ANNEXURE I

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
[*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016](Standalone)

I

Sl.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
		(In Crores)	
1	Turnover / Total income	11,415.30	11,415.30
2	Total Expenditure	8,868.58	11,271.30
3	Net Profit/(Loss) after tax	2,159.91	361.91
4	Earnings Per Share(Rs. Per share)	50.52	8.46
5	Total Assets	92,652.57	92,652.57
6	Total Liabilities	77,722.97	77,722.97
7	Net Worth	14,929.60	14,929.60
8	Any other financial item(s) (as felt appropriate by the management)	-	-

II

a. Details of Audit Qualification:
As more fully explained in Notes 14 to the financial results, During the year ended March 31, 2020 which explain regarding the impairment on financial instruments recorded during the quarter and the year ended March 31, 2020, which including includes due to the impact of COVID-19 on the Company's borrowers, the Company has debited impairment on financial instruments amounting to Rs.1,798 crores to Other Comprehensive Income which should have been debited to the Statement of Profit and Loss as required by Ind AS 109 "Financial Instruments". The above pertains only to accounting treatment as prescribed in Ind AS 109 "Financial Instruments" and constitutes a departure therefrom. Had the Company recorded the amount of impairment on financial instruments in the Statement of Profit and Loss, the profit after tax would have reduced by Rs.1,798 crores. As noted in Note 15 of the financial results, due to this there is no resultant impact on the carrying value of the total equity, assets and liabilities of the Company

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification: Has appeared for the first time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
The outbreak of COVID–19 virus continues to spread across the globe including India, resulting into a significant decline and volatility in financial markets and a significant decrease in global and local India's economic activities. The Government of India announced a strict 40-day nation-wide lockdown to contain the spread of the virus till May 3, 2020, which was further extended till June 08, 2020. This has led to significant disruptions and dislocations for individuals and businesses. The recent directions from Government allows for calibrated and gradual withdrawal of lockdown and partial resumption of selected economic activities. The extent to which the COVID 19 pandemic will impact the Company's business is dependent on several factors including, but not limited to, pace of easing of the lockdown restrictions.

The Company's total amount of impairment of financial instruments reflects among other things, an increased risk of deterioration in macro-economic factors and the impact on the Company's borrowers caused by the COVID-19 pandemic. Accordingly, during the year ended March 31, 2020 the Company has debited an amount of ₹ 1,798 Crs on account of impairment on financial instruments to Other Comprehensive Income to harmonize the accounting with the gains recorded on deemed disposal of OakNorth Holdings Limited (refer note 8 of Consolidated Financial Rsults). In the past, the Company had recorded fair value gains and realised gains on its investment in OakNorth Holdings limited in Other Comprehensive Income.

To counter any adverse impact of COVID-19 in the future, the Company has built a robust, conservative total provisioning buffer of Rs. 3,473 Crs.

e. For Audit Qualification(s) where the impact is not quantified by the auditor: NA

III

Signatories:
- CEO/Managing Director

GAGAN BANGA
Digitally signed by GAGAN BANGA
Date: 2020.07.03 18:03:53 +05'30'

- CFO

MUKESH KUMAR GARG
Digitally signed by MUKESH KUMAR GARG
Date: 2020.07.03 18:04:15 +05'30'

- Audit Committee Chairman

- Statutory Auditor

VIREN H MEHTA
Digitally signed by VIREN H MEHTA
DN: cn=VIREN H MEHTA, c=IN, o=Personal, email=viren.mehta@srb.in
Date: 2020.07.03 19:52:18 +05'30'

Place : Mumbai
Date : July 03, 2020