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(భారత ప్రభుత్వ సంస్థ)

आन्ध्रा बैंक

(भारत सरकार का उपक्रम)

Andhra Bank

(A Govt. of India Undertaking)

आन्ध्रा बैंक

प्रधान कार्यालय

"डॉ. पट्टाभि भवन"

5-9-11, सैफाबाद

हैदराबाद - 500 004

Andhra Bank

Head Office

"Dr. Pattabhi Bhavan"

5-9-11, Saifabad,

Hyderabad - 500 004.

विभाग DEPT: Merchant Banking Division

Telefax 040-23230883; Tel.No.040-23252371

E-mail: mbd@andhrabank.co.in

Lr. No. 666/25/694A/48

Bombay Stock Exchange Limited
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400001

Scrip Code: 532418

Sir / Madam

Sub: Auditors' Report on the Consolidated Annual Financial Results of the Bank for the year ended 31st March, 2019.

Pursuant to the above-mentioned subject, we enclose herewith the Auditors' Report on the Consolidated Annual Financial Results of the Bank for the year ended 31st March, 2019.

This is for your information.

Yours Faithfully,

(Raghuram Mallela)

Company Secretary and Compliance Officer



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| AGARWAL & SAXENA Chartered Accountants 510-511, Fifth Floor, City Centre, 63/2, The Mall, Kanpur – 208 001 | RAY & CO Chartered Accountants Shakespeare Court, 21A, Shakespeare Sarani, Flat 8C, 8 th Floor, Kolkata – 700 017 | SANTOSH GUPTA & CO Chartered Accountants 417, Atlanta Estate, G M Link Road, Vitt Bhatti, Goregaon (East), Mumbai – 400 063 | G.S. MADHAVA RAO & Co. Chartered Accountants F5 & 7, Hyderabad Business Centre, Hyderguda, Hyderabad – 500 029 |
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Auditor's Report On the audit of the consolidated annual financial results of Andhra Bank Group with the last quarter financial results being balancing figures Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors,
Andhra Bank,
Dr. Pattabhi Bhavan,
Hyderabad – 500 004

1. We have audited the accompanying Statement of Consolidated Financial Results of Andhra Bank (the "Bank") and its subsidiaries (the bank and its subsidiaries together referred to as "the Group"), its jointly controlled entities and its share of the net profit after tax of its associate for the year ended 31st March 2019 ("the Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except for the Disclosures relating to Pillar 3 Disclosure as at 31st March, 2019, including "Leverage Ratio" and "Liquidity Coverage Ratio" under Basel III Capital regulations which will be disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid financial results (Note no. 10) which has not been reviewed or audited by us. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 31st March 2019, as reported in these financial results have been approved by the Bank's Board of Directors, but have not been subjected to audit/review
2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which has been prepared in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, Accounting Standard 21 – "Consolidated Financial Statements", Accounting Standard 23 "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standard 27 – "Financial Reporting of Interest in Joint Venture" issued by the Institute of Chartered Accountants of India, the relevant provisions of Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.
3. We conducted our audit in accordance with the Standards on Auditing specified generally accepted in India. Those Standards require that we comply with ethical requirements and plan



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and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Bank's internal financial control with reference to the Statement. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in paragraph 6 below, is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements and the other financial information of branches of the Bank, a subsidiary, jointly controlled entities and an associate referred to in paragraph 6 below, the Statement:
 - a. includes the results of the following entities:
 - i. Audited Financial statements of Andhra Bank (the "Bank") audited by us vide our audit report dated 13th May 2019;
 - ii. Audited Financial statements of one Subsidiary and one Joint Venture audited by other auditors; and
 - iii. Unaudited Financial Statements of one associate and two Joint Ventures.
 - b. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except for the Disclosures relating to Pillar 3 Disclosure as at 31st March, 2019, including "Leverage Ratio" and "Liquidity Coverage Ratio" under Basel III Capital regulations which will be disclosed on the



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- Bank's website and in respect of which a link has been provided in the aforesaid financial results (Note no. 10) which has not been reviewed or audited by us.; and
- c. gives a true and fair view in conformity with the recognition and measurement principles laid down in the aforesaid Accounting Standards, RBI Guidelines and other accounting principles generally accepted in India of the consolidated net loss and other financial information of the Group and its jointly controlled entities for the year ended 31st March 2019.
5. Our opinion is not qualified in respect of this matter
6. We did not audit the financial statements/ information of 1696 branches included in the standalone financial statements of the bank including in the Group whose financial statements / information reflect total advances of Rs. 76533.08 crores as at 31st March 2019 and total interest of Rs. 14695.35 crores for the year ended on that date, as considered in the respective standalone financial statements of the entities included in the Group. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors and the procedures performed by us as stated in paragraph 3 above.

We did not audit the financial statements/ information of one subsidiary, three joint ventures and one associate included in the consolidated financial results, whose financial statements/ information reflect total assets of Rs. 4584.21 crores as at 31st March, 2019, total revenues of Rs. 1313.71 crores, total net profit after tax of Rs. 19.03 crores and cash flows (net) of Rs. 0.93 crores for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net profit of Rs. 25.10 crores for the year ended 31st March, 2019, as considered in the consolidated financial results, in respect of one associate, whose financial statements/ information have not been audited by us. The audited financial statements /information of one subsidiary, one joint venture and unaudited financial statements /information of two other joint ventures and one associate have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to aforesaid subsidiary, jointly controlled entities and associate, is based solely on the reports of the other auditors in respect of audited entities and as per the management in respect of unaudited entities.

Our opinion on the Statement is not modified in respect of the above matters.



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7. The consolidated financial results includes the unaudited financial statements / information of 1169 branches included in the standalone financial statements of the bank included in the Group whose financial statements / information reflect total advances of Rs. 12428.97 crores as at 31st March 2019 and total interest of Rs. 1071.15 crores for the year ended on that date, as considered in the respective standalone financial statements of the entities included in the Group. These financial statements/ information are unaudited and have been furnished to us or other auditors by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

The consolidated financial results include the unaudited financial statements/ information of two jointly controlled entities, whose financial statements/ information reflect total assets of Rs. 4519.71 crores as at 31st March, 2019, total revenue of Rs. 1305.62 crores, total net profit after tax of Rs. 16.70 crores for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of net profit after tax of Rs. 25.10 crores for the year ended 31st March, 2019, as considered in the consolidated financial results, in respect of one associate, whose financial statements/ information have not been audited by us. These financial statements/ information are unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, jointly controlled entities and associates is based solely on such unaudited financial statements/ information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / information are not material to the Group.

Our opinion on the Statement is not modified in respect of the above matter.

8. The Statement includes the results for the quarter ended 31st March 2019 being the balancing figure between audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.



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For Agarwal & Saxena
Chartered Accountants
(Firm Reg. No. 002405C)



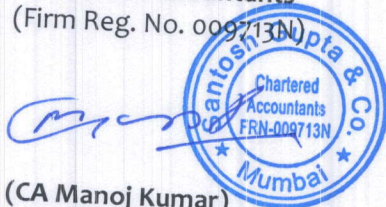
(CA Anil K. Saxena)
Partner
M. No. 071600

For Ray & Co
Chartered Accountants
(Firm Reg. No. 313124E)



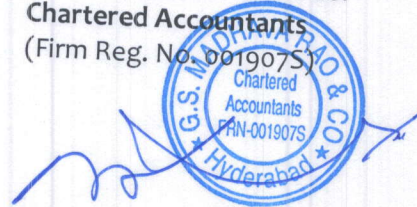
(CA Subrata Roy)
Partner
M. No. 051205

For Santosh Gupta & Co
Chartered Accountants
(Firm Reg. No. 009713N)



(CA Manoj Kumar)
Partner
M. No. 108603

For G.S. Madhav Rao & Co.
Chartered Accountants
(Firm Reg. No. 001907S)



(Manikyaprasad Gollamudi)
Partner
M. No. 020105

Place : Hyderabad
Date : 13th May, 2019

