

**JANA SMALL FINANCE BANK LIMITED**

CIN No: U65923KA2006PLC040028

**Registered Office :** The Fairway Business Park #10/1,11/2,12/2B,

Off Domlur, Koramangala Inner Ring Road, Next to EGL, Challaghatta, Bengaluru 560071

**FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2021**

(₹ in Crores)

Particulars	Three months ended		Six months ended		Year ended
	30.09.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	Audited	Audited	Audited	Audited	Audited
<b>I. INCOME</b>					
Interest earned	667.92	652.53	1,333.80	1,256.52	2,497.71
Other income	87.75	28.88	128.25	52.38	182.26
<b>TOTAL</b>	<b>755.67</b>	<b>681.41</b>	<b>1,462.05</b>	<b>1,308.90</b>	<b>2,679.97</b>
<b>II. EXPENDITURE</b>					
Interest expended	339.29	325.52	683.08	615.89	1,234.58
Operating expenses	291.83	250.43	560.19	495.15	1,047.31
Provisions and contingencies	117.20	63.11	208.49	115.43	313.77
<b>TOTAL</b>	<b>748.32</b>	<b>639.06</b>	<b>1,451.76</b>	<b>1,226.47</b>	<b>2,595.66</b>
<b>III. PROFIT/(LOSS)</b>					
Net profit for the period/year	7.35	42.35	10.29	82.43	84.31
Balance in Profit and Loss Account brought forward	(4,080.23)	(4,086.57)	(4,083.17)	(4,126.66)	(4,126.66)
<b>TOTAL</b>	<b>(4,072.88)</b>	<b>(4,044.23)</b>	<b>(4,072.88)</b>	<b>(4,044.23)</b>	<b>(4,042.35)</b>
<b>IV. APPROPRIATIONS</b>					
Transfer to Statutory Reserve	-	-	-	-	21.08
Transfer to Capital Reserve	0.89	-	0.89	-	3.14
Transfer to Investment Fluctuation Reserve	-	-	-	-	16.60
Balance carried over to Balance Sheet	(4,073.77)	(4,044.23)	(4,073.77)	(4,044.23)	(4,083.17)
<b>TOTAL</b>	<b>(4,072.88)</b>	<b>(4,044.23)</b>	<b>(4,072.88)</b>	<b>(4,044.23)</b>	<b>(4,042.35)</b>
<b>V. EARNINGS PER EQUITY SHARE</b> (Face value of per share ₹ 10 per share) (Quarterly and half yearly earnings per share is not annualised)					
Basic (₹)	1.45	8.35	2.03	16.25	16.62
Diluted (₹)	1.36	7.92	1.91	15.42	15.61

**Segment information in accordance with the Accounting standard on Segment Reporting (AS 17) and RBI guidelines of the operating segment of the bank for the quarter and half year ended September 30, 2021**

(₹ in Crores)

Particulars	Three months ended		Six months ended		Year ended
	30.09.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	Audited	Audited	Audited	Audited	Audited

**Segment Revenue:**

Treasury	242.73	195.11	478.14	375.55	794.96
Corporate/Wholesale Banking	34.65	11.22	60.66	20.57	58.89
Retail Banking	939.23	921.16	1,856.91	1,777.65	3,565.24
Other Banking operations	1.81	1.81	3.62	3.62	7.25
<b>Total Revenue</b>	<b>1,218.42</b>	<b>1,129.30</b>	<b>2,399.33</b>	<b>2,177.39</b>	<b>4,426.34</b>
Less: Inter Segment Revenue	(462.75)	(447.89)	(937.28)	(868.49)	(1,746.37)
<b>Income from Operations</b>	<b>755.67</b>	<b>681.41</b>	<b>1,462.05</b>	<b>1,308.90</b>	<b>2,679.97</b>

**Segment Results (net of provisions)**

Treasury	(33.02)	(57.51)	(81.63)	(65.18)	(97.75)
Corporate/Wholesale Banking	6.99	1.22	13.52	2.98	7.77
Retail Banking	33.65	99.41	78.83	145.82	176.34
Other Banking operations	(0.27)	(0.77)	(0.43)	(1.19)	(2.05)
Unallocated	-	-	-	-	-
<b>Profit/(Loss) before tax</b>	<b>7.35</b>	<b>42.35</b>	<b>10.29</b>	<b>82.43</b>	<b>84.31</b>

**Segment Assets**

Treasury	7,335.54	4,561.09	7,335.54	4,561.09	6,942.53
Corporate/Wholesale Banking	1,343.52	400.86	1,343.52	400.86	874.94
Retail Banking	11,126.24	10,109.05	11,126.24	10,109.05	11,016.79
Other Banking operations	15.82	21.06	15.82	21.06	18.45
Unallocated	208.08	251.37	208.08	251.37	232.86
<b>Total</b>	<b>20,029.20</b>	<b>15,343.43</b>	<b>20,029.20</b>	<b>15,343.43</b>	<b>19,085.57</b>

**Segment Liabilities**

Treasury	5,514.60	3,464.55	5,514.60	3,464.55	4,916.07
Corporate/Wholesale Banking	12.44	2.36	12.44	2.36	7.45
Retail banking	13,345.46	10,734.47	13,345.46	10,734.47	13,006.92
Other banking operations	-	-	-	-	-
Unallocated	19.26	15.81	19.26	15.81	28.27
<b>Total</b>	<b>18,891.76</b>	<b>14,217.19</b>	<b>18,891.76</b>	<b>14,217.19</b>	<b>17,958.71</b>

**Capital employed:**

(Segment assets - Segment liabilities)

Treasury	1,820.94	1,096.54	1,820.94	1,096.54	2,026.46
Corporate/wholesale banking	1,331.08	398.50	1,331.08	398.50	867.49
Retail banking	(2,219.22)	(625.42)	(2,219.22)	(625.42)	(1,990.13)
Other banking operations	15.82	21.06	15.82	21.06	18.45
Unallocated	188.82	235.56	188.82	235.56	204.59
<b>Total</b>	<b>1,137.44</b>	<b>1,126.24</b>	<b>1,137.44</b>	<b>1,126.24</b>	<b>1,126.86</b>

**Segment Notes:**

The Reportable segments are identified into following in compliance with the RBI guidelines and Accounting Standard.

**a) Treasury**

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

**b) Retail Banking**

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

**c) Wholesale Banking**

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

**d) Other Banking Operation**

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

**e) Unallocated**

All items which are reckoned at an enterprise level are classified under this segment. This includes capital and reserves, and other unallocable assets and liabilities not identifiable to particular segment such as deferred tax, prepaid expenses, etc.

**Statement of Assets and Liabilities of the Bank as at September 30, 2021****(₹ in Crores)**

<b>Particulars</b>	<b>As at 30.09.2021 (Audited)</b>	<b>As at 30.09.2020 (Audited)</b>	<b>As at 31.03.2021 (Audited)</b>
<b>CAPITAL AND LIABILITIES</b>			
Capital	200.73	200.73	200.73
Reserves and surplus	936.71	925.50	926.13
Deposits	12,771.31	10,229.91	12,385.93
Borrowings	5,409.11	3,365.69	4,815.32
Other liabilities and provisions	711.34	621.60	757.46
<b>TOTAL</b>	<b>20,029.20</b>	<b>15,343.43</b>	<b>19,085.57</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	556.77	362.73	462.47
Balance with banks and money at call and short notice	2,444.16	212.37	1,797.48
Investments	4,377.99	3,966.49	4,697.79
Advances	12,120.26	10,217.27	11,611.92
Fixed assets	177.22	236.08	212.06
Other assets	352.80	348.49	303.85
<b>TOTAL</b>	<b>20,029.20</b>	<b>15,343.43</b>	<b>19,085.57</b>
Contingent liabilities	52.23	37.16	47.46

**Cash flow statement as on September 30, 2021**
**(₹ in Crores)**

Particulars		Half year ended	Half year ended	Year ended
		30.09.2021 (Audited)	30.09.2020 (Audited)	31.03.2021 (Audited)
<b>A. Cash flow from operating activities</b>				
Net profit before taxes		10.29	82.43	84.31
Adjustments for:				
Depreciation on bank's property		45.35	42.05	82.68
Loss on sale of fixed assets		0.21	1.92	7.73
Employee stock option expenses		0.30	0.29	(0.97)
Provision for non performing assets		111.88	(8.01)	6.06
Bad debts written off (net of recoveries)		43.24	16.90	232.70
Provision for standard assets (including standard restructured accounts)		53.29	105.29	78.23
Premium amortisation on HTM investments		1.49	2.66	4.50
<b>Operating profit before working capital changes</b>	<b>(i)</b>	<b>266.05</b>	<b>243.53</b>	<b>495.24</b>
<b>Movement in working capital</b>				
(Increase)/Decrease in investments		1,688.11	8.39	(828.97)
(Increase)/Decrease in advances		(716.76)	(374.84)	(1,972.30)
Increase/(Decrease) in deposits		385.38	577.96	2,733.98
(Increase)/Decrease in other assets		(49.33)	(52.09)	(2.17)
Increase/(Decrease) in other liabilities and provisions		(46.12)	71.25	207.11
<b>Net change in working capital</b>	<b>(ii)</b>	<b>1,261.28</b>	<b>230.67</b>	<b>137.65</b>
<b>Direct taxes paid (net of refunds)</b>	<b>(iii)</b>	<b>0.37</b>	<b>1.14</b>	<b>(4.14)</b>
<b>Net cash flow from operating activities (i)+(ii)+(iii)</b>	<b>(A)</b>	<b>1,527.71</b>	<b>475.35</b>	<b>628.76</b>
<b>B. Cash flow used in investing activities</b>				
Purchase of fixed assets		(10.80)	(20.06)	(42.72)
Proceeds from sale of fixed assets		0.07	0.03	0.27
(Increase)/Decrease of held-to-maturity securities		(1,369.80)	(1,327.49)	(1,223.28)
<b>Net cash (used in) investing activities</b>	<b>(B)</b>	<b>(1,380.53)</b>	<b>(1,347.52)</b>	<b>(1,265.73)</b>
<b>C. Cash Flow from financing activities</b>				
Proceeds from issue of equity shares		-	0.01	0.01
Securities premium received		-	-	-
Repayment borrowings (including IBPC)		593.79	466.97	1,916.61
<b>Net cash used in financing activities</b>	<b>(C)</b>	<b>593.79</b>	<b>466.98</b>	<b>1,916.62</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A)+(B)+(C)</b>	<b>740.98</b>	<b>(405.20)</b>	<b>1,279.65</b>
Cash and cash equivalents as at beginning of the year		2,259.95	980.30	980.30
Cash and cash equivalents as at end of the period/year		3,000.93	575.10	2,259.95

**Notes:**

- 1 The audited financial results for the quarter and half year ended September 30, 2021 have been reviewed by the Audit Committee and recommended for adoption to the Board of Directors. The Board of Directors of the Bank have considered and approved the same at its meeting held on November 12, 2021. The above financial results for the quarter and half year ended September 30, 2021 have been audited by the joint statutory auditors, M M Nissim & Co LLP, Chartered Accountants and Brahmayya & Co., Chartered Accountants. The financial results for quarter and half year ended September 30, 2020 and year ended March 31, 2021 were audited by MSKC & Associates, Chartered Accountants on which they had issued unmodified opinion.
- 2 The Statutory Auditors have carried out audit of the financial results as prepared by Bank pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have issued an unmodified opinion thereon.
- 3 The Bank has followed consistently the same significant accounting policies in the preparation of quarterly and half yearly financial results for the period ended September 30, 2021 and the annual financial statements for the year ended March 31, 2021, except for the share based payments to employees, where the RBI, vide its clarification dated August 30, 2021 on Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function Staff, advised Banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending March 31, 2021. Accordingly, fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model and is recognised as compensation expense over the vesting period. The Bank has granted stock options during the quarter and half year ended September 30, 2021 under its Employee Stock Option Plan and has recognised fair value of Options in Profit and Loss Account amounting to ₹ 0.01 crores.
- 4 These financial results have been prepared in accordance with the Banking Regulations Act 1949, generally accepted accounting principles in India, including Accounting Standards as prescribed under Section 133 of the Companies Act, 2013, Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) , 2015, as amended and the guidelines issued by the Reserve Bank of India (RBI) from time to time.
- 5 The RBI has issued Master Direction on Financial Statements - Presentation and Disclosures on 30th August, 2021, accordingly the recoveries from written off accounts, which was earlier included as part of Other Income have now been considered as a credit to Provisions and Contingencies. Accordingly, the Bank has reclassified the recovery from written off accounts of ₹ 21.60 crores during the half year ended September 30, 2021 (₹ 14.51 crores during the quarter ended September 30, 2021, ₹ 25.62 crores during the half year ended September 30, 2020, ₹ 12.11 crores during the quarter ended September 30, 2020 and ₹ 52.82 crores during the year ended March 31, 2021) There is no impact of this change on the net Profit of the current and earlier periods.
- 6 The outbreak of the COVID-19 pandemic had led to a nation-wide lockdown in March 2020. This was followed by localised lockdowns in areas with a significant number of COVID-19 cases. Following the easing of lockdown measures, there was an improvement in economic activity in the second half of fiscal 2021. India experienced a "second wave" of the COVID-19 pandemic in April-May 2021 following the discovery of mutant coronavirus variants, leading to the re-imposition of regional lockdowns. These were gradually lifted as the second wave subsided.

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 and in collection efficiency. 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, will continue to impact the Bank's operations and financial results will depend on ongoing and 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 the Bank.

To take care of any likely impact of such COVID-19 induced uncertainties, the Bank is carrying an additional NPA provision of ₹ 69 crores and additional standard asset provision of ₹ 64 crores as at September 30, 2021 over and above the RBI stipulated minimum provisioning requirement.

- 7 (i) 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 (Resolution Framework 1.0):

₹ in Crores except number of accounts

Type of Borrower	Number of accounts where resolution plan has been implemented under this window (A)	Exposure to accounts mentioned at (A) before implementation of the plan (B)	Of (B), aggregate amount of debt that was converted into other securities (C)	Additional funding sanctioned, if any, including between invocation of the plan and implementation (D)	Increase in provisions on account of the implementation of the resolution plan (E)
Personal Loans	35,446	169.65	-	-	7.55
Corporate Persons	-	-	-	-	-
'of which MSMEs	-	-	-	-	-
Others	2,79,314	825.83	-	-	32.12
<b>Total</b>	<b>3,14,760</b>	<b>995.48</b>	<b>-</b>	<b>-</b>	<b>39.67</b>

₹ in Crores except number of accounts

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A) amount written off during the half-year (C)	Of (A) amount paid by the borrowers during the half-year (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year (E)
Personal Loans	169.65	6.99	-	44.43	118.23
Corporate Persons	-	-	-	-	-
'of which MSMEs	-	-	-	-	-
Others	825.83	24.93	0.01	278.92	521.97
<b>Total</b>	<b>995.48</b>	<b>31.92</b>	<b>0.01</b>	<b>323.35</b>	<b>640.20</b>

(ii) Details of resolution plans implemented under the Resolution Framework for Covid-19 related stress of individuals and small borrowers as per RBI circular dated May 5, 2021 (Resolution Framework 2.0):

Sl. No.	Description	Individual Borrowers		Small Businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	722	25,011	-
(B)	Number of accounts where resolution plan has been implemented under this window	667	24,994	-
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	24.89	81.63	-
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan	2.42	5.45	-

- 8 As per Small Finance Bank Licensing Guidelines issued by the RBI, the equity shares of the Bank are required to be listed on a stock exchange in India within three years from the date of commencement of banking business i.e., March 27, 2021. The Bank has filed draft red herring prospectus (DRHP) with Securities Exchange Board of India (SEBI) on March 31, 2021 and received SEBI's approval to raise funds through IPO on July 12, 2021.
- 9 The Bank has carried forward business losses on which, the net deferred tax asset amounting to ₹ 965.74 crores as at September 30, 2021 has not been recognised in the absence of virtual certainty. The said amount is available for set off against future income-tax liability subject to availability of sufficient taxable income in the years of set off.
- 10 The Bank had allotted 1,031 equity shares during the half year ended September 30, 2021, pursuant to the exercise of options under the approved employee restricted stock units scheme.
- 11 The Bank had raised subordinated debt of ₹ 50 crores in the nature of Tier-II capital during the half year ended September 30, 2021.
- 12 Other income includes fees earned by providing services to customers, income from sale of priority sector lending certificates, profit on sale of investments (net) and lease income.
- 13 The Capital Adequacy Ratio (CAR) has been computed in accordance with RBI Circular No. RBI/2016-17/81 DBR.NBD.No. 26/16.13.218/2016-17 dated October 6, 2016 on Operating Guidelines for Small Finance Banks. As per the said circular, prudential regulatory framework will largely be drawn from the Basel standards for capital requirements and Basel II standardized approach for credit risk. Further, the RBI vide its Circular No. DBR.NBD.No.4502/16.13.218/2017-18 dated November 08, 2017 has provided an exemption to all Small Finance Banks whereby no separate capital charge is prescribed for market risk and operational risk. Further, Pillar III disclosures will be made available on the Bank's website at the following link: <https://www.janabank.com/regulatory-disclosures/>. These disclosures have not been subjected to audit by the auditors.
- 14 Previous period/year figures have been regrouped / reclassified, wherever necessary to conform with the current period/year presentation.

**For and on behalf of the Board of Directors**

**Bengaluru, November 12, 2021**

**Ajay Kanwal**  
**Managing Director & Chief Executive Officer**

**Independent Auditor's Report on Quarter and Half year ended Financial Results of  
Jana Small Finance Bank Limited pursuant to the Regulation 52 of the SEBI (Listing  
Obligations and Disclosure Requirements), 2015**

**THE BOARD OF DIRECTORS OF  
JANA SMALL FINANCE BANK LIMITED**

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

**Opinion**

1. We have audited the accompanying Financial Results of Jana Small Finance Bank Limited ("the Bank") for the quarter and half year ended September 30, 2021 (the "Statement") attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), except for the disclosures relating to Pillar 3 disclosure as at September 30, 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.

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

- i. is presented in accordance with the requirements of regulation 52 of the Listing Regulations; and
- ii. 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 half year ended September 30, 2021.



## **Basis for Opinion**

2. 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 Auditor's Responsibilities for the Audit of the 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 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 opinion.

## **Emphasis of Matter**

3. We draw attention to Note 6 to the audited financial results, which describes the extent to which the COVID-19 pandemic will continue to impact the bank's results will depend on ongoing and future developments which are uncertain.

Our opinion is not modified in respect of this matter.

## **Board of Directors' Responsibility for the Financial Results**

4. The Bank's Board of Directors are responsible for the preparation of the Statement that gives 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 Standard -25 "Interim Financial Reporting" (AS-25) 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 and RBI Guidelines 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.

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 the Board of Directors

either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Results**

5. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 this statement.

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing our opinion on whether the Bank has internal financial controls with reference to the Statement 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 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 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 Statement 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.

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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 Matter**

6. The audit of half yearly financial results for the period ended September 30, 2020 and audit of financial statements for the year ended March 31, 2021 included in the Statement were conducted by predecessor statutory auditor MSKC & Associates, Chartered Accountants, who had expressed unmodified opinion vide their audit reports dated November 6, 2020 and May 13, 2021 respectively. Accordingly, we M M Nissim & Co LLP, Chartered Accountants and Brahmayya & Co., Chartered Accountants do not express any opinion on the figures reported in the financial results for the period ended September 30, 2020 and year ended March 31, 2021.

**For M M Nissim & Co LLP**  
**Chartered Accountants**  
Firm Registration No: 107122W/W100672

**For Brahmayya & Co.,**  
**Chartered Accountants**  
Firm Registration No: 000515S

**Sanjay Khemani**  
Partner  
Membership No: 044577  
UDIN: 21044577AAAABB8673

**G. Srinivas**  
Partner  
Membership No: 086761  
UDIN: 21086761AAA AES5614

Date: November 12,2021  
Place: Go Gram, Jaipur

Date: November 12,2021  
Place: Bengaluru