

INDEPENDENT AUDITORS' REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF BANDHAN BANK LIMITED

Opinion and Conclusion

We have (a) audited the Financial Results for the year ended March 31, 2021 and (b) reviewed the Financial Results for the quarter ended March 31, 2021 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Financial Results for the Quarter and Year Ended March 31, 2021" of **BANDHAN BANK LIMITED** (the "Bank"), (the "Statement"), 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 disclosures, 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 Note 7 to the Statement and have not been audited by us.

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended March 31, 2021:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Accounting Standards prescribed under Section 133 of the Companies Act 2013, read with relevant rules issued thereunder, in so far as they apply to banks, 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 and other accounting principles generally accepted in India of the net profit and other financial information of the Bank for the year then ended.

(b) Conclusion on Unaudited Financial Results for the quarter ended March 31, 2021

With respect to the Financial Results for the quarter ended March 31, 2021, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended March 31, 2021, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standards, 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 and other accounting

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principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Financial Results for the year ended March 31, 2021

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 Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended March 31, 2021 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 8 to the Statement which fully describes that the Bank has recognised provision on loans to reflect the continuing uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion/conclusion is not modified in respect of this matter.

Management's Responsibilities for the Statement

This Statement which includes the Financial Results is the responsibility of the Bank's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended March 31, 2021 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Financial Results for the quarter and year ended March 31, 2021 that give a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles laid down in the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder, in so far as they apply to banks, 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 and other accounting principles generally accepted in India 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 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

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the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, 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 are also responsible for overseeing the financial reporting process of the Bank.

Auditor's Responsibilities

(a) Audit of the Financial Results for the year ended March 31, 2021

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2021 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 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, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- 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

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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 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 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.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Bank to express an opinion on the Annual Financial Results.

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

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. 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.

(b) Review of the Financial Results for the quarter ended March 31, 2021

We conducted our review of the Financial Results for the quarter ended March 31, 2021 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Bank's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under Section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

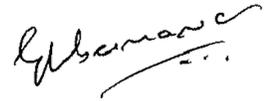
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Other Matter

The Statement includes the results for the Quarter ended March 31, 2021 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Reg. No 117365W)



G. K. Subramaniam
(Partner)
(Membership No. 109839)
UDIN: 21109839AAAAFR2245

Mumbai, May 8, 2021



Bandhan Bank Limited
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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 4	Unaudited	Audited Refer Note 4	Audited	Audited
1 Interest Earned (a+b+c+d)	3,00,065.75	3,30,783.76	2,84,628.97	12,52,421.19	10,88,549.33
a) Interest/discount on advances/bills	2,57,046.13	2,90,682.15	2,46,323.61	10,89,179.39	9,48,624.40
b) Income on Investments	35,684.95	31,576.85	24,654.14	1,17,415.24	83,280.63
c) Interest on balance with Reserve Bank of India and other inter bank funds	1,245.46	1,835.73	3,016.09	11,821.12	16,325.54
d) Others	6,089.21	6,689.03	10,635.13	34,005.44	40,318.76
2 Other Income	78,725.39	55,328.49	50,018.32	2,10,905.97	1,54,919.74
3 Total Income (1+2)	3,78,791.14	3,86,112.25	3,34,647.29	14,63,327.16	12,43,469.07
4 Interest Expended	1,24,365.42	1,23,610.38	1,16,625.30	4,96,085.63	4,56,157.90
5 Operating Expenses	81,477.86	71,093.44	65,952.95	2,81,715.58	2,42,654.22
I) Employees Cost	42,568.93	43,475.66	36,207.08	1,66,463.04	1,36,704.08
II) Other Operating Expenses	38,908.93	27,617.78	29,745.87	1,15,252.54	1,05,950.14
6 Total Expenditure (4+5) (Excluding provisions & Contingencies)	2,05,843.28	1,94,703.82	1,82,578.25	7,77,801.21	6,98,812.12
7 Operating Profit before Provisions & Contingencies (3-6)	1,72,947.86	1,91,408.43	1,52,069.04	6,85,525.95	5,44,656.95
8 Provisions (other than tax) & Contingencies	1,59,430.52	1,06,873.10	82,736.46	3,90,660.46	1,39,315.09
9 Exceptional Items	-	-	-	-	-
10 Profit from ordinary activities before tax (7-8-9)	13,517.34	84,535.33	69,332.58	2,94,865.49	4,05,341.86
11 Tax Expenses	3,214.09	21,276.17	17,604.05	74,319.79	1,02,968.12
12 Net Profit from ordinary activities after tax (10-11)	10,303.25	63,259.16	51,728.53	2,20,545.70	3,02,373.74
13 Extraordinary Items (net of tax expenses)	-	-	-	-	-
14 Net Profit for the period (12-13)	10,303.25	63,259.16	51,728.53	2,20,545.70	3,02,373.74
15 Paid up equity share capital (Face value of ₹10/- each)	1,61,059.92	1,61,037.99	1,61,024.78	1,61,059.92	1,61,024.78
16 Reserve excluding revaluation reserves				15,79,758.45	13,58,521.15
17 Analytical Ratios					
(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL	NIL
(ii) Capital Adequacy Ratio	23.47	26.17	27.43	23.47	27.43
(iii) Earning per share					
(a) Basic EPS before & after extraordinary Items*	0.64	3.93	3.21	13.70	18.78
(b) Diluted EPS before & after extraordinary Items*	0.64	3.92	3.21	13.69	18.76
(iv) NPA Ratios					
(a) Gross NPAs	5,75,775.83	85,921.93	99,277.67	5,75,775.83	99,277.67
(b) Net NPAs	2,86,103.22	20,133.76	38,939.75	2,86,103.22	38,939.75
(c) % of Gross NPAs to Gross Advances	6.81%	1.11%	1.48%	6.81%	1.48%
(d) % of Net NPAs to Net Advances	3.51%	0.26%	0.58%	3.51%	0.58%
(v) Return on Assets (average)*	0.09%	0.61%	0.59%	2.13%	3.64%

* Figures for the quarters are not annualised





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Segment information in accordance with the Accounting standard on Segment Reporting (AS 17) of the operating segment of the bank is as under:

Particulars	Quarter Ended			Year Ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
	Audited Refer Note 4	Unaudited	Audited Refer Note 4	Audited	Audited
1 Segment Revenue					
a) Treasury	48,054.87	50,243.03	44,079.42	2,11,058.68	2,01,481.62
b) Retail Banking	3,23,456.26	3,25,612.19	2,86,403.84	12,33,211.03	10,71,213.05
c) Wholesale Banking	10,934.49	12,696.47	13,397.60	51,101.79	46,167.60
d) Other Banking Operations	8,221.71	5,043.70	3,454.87	20,371.88	7,601.85
e) Unallocated	-	-	-	-	-
Total	3,90,667.33	3,93,595.39	3,47,335.73	15,15,743.38	13,26,464.12
Less: Inter segment revenue	11,876.19	7,483.14	12,688.44	52,416.22	82,995.05
Income from operations	3,78,791.14	3,86,112.25	3,34,647.29	14,63,327.16	12,43,469.07
2 Segment Results					
a) Treasury	13,692.10	26,898.52	18,787.24	86,740.28	61,183.90
b) Retail Banking	(11,266.59)	48,356.96	44,192.29	1,73,735.04	3,27,657.25
c) Wholesale Banking	2,967.94	4,383.90	3,081.29	14,458.76	9,246.91
d) Other Banking Operations	8,123.89	4,895.95	3,271.76	19,931.41	7,253.80
e) Unallocated	-	-	-	-	-
Total Profit Before Tax	13,517.34	84,535.33	69,332.58	2,94,865.49	4,05,341.86
3 Segment Assets					
a) Treasury	30,63,669.08	27,59,906.16	23,43,531.45	30,63,669.08	23,43,531.45
b) Retail Banking	79,46,619.54	74,58,910.19	63,37,177.45	79,46,619.54	63,37,177.45
c) Wholesale Banking	4,38,409.78	4,33,550.90	4,67,275.07	4,38,409.78	4,67,275.07
d) Other Banking Operations	1,351.87	1,208.24	1,075.94	1,351.87	1,075.94
e) Unallocated	49,255.09	76,236.89	22,720.00	49,255.09	22,720.00
Total	1,14,99,305.36	1,07,29,812.38	91,71,779.91	1,14,99,305.36	91,71,779.91
4 Segment Liabilities					
a) Treasury	19,44,489.88	13,47,700.55	19,31,984.84	19,44,489.88	19,31,984.84
b) Retail Banking	75,71,780.25	74,25,398.00	56,18,060.49	75,71,780.25	56,18,060.49
c) Wholesale Banking	2,34,824.63	1,68,323.20	87,525.59	2,34,824.63	87,525.59
d) Other Banking Operations	-	-	-	-	-
e) Unallocated	7,392.23	58,355.06	14,663.06	7,392.23	14,663.06
Total	97,58,486.99	89,99,776.81	76,52,233.98	97,58,486.99	76,52,233.98
5 Capital Employed					
a) Treasury	11,19,179.20	14,12,205.61	4,11,546.61	11,19,179.20	4,11,546.61
b) Retail Banking	3,74,839.29	33,512.19	7,19,116.96	3,74,839.29	7,19,116.96
c) Wholesale Banking	2,03,585.15	2,65,227.70	3,79,749.48	2,03,585.15	3,79,749.48
d) Other Banking Operations	1,351.87	1,208.24	1,075.94	1,351.87	1,075.94
e) Unallocated	41,862.86	17,881.83	8,056.94	41,862.86	8,056.94
Total	17,40,818.37	17,30,035.57	15,19,545.93	17,40,818.37	15,19,545.93

Notes:

i) Treasury :

Includes investments in sovereign securities and trading operations. It also includes the central funding unit.

ii) Retail banking :

Includes lending to individuals/small businesses through the branch network and other delivery channels subject to the orientation, nature of product, granularity of the exposure and low value of individual exposure thereof. It also includes liability products, card services, internet banking, mobile banking, ATM services and NRI services. All deposits sourced by branches are classified in retail category.

iii) Corporate/Wholesale Banking:

Includes SME/ Corporate relationships not included under Retail Banking.

iv) Other Banking Business :

Includes para banking activities like third party product distribution.





Notes:

1 Statement of Assets and liabilities as at March 31,2021 is given below :

Particulars	(₹ in lakhs)	
	As at 31.03.2021 Audited	As at 31.03.2020 Audited
Capital & Liabilities		
Capital	1,61,059.92	1,61,024.78
Reserves & Surplus	15,79,758.45	13,58,521.15
Deposits	77,97,222.48	57,08,150.36
Borrowings	16,96,035.72	16,37,917.71
Other Liabilities and Provisions	2,65,228.79	3,06,165.91
Total	1,14,99,305.36	91,71,779.91
Assets		
Cash and Balances with Reserve Bank of India	5,23,538.64	6,34,490.74
Balances with Banks and Money at call and short notice	95,755.83	2,00,799.71
Investments	25,15,538.75	15,35,177.44
Advances	81,61,287.59	66,62,994.77
Fixed Assets	48,671.21	36,876.74
Other Assets	1,54,513.34	1,01,440.51
Total	1,14,99,305.36	91,71,779.91

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

Particulars	(₹ in lakhs)	
	As at 31.03.2021 Audited	As at 31.03.2020 Audited
Cash flow from Operating Activities :		
Profit Before Taxation	2,94,865.49	4,05,341.86
Adjustments for :		
Depreciation and amortization	10,306.49	8,025.58
Provisions & Contingencies	3,75,769.01	1,40,235.06
Interest Income from fixed deposits	(317.21)	(1,927.63)
Profit on sale of Held-to-maturity (HTM) securities	(15,080.86)	(2,039.13)
Interest Income for Investments In Held-to-maturity (HTM) securities	(82,279.73)	(55,851.38)
Provision for depreciation in value of Investments	8,680.58	(919.98)
(Profit)/Loss on sale of fixed assets	(111.34)	(48.64)
Operating Profit Before Working Capital Changes	5,91,832.42	4,92,815.74
Movements in working capital :		
(Increase) in Advances	(19,37,667.25)	(10,23,095.44)
(Increase)/Decrease In Other Assets	(19,593.56)	9,995.73
(Increase)/Decrease In Investment In HFT & AFS securities	(7,40,996.34)	35,343.35
Increase In Deposit	20,89,072.13	12,29,378.52
Increase/(Decrease) In Other Current Liabilities and Provisions	31,783.87	26,999.55
Cash flows generated/ (used In) operations	14,431.27	7,71,437.45
Direct Taxes Paid (net of refunds)	(1,08,887.03)	(1,13,136.50)
Net Cash flows generated from Operating Activities (A)	(94,455.76)	6,58,300.95
Cash flow from Investing Activities :		
Purchase of Fixed Assets/Capital work-in-progress	(22,251.13)	(10,319.50)
Sale of Fixed Assets/Capital work-in-progress	261.51	99.62
Interest Income from fixed deposits	332.90	1,909.76
Interest Income for Investments In Held-to-maturity (HTM) securities	74,236.43	45,782.51
Purchase of equity shares	-	(30,000.00)
(Increase)/Decrease In Held to Maturity Investment	(2,32,964.69)	(5,38,624.38)
Deposits (created)/encashed with banks and financial institutions	(2.07)	(2.03)
Net Cash flows used in Investing Activities (B)	(1,80,387.05)	(5,31,154.02)
Cash flow from Financing Activities :		
Dividend paid (Including Dividend Distribution Tax)	-	(60,845.01)
Proceeds from share issue (Including share premium)	726.75	894.80
Payment for merger related expenses	-	(8,550.55)
Proceeds from/ (Repayment) of short term borrowings	1,04,565.72	(69,499.46)
Proceeds from/ (Repayment) of long term borrowings	(46,447.72)	1,53,420.39
Net Cash flows generated from Financing Activities(C)	58,844.75	15,420.17
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	(2,15,998.06)	1,42,567.10
Cash And Cash Equivalents At The Beginning of the year	8,35,241.07	5,80,218.31
Add: Cash Acquired on acquisition of assets and liabilities from erstwhile GRUH Finance Limited (GRUH)	-	1,12,455.66
Cash And Cash Equivalents At The End of the year	6,19,243.01	8,35,241.07





Notes:

- 3 The above results were approved by the Board of Directors of the Bank at its meeting held on May 08, 2021. The results for year ended March 31, 2021 have been subjected to audit by the statutory Auditors of the Bank and the report thereon is unmodified.
- 4 The figures of the last quarter in each of the financial years are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the respective financial year, which was subjected to a limited review by the auditors.
- 5 During the quarter ended March 31, 2021, the Bank has allotted 2,19,304 Equity Shares of Rs.10/- each in respect of stock option exercised aggregating to Rs 479.57 lakhs. Accordingly, share capital increased by Rs. 21.93 lakhs and share premium increased by Rs 457.64 lakhs.
- 6 The Board of Directors at its meeting held on May 8, 2021, has proposed a dividend of ₹ 1 per share for the year ended March 31, 2021, subject to the approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, the Bank has not accounted for proposed dividend aggregating : ₹ 16,105.99 Lakhs (previous year: ₹ NIL) as a liability for the year ended March 31, 2021. However, the Bank has reckoned proposed dividend in determining capital funds in computing capital adequacy ratio as at March 31, 2021.
- 7 The RBI Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 as amended on 'Basel III Capital Regulations' contain guidelines on certain Pillar 3, Leverage Ratio and Liquidity Coverage Ratio disclosure requirements that are to be made along with the publication of financial results. Accordingly, such applicable disclosures have been placed on the website of the Bank which can be accessed at the following link: <http://www.bandhanbank.com>. These disclosures are not required to be subject to audit / limited review and have not been audited/reviewed by the Statutory Auditors.
- 8 COVID-19 virus, a global pandemic has affected the world economy including India. The extent to which the COVID-19 pandemic including the current second wave witnessed in the country, will continue to impact the Bank's operations and asset quality will depend on the future developments, which are uncertain.

The RBI on March 27, 2020, April 17, 2020 and May 23, 2020, announced 'COVID-19 Regulatory Package' on asset classification and provisioning. In terms of these RBI guidelines, the Bank granted a moratorium on the repayment of all installments and/or interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers. In respect of such accounts that were granted moratorium, the asset classification remained standstill during the moratorium period.

The Bank holds accelerated provisions of Rs 38,796 lakhs on standard assets as at 31st March, 2021 against the potential impact of COVID-19 (other than provisions held for restructuring under COVID 19 norms).

Further, during the current quarter the Bank has made additional provisions on NPA amounting to Rs 1,03,400 Lakhs against the existing NPA accounts resulting from elevated risk observed in certain geographies and potential impact of COVID-19 on certain loan portfolios. These provisions held by the Bank are based on the information available at this point in time and are in excess of the RBI prescribed norms.
- 9 The disclosures as required by RBI circular [RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2020-21] dated April 17, 2020 are given below:

		(₹ In lakhs)
Sl No	Particulars	Amount
(i)	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended , In terms of paragraph 2 and 3 of the circular (as of March 31,2020) ¹	2,52,329.61
(ii)	Respective amount where asset classification benefits is extended ²	1,01,315.47
(iii)	Provisions made in terms of para 5 of the circular	10,131.55
(iv)	Provision adjusted against slippages in terms of paragraph 6 of the circular	-
(v)	Residual provisions as of March 31, 2021 in terms of paragraph 6 of the circular	10,131.55

- 1. Represents borrowers which were overdue but standard at February 29,2020 and continued to be overdue till March 31, 2020
- 2. As at March 31, 2021 In respect of such accounts

- 10 The Honourable Supreme Court in PIL by Gajendra Sharma Vs Union of India & Anr vide its Interim order dated September 3, 2020 has directed Banks that the accounts which were not declared NPA till August 31, 2020 shall not be declared NPA till further orders, pending disposal of the case by Supreme Court. Pursuant to the order, the Bank has not classified any borrowal account which has not been declared as NPA as at August 31, 2020 as per the RBI Prudential norms on Income Recognition, Asset classification, provisioning and other related matters as Non-Performing Asset (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_U01 & 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. The Bank's Gross NPA ratio stands at 6.81% as against proforma GNPA of 7.12% in December 31, 2020.

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**Notes:**

- 11 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. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been finalised by the Indian Banks Association (IBA) in consultation with other industry participants / bodies as on April 19, 2021. As on 31st March 2021, the Bank holds a specific liability of Rs 1,288 Lakhs, which was created by debiting interest income, to meet its aforesaid obligation towards refund of interest on interest to eligible borrowers as prescribed by the RBI.
- 12 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 lakhs 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 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 (Housing)	6,426.00	61,528.84	-	-	6,204.67
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	6,426.00	61,528.84	-	-	6,204.67

*Represents fund based outstanding of accounts at the end of the month before the date of implementation of resolution plan

**The Bank holds provision of ₹ 6,205 lakhs on all accounts where resolution plan is implemented on or before 31st March 2021 as per Resolution Framework for Covid-19 related stress

- 13 As at March 31, 2021, the total number of Branches, Banking Units and ATM network stood at 1147, 4163 and 487 respectively.
- 14 Figures of the previous year/quarter have been regrouped / reclassified wherever necessary to conform to current year/period's classification.

Place : Kolkata
Date : May 08, 2021



For Bandhan Bank Limited

Chandra Shekhar Ghosh
Managing Director & CEO