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To the Members of Unity Small Finance Bank Limited

Report on the Audit of the standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Unity Small Finance Bank Limited ("the Bank"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information being submitted by the bank in connection with Consolidation of the Bank's financial information with Centrum Financial Services Limited (the 'Ultimate Holding Company' or 'CFSL').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required for and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

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Sr.no	Key Audit Matters	Audit Procedure followed to address the Key Audit Matters
1.	**Assessment of Information Technology (IT):** a. IT controls with respect to recording of transactions, generating various reports in compliance with RBI guidelines including IRAC norms, preparing financial statements and reporting of compliances to regulators etc. is an important part of the process. Such reporting is highly dependent on the effective working of Core Banking Software and other allied systems. We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management and regulators.	Our audit procedure includes: - a) Understanding and testing of operative effectiveness of the system. b) Understanding the coding system adopted by the bank for various categories of customers. c) Understanding and testing of different validations available in the system d) Checking the user requirements for any changes in the regulations/ policy of the bank e) Testing of logic used for extracting the data. f) On sample basis reviewing the reports generated. g) Reliance on the system audit report of the bank.
	b. The Bank has migrated the Turing system from Finacle.	The Bank has carried out migration audit through an external agency which has confirmed that they have completed the audit and have confirmed that there are no open items. We have relied on the same. Also, the management has confirmed that there is no material financial impact on account of such migration.
2	**Impairment of Financial Assets held at amortised cost:** Since the loans and advances form a major portion of the Bank's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in Indian Accounting Standard (IND AS) 109 and the management estimation of the related impairment provisions. this is considered to be a key audit matter.	We evaluated appropriateness of the impairment principles used by management based on the requirements of Ind AS 109, our business understanding. We assessed the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. We evaluated management's controls over collation of relevant information used for determining estimates for management overlays.

	The Bank's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: - Segmentation of loan book - Determination of exposure at default - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.	We tested review controls over measurement of impairment allowances and disclosures in financial statements.

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

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Financial Statements

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Bank in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 Ind AS 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 Ind AS financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS 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 Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

1. As the Company is a Banking Company as defined under the Banking Regulation Act, 1949, reporting under Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable to the Bank.

2. 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 purposes 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;

    c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

    d. In our opinion, the aforesaid Ind AS financial statements comply with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) specified under section 133 of

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the Act, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2023 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Bank with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 1” to this report;

g. In our opinion, the entity being a banking company, the remuneration to the MD&CEO for the year ended March 31,2023 has been paid by the Bank in accordance with the provisions of Section 35B (1) of the Banking Regulation Act, 1949; and

h. 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, as amended 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 Ind AS financial statements – Refer Note no. 35 and Note no. 55 (b) & (c) to the Ind AS financial statements;

   ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.

   iv. (a) The management has represented that, to the best of its knowledge and belief, 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 or entity, including foreign entity ("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, no funds have been received by the Bank from any person or entity,

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including foreign entity ("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) In our opinion and based on the audit procedures, we have considered reasonable and appropriate 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.

v. The Bank has not declared or paid any dividend during the year to the Equity Shareholders. However, the bank has declared/paid to Perpetual Non-Cumulative Preference shareholder in accordance with the Scheme of Amalgamation refer to note no 53 (h) (iii).

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For V Sankar Aiyar & Co
Chartered Accountants

V. SANKAR AIYAR & CO. FRN 109208W CHARTERED ACCOUNTANTS

Place: Mumbai
Date: May 3,2023

Asha Patel
Partner
(M. No 166048)
UDIN: 23166048BGUTEI6524

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Annexure 1 to the Independent Auditor's Report of Even Date on the Financial Statements of Unity Small Finance Bank Limited

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

To the Members of Unity Small Finance Bank Limited

We have audited the internal financial controls over financial reporting of Unity Small Finance Bank Limited (the "Bank") as of March 31,2023 in conjunction with our audit of the Ind AS financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Bank's Management 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 issued by the Institute of Chartered Accountants of India. 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 the 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.

Auditor's Responsibility

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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. 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.

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.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control 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 company's internal financial control 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 company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and those receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 control 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

In our opinion, and to the best of our information and according to the explanations given to us , the Bank has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2023, 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 issued by ICAI.

For V Sankar Aiyar & Co
Chartered Accountants

Place: Mumbai
Date: May 3,2023

Asha Patel
Partner
(M. No 166048)
UDIN: 23166048BGUTEI6524

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UNITY SMALL FINANCE BANK LIMITED
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Registered Office : 40, Basant Lok , Vasant Vihar, New Delhi - 110057
Tel No. +91 22 4215 9000, Website: www.theunitybank.com

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Sr. No.	Particulars	Quarter ended			Year ended	
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		Audited	Unaudited	Audited	Audited	Audited
(1)	**Revenue from operations**					
(a)	Interest income	25,202.55	19,146.62	11,470.32	77,339.77	15,549.63
(b)	Rental income	36.30	36.30	39.78	145.20	65.74
(c)	Fees and commission income	465.51	(32.21)	202.28	636.43	202.28
(d)	Net gain on fair value changes	(365.91)	(166.33)	(1,413.39)	62.49	(1,422.54)
(e)	Other operating revenue	76.30	162.32	60.37	342.13	60.37
	Total revenue from operations (a)+(b)+(c)+(d)+(e)	**25,414.76**	**19,146.70**	**10,359.36**	**78,526.02**	**14,455.48**
(2)	Other income	59.19	511.65	19.55	3,065.48	19.55
(3)	Total income (3) = (1) + (2)	**25,473.95**	**19,658.35**	**10,378.91**	**81,591.50**	**14,475.03**
(4)	**Expenses**					
(a)	Finance costs	11,602.09	11,146.37	8,577.80	46,002.71	11,572.97
(b)	Impairment / (reversal of impairment) on financial instruments	(4,203.78)	(583.06)	1,421.19	2,150.02	2,257.00
(c)	Employee benefits expenses	7,321.61	5,772.79	3,430.90	21,828.07	4,512.68
(d)	Depreciation, amortisation and impairment	559.69	844.52	521.93	2,671.78	569.61
(e)	Others expenses	9,411.31	4,754.30	2,078.62	20,392.25	3,486.69
	Total expenses (a)+(b)+(c)+(d)+(e)+(f)	**24,690.93**	**21,934.92**	**16,030.44**	**93,044.83**	**22,398.95**
(5)	**Profit/(loss) before exceptional items and tax (3) - (4)**	**783.03**	**(2,276.57)**	**(5,651.53)**	**(11,453.33)**	**(7,923.92)**
(6)	**Exceptional Items**	-	-	-		-
(7)	**Profit/(loss) before tax (5) - (6)**	**783.03**	**(2,276.57)**	**(5,651.53)**	**(11,453.33)**	**(7,923.92)**
(8)	**Tax expense:**					
(a)	- Current tax	-	-	-		-
(b)	- Deferred tax	(791.94)	396.36	(1,233.55)	(630.36)	(1,233.55)
	Total tax expense (a)+(b)	**(791.94)**	**396.36**	**(1,233.55)**	**(630.36)**	**(1,233.55)**
(9)	**Profit/(loss) for the period (7) - (8)**	**1,574.96**	**(2,672.93)**	**(4,417.98)**	**(10,822.97)**	**(6,690.37)**
(10)	**Other comprehensive income**					
(a)	Items that will not be reclassified to profit or loss					
	- Change in fair value of FVOCI instrument	-	-	-		-
	- Remeasurements of post-employment benefit obligations	(35.98)	(106.46)	(461.51)	162.99	(461.51)
	- Income tax relating to these items	9.05	26.79	116.15	(41.02)	116.15
(b)	Items that will be reclassified to profit or loss	-	-	-		-
	- Change in fair value of FVOCI instrument	(326.62)	53.67	(25.42)	4.34	
	- Income tax relating to Items that will be reclassified to profit or loss	(1.09)	-	-	(1.09)	
	Other comprehensive income for the period (a)+(b)	**(354.63)**	**(26.00)**	**(370.78)**	**125.23**	**(345.36)**
(11)	**Total comprehensive income for the period (9) + (10)**	**1,220.33**	**(2,698.93)**	**(4,788.76)**	**(10,697.74)**	**(7,035.73)**
(12)	**Paid-up equity share capital (face value Rs 10/- per share)**	**70,490.20**	**70,490.20**	**70,490.20**	**70,490.20**	**70,490.20**
(13)	**Earnings per equity share (Not annualised)**					
	- Basic (Rs.)	0.22	(0.38)	(0.63)	(1.54)	(0.95)
	- Diluted (Rs.)	0.09	(0.38)	(0.63)	(1.54)	(0.95)

Notes

The above financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on 3rd May, 2023. The financial results for the quarter and year ended 31st March, 2023 have been audited by the statutory auditors of the Bank.

(1) The financial results of the UNITY SMALL FINANCE BANK LIMITED ("The Company") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. The Company has commenced its operations from November 1, 2021, with commencement of operations as Small Finance Bank. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (collectively referred to as 'the Previous GAAP'). These financial results have been prepared in accordance with the recognition and measurement principles stipulated under Ind AS 34 - Interim Financial Reporting and other accounting principles generally accepted in India.

(2) Ind-AS financial Result has been prepared for the purposes of preparation of the Consolidated Financial Results by the Ultimate Holding Company.

(3) Bank has not issued any Principal Protected Market linked debentures ('MLDs'). However, Bank has grandfathered MLDs from Centrum Financial Services Limited (CFSL) as a result of slump sale.

(4) The Principal protected, secured, redeemable, non-convertible, market linked debentures (MLDs) are fully secured by a first pari-pasu charge over the specified immovable property wherever applicable and/or present and future book debts, investments & receivables of the Bank. Further, the Non-convertible Debentures (excluding MLDs) are fully secured by first ranking pari passu charge against the Bank's identified receivables.

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(5) During the year, the Bank has received further cash assistance (claims towards insured amount) from DICGC in respect of erstwhile PMC depositors, to the tune of ₹ 59 crore. In accordance with the Scheme, the Bank has credited these amounts received from DICGC to the respective depositors. Liability towards DICGC was reckoned on net present value basis in the initial recognition balance sheet. Accordingly, this additional cash assistance received from DICGC (₹ 59 crore) has also been reckoned at the net present value i.e. at ₹ 9 crore. The difference of ₹ 50 crore between the nominal value of ₹ 59 crore and net present value of ₹ 9 crore has been credited to Capital Reserve on Amalgamation, during the year, in accordance with the Scheme.

(6) There has been no change to significant accounting policies during the year ended 31st March 2023 as compared to those followed for the year ended 31st March, 2022.

(7) Previous period figures have been reclassified/regrouped, wherever necessary, to conform to the current period classification/ regrouping.

For and on behalf of the Board of Directors

Abhishek Baxi
Chief Financial Officer

Place : Darjeeling
Date : May 3, 2023

Inderjit Camotra
MD & CEO
DIN : 09602543
Place : Darjeeling

Unity Small Finance Bank Limited

Special purpose Ind AS Balance Sheet as at March 31, 2023

(Currency : Indian Rupees in lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(I) Financial Assets			
(a) Cash and cash equivalents	3	53,779.98	438,061.31
(b) Bank balances other than cash and cash equivalents	4	1,910.23	2,172.26
(c) Derivative financial instruments	5	-	441.75
(d) Receivables			
(i) Trade receivables	6	-	127.61
(e) Loans	7	486,664.73	236,615.96
(f) Investments	8	246,223.16	280,061.35
(g) Other financial assets	9	1,495.34	2,122.82
		790,073.44	**959,603.06**
(II) Non Financial Assets			
(a) Current tax assets (net)	10	97.91	26.69
(b) Deferred tax assets (net)	33	74,815.49	74,227.25
(c) Property, plant and equipment	11	30,546.88	29,667.03
Capital work-in-progress		334.14	21.43
(d) Right-of-use assets	11	10,427.63	1,953.78
(e) Other intangible assets	11	965.53	531.55
(f) Other non financial assets	12	16,579.28	8,832.41
		133,766.86	**115,260.14**
Total Assets		**923,840.30**	**1,074,863.20**
LIABILITIES AND EQUITY			
LIABILITIES			
(I) Financial Liabilities			
(a) Derivative financial instruments	5	228.11	7,715.15
(b) Payables			
i) Trade payables	13		
total outstanding dues of micro and small enterprises		-	-
total outstanding dues of creditors other than micro and small enterprises		7,725.21	588.68
ii) Other payables	13		
total outstanding dues of micro and small enterprises		-	-
total outstanding dues of creditors other than micro and small enterprises		235.60	2,951.52
(c) Debt securities	14	26,035.24	78,289.57
(d) Borrowings (other than debt securities)	15	69,311.88	52,823.29
(e) Deposits	16	268,867.61	383,791.00
(f) Lease liabilities	32	10,777.32	1,981.13
(g) Other financial liabilities	17	335,089.46	341,381.03
		718,270.43	**869,521.37**
(II) Non-Financial Liabilities			
(a) Current tax liabilities (net)	10	-	-
(b) Provisions	18	29,013.50	28,144.97
(c) Other non-financial liabilities	19	5,654.75	1,391.08
		34,668.25	**29,536.05**
EQUITY			
(a) Equity share capital	20	70,490.20	70,490.20
(b) Other equity	21	100,411.42	105,315.59
		170,901.62	**175,805.79**
Total Liabilities and Equity		**923,840.30**	**1,074,863.20**

See accompanying notes form an integral part of the Financial Statements. 1 & 2

As per our report of even date

For V. Sankar Aiyar & Co
Chartered Accountants
ICAI Firm Registration No.: 109208W

Asha Patel
Partner
Membership No. - 166048

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS FRN 109208W

Place : Darjeeling
Date : May 3, 2023

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

UNITY SMALL FINANCE BANK LIMITED

Inderjit Camotra
MD & CEO
DIN : 09602543

Abhishek Baxi
Chief Financial Officer

Archana Goyal
Company Secretary

Place : Darjeeling
Date : May 3, 2023

Unity Small Finance Bank Limited

Special purpose Ind AS Statement of Profit and Loss for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

	Particulars	Note No.	For the year ended March 31, 2023	For the period ended March 31, 2022
(I)	**Revenue from Operation**			
	(a) Interest income	22	77,339.77	15,549.63
	(b) Rental income		145.20	65.74
	(c) Fee and commission income	23	636.43	202.28
	(d) Net gain on fair value change	24	62.49	(1,422.54)
	(e) Other operating revenue	25	342.13	60.37
	Total		**78,526.02**	**14,455.48**
(II)	Other income	26	3,065.48	19.55
	Total Revenue		**81,591.50**	**14,475.03**
(III)	**Expenses**			
	(a) Finance costs	27	46,002.71	11,572.97
	(b) Net loss on fair value changes			-
	(b) Impairment on financial instruments	28	2,150.02	2,257.00
	(c) Employee benefits expenses	29	21,828.07	4,512.68
	(d) Depreciation, amortization and impairment	30	2,671.78	569.61
	(e) Others expenses	31	20,392.25	3,486.69
	Total expenses		**93,044.83**	**22,398.95**
(IV)	**Profit before tax for the year**		**(11,453.33)**	**(7,923.92)**
(V)	**Tax Expense :**	33		
	(a) Current tax		-	-
	(b) Deferred tax		(630.36)	(1,233.55)
			(630.36)	**(1,233.55)**
(VI)	**Profit after tax for the year**		**(10,822.97)**	**(6,690.37)**
(VII)	**Other Comprehensive Income**			
	(a) (I) Items that will not be reclassified to profit or loss			
	(i) Remeasurement gains and (losses) on defined benefit obligations (net)		162.99	(461.51)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(41.02)	116.15
	Total		**121.97**	**(345.36)**
	(b) (I) Items that will be reclassified to profit or loss			
	(i) fair value changes		4.34	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		(1.09)	
	Total (b)		**3.26**	-
(VIII)	**Total Comprehensive Income for the year**		**(10,697.74)**	**(7,035.73)**
(IX)	**Earnings per equity share in Rupees (Face value Rs. 10 each)**			
	Basic	34	(1.54)	(0.95)
	Diluted	34	(1.54)	(0.95)

See accompanying notes form an integral part of the Financial Statements. 1 & 2

For V. Sankar Aiyar & Co
Chartered Accountants
ICAI Firm Registration No.: 109208W

Asha Patel
Partner
Membership No. - 166048

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS FRN 109208W

Place : Darjeeling
Date : May 3, 2023

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

SMALL FINANCE BANK LIMITED * UNITY *

Inderjit Camotra
MD & CEO
DIN : 09602543

Abhishek Baxi
Chief Financial Officer

Archana Goyal
Company Secretary

Place : Darjeeling
Date : May 3, 2023

Unity Small Finance Bank Limited

Statement of Cash flows for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

	Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit before tax	(11,453.33)	(7,923.92)
	Adjustments for		
	Depreciation and amortisation	2,671.78	569.61
	Impairment on financial instruments	2,150.02	2,257.00
	Net gain on fair value change	(62.49)	1,422.54
	Dividend on PCNPS	2,248.50	400.48
	Interest on lease liabilities	425.95	40.18
	Employees stock option provision	67.68	2.47
	Unrealised gain on option	-	(4.77)
	Operating cash flow before working capital changes	**(3,951.89)**	**(3,236.41)**
	Add / (Less): Adjustments for working capital changes		
	Trade receivables	127.61	(84.15)
	Loans	(2,47,961.24)	(50,817.20)
	Other financial assets	627.48	11,676.29
	Other non financial assets	(7,746.87)	(6,425.78)
	Other bank balances	262.03	13,296.47
	Derivative financial instrument	(7,045.29)	2,810.39
	Trade and other payables	3,949.41	2,815.50
	Repayment of deposits	(1,14,923.39)	-
	Other financial liability	(6,291.57)	(31,117.51)
	Non financial liabilities and provisions	5,290.85	28,211.82
	Cash used in operations	**(3,77,662.87)**	**(32,870.58)**
	Income taxes paid	(71.22)	(26.69)
	Net cash used in operating activities	**(3,77,734.09)**	**(32,897.27)**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, intangible assets	(1,313.83)	(743.38)
	Capital work-in-progress	(312.71)	-
	Purchase of investments	-	(26,469.24)
	Proceeds from sale of investments	33,838.19	-
	Purchase Consideration paid under Slump Sale	-	(11,000.00)
	Net cash used in investing activities	**32,211.65**	**(38,212.62)**
C	**Cash flow from financing activities**		
	Proceeds from issue Equity shares (incl. Securities Premium)	-	79,112.29
	Repayment of debt securities	(54,502.83)	(15,959.56)
	Proceeds / Repayment of borrowings (other than debt securities)	16,488.59	3,67,507.22
	Payment of Lease Liabilities	(744.64)	-
	Net cash generated from financing activities	**(38,758.88)**	**4,30,659.96**
	Net increase in cash and cash equivalents	**(3,84,281.33)**	**3,59,550.07**
	Cash and cash equivalent as at the beginning of the year	4,38,061.31	-
	BTA executed with CML and CFSL	-	78,511.24
	Cash and cash equivalent as at the end of the year	**53,779.98**	**4,38,061.31**

For V. Sankar Aiyar & Co
Chartered Accountants
ICAI Firm Registration No.: 109208W

Asha Patel
Partner
Membership No. - 166048

Place : Darjeeling
Date : May 3, 2023

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

Inderjit Camotra
MD & CEO
DIN : 09602543

Abhishek Baxi
Chief Financial Officer

Archana Goyal
Company Secretary

Place : Darjeeling
Date : May 3, 2023

Unity Small Finance Bank Limited

Special purpose Ind AS Statement of changes in Equity As at March 31, 2023

(Currency : Indian Rupees in lakhs)

A. Equity Share Capital

As at 31 March 2023

Particulars	Number of shares (in lakh)	(₹ in Lakh)
Balance as at As at April 01, 2021		
Changes in equity share capital during the current year	70,49,02,000	70,490.20
Balance As at 31st March, 2022	**70,49,02,000**	**70,490.20**
Balance as at As at April 01, 2022	**70,49,02,000**	**70,490.20**
Changes in equity share capital during the current year	-	-
Balance As at 31st March, 2023	**70,49,02,000**	**70,490.20**

B. Other Equity

Particulars	Other Equity						
	Securities premium	Employee stock options	Capital Reserve	Retained Earnings	Share Warrants	Capital contribution	Total Other Equity
Balance as at As at April 01, 2021	-	-	-		-	-	-
Profit for the year	-	-	-	(6,690.37)		-	(6,690.37)
Other comprehensive income for the year				(345.36)	-		(345.36)
Adjustments pursuant to scheme of amalgamation	-	-		(8,526.30)	53,158.24	-	44,631.94
Transfer (from) / to (Refer Note : 21 other equity)			27,684.82				27,684.82
Premium on shares issued	40,032.09		-	-	-	-	40,032.09
Capital Contribution during the year						2.47	2.47
Balance as at As at April 01, 2022	**40,032.09**	**-**	**27,684.82**	**(15,562.03)**	**53,158.24**	**2.47**	**1,05,315.59**
Profit for the year				(10,822.97)			(10,822.97)
Other comprehensive income for the year				125.23			125.23
Issue of equity shares					-		-
Adjustments pursuant to scheme of amalgamation (Refer Note : 53 (B)(g))			5,734.11		(8.63)		5,725.48
Transfer (from) / to (Refer Note : 21 other equity)				-			-
Premium on shares issued							-
Employee share options		0.42					0.42
Capital Contribution during the year						67.68	67.68
Balance as at As at March 31, 2023	**40,032.09**	**0.42**	**33,418.93**	**(26,259.77)**	**53,149.61**	**70.15**	**1,00,411.42**

See accompanying notes form an integral part of the Financial Statements.

For V. Sankar Aiyar & Co
Chartered Accountants
ICAI Firm Registration No.: 109208W

Asha Patel
Partner
Membership No. - 166048

V. SANKAR AIYAR & CO. * CHARTERED ACCOUNTANTS * FRN 109208W

Place : Darjeeling
Date : May 3, 2023

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

Inderjit Camotra
MD & CEO
DIN : 09602543

UNITY SMALL FINANCE BANK LIMITED *

Abhishek Baxi
Chief Financial Officer

Archana Goyal
Company Secretary

Place : Darjeeling
Date : May 3, 2023

Unity Small Finance Bank Limited

Notes to the special purpose Ind AS financial statements as at / for the period ended March 31, 2023

(Currency : Indian Rupees in lakhs)

1. Background

Unity Small Finance Bank Limited (the "Bank") is a private sector small finance bank incorporated on August 25, 2021 in New Delhi, India under the provisions of the Companies Act, 2013 and is licensed by the Reserve Bank of India (RBI) to operate as a Small Finance Bank under the Banking Regulation Act, 1949 vide licence dated October 12, 2021 and has commenced its business on November 1, 2022.

RBI on June 18, 2021, granted an in-principle approval to Centrum Financial Services Limited ("CFSL"), to establish a small finance bank in the private sector under Section 22 of the Banking Regulation Act, 1949. Pursuant to this, Unity Small Finance Bank Limited ("USFB/ the Bank") was incorporated by CFSL, on August 25, 2021. Further, RBI vide its letter dated October 12, 2021 granted the banking licence to USFB, to carry on the Small Finance Bank (SFB) business. USFB commenced its operations from November 1, 2021. In compliance with the conditions of RBI licence, the entire businesses, comprising of all the assets and liabilities, of CFSL and Centrum Microcredit Limited ("CML") (the two Non-Banking Finance Companies of the Centrum group) were transferred to USFB, as a going concern, by way of slump sale on November 1, 2021.

The Punjab and Maharashtra Co-operative Bank Limited has been amalgamated with the Bank pursuant to the Punjab and Maharashtra Co-operative Bank Limited (Amalgamation with Unity Small Finance Bank Limited) Scheme, 2022 notified by the Ministry of Finance, Department of Financial Services, Banking Division, Government of India on January 25, 2022 with effect from January 25, 2022.

The financial statements of the Company for the year ended March 31, 2023 were approved for issue in accordance with the resolution of the Board of Directors on May 3, 2023

2.1 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

2.1.a Statement of compliance with Indian Accounting Standards (Ins As)

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment. Any application guidance/clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

2.1.b Basis of preparation

The financial statements have been prepared on the historical cost basis except for the certain financial instruments which have been measured at fair value, assets held for sale measured at fair value less cost to sell, net defined benefit liability/assets and share based payments.

Fair value measurements under Ind AS are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

2.1.c Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Ind As and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.1.d Property, plant and equipment (PPE) and depreciation

PPE are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of PPE which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Gains or losses arising from derecognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Depreciation on tangible assets is provided on straight line method over the useful lives of assets as prescribed in Schedule II of the Act except some cases. The residual values, useful lives and method of depreciation of tangible assets are reviewed at each financial year end and adjusted prospectively.

Particulars	Estimated useful life according to the Company
Office equipments	3 Years
Computer and accessories	3 Years
Computer software	6 Years
Vehicles	5 Years
Furniture and fixtures	10 Years
Building	60 Years

Property, plant and equipment having an original cost up to INR 5,000 individually are depreciated in the year of purchase.

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS FRN 109208W

UNITY SMALL FINANCE BANK LIMITED

2.1.e Intangible assets

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 6 years, unless it has a shorter useful life.

2.1.f Intangible assets under development

It includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

2.1.g Investment property

Investment properties are properties that are held for long-term rentals yields or for capital appreciation. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are depreciated using the straight-line method over their useful lives. Investment properties generally have useful lives of 60 years. The useful life has been determined based on technical evaluation performed by the management expert.

Though the company measures the investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Fair values are determined based on an annual evaluation.

Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from their use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

2.1.h Impairment of non-financial assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication then the asset may be impaired.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognized immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognized in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

2.1.i Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract

Interest income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the EIR includes all transaction cost and fees that are incremental and directly attributable to the acquisition of a financial asset.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortized cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). The Company assesses the collectability of the interest on credit impaired assets at each reporting date. Based on the outcome of such assessment, the Interest income accrued on credit impaired financial assets are either accounted for as income or written off.

Income from bill discounting is recognised over the tenure of the instrument so as to provide a constant periodic rate of return.

Dividend income

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date. It is probable that the economic benefits associated with the dividend will flow to the entity. Amount of dividend can be measured reliably.

Fees and commission income

Fees such as consultancy fees, referral fees and commission income include fees other than those that are an integral part of EIR and are recognised on accrual basis based on contractual terms. Processing fees earned on Supply Chain Finance Business is recognised on accrual basis and does not form part of EIR as it being short term in nature.

Rental income

Rental income is recognized over a period of time as and when accrued as per the terms of the contract.

Net Gain/Loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 24), held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain /(loss) in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations .

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes.

Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

Other income and expenses

Other income and expenses are recognised in the period in which they occur.

V. SANKAR AIYAR & CO. FRN 109208W CHARTERED ACCOUNTANTS

UNITY SMALL FINANCE BANK LIMITED

2.1.j Leases

The Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liabilities are remeasured at fair value at the balance sheet date with the corresponding impact considered in the statement of profit and loss as interest charge/ income.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

2.1.k Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchase and sale of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset (other than trade receivables) or financial liability at its fair value plus or minus, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability (other than financial asset or financial liability carried at fair value through profit or loss). Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Financial assets

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Classification and subsequent measurement

Financial assets are classified into three categories:

- fair value through profit or loss (FVTPL);
- fair value through Other comprehensive income (FVOCI); or
- amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms including contractual cash flows.

For debt instruments, classification will depend on the business model in which the debt is held.

The classification requirements of financial assets are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows from the sale of asset. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Company in determining the business model for a Company of assets include past experience on how the cash flows for these assets were collected, how risks are assessed and managed. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

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Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Financial assets that are held for collection of contractual cash flows where business model of those cash flows represents solely payment of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets are recognised using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Financial assets are measured at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset meet the SPPI test.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income (OCI). Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified to Statement of profit and loss account.

Fair value through profit or loss (FVTPL): Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. Financial assets designated at FVTPL are carried in the Balance sheet at fair value with net changes in fair value presented as other (gains)/losses in Statement of profit or loss. Interest income on financial assets classified as FVTPL is not recognised in net gain/(loss) on fair value changes and is recognised separately as interest income.

Equity instruments

Equity instruments is a contract that evidences residual interest in the assets of the Company after deducting all its liabilities. The Company subsequently measures all equity investments under the scope of Ind AS 109 at fair value. Changes in the fair value of these instruments are recognized in profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI, loans and advances and on exposure arising from loan commitments. The Company recognizes a loss allowance for such losses at each reporting date.

The measurement of ECL reflects:
• An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
• The time value of money;
• Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The method and significant judgments used while computing the expected credit losses and information about the exposure at default, probability of default and loss given default have been set out in note 44 (Risk Management).

Write-off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

Financial liabilities

Classification and subsequent measurement

Financial liabilities are classified at amortised cost, except for financial liabilities at fair value through profit or loss: This classification is applied to derivatives and financial liabilities held for trading and other financial liabilities designated as such at initial recognition.

Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability).

Derecognition of financial liabilities

Financial liabilities are derecognised when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

Reclassification of financial instrument

The Company reclassifies debt instruments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

After initial recognition, equity instruments and financial liabilities are not reclassified.

Derivatives

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently measured at fair value.

Embedded derivatives

The embedded derivatives are treated as separate derivatives when:
• their economic characteristics and risks are not closely related to those of the host contract;
• a separate instrument with the same terms would meet the definition of a derivative;

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non- derivative host contract, with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to an index of prices or rates or other variable. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognised in the statement of profit or loss unless the Company chooses to designate the hybrid contracts at fair value through profit or loss.

Certain market linked non-convertible debentures (MLDs) issued by the Company have returns linked to non- interest related benchmarks. Embedded derivative component of such debentures are separately accounted for at fair value and host contract. The Company hedges the risk of variable payout by taking positions in futures & options of Nifty 50 Index. Further, the fair valuation of the MLDs for initial recognition of embedded derivatives and borrowings components as at the date of issue is done considering adjustment to the put/call contracts of Nifty 50 Index, thereby arriving at cost of borrowings. Any gain/loss on these hedge positions are netted against with interest expenses on MLD and resultant net loss/gain is recognised in Statement of Profit & Loss after considering the mark to market position of the options at the balance sheet date.

Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

Financial guarantees

Financial guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

The premium is recognised in the statement of profit and loss on a straight-line basis over the life of the guarantee.

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2.1.l Fair value measurement

The Company measures financial instruments, such as investments and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

2.1.m Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, short-term deposits and highly liquid investments with an original maturity of three months or less, which are readily convertible in cash and subject to insignificant risk of change in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.1.n Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method. Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.1.o Retirement and other employee benefits

Defined Contribution Plan

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contribution to the fund is due. There are no other obligations other than the contribution payable to the fund.

Defined Benefit Plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation carried out by an independent actuary using Projected Unit Credit Method made at the end of the financial year. The Company makes contribution to a scheme administered by an Insurance Company approved by the Insurance Regulatory and Development Authority of India (IRDAI) to discharge the gratuity liability to the employees. The Company records its gratuity liability based on an actuarial valuation made by an independent actuary as at the year end. Provisions made for the funded amount are expensed in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in the other comprehensive income in the period in which they occur. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Remeasurements are not reclassified to the statement of profit and loss in the subsequent periods.

Long term compensated absences

The Company's liabilities towards compensated absences to employees are accrued on the basis of valuations as at the balance sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the statement of profit and loss. The Company presents the provision for compensated absences under provisions in the balance sheet.

2.1.p Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based in accordance with the Income Tax Act, 1961 adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Ind AS 12 - Income Taxes amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement

Current tax

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority, and the Company intends to settle its current tax assets and liabilities on a net basis.

Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

ii. When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.1.q Provisions, contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

Contingent assets are neither recognized nor disclosed in the Financial Statements.

2.1.r Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

2.1.s Employee stock option scheme (ESOP)

Equity-settled share-based payments to employees and others providing similar services that are granted by the ultimate parent Company are measured by reference to the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'Employee Stock Options reserve'. In cases where the share options granted vest in instalments over the vesting period, the Company treats each instalments as a separate grant, because each instalment has a vesting period, and hence the fair value of each instalment differs. In situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account is transferred within equity.

2.2 Significant accounting judgments, estimates and assumptions

2.2.a The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

2.2.b Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, estimates and assumptions, which have significant effect on the amounts recognised in the financial statements:

• ***Fair value measurement of financial instruments***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgments about these factors could affect the reported fair value of financial instruments. For further details about determination of fair value refer note 42A.

• ***Impairment of financial assets using the expected credit loss method***

The impairment provisions for financial assets are based on assumptions about risk of default, expected loss rates and loss given defaults. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period. For further details about assumptions used in calculating expected credit losses and the sensitivity of assumptions refer note 44.

• ***Business model assessment***

Classification and measurement of financial assets depends on the results of the Solely for payment of principal and interest (SPPI) test and the business model test The Company determines the business model at a level that reflects how Company's of financial assets are managed together to achieve a particular business objective. This assessment includes judgment used by the Company in determining the business model including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

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• ***Income taxes***

Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. For further details refer note 33.

• ***Provisions and contingencies***

Provisions and contingencies are recognized when they become probable and when there will be a future outflow of funds resulting from past operations or events and the outflow of resources can be reliably estimated. The timing of recognition and quantification of the provision and liability requires the application of judgement to existing facts and circumstances, which are subject to change.

• ***Employee stock option scheme (ESOP)***

The Company measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

2.2.c Assumptions and estimates

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

• ***Retirement and other employee benefits***

The cost of the gratuity and long-term employee benefits and the present value of its obligations are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the future salary increases, attrition rate, mortality rates and discount rate. Due to the complexities involved in the valuation and its long-term nature, the obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Future salary increases are based on expected future inflation rates for India. The attrition rate represents the Company's expected experience of employee turnover. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

Further details about gratuity and long term employee benefits obligations are provided in note 40.

• ***Effective interest rate***

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments and other fee income/expense that are integral parts of the instrument.

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Notes to the special purpose Ind AS financial statements as at / for the period ended March 31, 2023

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
3. Cash and cash equivalents		
a) Cash in hand	1,387.26	1,528.87
b) Balances with Banks		
i) in current accounts	16,529.53	2,59,393.67
ii) in Fixed deposit accounts with maturity < 3 months	3,111.82	1,34,285.64
c) Balance with RBI in current account	22,050.44	14,056.97
d) Balance with RBI in other account	10,701.83	
e) Balances with banks and money at call and short notice	-	28,998.08
	53,780.88	**4,38,263.23**
Less: Impairment Loss allowance for Bank balances(maturity < 3 months)	0.90	201.92
Total	**53,779.98**	**4,38,061.31**

Note :

Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Bank, and earn interest at the respective short-term deposit rates.

Particulars	As at March 31, 2023	As at March 31, 2022
4. Bank balances other than cash and cash equivalents		
Other Bank balances		
a) In fixed deposit accounts	-	
i) Fixed deposit accounts with maturity more than 3 months	1,910.54	1,091.72
iii) Fixed deposits pledged for bank overdraft facility, credit enhancement for loans or security against the borrowings		1,081.46
	1,910.54	**2,173.18**
Less: Impairment allowance on Fixed deposits	0.31	0.92
Total	**1,910.23**	**2,172.26**

4.A Encumbrances on fixed deposits held by the Bank:	**As at March 31, 2023**	**As at March 31, 2022**
Fixed deposits pledged for:		
a) **Bank guarantee for cash credit lines**		
i) HDFC Bank	-	294.01
ii) State Bank of India	-	7.98
iii) Bank of Baroda	-	469.21
b) **Security deposit to the extent held as credit enhancement for loans or**		
i) Various Banks/Financial Institutions	389.78	310.26

Unity Small Finance Bank Limited
Notes to the special purpose Ind AS financial statements as at / for the period ended March 31, 2023

(Currency : Indian Rupees in lakhs)

4.B Bank balances other than cash and cash equivalents

i) Credit quality of assets:

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's year-end stage classification on the balances in Fixed Deposits with banks. The amounts presented are gross of impairment allowances.

Details of Bank's internal grading system are explained in note 44

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High grade	5,022.36	-	-	5,022.36	1,36,458.82	-	-	1,36,458.82
Total	**5,022.36**	-	-	**5,022.36**	**1,36,458.82**	-	-	**1,36,458.82**

ii) Reconciliation of changes in gross carrying amount for : Fixed deposits with Banks

Particulars	As at March 31, 2022				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	**1,36,458.81**	-	-	**1,36,458.81**	-	-	-	-
New assets originated or purchased	5,022.36	-	-	5,022.36	1,36,709.88	-	-	1,36,709.88
Unwinding of discount (recognised in interest income)	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Assets derecognised or matured (excluding write offs)	(1,36,458.81)	-	-	(1,36,458.81)	(251.06)	-	-	(251.06)
Closing balance	**5,022.36**	-	-	**5,022.36**	**1,36,458.81**	-	-	**1,36,458.81**

iii) Reconciliation of ECL balance is given below on Fixed Deposits

Particulars	As at March 31, 2022				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - Opening Balance	**202.35**	-	-	**202.35**	-	-	-	-
New Assets Originated or Purchased	-	-	-	-	202.35	-	-	202.35
Assets derecognised or repaid (excluding write offs)	(201.14)	-	-	(201.14)	-	-	-	-
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Impact on year end ECL of Exposures transferred between Stages during the year and reversal of ECL on account of recovery	-	-	-	-	-	-	-	-
Changes to Contractual Cash Flows due to modification not resulting into derecognition	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL Calculation	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
ECL Allowance - Closing Balance	**1.21**	-	-	**1.21**	**202.35**	-	-	**202.35**

(Currency : Indian Rupees in lakhs)

5. Derivative financial instruments

The Bank issues market linked debentures (MLD) which has a component in the nature of "Embedded derivatives- Market linked derivatives". Further to hedge it enters into options which is in the nature of "Index linked derivatives- options". Derivatives are entered for risk management purposes. These include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Bank has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets & Liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk .

Particulars	As at March 31, 2023							
	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives								
Interest rate swaps	-	-	-	-	-	-	-	-
Subtotal(i)	-	-	-	-	-	-	-	-
(ii) Equity linked derivatives	-	-	-	-	-	-	-	-
Subtotal(ii)	-	-	-	-	-	-	-	-
(iii) Index linked derivatives								
Options purchased	-	-			-	-	-	-
Options sold	-	-	-	-	-	-	-	-
Subtotal(iii)	-	-	-	-	-	-	-	-
(iv) Embedded derivatives	-	-	-	-	-	-	-	
In market linked debentures	-	-	-	-	-	-	-	228.11
Subtotal(iv)	-	-	-	-	-	-	-	**228.11**
Total derivative financial instruments	-	**Total**	-	-	-	-	**Total**	**228.11**

Particulars	As at March 31, 2022							
	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives								
Interest rate swaps	-	-	-	-	-	-	-	-
Subtotal(i)	-	-	-	-	-	-	-	-
(ii) Equity linked derivatives	-	-	-	-	-	-	-	-
Subtotal(ii)	-	-	-	-	-	-	-	-
(iii) Index linked derivatives								
Options purchased	-	-	438.06	441.75	-	-	-	-
Options sold	-	-	-	-	-	-	-	-
Subtotal(iii)	-	-	**438.06**	**441.75**	-	-	-	-
(iv) Embedded derivatives	-	-	-	-	-	-	-	
In market linked debentures	-	-	-	-	-	-	-	7,715.15
Subtotal(iv)	-	-	-	-	-	-	-	**7,715.15**
Total derivative financial instruments	-	**Total**	**438.06**	**441.75**			**Total**	**7,715.15**

Unity Small Finance Bank Limited

Notes to the special purpose Ind AS financial statements as at / for the period ended March 31, 2023

(Currency : Indian Rupees in lakhs)

6	Trade Receivable	As at March 31, 2023	As at March 31, 2022
	Trade Receivables considered good - Secured	-	-
	Trade Receivables considered good - Unsecured	-	135.20
	Total	-	**135.20**
	Less: Allowance for expected credit losses	-	(7.58)
	Total	-	127.61

There are no dues from directors or other officers of the Bank or any firm or private company in which any director is a partner, a director or a member.

Trade receivable are non-interest bearing and are generally on terms of 30 days

Trade receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
FY 2021-22	Estimated total gross carrying amount at default	135.20	-	-	-	-	-	135.20
	ECL-simplified approach	(7.58)		-	-	-	-	(7.58)
	Net carrying amount as on 31st March 2022	**127.61**	-	-	-	-	-	**127.61**
FY 2022-23	Estimated total gross carrying amount at default	-	-	-	-	-	-	-
	ECL-simplified approach	-		-	-	-	-	-
	Net carrying amount as on 31st March 2023	-	-	-	-	-	-	-

Unity Small Finance Bank Limited

Notes to the special purpose Ind AS financial statements as at / for the period ended March 31, 2023

(Currency : Indian Rupees in lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
7. Loans			
At amortised cost			
A. **Proudctwise Details**			
a) Bills discounting		64,970.96	34,447.63
b) Term loans		5,12,931.42	2,57,803.09
c) Cash credit and overdrafts facilities		2,77,936.87	3,07,983.62
	Total (A) - Gross	**8,55,839.25**	**6,00,234.34**
Less: Impairment loss allowance		3,69,174.52	3,63,618.38
	Total (A) - Net	**4,86,664.73**	**2,36,615.96**
B. Securitywise Details			
a) Secured			
i) Secured by tangible assets		2,15,190.70	1,67,962.94
ii) Secured by intangible assets		-	-
b) Unsecured		6,40,648.55	4,32,271.40
	Total (B) - Gross	8,55,839.25	6,00,234.34
Less: Impairment loss allowance		3,69,174.52	3,63,618.38
	Total (B) - Net	**4,86,664.73**	**2,36,615.96**
C. **Regionwise Details**			
a) Loans in India			
- Public sector		-	-
- Others		8,55,839.25	6,00,234.34
b) Loans outside India		-	-
	Total (C) - Gross	8,55,839.25	6,00,234.34
Less: Impairment loss allowance		3,69,174.52	3,63,618.38
	Total (C) - Net	**4,86,664.73**	**2,36,615.96**

Unity Small Finance Bank Limited

Notes to the special purpose Ind AS financial statements as at / for the period ended March 31, 2023

(Currency : Indian Rupees in lakhs)

7. Loans

7.1 Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Details of the Bank's internal grading system are explained in note 44

7.1.1

Credit quality of Loans

Particulars	As at March 31, 2023			
	Stage I	Stage II	Stage III	Total
Internal rating grade				
Low Risk	4,71,415.62	-	-	4,71,415.62
Medium Risk	-	6,900.87	-	6,900.87
Sub-standard grade	-	-	-	-
High Risk	-	-	3,77,522.69	3,77,522.69
Individually impaired				-
Total	4,71,415.62	6,900.87	3,77,522.69	8,55,839.18

Particulars	As at March 31, 2022			
	Stage I	Stage II	Stage III	Total
Internal rating grade				
Low Risk	2,13,063.38	-	-	2,13,063.38
Medium Risk	-	9,449.40	-	9,449.40
High Risk	-	-	3,77,721.56	3,77,721.56
Total	2,13,063.38	9,449.40	3,77,721.56	6,00,234.34

7.1.2 Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances to corporate and retail customers:

The following disclosure provides stage wise reconciliation of the Bank's gross carrying amount and ECL allowances for loans and advances to corporates and retail customers. The transfers of financial assets represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers.

The 'New assets originated /repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions within the Bank's lending portfolio.

7.1.2. An analysis of changes in the gross carrying amount as follows:

Particulars	As at March 31, 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount opening balance	2,18,178.44	4,334.34	7,555.08	3,70,166.48	6,00,234.34
New Assets Originated or Purchased	3,94,236.51	-	-		3,94,236.51
Assets derecognised or repaid (excluding write offs)	(1,22,931.24)	(3,736.31)	(3,224.81)	(12,320.06)	(1,42,212.42)
Transfer to Stage 1	(481.39)	-	481.39	-	-
Transfer to Stage 2	(7,023.82)	7,023.82	-	-	-
Transfer to Stage 3	(10,562.89)	(788.79)	11,351.68	-	-
Changes to Contractual Cash Flow due change in Credit Risk	-	67.83	394.72	4,033.06	4,495.61
Changes to Contractual Cash Flows due to modification not resulting into derecognition	-	-	-	-	-
Amounts written off	-	-	-	(914.85)	(914.85)
Gross carrying amount closing balance	4,71,415.62	6,900.87	16,558.06	3,60,964.63	8,55,839.18

Particulars	As at March 31, 2022				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount opening balance	-	-	-	-	-
New Assets Originated or Purchased under Slump Sale (Nov 1, 2022)	1,26,692.44	-	-	879.47	1,27,571.91
New Assets Originated or Purchased under Amalgamation (Jan 25, 2022)	46,372.89	-	-	3,71,027.24	4,17,400.13
New Assets Originated or Purchased	1,16,488.03	-	-	-	1,16,488.03
Assets derecognised or repaid (excluding write offs)	(60,143.31)	-	(193.80)	(888.62)	(61,225.73)
Transfer to Stage 1	851.61	-	-	(851.61)	-
Transfer to Stage 2	(4,334.34)	4,334.34	-	-	-
Transfer to Stage 3	(7,748.88)	-	7,748.88	-	-
Changes to Contractual Cash Flows due to modification not resulting into derecognition	-	-	-	-	-
Amounts written off	-	-	-	-	-
Gross carrying amount closing balance	2,18,178.44	4,334.34	7,555.08	3,70,166.48	6,00,234.34

7.1.2. **Reconciliation of ECL balance is given below**

Particulars	As at March 31, 2023				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
ECL Allowance - Opening Balance	2,892.41	190.62	2,982.15	3,57,553.21	3,63,618.39
New Assets Originated or Purchased	3,867.29	-	-	-	3,867.29
Assets derecognised or repaid (excluding write offs)	(578.26)	(434.68)	(1,337.17)	(11,701.99)	(14,052.10)
Transfer to Stage 1	(88.11)	-	88.11	-	-
Transfer to Stage 2	(144.28)	144.28	-	-	-
Transfer to / from Stage 3	(94.18)	-	94.18	-	-
Impact on year end ECL of Exposures transferred between Stages during the year and reversal of ECL on account of recovery	-	1,103.20	4,067.93	-	5,171.13
Changes due to increase in credit risk	-	-	5,415.52	5,689.06	11,104.58
Changes to models and inputs used for ECL Calculation	-	-	-	-	-
Amounts written off	-	-	-	(534.78)	(534.78)
ECL Allowance - Closing Balance	5,854.87	1,003.42	11,310.72	3,51,005.50	3,69,174.51

Particulars	As at March 31, 2022				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
ECL Allowance - Opening Balance	-	-	-	-	-
New Assets Originated or Purchased under Slump Sale (Nov 1, 2022)	744.83	-	-	269.72	1,014.55
New Assets Originated or Purchased under Amalgamation (Jan 25, 2022)	1,921.96	-	-	3,58,296.30	3,60,218.26
New Assets Originated or Purchased	598.35	-	-	(3.82)	594.53
Assets derecognised or repaid (excluding write offs)	(183.61)	-	(2.53)	(619.21)	(805.35)
Transfer to Stage 1	562.36	-	-	(723.37)	(161.01)
Transfer to Stage 2	(184.34)	190.62	-	-	6.28
Transfer to / from Stage 3	(567.14)	-	2,984.68	-	2,417.54
Impact on year end ECL of Exposures transferred between Stages during the year and reversal of ECL on account of recovery	-	-	-	-	-
Unwinding of Discount	-	-	-	-	-
Changes to Contractual Cash Flows due to modification not resulting into derecognition	-	-	-	-	-
Changes to models and inputs used for ECL Calculation	-	-	-	333.59	333.59
Amounts written off	-	-	-	-	-
ECL Allowance - Closing Balance	2,892.41	190.62	2,982.15	3,57,553.21	3,63,618.39

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UNITY SMALL FINANCE BANK LIMITED *

(Currency : Indian Rupees in lakhs)

8.A Investments carried at amortised cost- Credit quality of Assets

8.A i) Credit quality of assets:

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Performing				
High grade	50,240.78	-	-	50,240.78
Total	**50,240.78**	-	-	**50,240.78**

Particulars	As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Performing				
High grade	1,943.95	-	-	1,943.95
Total	**1,943.95**	-	-	**1,943.95**

8.A ii) Reconciliation of changes in gross carrying amount for investments in Debentures:

Particulars	As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
	-	-	-	
Gross carrying amount - opening balance	1,943.95	-	-	**1,943.95**
New assets originated or purchased	-	-	-	-
Assets derecognised or matured (excluding write offs)	(1,605.82)	-	-	**(1,605.82)**
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
		-	-	-
Closing balance	**338.13**	-	-	**338.13**

Particulars	As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
	-	-	-	
Gross carrying amount - opening balance	-	-	-	-
New assets originated or purchased	2,755.86	-	-	**2,755.86**
Assets derecognised or matured (excluding write offs)	(811.91)	-	-	**(811.91)**
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
	-	-	-	-
Closing balance	**1,943.95**	-	-	**1,943.95**

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Notes to the special purpose Ind AS financial statements as at / for the period ended March 31, 2023
(Currency : Indian Rupees in lakhs)

8. Investments

As at March 31, 2023

Particulars	At Amortised cost	At Fair value (FV)				Others	Total
		Through OCI	Through Profit or Loss	Designated at FV through Profit or loss	Subtotal		
	(A)	(B)	(C)	(D)	(D) = (B+C)	(E)	(F) = (A+D+E)
A. Category of Instrument							
a) Government securities	1,05,612.77	48,131.48	1,207.16		49,338.64	-	1,54,951.41
b) Other approved securities	-				-	-	-
c) Equity instruments (Quoted/Unquoted)	-		1,029.12	-	1,029.12	-	1,029.12
d) Bonds and debentures (Quoted)		39,819.34			39,819.34	-	39,819.34
e) Security receipts			-		-	-	-
f) Compulsorily Cumulative Preference Shares (CCPS)			46.30	-	46.30	-	46.30
g) Loans in nature of debentures	338.13	-	-	-	-	-	338.13
h) Mutual fund units		-	358.98	-	358.98	-	358.98
i) Commercial papers	42,485.18	-	-	-	-	-	42,485.18
j) Reverse repo	-	-	-	-	-	-	-
l) Certificate of Deposit	7,417.47						7,417.47
Total (A) - Gross	**1,55,853.55**	**87,950.82**	**2,641.56**	-	**90,592.38**	-	**2,46,445.93**
Less: Allowance for impairment	24.65	198.12	-		198.12	-	222.77
Total (A) - Net	**1,55,828.90**	**87,752.70**	**2,641.56**	-	**90,394.26**	-	**2,46,223.16**
B. a) Investments outside India	-	-	-	-	-	-	-
b) Investment in India	1,55,853.55	87,950.82	2,641.56	-	90,592.38	-	2,46,445.93
Total (B) - Gross	**1,55,853.55**	**87,950.82**	**2,641.56**	-	**90,592.38**	-	**2,46,445.93**
Less: Allowance for impairment	24.65	198.12	-	-	198.12	-	222.77
Total (B) - Net	**1,55,828.90**	**87,752.70**	**2,641.56**	-	**90,394.26**	-	**2,46,223.16**

As at March 31, 2022

Particulars	At Amortised cost	At Fair value (FV)				Others	Total
		Through OCI	Through Profit or Loss	Designated at FV through Profit or loss	Subtotal		
	(A)	(B)	(C)	(D)	(D) = (B+C)	(E)	(F) = (A+D+E)
A. Category of Instrument							
a) Government securities	39,304.32	2,37,118.32	-	-	2,37,118.32	-	2,76,422.64
b) Other approved securities	-		-	-	-	-	-
c) Equity instruments (Unquoted)	-	-	106.51		106.51	-	106.51
d) Bonds and debentures (Quoted)	-	1,229.37	-	-	1,229.37	-	1,229.37
e) Security receipts	-	-	-		-	-	-
f) Compulsorily Cumulative Preference Shares (CCPS)	-	-	-	-	-	-	-
g) Loans in nature of debentures	1,943.95	-	-	-	-	-	1,943.95
h) Mutual fund units	-	-	576.89		576.89	-	576.89
i) Commercial papers	-	-	-	-	-	-	-
j) Reverse repo	-	-	-	-	-	-	-
Total (A) - Gross	**41,248.27**	**2,38,347.69**	**683.40**	-	**2,39,031.08**	-	**2,80,279.35**
Less: Allowance for impairment	20.08	198.12	-	-	198.12	-	218.19
Total (A) - Net	**41,228.20**	**2,38,149.57**	**683.40**	-	**2,38,832.97**	-	**2,80,061.16**
B. a) Investments outside India	-	-	-	-	-	-	-
b) Investment in India	41,248.27	2,38,347.69	683.40	-	2,39,031.08	-	2,80,279.35
Total (B) - Gross	**41,248.27**	**2,38,347.69**	**683.40**	-	**2,39,031.08**	-	**2,80,279.35**
Less: Allowance for impairment	20.08	198.12	-	-	198.12	-	218.19
Total (B) - Net	**41,228.20**	**2,38,149.57**	**683.40**	-	**2,38,832.97**	-	**2,80,061.16**

More information regarding the valuation methodologies can be found in Note 44

8.A iii) Reconciliation of ECL balance is given below:

Particulars	As at March 31, 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL Allowance - Opening Balance	**20.08**	-	-	**198.12**	**218.19**
New Assets Originated or Purchased	**9.73**	-	-	-	**9.73**
Assets derecognised or repaid (excluding write offs)	(5.16)	-	-	-	**(5.16)**
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Impact on year end ECL of Exposures transferred between Stages during the year	-	-	-	-	-
Unwinding of discount	-	-	-	-	-
derecognition	-	-	-	-	-
Changes to models and inputs used for ECL Calculation	-	-	-	-	-
Amounts written off	-	-	-	-	-
	-				-
ECL Allowance - Closing Balance	**24.65**	-	-	**198.12**	**222.77**

Particulars	As at March 31, 2022				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL Allowance - Opening Balance	-	-	-	-	-
New Assets Originated or Purchased	20.08	-	-	198.12	**218.19**
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Impact on year end ECL of Exposures transferred between Stages during the year and reversal of ECL on account of recovery	-	-	-	-	-
Changes to Contractual Cash Flows due to modification not resulting into derecognition	-	-	-	-	-
Changes to models and inputs used for ECL Calculation	-	-	-	-	-
Amounts written off	-	-	-	-	-
	-				-
ECL Allowance - Closing Balance	**20.08**	-	-	**198.12**	**218.19**

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Notes to the special purpose Ind AS financial statements as at / for the period ended March 31, 2023

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
9. Other financial assets		
a) Deposits placed with exchange / depositories	5.50	11.52
b) Security deposits	1,269.43	1,502.93
c) Margin with broker	10.28	239.18
d) Other financial assets	210.13	369.19
Total	**1,495.34**	**2,122.82**
10. Current tax assets / liabilities (Net)		
10.A Advance income tax	97.91	26.69
Total	**97.91**	**26.69**

Unity Small Finance Bank Limited

Notes to the special purpose Ind AS financial statements as at / for the period ended March 31, 2023

(Currency : Indian Rupees in lakhs)

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Particulars	Property, plant and equipment						Right-of-use assets			Goodwill	Other intangible assets		
	Computer Hardware (A)	Office Equipment (B)	Building (C)	Vehicles Owned (D)	Furniture & Fixtures (E)	Total F =	Right of use - Car (G)	Right of use - Premise (H)	Total (I) = (G+H)	Total (J)	Software	Trademark	Total
A. Cost													
Balance As at April 01, 2021							-	-	-	-	-	-	-
Additions	42.22	219.72	-	33.42	38.33	333.69	-	2,060.76	2,060.76	7,482.88	536.30	5.46	541.76
Additions under Slump Sale	48.21	62.25	3,576.41	93.35	88.12	3,868.34							-
Additions under Amalgamation Scheme	6,691.01	5,244.31	28,090.39	71.54	5,917.68	46,014.93					6,455.32		6,455.32
Disposal of asset	0.80	-	-	-	-	0.80	-	-	-	-	-		-
Balance as at March 31, 2022	**6,780.64**	**5,526.28**	**31,666.80**	**198.31**	**6,044.13**	**50,216.16**	-	**2,060.76**	**2,060.76**	**7,482.88**	**6,991.62**	**5.46**	**6,997.08**
Balance as at April 01, 2022	**6,780.64**	**5,526.28**	**31,666.80**	**198.31**	**6,044.13**	**50,216.16**	-	**2,060.76**	**2,060.76**	**7,482.88**	**6,991.62**	**5.46**	**6,997.08**
Additions	747.53	235.06	1,105.40	45.75	213.52	2,347.25	305.27	9,206.00	9,511.28			600.92	600.92
Additions under Slump Sale						-			-				-
Additions under Amalgamation Scheme						-			-				-
Disposal of asset				11.08		11.08			-				-
Balance as at March 31, 2023	**7,528.16**	**5,761.34**	**32,772.20**	**232.98**	**6,257.65**	**52,552.33**	**305.27**	**11,266.77**	**11,572.04**	**7,482.88**	**6,991.62**	**606.39**	**7,598.01**
B. Accumulated Depreciation / amortisation													
Balance as at April 01, 2021							-	-	-	-	-	-	-
Depreciation / Amortisation expenses	40.89	166.76	143.69	19.42	39.36	410.12	-	106.98	106.98	7,482.88	52.50		52.50
Additions under Slump Sale						-			-				
Additions under Amalgamation Scheme	6,639.11	4,789.68	3,810.93	44.07	4,855.98	20,139.77			-		6,413.03		6,413.03
Disposal of asset	0.76	-	-	-	-	0.76	-	-	-	-	-		-
Balance as at March 31, 2022	**6,679.24**	**4,956.44**	**3,954.62**	**63.50**	**4,895.34**	**20,549.13**	-	**106.98**	**106.98**	**7,482.88**	**6,465.53**	-	**6,465.53**
Balance as at April 01, 2022	**6,679.24**	**4,956.44**	**3,954.62**	**63.50**	**4,895.34**	**20,549.13**	-	**106.98**	**106.98**	**7,482.88**	**6,465.53**	-	**6,465.53**
Depreciation / Amortisation expenses	151.52	301.85	600.64	53.01	360.38	1,467.40	51.73	985.70	1,037.43		166.95		166.95
Additions under Slump Sale						-			-				-
Additions under Amalgamation Scheme						-			-				-
Disposal of asset	-	-	-	11.08	-	11.08			-				-
Balance as at March 31, 2023	**6,830.76**	**5,258.29**	**4,555.26**	**105.42**	**5,255.71**	**22,005.45**	**51.73**	**1,092.68**	**1,144.41**	**7,482.88**	**6,632.48**	-	**6,632.47**
Balance as at March 31, 2022	**101.39**	**569.84**	**27,712.19**	**134.81**	**1,148.79**	**29,667.03**	-	**1,953.78**	**1,953.78**	-	**526.09**	**5.46**	**531.56**
Balance as at March 31, 2023	**697.40**	**503.05**	**28,216.94**	**127.55**	**1,001.94**	**30,546.88**	**253.54**	**10,174.08**	**10,427.63**	-	**359.14**	**606.39**	**965.53**

C. Capital Work in Progress (CWIP) and Intangible assets under development

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Projects in progress	21.43	312.70	-	-	334.13
ii) Projects temporarily suspended					

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(Currency : Indian Rupees in lakhs)

	Particulars		As at March 31, 2023		As at March 31, 2022
12.	**Other non financial assets**				
a)	Prepaid expenses		4,616.39		1,163.44
b)	Advance for expenses		2,098.44		259.98
c)	Capital Advance		3,077.99		-
d)	Balances with statutory authorities		1,556.25		841.37
e)	Advances recoverable in cash or in kind or for value to be received		14.16		118.00
f)	Sundry Receivable		598.41		1,173.84
g)	TDS Receivable		1,157.98		1,000.07
h)	Other non financial asset				
	Tax Assets of Erstwhile PMC Bank	2,832.26		2,711.68	
	Tax Assets Receivable	510.19		1,490.30	
	Others	117.21	3,459.66	73.73	4,275.71
			16,579.28		**8,832.41**
	Less: Impairment allowance				-
	Total		**16,579.28**		**8,832.41**
13.	**Trade payables**				
a)	Micro and small enterprises (Refer note below)		-		-
b)	Due to related parties		-		-
c)	Due to others		7,725.21		588.68
	Total		**7,725.21**		**588.68**

Note:

The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Bank. For disclosure pertaining to Micro and Small Enterprises refer note No.38

		As at March 31, 2023	As at March 31, 2022
13.	**Other payables**		
a)	Micro and small enterprises (MSEs) (Refer note below)	-	-
b)	Due to related parties	-	-
c)	Due to Others- other payable	235.60	2,951.52
	Total	**235.60**	**2,951.52**

Note:

The amounts due to Micro and Small Enterprises (MSEs) as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Bank. For disclosure pertaining to Micro and Small Enterprises refer note No.38

As at March 31, 2023

	Less than 1 year	1 to 3 years	More than 3 years	Total
Due to				
i) to Micro and small enterprises	-			
ii) to Others				
a) Related parties	-			-
b) Others	7,960.81	-	-	7,960.81
iii) Disputed dues to				
iv) Disputed dues (Others)				
Total	**7,960.81**	**-**	**-**	**7,960.81**

As at March 31, 2022

	Less than 1 year	1 to 3 years	More than 3 years	Total
Due to				
i) to Micro and small enterprises	-	-	-	-
ii) to Others				
a) Related parties	-	-	-	-
b) Others	2,657.49	454.22	428.49	3,540.20
iii) Disputed dues to	-	-	-	-
iv) Disputed dues (Others)	-	-	-	-
Total	**2,657.49**	**454.22**	**428.49**	**3,540.20**

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Notes to the special purpose Ind AS financial statements as at / for the period ended March 31, 2023

(Currency : Indian Rupees in lakhs)

		As at March 31, 2023	As at March 31, 2022
14. Debt securities			
14.1 At amortised cost			
A. Secured			
a) Secured Non Convertible Market Linked Debentures - privately placed		292.89	37,694.42
b) Secured Non Convertible Debentures - privately placed		5,130.42	18,980.83
	(A)	5,423.31	56,675.25
B. Unsecured			
a) Non Convertible Debentures - privately placed		5,008.20	6,008.20
b) Perpetual Non Cumulative Preference Shares		15,603.73	15,606.12
	(B)	20,611.93	21,614.32
	Total (A + B)	**26,035.24**	**78,289.57**
Of the Above			
i) Debt securities in India		26,035.24	78,289.57
ii) Debt securities outside India		-	-
Total		**26,035.24**	**78,289.57**

14.2 Security Details

i) Non Convertible Debentures are secured against receivables of the Bank.

ii) Above mentioned Market Linked Debentures are secured against first pari passu charge over present and future receivables with minimum security cover of 100 percent of the issued amount and identified immovable property.

Terms of repayment of MLD as on As at March 31, 2023

Particulars	Type	ISIN	Quoted / Unquoted	As at March 31, 2023	Current	Non-Current	Issue Date	Date of Maturity
MLD 46		INE244R07892	Quoted	25.00	25.00	-	26-Sep-19	28-Apr-23
MLD 50		INE0J1607131	Quoted	150.00	150.00	-	30-Apr-20	08-Nov-23
MLD 51A		INE0J1607149	Quoted	100.00	100.00	-	08-May-20	16-Nov-23
Total				**275.00**	**275.00**	-		
Add: Commission amortisation				**(81.47)**				
Add: Interest accrued				**99.36**				
Total				**292.89**				

14.3 Terms of repayment of MLD as on As at March 31, 2022

Particulars	Type	ISIN	Quoted / Unquoted	As at March 31, 2022	Current	Non-Current	Issue Date	Date of Maturity
MLD39		INE0J1607073	Quoted	1,955.00	1,955.00	-	02-Nov-18	12-May-22
MLD39A		INE0J1607073	Quoted	257.01	257.01	-	12-Dec-18	12-May-22
MLD40		INE0J1607081	Quoted	1,315.00	1,315.00	-	05-Dec-18	14-Jun-22
MLD 41		INE0J1607099	Quoted	1,893.00	1,893.00	-	25-Jan-19	04-Aug-22
MLD 41A		INE0J1607099	Quoted	2,342.68	2,342.68	-	31-Jan-19	04-Aug-22
MLD 41B		INE0J1607099	Quoted	536.93	536.93	-	06-Feb-19	04-Aug-22
MLD 41C		INE0J1607099	Quoted	1,483.82	1,483.82	-	28-Feb-19	04-Aug-22
MLD 41D		INE0J1607099	Quoted	207.73	207.73	-	15-Mar-19	04-Aug-22
MLD 41E		INE0J1607099	Quoted	1,135.21	1,135.21	-	26-Mar-19	04-Aug-22
MLD 41F		INE0J1607099	Quoted	560.74	560.74	-	12-Apr-19	04-Aug-22
MLD 41G		INE0J1607099	Quoted	257.93	257.93	-	30-Apr-19	04-Aug-22
MLD 41H		INE0J1607099	Quoted	206.44	206.44	-	02-May-19	04-Aug-22
MLD 41I		INE0J1607099	Quoted	879.27	879.27	-	24-May-19	04-Aug-22
MLD 41J		INE0J1607099	Quoted	625.08	625.08	-	07-Jun-19	04-Aug-22
MLD 41K		INE0J1607099	Quoted	265.99	265.99	-	12-Jun-19	04-Aug-22
MLD 41L		INE0J1607099	Quoted	630.35	630.35	-	27-Jun-19	04-Aug-22
MLD 41M		INE0J1607099	Quoted	210.24	210.24	-	12-Jul-19	04-Aug-22
MLD 41N		INE0J1607099	Quoted	417.66	417.66	-	25-Jul-19	04-Aug-22
MLD 41O		INE0J1607099	Quoted	701.38	701.38	-	31-Jul-19	04-Aug-22
MLD 41P		INE0J1607099	Quoted	315.33	315.33	-	02-Aug-19	04-Aug-22
MLD 41Q		INE0J1607099	Quoted	697.87	697.87	-	22-Aug-19	04-Aug-22
MLD 41R		INE0J1607099	Quoted	572.49	572.49	-	29-Aug-19	04-Aug-22
MLD 41S		INE0J1607099	Quoted	633.26	633.26	-	12-Sep-19	04-Aug-22
MLD 41T		INE0J1607099	Quoted	93.37	93.37	-	01-Oct-19	04-Aug-22
MLD 41U		INE0J1607099	Quoted	174.60	174.60	-	18-Oct-19	04-Aug-22
MLD 41V		INE0J1607099	Quoted	107.98	107.98	-	25-Oct-19	04-Aug-22
MLD 41W		INE0J1607099	Quoted	343.39	343.39	-	20-Dec-19	04-Aug-22
MLD 41X		INE0J1607099	Quoted	338.01	338.01	-	24-Dec-19	04-Aug-22
MLD 43		INE0J1607107	Quoted	1,594.00	1,594.00	-	24-Apr-19	01-Nov-22
MLD 43A		INE0J1607107	Quoted	568.00	568.00	-	30-May-19	01-Nov-22
MLD 43B		INE0J1607107	Quoted	205.00	205.00	-	26-Jun-19	01-Nov-22
MLD 43C		INE0J1607107	Quoted	177.27	177.27	-	17-Jul-19	01-Nov-22
MLD 43D		INE0J1607107	Quoted	275.00	275.00	-	16-Aug-19	01-Nov-22
MLD 53		INE0J1607164	Quoted	2,540.00	2,540.00	-	27-Nov-20	16-Dec-22
MLD 53A		INE0J1607164	Quoted	780.34	780.34	-	11-Dec-20	16-Dec-22
MLD 53B		INE0J1607164	Quoted	2,639.52	2,639.52	-	18-Dec-20	16-Dec-22
MLD 53C		INE0J1607164	Quoted	2,195.23	2,195.23	-	30-Dec-20	16-Dec-22
MLD 53D		INE0J1607164	Quoted	202.20	202.20	-	04-Jan-21	16-Dec-22
MLD 46		INE0J1607115	Quoted	597.00	-	597.00	26-Sep-19	28-Apr-23
MLD 46A		INE0J1607115	Quoted	200.40	-	200.40	30-Oct-19	28-Apr-23
MLD 46B		INE0J1607115	Quoted	262.96	-	262.96	20-Nov-19	28-Apr-23
MLD 48		INE0J1607123	Quoted	370.00	-	370.00	15-Nov-19	24-May-23
MLD 48A		INE0J1607123	Quoted	269.67	-	269.67	25-Nov-19	24-May-23
MLD 48B		INE0J1607123	Quoted	401.32	-	401.32	28-Nov-19	24-May-23
MLD 50		INE0J1607131	Quoted	150.00	-	150.00	30-Apr-20	08-Nov-23
MLD 51		INE0J1607149	Quoted	235.00	-	235.00	08-May-20	16-Nov-23
MLD 51B		INE0J1607149	Quoted	281.88	-	281.88	08-May-20	16-Nov-23
MLD 51A		INE0J1607149	Quoted	150.57	-	150.57	08-May-20	16-Nov-23
Total				**33,253.11**	**30,334.31**	**2,918.80**		
Add: Commission amortisation				(5,999.65)				
Add: Interest accrued				10,440.96				
Total				**37,694.42**				

Note:

i) The above mentioned debentures are secured, unlisted and listed, rated and unrated, non-convertible, principal protected, market linked debentures carrying variable interest rate which is linked to performance of specified indices over the tenure of the debentures. Hence, the interest rate/range cannot be ascertained.

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14.4 **Terms of repayment of NCD as on As at March 31, 2023**

ISIN	Quoted / Unquoted	As at March 31, 2023	Current	Non-Current	Issue Date	Date of Maturity
INE0J1607016	Quoted	1,000.00	-	1,000.00	29-Jun-20	29-Jun-23
INE0J1607248	Unquoted	4,100.90	-	4,100.90	22-Dec-21	14-Nov-24
Total		**5,100.90**	-	**5,100.90**		
Add: Effective Interest Adjustment		(67.68)				
Add: Interest accrued		97.20				
Total		**5,130.42**				

Terms of repayment of NCD as on As at March 31, 2022

ISIN	Quoted / Unquoted	As at March 31, 2022	Current	Non-Current	Issue Date	Date of Maturity
INE0J1607016	Quoted	1,000.00	-	1,000.00	29-Jun-20	29-Jun-23
INE0J1607057	Quoted	625.00	625.00	-	14-Dec-20	14-Jun-22
INE0J1607065	Quoted	5,000.00	5,000.00	-	31-Dec-20	30-Jun-22
INE0J1607222	Unquoted	2,982.00	-	2,982.00	15-Apr-21	15-Apr-23
INE0J1607230	Unquoted	2,018.00	-	2,018.00	23-Apr-21	23-Apr-23
INE0J1607180	Unquoted	1,522.00	-	1,522.00	30-Apr-21	30-Apr-23
INE0J1607198	Unquoted	306.00	-	306.00	07-May-21	07-May-23
INE0J1607206	Unquoted	203.00	-	203.00	12-May-21	12-May-23
INE0J1607214	Unquoted	469.00	-	469.00	21-May-21	21-May-23
INE0J1607255	Unquoted	600.00	600.00	-	30-Jan-21	30-Jan-23
INE0J1607248	Unquoted	4,100.90	-	4,100.90	22-Dec-21	14-Nov-24
Total		**18,825.90**	**6,225.00**	**12,600.90**		
Add: Effective Interest Adjustment		(237.30)				
Add: Interest accrued		392.23				
Total		**18,980.83**				

14.5 **Terms of repayment of [Perpetual Non Cumulative Preference Shares as on As at March 31, 2023**

Tenure from Balance Sheet date	Interest Rate Range	Repayment Details	As at March 31, 2023	As at March 31, 2022
Refer Scheme details extracted below	1% Dividend payable per annum January 25th	Scheme of Amalgamation Clause (6) Discharge of Liability	15,603.73	15,606.12

The Punjab and Maharashtra Co-operative Bank Limited has been amalgamated with the Bank pursuant to the Punjab and Maharashtra Co-operative Bank Limited (Amalgamation with Unity Small Finance Bank Limited) Scheme, 2022 notified by the Ministry of Finance, Department of Financial Services, Banking Division, Government of India on January 25, 2022 with effect from January 25, 2022. Terms of repayment of Perpetual Non Cumulative Preference Shares briefed in Clause 6 Discharge of Liability of transferor bank extracted for reference

On and from the appointed date, 80 per cent. of the uninsured deposits outstanding (aggregate in various accounts) to the credit of each institutional depositor of the transferor bank shall be converted into Perpetual Non-Cumulative Preference Shares of transferee bank with dividend of one per cent. per annum payable annually.

At the end of the 10th year from the appointed date, transferee bank will use _Net Cash Recoveries' (net of expenses related to such recoveries) from assets pertaining to Housing Development and Infrastructure Limited Group in excess of the principal amount of advances to Housing Development and Infrastructure Limited Group outstanding as on March 31, 2021 to buyback Perpetual Non-Cumulative Preference Shares at face value on a pro rata basis.

From the end of 21st year, transferee bank will buy-back the outstanding principal of the Perpetual Non-Cumulative Preference Shares, at the rate of at least 1 per cent. of the total Perpetual Non-Cumulative Preference Shares issued under the scheme per annum, provided the following conditions are satisfied, namely:—

(i) all restructured liabilities pertaining to the transferor bank including those towards Deposit Insurance and Credit Guarantee Corporation under the Scheme are fully discharged;

(ii) capital adequacy ratio of the transferee bank is at least three hundred basis points higher than the regulatory minimum capital-to-risk weighted assets ratio applicable at that point of time;

(iii) net non-performing assets of transferee bank are at least two hundred basis points lower than the prescribed threshold for Prompt Corrective Action by Reserve Bank at that point of time;

(iv) minimum 'Net Cash Recovery' of the principal amount of advances to Housing Development and Infrastructure Limited Group as on March 31, 2021 from assets pertaining to Housing Development and Infrastructure Limited Group is more than 70 per cent. of the principal amount of advances;

(v) the buyback of the Perpetual Non-Cumulative Preference Shares shall be capped at 10 per cent. of the yearly net profit of the transferee bank for the previous year.

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(Currency : Indian Rupees in lakhs)

14 Debt securities - *(Continued)*

14.6 Secured Non Convertible Debentures - privately placed

Terms of Repayment - As at March 31, 2023

Particulars	Rate of Interest	Repayment Details	Amount
24-36 months	12.30%	Bullet Repayment	4,100.90
12-24 months	10.60% to 12.30%	Quarterly Repayment	-
Upto 12 months	10.00% to 13.95%	Quarterly Repayment	1,000.00
			5,100.90
		Less: Effective interest rate adjustment	(67.69)
		Add: Interest accrued but not due on non-convertible debentures	97.21
		TOTAL	**5,130.42**

Terms of Repayment - As at March 31, 2022

Particulars	Rate of Interest	Repayment Details	Amount
24-36 months	12.30%	Bullet Repayment	4,100.90
12-24 months	10.60% to 12.30%	Quarterly Repayment	3,500.00
Upto 12 months	10.00% to 13.95%	Quarterly Repayment	11,225.00
			18,825.90
		Less: Effective interest rate adjustment	(237.30)
		Add: Interest accrued but not due on non-convertible debentures	392.23
		TOTAL	**18,980.83**

Security Details

Non Convertible Debentures are secured against receivables of the Bank.

14.7 Unsecured Non Convertible Debentures - privately placed

Terms of Repayment - As at March 31, 2023

Particulars	Rate of Interest	Repayment Details	Amount
More than 60 Months	9.50%	Bullet Repayment	5,000.00
48-60 months			-
36-48 months	17.00%	Bullet Repayment	
24-36 months			-
12-24 months			-
upto 12 months			-
			5,000.00
		Less: Effective interest rate adjustment	
		Add: Interest accrued but not due on non-convertible debentures	8.20
		TOTAL	**5,008.20**

Terms of Repayment - As at March 31, 2022

Particulars	Rate of Interest	Repayment Details	Amount
More than 60 Months	9.50%	Bullet Repayment	5,000.00
48-60 months			-
36-48 months	17.00%	Bullet Repayment	1,000.00
24-36 months			-
12-24 months			-
upto 12 months			-
			6,000.00
		Add: Interest accrued but not due on non-convertible debentures	8.20
		TOTAL	**6,008.20**

				As at March 31, 2023	As at March 31, 2022
15.	**Borrowings (other than debt securities)**				
A.	**Borrowings At amortised cost**				
I	a)	Term Loans (Secured)			
		i) from banks		-	
		iii) from NHB		3,360.34	22,259.30
		iii) from others		-	14,912.93
	b)	iv) Short Term Loans (Secured)		3,475.94	15,651.06
		i) from banks		-	
		ii) from others		36,974.15	-
	c)	Short Term Call and Money Market		-	-
		i) Other Bank		-	
		ii) Others		-	-
				25,501.45	-
			Total	**69,311.88**	**52,823.29**
	Of the Above				
II	i)	Borrowings in India		69,311.88	52,823.29
	ii)	Borrowings outside India		-	-
			Total	**69,311.88**	**52,823.29**

15.1 Details of security and terms of repayment

i) Loans from banks and others are secured against the remaining receivables of the Bank and Moveable Assets of the Bank

ii) Loans from certain banks & financial institutions are secured against specific receivables of the Bank.

iii) Bank Overdraft are secured against Fixed Deposits and building under PPE

15.2 Term loans from banks -Secured

Terms of Repayment - As at March 31, 2023

Particulars	Rate of Interest	Repayment Details	Amount
48-60 months		As per Scheme	
36-48 months	10.90%	Annual Installment	
24-36 months	9.00% to 10.90%	Monthly Installment	
12-24 months	9.00% to 12.75%	Monthly Installment	1,935.98
upto 12 months	9.00% to 12.75%	Monthly Installment	1,458.33
			3,394.31
		Less: Effective interest rate adjustment	(41.73)
		Add: Interest accrued but not due on non-convertible debentures	7.75
		TOTAL	**3,360.34**

Terms of Repayment - As at March 31, 2022

Particulars	Rate of Interest	Repayment Details	Amount
48-60 months		As per Scheme	14,912.93
36-48 months	10.90%	Annual Installment	750.00
24-36 months	9.00% to 10.90%	Monthly Installment	2,679.55
12-24 months	9.00% to 12.75%	Monthly Installment	7,347.71
upto 12 months	9.00% to 12.75%	Monthly Installment	11,678.95
			37,369.14
		Less: Effective interest rate adjustment	(263.91)
		Add: Interest accrued but not due on non-convertible debentures	66.99
		TOTAL	**37,172.22**

15.3 Term loans from Others -Secured

Terms of Repayment - As at March 31, 2023

Particulars	Rate of Interest	Repayment Details	Amount
36-48 months			-
24-36 months	8.75%	Monthly Installment	
12-24 months	8.75% to 14.50%	Monthly Installment	1,700.00
upto 12 months	8.75% to 14.95%	Monthly Installment	1,752.52
			3,452.52
		Less: Effective interest rate adjustment	1.01
		Add: Interest accrued but not due on non-convertible debentures	22.41
		TOTAL	**3,475.94**

Terms of Repayment - As at March 31, 2022

Particulars	Rate of Interest	Repayment Details	Amount
36-48 months			-
24-36 months	8.75%	Monthly Installment	500.00
12-24 months	8.75% to 14.50%	Monthly Installment	4,038.78
upto 12 months	8.75% to 14.95%	Monthly Installment	11,137.61
			15,676.39
		Less: Effective interest rate adjustment	(66.41)
		Add: Interest accrued but not due on non-convertible debentures	41.08
		TOTAL	**15,651.06**

Short Term Loans (Secured)
i) from banks

Terms of Repayment - As at March 31, 2023

Particulars	Rate of Interest	Repayment Details	Amount
36-48 months			-
24-36 months			
12-24 months			
upto 12 months	6.50% to 7%	On Maturity	36,974.15
		TOTAL	**36,974.15**

Short Term Call and Money Market
i) from Others

Terms of Repayment - As at March 31, 2023

Particulars	Rate of Interest	Repayment Details	Amount
36-48 months			-
24-36 months			
12-24 months			
upto 12 months	6.80% to 7%	On Maturity	25,501.45
		TOTAL	**25,501.45**

16. Deposits - At amortised cost

		As at March 31, 2023	As at March 31, 2022
a)	Deposits accepted by bank	-	-
b)	Savings account deposits	79,815.08	3,44,164.92
c)	Current account deposits	8,568.37	35,000.66
d)	Term Deposit	1,80,484.16	4,625.42
		-	-
		2,68,867.61	3,83,791.00

The deposits have not been guaranteed by directors or others.
There has been no default in repayment of deposits and interest thereon.
The deposit rates of the Bank as on March 31, 2023 are as follows:
- Savings [illegible] Deposits Interest Rates : 6% to 8%
- Term Deposits Interest Rates : 4.5% to 10.0%

17. Other financial liabilities

a)	Accrued expenses	20.00	1,596.65
b)	Payable to Depositors of erstwhile PMC Bank upto 5 years (refer Note no 53(A)(h)(i)_)	1,23,315.12	1,47,589.51
c)	Tier II - Payable to Depositors of erstwhile PMC Bank on or after 10 years (refer Note no 53(A)(h)(i))	1,02,609.68	93,638.07
d)	Payable to DICGC (refer Note no 53(A)(h)(i))	65,864.25	59,040.64
e)	Liability towards devolved LC / invoke BG	26,341.41	28,239.80
f)	NHB Refinance - Restructured	10,420.00	-
g)	Other financial liabilities	6,519.00	11,276.36
	Total	3,35,089.46	3,41,381.03

18. Provisions

a)	Provision for employee benefits		
	i) Gratuity	974.52	840.61
	ii) Compensated absences	499.09	421.56
	iii) Others	1,741.13	1,085.26
b)	Other Provisions	5,424.61	5,458.04
c)	Provision for Contingencies	20,374.15	20,339.50
	Total	29,013.50	28,144.97

19. Other non-financial liabilities

a)	Advances from customers	4,042.91	497.51
b)	Statutory dues payable	996.51	386.08
c)	Unearned discounting charges	474.26	453.66
d)	Other liabilities	141.07	53.85
	Total	5,654.75	1,391.10

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20. Equity share capital

a) Share capital authorised, issued, subscribed and paid up

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity Shares of Rs. 10/each	4,00,00,00,000	4,00,000.00	4,00,00,00,000	4,00,000.00
	4,00,00,00,000	**4,00,000.00**	**4,00,00,00,000**	**4,00,000.00**
Issued, Subscribed & paid up:				
Equity Shares of Rs. 10/each	70,49,02,000	70,490.20	70,49,02,000	70,490.20
	70,49,02,000	70,490.20	**70,49,02,000**	70,490.20

b) Reconciliations of the number of equity shares and share capital :

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Issued, Subscribed & paid up:				
Outstanding at the beginning of the year	70,49,02,000	70,490.20	70,49,02,000	70,490.20
Add: Shares issued during the year				
Outstanding at the end of the year	**70,49,02,000**	**70,490.20**	**70,49,02,000**	**70,490.20**

c) Terms/rights attached to equity shares:

The Bank has issued only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. The Bank has not declared/proposed any dividend in the current year.
In the event of liquidation of the Bank, the holders of equity shares will be entitled to receive remaining assets of the Bank. The distribution will be in proportion to the number of equity shares held by the shareholders.
As per record of the Bank, including its register of shareholder/members and other declaration received from shareholders regarding beneficial interest, the above share holding represents both legal and beneficial ownerships of shares.

d) Shares held by the promoter at end of the year

Promoter Name	As at 31st March, 2023		% change during the year
	No. of shares (in lakh)	% of total shares	
Centrum Financial Services Limited	35,94,99,994	51%	
	35,94,99,994	**51%**	

Promoter Name	As at 31st March, 2022		% change during the year
	No. of shares (in lakh)	% of total shares	
Centrum Financial Services Limited	35,94,99,994	51%	
	35,94,99,994	**51%**	

d) Shareholder holding more than 5% of equity shares as at the end of the year :

Name of Shareholders	As at March 31, 2023	
	No. of shares	% Holding
Centrum Financial Services Limited	35,94,99,994	51%
Resilient Innovation Private Limited	34,54,01,960	49%
	70,49,01,954	**100%**

Name of Shareholders	As at31st March, 2022	
	No. of shares	% Holding
Centrum Financial Services Limited	35,94,99,994	51%
Resilient Innovation Private Limited	34,54,01,960	49%
	70,49,01,954	**100%**

e) Shares reserved for issue under options

Refer note 41 for shares reserved for issue under the employee stock option scheme (ESOP) of the Bank.

f) Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date: Nil

g) No dividend is paid during the year or recommended by the Board Of Directors for the financial year 2022-23.

h) Refer Note 45 : Capital Management for the Bank's objectives, policies and processes for managing capital

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Particulars		As at March 31, 2023	As at March 31, 2022
21. Other equity			
a) Securities premium		40,032.09	40,032.09
b) Employee stock options		0.42	-
c) Retained earnings		(26,422.77)	(15,100.52)
d) Impairment reserve		-	-
e) Capital contribution		70.15	2.47
f) Other comprehensive income		162.99	(461.51)
g) Share warrants		53,149.61	53,158.24
h) Capital Reserve on Amalgamation		33,418.93	27,684.82
	Total	**1,00,411.42**	**1,05,315.59**

A. Nature and purpose of reserves

a. Securities premium reserve
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b. Employee stock options
The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

c. Retained Earnings
Retained earnings comprises of the Bank's undistributed earnings after taxes.

d. Capital contribution
Capital contribution represents the indirect equity contribution by the Parent.

e. Capital Reserve on Amalgamation
Capital reserve created on amalgamation with the Punjab and Maharashtra Co-operative Bank Limited (Amalgamation with Unity Small Finance Bank Limited) Scheme, 2022

f. Fair value through Other Comprehensive Income (FVOCI)
FVOCI comprises of fair value gain or loss of investment and defined benefit obligations

B. Movement in Other equity		As at March 31, 2023	As at March 31, 2022
a) Securities premium			
Opening balance		40,032.09	-
Add : Premium Received on issue of securities		-	40,032.09
Closing Balance	(a)	**40,032.09**	**40,032.09**
b) Share Warrants			
Opening balance		53,158.24	-
Add : Changes during the year (refer note 53 (B)(g)		(8.63)	53,158.24
Closing Balance	(b)	**53,149.61**	**53,158.24**
c) Retained Earnings			
Opening balance		(15,562.03)	-
Add: Profit for the year		(10,822.97)	(6,690.37)
Add: Other comprehensive income		125.23	(345.36)
Amount available for appropriation		**(26,259.78)**	**(7,035.73)**
Appropriations:			
Opening Adjustment under Amalgamation			8,526.30
Closing Balance	(c)	**(26,259.78)**	**(15,562.03)**
d) Capital Reserve on Amalgamation			
Opening balance		27,684.82	-
Add : Changes during the year (refer note 53 (B)(g)		5,734.11	27,684.82
Closing Balance	(d)	**33,418.93**	**27,684.82**
e) Capital contribution			
Opening balance		2.47	-
Add : Addition during the year		67.68	2.47
Closing Balance	(e)	**70.15**	**2.47**
f) Employee stock options			
Opening balance			
Add : Addition during the year		0.42	-
Closing Balance	(f)	**0.42**	-
	(a+b+c+d+e+f)	**1,00,411.42**	**1,05,315.59**

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22. Interest income

	Particulars	For the year ended March 31, 2023			
		On Financial Assets measured			Total
		at Fair Value through OCI	at Amortised Cost	at Fair Value through profit or loss	
i)	Interest income on loans	-	57,130.95	-	57,130.95
ii)	Income on investments	9,000.17	8,284.45	124.81	17,409.43
iii)	Interest on balances with Reserve Bank of India and other inter-bank funds	-	2,799.39	-	2,799.39
iv)	Other interest	-	-	-	-
	Total	**9,000.17**	**68,214.79**	**124.81**	**77,339.77**

	Particulars	For the period ended March 31, 2022			
		On Financial Assets measured			Total
		at Fair Value through OCI	at Amortised Cost	at Fair Value through profit or loss	
i)	Interest income on loans	-	10,914.12	-	10,914.12
ii)	Interest income on investments / debt instruments	-	3,803.49	-	3,803.49
iii)	Interest income on deposits with banks	-	72.24	-	72.24
v)	Interest income on balances with RBI and other inter-bank funds	-	725.50		725.50
vi)	Interest income - others	-	34.28	-	34.28
	Total	**-**	**15,549.63**	**-**	**15,549.63**

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23. Fee and commission income

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
a) Commission, exchange and brokerage	455.49	159.09
b) Advisory fees	-	22.36
c) Income From Forex Operations	-	5.66
d) Rent on locker	175.72	8.31
e) Bank charges	5.22	6.86
Total	**636.43**	**202.28**

23.A Revenue from contract with Customers

Set out below is the revenue from contracts with customers & reconciliation to Statement of profit and loss

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Type of Services		
i) Fees and commission income	636.43	202.28
Total Revenue from contract with Customers	**636.43**	**202.28**
Geographical Markets		
i) India	636.43	202.28
ii) Outside India	-	-
Total Revenue from contract with Customers	**636.43**	**202.28**
Timing of revenue recognition		
i) Services transferred at a point in time	636.43	202.28
ii) Services transferred over time	-	-
Total Revenue from contract with Customers	**636.43**	**202.28**

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(Currency : Indian Rupees in lakhs)

Particulars		For the year ended March 31, 2023	For the period ended March 31, 2022
24. Net gain on fair value change			
(I) A. Investments at FVTPL		-	
Equity Shares		(688.69)	
Mutual Fund		(2.00)	4.00
Government Securities		5.67	(1,355.52)
B. On Amortised cost			
Unwinding of Debt instruments NHB fair value		4,493.31	-
		3,808.29	**(1,351.52)**
a) Realised		-	-
b) Unrealised		3,808.29	(1,351.52)
	Total	**3,808.29**	**(1,351.52)**
(II) Net gain on derecognition of financial instruments			
Equity Shares		-	-
Bonds		28.86	(35.45)
Certificate of Deposit		(59.84)	-
Government Securities		(3,714.81)	(35.57)
	Total	**(3,745.80)**	**(71.02)**
25. Other operating revenue			
a) Gain / (Loss) on direct assignments		-	1.47
b) Other operating revenue*		342.13	58.90
	Total	**342.13**	**60.37**
* includes documentation charges, utilisation charges			
26. Other income			
a) Profit/(Loss) on sale of land, Building and Other assets		-	(5.49)
b) Liquidity Assistance Scheme*		2,995.51	-
c) Others		69.97	25.04
	Total	**3,065.48**	**19.55**

*Where offered to erstwhile Depositors of PMC Bank

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Particulars		For the year ended March 31, 2023	For the period ended March 31, 2022
27. Finance costs			
On Financial liabilities measured at amortised cost			
a) Interest on Borrowings (other than debt securities)		848.94	1,610.52
b) Interest on Debt instruments		3,143.46	3,877.15
c) Interest on Subordinated liabilities		43.78	70.33
d) Interest on Reserve Bank of India/ inter-bank borrowings		865.49	838.73
e) Dividend on PNCPS		2,248.50	400.48
f) Interest - Others		25,958.71	4,698.65
g) Bank Charges		17.42	7.71
h) Other finance charges		132.63	10.05
i) Interest on deposits		12,317.83	19.17
j) Interest on lease liability		425.95	40.18
	Total	**46,002.71**	**11,572.97**
28. Impairment on financial instruments			
Impairment Allowance			
i) On Financial instruments measured at amortised cost			
a) Provision for loans		1,140.39	2,051.99
b) Investments		4.57	2.66
c) Fixed Deposits		(201.62)	202.35
d) Bad debts & write offs		382.66	-
e) Others Provision		824.02	-
	Total	**2,150.02**	**2,257.00**
29. Employee benefits expenses			
a) Salaries, allowances and bonus		20,321.28	4,176.25
b) Contribution to provident fund & other funds		838.87	216.43
c) Contribution to gratuity fund		300.13	64.07
d) Share Based payments to employees		68.10	2.47
e) Staff welfare expenses		299.69	53.41
f) Others		-	0.05
	Total	**21,828.07**	**4,512.68**
30. Depriciation and Amortization Expenses			
a) Depreciation on property, plant and equipment		1,487.55	410.12
b) Amortisation of intangible assets		146.80	52.50
c) Depreciation on Right of use assets		1,037.43	106.98
	Total	**2,671.78**	**569.60**
31. Others expenses			
a) Auditor's fees and expenses		52.36	35.00
b) Business promotion expenses		1,139.61	1.59
c) Communication cost		669.17	17.73
d) Director's sitting fees		96.72	16.90
e) Energy cost		556.16	18.37
f) Fees and subcription		456.49	120.40
g) Insurance charges		529.37	114.22
h) Legal and professional fees		3,669.41	1,441.15
i) Office expenses		620.06	232.36
j) Printing and stationery		425.21	52.96
k) Rates, duties and taxes		196.61	387.06
l) Rent		2,078.19	498.94
m) Repairs and maintenance		801.42	110.87
n) Service charges		-	22.60
o) Software charges		3,566.97	232.30
p) Travelling expenses		1,738.83	74.52
q) DSA Commission		743.46	16.33
r) Miscellaneous expenses		3,052.21	93.39
	Total	**20,392.25**	**3,486.69**
31.1 Auditors' fees and expenses			
As Auditor			
a) Audit fee		52.36	35.00
b) for remibursement		-	-
	Total	**52.36**	**35.00**

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32. Lease liabilities

A) The following is the movement in lease liabilities:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning	1,981.12	-
Additions	9,428.15	2,060.36
Finance cost accrued during the period	464.22	40.18
Deletions	-	-
Payment of lease liabilities	1,096.17	119.42
Balance as at end	**10,777.32**	**1,981.12**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	2,768.98	683.73
One to five years	8,360.94	1,459.58
More than five years	4,631.47	420.73
Total	**15,761.38**	**2,564.04**

The amounts considered above are actual cash outflows. The lease liability in the balance sheet is the present value of these amounts as on the reporting date.

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation on Right of use assets	1,037.43	106.98
Interest expense on lease liability	425.95	40.18
Total cash outflow for leases (rental payments)	1,096.17	119.42
Additions to Right of use assets	9,511.28	2,060.76
Carrying value Right of use assets	10,427.63	1,953.78

The Bank has taken various office premises under lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 24 to 60 months. There are no restrictions imposed by lease arrangements.

The weighted average incremental discounting rate of 11.50% has been applied to lease liabilities recognised in the balance sheet as at the reporting date .

The Bank does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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33. Disclosure pursuant to Ind AS 12 "Income Taxes"

33.1 Major components of tax expense/(income):

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
I. Income Tax Expense charged to Statement of Profit and Loss:		
(i) Current income tax:		
Current income tax expense	-	-
Tax expense in respect of earlier years		-
(ii) Deferred tax:		
Tax expense on origination and reversal of temporary differences	(630.36)	(1,233.55)
Income tax expense reported in Profit or Loss (i + ii)	**(630.36)**	**(1,233.55)**
II. Income Tax Expense charged to Other Comprehensive Income :		
(i) Income tax expense / (gain) relating to items that will not be reclassified to profit or loss	41.02	(116.15)
(ii) Income tax expense / (gain) relating to items that will be reclassified to profit or loss	1.09	-
Income tax expense reported in the OCI (i + ii)	**42.11**	**(116.15)**

33.2 Reconciliation of tax expense and the accounting profit

The Bank has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 in March 2020. Accordingly, the Bankhad recognised and remeasured Provision for Income Tax and Deferred Tax based on the rate prescribed in the said section.

A reconciliation of income tax provison to the amount computed by applying statutory income tax rate to the income before taxes is summarised below.

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
(a) Profit before tax	(11,453.33)	(7,923.92)
(b) Corporate tax rate as per Income tax Act, 1961	25.17%	25.17%
(c) Tax on Accounting profit (c) = (a) * (b)	(2,882.57)	(1,994.29)
(d) Tax impact due to		
(i) Tax expense of earlier years		-
(ii) Disallowances on account of permanent difference	0.69	1,309.64
Interest on TDS	0.69	1,251.51
Expenses incurred on amalgamation allowed u/s 35DD(1/5th)(First Year)	-	69.22
Standard Deduction u/s 24(a)	-	(11.08)
Dividend PNCPS		-
(iii) Tax on brought forword loss adjustment-permanent difference	3,271.73	-
Tax reversal on difference in fixed assets- permanent difference	(745.67)	-
(iv) (Benefit)/ Expense due to change in tax rates on the opening timing differences	-	(174.74)
(v) Other items		
Other Ind AS adjustments	(274.55)	(374.16)
Total effect of tax adjustments [(i) to (iv)]	**2,252.21**	**760.75**
(e) Tax expense recognised during the year (e)=(c)+(d)	**(630.36)**	**(1,233.54)**
(f) Effective tax rate (f)=(e)/(a)	**5.50%**	**15.57%**

33.3 **Movement in Deferred Taxes**

33.3.A **Movement in deferred tax balances For the year ended March 31, 2023**

	Particulars	As at April 01, 2022	Recognised in profit or loss	Recognised in OCI	As at March 31, 2023
	Deferred tax asset/ (liabilities)				
i)	Depreciation on property, plant and equipment	(294.18)	(1,075.44)	-	(1,369.62)
ii)	Lease liabilities	6.88	(206.89)	-	(200.01)
iii)	EIR impact of financial assets	297.52	1,295.67	(1.09)	1,592.10
iv)	EIR impact of financial liabilities	(207.58)	180.04	-	(27.54)
v)	Unrealised gain on derivatives	(1.20)	1.20	-	-
vi)	Provision on Loans	73,000.00	(1,652.90)	-	71,347.10
vii)	Impairment loss on investments	-	-	-	-
viii)	Expected Credit loss on loans and other assets	1,063.58	2,488.11	-	3,551.69
ix)	Provision for employee benefits	317.66	83.26	(41.02)	359.90
x)	Disallowance under Section u/s 40a(ia)	30.18	331.98	-	362.16
xi)	Others	14.39	(814.67)	-	(800.28)
	Total	**74,227.25**	**630.36**	**(42.11)**	**74,815.50**

33.3.A **Movement in deferred tax balances For the period ended March 31, 2022**

	Particulars	Transferred under BTA / Amalgamation	Recognised in profit or loss	Recognised in OCI	As at March 31, 2023
	Deferred tax asset/ (liabilities)				
i)	Depreciation on property, plant and equipment	(139.91)	(154.27)	-	(294.18)
ii)	Lease liabilities	(1.44)	8.32	-	6.88
iii)	EIR impact of financial assets	49.86	247.66	-	297.52
iv)	EIR impact of financial liabilities	(311.66)	104.08	-	(207.58)
v)	Unrealised gain on derivatives	-	(1.20)	-	(1.20)
vi)	Provision on Loans	73,000.00	-	-	73,000.00
vii)	Impairment loss on investments	-	-	-	-
viii)	Expected Credit loss on loans and other assets	262.92	800.66	-	1,063.58
ix)	Provision for employee benefits	19.63	181.88	116.15	317.66
x)	Disallowance under Section u/s 40a(ia)	-	30.18	-	30.18
xi)	Others	(1.85)	16.24	-	14.39
	Total	**72,877.55**	**1,233.55**	**116.15**	**74,227.25**

33.4 **Tax losses**

	For the period ended March 31, 2023	For the period ended March 31, 2022
Unused tax losses for which no deferred tax asset has been recognised	3,06,598.11	2,97,961.31

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34. Earning per Share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Bankby the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Bankby the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares (ESOP) into ordinary shares.

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
a) Profit after tax attributable to equity shareholders for Basic EPS	(10,822.97)	(6,690.37)
b) Profit after tax attributable to equity shareholders for Diluted EPS	(10,822.97)	(6,690.37)
c) Weighted average no. of equity shares outstanding during the year for Basic EPS		
d) Weighted average no. of equity shares outstanding during the year for diluted EPS	70,49,02,000	70,49,02,000
e) Nominal value of equity shares (Rs. per share)	10.00	10.00
f) Basic earnings per share (EPS) (Rs. per share)	(1.54)	(0.95)
g) Diluted earnings per share (EPS) (Rs. per share)	(1.54)	(0.95)

35. Commitments and contingencies

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent liabilities		
i) Claims against the bank not acknowledged as debts	518.06	491.83
ii) Guarantees given on behalf of constituents - in India	2,781.51	1,474.93
iii) Other items for which the bank is contingently liable	2,558.20	2,643.93
	5,857.77	**4,610.69**
Capital commitments		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,767.42	-
ii) Commitments related to loans sanctioned but undrawn	2,872.64	-
	4,640.06	-

Future cash outflows in respect of above are determinable only on receipt of judgements / decisions pending with various forums/authorities. It is not practicable for the Bankto estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings. The Bankdoes not expect any reimbursement in respect of the above contingent liabilities. The Bankis of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Bank's financial position and results of operations.

36. The Bank did not have any long term contracts including derivative contracts for which any provision is required for the foreseeable losses.

37. Corporate Social Responsibility (CSR)

		For the period ended March 31, 2023	For the period ended March 31, 2022
As per the provisions of Section 135 of Companies Act, 2013			
A) Gross amount required to be spent by the Bankduring the year was		-	-
B) Amount spent during the year on			
I Construction/acquisition of any assets			
i) In Cash		-	-
ii) Yet to be paid in cash		-	-
	Total (I)	-	-
II On purpose other than (i) above			
i) In Cash		-	-
ii) Yet to be paid in cash		-	-
	Total (II)	-	-
	Total (I + II)	-	-

38. Dues to Micro, Small Enterprises

Disclosure pertaining to Micro and Small Enterprises as at March 31, 2023 is as under.

The details of amounts outstanding together with interest paid /payable to Micro and Small enterprises based on information available with the Bankis as under:

		As at March 31, 2023	As at March 31, 2022
i)	Amounts outstanding but not due as at March 31,	-	-
ii)	Amounts due but unpaid as at March 31,	-	-
iii)	Amounts paid after appointed date during the year	-	-
iv)	Amount of interest accrued and unpaid as at March 31,	-	-
v)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

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39. Related Party Disclosure

As per the requirement of Ind AS 24, on related party disclosures, the name of the related parties with the description of the relationship and transactions between the reporting

39.1 List of related parties

#	Name of the party	Nature of relationship	Related Through
	Ultimate holding company		
	Holding company		
	List of Subsidiary/ holding/ Associate/ subsidiary of a holding company as per 2(76)(viii)		
	Key management personnel (KMP)		
	Directors and KMPs of USFB		
1	**Subhash Kutte**	Independent Director	Self
2	**Basant Seth**	Independent Director	Self
3	**Sandip Ghose**	Independent Director	Self
4	**Abhishek Baxi**	CFO - KMP	Self
5	**Archana Goyal**	Company Secretary - KMP	Self
6	**Vinod Rai**	Part-time Chairman & Independent Director	Self
7	**Renu Basu**	Independent Women Director	Self
8	**Parthasarathy Rajagopal Iyengar**	Company Secretary	Self
	Relatives of Directors & KMPs		
8	**Jayanti Ghose**	Spouse	Sandip Ghose
9	**Late Shri KC Ghosh**	Father	Sandip Ghose
10	**Last Smt Indira Ghosh**	Mother	Sandip Ghose
9	**Surojit Ghosh**	Son	Sandip Ghose
10	**Samarjit Ghosh**	Son	Sandip Ghose
11	**Rohini Surojit Ghosh (Wife of Surojit Ghosh)**	Daughter	Sandip Ghose
12	**Candan Turkkan (Wife of Samarjit Ghosh)**	Son's Wife	Sandip Ghose
13	**Sanjay Ghosh**	Brother	Sandip Ghose
14	**Ruma Biswas**	Sister	Sandip Ghose
17	**Late Shri Kailash Seth**	Father	Basant Seth
18	**Late Smt. Krishna Seth**	Mother	Basant Seth
15	**Shri. Amar Seth**	Brother	Basant Seth
16	**Padmini subhash Kutte**	Spouse	Subhash Kutte
17	**Gundappa Damodar Kutte**	Father	Subhash Kutte
18	**Padmini Gundappa Kutte**	Mother	Subhash Kutte
19	**Nilesh Subhash Kutte**	Son	Subhash Kutte
20	**Jaykumar Subhash Kutte**	Son	Subhash Kutte
21	**Madhvi Nilesh Kutte**	Son's Wife	Subhash Kutte
22	**Soniya Jaykumar Kutte**	Son's Wife	Subhash Kutte
23	**Saidas Gundappa Kutte**	Brother	Subhash Kutte
24	**Anil Gundappa Kutte**	Brother	Subhash Kutte
25	**Sunil Gundappa Kutte**	Brother	Subhash Kutte
26	**Shobha Chandrashekhar Mohire**	Sister	Subhash Kutte
27	**Shobita Baxi**	Spouse	Abhishek Baxi
28	**Nirmal Baxi**	Father	Abhishek Baxi
29	**Usha Baxi**	Mother	Abhishek Baxi
30	**Dhyana Baxi**	Daughter	Abhishek Baxi
31	**Dhriti Baxi**	Daughter	Abhishek Baxi
32	**Deepesh Baxi**	Brother	Abhishek Baxi
33	**Alok Goyal**	Spouse	Archana Goyal
34	**R S Bajaj**	Father	Archana Goyal
35	**Saroj Bajaj**	Mother	Archana Goyal
36	**Parikshit Goyal**	Son	Archana Goyal
37	**Kaavya Goyal**	Daughter	Archana Goyal
38	**Amit Bajaj**	Brother	Archana Goyal
39	**Sorabh Bajaj**	Brother	Archana Goyal
40	**Priyanka Soni**	Sister	Archana Goyal
41	**Subhabrata Basu**	Spouse	Renu Basu
46	**Late Kartar Singh Arora**	Father	Renu Basu
47	**Late Pushpa Rani Arora**	Mother	Renu Basu
42	**Sanjana Basu**	Daughter	Renu Basu
43	**Sunaina Basu**	Daughter	Renu Basu
44	**Raj Kumar Singh Arora**	Brother	Renu Basu
45	**Mala Kukreja**	Sister	Renu Basu
46	**Geeta Rai**	Spouse	Vinod Rai
53	**Late B N Rai**	Father	Vinod Rai
54	**Late C Rai**	Mother	Vinod Rai
47	**Vikram Rai**	Son	Vinod Rai
48	**Harinder Singh**	Step son	Vinod Rai

39.1 List of related parties

#	Name of the party	Nature of relationship	Related Through
49	Swapnil Rai (Wife of Vikram Rai)	Son's wife	Vinod Rai
50	Neelu Singh (Wife of Harinder Singh)	Son's wife	Vinod Rai
51	Rohini Sharma	Daughter	Vinod Rai
52	Ragini Maggon	Daughter	Vinod Rai
53	Gayatri Raghunathan	Step Daughter	Vinod Rai
54	Vaibhav Sharma (Husband of Rohini Sharma)	Daughter's husband	Vinod Rai
55	Nitin Maggon (Husband of Ragini Maggon)	Daughter's husband	Vinod Rai
56	Santhosh Rahunathan (Husband of Gayatri Raghunathan)	Daughter's husband	Vinod Rai
57	K N Rai	Brother	Vinod Rai
58	Pushpendra Rai	Brother	Vinod Rai
59	Prema Pandey	Sister	Vinod Rai

39.1 List of related parties

#	Name of the party	Nature of relationship	Related Through
	Companies & Firms as per 2(76)(iii), 2(76)(iv) & 2(76)(v)		
60	Infomerics Valuation And Rating Private Limited	Independent Director	Sandip Ghose
61	Motilal Oswal Trustee Company Limited	Independent Director	Sandip Ghose
62	Roto Pumps Limited	Independent Director	Basant Seth
63	Ds Confectionery Products Limited	Independent Director	Basant Seth
64	Ever Electronics Private Limited	Director	Basant Seth
65	U. P. Industrial Consultants Limited	Additional Director	Basant Seth
66	Dharampal Satyapal Limited	Director	Basant Seth
67	Infomerics Ratings And Research Private Limited	Director	Basant Seth
68	Canbank Factors Limited	Director	Basant Seth
69	Synergy Green Industries Limited	Independent Director	Subhash Kutte
70	Menon Pistons Limited	Independent Director	Subhash Kutte
71	Centrum Capital Limited	Independent Director	Subhash Kutte
72	Ghatge Patil Industries Limited	Independent Director	Subhash Kutte
73	Centrum Wealth Limited	Independent Director	Subhash Kutte
74	Centrum Microcredit Limited	Independent Director	Subhash Kutte
75	Centrum Retail Services Limited	Independent Director	Subhash Kutte
76	Apollo Tyres Limited	Director	Vinod Rai
77	Lava International Limited	Director	Vinod Rai
78	Shubham Housing Development Finance Company Limited	Director	Vinod Rai
79	Grassroot Trading Network For Women	Director	Vinod Rai
80	Tata Value Homes Limited	Director	Renu Basu
81	Roots Corporation Limited	Director	Renu Basu
	Director (other than an independent director) or key managerial personnel ofthe Holding company i.e CFSL as per Section 2(76)(ix)		
82	Ranjan Ghosh	Managing Director & CEO	Self
83	Shailendra Kishore Apte	Non Executive Director	Self
84	Rishad Khushrooh Byramjee	Non Executive Director	Self
	Relatives of Director (other than an independent director) or key managerial personnel ofthe Holding company i.e. CFSL as per Section 2(76)(ix)		
85	Suparna Ghosh	Spouse	Ranjan Ghosh
86	Priya Brata Ghosh	Father	Ranjan Ghosh
87	Geeta Ghosh	Mother	Ranjan Ghosh
88	Annesha Ghosh	Daughter	Ranjan Ghosh
89	Deepa Apte	Spouse	Shailendra Kishore Apte
90	Kishor Apte	Father	Shailendra Kishore Apte
91	Rajani Apte	Mother	Shailendra Kishore Apte
92	Neeraja Apte	Daughter	Shailendra Kishore Apte
93	Rajendra Apte	Brother	Shailendra Kishore Apte
94	Ishna Byramjee	Spouse	Rishad Khushrooh Byramjee
95	Mahakhurshid Byramjee	Director of Ultimate Holding Company Mother	CCL Rishad Khushrooh Byramjee
96	Khush Byramjee	Son	Rishad Khushrooh Byramjee
97	Shania Byramjee	Daughter	Rishad Khushrooh Byramjee
98	Jahaneen Johnsen	Sister	Rishad Khushrooh Byramjee
99	Kainaz Irani	Sister	Rishad Khushrooh Byramjee
	Director (other than an independent director) or key managerial personnel ofthe Ultimate Holding company i.e. CCL as per Section 2(76)(ix)		
100	Jaspal Singh Bindra	Executive Chairman of Ultimate Holding Company	CCL
101	Chandir Gidwani	Chairman Emeritus of Ultimate Holding Company	CCL
102	Rishad Byramjee	Non Executive Director of Ultimate Holding Company	CCL
103	Mahakhurshid Byramjee	Non Executive Director of Ultimate Holding Company	CCL
104	K R Kamath	Non Executive Director of Ultimate Holding Company	CCL
105	Sriram Venkatasubramanian	Chief Financial Officer - KMP of Ultimate Holding Company	CCL

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UNITY SMALL FINANCE BANK LIMITED *

39.1 List of related parties

#	Name of the party	Nature of relationship	Related Through
	Relatives of Director (other than an independent director) or key managerial personnel ofthe Ultimate Holding company as per Section 2(76)(ix)		
106	Suminder Kaur	Spouse	Jaspal Singh Bindra
107	Amritpal Singh Bindra	Son	Jaspal Singh Bindra
108	Kanwarpal Singh Bindra	Brother	Jaspal Singh Bindra
109	Harmeet Kaur Sabharwal	Sister	Jaspal Singh Bindra
110	Sonali Gidwani	Spouse	Chandir Gidwani
111	Shaan Gidwani	Son	Chandir Gidwani
112	Saasha Gidwani	Daughter	Chandir Gidwani
113	Sonia Gidwani	Sister	Chandir Gidwani
114	Neeta Malkani	Sister	Chandir Gidwani
115	Ishna Byramjee	Spouse	Rishad Khushrooh Byramjee
116	Mahakhurshid Byramjee	Mother	Rishad Khushrooh Byramjee
117	Khush Byramjee	Son	Rishad Khushrooh Byramjee
118	Shania Byramjee	Daughter	Rishad Khushrooh Byramjee
119	Jahaneen Johnsen	Sister	Rishad Khushrooh Byramjee
120	Kainaz Irani	Sister	Rishad Khushrooh Byramjee
121	Jehangir Vakil	Father	Mahakhurshid Byramjee
122	Goola Vakil	Mother	Mahakhurshid Byramjee
123	Jahaneen Johnsen	Daughter	Mahakhurshid Byramjee
124	Kainaz Irani	Daughter	Mahakhurshid Byramjee
125	Shaun Johnsen	Daughter's husband	Mahakhurshid Byramjee
126	Shayan Irani	Daughter's husband	Mahakhurshid Byramjee
127	Pushpa Kamath	Spouse	K.R. Kamath
128	Sooraj Kamath	Son	K.R. Kamath
129	Poonam Kamath	Son's wife	K.R. Kamath
130	Saritha Kamath	Daughter	K.R. Kamath
131	Jigar Vora	Daughter's husband	K.R. Kamath
132	B. Veena V. Shenoy	Sister	K.R. Kamath
133	Roopa Sriram	Spouse	Sriram Venkatasubramanian
134	K Venkatasubramanian	Father	Sriram Venkatasubramanian
135	Meena Venkatasubramanian	Mother	Sriram Venkatasubramanian
136	Adarsh Sriram	Son	Sriram Venkatasubramanian
137	Pramiti Sriram	Daughter	Sriram Venkatasubramanian
138	Balaji Venkatasubramanian	Brother	Sriram Venkatasubramanian
139	Sriram Venkatasubramanian HUF	Karta of HUF	Sriram Venkatasubramanian
	Subsidiary/ holding/ Associate/ subsidiary of a holding company as per 2(76)(viii)		
140	Centrum Capital Limited	Ultimate Holding Company	Self
141	Centrum Financial Services Limited	Holding Company	Self
142	IGNIS CAPITAL ADVISORS LIMITED	Subsidiary of Ultimate Holding Company	CCL
143	Centrum Retail Services Limited	Subsidiary of Ultimate Holding Company	CCL
144	Centrum Wealth Limited	Step down subsidiary of Ultimate holding Company	CCL
145	Centrum Insurance Brokers Limited	Step down subsidiary of Ultimate holding Company	CCL
146	Centrum Investment Advisory Limited	Step down subsidiary of Ultimate holding Company	CCL
147	Centrum Broking Limited	Subsidiary of Ultimate Holding Company	CCL
148	Centrum Capital International Limited	Subsidiary of Ultimate Holding Company	CCL
149	CCIL Investment Management Limited	Subsidiary of Ultimate Holding Company	CCL
150	Centrum Alternatives LLP	Subsidiary of Ultimate Holding Company	CCL
151	Centrum Capital Advisors Limited	Subsidiary of Ultimate Holding Company	CCL
152	Centrum International Services PTE Limited	Subsidiary of Ultimate Holding Company	CCL
153	Centrum Alternative Investment Managers Limited	Subsidiary of Ultimate Holding Company	CCL
154	Centrum Housing Finance Limited	Subsidiary of Ultimate Holding Company	CCL
155	Centrum Microcredit Limited	Subsidiary of Ultimate Holding Company	CCL
156	Resilient Innovations Private Limited	Investee company	NA
157	Acorn Fund Consultants Private Limited	Centrum Group Company	

39.2 Transactions with Related parties during the year

Nature of Transaction	Name of Party	For the period ended March 31, 2023	For the period ended March 31, 2022
Income			
Rent Income			
	Centrum Retail Services Limited	145.20	64.89
	Centrum Wealth Limited	-	0.85
FLDG settlement			
	Resilient Innovations Private Limited	455.12	-
Service Fees			
	Centrum Housing Finance Limited	3.50	-
Sourcing Fees Income			
	Centrum Housing Finance Limited	0.92	-
Sale of Asset			
	Centrum Housing Finance Limited	5,004.28	-
Expenses			
Rent expenses			
		-	126.16
	Centrum Retail Services Limited	179.89	-
	Centrum Capital Limited	0.60	0.75
	Centrum Housing Finance Limited	0.48	2.19
	Centrum Wealth Limited	5.96	2.70
Director Sitting Fees			
	Basant Seth	9.40	4.10
	Sandip Ghose	21.60	4.50
	Subhash Kutte	18.80	4.10
	Vinod Rai		3.75
	Renu Basu	16.80	1.40
	David Rasquinha	7.60	-
	Jaspal Bindra	1.00	-
Director Remunerations			
	Vinod Rai	25.60	-
Interest expenses			
	Resilient Innovations Private Limited	475.00	235.89
MLD repaid including accrued interest*			
	Centrum Wealth Limited (Principal)	20,886.00	2,220.00
	Centrum Wealth Limited (Interest)	8,247.97	404.04
	Centrum Broking Limited (Principal)	4,399.00	-
	Centrum Broking Limited (Interest)	2,125.98	-
	Centrum Retail Services Limited (Principal)	1,350.00	-
	Centrum Retail Services Limited (Interest)	658.21	-
	Centrum Capital Advisors Limited (Principal)	4,388.00	-
	Centrum Capital Advisors Limited (Interest)	2,132.40	-
Interest on FD/SB Account & others charges			
	KMP & Directors	12.96	-
	Centrum Retail Services Limited	29.64	-
	Centrum Capital Limited	163.46	-
	Centrum Housing Finance Limited	65.43	-
	Other Related Parties	3,733.88	-
Brokerge Exp			
	Centrum Broking Limited	0.88	-
	Centrum Wealth Limited	12.47	-
Asset Purchased			
	Centrum Capital Limited	0.19	-
	Centrum Alternatives LLP	0.20	-
Other Expenses			
	Centrum Wealth Limited	2.44	-
Income Tax Refund received from CFSL			
	Centrum Financial Services Limited	517.07	-

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39.2 **Transactions with Related parties during the year**

Nature of Transaction	Name of Party	For the period ended March 31, 2023	For the period ended March 31, 2022
Fixed Deposit			
	KMP	4.97	-
	Centrum Retail Services Limited	6,500.00	-
	Centrum Capital Limited	11,500.00	-
	Centrum Housing Finance Limited	16,808.54	-
	Other Related Parties	217.63	-
Laptop Sale			
	Centrum Housing Finance Limited	-	0.02
	Centrum Broking Limited	-	0.02
Laptop Purchased			
	Centrum Broking Limited	-	0.03
	Centrum Wealth Limited	-	0.05
	Centrum Capital Advisors Limited	-	0.06
	Centrum Retail Services Limited	-	0.90
	Centrum Capital Limited	-	0.20
Car (Purchase)			
	Centrum Wealth Limited	-	14.00
Service Fees			
	Resilient Innovations Private Limited	45.21	28.23
Professional fees			
	Ignis Capital Advisors Limited	277.00	84.50
	K R Kamath	27.50	-
Business Support Service			
	Centrum Wealth Limited	-	6.50
Electricty expenses			
	Centrum Retail Services Limited	5.91	4.27
Telephone expense			
	Centrum Retail Services Limited	3.48	3.20
Client Collection			
	Centrum Capital Limited	500.00	100.00
	Centrum Financial Services Limited	1,48,368.16	-
	Centrum Housing Finance Limited	528.38	-
Key Management Personnel			
	CFO & CS	281.71	46.54

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39.2 Transactions with Related parties during the year

Nature of Transaction	Name of Party	For the period ended March 31, 2023	For the period ended March 31, 2022
Investment Received in Equity Shares/Share warrants			
	Resilient Innovations Private Limited	-	74,572.28
	Centrum Financial Services Limited	-	4,350.00
	Centrum Financial Services Limited	-	190.00
Business Transfer			
	Centrum Financial Services Limited	-	31,600.00
	Centrum Microcredit Limited	-	11,000.00
	Centrum Financial Services Limited	-	513.74
	Centrum Financial Services Limited	-	50.00
Received from CFSL			
	Centrum Financial Services Limited	-	3,286.73
Business Support Service			
	Resilient Innovations Private Limited	-	124.03
Closing balances with Related Parties			
Corporate Guarantee			
	Centrum Capital Limited	1,939.39	9,187.89
	Centrum Retail Services Limited	-	2,250.26
	Centrum Microcredit Limited	-	10,893.94
Closing balances -Asset			
	Centrum Financial Services Limited	-	126.89
	Centrum Financial Services Limited	2,758.32	3,658.94
Closing balances - Liability			
	Centrum Retail Services Limited	0.53	0.92
	Centrum Wealth Limited	12.47	6.50
	Centrum Retail Services Limited (Fixed Deposit)	3,000.00	-
	Centrum Capital Limited (Fixed Deposit)	2,500.00	-
	Centrum Capital Limited (Int on FD)	68.31	-
	Centrum Housing Finance Limited (Fixed Deposit)	139.85	-
	Centrum Housing Finance Limited (Int on FD)	1.24	-
	KMP (Interest on FD & Saving Account)	5,009.94	-
	Director Sitting Fees	1.20	-
	Resilient Innovations Private Limited	5,000.00	-
	Resilient Innovations Private Limited	8.20	5,000.00
	Resilient Innovations Private Limited	20.87	8.20
	Centrum Broking Limited	-	0.35

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Notes to the special purpose Ind AS financial statements as at / for the year ended March 31, 2023

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40. Employee benefits - Disclosure pursuant to Ind AS 19 'Employee Benefits'

A. Defined contribution plans

The Bankmakes Provident fund contributions which are defined contribution plans for qualifying employees. Under the schemes, the Bankis required to contribute a specified percentage of the payroll costs to fund the benefits

The Bankhas recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

	For the year ended March 31, 2023	For the period ended March 31, 2022
Provident fund	838.87	216.43

B. Defined Benefit Plan

a) The Bankhas a funded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depend on the member's length of service and salary at retirement age. The fund is managed by an independent Insurance Company. The Insurance Bankis responsible for the administration of the plan assets and for defining the investment strategies.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Change in defined benefit obligations:	For the year ended March 31, 2023	For the period ended March 31, 2022
Defined benefit obligation, beginning of the year	4,143.32	-
Current service cost	241.88	55.08
Past service cost	-	-
Interest cost	234.51	98.84
Remeasurements (gains) / losses		-
Actuarial (gains) / losses		-
arising from changes in demographic assumptions	-	151.93
arising from changes in financial assumptions	(161.31)	263.24
arising from changes in experience adjustments	1.21	(14.53)
Transfer in/(out) of liability	-	
Benefits paid from plan assets	(660.23)	3,588.76
Net transfer in / (out) (Including the effect of any business combinations/ divestures)	-	-
Defined benefit obligation, end of the year	**3,799.38**	**4,143.32**

Change in plan assets:		
Fair value of plan assets, beginning of the year	3,295.67	-
Interest income	186.53	89.83
Remeasurements gains / (losses)	-	-
Return on plan assets, (excluding amount included in net Interest expense)	2.89	(60.87)
Employer's contributions	-	5.00
Transfer in/(out) of assets	-	3,261.71
Net transfer in / (out) (Including the effect of any business combinations/ divestures)	-	-
Benefits paid	(660.23)	-
Fair value of plan assets, end of the year	**2,824.86**	**3,295.67**

b) Amount recognized in the balance sheet consists of:

Present value of defined benefit obligation	3,799.38	4,143.32
Fair value of plan assets	2,824.86	3,295.67
Net liability	**974.52**	**847.65**

c) The amounts recognised in the Statement of Profit and Loss are as follows:

		For the year ended March 31, 2023	For the period ended March 31, 2022
Service Cost			
Current service cost		241.88	55.08
Past service cost		-	-
Total Service cost	(i)	**241.88**	**55.08**
Net interest cost			
Interest expense on DBO		47.98	-
Interest expense / (income) on plan assets		-	9.01
Interest expense / (income) on reimbursement rights		-	-
Interest expense on effect of (asset celling)/onerous liability		-	-
Total Interest cost	(ii)	**47.98**	**9.01**
Remeasurements of Other Long term benefits	(iii)	-	-
Defined benefit cost included in Statement of Profit & Loss	(iv) = (i+ii+iii)	**289.86**	**64.09**

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		For the year ended March 31, 2023	For the period ended March 31, 2022
Remeasurements recognised in other comprehensive income (OCI)			
Due to changes in demographic assumptions		(160.10)	151.93
Due to changes in financial assumptions		-	263.24
Due to changes in experience adjustments		-	(14.53)
Return on plan assets (excl. interest income)		(2.89)	60.87
Total remeasurement in other comprehensive income (OCI)	(v)	**(162.99)**	**461.51**
Total Defined benefit cost included in Statement of Profit & Loss and OCI	(vi) =(iv + v)	**126.87**	**525.60**

d) **The principal assumptions used in determining gratuity obligations for the Company's plans are shown below**

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

	As at March 31, 2023	As at March 31, 2022
Discount rate	7.29%	5.66%
Salary escalation rate*	7.00%	7.00%
Expected return on plan assets	7.29%	5.66%
Rate of employee turnover	25.00%	25.00%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult
Mortality rate after employment	N.A.	N.A.

* takes into account the inflation, seniority, promotions and other relevant factors

e) The major categories of plan assets are as follows:

	As at March 31, 2023	As at March 31, 2022
a) Insurer managed funds	2,824.86	3,295.67
b) Cash	-	-

f) **Impact on defined benefit obligation - Sensitivity Analysis**

	For the year ended March 31, 2023		For the period ended March 31, 2022	
	% Rate	Amount	% Rate	Amount
Increase by 100 basis points				
i) Impact of change in discount rate	8.29%	(90.87)	6.66%	(106.79)
ii) Impact of change in salary growth rate	8.00%	93.65	8.00%	109.08
iii) Impact of change in employee attrition rate	26.00%	(1.76)	26.00%	(8.51)
		-		-
Decrease by 100 basis points		-		-
i) Impact of change in discount rate	6.29%	96.90	4.66%	114.30
ii) Impact of change in salary growth rate	6.00%	(90.31)	6.00%	(105.01)
iii) Impact of change in employee attrition rate	24.00%	1.74	24.00%	8.97

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

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g) **Maturity**

The defined benefit obligations shall mature after year end as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
i) 1st Following Year	1,036.70	1,052.33
ii) 2nd Following Year	742.39	823.69
iii) 3rd Following Year	633.58	636.06
iv) 4th Following Year	528.09	544.77
v) 5th Following Year	400.10	440.99
vi) Sum of Years 6 to 10	1,041.38	1,074.12
vii) Sum of Years 11 and above	306.95	343.51

The weighted average duration of the defined benefit obligation is 8 years.

C **Compensated Absences**

The principal assumptions used in determining obligations for the Bankare shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Rate of discounting	7.29%	6.56%
Expected rate of salary increase	7.00%	0% p.a. for next 2 years, 6.26% for next 1 year, starting from the 3rd year 5% p.a. thereafter, starting
Rate of employee turnover	25.00%	10.00%
Mortality	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2006-08) Ult

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
Expenses recognised in statement of profit and loss	68.40	74.91

(Currency : Indian Rupees in lakhs)

41. Employee Stock Option Plan

Employees' Stock Options Scheme (ESOS) :

During the year, Employee Stock Options have been granted to the employees of the Bank NIL.
The weighted average share price for stock options exercised during the year was Rs.10.

Particulars	UNITY Scheme 2022				Scheme 2017
	Tranche-1 (ESOP I)	**Tranche-1 (ESOP II)**	**Tranche-2**	**Tranche-3**	**Centrum Capital Ltd. Scheme***
Date of grant	14 June 2022	14 June 2022	28 July 2022	20 October 2022	22 June 2022
Date of NRC approval	14 June 2022	14 June 2022	28 July 2022	20 October 2022	22 June 2022
Date of Shareholder's approval	13 June 2022	13 June 2022	13 June 2022	13 June 2022	22 June 2022
Number of options granted	9,50,400	1,44,63,800	3,22,700	75,800	9,31,500
Method of settlement	Equity	Equity	Equity	Equity	Equity
Vesting period	5 Years	5 Years	5 Years	5 Years	5 Years
Weighted average remaining contractual life (Vesting period)	5 Years	5 Years	5 Years	5 Years	5 Years
Granted but not vested	9,50,400	1,44,63,800	3,22,700	75,800	9,31,500
Vested but not exercised	-	-	-	-	-
Weighted average share price at the date of exercise for stock options exercised during the year	NA	NA	NA	NA	NA
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years
Weighted Average Fair value of options (granted but not vested) as on grant date	Rs 0.01	Rs 0.04	Rs 0.04	Rs 0.04	Rs 9.34

The estimated fair value of options was calculated by applying Black and Scholes Model. Below mentioned are the model inputs used for calculating estimated fair value.

Particulars	Scheme I	Centrum Capital Ltd. Scheme*
Range of Risk free interest rate	7.10%	6.72%
Dividend yield	0%	0%
Expected volatility	21.51%	25.41%

Vesting of options is subject to continued employment during the vesting period.

The activity in the Scheme-I, Scheme-II and Centrum Capital Ltd. Scheme during the year ended 31 March 2023 and 31 March 2022 is set below:

UNITY Employee CCL Scheme 2017

Particulars	Scheme I	Centrum Capital Ltd. Scheme*
Exercise price		
Options outstanding as at beginning of the year	-	-
Add: Granted	13,48,900	9,31,500
Less: Exercised		
Less: Forfeited/Cancelled		
Less: Lapsed	32,300	-
Option outstanding end of the year	13,16,600	9,31,500
Exercisable at the end of the year	**13,16,600**	**9,31,500**

Other Information regarding employee share based payment plan is as below

Particulars	For the year ended March 31,2023	For the year ended March 31,2022
Expense arising from employee share based payment plans	67.68	2.47
Expense arising from share and stock option Plan	-	-
Closing balance of liability for cash share appreciation plan	-	-
Expense arising from increase in fair value of liability for cash share appreciation plan	-	-
Total carrying amount at the end of the year in Employee stock option under Other Equity	70.15	2.47
Total carrying amount at the end of the year in Capital contribution under Other Equity*	**70.15**	**2.47**

* Employee Stock Options of Centrum Capital Limited (Ultimate Holding Company) are given to employees of Unity Small Finance Bank Limited.

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(Currency : Indian Rupees in lakhs)

42. Fair Value Measurement

42.A Carrying value and fair value of financial instruments

42.A.1 The carrying value and fair value of financial instruments by categories as at March 31, 2023 are as follows.

	At Amortised cost	At Fair value through Profit or Loss	At Fair value through OCI	Total carrying Value	Fair value Hierarchy	Total Fair value
Financial Assets						
1) Cash and cash equivalents	53,779.98	-	-	53,779.98	Level 3	53,779.98
2) Other bank balances	1,910.23	-	-	1,910.23	Level 3	1,910.23
3) Derivative assets	-	-	-	-	Level 1	-
4) Trade receivables	-	-	-	-	Level 3	-
5) Loans	4,86,664.73	-	-	4,86,664.73	Level 3	4,86,664.73
6) Investments				-		
Government securities	1,05,612.77	1,207.16	48,131.48	1,54,951.41	Level 1	1,54,951.41
Equity instruments (Unquoted)	-	1,029.12	-	1,029.12	Level 3	1,029.12
Compulsorily Cumulative Preference Shares (CCPS)	-	46.30	-	46.30	Level 3	46.30
Loans in nature of debentures	338.13	-	-	338.13	Level 3	338.13
Debentures (Quoted)	-	-	39,819.34	39,819.34	Level 1	39,819.34
Mutual fund units	-	358.98	-	358.98	Level 1	358.98
Commercial papers	42,485.18	-	-	42,485.18	Level 2	42,485.18
Commercial deposits	7,417.47	-	-	7,417.47		7,417.47
7) Other financial assets				-	Level 3	-
- Security deposits	1,269.43	-	-	1,269.43	Level 1	1,269.43
- Margin with broker	10.28	-	-	10.28	Level 3	10.28
- Others	215.63	-	-	215.63	Level 3	215.63
Total	**6,99,703.83**	**2,641.56**	**87,950.82**	**7,90,296.21**		**7,90,296.21**
Financial Liabilities						
1) Derivative liabilities	-	228.11	-	228.11	Level 2	228.11
2) Trade payables	7,960.81	-	-	7,960.81	Level 3	7,960.81
3) Debt securities	26,035.24	-	-	26,035.24	Level 2	26,035.24
4) Borrowings (other than debt securities)	69,311.88	-	-	69,311.88	Level 2	69,311.88
5) Deposits	2,68,867.61	-	-	2,68,867.61	Level 2	2,68,867.61
6) Subordinated Liabilities	-			-	Level 3	-
7) Lease liabilities	10,777.32	-	-	10,777.32	Level 3	10,777.32
8) Other financial liabilities	3,35,089.46	-	-	3,35,089.46	Level 3	3,35,089.46
Total	**7,18,042.32**	**228.11**	**-**	**7,18,270.43**		**7,18,270.43**

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42.A.2 The carrying value and fair value of financial instruments by categories as at March 31, 2022 are as follows.

	At Amortised cost	At Fair value through Profit or Loss	At Fair value through OCI	Total carrying Value	Fair value Hierarchy	Total Fair value
Financial Assets						
1) Cash and cash equivalents	4,38,061.31	-	-	4,38,061.31	Level 3	4,38,061.31
2) Other bank balances	2,172.26	-	-	2,172.26	Level 3	2,172.26
3) Derivative assets	-	441.75	-	441.75	Level 1	441.75
4) Trade receivables	127.62	-	-	127.62	Level 3	127.62
5) Loans	2,36,615.96	-	-	2,36,615.96	Level 3	2,36,615.96
6) Investments						
Government securities	39,304.32	-	2,37,118.32	2,76,422.64	Level 1	2,76,422.64
Equity instruments (Unquoted)	-	-		-	Level 3	-
Security receipts	-	106.51	-	106.51	Level 3	106.51
Loans in nature of debentures	-	-	-	-	Level 3	-
Debentures	1,923.87	-	-	1,923.87	Level 3	1,923.87
Mutual fund units	-	-	1,031.25	1,031.25	Level 1	1,031.25
- Perpetual Subordinated Tier I bonds	-	576.89	-	576.89	Level 3	576.89
7) Other financial assets					Level 3	-
- Security deposits	2,122.82			2,122.82	Level 3	2,122.82
Total	**7,20,328.16**	**1,125.15**	**2,38,149.57**	**9,59,602.88**		**9,59,602.88**
Financial Liabilities						
1) Derivative liabilities	-	7,715.15	-	7,715.15	Level 2	7,715.15
2) Trade payables	3,540.20	-	-	3,540.20	Level 3	3,540.20
3) Debt securities	78,289.57	-	-	78,289.57	Level 2	78,289.57
4) Borrowings (other than debt securities)	52,823.29	-	-	52,823.29	Level 2	52,823.29
5) Deposits	3,83,791.00	-	-	3,83,791.00	Level 2	3,83,791.00
6) Lease liabilities	1,981.13	-	-	1,981.13	Level 3	1,981.13
7) Other financial liabilities	3,41,381.03	-	-	3,41,381.03	Level 3	3,41,381.03
Total	**8,61,806.22**	**7,715.15**	**-**	**8,69,521.37**		**8,69,521.37**

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Notes to the special purpose Ind AS financial statements as at / for the period ended March 31, 2023

(Currency : Indian Rupees in lakhs)

42. ***Fair Value Measurement (Continued)***

42.B Fair value hierarchy of financial instruments

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Bankhas classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Bankis the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There has been no transfers between level 1, level 2 and level 3 during the period ended March 31, 2023

42.B.1 Financial instruments measured at fair value - recurring fair value measurements as at March 31, 2023 is as follows.

	Level 1	Level 2	Level 3	Total
Financial Assets				
1 Derivative assets	-	-	-	-
2 Investments				-
Government securities	1,54,951.41			1,54,951.41
Equity instruments (Unquoted)			1,029.12	1,029.12
Security receipts		-	-	-
Compulsorily Cumulative Preference Shares (CCPS)		-	46.30	46.30
Mutual fund units	358.98	-	-	358.98
	-	-	-	-
Total	**1,55,310.39**	**-**	**1,075.42**	**1,56,385.81**
Financial Liabilities				
1 Derivative liabilities		228.11		228.11
	-	**228.11**	**-**	**228.11**

Financial instruments measured at fair value - recurring fair value measurements as at March 31, 2022 is as follows.

	Level 1	Level 2	Level 3	Total
Financial Assets				
1 Derivative assets	441.75	-	-	441.75
2 Investments				
Mutual fund units	576.89	-	-	576.89
Equity instruments (Unquoted)	106.51	-	-	106.51
Compulsorily Cumulative Preference Sha	-	-	-	-
Total	**1,125.15**	**-**	**-**	**1,125.15**
Financial Liabilities				
1 Derivative liabilities		7,715.15		7,715.15
	-	**7,715.15**	**-**	**7,715.15**

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Note: Valuation methodologies of financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, Pass through certificate, deposits, Trade receivables, other financials assets, trade payables and other financial liabilities (excluding lease liability) are considered to be approximately equal to their fair values due to their short term nature.

The fair values of loans, receivables and loans in the nature of debentures are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. This fair value is then reduced by impairment allowance which is already calculated incorporating probability of defaults and loss given defaults to arrive at fair value net of risk.

Debt securities are recorded at fair values by undertaking valuation techniques and thus, the carrying values are approximately equal to the fair values.

The fair value of the borrowing and lease liability is determined using discounted cash flow analysis.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

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43. Maturity analysis of assets and liabilities

43.A The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. . With regard to loans and advances to customers, the Bank uses the same basis of expected repayment behaviour as used for estimating the EIR.

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
I Assets						
A. Financial assets						
a) Cash and cash equivalents	39,382.69	14,397.29	53,779.98	4,38,061.31	-	4,38,061.31
b) Other Bank balances	1,823.75	86.48	1,910.23	832.64	1,339.62	2,172.26
c) Derivative assets	-	-	-	441.75	-	441.75
d) Trade & other receivables	-	-	-	127.61	-	127.61
e) Loans	1,89,199.96	2,97,464.77	4,86,664.73	1,17,140.12	1,19,475.84	2,36,615.96
f) Investments	1,76,809.96	69,413.20	2,46,223.16	1,00,545.46	1,79,515.89	2,80,061.35
g) Other financial assets	66.95	1,428.39	1,495.34	254.24	1,868.58	2,122.82
B. Non-financial assets						
a) Current tax assets (net)	-	97.91	97.91	-	26.69	26.69
b) Deferred tax assets (Net)	-	74,815.49	74,815.49	-	74,227.25	74,227.25
c) Investment properties	-		-	-	-	-
d) Property, plant and equipment	-	30,546.88	30,546.88	-	29,667.03	29,667.03
e) Capital work in progress	-	334.14	334.14	-	21.43	21.43
f) Right of use asset	-	10,427.63	10,427.63	-	1,953.78	1,953.78
g) Other intangible assets	-	965.53	965.53	-	531.55	531.55
h) Other non-financial assets	6,387.97	10,191.31	16,579.28	5,583.99	3,248.42	8,832.41
Total Assets	**4,13,671.28**	**5,10,169.02**	**9,23,840.30**	**6,62,987.12**	**4,11,876.08**	**10,74,863.20**
II Liabilities						
A. Financial liabilities						
a) Derivative liabilities	228.11	-	228.11	6,446.71	1,268.44	7,715.15
b) Trade payables	7,960.81	-	7,960.81	2,657.49	882.71	3,540.20
c) Debt securities	1,390.09	24,645.15	26,035.24	62,648.55	15,641.02	78,289.57
d) Borrowings (other than debt securities)	65,716.62	3,595.26	69,311.88	22,594.31	30,228.98	52,823.29
e) Deposits	98,842.00	1,70,025.61	2,68,867.61	39,495.00	3,44,296.00	3,83,791.00
f) Lease liabilities	2,768.98	8,008.34	10,777.32	502.63	1,478.50	1,981.13
h) Other financial liabilities	19,209.89	3,15,879.57	3,35,089.46	774.84	3,40,606.19	3,41,381.03
B. Non-financial Liabilities						
a) Provisions	1,676.01	27,337.49	29,013.50	2,160.40	25,984.57	28,144.97
b) Other non-financial liabilities	5,513.68	141.07	5,654.75	1,391.08	-	1,391.08
Total Liabilities	**2,03,306.18**	**5,49,632.50**	**7,52,938.68**	**1,38,671.01**	**7,60,386.41**	**8,99,057.42**

(Currency : Indian Rupees in lakhs)

44. Risk Management

44.A The Company's activities expose it to market risk, liquidity risk and credit risk.

Risk	Exposure arising from	Risk Measurement	Risk Management
Credit risk	Loans and advances, cash and cash equivalents, derivative financial instruments, financial assets measured at amortized cost.	Ageing analysis Credit ratings	Client on-boarding process, portfolio monitoring, recovery process. Fixed deposits with highly rated banks.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecast	Committed borrowing and other credit facilities, assignment of loan assets (whenever required) ,Asset Liability Management and periodic reviews by ALCO relating to the liquidity position.
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Review of cost of funds and pricing disbursement
Market risk - security prices	Investments in mutual funds, Investment in Equity	Sensitivity analysis	Portfolio diversification, assessments of fluctuation in the equity price.
Market risk - Index linked	Market linked debentures.	Sensitivity analysis	Purchased options to hedge the risk arising out of movement in the NIFTY level.

The Bank's board of directors have overall responsibility for the establishment and oversight of the Bank's risk management framework. The board of directors have established the Risk Management Committee, which is responsible for developing and monitoring the Bank's risk management policies. The committee reports regularly to the board of directors on its activities.

The Bank's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Bank's activities.

The audit committee oversees how management monitors compliance with the Bank's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

44.A.1 a) Credit risk management

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Bank's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Bank continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Based on business environment in which the Bank operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract.

Credit risk arises from loans and advances, cash and cash equivalents, investments carried at amortized cost , deposits with banks and financial institutions and other financial assets measured at amortized cost.

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Banks's receivables from customers and investments in debt securities.

i) Credit risk management

The Bank considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Bank compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Definition of Default

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. Such financial assets are considered under Stage 3 (credit impaired) for the purpose of ECL calculation. This definition of default is determined by considering the business environment in which the Bank operates and other macro-economic factors.

ii) Provision for expected credit losses

The Bank provides for expected credit loss based on following:

a) Low risk : Risk associated with financial assets classified under Stage 1 for the purpose of ECL calculation.

b) Medium risk : Risk associated with financial assets classified under Stage 2 for the purpose of ECL calculation

c) High risk : Risk associated with financial assets classified under Stage 3 for the purpose of ECL calculation

Particulars	Risk category	Asset group	As at March 31, 2023		As at March 31, 2022	
			Estimated exposure carrying amount at default	Expected credit losses (as per Ind-AS)	Estimated exposure carrying amount at default	Expected credit losses (as per Ind-AS)
Loss allowance measured at 12 month expected credit losses	Low Risk	Loans	4,71,415.62	5,854.87	2,13,063.38	2,892.41
Loss allowance measured at life-time expected credit losses	Medium Risk	Loans	6,900.87	1,003.42	9,449.40	190.62
Credit Loss is recognized on full exposure/ Asset is written off	High Risk	Loans	3,77,522.69	3,62,316.22	3,77,721.56	3,60,535.36
Provision kept			**8,55,839.18**	**3,69,174.51**	**6,00,234.34**	**3,63,618.39**

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Collateral held

As of March 31, 2023, the exposure of the Banks's loans were in secured as well as unsecured portfolio. The Bank provides loans to the MSME other Corporate Segments which are secured as well as unsecured. The Bank is also engaged in the business of supply chain finance, the portfolio of which is unsecured.

All borrowers must meet the Bank's internal credit assessment procedures, regardless of the nature of the loan.

Based on the nature of product and the Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral.

The main types of collateral across various products includes mortgage of residential and commercial properties, Pledge of equity shares and mutual funds and lien on deposits, Plant and Machinery, book debts etc..

The Bank periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Bank exercises its right of repossession across all secured products. It also resorts to invoking its right under the SARFAESI Act and other judicial remedies available against its mortgages and commercial lending business .

Cash and cash equivalents

Cash and cash equivalents include balance of Rs.53,780 Lakhs at March 31, 20223

Loans and advances/ Investments at amortised cost

The Bank has business in lending towards secured and un-secured loans. Since these loans are majorly to MSME and SME Companies, a general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it.

During the period, there was no change in the Bank's collateral policies.

Measurement of Expected Credit Losses

The Bank has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Bank uses information that is relevant and available without undue cost or effort. This includes the Company's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

The Bank assesses whether the credit risk on a financial asset has increased significantly on an individual and collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account accounting instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower, collateral type, and other relevant factors. For the purpose of individual evaluation of impairment factors such as internally collected data on customer payment record, utilization of granted credit limits and information obtained during the periodic review of customer records such as audited financial statements, budgets and projections are considered.

In determining whether the credit risk on a financial asset has increased significantly, the Bank considers the change in the risk of a default occurring since initial recognition. The default definition used for such assessment is consistent with that used for internal credit risk management purposes.

The Bank considers defaulted assets as those which are contractually past due 90 days, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually past due 30 days are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. The Bank considers financial instruments (typically the retail loans) to have low credit risk if they are rated internally or externally within the investment grade. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL.

The Bank measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Bank considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models and other historical data.

Probability of Default (PD)

The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12-month PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD)

LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at default (EAD)

Exposure at default is the total value an entity is exposed to when a loan defaults. It is the predicted amount of exposure that an entity may be exposed to when a debtor defaults on a loan. The outstanding principal and outstanding arrears reported as of the reporting date for computation of ECL is used as the EAD for all the portfolios.

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Macroeconomic Scenarios

In addition, the Bank uses reasonable and supportable information on future economic conditions including macroeconomic factors such as IIP and repo rate. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

iii) Reconciliation of loss allowance provision

For loans

Reconciliation of loss allowance*	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Loss allowance As at April 01, 2021	-	-	-
New Assets Originated or Purchased	744.83	-	269.72
Changes in loss allowances due to:			
ECL during the year/ (reversal)	-372.73	190.62	1,639.57
Loss allowance As at March 31, 2022	**372.10**	**190.62**	**1,909.29**
Loss allowance As at April 01, 2022	**372.10**	**190.62**	**1,909.29**
New Assets Originated or Purchased	3,867.29	-	-
Changes in loss allowances due to:			
ECL during the year/ (reversal)	-904.83	812.80	8,328.57
Loss allowance As at March 31, 2023	**3,334.56**	**1,003.42**	**10,237.86**

* for detailed reconciliation refer note 7B

Write-offs still under enforcement

Financial assets are written-off when the Bank has no reasonable prospects of recovering any further cash flows from the financial assets. In the case of assets that are assessed collectively for impairment. There has been no contractual amount outstanding on financial assets written-off during the period ended March 31, 2022 and still subject to enforcement activity.

Significant increase in credit risk

Based on business environment in which the Bank operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Bank assesses and manages credit risk based on movement of borrowers between stages as defined, historical data of the borrowers and forward looking information. The Bank has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

Forward looking information

Management has assessed the impact of COVID-19 on significant increase in credit risk, impairment loss allowance and impairment on other assets. Refer note 53 for detailed disclosure regarding the same.

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44.A.2 b) Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Bank's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation. Due to the dynamic nature of the underlying businesses, Bank's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Financing arrangements

The Bank has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31 2023	As at March 31 2022
Undrawn borrowine facilities	Nil	Nil

The below table analyses the Company's financial liabilities and financial assets into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the below table are the contractual un-discounted cash flows.

As at March 31, 2023

Particulars	Total	Contractual cash flows					
		Gross nominal inflow / (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
Financial liabilities							
Derivative Financial Instruments	228.11	-		228.11			
Payables	7,960.81	-	7,960.81				
Debt securities	2,35,577.01	-	1,066.62	70.49	489.29	4,100.90	2,29,849.71
Borrowings (other than debt securities)	69,443.77	-	44,664.53	21,920.57	1,753.67	1,105.00	
Sub Debt	-	-					
Deposits	2,68,462.57	-	38,967.72	35,855.58	24,018.71	1,66,116.11	3,504.45
Lease liabilities	15,761.38	-	692.24	692.24	1,384.49	8,360.94	4,631.47
Other financial liabilities	7,76,224.88	-			33.24	37,364.13	7,38,827.52
Total	**13,73,658.53**	-	**93,351.92**	**58,766.99**	**27,679.39**	**2,17,047.08**	**9,76,813.15**

Particulars	Total	Contractual cash flows					
		Gross nominal inflow / (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
Financial assets							
Cash and cash equivalents	53,780.88	-	31,730.44				22,050.44
Bank balance other than cash and cash equivalents above	1,910.54	-		1,910.54			
Derivative Financial Instruments	-	-					
Loans	4,46,819.08	-	77,631.16	36,678.32	49,506.91	1,26,223.94	1,56,778.76
Investments	3,23,051.26	-	1,56,336.30	14,107.22	12,733.93	60,109.81	79,764.00
Other Financial Assets	1,495.34	-	225.91	-	-	-	1,269.43
Total	**8,27,057.11**	-	**2,65,923.81**	**52,696.07**	**62,240.84**	**1,86,333.75**	**2,59,862.63**

As at March 31, 2022

Particulars	Total	Contractual cash flows					
		Gross nominal inflow / (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
Financial liabilities							
Derivative Financial Instruments	7,715.15	-	1,131.14	1,475.42	3,840.15	1,268.44	-
Payables	3,540.20	-	2,657.49	-	-	454.22	428.49
Debt securities	3,00,323.50	-	6,215.38	27,118.01	20,703.23	13,682.71	2,32,604.17
Borrowings (other than debt securities)	57,359.06	-	9,713.98	5,993.01	10,178.15	15,749.85	15,724.07
Sub Debt	-	-	-	-	-	-	-
Deposits	3,82,241.45	-	37,915.35	-	30.01	3,44,169.14	126.95
Lease liabilities	2,564.04	-	169.14	170.70	343.89	1,076.04	804.27
Other financial liabilities	7,81,440.68	-	2,110.66	-	-	43,233.02	7,36,097.00
Total	**15,35,184.08**	-	**59,913.14**	**34,757.14**	**35,095.43**	**4,19,633.42**	**9,85,784.95**

Particulars	Total	Contractual cash flows					
		Gross nominal inflow / (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
Financial assets							
Cash and cash equivalents	4.38	-	4.38	-	-	-	-
Bank balance other than cash and cash equivalents above	2,461.40	-	-	62.18	350.01	1,354.64	694.57
Derivative Financial Instruments	441.55	-	112.55	-	329.00	-	-
Loans	2,41,912.61	-	52,901.19	31,600.71	37,934.87	50,377.50	69,098.34
Investments	2,80,705.21	-	18,295.94	36,254.89	35,124.70	33,193.79	1,57,835.89
Other Financial Assets	17,905.49	-	-	15.06	2,391.80	15,491.37	7.26
Total	**5,43,430.64**	-	**71,314.06**	**67,932.84**	**76,130.38**	**1,00,417.30**	**2,27,636.06**

44.A.3 c. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Total market risk exposure

Particulars	As at March 31, 2023			As at March 31, 2022		
	Carrying Amount	Traded Risk	Non Traded Risk	Carrying Amount	Traded Risk	Non Traded Risk
Assets						
Cash and cash equivalents	53,780	-	53,780	4,38,061	-	4,38,061
Bank balance other than cash and cash equivalents above	1,910	-	1,910	2,172	-	2,172
Derivative financial instruments	-	-	-	442	442	-
Trade Receivables	-	-	-	128	-	128
Loans	4,86,665	-	4,86,665	2,36,616	-	2,36,616
Investments - at amortised cost	1,55,829	-	1,55,829	41,228	-	41,228
Investments - at FVOCI	87,753	87,753	-	2,38,150	2,38,150	-
Investments - at FVTPL	2,642	2,642	-	683	683	-
Other financial assets	1,495	-	1,495	2,123	-	2,123
Liabilities						
Trade payables	7,961	-	7,961	3,540	-	3,540
Derivative Financial Instruments	228	228	-	7,715	7,715	-
Debt securities	26,035	-	26,035	78,290	-	78,290
Borrowings (other than Debt securities)	69,312	-	69,312	52,823	-	52,823
Deposits	2,68,868	-	2,68,868	3,83,791	-	3,83,791
Subordinated liabilities	-	-	-	-	-	-
Lease Liability	10,777	-	10,777	1,981	-	1,981
Other financial liabilities	3,35,089	-	3,35,089	3,41,381	-	3,41,381

i) Price risk

The Company's investments carry a risk of change in prices. To manage its price risk arising from investments, the Bank periodically monitors the sectors it has invested in, performance of the investee companies, measures mark- to- market gains/losses and reviews the same.

Sensitivity analysis As at March 31, 2023

Particulars	As at March 31, 2023			
	Impact on profit before tax		Impact on OCI	
	1% increase	1% decrease	1% increase	1% decrease
Derivative assets	-	-	-	-
Government securities	1,068.36	(1,068.36)	481.31	(481.31)
Other approved securities			-	-
Equity instruments (Unquoted)	10.29	(10.29)	-	-
Security receipts	-	-	-	-
Compulsorily Cumulative Preference Shares (CCPS)	-	-	-	-
Loans in nature of debentures	3.38	(3.38)	-	-
Commercial papers	424.85	(424.85)	-	-
Bonds and debentures (Quoted)	-	-	398.19	(398.19)
Commercial deposits	74.17	(74.17)		
Mutual fund units	3.59	(3.59)	-	-
	1,584.65	(1,584.65)	879.51	(879.51)

Particulars	As at March 31, 2022			
	Impact on profit before tax		Impact on OCI	
	1% increase	1% decrease	1% increase	1% decrease
Derivative assets	4.42	(4.42)	-	-
Government securities	393.04	(393.04)	2,371.18	(2,371.18)
Other approved securities			-	-
Equity instruments (Unquoted)	1.07	(1.07)	-	-
Security receipts	-	-	-	-
Compulsorily Cumulative Preference Shares (CCPS)	-	-	-	-
Loans in nature of debentures	19.24	(19.24)	-	-
Debentures	-	-	10.31	(10.31)
Mutual fund units	5.77	(5.77)	-	-
	423.53	(423.53)	2,381.50	(2,381.50)

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ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Bank is carrying foreign currency in Nostro account and quantum is insignificant.

iii) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Bank to cash flow interest rate risk.
The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Exposure to interest rate risk

The interest rate profile of the Bank's interest-bearing financial instruments as reported to the management is as follows.

March 31 2023

Particulars	Change in Interest rates	
	-100 basis points	+100 basis points
Impact on Economic Value of Equity	(1,709.02)	1,709.02

March 31 2022

Particulars	Change in Interest rates	
	-100 basis points	+100 basis points
Impact on Economic Value of Equity	(1,758.06)	1,758.06

Sensitivity

prediction of the impact on the net interest income of changes in interest rates on interest sensitive positions assuming a parallel shift in the yield curve

Fair value sensitivity analysis for fixed rate instruments

The Bank's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

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(Currency : Indian Rupees in lakhs)

45. Capital Management

The primary objectives of the Bank's capital management policy are to ensure that the Bank complies with externally imposed capital requirements from its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The pillars of its policy are as follows:

a) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.

b) Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.

c) Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on earnings.

d) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates

No changes have been made to the objectives, policies and processes except those incorporated on account of regulatory amendments. However, they are under constant review by the Board

Regulatory capital

As an Bank, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Bank ensures to maintain a healthy CRAR at all the times.

Please refer note 51.1 - "Capital Adequacy Ratio" under additional disclosures related to RBI (note 51) for the details of the same+C30

46. Changes in liabilities arising from financing activities

46.1 Changes in liabilities arising from financing activities For the period ended March 31, 2023

	Particu	Opening*	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2023
i)	Debt securities	78,289.57	(52,254.33)	-		26,035.24
ii)	Borrowings other than debt securities	52,823.29	16,488.59	-	-	69,311.88
iii)	Deposits	3,83,791.00	(1,14,923.39)	-	-	2,68,867.61
	Total	5,14,903.86	(1,42,973.98)	-	-	3,71,929.88

46.2 Changes in liabilities arising from financing activities For the period ended March 31, 2022

	Particu	Opening*	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2022
i)	Debt securities	79,643.85	(1,354.33)	-	0.05	78,289.57
ii)	Borrowings other than debt securities	53,168.82	(123.28)	-	(222.25)	52,823.29
iii)	Deposits	-	3,83,791.00	-	-	3,83,791.00
	Total	1,32,812.67	3,82,313.39	-	(222.20)	5,14,903.86

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*Additions under scheme of arrangements

47. Transferred financial assets

47.1 Transferred financial assets that are derecognised in their entirety but where the Bank has continuing involvement

The Bank has not transferred any assets that are derecognised in their entirety where the Bank continues to have continuing involvement.

Transferred financial assets that are derecognised in their entirety
The Bank has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and

47.2 Assignment

Carrying amount of de-recognised financial asset	-
Carrying amount of retained assets at amortised cost	-
Total	
	-

48. Ratios

	Particulars	As at March 31, 2023	As at March 31, 2022
a)	Debt Equity Ratio (Total Debt/Equity)	4.09	4.91
b)	Debt Service Coverage Ratio (in times) (Earnings before Interest,Tax and Exceptional Items)/(Current Debt Obligation)	NA	NA
c)	Interest Service Coverage Ratio (in times) (Earnings before Interest,Tax and Exceptional Items)/Finance Cost	NA	NA
d)	Outstanding redeemable preference shares (quantity and value)	Nil	Nil
e)	Capital redemption reserve/debenture redemption reserve	Nil	Nil
f)	Current Ratio (times) (Current Assets/Current Liabilities)	NA	NA
g)	Long term debt to working capital ratio (Total debt)/+(Current Assets Less Current Liabilities)	NA	NA
h)	Bad debts to Account receivable ratio; (ECL on Trade receivables/Average Trade Receivables)	NA	NA
i)	Current Liability ratio (Current Liabilities/Total Liabilities)	NA	NA
j)	Total debts to total assets (Total Debts\Total Assets)	0.76	0.80
k)	Debtors Turnover (times) (Sales of services/Average Trade Receivables)	NA	NA
l)	Inventory Turnover (times)	NA	NA
m)	Operation Profit Margin Ratio (%) (Earnings before Interest,Tax and Exceptional Items less Other Income)/ Total Income	NA	NA
n)	Net Profit Margin Ratio (%) (Profit after Tax/ Total Income)	-13%	-46%

As per regulation 52 (4) of Securities Exchange Board of India (Listing Obligations and Disclosure requirements) Regulation 2015 , the debt listed entities are required to disclose certain ratios, however ratios which are not relevant to Banking sector are not disclosed above.

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(Currency : Indian Rupees in lakhs)

49.0. Relationship with struck off companies

During the year ended 31 March 2023 the Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

50.0.

50.1 Registration of charges or satisfaction with Registrar of Companies

All charges were registered on time

50.2 Details of Benami Property held

There were no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

50.3 Title deeds of Immovable Properties not held in name of the Company

Sr No	Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is promoter, director or relative # of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
1	Property, plant and equipements	Land Building	3510.95	Shree Srinivas Realtors Pvt Limited		2021	The transfer was rejected by the Sub Registrar Office ('SRO') citing a Government of Maharashtra notification preventing the transfer vide 'Deed of Apartment'. The Company had submitted a representation in June 2022 against this rejection. This representation, along with many similar representations are kept on hold by the SRO awaiting a clarificatory notification from Government of Maharashtra

The Bank has obtained the title deeds of all the immovable properties of erstwhile PMC Bank, except for few premises, the title deeds of which are being traced. The Bank is also in the process of getting these title deeds transferred in its name. Registration formalities/ obtaining occupancy certificate etc. are pending in respect of certain Land and building.

51.0. Ratios for the period ended

Ratios	As at 31st March, 2023	As at 31st March, 2022
a) Capital to risk-weighted assets ratio (CRAR)	45.98%	63.71%
b) Tier I CRAR	24.53%	38.77%
c) Tier II CRAR	21.45%	24.94%
d) Liquidity Coverage Ratio	738.87%	1049.66%

As per our report of even date

For V. Sankar Aiyar & Co
Chartered Accountants
ICAI Firm Registration No.: 109208W

Asha Patel
Partner
Membership No. - 166048

Place : Darjeeling
May 03, 2022

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

Inderjit Camotra
MD & CEO

Abhishek Basu
Chief Financial Officer

Place : Darjeeling
May 03, 2022

Archana Goyal
Company Secretary

Place : Darjeeling
May 03, 2022

Unity Small Finance Bank Limited

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(Currency : Indian Rupees in lakhs)

52 Business Transfer Agreement/ Transaction under Common Control

The Reserve Bank of India, on October 12, 2021, has issued bank licence to Unity Small Finance Bank Limited (**"USFB"**), to carry on the business of small finance bank.

As per the terms of RBI licence, USFB have executed a Business Transfer Agreement (**"BTA"**) with Centrum Microcredits Limited ("CML") and Centrum Financial Services Limited ("CFSL") on October 26, 2021 for transfer of business of CML and CFSL to USFB, as a going concern, by way of slump sale.

USFB has commenced its operations on November 1, 2021. Pursuant to the execution of the BTA by USFB with CML and CFSL, the entire business undertaking of CML and CFSL was transferred to USFB, via slump sale as a going concern, on 'as-is-where-is' basis, effective from November 01, 2021 for a total consideration of INR 42,600 Lakhs in cash.

Goodwill recognised on November 1, 2021 under BTA impaired from opening Retained earning

The summary of assets and liabilities transferred to USFB pursuant to the BTA is as under:

		(Rs in Lakhs)
Particulars	**CML**	**CFSL**
Assets		
Cash and cash equivalents	17,009	17,109
Bank balances other than cash and cash equivalents above	1,865	1,472
Loans	48,440	78,118
Receivables	43	-
Other financial assets	852	1,066
Investments		2,738
Derivative financial instruments		3,865
Current tax assets (net)	145	1,732
Deferred tax assets (net)	47	(277)
Property, plant and equipment	87	3,781
Intangible assets	4	141
Intangible assets under development	-	9
Right of Use - Premises	14	24
Goodwill	2,501	4,982
Other non-financial assets	52	478
Total assets transferred (A)	**71,059**	**1,15,238**
Liabilities		
Trade payables	70	245
Other payables		410
Debt securities	13,270	65,373
Borrowings (other than debt securities)	44,348	8,821
Subordinate Liabilities	1,001	-
Derivative financial instruments		8,332
Other financial liabilities	1,572	295
Provisions	15	173
Other non-financial liabilities	9	583
Total liabilities transferred (B)	**60,285**	**84,232**
Total Net assets transferred (A-B)	**10,774**	**31,006**
Purchase consideration paid	**11,000**	**31,600**

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UNITY SMALL FINANCE BANK LIMITED *

(Currency : Indian Rupees)

53 Amalgamation of the Punjab and Maharashtra Co-Operative Bank Ltd with Unity Small Finance Bank Limited

A The Punjab and Maharashtra Co-operative Bank Limited ("PMC") was a Multi-State Scheduled Urban Co-operative Bank registered under the Multi-State Co-operative Societies Act, 2002 (39 of 2002) and carrying on the business of Banking in India. On account of detection of certain instances of fraud in the PMC in September 2019 and consequent to the precarious financial conditions, including complete erosion of capital and substantial deposit erosion of the PMC, RBI issued "All Inclusive Directions" to the PMC under Section 35A read with Section 56 of the Banking Regulation Act, 1949 (10 of 1949) with effect from close of business of September 23, 2019, to protect the interest of the depositors and to ensure that the Bank's available resources are not misused or diverted. RBI in exercise of the powers conferred under sub-sections (1) and (2) of section 36AAA read with section 56 of the Banking Regulation Act,1949 (10 of 1949) superseded the Board of Directors of the PMC on September 23,2019 and appointed an Administrator in its place.

Centrum Financial Services Limited, as promoters along with Resilient Innovation Private Limited as "joint investor", had expressed interest in the month of February 2021 in acquiring the Punjab and Maharashtra Co-operative Bank Limited through a suitable scheme of amalgamation with a new Small Finance Bank to be registered by the promoter. Accordingly, the Unity Small Finance Bank Limited ("USFB") was incorporated as Banking Company under the Companies Act 2013 on August 25,2021 and granted Banking licence by Reserve Bank under section (1) of Section 2 of Banking Regulation Act on October 12,2021. The said USFB has started transacting business of Banking under section 5(c) of Banking Regulation Act, 1949 from November 1, 2021.

In exercise of the powers conferred by sub-section (7) of section 45 of the Banking Regulation Act, 1949 (10 of 1949), (the "Act"), the Central Government sanctioned Punjab and Maharashtra Co-operative Bank Limited (Amalgamation with Unity Small Finance Bank Limited) Scheme, 2022 vide notification dated January 25,2022 (hereinafter referred to as the "Scheme" or "SOA") for amalgamation of the PMC with the USFB, which came into force on January 25,2022 ("Appointed Date" or "Amalgamation Date").

As per the Scheme, upon its coming into effect from the appointed date, the undertaking of PMC Bank including all its assets, liabilities and specified reserves stood transferred/ deemed to be transferred to and vest in the USFB. Further, on and from the appointed date, the entire amount of the paid-up share capital and reserves and surplus of PMC stood written off.

The amalgamation has been accounted for as per the Scheme. In accordance with the Scheme, the assets shall be valued as follows:

a) Investments other than Government Securities shall be valued at the market rates prevailing on the day immediately preceding the appointed date;

b) (i) the Government Securities shall be valued as on the day immediately preceding the appointed date in accordance with the extant Reserve Bank guidelines;
(ii) the Securities of the Central Government such as Post-Office Certificates, Treasury Savings Deposit Certificates and any other securities or certificates issued under the small savings schemes of the Central Government shall be valued at their face value or the encashable value as on the said date, whichever is higher;

(iii) where the market value of any Government Security held by the transferor Bank in respect of which the principal is payable in instalments, is not ascertainable or is for any reason not considered as reflecting the fair value thereof or as otherwise appropriate, the security shall be valued at such amount as is considered reasonable having regard to the instalments of principal and interest remaining to be paid, the period during which such instalments are payable, the yield of any security issued by the Government to which the security pertains and having the same or approximately the same maturity and other relevant factors;

c) Where the market value of any security, share, debenture, bond or other investment is not considered reasonable by reason of its having been affected by abnormal factors, the investment may be valued on the basis of its average market value over any reasonable period;

d) where the market value of any security, share, debenture, bond or other investments is not ascertainable, only such value, if any, shall be taken into account as is considered reasonable, having regard to the financial position of the issuing concern, the dividends paid by it during the preceding five years and other relevant factors;

e) Premises and all other immovable properties and any assets acquired in satisfaction of claims shall be valued at their market value;

f) the furniture and fixtures, stationery in stock and other assets, if any, shall be valued at the written down value as per books or the realisable value as may be considered reasonable;

g) advances, including bills purchased and discounted, book debts, sundry assets, and all other remaining tangible/intangible assets will be scrutinised by the transferee Bank and the securities, including guarantees held as cover therefor examined and verified by the transferee Bank and thereafter, the advances including portions thereof, will be classified into two categories namely, "Advances considered good and readily realisable" and "Advances considered not readily realisable and/or bad or doubtful of recovery".

h) Liabilities for purposes of the Scheme shall include all liabilities, including contingent liabilities, which the transferee Bank may be required to meet on or after the appointed date and in determining the value of the liabilities (including the liability towards Deposit Insurance and Credit Guarantee Corporation for payments to the insured depositors) for initial recognition in the books of the transferee Bank, the measurement basis maybe decided by the Reserve Bank and could include historical cost, current cost, settlement value, present value or any other measurement basis.

h) (i) Restructured Deposits Payable within 5 years from Amalgamation Date

These are liabilities pertaining to erstwhile Retail Depositors of PMC Bank payable between Year 1 and Year 5 from the Amalgamation date.
The Bank shall pay a nominal amount to retail depositors between Year 1 and Year 5 from the Amalgamation date as set out in Clause No [6] to [c] of Note [ii to vi].
There is no interest payable on these sums.
These nominal amounts have been valued on a present value basis and carried in the financial statements as on 31 Mar 2022. The Effective Interest Rate of this liability over the tenor of the liability shall be charged to Finance Costs in the Profit & Loss Account for the relevant periods.

h) (ii) Restructured Deposits Payable at the end of 10 years from the date of amalgamation of PMC and Unity Bank

These are liabilities pertaining to erstwhile Retail Depositors of PMC Bank payable at the end of 10 years from the Amalgamation Date.
The Bank shall pay a nominal amount to retail depositors at the end of Year 10 of the Amalgamation date as set out in Clause No [6] of Note [c] of Note [vii]. .
Annual interest of 2.75% is payable from Year 6 till year 10 on these nominal amounts.
These nominal amounts have been valued on a present value basis and carried in the financial statements as on 31 Mar 2022. The Effective Interest Rate of this liability over the tenor of the liability shall be charged to Finance Costs in the Profit & Loss Account for the relevant periods.

h) (iii) Facility from DICGC

DICGC has extended a facility to the Bank to repay Depositors as explained in detail in Clause No [6][c] [i to vii].
As on 31 Mar 2022, part of the facility has been approved by DICGC and availed of by the Bank.
The bank shall repay the nominal amount received (no interest is payable on these sums) pursuant to Clause [7] of Note [2].
These nominal amounts have been valued on a present value basis and carried in the financial statements as on 31 Mar 2022. The Effective Interest Rate of this liability over the tenor of the liability shall be charged to Finance Costs in the Profit & Loss Account for the relevant periods.

h) (iii) Perpetual Non-Cumulative Preference Shares (PNCPS)

The Bank issued PNCPS to institutional depositors with dividend of one per cert, per annum payable annually. PNCPS have been valued on a present value basis and carried in the financial statements as on 31 Mar 2022.

The management of USFBL has carried out valuation of assets and determination of liabilities as on the appointed date of Amalgamation of erstwhile PMC Bank with USFBL i.e 25th January 2022, on the basis of balance sheet as at 24th January, 2022 i.e as at the close of business on the date immediately preceding the appointed date i.e January 25,2022 as per the scheme of amalgamation. The balance sheet as at 24th January, 2022 was audited by a firm of Chartered Accountants (auditor) approved by RBI and they have expressed qualified opinion vide their report dated 28th May, 2022. The management has taken cognizance of the matters of qualified opinion expressed by the said auditor and made adjustments in the valuation of assets and determination of liabilities as at the appointed date wherever required.

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53 **Amalgamation of the Punjab and Maharashtra Co-Operative Bank Ltd with Unity Small Finance Bank Limited**

B **Details of the assets valued and liabilities reckoned as per the scheme of amalgamation referred to above are as under:**

Particulars	As at 25-01-2022
Financial Assets	
Cash and cash equivalents	44,393.39
Bank balances other than cash and cash equivalents	12,130.79
Investments	2,56,438.45
Loans	62,011.52
Other Financial Assets	1,840.98
Non Financial Assets	
Current Tax (Net)	2,886.25
Deferred Tax asset on provision for doubtful advances (Refer note (e) below)	73,000.00
Property, plant and equipment	25,862.39
Right-of-use assets	2,021.18
Other intangible assets	55.05
Other Non Financial Assets	2,800.10
Total Assets (I)	**4,83,440.12**
Financial Liabilities	
Trade Payables	3,500.40
Debt Securities - Issue of PNCPS towards depositors liabilities	15,606.12
Borrowings	14,912.93
Lease Liabilities	2,021.18
Other Financial Liabilities	2,99,638.57
Non Financial Liabilities	
Provisions	30,314.24
Other Non Financial Liabilities	36,793.61
Equity and Reserves and Surplus	
Issue of equity warrants towards depositors liabilities	52,968.24
Total Liabilities (II)	**4,55,755.29**
Net Assets (III) = (II) - (I)	**27,684.83**
Purchase consideration [IV]	Nil
Capital Reserve on Amalgamation [IV] - [III]	**27,684.83**

Note:

a) The USFB scrutinised advances portfolio and considered additional provisioning, on a conservative basis, on advances over and above the provisions as per audited balance sheet as at 24th January referred to hereinabove in respect of standard assets, taking into account the possibility of additional accounts which may have to be classified as NPA, as the process of identification of NPA in the erstwhile PMC Bank was manual.

b) The Bank has made adjustments in the carrying value of land and building as at the appointed date taking into account the valuation report obtained from approved valuer.

c) The Bank has reckoned additional liabilities as at the appointed date based on its assessment.

d) Other Assets include refund amount of Rs. 28 crores due from income tax department in respect of various assessment years of erstwhile PMC Bank. The said amount has been arrived at based on the assessment of the Bank that it is reasonably certain that it is recoverable.

e) Deferred tax asset as at the appointed date has been recognised for the tax effect on provision for doubtful advances to the extent that it is reasonably certain that sufficient future taxable income will be available against which the said deferred tax asset can be realised. The erstwhile PMC Bank had not recognised Deferred Tax Asset on the same based on its own assessment.

However, Deferred tax asset has not been recognised for the tax effect on accumulated loss pertaining to erstwhile PMC Bank for the assessment years upto AY 2021-22 considering that admissibility of these losses for set offs is yet to be clearly established and also considering that assessments of erstwhile PMC for certain years have not yet been completed.

f) The Bank shall have time up to 20 years from the appointed date, to repay the amount received from Deposit Insurance and Credit Guarantee Corporation (DICGC) towards payment to the insured depositors, which can be done in one instalment or in several instalments and the transferee Bank shall create a reserve account in its books and make periodical transfers to it as may be approved by Reserve Bank, for the purpose of discharging its liability towards DICGC in accordance with the provisions of the Scheme.

g) During the year, the Bank has received further cash assistance (claims towards insured amount) from DICGC in respect of erstwhile PMC depositors, to the tune of ₹ 59 crore. In accordance with the Scheme, the Bank has credited these amounts received from DICGC to the respective depositors. Liability towards DICGC was reckoned on net present value basis in the initial recognition balance sheet. Accordingly, this additional cash assistance received from DICGC (₹ 59 crore) has also been reckoned at the net present value i.e. at ₹ 9 crore. The difference of ₹ 50 crore between the nominal value of ₹ 59 crore and net present value of ₹ 9 crore has been credited to Capital Reserve on Amalgamation, during the year, in accordance with the Scheme. Additionally, during the year, the Bank has carried out reconciliation of liabilities towards depositors of erstwhile PMC bank which was amalgamated with the Bank on January 25, 2022 in accordance with the Scheme sanctioned by the Central Government. The changes thereof in Capital and Reserves have been appropriately adjusted in the financial statement.

54 **Title deeds of immovable properties and physical verification of fixed assets**

a) The Bank has carried out physical verification of fixed assets of all the branches of erstwhile PMC Bank. Physical verification of Fixed Assets of Central Office of the erstwhile PMC Bank at Dreams Mall – Bhandup could not be carried out due to major Fire which occurred on 25th March 2021 at the said premises, and the entry to the mall is restricted.

b) The Bank has obtained the title documents of all the immovable properties of erstwhile PMC Bank. The Bank is also in the process of getting these titles transferred/ changed in its name. Registration formalities/ obtaining occupancy certificate etc. are pending in respect of certain properties

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55 **Fraud in erstwhile PMC Bank and disputes relating to erstwhile PMC Bank and the Scheme of Amalgamation.**

a) Certain instances of fraud by Housing Development and Infrastructure Limited (HDIL) and its group companies in the erstwhile PMC Bank were detected in September 2019 and the said PMC Bank was placed under All Inclusive Directions (AID). The Bank has made full provision in respect of the advances given to HDIL by erstwhile PMC Bank.

b) Legal Cases has also been filed against promoters of HDIL and erstwhile PMC Bank for taking criminal/civil action. In certain cases against the Bank like writ petitions, the Bank does not expect any liability in this regard.

c) Some of the depositors of erstwhile PMC have filed writ petition/public interest litigation against the said Bank and others for protecting the interest of depositors and for repayment of the deposits along with interest in full and also against the scheme of amalgamation. Some of the creditors have filed cases against the said PMC Bank for recovering their dues.

d) The Delhi High Court in November 2022 has dismissed the petition filed by certain depositors against Reserve Bank of India and others.

e) As per the Scheme of Amalgamation referred to in note 10, depositor or creditor of the transferor Bank shall not be entitled to make any demand against the erstwhile PMC Bank or the Bank (USFBL) in respect of any liability of the transferor Bank to the depositor/creditor except to the extent specified by the Scheme referred to hereinabove.

f) Accordingly, the Bank is of the opinion that the said claims of depositors or creditors of erstwhile PMC would not result in outflow of resources beyond the amount to which the Bank is liable as per the said Scheme.

56 **Automation of IT system**

During the year the bank has migrated from Finacle to Turing. The data-based migration audit was carried out by an external agency and they have not observed any significant gaps in the migration process.

RBI vide its Notification No. DoS.CO.PPG./SEC.03/11.01.005/2020-21 dated September 14, 2020 on "Automation of Income Recognition, Asset Classification and Provisioning processes in banks" advised the banks to put in place / upgrade their systems to conform to the guidelines prescribed in the said Notification latest by June 30, 2021 in order 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. RBI has permitted the bank to put in place the IRAC automation process by June 30,2023.

In case of advances pertaining to erstwhile PMC, the management has made provision based on detailed analysis of various portfolios of such advances and does not expect any additional provisioning on this account.

57 **Internal/concurrent audit/System audit**

The Bank has initiated the process of conducting the Risk Based Internal Audits by the in-house team. The concurrent audit of Branches and other operations of the Bank's processes along with erstwhile PMC Bank conducted by the Board approved external Auditors. The same are in progress. The Bank will be carrying out System / EDP audit as required under RBI guidelines for reviewing various IT controls in the future after upgradation/ integration of various systems.

58 **Relaxations/forbearances granted by RBI**

58.1 Reserve Bank of India vide its letter dated October 12,2021 has granted the relaxation forbearances to the Bank giving additional time of 3 years over and above the period prescribed by RBI in SFB guidelines 2019 to comply with the following provisions:

Achievement of Priority Sector lending target of 75% of Adjusted Net Bank Credit

i Requirement of atleast 50% of loan portfolio to constitute loans and advances of upto Rs 25 lacs and

ii Adherence to Exposure limit to single and group obligor for loans acquired from CFSL / CML / erstwhile PMC.

58.2 RBI vide its letter dated March 10,2022 has given the following clarifications:

Equity warrants may be included in the common equity

Bank is permitted to treat payables to retail depositors of PMC bank (more than 15 lacs) to be repaid at the end of 10 years as Tier II Bonds for the purpose of CRAR calculations.

Certain restructured liabilities i.e. Perpetual Non-Cumulative Preference Shares ("PNCPS") is a BASEL III instrument. Since, the said instrument is issued pursuant to the Central Government notified scheme ("the Scheme"), to the extent there is any inconsistency, discrepancy or deviation with the applicable law, the provisions of the Scheme shall prevail

The restructured liabilities i.e. such as Perpetual Non-Cumulative Preference Shares (PNCPS), equity warrants, DICGC 10 years retail payable (allowed to be treated as Tier II capital) may not be included in the Net demand and time liabilities. Further, the deposits that the Bank needs to pay within the span of 5 years (excluding the deposits payable by DICGC) will come under the definition of deposits and attract CRR/SLR requirements.

The bank is permitted to grandfather the existing contracts in respect of foreign exchange business with customers of erstwhile PMC Bank.

58.3 RBI vide its letter dated May 18,2022 has permitted the bank to include the fair value of the DICGC and PNCPS liability in CET -1 Capital till the bank lists itself.

58.4 The Bank is carrying 'The principal protected secured redeemable non-convertible market linked debentures (MLDs) and the Non-Convertible Debentures (NCD) issued by the Centrum Financial Services Limited (CFSL), a NBFC- Core Investment Company from whom the NBFC business was acquired on Slump sale basis. The MLDs are fully secured by a first pari-pasu charge over the specified immovable property wherever applicable and present and future book debts, investments & receivables of the Bank. The NCDs are fully secured by first ranking pari passu charge against the Bank's identified receivables.

Banks are precluded from creating floating charge on their assets. Since such borrowings have been acquired from CFSL (an NBFC) by the Bank (SFB), in terms of The Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector (SFB guidelines -2019) dated December 05,2019 issued by RBI, the grandfathering of the aforesaid borrowings has been permitted till their maturity.

59 **Reconciliation of office accounts**

The Bank has carried out reconciliation of various accounts including system related accounts such as Interest payable, Interest receivable account and NFS accounts of the erstwhile PMC Bank. These balances will be transfer to RBI DEAF a/c after 10 years.

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60 **Slump sale**

The financial statements of Centrum Financials Service Limited and Centrum Micro Credit Limited as at and for the period ended 31st October 2021, as considered for the purpose of determining the net assets acquired on slump sale basis from the said companies as on November 01,2021, was certified by the statutory auditors of the respective companies.

61 **Foreign Exchange Earning / Outflow**

The foreign exchange earnings and outflow is Rs. Nil during the year ended March 31, 2023

As per our report of even date attached.

For V. Sankar Aiyar & Co
Chartered Accountants
ICAI Firm Registration No.: 109208W

Asha Patel
Partner
Membership No. - 166048

Place : Darjeeling
May 03, 2022

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS FRN 109208W

For and on behalf of the Board of Directors of

Unity Small Finance Bank Limited

UNITY SMALL FINANCE BANK LIMITED

Inderjit Camotra
MD & CEO
DIN : 09602543

Abhishek Baxi
Chief Financial Officer

Archana Goyal
Company Secretary

Place : Darjeeling
May 03, 2022