.97	0.00	911.87	0.00	0.00	0.00	911.87
Held for Trading										
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments	2024.74	0.00	0.00	135.39	4.46	2164.59	0.00	0.00	0.00	2164.59
Less: Provision for non-performing investments										
Less: Provision for depreciation and NPI	23.47	0.00	0.00	6.42	4.46	34.35	0.00	0.00	0.00	34.35
Net	2001.27	0.00	0.00	128.97	0.00	2130.24	0.00	0.00	0.00	2130.24

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amount in ₹ crore)

(i)	Movement of provisions held towards depreciation on investments	Current Year	Previous Year
(a)	Opening Balance	29.35	8.41
(b)	Add: Provisions made during the year	0.83	20.94
(c)	Less: Write off / write back of excess provisions during the year	26.50	0.00
(d)	Closing Balance	3.68	29.35
(ii)	provisions for Security Receipts		
(a)	Opening Balance	4.46	5.72
(b)	Add: Provisions made during the year	0.00	0.00
(c)	Less: Write back of excess provisions during the year	4.46	1.26
(d)	Closing Balance	0.00	4.46
(iii)	Movement of provisions for NPI		
(a)	Opening Balance	0.54	0.54
(b)	Add: Provisions made during the quarter	0.00	0.00
(c)	Less: Write off/Write back of excess provisions during the year	0.54	0.00
(d)	Closing Balance	0.00	0.54

(Amount in ₹ crore)

	Movement in Investment Fluctuation Reserve	Current Year	Previous Year
1.	Opening Balance	21.25	21.25
2.	Amount transferred during the year	3.46	0.00
3.	Less: Drawdown	3.46	0.00
4.	Closing balance as on 31.03.2024	21.25	21.25
5.	Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.04%	2.25%
6.	Trading Portfolio	1040.88	946.22

c) Sale and transfers to/from HTM category

As on March 2023, the MTM loss of the trading portfolio was Rs.29.35 Crores. With a view to mitigate the potential MTM losses further, the department optimized the portfolio by reallocating securities from AFS to HTM and vice versa. Post this shift, the bank incurred a loss of Rs.10.74 Crores with a write back of depreciation of Rs.24.73 Crores to P&L account while shifting securities from AFS to HTM. Further, bank sold the securities with face value of Rs.95.00Crores while shifting securities from HTM to AFS thereby booking a profit of Rs.4.60 Crores from the sale.

(Amount in Crores)

Nature of transaction	Face Value	Book Value	Market Value	MTM Gain/(Loss)
1. From AFS to HTM	241.06	240.58	229.84	(10.74)
2. From HTM to AFS	501.99	501.65	516.88	15.23

d) Non-SLR investment portfolio

i) Non-performing non-SLR investments

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
a)	Opening balance	0.54	0.54
b)	Additions during the year	0.00	0.00
c)	Reductions during the above period	0.54	0.00
d)	Closing balance	0.00	0.54
e)	Total provisions held	0.00	0.54

ii) Issuer composition of non-SLR investments

(Amount in ₹ crore)

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Public Issue		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
(1)	(2)	(3)	(4)	(5)	(6)	(7)							
a)	PSUs	40	40	40	40	0	0	0	0	0	0	0	0
b)	FIs	0	24.99	0	24.99	0	0	0	0	0	0	0	0
c)	Banks	49.82	34.82	49.82	34.82	0	0	0	0	0	0	0	0
d)	Private Corporates	0	0.54	0	0.54	0	0.54	0	0	0	0.54	0	0.54
e)	Subsidiaries/ Joint Ventures	0	0	0	0	0	0	0	0	0	0	0.00	0.00
f)	Others	20.04	39.49	20.04	39.49	0	0	0	0	0	0	0	4.46
g)	Provision held towards depreciation	3.68	-10.88	3.68	-10.88	0	-0.54	0	0	0	-0.54	0	-5
	Total	106.18	128.96	106.18	128.96	0	0	0	0	0	0	0	0

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

f) Movement of Investment Reserve Account

Particulars	31 st March 2024	31 st March 2023
Opening Balance for FY	4.43	1.05
Less: Drawdown	0.47	1.05
Add: Amount transferred	14.87	4.43
Closing balance	18.83	4.43

4. Asset quality

a) (i) Classification of advances and provisions held as on March 31st 2024:

(Amount in ₹ crore)

	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	4175.86	59.21	361.46	22.59	443.26@	4619.12
Add: Additions during the year					97.25	
Less: Reductions during the year					141.84	
Closing balance	4413.12	62.99	312.30	23.38	398.67**	4811.79
*Reductions in Gross NPAs due to:						
i) Upgradation					48.38	
ii) Recoveries (excluding recoveries from upgraded accounts)					44.46	
iii) Technical/ Prudential Write-offs					44.93	
iv) Write-offs other than those under (iii) above					4.07	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	24.87	8.93	269.44	22.59	300.96	325.83
Add: Fresh provisions made during the year					64.74	
Less: Excess provision reversed/ Write-off loans					72.84	
Closing balance of provisions held	24.76	9.58	259.93	23.35	292.86	317.62
Net NPAs						
Opening Balance					78.33	
Add: Fresh additions during the year					0	
Less: Reductions during the year					36.45	
Closing Balance					41.88	

@Excluding interest suspense of Rs. 4.47 crore

**Excluding interest suspense of Rs. 7.33 crore

	Standard	Non-Performing			Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances
Floating Provisions					
Opening Balance					62.85
Add: Additional provisions made during the year					0
Less: Amount drawn down during the year					0
Closing balance of floating provisions					62.85
Technical write-offs and the recoveries made thereon					
Opening balance of Technical/ Prudential written-off accounts					140.55
Add: Technical/ Prudential write-offs during the year					44.93
Less: Recoveries made from previously technical/ prudential written-off accounts during the year					3.99
Closing balance					181.49

(ii) Classification of advances and provisions held as on March 31st 2023:

(Amount in ₹ crore)

	Standard	Non-Performing			Total	
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	3690.37	126.62	356.99	24.34	507.95 @	4198.32
Add: Additions during the year					122.34	
Less: Reductions during the year*					187.03	
Closing balance	4175.86	59.21	361.45	22.59	443.26 #	4619.12

*Reductions in Gross NPAs due to:						
i) Upgradation					106.06	106.06
ii) Recoveries (excluding recoveries from upgraded accounts)					72.87	72.87
iii) Technical/ Prudential Write-offs					3.2	3.2
iv) Write-offs other than those under (iii) above					4.9	4.9
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	25.94	20.72	236.10	24.34	281.16	307.10
Add: Fresh provisions made during the year					80.85	80.85
Less: Excess provision reversed/ Write-off loans					61.05	61.05
Closing balance of provisions held	24.87	8.93	269.44	22.59	300.96	325.83
Net NPAs						
Opening Balance					163.61	
Add: Fresh additions during the year						
Less: Reductions during the year					85.28	
Closing Balance					78.33	78.33

Excluding interest suspense of Rs. 4.47 crore

@Excluding interest suspense of Rs. 13.46 crore

Floating Provisions						
Opening Balance						62.85
Add: Additional provisions made during the year						0
Less: Amount drawn down during the year						0
Closing balance of floating provisions						62.85
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						137.68
Add: Technical/ Prudential write-offs during the year						3.20
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						0.33
Closing balance						140.55

Ratios (In %)	31st March 2024	31st March 2023
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Gross NPA to Gross Advances	8.29%	9.60%
Net NPA to Net Advances	0.94%	1.84%
Provision coverage ratio	89.22%	82.08%

(ii) Sector-wise Advances and Gross NPAs

(Amounts in ₹ crore)

Sr. No.	Sector	Current Year			Previous Year		
		Outstanding Total Advances#	Gross NPAs#	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs##	Percentage of Gross NPAs to Total Advances in that sector
i)	Priority Sector						
a)	Agriculture and allied activities	901.76	123.05	13.65	817.35	149.27	18.26
b)	Advances to industries sector eligible as priority sector lending	384.03	131.97	34.36	365.30	135.09	36.98
c)	Services	728.83	59.71	8.19	615.46	60.78	9.88
d)	Personal Loan	443.90	13.42	3.02	395.05	16.74	4.23
	Subtotal (i)	2458.52	328.15	13.35	2193.16	361.88	16.50
ii)	Non-priority Sector						
a)	Agriculture and allied activities	3.46	1.18	34.10	2.55	1.19	46.67
b)	Industry	310.31	14.31	4.61	74.74	18.19	24.34
c)	Services	209.43	17.59	8.40	406.00	19.37	4.77
d)	Personal Loan	1830.07	37.44	2.05	1942.67	42.63	2.19
	Sub-total (ii)	2353.27	70.52	3.00	2425.96	81.38	3.35
	Total (I + ii)	4811.79	398.67	8.29	4619.12	443.26	9.60

##Excludes Interest suspense of Rs. 4.47 Crore

Excludes Interest suspense of Rs. 7.33 Crore

b) Particulars of resolution plan and restructuring

- i) Particulars of resolution plan implemented vide [circular DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019](#) 'Prudential Framework for Resolution of Stressed Assets' - NIL
- ii) Details of accounts subjected to restructuring

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

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

Restructuring, the details of MSME restructured borrowers as on 31.03.2024 is as under:

(In ₹ Crores)

No of Accounts	Amount as on 31.03.2024
NIL	NIL

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

(In ₹

Crores)

No of Accounts	Funded O/s as on 31.03.2024	Provision Held
72	7.80	0.77

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

(In ₹ Crores)

No of Borrowers	Aggregate Exposure as on 31.03.2024	Provision
93	15.17	1.76

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

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

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

Position as on 31st March 2024

Sl. No	Description	Individual Borrowers		Small businesses	Total
		Personal Loans	Business Loans		
(A)	Number of requests received for invoking resolution process under Part A	87	2	4	93
(B)	Number of accounts where resolution plan has been implemented under this window	87	2	4	93
(C)	Exposure to accounts mentioned at (B) before implementation of the plan (Rs. In Crores)	11.26	0.37	3.54	15.17
(D)	Of (C), aggregate amount of debt that was converted into other securities				
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation				
(F)	Increase in provisions on account of the implementation of the resolution plan (Rs. In Crores)	1.37	0.04	0.35	1.76

c) Divergence in asset classification and provisioning

As per RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and/or additional Gross NPAs identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period then banks are required to disclose divergences from prudential norms on income recognition, asset classification and provisioning **Since the additional NPA identified by RBI during the last audit i.e, FY 2023, does not exceed the threshold limit hence nothing to be disclosed**

- d) Disclosure of transfer of loan exposures** – The Bank have not transferred and acquired to / from other entities any loan exposure relating to the loans not in default / stressed loans in current and previous financial year.
- e) Government Security Lending (GSL) transactions (in market value terms)** – The Bank did not undertake any such transactions during current and last financial year
- f) Disclosure of Letters of Comfort (LoCs) issued by banks** – The Bank has not issued any letter of comfort during the current financial year or last financial year
- g) Portfolio-level information on the use of funds raised from green deposits** - NIL
- h) Fraud accounts**

Particulars	As on March 31, 2024	As on March 31, 2023
Number of frauds reported during the year	111	2
Amounts Involved in Fraud (in ₹ Cr)	3.24	0.19
Amount of Provisions made for such frauds (in ₹ Cr)	1.89	0.15
Provisions held at the end of the year(in ₹ Cr)	13.30	11.93
Amount of Unamortised provision debited from ‘other reserves’ as at the end of the year (in ₹ Cr)	NIL	NIL

i) Disclosure under Resolution Framework for COVID-19-related Stress

Details of Resolution plan implemented under Resolution Framework for COVID 19 related stress as per RBI circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 06.August 2020 as of March 31, 2024.

(Amt in ₹ Cr)

Type of borrower	Exposure to accounts classified as standard consequent to implementation of Resolution Plan – Position as at the end of the Previous year i.e 31.03.2023 (A)	Of (A), Aggregate debt that slipped into NPA during the year	Of (A), amount written off during the year	Of (A), amount paid by the borrowers during the year	Exposure to accounts classified as standard consequent to implementation of Resolution Plan – Position as at the end of this year i.e 31.03.2024(A)
Personal Loans					
Corporate persons					
Of which, MSMEs			NIL		
Others					

Total					
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5. Exposures

a) Exposure to real estate sector

(Rs. In Crore)

Lending to Sensitive Sector		
Exposure to Real Estate		
Category	Current Year	Previous year
a) Direct exposure		
(i) Residential Mortgages –	(Rs. In Crore)	
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (*Individual housing loans classified as Priority Sector as per RBI guidelines may be shown separately)	1074.34	1003.93
	(379.76)	(339.27)
(ii) Commercial Real Estate –		
**Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	169.32	65.50
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
a. Residential,		
b. Commercial Real Estate.	0.00	0.00
b) Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		
Total Exposure to Real Estate Sector	1243.66	1069.43
**Exposure to Commercial Real Estate includes		
Funded Exposure	169.32	60.06
Non Funded Exposure	0.00	5.44
Total Exposure	169.32	65.50
*include staff housing loans.		

b) Exposure to capital market - NIL

c) Risk category-wise country exposure – Not Applicable

d) The planned benefit obligation on account of earned leave credit by employee as on March 31st, 2024 stood at Rs. 26.34 Crore. the same is fully covered by plan assets of the same amount.

e) Provision on Standard Advances crore)

(Amount in Rs.

Item	As on 31 st March, 2024	As on 31 st March, 2023
Provisions towards Standard Assets	22.15	20.67
Provisions towards Restructured Standard Assets	2.61	4.20
Total Provision for Standard Accounts	24.76	24.87

f) Unsecured advances

(Amounts in ₹ crore)

Particulars	Current year	Previous Year
Total unsecured advances of the bank	96.44	213.73
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	NIL	Nil
Estimated value of such intangible securities	NIL	NIL
Note: Out of above exposure towards IBPC is	0.00	124.97

g) Factoring exposures – NIL

h) As per RBI direction with reference to creation of additional penal provisioning on account of Non-Compliance to guidelines on Automation of Income recognition, Asset classification and provisioning processes in Banks. The Bank has created additional provision amounting Rs. 0.14 Crores (previous year Rs. 1.52 Crores) thus the aggregate provision as on 31st March 2024 is Rs. 3.14 Crores.

i) Intra Group Exposures:

(Amounts in ₹ crore)

Particulars	As on March 31, 2024			As on March 31, 2023		
	Fund Based	Investment Based	Total	Fund Based	Investment Based	Total
Total Amount of Intra Group Exposures	NIL	NIL	NIL	NIL	NIL	NIL
Total amount of Top 20 Intra Group Exposures	NIL	NIL	NIL	NIL	NIL	NIL
Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	NIL	NIL	NIL	NIL	NIL	NIL
Details of breach of limits on intra-group exposures and regulatory action thereon, if any	NIL	NIL	NIL	NIL	NIL	NIL

Related party Disclosure – (Accounting Standard - 18):

(Amounts in ₹ crore)

Nature of Transaction	Parent (as per ownership or control)	Parent's Subsidiaries	Associates/ Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Total
Interest Earned	0.51					0.51
Commission Income		0.28				0.28

Dividend Paid	4.66*					4.66
Commission Paid	0.003					0.003
Remuneration				0.37		0.37
Rendering of services						
Deposits (CASA)						
- Placements	11.69					11.69
- Received		1.00				1.00
Deposits (Term)			325.26			325.26
Non-funded commitments At the year end	0.95					0.95

* Relating to F.Y 2023-24

The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31 March, 2024 are given below:

(Amounts in ₹ crore)

Items/ Related Party	Parent (as per Ownership or control)	Parent' s Subsidiaries	Associates/ Joint ventures #	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposit Received		1.00	325.26			326.26
Placement of deposits	11.69					11.69
Advances *						
Investments						
Non-funded commitments						
Call Lending						
Swap/Forwards Contract						
Investment of related party in Hybrid Capital/ Bonds of the Bank						
Payable under management contracts						
Other receivables (net)		0.05				0.05
Other payables (net)						
Non Funded (BG)	0.95					0.95

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

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

j) Unhedged foreign currency exposure – NIL

6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

Particulars	Current Year	Previous Year
Total deposits of the twenty largest depositors (Amount in ₹ crore)	881.83	707.68
Percentage of deposits of twenty largest depositors to total deposits of the bank	10.67	9.21

b) Concentration of advances

Particulars	Current Year	Previous Year
Total advances to the twenty largest borrowers (Amount in ₹ crore)	504.13	420.56
Percentage of advances to twenty largest borrowers to total advances of the bank	10.34	9.10

C) Concentration of exposures

Particulars	Current Year	Previous Year
Total exposure to the twenty largest borrowers/customers (Amount in ₹ crore)	567.21	473.43
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/Customers	10.28	6.48

d) Concentration of NPAs

(Amount in ₹ crore)

	Current Year	Previous Year
Total Exposure to the top twenty NPA accounts	172.71	211.56
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	43.32	47.73

7. **Derivatives** – The Bank did not enter into the derivative transactions during the current year and previous year.
8. **Disclosures relating to securitization** – The bank had not sold any financial assets directly to Securitization / Reconstruction Company for Asset Reconstruction
9. **Off Balance Sheet SPV sponsored -NIL**
10. **Transfers to Depositor Education and Awareness Fund (DEA Fund)**

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Opening balance of amounts transferred to DEA Fund	30.77	25.36
ii)	Add: Amounts transferred to DEA Fund during the year	5.58	5.97
iii)	Less: Amounts reimbursed by DEA Fund towards claims	1.02	0.56
iv)	Closing balance of amounts transferred to DEA Fund	35.33	30.77

11. Disclosure of complaints

Complaints received by the bank from its customers:

Particulars	As on 31st March, 2024	As on 31st March, 2023
Complaints received by the Bank from its customers		
No. of complaints pending at the beginning of the year	40	12

Add: No. of complaints received during the year	2899	5287
Less: No. of complaints disposed during the year	2918	5259
Of which, number of complaints rejected by the bank	1	6
No. of complaints pending at the end of the year	21	40

Out of Total customer complaints details of ATM transaction disputes:

Particulars	As on 31st March, 2024	As on 31st March, 2023
No. of complaints pending at the beginning of the year	17	12
Add: No. of complaints received during the year	1876	4712
Less: No. of complaints redressed during the year	1892	4707
No. of complaints pending at the end of the year	1	17

Maintainable complaints received by the bank from OBOs:

Particulars	As on 31st March, 2024	As on 31st March, 2023
Maintainable complaints received by the Bank from Office of ombudsman		
No. of complaints received by the bank from OBOs	84*	48
No. of complaints resolved in favor of the bank by BOs	78	18
No. of complaints resolved through conciliation/mediation/advisories issued by BOs	4	30
No. of complaints resolved after passing of Awards By BOs against the Bank.	0	0
Number of awards unimplemented within the stipulated time(other than those appealed)	0	0
Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2021 and covered within the ambit of the Scheme.		

*2 maintainable complaints out of total 16 maintainable complaints received in quarter 4 FY-2023-24 from OBO were pending on 31.03.2024 as per the information available on RBI BO portal as on 31-03-2024.

*One -1- advisory was issued as per RBI BO portal in one of the BO complaints received in Q4 FY- 2023-24 as per the information available on RBI BO portal as on 31-03-2024.

Top five grounds of complaints received by the bank from customers

Sl. No.	Grounds of complaints,(i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaint spending at the end of the year	Of 5, number of complaints pending beyond 30 days
	1	2	3	4	5	6
2023-24						
Ground - 1	ATM/Debit Cards	17	1884**	-60.01%	2	1
Ground - 2	Loans and advances	1	102	20.00%	2	0
Ground - 3	Internet/Mobile/Electronic Banking	8	473	176.60%	1	0

Ground - 4	Account opening/difficulty in operation of accounts	3	64	1.58%	1	0
Ground - 5	Facilities for customers visiting the branch/adherence to prescribed working hours by the branch, etc.	0	0	-100.00%	0	0
	Others	11	376	62.06%	15	12
Total		40	2899	-45.16%	21	13

Top five grounds of complaints received by the bank from customers

Sl. No.	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1		2	3	4	5	6
2022-23						
Ground - 1	ATM/Debit Cards	12	4712	187.14%	17	0
Ground - 2	Loans and advances	0	85	165.63%	1	1
Ground - 3	Internet/Mobile/Electronic Banking	0	171	108.54%	8	1
Ground - 4	Account opening/difficulty in operation of accounts	0	63	800.00%	3	0
Ground - 5	Facilities for customers visiting the branch/adherence to prescribed working hours by the branch, etc.	0	24	-56.36%	0	0
	Others	0	232	84.13%	11	3
Total		12	5287	172.10%	40	5

15 Non-Maintainable complaints received from RBI BO in the Q4 FY 23-24 are not included in the above mentioned table (Top five grounds of complaints) for the year ending 2023-24.

** includes -8- complaints received under RBI BO during the year 2023-24 related to ATM.

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

a) Disclosure of penalties imposed by RBI / Overseas Regulators

(Amounts in ₹ crore)

Particulars	Nature of Breach	For the year ended March 31, 2024		For the year ended March 31, 2023	
		No	of Amount	No	of Amount

		Cases		Cases	
Penalties Imposed by RBI	Regulatory & Operational	01	0.004	01	0.006
Penalties Imposed on Overseas territories by their respective regulators		NIL	NIL	NIL	NIL

b) Other penalties/Fees levied by statutory authorities

S.N	Authority	Details of Penalty	Amount (in Rs)
1.	Banking Ombudsman	1. Delay in release of mortgaged Security Documents 2. Delay in updating CIBIL of the complainant 3. Delay in updating CIBIL of the complainant	10000.00 10000.00 25000.00

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

Year ended	Date of bouncing SGL form	Amount	Remarks
2023-24	NIL	NIL	NIL
2022-23	NIL	NIL	NIL

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

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

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

13. Disclosures on remuneration

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

Type of disclosure		Information	
Qualitative	(a)	Information relating to the composition and mandate of the Nomination and Remuneration Committee.	Present composition of NRC Committee Members - 1. Binita Shah - Chairperson 2. N.K. Chari - Member 3. Manoj Sharma - Member 4. Gopal Singh Gusain - Member
	(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	The Bank has formulated and adopted the Remuneration Policy for Non-Executive Chairperson and Non-Executive Directors of the Bank in terms of the relevant provisions of Section 178 of the Companies Act, 2013, the relevant Rules

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

	(f) Description of the different forms of variable remuneration (i.e., cash and types of share-linked instruments) that the bank utilizes and the rationale for using these different forms.	Bank has a compensation policy with due incorporation of all such covenants
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		CurrentYear	PreviousYear
Quantitativedisclosures (The quantitative disclosures should only cover Whole Time Directors/ Chief Executive Officer/ Material Risk Takers)	(g) Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members.	9	4
	(h) (i) Number of employees having received a variable remuneration award during the financial year. (ii) Number and total amount of sign-on/joining bonus made during the financial year. (iii) Details of severance pay, in addition to accrued benefits, if any.	NA	NA
	(i) (i) Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms. (ii) Total amount of deferred remuneration paid out in the financial year.	NA	NA
	(j) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	NA	NA
	(k) (i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	NA	NA
		(ii) Total amount of reductions during the financial year due to ex post explicit adjustments. (iii) Total amount of reductions during the financial year due to ex post implicit adjustments.	NA
	(l) Number of MRTs identified.	NA	NA

	(m)	(i) Number of cases where malus has been exercised. (ii) Number of cases where clawback has been exercised. (iii) Number of cases where both malus and clawback have been exercised.	NA	NA
General Quantitative Disclosure	(n)	The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	NA	NA

The remuneration paid to non-executive director/chairman during current financial year is Rs. 8,40,000/- (Previous year Rs. 8,40,000/-), and to the MD & CEO is Rs. 37,03,777/- (Including arrears) (Previous year Rs. 25,87,488)

14. Other Disclosures

a) Business ratios

Item	As on 31 st March, 2024	As on 31 st March, 2023
i. Interest Income as a percentage to Working Funds (%)	7.62%	6.89%
ii. Non-interest income as a percentage to Working Funds(%)	0.69%	0.42%
iii. Operating Profit as a percentage to Working Funds(%)	1.18%	0.90%
iv. Return on Assets(%)	0.52%	0.54%
v. Business (Deposits plus Advances excluding Bank deposits) per employee (Rs. in crore)	10.79	10.99
vi. Net Profit per employee (Rs. in crore)	0.04	0.0426
VII Net Interest Margin	3.53%	3.27%
VIII Cost of Deposits	4.85%	4.24%
IX Yield on Advances	9.05%	8.39%

b) Banc assurance business

The total income of the bank in respect of bank assurance business was **Rs. 2.19 Crore** during the period ended 31.03.2024 with details as under:

(Rs. in Crore)

Sr. No.	Insurance Company	As on 31 st March, 2024	As on 31 st March, 2023
1.	HDFC Life Insurance Company Ltd.	0.754	1.116
2.	National Insurance Company Ltd	0.039	0.061
3.	India First Life Insurance Co. Ltd	0.295	0.174
4.	Future Generali Insurance Ltd.	0.272	0.247
5.	Care Health Insurance	0.148	0.066
6.	Reliance Nippon Life Insurance	0.687	0.004
	Total	2.195	1.669

The total income of the bank in respect of other products was 0.065 Crore during the period ended 31.03.2024, with details as under.

(Rs. in Crore)

Sr. No.	Company	As on 31 st March, 2024	As on 31 st March, 2023
1	Weizmann Forex Ltd.	0.000	0.003

2	Atal Pension Yojna	0.048	0.014
3	Stock Holding Corporation of India Ltd.	0.000*	0.000
4	Life Insurance Corp of India	0.000**	0.007
6	Bob Financial Solution Limited	0.017	0.008
	Total	0.065	0.032

*Rs.1248/- Commission Received From SHCIL during the FY 2023-24.

**Rs.5938/- Commission Received From LIC during the FY 2023-24.

c) Marketing and distribution

NIL

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

e) Reserves and Surpluses

Statutory Reserve the Bank has made an appropriation of Rs. 11.77 Crores (Previous Year: Rs. 11.58 Crores) out of profits for the year ended March 31, 2024 to the Statutory Reserve pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI guidelines dated September 23, 2000.

Capital Reserve - Capital Reserve includes appreciation arising on revaluation of immovable properties, during current financial year the Bank Has carried out revaluation of owned premises which resulted in upward valuation by Rs. 5.85 Crores, property wise details are as per below table.

SL NO.	NAME OF PROPERTY	Valuation Adopted	WDV before valuation	Increase/decrease
1	NAINITAL(HO-LAND)	7.41	5.93	1.48
	HO-BUILDING	1.32	0.21	1.11
	Grand Total (A)	8.73	6.14	2.59
2	NAINITAL (MAIN BRANCH) LAND	4.71	3.71	0.99
	BUILDING	1.14	0.25	0.89
	Grand Total (B)	5.85	3.96	1.88
3	BHIMTAL-LAND	1.33	1.11	0.22
	BUILDING	0.78	0.39	0.38
	Grand Total (C)	2.10	1.50	0.61
4	ALMORA(MAIN BRANCH) LAND	0.85	0.70	0.15
	BUILDING	0.39	0.34	0.05
	Grand Total (D)	1.24	1.04	0.20
5	HALDWANI LAND	2.82	2.82	-
	BUILDING	1.28	0.70	0.57
	Grand Total (E)	4.10	3.53	0.57
	Grand Total (A+B+C+D+E)	22.02	16.17	5.85

Investment Fluctuation Reserve - In accordance with RBI guidelines, banks are required to create an Investment Fluctuation Reserve (IFR) equivalent to 2% of their HFT and AFS investment portfolios, within a period of three years starting fiscal 2019, subject to profit availability after statutory appropriation.

The Bank has maintained Rs. 21.25 Crore in the said reserve as at 31st March 2024 the same represents 2.04% of trading portfolio of the Bank

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

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

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

(Amount in Crores)		
Particulars -Lease Rent Obligations	As at 31 st March 2024	As at 31 st March 2023
Not later than one year	10.63	11.21
Later than one year and not later than five years	20.62	26.37
Later than five years	11.27	2.40
Total	42.53	39.98

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

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

(ii) Accounting policy: During the year the Bank has not change any accounting policy having material impact on financial statement.

h) Provisions and contingencies

(Amount in ₹ crore)		
Provision debited to Profit and Loss Account	Current Year	Previous Year
i) Provisions for NPI	NIL	NIL
ii) Provision towards NPA	40.90	20.08
iii) Provision made towards Income tax	27.02	4.46
iv) Other Provisions and Contingencies		
- Standard Advance	-0.11	-1.06
- Provision for Security Receipt	-4.99	-1.26
- Miscellaneous Provisions	1.06	5.96
- Provision for claims against the bank not acknowledged as debt	NIL	0.41
- Deferred Tax	-3.69	4.03
- Provision for Interest Payable on Overdue TDR accounts	NIL	-1.99
Total	60.19	30.63

i) Breakup of others in the Balance Sheet and Profit and Loss Account;

Item wise breakup of "Others" under "SCHEDULE 11- OTHER ASSETS", exceeding one per cent of the total assets	
Account Head	Amount (Rs. '000)
Rural Infrastructure Development Fund (RIDF) deposits (deposits in lieu of shortfall in priority sector lending)	40,82,754.00
Grand Total	40,82,754.00

Breakup of "Others" under SCHEDULE 14- OTHER INCOME, exceeding one per cent of total income	
Account Head	Amount (Rs. '000)
Incidental/Processing Charges	1,01,821.00
Service Charges	1,18,149.00
Grand Total	2,19,970.00

Breakup of "Others" under SCHEDULE 13- INTEREST EARNED, exceeding one per cent of total income		Amount (Rs. '000)
Interest on RIDF deposits		1,17,767.00

Breakup of "Others" under SCHEDULE 16- OPERATING EXPENSES, exceeding one per cent of total income		Amount (Rs. '000)
Account Head		
CBS/IT charges		1,37,954.00
Grand Total		1,37,954.00

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

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

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

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

k) Disclosure of facilities granted to directors and their relatives

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

l) Payment of DICGC Insurance Premium

(Amount in ₹ crore)			
Sr. No.	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	10.42	10.01
ii)	Arrears in payment of DICGC premium	NIL	NIL

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

The Bank had estimated the additional liability on account of revision in family pension for employees covered as per IBA Joint Note/Bipartite settlement dated November 11, 2020, amounting to Rs. 8.39 Crores.

RBI vide their Circular no. "RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22" dated 4th October 2021, has permitted Banks to amortize the said additional liability over a period of not exceeding 5 (five) years, beginning with financial year ending 31st March 2022, subject to a minimum of 1/5th of the total amount being expensed every year.

Bank did not opt the said option and charged the entire amount to the Profit & Loss account for the FY ended 31st March 2024.

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

a) Change in present value of Defined Benefit Obligation

(Amount in ₹ Cr)

Particulars	Pension		Leave Encashment		Gratuity	
	As on March 31, 2024	As on March 31, 2023	As on March 31, 2024	As on March 31, 2023	As on March 31, 2024	As on March 31, 2023
Opening Defined Benefit Obligation	383.01	367.64	20.89	17.19	29.36	31.91
Opening Adjusted						
Add- Acquisition Adjustment						
Add: Interest Cost	28.42	26.51	1.55	1.24	2.18	2.30
Add : Past Service Cost						
Add: Current Service Cost	4.29	4.22	2.59	1.66	2.33	2.00
Less: Benefits Paid	(4.26)	(3.91)	(2.99)	(2.45)	(6.31)	(5.50)
Add: Actuarial (Gain)/ loss on obligation	20.12	(11.45)	4.30	3.25	1.6	(1.34)
Closing Defined Benefit Obligation	431.58	383.01	26.34	20.89	29.16	29.37

b) Change in Fair value of Plan Assets

(Amount in ₹ Cr)

Particulars	Pension		Leave Encashment		Gratuity	
	As on March 31, 2024	As on March 31, 2023	As on March 31, 2024	As on March 31, 2023	As on March 31, 2024	As on March 31, 2023
Opening Fair Value of plan assets	121.76	122.37	18.46	17.74	29.79	31.32
Opening Adjusted						
Add- Expected Return on Plan Assets	7.91	12.27	1.20	1.15	1.94	3.68
Add- Expected Return on Plan Assets						
Add- Contributions	31.51	13.50	6.55	0.00	2.60	0.00
Less- Benefits Paid	(46.63)	(34.42)	(2.99)	(2.45)	(6.31)	(5.50)
Add- Actuarial gain/(-)loss						
Closing Fair Value of Plan Assets	114.55	113.72	23.22	16.44	28.02	29.50

c) Amount recognized in the Balance Sheet

(Amount in ₹ Cr)

Particulars	Pension		Leave Encashment		Gratuity	
	As on March 31, 2024	As on March 31, 2023	As on March 31, 2024	As on March 31, 2023	As on March 31, 2024	As on March 31, 2023
a) Closing Defined Benefit Obligation	431.58	383.01	26.34	20.89	29.16	29.36
b) Closing Fair Value of Plan Assets	114.55	113.72	23.22	16.44	28.02	29.49
c) Difference	317.02	269.29	3.12	4.45	(1.14)	0.13
d) Unrecognized transitional liability						

e) Liability Recognized in the BS	317.02	269.29	3.12	4.45	(1.14)	0.13
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d) Amount recognized in the Profit & Loss Account

(Amount in ₹ Cr)

Particulars	Pension		Leave Encashment		Gratuity	
	As on March 31, 2024	As on March 31, 2023	As on March 31, 2024	As on March 31, 2023	As on March 31, 2024	As on March 31, 2023
a) Current Service Cost	4.29	4.21	2.59	1.66	2.33	2.00
b) Past Service Cost						
c) Interest Cost	28.42	26.51	1.55	1.24	2.18	2.30
d) Expected Return on Plan Assets	(7.91)	(8.82)	(1.20)	(1.28)	(1.94)	(2.26)
e) Net Actuarial Loss/gain(-)	20.12	(14.89)	4.30	3.38	1.60	(2.76)
f) Expenses Recognized in P&L	44.91	7.00	7.24	5.00	4.17	(0.72)

e) Principal Actuarial Assumptions

Particulars	Pension		Leave Encashment		Gratuity	
	As on March 31, 2024	As on March 31, 2023	As on March 31, 2024	As on March 31, 2023	As on March 31, 2024	As on March 31, 2023
Discount rate	7.15%	7.42%	7.15%	7.42%	7.15%	7.42%
Salary Escalation Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Expected Rate of Return on plan Assets	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%

Accounting for Taxes on Income (Accounting Standard 22)

o) Current Tax

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

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

(Amount in ₹ Cr)

Item	Current F.Y 2024	Previous F.Y 2023
Provision for Income Tax	27.02	4.46

B) Deferred Tax

The deferred tax Liability as on 31st March 2024 stood at Rs 4.44 Crore (previous year it was Rs. 8.12 Crore). Major components of Deferred Tax Liabilities are as under:

Components	Rs. In Crores		
	Closing balance (Amount in Crores)	DTA @25.168%	DTL @ 25.168%

Provision For Ex-Gratia	2.35	0.59	
Provision For Leave Encashment & LFC	5.61	1.41	
Provision For baggage	0.11	0.03	
Reserves created as per section 36(1)(viii) of Income Tax Act, 1961	27.33		6.87
Difference in WDV's as per Income Tax Act & Books	1.61	0.40	
Total DTA/ DTL (CURRENT YEAR)		2.43	6.87
Net DTL as on 31 st March 2024			4.44
Opening Balance of DTL as on 31 st March 2023			8.12
Amount charged/(written back) to PL a/c during the year			(3.68)

p) Technological advancements

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

Rs. In Crores

Sr. No.	Particulars	Amount capitalised as per AS-10 and other applicable regulations	Depreciation till March 2024	Book Value as on March 2024
1	Tangible items viz high end servers & networks.	33.18	12.20	20.98
2.	Licences, implementation, customisation of new CBS/treasury and other ancillary modules.	26.97	7.89	19.08

q) Segment Reporting (Accounting Standard 17)

Part A: Business segments

(Amount in ₹ Cr)

Business Segments	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Operation	Total
Particulars	31 ST MARCH 2024	31 ST MARCH 2024	31 ST MARCH 2024	31 ST MARCH 2024	31 ST MARCH 2024
Revenue	258.32 (228.53)	59.60 (37.65)	434.78 (333.69)	2.22 (2.69)	754.92 (602.56)
Result	73.12 (66.99)	6.15 (3.97)	84.44 (73.49)	2.22 (2.69)	165.93 (147.14)
Unallocated expenses					91.81 (96.37)
Total profit before tax					74.12 (50.77)
Income taxes					27.02 (4.46)

Extraordinary profit/ loss					0.00 (0.00)
Net profit					47.10 (46.31)
Segment assets	3861.70 (3632.16)	1279.74 (1173.54)	4086.32 (3769.48)	0.00 (0.00)	9227.76 (8575.19)
Unallocated assets					79.06 (81.49)
Total assets					9306.82 (8656.67)
Segment liabilities	3543.28 (3332.15)	1187.66 (1089.13)	3789.69 (3496.29)	0.00 (0.00)	8520.64 (7917.56)
Unallocated liabilities					786.19 (739.11)
Total liabilities					9306.82 (8656.67)

Note: Figures in bracket indicates previous year figures (i.e March 2023 figures)

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

(Amount in ₹ Cr)

Item	Provision As per AS – 29							
	Amt. for which the Bank is contingently Liabile	Provision as at the beginning of the Year	Addition during the year	Amount used during the year	Unused amount reversed during the year	Provision as at the close of the year	Major assumption regarding future events	Remarks
Claims against the Bank not acknowledged as debt*	1.83 (1.84)	1.34 (1.09)	0.00 (0.25)	0.01 NIL	NIL NIL	1.33 (1.34)	NIL NIL	NIL NIL
Guarantees issued on behalf of constituents	55.64 (63.04)	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Acceptance Endorsements and other obligations	0.00 (0.20)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Other items, for which the Bank is contingently liable	50.23 (43.41)	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Note - In above table figures in bracket represents the amount outstanding as at 31st March 2023

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

s) Earnings per share-

Particulars		As on 31 st March, 2024	As on 31 st March, 2023
a)	Earnings per share (Rs.)	4.01	3.94
	Basic (Rs.)	4.01	3.94
	Diluted (Rs.)	4.01	3.94
b)	Amount used as numerator (Rs.) (Profit after tax)	47,09,67,150/-	46,30,87,494/-
c)	Nominal value of shares (Rs.)	10/-	10/-
d)	Weighted average number of equity shares used as the denominator	11,74,46,250	11,74,46,250

f) Additional Disclosures:

- **Re-grouping & Re-classification:** Previous year's figures have been reclassified as appropriate to make them comparable with current year. Consequently, related ratios/amounts for previous year are restated.
- **Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006:** There have been no reported cases of delayed payments of the principal amount or interest due thereon to Micro & Small Enterprises and hence disclosure for payment of interest on delayed payments to MSME is not applicable.
- **Disclosure relating to Digital Banking Unit** – Presently Bank has no Digital Banking Unit.



INDEPENDENT AUDITOR'S REPORT

To the Members of The Nainital Bank Limited

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of The Nainital Bank Limited ('the Bank'), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information in which are included the Returns for 20 branches audited by us and returns for 56 branches for the year ended on that date audited by the branch auditors of the Bank's branches located at Rajasthan, Haryana, Delhi, Uttarakhand and Uttar Pradesh.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') in the manner so required for banking Companies and are in conformity with accounting principles generally accepted in India and give a true and fair view of the state of affairs of the Bank as at 31st March 2024, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

3. We draw attention to:
 - a) That the Bank needs to ensure the completeness and integrity of the automated Asset Classification (classification of advances/investments as NPA/NPI and their upgradation), Provisioning calculation and Income Recognition processes.

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

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

4. The Bank's Board of Directors is responsible for the other information. The other information comprises the management report and chairman's statement, if any.

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

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

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

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

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

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

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our

report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

7. We did not audit the financial statements / information of 56 branches included in the standalone financial statements of the Bank whose financial statements / financial information reflect total gross advances of Rs. 1,612.59 crores as at 31st March 2024 and total revenue of Rs. 155.26 crores for the year ended on that date, as considered in the standalone financial statements. These branches cover 33.46 % of advances, 42.99% of deposits and 27.91 % of non-performing assets as at 31st March 2024 and 34.30 % of revenue for the year ended 31st March 2024. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.
8. In the conduct of our audit, we have taken note of the unaudited returns in respect of 93 branches certified by the respective branch's management whose financial statements/ information reflect total gross advances of Rs. 983.13 crore as at 31st March 2024 and total revenue of Rs 97.43 crore for the year ended on that date. These unaudited branches cover 20.40 % of advances, 28.32 % of deposits and 14.06 % of non-performing assets as on 31st March 2024 and 21.52 % of revenue for the year then ended. The financial statements / information of these branches has been certified by the respective branch's management.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013
10. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
 - (c) the returns received from the offices; and branches of the Bank have been found adequate for the purposes of our audit;
 - (d) the profit and loss account shows a true balance of profit for the year then ended.
11. Further, as required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

c) the reports on the accounts of the branch offices of the bank audited under section 143(8) of the Act by branch auditors of the Bank have been sent to us and have been properly dealt with by us in preparing this report;

d) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with in this report are in agreement with the books of account and with the returns received from the branches not visited by us

e) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

f) on the basis of written representations received from the directors as at 31 March 2024 and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act;

g) with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, Section 197(16) of the Companies Act, 2013 we report that

The remuneration paid by the bank to its directors is in accordance with the provisions of this section.

i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Schedule 18, Note 14 r to the financial statements;
 - ii. the Bank did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank;
- A. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- B. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - C. Based on such audit procedures that were considered reasonable and appropriate by us in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (a) and (b) contain any material misstatement.
- iv. The final dividend paid by the company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act as applicable.
 - v. The Bank has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For M/s A.R. & Co.
Chartered Accountants
Firm's Registration No. 002744C

CA Anil Gaur
Partner
M. No-017546
UDIN No. 24017546BKASEL7411
Place: Mumbai
Date: 30-04-2024

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

(Referred to in paragraph 11(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

1. We have audited the internal financial controls over financial reporting with reference to standalone financial statements of The Nainital Bank Limited ('the Bank') as at 31 March 2024 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls over Financial Reporting

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

Auditor's Responsibility

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting ,except that the framework of internal financial control over financial reporting needs improvement by suitably updating Risk Control Matrix ,and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.
9. We have considered the areas of improvement identified which needs further strengthening as reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2024 standalone financial statements of the Bank. However, these areas of improvement do not affect our opinion on the standalone financial statements of the Bank **Other Matters**

10. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Standalone financial statement of 76 branches, is based on the corresponding reports of the respective Central Statutory Auditors / Statutory Branch Auditors of those branches.

Our opinion is not modified in respect of this matter.

For M/s A.R. & Co.
Chartered Accountants
Firm's Registration No. 002744C

CA Anil Gaur
Partner
M. No-017546
UDIN No. 24017546BKASEL7411
Place: Mumbai
Date: 30-04-2024