

**CSB Bank Limited**

(Formerly known as The Catholic Syrian Bank Limited)
Regd. Office: 'CSB Bhavan', Post Box No. 502, St. Mary's College Road,
 Thrissur – 680020, Kerala, India.
 Tel: +91 487-2333020 | Fax: +91 487-2338764 |
 Website: www.csb.co.in | Email: board@csb.co.in
 Corporate Identity Number: L65191KL1920PLC000175

**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021**

(₹ in Lakhs)

Particulars	Quarter ended			Year ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
	Audited (Refer note 22)	Unaudited	Audited (Refer note 22)	Audited	Audited
1. Interest earned (a) + (b) + (c) + (d)	497, 13	482, 62	388, 92	1872, 30	1509, 89
(a) Interest/discount on advances/bills	382, 76	359, 82	296, 28	1375, 95	1162, 11
(b) Income on investments	104, 74	112, 03	79, 12	459, 30	309, 87
(c) Interest on balances with RBI, Other interbank funds	2, 83	1, 27	2, 58	5, 06	5, 86
(d) Others	6, 80	9, 50	10, 94	31, 99	32, 05
2. Other Income	112, 32	116, 62	86, 57	400, 81	221, 61
3. Total Income (1+2)	609, 45	599, 24	475, 49	2273, 11	1731, 50
4. Interest Expended	221, 42	231, 44	231, 38	930, 91	917, 60
5. Operating Expenses (i) +(ii)+(iii)	259, 07	185, 44	137, 12	728, 99	533, 32
(i) Employees Cost	178, 64	127, 80	78, 95	496, 23	331, 27
(ii) Rent, taxes and lighting	16, 53	15, 78	14, 60	60, 82	57, 17
(iii) Other operating expenses	63, 90	41, 86	43, 57	171, 94	144, 88
6. Total Expenditure (4+5) (excluding provisions and contingencies)	480, 49	416, 88	368, 50	1659, 90	1450, 92
7. Operating Profit before provisions and Contingencies (3-6)	128, 96	182, 36	106, 99	613, 21	280, 58
8. Provisions (other than Tax) and contingencies	70, 95	111, 47	84, 32	320, 66	146, 58
Of which provisions for Non-performing Assets/write off	90, 60	56, 21	56, 03	181, 35	121, 16
9. Exceptional Items	-	-	-	-	-
10. Profit from ordinary activities before tax (7-8-9)	58, 01	70, 89	22, 67	292, 55	134, 00
11. Tax Expense	15, 12	17, 84	82, 35	74, 15	121, 28
12. Net Profit from ordinary activities after tax (10-11)	42, 89	53, 05	-59, 68	218, 40	12, 72
13. Extraordinary items (net of Tax expense)	-	-	-	-	-
14. Net Profit for the period (12-13)	42, 89	53, 05	-59, 68	218, 40	12, 72
15. Paid-up equity share capital (Face Value - ₹ 10 per share)	173, 54	173, 51	173, 51	173, 54	173, 51
16. Reserves excluding Revaluation Reserves				1852, 22	1630, 94
17. Analytical Ratios					
(i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio (Basel-III)	21.37%	21.02%	22.46%	21.37%	22.46%
(iii) Earnings per Share (EPS)*					
Basic EPS - before and after extraordinary items (₹)	2.47	3.06	(3.44)	12.59	0.88
Diluted EPS - before and after extraordinary items(₹)	2.47	3.06	(3.44)	12.59	0.88
(iv) NPA Ratios					
a) Gross NPA	393, 49	234, 89	409, 43	393, 49	409, 43
Net NPA	168, 81	89, 52	216, 94	168, 81	216, 94
b) % of Gross NPA	2.68%	1.77%	3.54%	2.68%	3.54%
% of Net NPA	1.17%	0.68%	1.91%	1.17%	1.91%
(v) Return on Assets -Annualised	0.77%	0.96%	-1.24%	0.99%	0.07%

* Not Annualised

SEGMENT INFORMATION					
Particulars	(₹ in lakh)				
	Quarter ended			Year ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
	Audited (Refer note 22)	Unaudited	Audited (Refer note 22)	Audited	Audited
Segment Revenue:					
Treasury	115, 21	170, 50	102, 32	621, 17	367, 38
Corporate/Wholesale Banking	141, 87	107, 94	111, 82	466, 85	433, 55
Retail Banking	342, 19	313, 71	254, 78	1157, 36	910, 48
Other Banking Operations	10, 18	7, 09	6, 55	27, 73	20, 09
Unallocated	-	-	-	-	-
Total Revenue	609, 45	599, 24	475, 47	2273, 11	1731, 50
Less: Inter segment revenue	-	-	-	-	-
Income from operations	609, 45	599, 24	475, 47	2273, 11	1731, 50
Segment Results (Net of provisions):					
Treasury	13, 41	101, 63	21, 38	185, 00	57, 74
Corporate/Wholesale Banking	-105, 80	-22, 70	-156, 77	-162, 44	-128, 13
Retail Banking	146, 31	-11, 35	155, 29	257, 81	197, 22
Other Banking Operations	3, 76	3, 52	2, 80	12, 67	6, 92
Unallocated	33	-21	-3	-49	25
Profit Before Tax	58, 01	70, 89	22, 67	292, 55	134, 00
Segment Assets:					
Treasury	7224, 32	6641, 15	5826, 86	7224, 32	5826, 86
Corporate/Wholesale Banking	4943, 15	4333, 20	4627, 07	4943, 15	4627, 07
Retail Banking	11064, 98	10403, 88	8229, 63	11064, 98	8229, 63
Other Banking Operations	8, 17	7, 09	9, 68	8, 17	9, 68
Unallocated	96, 74	111, 78	171, 01	96, 74	171, 01
Total	23337, 36	21497, 10	18864, 25	23337, 36	18864, 25
Segment Liabilities:					
Treasury	2065, 51	1174, 70	797, 82	2065, 51	797, 82
Corporate/Wholesale Banking	3073, 95	2624, 57	1728, 70	3073, 95	1728, 70
Retail Banking	16016, 52	15555, 72	14363, 68	16016, 52	14363, 68
Other Banking Operations	-	-	-	-	-
Unallocated	1, 15	5, 55	13, 38	1, 15	13, 38
Total	21157, 13	19360, 54	16903, 58	21157, 13	16903, 58
Capital employed:					
(Segment Assets-Segment Liabilities)					
Treasury	5158, 81	5466, 45	5029, 04	5158, 81	5029, 04
Corporate/Wholesale Banking	1869, 20	1708, 63	2898, 37	1869, 20	2898, 37
Retail Banking	-4951, 54	-5151, 84	-6134, 07	-4951, 55	-6134, 05
Other Banking Operations	8, 17	7, 09	9, 68	8, 17	9, 68
Unallocated	95, 58	106, 23	157, 63	95, 58	157, 63
Total	2180, 22	2136, 56	1960, 65	2180, 21	1960, 67

Notes on segmental results:-

- For the above segment reporting, the reportable segments are identified as Treasury, Corporate/ Wholesale Banking, Retail Banking and Other Banking Operations in compliance with the RBI Guidelines.
- Pursuant to Board approved policy on preparation of segment information, the Bank, with effect from quarter ended September 30, 2020, has refined the basis of allocation of certain income, expense, assets and liabilities among segments for more appropriate presentation of segment results. Accordingly, figures for the previous periods have been regrouped/ reclassified to conform to classification of the current period.
- The change in segment information has no impact on the overall Revenue, Results, and capital employed of the Bank for the current quarter ended March 31, 2020 or the previous periods /year. However, had the bank continued the same method of preparation of segment information as was adopted in previous periods, the segment revenue, segment results, segment assets, segment liabilities and capital employed would have been Decreased/ (Increased) by:

Segment Revenue:		
Decreased/ (Increased)	Quarter ended	Year ended
	31.03.2020	31.03.2020
Treasury	-	-
Corporate/Wholesale Banking	3, 39	5, 28
Retail Banking	-3, 39	-5, 28
Other Banking Operations	-	-
Unallocated	-	-

Segment Results (Net of provisions):		
Decreased/ (Increased)	Quarter ended	Year ended
	31.03.2020	31.03.2020
Treasury	-5, 57	-6, 67
Corporate/Wholesale Banking	122, 28	146, 56
Retail Banking	-32, 42	6, 93
Other Banking Operations	-	-
Unallocated	-84, 29	-146, 83

Segment Assets:		
Decreased/ (Increased)	Quarter ended	Year ended
	31.03.2020	31.03.2020
Treasury	-30, 58	-30, 58
Corporate/Wholesale Banking	74, 52	74, 52
Retail Banking	-211, 93	-211, 93
Other Banking Operations	-4, 06	-4, 06
Unallocated	172, 06	172, 06

Segment Liabilities:		
Decreased/ (Increased)	Quarter ended	Year ended
	31.03.2020	31.03.2020
Treasury	-28	-28
Corporate/Wholesale Banking	-49 , 85	-49 , 85
Retail Banking	-175 , 80	-175 , 80
Other Banking Operations	11 , 43	11 , 43
Unallocated	214 , 49	214 , 49

Capital employed:		
Decreased/ (Increased)	Quarter ended	Year ended
	31.03.2020	31.03.2020
(Segment Assets-Segment Liabilities)		
Treasury	-30 , 30	-30 , 30
Corporate/Wholesale Banking	124 , 37	124 , 37
Retail Banking	-36 , 13	-36 , 13
Other Banking Operations	-15 , 50	-15 , 50
Unallocated	-42 , 44	-42 , 44

Notes:

1 Statement of Assets and Liabilities as at March 31, 2021 is given below;

Particulars	As at	As at
	31.03.2021	31.03.2020
	Audited	Audited
CAPITAL AND LIABILITIES		
Capital	173 , 54	173 , 51
Reserves and Surplus	2006 , 69	1787 , 16
Deposits	19140 , 04	15790 , 68
Borrowings	1425 , 92	794 , 00
Other Liabilities and Provisions	591 , 16	318 , 89
Total	23337 , 35	18864 , 24
ASSETS		
Cash and Balances with Reserve Bank of India	736 , 14	547 , 79
Balances with Banks and Money at Call and Short Notice	977 , 93	391 , 55
Investments	6125 , 99	5359 , 84
Advances	14438 , 12	11366 , 35
Fixed Assets	269 , 49	253 , 48
Other Assets	789 , 68	945 , 23
Total	23337 , 35	18864 , 24

2 Statement of Cash Flow as at March 31, 2021 is given below;

Particulars	As at	As at
	31.03.2021	31.03.2020
	Audited	Audited
A. Cash flows from operating activities		
Profit before income tax	292 , 55	134 , 00
Adjustments for:		
Depreciation on fixed assets	40 , 76	23 , 52
Provision for depreciation in value of investments	23 , 12	20 , 39
Provision/(Write back) towards non performing advances	181 , 35	121 , 16
Provision for Standard Assets	115 , 69	5 , 28
Profit on Sale of Fixed Assets	32	64
Other Provisions and Contingencies	1 , 22	-25
	655 , 01	304 , 74
Adjustments for:		
(-)/Increase/Decrease in Investments (excluding Held to Maturity Investments)	385 , 93	-1160 , 95
Increase in Advances	-3253 , 24	-872 , 25
Decrease in Other Assets	75 , 68	19 , 21
Increase in Deposits	3349 , 36	666 , 81
Increase/(-)Decrease in Other Liabilities & Provisions	154 , 99	-41 , 60
	1367 , 73	-1084 , 04
Direct taxes paid (net of refunds)	6 , 06	-25 , 15
Net cash flow from/(-)used in operating activities	1373 , 79	-1109 , 19
Cash flows used in investing activities:		
Purchase of fixed assets	-56 , 53	-44 , 03
Proceeds from sale of fixed assets	32	34
Increase in Held to Maturity Investments	-1175 , 21	-191 , 66
Net cash flow used in investing activities	-1231 , 42	-235 , 35
Cash flows from in financing activities		
Proceeds from issue of Equity Share Capital	44	1167 , 27
Proceeds from Equity Share Warrants	-	-651 , 02
Net proceeds of borrowings	631 , 92	794 , 00
Net cash flow from/(used) in financing activities	632 , 36	1310 , 25
Net increase/(decrease) in cash and cash equivalents	774 , 73	-34 , 29
Cash and Cash Equivalents at the Beginning of the Year	939 , 34	973 , 63
Cash and Cash Equivalents at the End of the Year	1714 , 07	939 , 34

- 3 The above financial results for the quarter and financial year ended March 31, 2021 have been reviewed by the Audit Committee and thereafter approved by the Board of Directors of the Bank in their respective meeting held on May 08, 2021. These annual results have been subjected to an audit by the Statutory Auditors of the Bank and an unmodified audit report has been issued by them. The information presented above is extracted from the audited financial statements.
- 4 The above Audited Financial Results of the Bank have been prepared in accordance with the Banking Regulation Act, 1949, generally accepted accounting principles in India, including Accounting Standards as prescribed under section 133 of the Companies Act, 2013, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the guidelines issued by the Reserve Bank of India (RBI).
- 5 The Bank has consistently applied its significant accounting policies in the preparation of its quarterly financial results and its annual financial statements during the years ended March 31, 2021 and March 31, 2020.
- 6 Pursuant to approval of the Board, the Bank has revised its NPA Provisioning estimate by increasing the rates of provision applied for NPAs with effect from quarter ended December 31, 2020, considering the uncertainties about the recoverability within a reasonable time frame. Had the bank not accelerated the provisioning, provisions for NPA for the year ended March 31, 2021 (included in item no.8 in the Audited Financial Results) would have been lower by ₹4,062.62 Lakhs. Bank has also revised, pursuant to Board approval, its estimate on useful life of other fixed assets and had the bank not revised its estimate on useful life of other fixed assets, other operating expenses for the year ended March 31, 2021 (included in item no.5 (iii) in the Audited Financial Results) would have been lower by ₹1,204.43 Lakhs. If the above revision of accounting estimates were not adopted during the year ended March 31, 2021, Profit after tax for the year ended March 31, 2021 would have been higher by ₹3,941.44 Lakhs.
- 7 The above results have been arrived at after considering the provision for standard assets including requirements for exposures to entities with Unhedged Foreign Currency Exposures, Non Performing Assets, depreciation on investments, income tax and other usual and necessary provisions.
- 8 Other income includes fees earned from providing services to customers, commission from non-fund-based banking activities, earnings from foreign exchange transactions, selling of third-party products, profit on sale of investments (net), recoveries from advances written off etc.
- 9 The Capital Adequacy Ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates and the ratio for the corresponding previous period is not adjusted to consider the impact of subsequent changes if any, in the guidelines.
- 10 During the quarter and financial year ended March 31, 2021, the Bank allotted 30,000 equity shares, pursuant to exercise of options granted under the CSB Employee Stock Option Scheme 2013.
- 11 During the year ended March 31, 2020, the Bank raised capital of ₹ 40,967.68 Lakhs through Initial Public Offering (IPO) through issue of 2,10,09,067 equity shares of ₹ 10 each at a price of ₹ 195 per share comprising a fresh issue of 12,30,769 equity shares aggregating to ₹2,400 Lakhs and an offer for sale of 1,97,78,298 equity shares aggregating to ₹38,567.68 Lakhs. The equity shares of the Bank were listed on BSE Limited and National Stock Exchange of India Ltd. from December 4, 2019.
- 12 The SARS-CoV-2 virus responsible for COVID-19 pandemic has contributed to a significant volatility in global and Indian Financial markets and a significant decrease in the global and local economic activities. COVID-19 outbreak was declared as a global pandemic on March 11, 2020 by World Health Organisation. The Government of India had announced a series of lock-down measures on March 24, 2020 which had been extended from time to time up to May 31, 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases.
- The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slowdown during the year led to a decrease in loan originations, the sale of third party products, the use of credit and debit cards by customers and the efficiency in collection efforts. This may lead to a rise in the number of customer defaults and consequently an increase in provisions there against. The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Bank's results will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by us.
- As on March 31, 2020, Bank was maintaining provision against the likely impact of COVID-19 amounting to ₹162.82 Lakhs as per RBI mandated 10% provision on asset classification benefit extended accounts. During the current year, as a prudent measure, the Bank has made additional provision of ₹10,049.18 Lakhs, against the further likely impact of COVID-19 pandemic in respect of exposure of the Bank based on the assessment of presently available information. The aggregate provision against the likely impact of COVID-19, including the RBI mandated provision, as on March 31, 2021 stands at ₹10,212.00 Lakhs and is grouped under Other Liabilities and Provisions in the Balance Sheet of the Bank.
- 13 In accordance with the 'COVID-19 Regulatory Packages' announced by the RBI ('the RBI guidelines') on March 27, 2020, April 17, 2020 and May 23, 2020 with regard to providing relief to borrowers' on account of COVID-19 pandemic, whose accounts were standard, even if overdue as on February 29, 2020, the Bank, in accordance with the Board approved policy had offered moratorium on repayment of loan instalments and/or deferment of interest falling due between March 1, 2020 and August 31, 2020, including relaxation in certain parameters, to all eligible borrowers, without considering the same as restructuring. In respect of such accounts that were granted moratorium, the asset classification remained standstill during the moratorium period.

The disclosures as required by RBI circular dated April 17, 2020 are given below:

Particulars	(₹ in lakh)
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular (as of February 29, 2020)	19,881.21
Respective amount where asset classification benefit is extended*	9,647.83
Provisions made in terms of para 5 of the circular	1,291.61
Provisions adjusted against slippages in terms of paragraph 6 of the circular	-

* as of March 31, 2021 in respect of such accounts

14 Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 are given below;
₹ in lakh except number of accounts

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution
Personal Loans	13	133.20	-	-	6.62
Corporate Persons	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	13	133.20	-	-	6.62

15 The Honourable Supreme Court of India (Hon'ble SC), in a Public Interest Litigation (Gajendra Sharma Vs Union of India & Anr), vide its interim order dated September 03, 2020 ("Interim Order"), has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the bank had not classified any account which was not NPA as at August 31, 2020 as per RBI IRAC norms, as NPA after August 31, 2020.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Bank has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms and the contingency provision of ₹ 4,275 Lakhs held as on December 31, 2020 towards pro forma NPA has been utilised.

16 In accordance with the instructions in the aforesaid circular dated April 07, 2021, the Bank shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. As required by RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Banks Association. Accordingly, in accordance with the policy adopted by the Board based on the methodology recommended by IBA, the Bank has estimated the amount to be refunded and made a provision of ₹579.58 Lakhs by way of reversal to Interest Income in the Profit & Loss Account for the year ended March 31, 2021.

17 During the year ended March 31, 2021, NPAs for which provision had already been made amounting to ₹13,366.62 Lakhs has been technically written off.

18 In accordance with RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 on Basel III Capital Regulations dated July 01,2015 and RBI Circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31,2015-'Prudential Guidelines on Capital Adequacy and Liquidity Standards -Amendments', Banks are required to make Pillar 3 disclosures including Leverage Ratio and Liquidity Coverage Ratio under Basel III framework. The Bank has made these disclosures which are available on its website at the link <https://www.csb.co.in/basel-2basel-3-disclosures>. These disclosures have not been subjected to audit or review by the Statutory Auditors of the Bank.

19 During the year ended March 31,2021, the actuary appointed by the bank has changed the mortality assumptions for valuation of Employee Benefits based on IALM(2012-14)JULT table as against LIC1 1994-1996 table used hitherto. This has resulted in an additional charge of ₹3,814.86 Lakhs for the quarter as well as the year ended March 31,2021 and is included in item No.5(i) - Employee Cost.

20 The figures for the quarter and year ended March 31, 2020 provided in the statement of financial results were reviewed / audited by predecessor Statutory Auditors.

21 The Board of Directors have not recommended any dividend for FY 2021. (Year ended March 31,2020 :Nil)

22 The figures of the last quarter for the current year and for the previous year are the balancing figures between audited figures in respect of the full financial year and the unaudited published year to date figures up to the third quarter. The figures up to the end of the third quarter were only reviewed and not subjected to audit.

23 Previous period / year figures have been regrouped / reclassified, wherever considered necessary to conform to current period's classification.

Place: Thrissur
Date: 08.05.2021

For and on behalf of the Board

RAJENDRAN CHINNA
VEERAPPAN

Digitally signed by RAJENDRAN CHINNA VEERAPPAN
Date: 2021.05.08 13:26:15 +05'30'

C VR Rajendran
Managing Director & CEO
DIN: 00460061

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF

CSB Bank Limited

(formerly, The Catholic Syrian Bank Limited)

Report on the audit of the Annual Financial Results

Opinion

We have audited the accompanying annual financial results of CSB Bank Limited (formerly, The Catholic Syrian Bank Limited) (hereinafter referred to as the "Bank") for the year ended 31 March 2021, attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the Security Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), except for the disclosures relating to Pillar 3 disclosure as at 31 March 2021, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the annual financial results and have not been audited by us.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at 31 March 2021, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the financial results and have not been audited by us; and
- b. give a true and fair view in conformity with the recognition and measurement principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, relevant provisions of the Banking Regulation Act, 1949 and the circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time, of the net profit and other financial information for the year ended 31 March 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Results* 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 annual financial results.

Emphasis of matter

As more fully described in Note 12 to the annual financial results, the extent to which the COVID-19 pandemic will have an impact on the Bank's financial performance is dependent on future developments, which are highly uncertain.

Our opinion on the annual financial results is not modified in respect of the above matter.

Management's and the Board of Directors' Responsibilities for the Annual Financial Results

These annual financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter.

The Bank's management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit/loss and other financial information in accordance with the recognition and measurement principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the RBI from time to time ("RBI Guidelines") and in compliance with Regulation 33 of the Listing Regulations. 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, management and the Board of Directors are 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 the Board of Directors either intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the annual financial results 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 annual financial results.

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 annual financial results, 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 through a separate report on the complete set of financial statements 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 in the financial results made by management and the Board of Directors.
- Conclude on the appropriateness of management and the Board of Directors' 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 appropriateness of this assumption. 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 annual financial results 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 annual financial results, including the disclosures, and whether the annual financial results 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.

Other Matters

The annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

The comparative figures for the quarter and year ended 31 March 2020 provided in the financial results have been audited by the predecessor auditor who expressed an unmodified opinion on those financial results vide their Independent Auditor's Report dated 15 June 2020.

Our opinion on the annual financial results is not modified in respect of these matters.

For **B S R & Co. LLP**
Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022

VAIBHAV

HARSHAVADHAN SHAH

Digitally signed by VAIBHAV
HARSHAVADHAN SHAH
Date: 2021.05.08 14:00:18 +05'30'

Vaibhav Shah

Partner

Membership No: 117377

UDIN: 21117377AAAABK4779

Place: Mumbai
8 May 2021