



EQUITAS SMALL FINANCE BANK LIMITED

CIN: L65191TN1993PLC025280

Regd. Office: 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai 600 002

Website: www.equitasbank.com

1 Statement of Audited Financial Results for the quarter and year ended March 31, 2023

(₹ in Lakh)

Particulars	Quarter ended			Year ended	
	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
	Audited	Audited (Refer note 19)	Audited (Refer note 19)	Audited	Audited
1 Interest Earned (a)+(b)+(c)	1,15,572.65	1,06,338.82	89,582.66	4,16,187.81	3,45,966.93
(a) Interest / discount on advances / bills	1,04,659.78	95,930.59	81,127.76	3,76,472.47	3,13,912.24
(b) Income on Investments	10,067.56	8,061.46	6,568.43	31,560.94	24,614.47
(c) Interest on balances with Reserve Bank of India and other inter bank funds	845.31	2,346.77	1,886.47	8,154.40	7,440.22
2 Other Income	23,869.23	15,264.37	14,814.85	66,958.57	53,755.65
3 Total Income (1)+(2)	1,39,441.88	1,21,603.19	1,04,397.51	4,83,146.38	3,99,722.58
4 Interest Expended	44,876.69	41,588.84	34,337.27	1,61,715.39	1,42,113.36
5 Operating Expenses (i)+(ii)	55,926.27	52,103.07	41,669.65	2,03,830.24	1,70,414.53
(i) Employees Cost	30,392.21	29,200.17	20,858.01	1,09,667.60	89,820.84
(ii) Other Operating Expenses	25,534.06	22,902.90	20,811.64	94,162.64	80,593.69
6 Total Expenditure (4)+(5) (excluding provisions & contingencies)	1,00,802.96	93,691.91	76,006.92	3,65,545.63	3,12,527.89
7 Operating Profit before Provisions & Contingencies (3)-(6)	38,638.92	27,911.28	28,390.59	1,17,600.75	87,194.69
8 Provisions (other than tax) and Contingencies	12,560.27	4,990.20	12,317.37	40,720.35	49,383.69
9 Exceptional Items	-	-	-	-	-
10 Profit from Ordinary Activities before tax (7)-(8)-(9)	26,078.65	22,921.08	16,073.22	76,880.40	37,811.00
11 Tax Expense	7,074.88	5,908.45	4,122.33	19,521.35	9,737.82
12 Net Profit from Ordinary Activities after tax (10)-(11)	19,003.77	17,012.63	11,950.89	57,359.05	28,073.18
13 Extraordinary Items (net of Tax Expense)	-	-	-	-	-
14 Net Profit for the Period / Year (12)-(13)	19,003.77	17,012.63	11,950.89	57,359.05	28,073.18
15 Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	1,11,055.82	1,25,430.61	1,25,202.77	1,11,055.82	1,25,202.77
16 Reserves excluding Revaluation Reserves				4,04,738.95	2,99,414.09
17 Analytical Ratios and other disclosures:					
(i) Percentage of Shares held by Government of India	Nil	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio (%) - Basel-II (Refer note 8)	23.80%	24.28%	25.16%	23.80%	25.16%
(iii) Earnings Per Share (EPS) - (Face Value of ₹ 10/- each)					
- Basic EPS (₹) before & after extraordinary items (net of tax expense) *	1.71	1.36	1.00	4.71	2.43
- Diluted EPS (₹) before & after extraordinary items (net of tax expense) *	1.69	1.34	0.99	4.67	2.40
(iv) NPA Ratio					
(a) Gross NPAs	72,396.46	86,136.14	83,718.36	72,396.46	83,718.36
(b) Net NPAs	31,201.64	42,343.94	47,947.51	31,201.64	47,947.51
(c) % of Gross NPA to Gross Advances	2.76%	3.63%	4.24%	2.76%	4.24%
(d) % of Net NPA to Net Advances	1.21%	1.82%	2.47%	1.21%	2.47%
(v) Return on Assets (average) *	0.56%	0.53%	0.43%	1.82%	1.07%
(vi) Net worth (excluding Revaluation Reserve & Intangibles)	4,79,115.11	4,37,645.97	3,97,154.97	4,79,115.11	3,97,154.97
(vii) Outstanding redeemable preference shares	-	-	-	-	-
(viii) Capital redemption reserve	-	-	-	-	-
(ix) Debt-equity ratio \$	0.27	0.23	0.29	0.27	0.29
(x) Total debts to total assets @	8.51%	8.61%	9.71%	8.51%	9.71%

\* Not annualised for the quarter

\$ Debt represents borrowings with residual maturity of more than one year.

@ Total debts represents total borrowings of the Bank.



2 Segment information in accordance with the Accounting standard on Segment Reporting (AS-17) of the operating segments of the Bank is as under:

(₹ in Lakh)						
Sl No	Particulars	Quarter ended			Year ended	
		31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
		Audited	Audited (Refer note 19)	Audited (Refer note 19)	Audited	Audited
<b>1</b>	<b>Segment revenue</b>					
a)	Treasury	11,689.36	11,175.92	8,410.04	42,650.27	37,155.90
b)	Retail Banking	1,22,660.17	1,06,591.13	91,727.05	4,24,161.91	3,46,901.14
c)	Wholesale Banking	2,490.46	2,314.43	2,028.05	8,981.49	9,314.62
d)	Other Banking operations	2,601.89	1,521.71	2,232.37	7,352.71	6,350.92
e)	Unallocated	-	-	-	-	-
	Less: Inter segment revenue	-	-	-	-	-
	<b>Income from operations</b>	<b>1,39,441.88</b>	<b>1,21,603.19</b>	<b>1,04,397.51</b>	<b>4,83,146.38</b>	<b>3,99,722.58</b>
<b>2</b>	<b>Segment results</b>					
a)	Treasury	1,196.97	1,840.30	3,061.09	8,326.96	13,699.76
b)	Retail Banking	23,717.99	20,703.16	12,118.05	66,266.02	23,104.65
c)	Wholesale Banking	(146.05)	530.39	412.58	1,493.33	1,206.20
d)	Other Banking operations	2,395.75	1,259.78	1,916.65	6,155.97	5,348.91
e)	Unallocated	(1,086.01)	(1,412.55)	(1,435.15)	(5,361.88)	(5,548.52)
	<b>Profit before Tax</b>	<b>26,078.65</b>	<b>22,921.08</b>	<b>16,073.22</b>	<b>76,880.40</b>	<b>37,811.00</b>
<b>3</b>	<b>Segment assets</b>					
a)	Treasury	7,00,898.97	7,18,830.73	6,36,573.43	7,00,898.97	6,36,573.43
b)	Retail Banking	26,32,801.18	23,33,446.07	19,42,845.61	26,32,801.18	19,42,845.61
c)	Wholesale Banking	1,43,374.46	1,08,682.86	93,982.52	1,43,374.46	93,982.52
d)	Other Banking operations	-	-	-	-	-
e)	Unallocated	18,738.25	19,581.21	21,360.59	18,738.25	21,360.59
	<b>Total</b>	<b>34,95,812.86</b>	<b>31,80,540.87</b>	<b>26,94,762.15</b>	<b>34,95,812.86</b>	<b>26,94,762.15</b>
<b>4</b>	<b>Segment liabilities</b>					
a)	Treasury	5,97,175.89	6,14,148.64	5,34,382.59	5,97,175.89	5,34,382.59
b)	Retail Banking	22,55,631.59	20,07,225.73	16,53,940.05	22,55,631.59	16,53,940.05
c)	Wholesale Banking	1,22,860.63	93,479.89	79,347.68	1,22,860.63	79,347.68
d)	Other Banking operations	-	-	-	-	-
e)	Unallocated	4,349.98	1,673.79	2,474.97	4,349.98	2,474.97
	<b>Total</b>	<b>29,80,018.09</b>	<b>27,16,528.05</b>	<b>22,70,145.29</b>	<b>29,80,018.09</b>	<b>22,70,145.29</b>
<b>5</b>	<b>Capital Employed [Segment Assets-Segment Liabilities]</b>					
a)	Treasury	1,03,723.08	1,04,682.09	1,02,190.84	1,03,723.08	1,02,190.84
b)	Retail Banking	3,77,169.59	3,26,220.34	2,88,905.56	3,77,169.59	2,88,905.56
c)	Wholesale Banking	20,513.83	15,202.97	14,634.84	20,513.83	14,634.84
d)	Other Banking operations	-	-	-	-	-
e)	Unallocated	14,388.27	17,907.42	18,885.62	14,388.27	18,885.62
	<b>Total</b>	<b>5,15,794.77</b>	<b>4,64,012.82</b>	<b>4,24,616.86</b>	<b>5,15,794.77</b>	<b>4,24,616.86</b>

Business Segments have been identified and reported taking into account the target customer profile, the nature of products and services, the differing risks and returns, and guidelines prescribed by RBI and in compliance with the Accounting Standard 17 - "Segment Reporting". The methodology adopted in compiling and reporting the above information has been relied upon by the auditors.

The RBI vide its circular dated April 7, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub - segment of Retail Banking Segment. The Bank has not set up any DBUs and hence no Digital Banking Segment disclosure have been made. The business operations of the Bank are in India and for the purpose of segment reporting as per Accounting Standard-17 (Segment reporting) the bank is considered to operate only in domestic segment.

3 Statement of Assets and Liabilities as on March 31, 2023 is given below:

(₹ in Lakh)				
Sl No	Particulars	As at	As at	
		31-Mar-23	31-Mar-22	
		Audited	Audited	
	<b>CAPITAL AND LIABILITIES</b>			
1	Capital	1,11,055.82	1,25,202.77	
2	Reserves and Surplus	4,04,738.95	2,99,414.09	
3	Deposits	25,38,055.58	18,95,079.73	
4	Borrowings	2,97,376.00	2,61,640.00	
5	Other Liabilities and Provisions	1,44,586.51	1,13,425.56	
	<b>Total Liabilities</b>	<b>34,95,812.86</b>	<b>26,94,762.15</b>	
	<b>ASSETS</b>			
6	Cash and Balances With Reserve Bank of India	1,17,391.22	2,07,699.17	
7	Balances With Banks and Money At Call and Short Notice	7,034.55	5,552.29	
8	Investments	6,66,456.24	4,44,984.96	
9	Advances	25,79,855.66	19,37,420.60	
10	Fixed Assets	37,913.04	20,044.45	
11	Other Assets	87,162.15	79,060.68	
	<b>Total Assets</b>	<b>34,95,812.86</b>	<b>26,94,762.15</b>	



4 Statement of Cash Flow for the year ended March 31,2023 is given below:

(₹ in Lakh)

Particulars	Year Ended	
	31-Mar-23	31-Mar-22
	Audited	Audited
<b>Cash Flow from Operating activities</b>		
Profit Before Tax	76,880.40	37,811.00
<b>Adjustments for</b>		
Depreciation on fixed assets	8,453.78	7,528.31
Depreciation on investments	4,293.59	56.30
Amortization on held to maturity securities	2,421.31	2,169.29
Provision for standard assets (including restructured standard assets)	(7,747.00)	12,585.99
Additional Provision on Standard assets	(2,073.19)	2,607.68
Bad debts written off	40,983.61	36,045.73
Provision for Non performing assets	5,423.97	(1,890.12)
Other Provision and Contingencies	99.95	34.40
(Profit) / Loss on sale of fixed assets	4.12	30.65
Interest expenses on borrowings	30,802.75	31,980.45
Interest income on bank balances not considered as cash and cash equivalents	(196.90)	(189.38)
ESOP Expenses -Material Risk Takers/Whole Time Director	442.15	126.79
Dividend Income	(40.60)	(50.40)
	<b>1,59,747.94</b>	<b>1,28,846.69</b>
<b>Adjustments for</b>		
(Increase)/Decrease in investments	(2,28,186.18)	(76,693.95)
(Increase)/Decrease in advances	(6,88,842.64)	(2,86,757.30)
Increase/(Decrease) in deposits	6,42,975.85	2,55,882.55
(Increase)/Decrease in other assets	(7,545.96)	(13,792.66)
Increase/(Decrease) in other liabilities and provisions	41,399.06	24,280.64
<b>Cash flows generated/ (used in) operations</b>	<b>(80,451.93)</b>	<b>31,765.97</b>
Direct taxes paid	(19,314.60)	(15,819.22)
<b>Net cash (used in)/ generated from operating activities (A)</b>	<b>(99,766.53)</b>	<b>15,946.75</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(26,566.63)	(9,275.45)
Proceeds from sale of fixed assets	244.21	177.04
Interest received from bank balances not considered as cash and cash equivalents	196.90	189.38
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(26,125.52)</b>	<b>(8,909.03)</b>
<b>Cash flow from financing activities</b>		
Increase/(decrease) in borrowings (net)	35,736.00	(1,54,892.00)
Proceeds from issue of share capital (including share premium)	878.11	57,896.93
Share issue Expenses	-	(1,114.15)
Interest paid on borrowings	(30,602.80)	(33,547.79)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>6,011.31</b>	<b>(1,31,657.01)</b>
<b>Net Increase /(decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>(1,19,880.74)</b>	<b>(1,24,619.29)</b>
Cash and Cash equivalents at beginning of the year	2,13,251.46	3,37,870.75
Add: Pursuant to scheme of amalgamation (Refer note no.10)	31,055.05	-
<b>Cash and Cash equivalents at end of the year</b>	<b>1,24,425.77</b>	<b>2,13,251.46</b>

Note: Cash and Cash equivalents comprise of cash on hand, Balances with Reserve Bank of India, Balance with Banks and money at call and short notice.



**Notes**

- 5 The above audited financial results (along with the notes given below) hereafter described as "Statement" of Equitas Small Finance Bank Limited ("Bank" or "ESFBL") for the quarter and year ended March 31, 2023 were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 05, 2023 and have been subjected to an Audit by the statutory auditors of the Bank (T R Chadha & Co LLP, Chartered Accountants and Varma & Varma, Chartered Accountants). The report thereon is unmodified.
- 6 The above 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) Regulations, 2015, as amended and the guidelines issued by the Reserve Bank of India (RBI).
- 7 The Board of Directors at its meeting held on May 05, 2023, proposed a dividend of ₹ 1.00 per share (previous year: "Nil" ), subject to approval of the members at the ensuing Annual General Meeting. Effect of the proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratios as at March 31, 2023.
- 8 The Capital adequacy ratio ("CAR") of the Bank has been computed as per applicable Basel II Standardized approach in accordance with RBI Master Circular No. DBR.No.BP.BC.4./21.06.001/2015-16 dated July 1, 2015 on Prudential Guidelines on Capital Adequacy and Market Discipline – New Capital Adequacy Framework (NCAF).
- 9 The Bank makes Pillar III disclosures as part of Market Discipline as per the RBI circular. In addition to this, the Bank provides disclosures on Leverage ratio as per Basel III- Capital Regulations (vide Circular DOR.CAP.REC.3/21.06.201/2022-23 dt. April 1, 2022) Further, the bank makes disclosures on liquidity coverage ratio ( vide ref. RBI/2013-14/635 DBOD.BP.BC.No.120 / 21.04.098/2013-14 dt. June 9,2014 read together with the RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31st March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards-Amendments') and Net Stable Funding Ratio (vide ref. RBI/2017-18/178 DBR.BP.BC.No.106/21.04.098/2017-18 dt. May 17 2018) These disclosures are available on the Bank's website at the following link: <https://ir.equitasbank.com/reports-and-presentations/>.html. The disclosure has not been subjected to audit or limited review.
- 10 The Board of Directors of Equitas Small Finance Bank Limited (ESFBL) and Equitas Holdings Limited (EHL) at their respective Meetings held on March 21, 2022 approved the revised Scheme of Amalgamation (Scheme) between EHL, ESFBL and their respective shareholders, after complying with the Minimum Public Shareholding (MPS) requirements through Qualified Institutions Placement (QIP) of its equity shares in February 2022. The Scheme was then filed with the Stock Exchanges and RBI for necessary approvals/ sanctions, which were received duly. The Joint application filed by EHL and ESFBL for the Scheme under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with the Hon'ble National Company Law Tribunal, Chennai Bench (NCLT) was allowed by NCLT vide its Order dated 12th January 2023.  
  
The Appointed date under the Scheme approved by NCLT is 1st January 2023. Form INC-28 was filed with ROC, Chennai on February 01, 2023 by EHL and on February 02, 2023 by ESFBL respectively. Thus, the Scheme has become effective from February 02, 2023. The shareholders of EHL, on February 8, 2023, were allotted 231 equity Shares of ₹ 10/- each credited as fully paid up of ESFBL, in respect of every 100 Equity Shares of ₹ 10/- each held by them in EHL. The fractional entitlements were dealt with as provided in the approved scheme. Accordingly, ESFBL stands fully complied with all the statutory / regulatory requirements pertaining to the approved Scheme of Amalgamation.  
  
As per the approved Scheme of amalgamation, 933,943,363 shares held by Equitas Holdings Limited in the Bank are to be extinguished and 789,535,166 shares of the Bank are to be allotted to the shareholders of Equitas Holdings Limited upon the scheme becoming effective. The Board of Directors on their meeting held on February 8, 2023 have approved allotment and extinguishment of shares
- 11 The bank continues to monitor and assess the impact of COVID-19 Pandemic on its operations and financials, including the possibility of higher defaults by customers. The bank has considered the information available upto the date of these results and have made adequate provisions in this regard to the extent required.
- 12 Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as at March 31, 2023 are given below:

(₹ in Crore)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of previous half - year (A)\$	Of (A) aggregate debt that slipped into NPA during the half - year	Of (A) amount written off during the half -year #	Of (A) amount paid by the borrower during the half-year ##	Exposure to accounts classified as Standard consequent of implementation of resolution plan - Position as at end of this half-year
Personal Loans	11.70	1.26	0.02	1.03	9.41
Corporate persons*	8.72	1.03	0.26	1.85	5.84
Of which, MSMEs	4.73	0.75	0.09	1.26	2.72
Others	705.01	102.15	12.29	129.50	473.36
<b>Total</b>	<b>725.43</b>	<b>104.44</b>	<b>12.57</b>	<b>132.38</b>	<b>488.61</b>

\*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016  
# represents debt that slipped into NPA and was subsequently written off during the half year  
## includes change in the balances on account of interest  
\$ Excludes other facilities to the borrowers which have not been restructured

There were 805 borrower accounts having an aggregate exposure of ₹ 45.59 crores to the Bank, where resolution plans had been implemented under RBI's Resolution Framework 1.0 dated August 6, 2020 and were modified under RBI's Resolution Framework 2.0 dated May 5, 2021



13 Details of loans transferred / acquired during the quarter / year ended March 31, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) Details of Non performing advances (NPA) transferred

(Amount in ₹ .Crore except number of accounts and year)

Particulars	To ARCs	To permitted transferees	To other transferees
Number of accounts	4,91,963	0	0
Aggregate principal outstanding of loans transferred	581.27	0	0
Weighted average residual tenor of the loans transferred (in years)	0.03	0	0
Net book value of loans transferred (at the time of transfer)	0	0	0
Aggregate consideration	81.38	0	0
Additional consideration realized in respect of accounts transferred in earlier years	0	0	0

The Bank has reversed excess provision of ₹ 11.24 Crore to the Profit and Loss account on account of sale of Non performing advances to ARC

(ii) The Bank has not transferred any Special Mention Account (SMA) and loan not in default.

(iii) The Bank has not acquired any "loans not in default" from other entities through assignment.

(iv) The Bank has not acquired any stressed loan.

14 The Bank has granted 2,04,10,628 options under the ESFB Employees Stock Option Scheme 2019 (ESFB ESOP Scheme) to eligible employees of the Bank as defined during the year ended March 31, 2023. Out of total 7,96,76,018 options granted till March 31, 2023, 2,86,52,409 Options were vested and 1,69,76,094 options were lapsed and 1,99,62,337 options are yet to be vested.

15 During the year ended March 31, 2023, the Bank has allotted 29,38,696 equity shares of ₹ 10/- each, fully paid up, on exercise of options by its employees in accordance with the ESFB ESOP Scheme.

16 During the year ended March 31, 2023, The Bank has realised ₹ 7.46 Crore (Previous year: ₹ 7.80 Crore) from sale of Priority Sector Lending Certificates ('PSLC').

17 Other Income includes fees earned from providing services to customers, Interchange fee income, selling of third-party products, profit on sale of investments (net) (including provision for depreciation), profit on sale of Priority Sector Lending Certificates, recoveries from accounts previously written off, etc.,

18 The ratios and other information which are to be disclosed as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been disclosed to the extent applicable.

19 The figures for the quarter ended March 31, 2022, are the balancing figures between audited figures in respect of the full financial year 2021-22 and the published year to date figures upto the end of the third quarter of the financial year.

Figures for the quarter ended December 31, 2022 are the balancing figures between audited figures in respect of the nine months ended December 31, 2022 and published year to date figures upto September 30, 2022.

20 Previous period / year figures have been reclassified/regrouped, wherever necessary, to conform to the current period / year classification/ grouping.

For Equitas Small Finance Bank Limited



P N Vasudevan

Managing Director and Chief Executive Officer

Place: Chennai  
Date: May 5, 2023



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Chartered Accountants  
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**Independent Auditors Report on the quarterly and year to date financial results of Equitas Small Finance Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

To  
The Board of Directors  
Equitas Small Finance Bank Limited

**Report on Audit of the Statement of Financial Results**

**Opinion**

1. We have audited the accompanying Statement of Financial results of **Equitas Small Finance Bank Limited** ("the Bank") for the quarter ended 31st March 2023 and year to date results for the period from 1st April 2022 to 31st March 2023 ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"), except for the disclosures relating to 'Pillar 3 disclosure under Basel III Capital Regulations as at March 31, 2023, including Leverage Ratio and Liquidity Coverage Ratio under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India ('RBI') as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid financial results and have not been audited by us.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement;
  - a) is presented in accordance with the requirements of the Listing Regulations in this regard except for the disclosures relating to 'Pillar 3 disclosure under Basel III Capital Regulations as at March 31, 2023, including Leverage Ratio and Liquidity Coverage Ratio under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India ('RBI') as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid financial results and have not been audited by us; and
  - b) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Accounts) Rules, 2014 as amended to the extent applicable, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time (the "RBI Guidelines") and other accounting principles generally accepted in India of the net profit and other financial information for the quarter and year ended March 31, 2023.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditors' Responsibilities for the Audit of the Statement" 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 Statement, 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 audit opinion.



**Board of Director's Responsibility for the Statement**

4. The Statement which is the responsibility of the Bank's Management and approved by the Board of Directors, has been compiled from the annual audited financial statements. The Bank's Management and Board of Directors are responsible for the preparation of the Statement that give a true and fair view of the net profit and other financial information of the Bank in accordance with the recognition and measurement principles laid down in Accounting Standards specified under section 133 of the Act, the RBI Guidelines and other accounting principles generally accepted in India and in compliance with 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 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Statement by the Board of Directors of the Bank, as aforesaid.
5. In preparing the Statement, 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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors of the Bank are also responsible for overseeing the Bank's financial reporting process.

**Auditor's Responsibilities for the Audit of the Statement**

7. Our objectives are to obtain reasonable assurance about whether the Statement 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 the Statement.
8. 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 Statement, 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 controls 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 made by the Board of Directors.
  - Conclude on the appropriateness of the Board of Director'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 ability of the Bank 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 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
9. 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.
10. 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

Attention is invited to Note No. 19 to the Statement. As stated therein, the results for the quarter ended December 31, 2022, are the balancing figures between audited figures in respect of the nine months ended December 31, 2022, and unaudited year to date figures up to September 30, 2022.

Figures for the quarter ended 31<sup>st</sup> March 2022 is the balancing figure between the annual audited figures in respect of the full financial year ended on that date and the unaudited year to date figures up to the third quarter ended December 31, 2021.

For **T R Chadha & Co LLP**  
Chartered Accountants  
Firm Registration No 006711N/N500028



**Sheshu Samudrala**  
Partner  
ICAI Membership No. 235031  
UDIN: 23235031BGWCUW3061

Place: Chennai  
Date: 05.05.2023

For **Varma & Varma**  
Chartered Accountants  
Firm Registration No 004532S



**P R Prasanna Varma**  
Partner  
ICAI Membership No. 025854  
UDIN: 23025854BGRHXD4333

Place: Chennai  
Date: 05.05.2023

