

STATEMENT OF AUDITED FINANCIAL RESULTS
FOR THE SIX MONTHS AND YEAR ENDED 31 MARCH 2021

Particulars	Six Months ended 31 March 2021	Six Months ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
	(Refer Note 11)	(Refer Note 12)	Audited	Audited
I. INCOME				
Interest Earned	79,827	75,257	1,64,117	1,41,325
Other Income	8,108	6,500	12,610	13,319
Total	87,935	81,757	1,76,727	1,54,644
II. EXPENDITURE				
Interest Expended	36,258	32,633	71,958	62,106
Operating Expenses	36,588	31,934	63,186	60,068
Provisions and Contingencies	17,592	7,395	31,044	13,431
Total	90,438	71,962	1,66,188	1,35,605
III. PROFIT				
Net Profit/(Loss) for the Period/Year (I - II)	(2,503)	9,795	10,539	19,039
Analytical Ratios				
(i) Capital Adequacy Ratio	24.23%	24.03%	24.23%	24.03%
(ii) Earnings Per Share (EPS) (Face Value of ₹10 each)*				
- Basic (₹)	(0.58)	2.29	2.46	4.45
- Diluted (₹)	(0.58)	2.29	2.46	4.45
NPA Ratio				
a) Gross NPA	56,400	10,086	56,400	10,086
Net NPA	31,658	4,217	31,658	4,217
b) % of Gross NPA	6.70%	1.53%	6.70%	1.53%
% of Net NPA	3.88%	0.64%	3.88%	0.64%
c) Return on Assets *	(0.23%)	1.09%	0.95%	2.24%

* Six months numbers are not annualised

Notes:

1. Statement of Assets and Liabilities as at 31 March 2021

Particulars	As at 31 March 2021	As at 31 March 2020
	Audited	Audited
CAPITAL AND LIABILITIES		
Capital	44,947	42,780
Reserves and Surplus	90,259	65,629
Deposits	8,99,943	7,02,838
Borrowings	1,69,400	1,20,332
Other Liabilities and Provisions	29,316	15,419
Total	12,33,865	9,46,998
ASSETS		
Cash and Balances with Reserve Bank of India	42,807	30,477
Balances with Banks and Money at Call and Short Notice	1,39,105	59,802
Investments	1,93,207	1,73,363
Advances	8,16,759	6,54,782
Fixed Assets	13,851	12,011
Other Assets	28,136	16,563
Total	12,33,865	9,46,998
Contingent Liabilities	150	150
Bills for collection	-	-

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2. The statement of audited financial results for the six months and year ended 31 March 2021 ("Statement" or "financial results") have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 26 May 2021.
3. The above financial results of the Bank have been prepared in all material aspects, in accordance with the generally accepted accounting principles in India ("Indian GAAP"), statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ("RBI") from time to time, Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement), 2015 and Accounting Standards as prescribed under section 133 of the Companies Act, 2013.
4. The Capital Adequacy Ratio ("CRAR") has been computed as per the Operating Guidelines vide RBI notification RBI/2016-17/81 DBR.NBD.NO.26/16.13.218/2016-17 dated 6 October 2016 ("the Operating Guidelines") prescribed for Small Finance Bank. The Bank has followed Basel II standardised approach for credit risk in accordance with the operating guidelines issued by the RBI for Small Finance Banks. Further no separate capital charge for market risk and operational risk have been computed in view of the exception contained in RBI Notification DBR.NBD.NO.4502/16.13.218/2017-18 dated 8 November 2017.
5. During the year the Bank has raised Tier I capital amounting to ₹16,258 Lakh by way of private placement of 217 Lakh Equity Shares having Face Value of ₹10/- each at an issue price of ₹75/- per Equity Share.
6. 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 27 March 2020, 17 April 2020 and 23 May 2020, announced 'COVID-19 Regulatory Package' on asset classification and provisioning. In terms of these RBI guidelines, the lending institutions have been permitted to grant an effective moratorium of six months on payment of all instalments/interest as applicable, falling due between 01 March 2020 and 31 August 2020 ('moratorium period'). As such, in respect of all accounts classified as standard as on 29 February 2020, even if overdue, the moratorium period, wherever granted, shall be excluded by the lending institutions from the number of days past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms.
- Considering the prevailing uncertainty over the business due to COVID-19 pandemic (including Second Wave), the Bank holds provisions of ₹4,040 Lakh as at 31 March 2021 against the potential impact of COVID-19 as additional contingency provision on standard assets (other than provisions held for restructuring under COVID-19 norms) based on the information available at this point in time. The provisions held by the Bank are in excess of the RBI prescribed norms.
7. The Honourable Supreme Court (SC) in PIL by Gajendra Sharma Vs Union of India & Anr vide its Interim order dated 3 September 2020 has directed Banks that the accounts which were not declared NPA till 31 August 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 31 August 2020 as per the RBI Prudential norms on Income Recognition, Asset classification, provisioning and other related matters as Non-Performing Asset (NPA) after 31 August 2020. The interim order granted to not declare accounts as NPA stood vacated on 23 March 2021 vide the Judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors., and other connected matter. In accordance with the instructions in paragraph 5 of the RBI circular dated 7 April 2021 issued in this connection, the Bank has continued with the asset classification of borrower accounts as per the extant RBI instructions/IRAC norms.
8. Disclosure as per RBI Circular on DOR.No.BPBC.63/21.04.048/2019-20 dated 17 April 2020

Particulars	As at 31 March 2021
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended*	37,196
Respective amount where asset classification benefits is extended*	3,01,498
Provision made in terms of Para 5 of the Circular	882
Provisions adjusted during the respective accounting periods against slippages and the residual provisions	-
Residual provisions as of 31 March 2021, in terms of Paragraph 6 of the Circular	882

* Balance outstanding as on 31 March 2021

9. In accordance with the Instructions in the RBI circular dated 7 April 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 19 April 2021. As on 31 March 2021, the Bank holds provision of ₹800 Lakh, 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. The bank is currently in the process of suitably implementing the methodology of giving credit to the respective eligible borrower accounts.
10. A) Details of resolution plan implemented under the Resolution Framework for COVID-19 Related Stress as per RBI circular dated 6 August 2020 are given below.

Typet 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	63	17	-	-	3
Corporate Persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	571	1,695	-	-	182
Total	634	1,712	-	-	185

B) The Bank has restructured accounts and created provision in accordance with RBI Circular on 'Micro, Small and Medium Enterprises (MSME) sector — Restructuring of Advances' - DBR.No.BPBC.100/21.04.048/2017-18 dated 07 February 2018, DBR.No.BPBC.108/21.04.048/2017-18 dated 06 June 2018, DBR.No.BPBC.18/21.04.048/2018-19 01 January 2019, DOR.No.BPBC.34/21.04.048/2019-20 dated 11 February 2020 and DOR.No. BPBC/4/21.04.048/2020-21 dated 06 August 2020.

	As at 31 March 2021	As at 31 March 2020
Number of accounts restructured	117	-
Amount	214	-

11. The figures of the six months ended 31 March 2021 have been derived as balancing figures between the amounts as per the annual audited accounts for the years then ended and the unaudited financial results for the six months ended 30 September 2020.
12. The figures for the six month period ended 30 September 2019 and year ended 31 March 2020 were audited by the previous Statutory Auditors.
13. Figures for the previous period/year have been classified/regrouped wherever necessary, to conform to the current period/year classification.

Place: Mannuthy
Date: 26 May 2021

Sd/-
Kadambelil Paul Thomas
Managing Director & CEO
DIN: 00199925