

TRANSFORMATION WITH SUSTAINABILITY



TRANSFORMATION WITH SUSTAINABILITY

South Indian Bank embarked on a transformative journey called "Vision 2024", firmly rooted in sustainability. Embracing change, innovation and growth, we have evolved with the dynamic financial landscape with an unwavering commitment to sustainability. Since then, we have taken major strides in customer-centricity, digitisation and agility riding on our 6C strategy: Capital adequacy, CASA, Cost to Income ratio, Competency Building, Customer Focus and Compliance.

Our focus on technological advancements not only caters to changing customer expectations but also underscores our dedication to sustainability. We aspire to enter new markets, diversify our offerings, and capture emerging

opportunities while making a positive impact on the lives of all our stakeholders by fostering a culture of adaptability, agility, and continuous improvement, particularly in our credit and underwriting functions.

These efforts have yielded remarkable results, as evidenced by the highest-ever profits this year and surpassing numerous other benchmarks that mark history for us. Looking ahead, we are leveraging artificial intelligence, data analytics, and blockchain to deliver innovative products and services, all the while enhancing security measures as well. Simultaneously, we strive to create an environment that encourages our employees to embrace change, think creatively, and actively contribute to the Bank's transformative journey with a focus on sustainability.

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HIGHLIGHTS FY 2022-23

₹3,012 Cr

+34% Y-o-Y
Net Interest Income

₹13,808 Cr

28% Y-o-Y
Gold Loan

₹569 Cr

+19% Y-o-Y
Core Fee Income

₹14,037 Cr

Social Impact Finance
(MSME)

3.30%

+68 bps Y-o-Y
NIM

73 Lakh

Legacy Customer Base

₹775 Cr

+1622% Y-o-Y
PAT

45% Women

Gender Diversity

11.61%

Return on Equity
Highest in 9 years

60.59%

vs 61.89% of Previous Year
Cost to Income Ratio

ABOUT THE BANK

Changing with the times

Established in 1929, at Thrissur in Kerala, South Indian Bank is one of the earliest banks in South India. The establishment of the Bank was in alignment with the Swadeshi movement.

The core purpose of the Bank, as envisioned by its founders, was to provide an efficient and service oriented repository of savings and credit for the people and businesses at reasonable rates of interest. Translating the vision of the founding fathers as its corporate mission, the Bank has during its long sojourn been able to project itself as a vibrant, fast growing,

service oriented and trend setting financial intermediary.

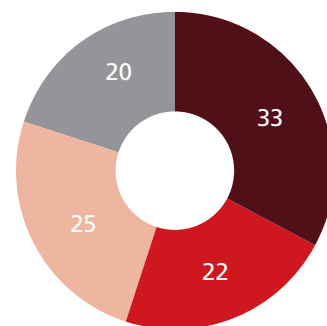
South Indian Bank, now, stands tall as an organisation firmly built on the strong foundation of customers' trust. Steeped in tradition with its own unique culture of customer-centricity and innovation, the Bank continues to reimagine the possibilities of

banking being done with bigger and bolder ideas by actively engaging with the ecosystem, through new partnerships and alliances. With its strong and diversified franchise, powered by the large distribution network and technology enabled services, South Indian Bank is in ever pursuit to leverage market opportunities for growth to enable delight across stakeholders.



The Bank is predominantly present in Kerala and south of India and is gradually expanding its presence in the country. The Bank operates in corporate, personal, business loans and agricultural segment.

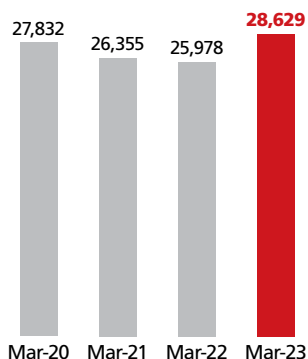
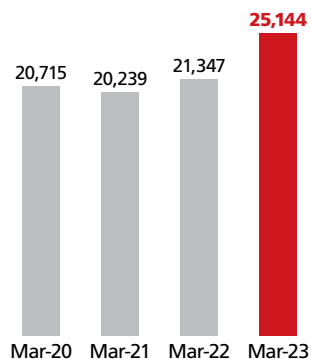
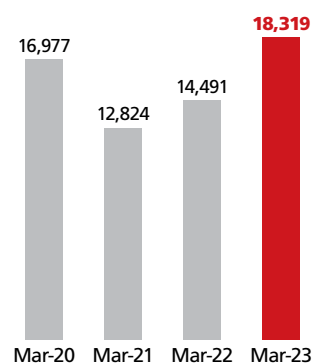
Segment-wise break up of loan book (%)



- Corporate
- Business Loans
- Personal
- Agriculture

LOAN BOOK ACROSS REGIONS

(₹ in Cr)

Kerala**South-ex Kerala****Rest of India****COMPOSITION OF PERSONAL LOAN BOOK**

(₹ in Cr)

4,924

Housing

3,065

Gold

2,311

Mortgage

1,353

Vehicle

1,227

Loan against Deposit

1,820

Personal Loan

796

Credit Card

657

Others

BUSINESS LOAN LESS THAN 25 CRORE LOAN BOOK

(₹ in Cr)

11,595

MSME/SME

6,755

Others

18,350

Total

ABOUT THE BANK



VISION

To be the most preferred bank in the areas of customer service, stakeholder value and corporate governance.



MISSION

To provide a secure, agile, dynamic and conducive banking environment to customers with commitment to values and unshaken confidence, deploying the best technology, standards, processes and procedures where customer convenience is of significant importance and to increase the stakeholders' value.



VALUES

9 core values for South Indian Bank employees are being, Sensitive to our stakeholders, Resilient in our endeavours, take complete Ownership and practise Integrity as part of our culture, service customer with Passion, embrace Digital, pursue Boundaryless behaviour with focus on high Quality and Speed.



STRATEGIC PRIORITIES

The Bank formulated Vision 2024 as a part of strategic intent document in October 2020. The document focused on 'Profitable growth through quality credit' and the methodology adopted was the 6C strategy.

Capital Adequacy

Beefing up the capital to strengthen financials, expand market share and to explore future growth opportunities.

CASA

Improving CASA through focused drive on building a sustainable CASA book through our Pan India Presence.

Cost to Income Ratio

To bring down the Cost-to-Income ratio with focussed approach on increasing the Net Interest Income as well as other income portfolio of the Bank and by optimising the cost across the organisation.

Customer Focus

Customer experience is critical for the success of any organisation as the same is a competitive differentiator. Adoption of a "phygital" approach at branches with personalised services for legacy loyal customers and end to end digital experience for next-gen customers with a "Fair to customer, Fair to Bank" approach.

Competency Building

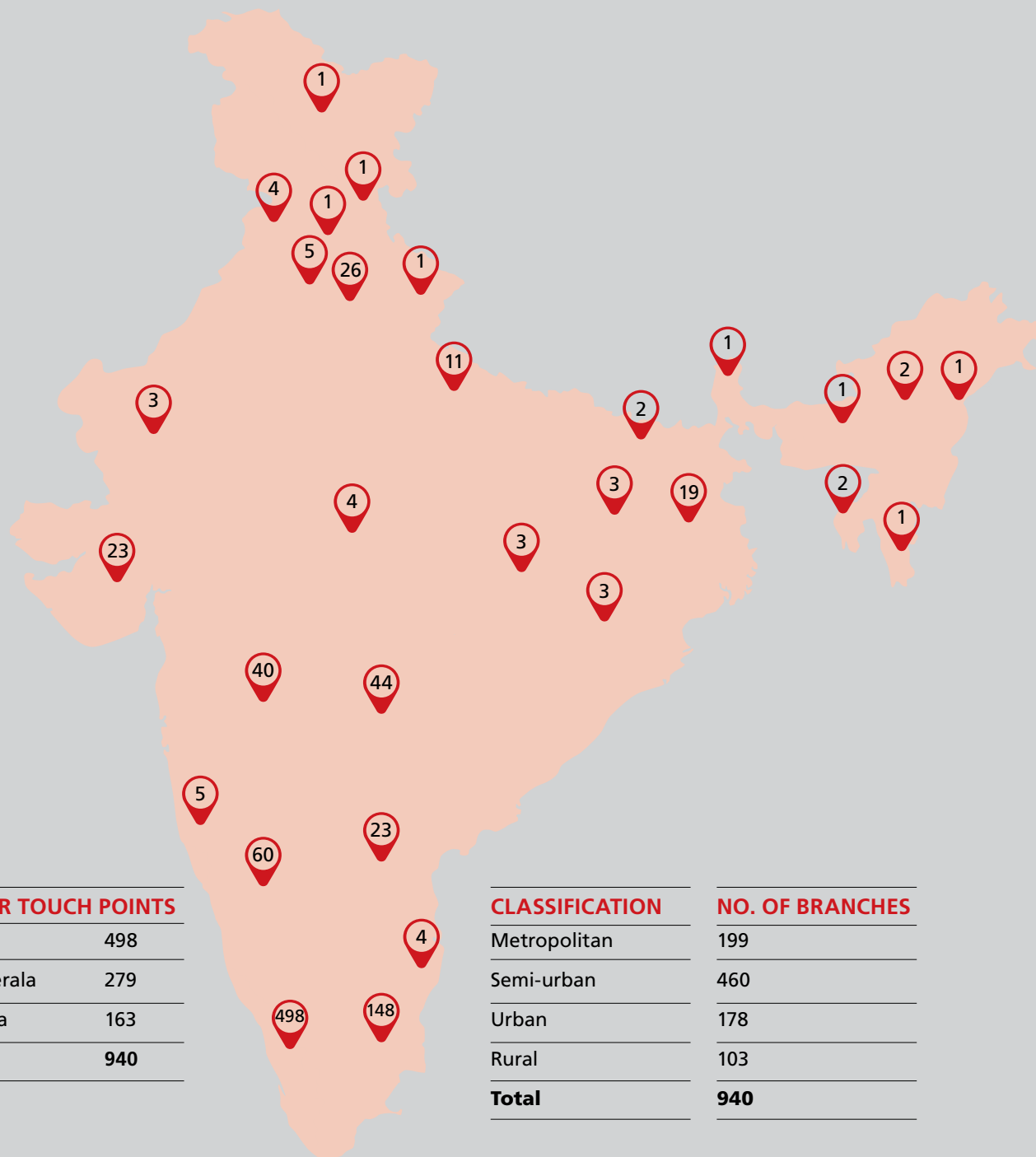
Augmenting the talent of young resources and revamping the organisational structure to build a pool of senior talent to deliver continued excellence.

Compliance

Compliance continues to be the core for all strategies and will be the axis across all domains of banking activities by adopting the motto "compliance with conscience".

BUILDING PAN-INDIA PRESENCE

The Bank has been successful in widening its network across India with 940 branches, 3 Satellite branches and 3 Ultra small branches. The branch network covers 26 States and 4 Union Territories. The Bank plans to open 17 Banking Outlets and 25 ATM's & 10 CRMs during the Financial Year 2023-24.



CUSTOMER TOUCH POINTS	
Kerala	498
South Ex Kerala	279
Rest of India	163
Total	940

CLASSIFICATION	NO. OF BRANCHES
Metropolitan	199
Semi-urban	460
Urban	178
Rural	103
Total	940

KEY PERFORMANCE INDICATORS

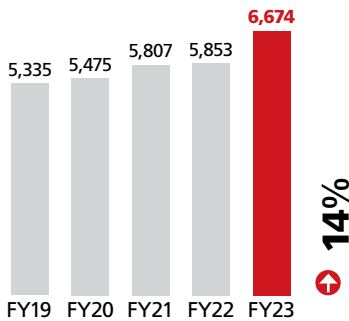
Strong Performance

South Indian Bank came out with a strong performance in FY 2022-23, achieving many "historical bests".

BALANCE SHEET

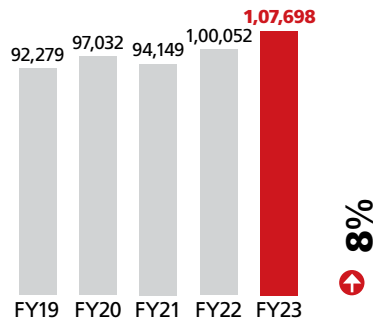
Capital & Reserves and Surplus

(₹ in Cr)



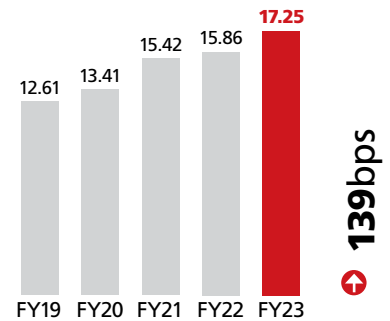
Total Assets

(₹ in Cr)



CRAR

(%)

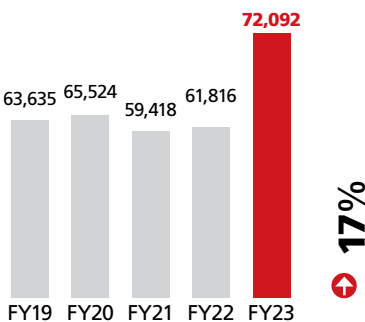


Capital Adequacy Ratio

OPERATIONAL

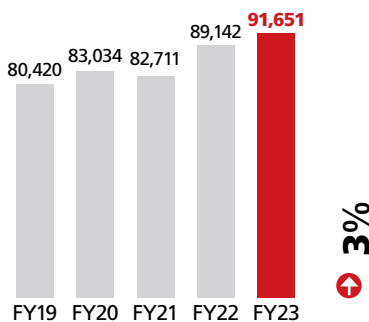
Gross Advance

(₹ in Cr)



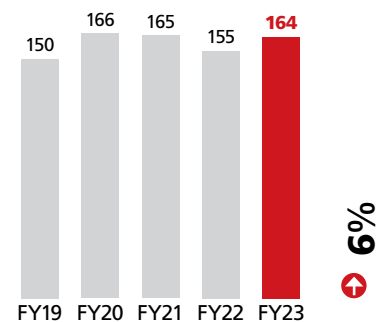
Total Deposits

(₹ in Cr)



Branch Productivity

(₹ in Cr)

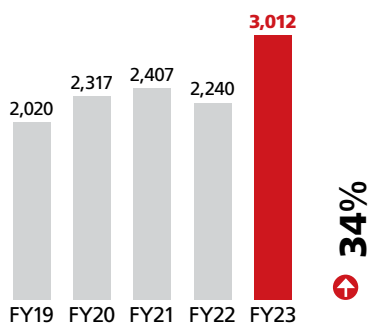


Y-o-Y growth ↑

PROFIT AND LOSS

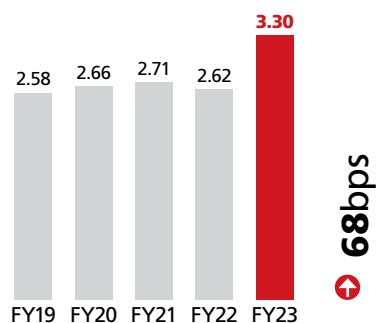
Net Interest Income

(₹ in Cr)



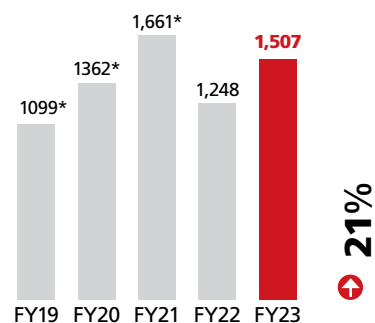
Net Interest Margin

(%)



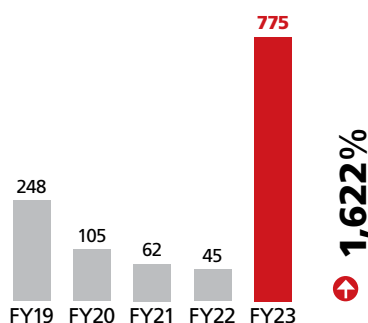
Operating Profit

(₹ in Cr)



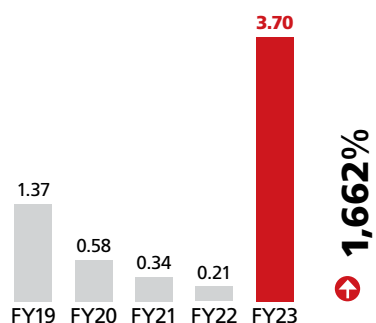
Net Profit

(₹ in Cr)



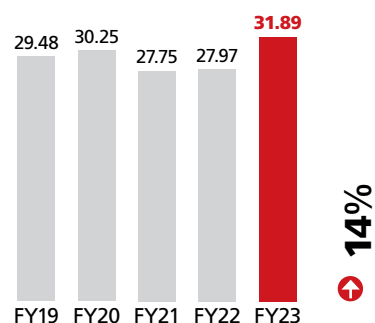
Earnings Per Share (Basic)

(₹)



Book Value Per Share

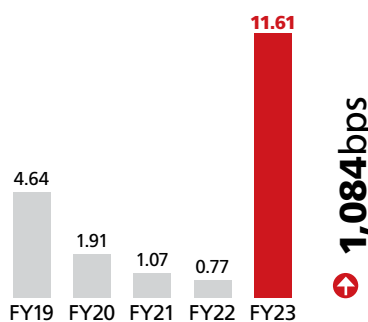
(₹)



KEY RATIOS

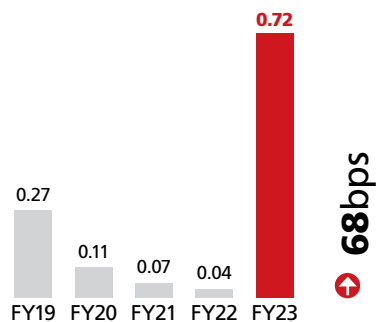
RoE

(%)



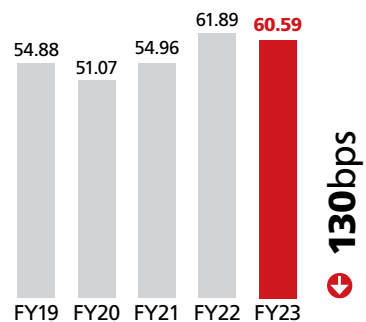
RoA

(%)



Cost to Income Ratio

(%)



*previous figures are regrouped as per RBI Guidelines

THE TRANSFORMATION STORY

From Roots to Wings

Mr. Murali Ramakrishnan took charge as the MD & CEO of the Bank on October 1, 2020 and as part of the strategic intent formulated the Vision 2024 document and thereafter released and updated strategic document-Vision 2025. Under his leadership 6Cs or strategic priorities were identified, major initiatives were taken to restructure the liability and asset verticals along with the control functions of the Bank.



6Cs

Capital Adequacy

Beefing up the capital

Customer Focus

Adoption of a “phygital” approach at branches with personalised services

Competency Building

Augmenting the talent of young resources and revamping the organisational structure

Cost to income ratio

To bring down the Cost-to-Income ratio

CASA

Improving CASA

Compliance

Compliance with conscience

THE INITIATIVES

FORMULATION OF SPECIFIC TEAMS

Credit Mid Office Group

To ensure that all the pre-disbursement checks are done and the documentation executed is checked before disbursement by Operations team.

Credit Underwriting Team

With deliverables on TAT and Quality, they do not carry any book or disbursement target.

Collections and Recovery Team

The decentralised team with dedicated regional collection managers at each region, for lowering the slippages and enabling stringent recovery. This has led to a better performance including the reduction of NPAs and lower provisions.

Verticalisation of Asset Businesses

To prevent conflict of interests, the Sales teams of various businesses were organised as separate verticals

headed by business heads to carry the P&L Responsibility.

ADDITIONAL MEASURES

Introducing New Products

High yielding New Asset Products like Personal loans, credit cards etc. are introduced.

Data Science Team

We formed Data Science Team with domain experts to utilise analytics in the areas of assets, liabilities and collection.

Learning and Development Team

The Team has successfully created and published content to address most of the functional and behavioural skill needs of the staff members of the Bank across grades.

Cluster Heads

On the liability side, a new layer of Cluster Heads (CH) were brought in, where each CH handles 8–9 branches and each region has 5–6 Cluster Heads reporting to them. This has brought in a sharper focus on deliverables.

Defining Goal Sheets

A new methodology of defining goal sheets for every employee was put in place, making available transparent communication of the performance of the employee.

Suggestion Box

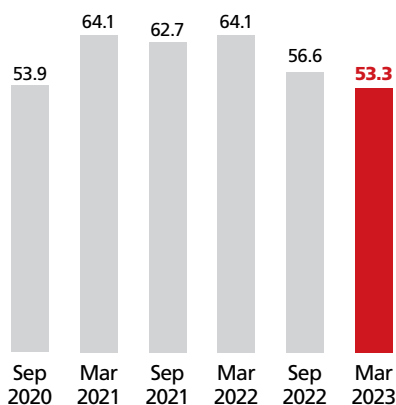
A new suggestion scheme was implemented where in the entire employee base of over 9,000 could participate. Through this more than 3,500 suggestions were raised to task upon various processes.

Information Technology

On the Information Technology side, The Bank’s digital and technology Strategy was built on 4 Pillars - INPF or Indulge–Self-service, Nudge-Phygital, Purge–Redundant Processes & Forge– Partnerships and Triads of Technology i.e., Confidentiality, Integrity, and Availability.

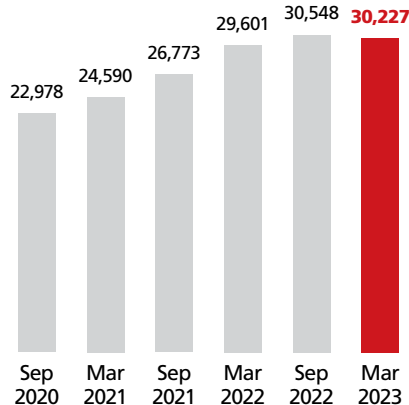
THE TRANSFORMATION STORY

Cost to Income Ratio*
has undergone a consistent improvement (%)

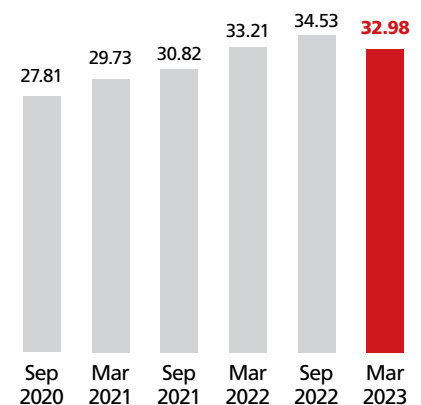


CASA
On an average, CASA ratio has started improving.

CASA (₹ in Cr)

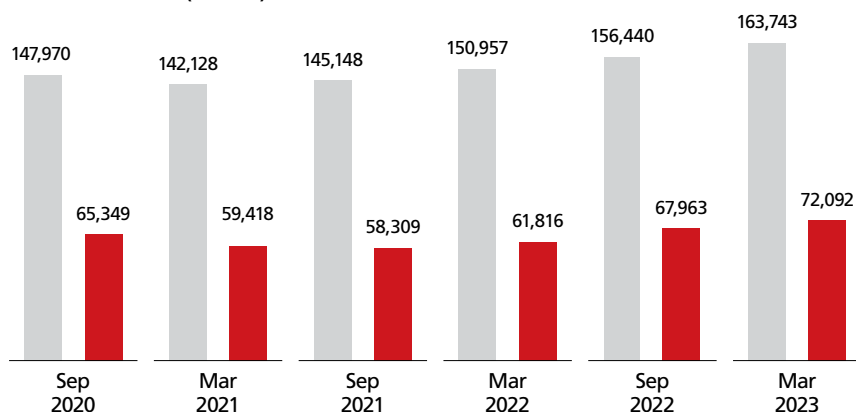


CASA To Deposit (%)

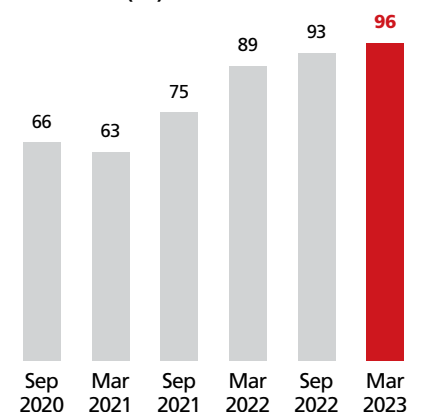


Total Business and Advances
have shown consistent growth

Total business (₹ in Cr)



Loans to highly rated corporates
- The loans to A and above rated corporates have seen a steady increase. (%)

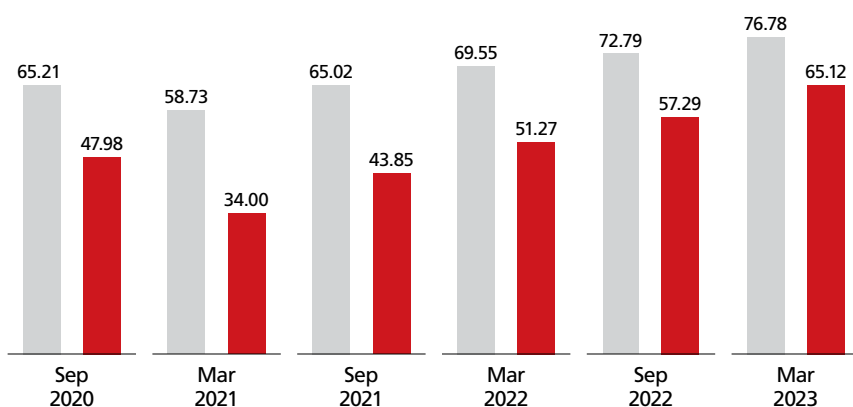


RWA TO TOTAL ASSETS

Risk Density improved from 53.14% to 42.92%

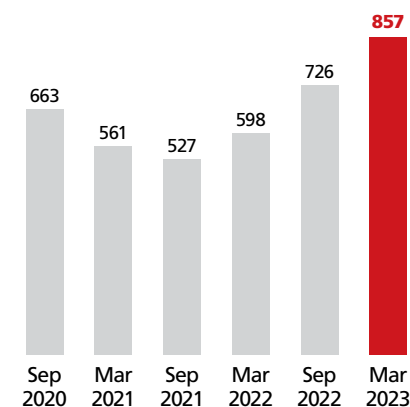
PCR: PCR (including write off) improved by 1,805 bps from 58.73% as at March 2021 to 76.78% as at March 2023

Including w/off Excluding w/off



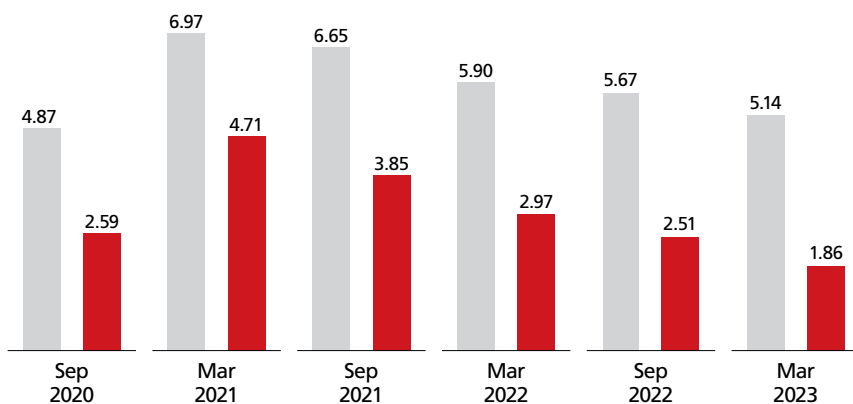
Net Interest Income (NII)* and Net Interest Margin (NIM) has shown strong growth based on better lending policies, better product mix and ALM.

NII (₹ in Cr)

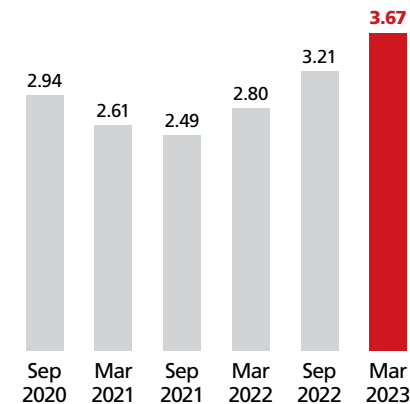


Recovery and upgrades: Recovered & upgraded ₹ 3,798 Cr from GNPA and technical w/off accounts. Y-o-Y-Gross NPA decreased from 5.90% to 5.14% and Net NPA decreased from 2.97% to 1.86%

GNPA NNPA



NIM (%)*



Improvement in Bank’s Credit rating:

On August 03, 2022, India Ratings and Research (Ind-Ra) has revised Bank’s Outlook to Stable from Negative while affirming Bank’s Long-Term Issuer Rating at ‘IND A’.

Further on September 2022, Care Ratings has also revised Bank’s outlook to stable from negative while affirming Bank’s long-term issuer rating (Tier II Bonds) at ‘CARE-A’. Rating details of the Bank is posted in our website www.southindianbank.com

*Quarterly

BOARD OF DIRECTORS

Stewardship of Excellence



SRI SALIM GANGADHARAN

Part-time Chairman
(Non-Executive
Independent Director)

Sri Salim Gangadharan holds a Master's Degree in Economics from the University of Kerala. He is also a Certified Associate of the Indian Institute of Bankers. He has several years of experience in the Reserve Bank of India. He retired in October 2013 as Principal Chief General Manager and Regional Director, RBI-Trivandrum. He has been on the Board since January 16, 2014.



SRI MURALI RAMAKRISHNAN

Managing Director and CEO

Sri Murali Ramakrishnan is the Managing Director and Chief Executive Officer of the Bank with effect from October 01, 2020. He is an Engineering Graduate in Chemical engineering and holds Post Graduate Diploma in Finance and Marketing from IIM – Bangalore. He has a work Experience of over 34 years. He retired from ICICI Bank as Senior General Manager at Strategic Project Group on May 30, 2020. He has varied experience in the entire banking industry in many facets of banking businesses both in domestic and international markets viz. Retail, SME, Corporate, Project Finance, International Business, Risk, Policy, BIU etc. apart from handling 8 regulators across various markets in Asia, MENA and South Africa.



SRI V J KURIAN

Non-Executive
Independent Director

Sri V J Kurian retired from Indian Administrative Services (IAS) of 1983 batch in Kerala cadre as Additional Chief Secretary, water resources. During the tenure of services, Sri Kurian held positions of Managing Director in various companies for a period of over 22 years. He has also served as the Managing Director of Cochin International Airport Ltd., CIAL Infrastructures Ltd. & CIAL duty free and Retail Services Ltd. Sri Kurian has been on the Board of the Bank since March 23, 2018.



SRI M GEORGE KORAH

Non-Executive
Independent Director

Sri M George Korah is a fellow member of the Institute of Chartered Accountants of India. He is a qualified Information System Auditor and was a rank holder in the I.S. Examination conducted by the Institute of Chartered Accountants of India. He is also a partner of M/s Korah & Korah, Chartered Accountants and has been in practice for over 30 years. Sri Korah is a financial consultant to several business organisations including Information Technology companies. Sri Korah has been on the Board of the Bank since August 31, 2018.



SRI PRADEEP M GODBOLE

Non-Executive
Independent Director

Sri Pradeep M Godbole is a Chartered Accountant with 30+ years of Banking, Technology, Consulting, Auditing, Accounting and Management experience. He has held senior management positions at reputed organisations – Big 4 consulting firms like Ernst & Young, IT organisations like Oracle Financial Services Software (OFSS) & Wipro. Sri Godbole is currently working on capability building initiatives and is a guest faculty at the Institute of Chartered Accountants of India (ICAI). Sri Godbole has been on the Board of the Bank since March 26, 2019.



SRI PAUL ANTONY

Non-Executive Director

Sri Paul Antony retired from Indian Administrative Services (IAS) as Chief Secretary, Kerala. During the tenure of services, Sri Paul Antony held Directoral positions including that of Managing Director in various companies for a total period of more than 21 years. He has helmed major government bodies in Kerala. His areas of expertise include industries promotion, export promotion, infrastructure development including in the ports and power sector, taxation, public distribution system, and development of the weaker sections. He has also served as MD of SUPPLYCO, Chairman of Cochin Port Trust and KSEB Ltd., Additional Chief Secretary of Industries Department and Power Department, and the Commissioner of Commercial Taxes Department. Sri Paul Antony has been on the Board of the Bank since September 29, 2020.

BOARD OF DIRECTORS



SRI R A SANKARA NARAYANAN

Non-Executive Independent Director

Sri R A Sankara Narayanan holds a postgraduate degree in Public Administration and has also done MBA in Finance, CAIIB, PGDPM, PGDFM, DTIRM, DCP and BRM. During his reign as Executive Director of Bank of India starting from May 2015, he had handled the treasury, corporate credit, recovery, risk management and compliance departments. He was also in-charge of the departments namely international banking, retail, HR, IT, planning and finance. He has been appointed as Managing Director and Chief Executive Officer of Vijaya Bank in September 2017. He has been designated as the MD and CEO of Canara Bank w.e.f. April 1, 2019 till his superannuation in January 2020. Sri R A Sankara Narayanan has been on the Board of the Bank since October 15, 2020.



SMT RADHA UNNI

Non-Executive Independent Director

Smt Radha Unni retired as the Chief General Manager, State Bank of India, Kerala Circle in December, 2008. During the tenure in the Bank, she held assignments in all aspects of banking with specialisation in Corporate Credit and Project Appraisal of Small and Medium Enterprises. Her other assignments include Risk Management at the Corporate Centre of SBI, Mumbai, Non-Performing Asset (NPA) management, Business Process Re-engineering Programme of SBI, Transformational Change Management, Capital market operations with the SBI Capital Markets Ltd. etc. After retirement from SBI, she was engaged by the Bank in Management Audit and recruitment of its officers. Smt Radha Unni has been on the Board of the Bank since November 30, 2021.



SRI BENNY P THOMAS

Non-Executive Director

Sri Benny P. Thomas is a law graduate, enrolled at the Bar in the year 1988. He initiated his practice in the stream of Civil Law and later gained substantial depth in Labour Law, providing professional legal services to companies including big Corporates. Sri Benny P. Thomas's niche expertise in the field has been sought by the Bench in multiple cases as Amicus Curiae. He is sought for his wisdom, pragmatic approach and holistic vision, for providing opinions not only to Corporates but also to the Department of Labour, Govt. of Kerala. Sri Benny P Thomas now heads M/s Thomas & Thomas, a promising and fast growing boutique Law Firm established in 2017 providing services in the streams of Labour Law, Civil Law, Cyber Law, Taxation Law, Alternate Dispute Resolution, Arbitration & Conciliation etc. Sri Benny P Thomas has been on the Board of the Bank since December 30, 2021.

TOP MANAGEMENT*



Sri Thomas Joseph K

EVP & Chief Business Officer



Sri Anto George T

Chief General Manager HR & Operations



Sri Sanchay Kumar Sinha

Senior General Manager & Country Head – (Distribution & Unsecured Retail)



Sri Sony A

Senior General Manager & Chief Information Officer



Smt Biji S S

Senior General Manager & Group Business Head



Sri Senthil Kumar

Senior General Manager & Group Business Head - Collection and Recovery



Smt Chithra H

Senior General Manager & CFO



Smt Minu Moonjely

Senior General Manager - Credit Underwriting



Sri Nandakumar G

General Manager- MSME Business Group



Sri Harikumar L

General Manager - Liabilities, Gold & TPP



Sri Abey Abraham

General Manager - Housing Loan Business Group



Sri Sivaraman K

General Manager - Banking Operations Group



Sri Vinod A N

General Manager - Treasury



Sri Nehru Singh B

General Manager - Credit Policy and Monitoring Group

*As on 31-03-2023.

MESSAGE FROM CHAIRMAN

Driving Change, Embracing Responsibility



DEAR SHAREHOLDERS,

Greetings!

I am pleased to place before you, the highlights of the Bank's performance during the FY 2022-23, a year in which we achieved many "all the time best" parameters, thanks to our turnaround strategy charted out in October 2020. In a tumultuous year marked by global economic upheavals, India stood out as the best performing large economy and the banking sector performed well on the back of the policies by the Government and the regulator.

Globally inflation is set to fall from 8.7% in 2022 to 6.8% in 2023 on the back of lower commodity prices, but underlying (core) inflation is likely to decline more slowly. Risks to the outlook are heavily skewed to the downside, with the chances of a hard landing having been risen sharply. Financial sector stress could amplify and contagion could take hold, weakening the real economy through a sharp deterioration in financing conditions and compelling central banks to reconsider their policy paths. The Russia-Ukraine war that started in February 2022 resulted in high inflation that was initially thought to be transitory, but persisted for a long time leading to most central banks in the world adopting tight monetary policy and quickly raising interest rates in quick succession. This resulted in growth slowing in major economies in the world. Among the global headwinds, India, with 7.2% GDP growth for FY 2022-23 emerged as a bright star even after RBI also tightened the policy rates by 250 bps during the year to 6.5% to cushion in inflation. Although, Europe is still struggling, the inflation in India seems to have largely stabilised. In fact, RBI paused the rate hike



The Indian economy displayed exemplary resilience post-pandemic and rebounded strongly from a contraction of 5.8 per cent in 2020-21 to an impressive growth of 9.1 per cent in 2021-22 and 7.2 per cent in 2022-23. The Consumer Price Index (CPI) inflation for the fiscal year 2024 would be around 5.1 per cent. Additionally, the GDP growth rate for FY24 was projected to be 6.5 per cent.

for two consecutive MPC meetings held in April as well as in June while continuing to maintain a cautious stance as India's inflation rate has moved down to 4.81% in June 2023.

The Indian economy displayed exemplary resilience post-pandemic and rebounded strongly from a contraction of 5.8% in 2020-21 to an impressive growth of 9.1% in 2021-22 and 7.2% in 2022-23. The Consumer Price Index (CPI) inflation for the fiscal year 2024 would be around 5.1%. Additionally, the GDP growth rate for FY 2023-24 was projected to be 6.5%. The Indian economy has also made rapid gains in openness and has gradually integrated with the global economy over the years. Consequently, it is getting increasingly exposed to the vagaries of global headwinds. It is, however, pertinent to note that India's growth in the last few years is mainly driven by robust domestic demand, especially private consumption and investment, amidst the global slowdown. Looking ahead, RBI expects real GDP to grow by 6.5% during 2023-24. In all likelihood, India will remain among the fastest growing large economies in 2023. In fact, credit growth in India stood at a 12 year

high of 15% in FY 2022-23. For FY 2023-24, RBI remains confident about 6.5% GDP growth. The high frequency economic indicators like GST collection, PMI, e-way bills, etc. generate enough confidence in the economy. This is also due to the Government policies of increased outlay on infrastructure, continued focus on MSMEs, and impetus to the manufacturing sector through policies like the Production Linked Incentive (PLI) scheme.

During the FY 2022-23, the total gross business of the Bank increased from ₹1,50,957.86 Cr to ₹1,63,743.42 Cr; deposits increased from ₹89,142.10 Cr to ₹91,651.35 Cr; and gross advances increased from ₹61,815.76 Cr to ₹72,092.07 Cr. Operating profit of the Bank had increased to ₹1,507.33 Cr in FY 2022-23 from ₹1,247.57 Cr in FY 2021-22. The Net Profit increased to ₹775.09 Cr in 2022-23 as against ₹44.98 Cr reported in 2021-22. The Provision Coverage Ratio (PCR including write-off) has improved to 76.78% in FY 2022-23 from previous level of 69.55% in FY 2021-22. The Board has recommended a dividend of 30% i.e. @₹0.30 per equity share of face value of ₹1/-each, which is subject to the approval of

MESSAGE FROM CHAIRMAN

shareholders in the ensuing Annual General Meeting.

The Gross NPA to Gross Advances stood at 5.14% and the Net NPA to Net Advances stood at 1.86% as on March 31, 2023. The CASA has increased by 2% during current financial year to ₹30,227 Cr from ₹29,601 Cr in the FY 2021-22. Net Interest income of the Bank has increased from ₹2,240 Cr in the FY 2021-22 to ₹3,012 Cr in the FY 2022-23.

The Capital Adequacy Ratio of the Bank was 17.25 under Basel III norms as on March 31, 2023 as against the RBI mandated level of 11.50. The Book value per share has increased from ₹27.97 to ₹31.89 as on March 31, 2023. The gross revenue from Treasury Operations segment decreased from ₹1,499.70 Cr in the FY 2021-22 to ₹1,088.00 Cr in the FY 2022-23. During the FY 2022-23, the Corporate/Wholesale Banking segment has increased from ₹2,065.04 Cr to ₹2,323.02 Cr. Retail Banking segment has increased from ₹3,710.05 Cr to ₹4,083.76 Cr and Other Banking Operations segment increased from ₹345.85 Cr to ₹551.03 Cr.

The segment results, net of allocated/apportioned cost and provisions from Treasury segment has decreased from ₹18.51 Cr to ₹(158.42) Cr, Retail Banking segment has increased from ₹291.65 Cr to ₹975.59 Cr whereas Corporate/wholesale Banking segments have increased from ₹(656.82) Cr to ₹(101.70) Cr and other banking operations increased from ₹254.67 Cr to ₹392.74 Cr.

The Board gives utmost importance to corporate governance practices at the Bank, and we have been meticulously following the RBI and

the SEBI guidelines, corporate laws issued by MCA, banking regulations and all applicable laws.

The Board is extremely happy with the transformation journey of the Bank under the leadership of Mr. Murali Ramakrishnan, who has done for the past 2.5 years, helping the Bank to achieve a quick turnaround. And we really thank him and his team for their efforts in restoring the glory of the Bank.

Our significantly strong financials clearly demonstrate the success of our transformation process and the business strategy over the past 2.5 years. Our consistent focus on execution has led to strengthening the balance sheet with higher capital adequacy ratio, quality loan book, better NIM, strong CASA growth, higher PCR, digitisation, and efficient recovery and collection have bolstered the financial profile of the Bank and cushioned the balance sheet from potential risks arising out of uncertainties. As we enter FY 2024, we are well positioned to grow our advances 2X GDP growth and maintain growth and profitability.

The Board is convinced that the present strategy has resulted in clearly demonstrable qualitative parameters and improvements in the financial as well as the growth numbers. We want to pursue the same strategy going forward even after change of the present MD for sustaining growth and profitability. We are closely watching the scenario with respect to capital raise. Our current CAR of 17.25 is sufficient in the short-run. But given the dynamics of risk profile of the assets that we are booking it over the months, we are having an open mind on capital raise. If necessary,

Our consistent focus on execution has led to strengthening the balance sheet with higher capital adequacy ratio, quality loan book, better NIM, strong CASA growth, higher PCR, digitisation, and efficient recovery and collection have bolstered the financial profile of the Bank and cushioned the balance sheet from potential risks arising out of uncertainties.

we will be going to the market for capital.

I am associated with the Bank as a director since, January 2014 and later on took charge as Chairman and I am exhilarated to deliver my responsibilities as Chairman of the Bank since November, 2016. It has been a real privilege to associate with a legacy Bank, which is having a history of handling even pre-independence financial environment of the country since 1929. My heart is filled with bitter-sweet emotions. It is with a mixture of immense pride and a tinge of melancholy that I address you for the last time as the Chairman of this extraordinary Bank.

After nine remarkable years of serving as your guiding light, I vividly remember the challenges we faced through uncertain times. We have witnessed both triumphs and tribulations, riding the unpredictable waves of the financial world, all the while holding steadfast to our unwavering vision. We have experienced the ecstasy of success and the depths

of despair. We weathered storms that tested our resilience, but, my fellow shareholders, it is with immense joy and a profound sense of accomplishment that I write to you today to proclaim that we have emerged triumphant.

Under our collective stewardship, this Bank has transformed into an exemplar of sustainable success. We have not only weathered the storms but also reshaped the very landscape upon which we operate. We have grown from strength to strength, defying the odds, and carving a niche for ourselves in an ever-evolving industry. Our commitment to integrity, innovation, and responsible banking practices has propelled us to new heights, earning the respect and admiration of our peers and competitors alike. The foundation we laid has given rise to a thriving ecosystem, one that fosters growth and nurtures talent. We have empowered our employees, the backbone of this institution, and watched them flourish as they embraced our new vision and forged their paths towards excellence. The enduring relationships we have cultivated with our clients, partners, and communities have become the bedrock of our success, enabling us to deliver exceptional value and make a meaningful difference in the world.

As I gaze into the future, I am filled with a renewed sense of hope and anticipation. The seeds we have sown are destined to yield a bumper harvest, one that will surpass anything we have achieved thus far. The Bank stands poised on the precipice of greatness, armed with the collective knowledge and experience that we have amassed over the years. It is a beacon of

possibility, radiating the promise of a brighter, more prosperous future. My time here has been nothing short of transformation. I have witnessed the unwavering dedication and boundless potential that resides within each of you, and it has inspired me beyond measure. I have served the Bank with all my heart and soul, and that the legacy we leave behind will endure for generations to come.

In conclusion, I express my deepest gratitude to each and every one of you, our esteemed shareholders, for your unwavering trust and support. It is your belief in our mission that has fuelled our journey and propelled our unwavering commitment to excellence. I would like to conclude by thanking all our customers, associates, partners, vendors, Auditors and other well-wishers for their continued support and trust. I wish to express my gratitude to the RBI, the SEBI, stock exchanges, and Central and State Governments for their guidance in statutory compliances. I also thank the employees at all levels, for their tireless effort and teamwork. Finally, I would like to thank all our shareholders and Board for their contribution in Bank's growth over the years. I am confident that the Bank's Retail franchise would continue to deliver sustainable profitable growth without compromising on the quality and profitability.

It is with great pleasure that I extend my sincere thanks to fellow Board members and our esteemed Managing Director and CEO, Mr Murali Ramakrishnan, who is completing his tenure on September 30, 2023. Further, I am reminded of the profound impact of our past leaders who have steered

this Bank to success. Let me take this opportunity to remember with fondness and appreciation the contributions of our former MD & CEOs, previous Chairman and other eminent Board members whom I have associated with during my tenure. As we move forward, I am very confident that this outstanding group of eminent Board members and exemplary Management will continue to guide the Bank towards even greater achievements."

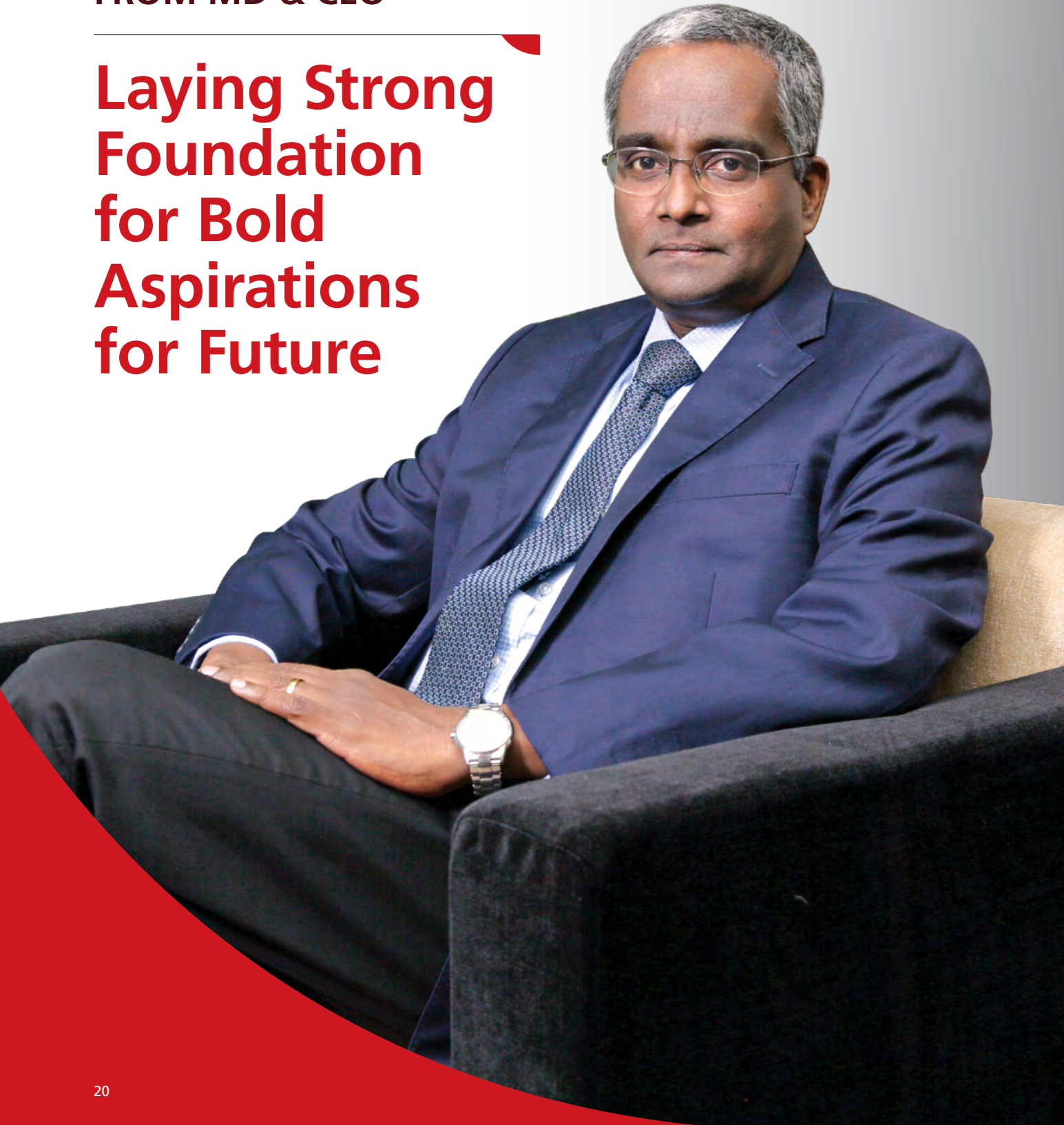
On behalf of the Board of Directors of the Bank, I thank you for your continued trust, confidence, and support. Stay healthy, stay safe!

With best regards,

Salim Gangadharan
Chairman

**MESSAGE
FROM MD & CEO**

**Laying Strong
Foundation
for Bold
Aspirations
for Future**



DEAR SHAREHOLDERS,

I am delighted to address you with great excitement, gratitude, and with a profound sense of inspiration, as we continue to soar on the wings of our accomplishments and embark on a remarkable journey of growth to new horizons of success together.

The year gone by has been marked by dynamic shifts in global economic landscape and a series of transformative developments and challenges in the Banking industry. The global economy has experienced a mix of challenges and opportunities over the past year. The world continues to grapple with the aftermaths of Covid-19 pandemic and certain economies have witnessed an increase in inflation rates. Despite of numerous challenges and uncertainties, our Bank has demonstrated resilience, adapting swiftly to the changing circumstances while continuing to uphold our commitment to excellence. The Bank has successfully forged ahead, leveraging our strength and seizing the opportunities to drive sustainable growth. Since the beginning of our turn around journey in FY 2019-20, the Bank has scaled new heights year after year and now envision ourselves in the Build phase of our transformation journey.

It is my great pride and immense pleasure to showcase some of the highest ever benchmark performances in the history of the Bank, initiatives and path we took amidst the challenges during the FY 2022-23. Throughout the past year, we have made significant

progress and achieved several notable milestones. The Vision 2024 document focusing on 'profitable growth through quality credit' and the methodology adopted with the 6 C strategy, (a) Capital adequacy (b) CASA (c) Cost to Income ratio (d) Competency building (e) Customer focus (f) Compliance, enabled us to explore and capture various business opportunities in line with the vision and mission of the Bank.

ALL ROUND PERFORMANCE

We focused on quality and profitability on asset side and pricing on liability side. This enabled us to improve margins even during hardening rate environment. Going ahead, we will strive to improve Net Interest Margin further by embracing the opportunities on both, asset and liability sides.

We could achieve a lot of "highest ever" in the history of the Bank this year. For the year ended FY 2022-23, the Bank has reported the highest ever business at ₹1,63,743.42 Cr, highest ever net profit at ₹775.09 Cr. The Bank's CRAR stood at the highest ever 17.25% while PCR including write offs stood at the highest ever 76.78%. We achieved highest Net Interest Margin in last 17 years at 3.3% and Highest RoA and RoE in last 9 years at 0.72% and 11.61%, respectively.

The Bank could register growth in CASA and retail deposits on liability side and could on-board highly rated accounts in corporate segment, increase in gold loan and personal loan book on asset side. Our NRI customers continued with their unrelenting support with NRI



It is my great pride and immense pleasure to showcase some of the highest ever benchmark performances in the history of the Bank, initiatives and path we took amidst the challenges during the FY 2022-23".

deposits amounting to ₹28,159 Cr or 31% of our total deposits. Currently, the Bank has a gross NPA of 5.14% and net NPA of about 1.86%.

The Bank has recorded its highest ever cash recovery at ₹1,570.66 Cr. The advance portfolio of the Bank has improved by 16.62% to reach ₹72,092.07 Cr as on March 31, 2023. During the period, the Bank could register growth in all the desired segments with a focus on building quality assets across all verticals like corporate, SME, housing loan, auto loan, credit card, personal loan, gold loan, etc. The Housing Loan policy of the Bank was revamped during the year 2022-23, to make the HL products more competitive in the market without compromising credit quality. With the customer centric approach, competitive offerings and enhanced customer satisfaction, we could grow in CASA from ₹29,601.38 Cr as on March 31, 2022, to ₹ 30,227.06 Cr as on March 31, 2023, with a growth of 2.11%.

MESSAGE FROM MD & CEO

TECHNOLOGICAL PROWESS

On the Information Technology side, Bank's digital and technology Strategy was built on 4 Pillars (INPF) Indulge – Self-service, Nudge - Phygital, Purge – Redundant Processes – Partnerships and Triads of Technology i.e., Confidentiality, Integrity, and Availability. Upon these pillars the Bank has initiated various projects on our digital platforms and we continue to invest aggressively in the same to get future ready. The Business Solution Group in our Digital & Technology Dept. has been able to roll out almost 1000 top priority projects and Fintech Cross Functional team ensures timely roll out of the partnerships with fintech initiatives. During the year 2022-23, the Bank was honoured with significant Institutional recognition, awards and accolades.

BRAND POSITIONING

We want to be remembered as a brand that can be trusted and that is ready for tomorrow! The Bank's new brand campaign, "Trust meets Tech since 1929," highlights its focus on trust and technology. The campaign features a number of visuals that allude to speed, victory, integrity, and dominance. We are also taking conscious efforts to increase our presence in print, online and social media to create a brand name that resonates with people.

LOOKING AHEAD

To remain resilient, we adopted multiple strategies with respect to restructuring of our assets and liabilities, product & segment innovations and digitalisation. We will focus on SME, housing and personal loans including credit cards as key growth areas for FY 2023-24 while continuing to leverage our strong corporate banking franchise in tapping and penetrating highly rated corporates, opportunities in supply chain financing, Dealer funding, in trade and forex etc. We will be launching new retail products like commercial vehicles, construction equipment, loan against shares etc. We have recently launched auto loans for open market.

We have released our updated Vision 2025 under which we will strive to increase our advances to 1,00,000 Cr, CASA to 35%+, PCR at 65%+, NIM at 3.5%+ RoE at 13%+ and RoA at 1%+. We believe we are well placed to achieve these benchmarks.

We are adopting various cross selling strategies to improve our other income. Banca is one of the important components of our other income strategy and we are continuously increasing our insurance cross-sell income in life as well as in general. In retail as well as in SME segments, as disbursements

go up, our fee income is also increasing. We are also seeing a good traction in Credit Card income. We have issued more than 2 Lakh cards during FY 2022-23 and expect to continue the momentum. Our concentration on highly rated corporates is also leading to increase in other income due to the non-credit income they generate. We aim to source majority of our business digitally, thus bringing down the cost.

In this digital era, we have continued to prioritise and harness the power of technology, enabling us to achieve remarkable results. We have focused on harnessing emerging technologies such as artificial intelligence, machine learning, big data analytics, and blockchain among others. These technologies have empowered us to make informed decisions, improve efficiency, and gain a competitive edge in the market.

Human resource is indeed a valuable asset for any organisation. We firmly believe that our employees are the driving force behind the success of the Bank. To align with the strategies and overall goals and values of the Bank, the Learning and Development team along with talent management has adopted certain Employee empowerment and engagement programmes and upskilling

and reskilling programmes. We have streamlined the entire HR function by using technology and innovative processes.

Furthermore, we understand the significance of Environmental, Social and Governance (ESG) considerations in today's world. In line with our commitment to sustainable and responsible banking, the Bank places a strong emphasis on ESG practices. Our ESG efforts encompass a wide range of initiatives aimed at minimising our environmental footprint, promoting social welfare, and ensuring strong corporate governance. From implementing energy-efficient measures in our branches to supporting community development projects, we actively contribute to build a more sustainable and inclusive society. The Bank strives to make a positive impact through its CSR programmes.

THANK YOU.

I assumed the office of the Managing Director and CEO of the Bank on October 1, 2020. Soon I will be completing my association of three years with this esteemed organisation. I have thoroughly enjoyed my journey with this legacy Bank and the same has been enriching & rewarding. I have given it my best and have been rewarded by the support and association of all our internal and external partners.



The Bank has recorded its highest ever cash recovery at ₹1,570.66 Cr. The advance portfolio of the Bank has improved by 16.62% to reach ₹72,092.07 Cr as on March 31, 2023. During the period, the Bank could register growth in all the desired segments with a focus on building quality assets across all verticals like corporate, SME, housing loan, auto loan, credit card, personal loan, gold loan, etc."

The future of South Indian Bank remains extremely bright. I wish the Bank and all its stakeholders the very best.

Let me take this opportunity to express my sincere thanks and gratitude to our Board members, Government of India, RBI, SEBI, other regulatory authorities, various financial institutions, banks, media, and correspondents in India and abroad. I thank all our esteemed Shareholders for the abundant and unreserved confidence shown in the Bank. I also thank our beloved customers for their support and patronage and would like a special mention of our NRI customers for their support through various business cycles. I extend my heartfelt appreciation to the staff members for their unwavering support and dedication for transformation and

their tireless efforts for the success of the Bank.

As we move forward, South Indian Bank remains committed to sustainable growth, innovation, and delivering exceptional value to our stakeholders. We are excited about the opportunities that lie ahead and look forward to continuing the success in the coming years.

Best Wishes

Murali Ramakrishnan
Managing Director & CEO

AWARDS AND RECOGNITIONS

Celebrating Excellence

We are proud to highlight a few accolades received in our illustrious journey. The awards are a testament of our customer-centric approach and inspire us to deliver top quality financial services.



MD & CEO Mr. Murali Ramakrishnan, honoured with "ET Ascent Business Leader of the Year Award"



South Indian Bank awarded with "Outstanding Digital CX-SME Loans" at the 6th Digital CX Awards powered by The Digital Banker, Singapore



South Indian Bank being awarded the World Record for Staging and Swinging 101 'Oonjals' at Marine Drive, Kochi, Kerala in October 2023



MD & CEO Mr. Murali Ramakrishnan honoured with the Management Excellence Award by Thissur Management Association (TMA)



South Indian Bank won Six Awards at IBA's 18th Annual Banking Technology Awards:

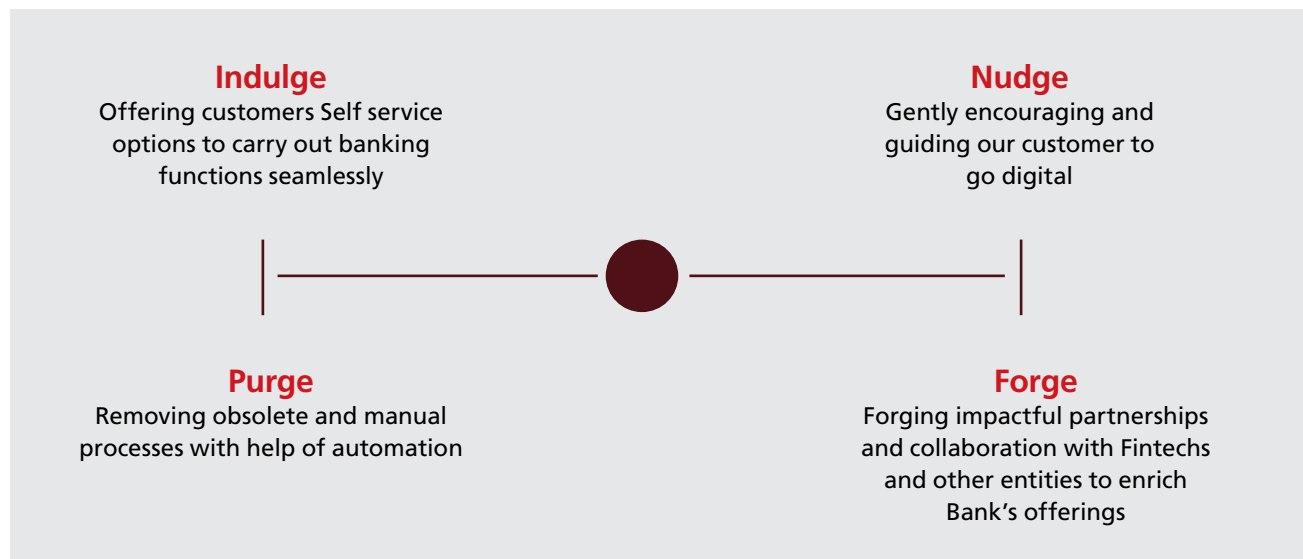
- Winner - Best IT Risk Management
- Runner Up - Best Technology Bank of the Year
- Runner Up - Best Use of AI/ML adoption
- Runner Up – Digital Sales & Engagement
- Runner Up – Technology talent and organisation

CUSTOMER CENTRICITY WITH TECHNOLOGICAL PROWESS

Adapting to the New Age Banking

“Embrace Digital” is one of our core values at South Indian Bank and it has helped us to “pursue boundary-less behaviour” with focus on “high quality and speed”. We were the first bank in Kerala to develop an in-house, fully integrated, branch automation and to implement the Core Banking System way back in 2001. We had set up our digital vertical in 2017, and since then has rolled out a large number of first of its kind initiatives in the Bank. We formed a Data Science team to utilise analytics expertise in the areas of asset, liability and collection.

OUR DIGITAL AND TECHNOLOGY STRATEGY IS BUILT ON 4 PILLARS (INPF)



INITIATIVES

Customer Experience: We have developed innovative solutions for enhancing the customer journey. An added focus has been placed on designing intuitive and seamless platforms for our wide base of users, ranging from the tech-savvy millennial to the legacy customer.

We are developing a platform for SMEs that is likely to be commissioned in the first half of FY 2023-24. Our credit model SMILE SIB MSME Integrated Lending Engine - was introduced in FY 2021-22 as a continuous effort to improve the credit underwriting quality of MSME Portfolio from ₹25 Lakhs to ₹200 Lakhs which will be integrated with the platform.

The Bank rolled out Video KYC for account opening, digital onboarding and credit underwriting across all asset products. It further accelerated its digital delivery with an array of new offerings to ensure uninterrupted services to the customers. The Bank has also rolled out the CCIL FX (forex) Retail platform for its customers enabling

them to access the market directly and book the Forex Deals thereof.

Payment Systems: At South Indian Bank, over and above implementing the entire stack of digital payment modes (UPI, IMPS, NEFT, RTGS, NACH, BBPS, NETC, Bharat QR, BHIM Aadhaar, etc.), we are looking at Open Banking capabilities to be implemented through API projects.

Digital Security: As a huge chunk of cyber attacks directly target the customer, spreading relevant awareness among our customer base will play a significant role in the Bank's defence strategy against the rising cyber crimes. We have deployed FRM with AI capability to strengthen the Bank's applications and mitigate fraudulent attempts through behavioural analysis and identification of risk patterns. Security control applications such as WAF (Web Application Firewall), SIEM (Security Information and Event Management) and HIPS (Host Intrusion Prevention System) have been implemented to further strengthen security.

FinTech Collaborations: We have been proactively following the FinTech space, assessing the FinTech services in different functional areas like Payments, Lending, Digital Onboarding, Business Aggregator, etc., covering several customer touch points, and onboarding them. We were able to launch the SIB OneCard, the Bank's very own Credit Card, through a FinTech partnership. We have also partnered with M/s Actyv.ai for the roll-out of MSME GST Business Loan.

Innovations in Emerging Technologies: The Bank has been following the emerging technology capabilities offered by Artificial Intelligence and Machine Learning which provides us with the tools to automate and enhance both front-end and back-end processes. Blockchain is yet another framework being proactively pursued by the Bank.

Investment in IBBIC Private Limited

A financial technology company formed by major banks in India for exploring, developing and implementing block chain solutions for Indian financial services sector

Pursuing Account Aggregator Framework

that allows users to avail various financial services from host of providers on single portal based on consent method

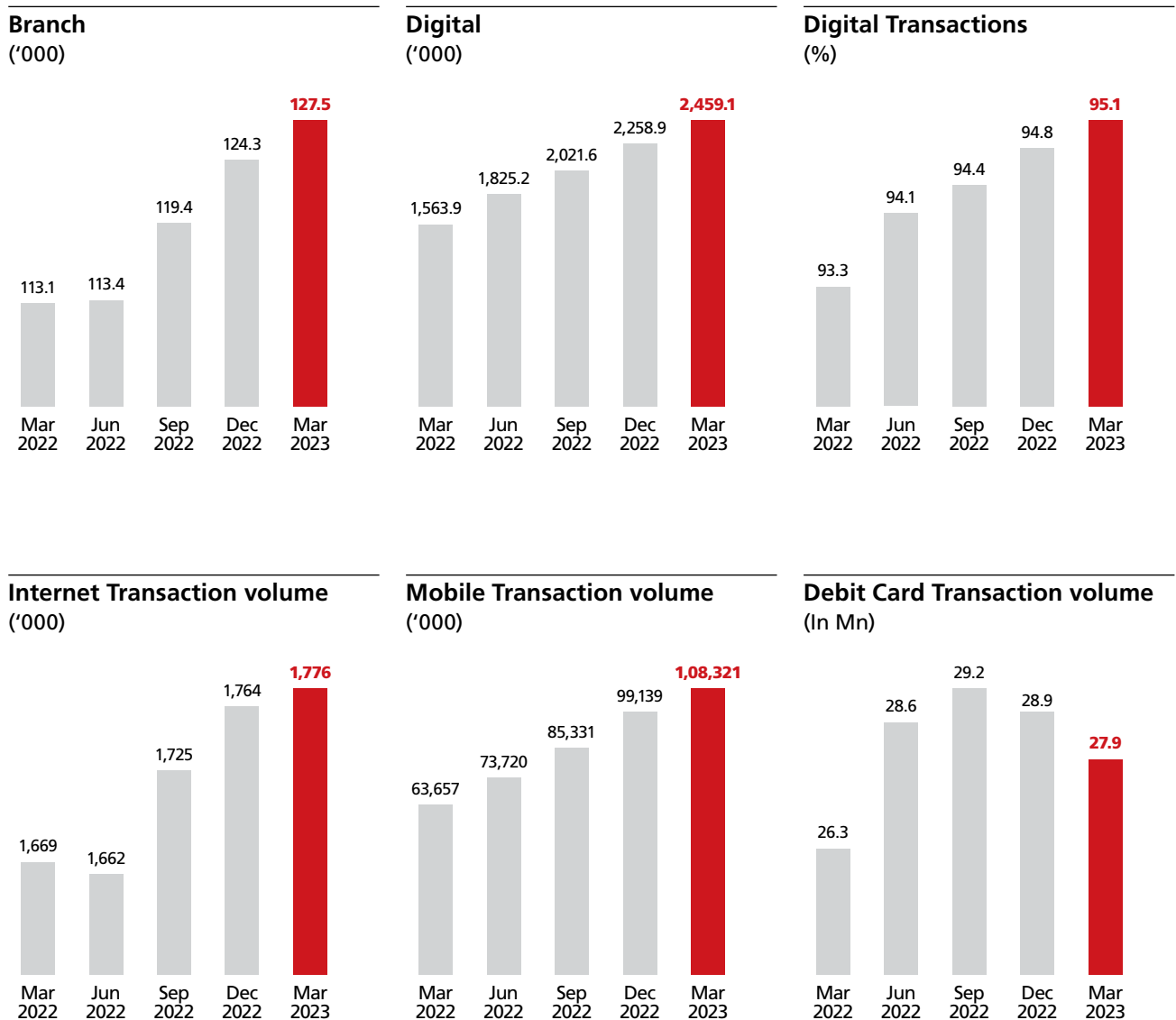
Balance Scorecard

Performance Management System adoption where all employee performance reviews are moved under this system

CUSTOMER CENTRICITY WITH TECHNOLOGICAL PROWESS

RESULT

Digital adaptation – Digital transactions have gone up from 93.3% to 95.1%
Digital vs Branch transactions (No. of transactions in '000)



DATA ANALYTICS TEAM

We have also created a formidable data analytics team. Currently, the team is engaged in enhancing liability and asset collections analytics and is helping to improve the quality of liability customers. We have already commissioned the initiative on our retail platform. Presently, we are actively onboarding HL (Home Loan), LAP (Loan Against Property) and PL (Personal Loan) cases using this cutting-edge platform. Currently,

this has been rolled out in four regions and gradually, we will scale it up to the entire country leading to a faster turnaround.

We will be using predictive analytics to delve deeper to customer behaviour and leverage the insights to the Bank's advantage. Through the implementation of predictive analytics, we are revolutionising collection efficiency, fine-tuning the frequency and mode of follow-up with remarkable precision. We have also started developing a lot of

vintage curves to do the reviews of various portfolios, thus empowering us to make informed decisions and optimise portfolio performance.

With these powerful data-driven strategies in place, we are positioned to stay ahead of the curve, anticipate customer needs, and drive sustainable growth.

Year	Organisation/Award	Category
April, 2022	11th UBS Forums' Data Centre Summit and Awards	Winner – Physical Security (Security Design)
April, 2022	11th UBS Forums' Data Centre Summit and Awards	Recognition – Risk Management (Availability)
April, 2022	11th UBS Forums' Data Centre Summit and Awards	Recognition – Innovation - New Initiatives (Infrastructure)
April, 2022	11th UBS Forums' Data Centre Summit and Awards	Recognition – Design Management (Infrastructure)
May, 2022	Banking Frontiers Finnoviti Award - Best Innovation in Banking Technology Awards	Robotic Automation of Merchant Credit Processing
August, 2022	CXO Tech Innovation Awards	Digital Innovation in Banking Systems
September, 2022	Krypton Group's BFSI Leadership Awards	Best App Modernisation Project of The Year: SIB Mirror+
September, 2022	India CISO Summit and Awards	CISO Team – Innovation Security Leader of Year
October, 2022	Quantic India's Technology Excellence Awards	Best Tech of the Year (Robotics & AI): RPA
October, 2022	Data and AI ICON Awards	Data Science Dept
December, 2022	18th IBA Banking Technology Awards	Winner - Best IT Risk Management
December, 2022	18th IBA Banking Technology Awards	Runner Up - Best Technology Bank of the Year
December, 2022	18th IBA Banking Technology Awards	Runner Up - Best Use of AI/ML adoption
December, 2022	18th IBA Banking Technology Awards	Runner Up – Digital Sales & Engagement
December, 2022	18th IBA Banking Technology Awards	Runner Up – Technology talent and organisation
December, 2022	18th IBA Banking Technology Awards	Special Mention - Best Fintech Collaboration
January, 2023	IBS Intelligence Global FinTech Innovation Awards	Best Trade Finance Implementation
February, 2023	Elets BFSI Tech Innovation Awards	Excellent Use of AI/ML - Jury Choice Award
April, 2023	6th Digital CX Awards powered by The Digital Banker, Singapore	South Indian Bank was awarded "Outstanding Digital CX-SME Loans"

PROMOTIONAL CAMPAIGNS

Gaining Visibility

The Bank had executed various promotional campaigns in media like Print, Television, Radio, Outdoor and Digital. The campaigns proved economical as well as ensured target delivery across the geography. South Indian Bank's strategic communication initiatives led to increased SoV (Share of Voice). This expanded its visibility, and meaningful engagement with diverse stakeholders positioning the Bank as a trusted industry thought leader, earning admiration and cultivating credibility.



Major events and financial results pertaining to the Bank were promoted globally across the digital and print media. Exclusive interviews of our MD & CEO with the prominent print and online media like The Economic Times, Business Standard, Mint, Money Control, The Hindu Business Line, Financial Express, Mathrubhumi etc. were conducted across the year.



ONNICHIRIKKAM OONJALADAM

South Indian Bank organised a first-of-its-kind cultural connect event called 'Onnichirikkam Oonjaladam' at Kochi, Kerala in October 2022 where the Bank set a world record by synchronising and swinging 101 coir swings for 90 seconds. The event brought together customers, visitors, and dignitaries, promoting social unity and prosperity during Diwali. The achievement was recognised by the World Book of Records.

131

Publications

10,000

Attendees

21,000

Audience on livesream

TRUST MEETS TECH CAMPAIGN

In order to establish and position South Indian Bank as a Universal Tech-savvy Bank, we launched the 'Trust Meets Tech since 1929' campaign across TV, Connected TV and Digital media including social media influencers, theatre, and outdoor. Multiple duration digital videos were prepared for better reach and engagement among the target audience on various online platforms. The digital innovations guided by digital innovation team on a limited budget. We also used impactful outdoor advertising to garner significant audience attention.

2 Cr

Campaign views online

ARTIFICIAL INTELLIGENCE (AI)

Regular social media posts of digital products, assets and liability products were promoted through the official social media handles of South Indian Bank. Special days/ festive occasions were also promoted to engage the customers with the brand. We have leveraged the power of influencers to extend the reach and connect with the target audience more effectively. We also explored new mediums like VEVE and Bobble AI to reach out more to the Millennials and GenZ. This enabled us to expand our brand visibility beyond our strong markets of South. As on March 2023, in terms

of website visitors, two among the top 5 states are non-South states.

PRODUCT CENTRIC CAMPAIGNS

Product centric campaigns were rolled out for Home Loan, Car Loan and Gold Loan during the year. We also initiated developing exclusive landing pages for separate campaigns which helped in considerable increase in lead generation and conversion. We implemented over 360 segmented campaigns in this year which helped in promoting various products and generating business.

The Bank had also associated in major cultural events outside its home state, like SS International Live - Fusion Music Show, The Great Man'dolin Tribute Show in Tamil Nadu, Global Fintech Fest 2022 by Internet and Mobile Association of India (IAMAI) at Mumbai etc.

- South Indian Bank won the award for "Best Use of Social Publishing-Banking" in the Kconnect Insights Excellence Awards and Summit 2022
- South Indian Bank received the "Best Use of Experiential and Innovative Media" by Kamikaze Media for Installing and Swinging 101 Swings at a single venue in Kochi

KEY PRODUCTS / INITIATIVES

SIB OneCard Credit Card

A premium metal-based Credit Card fully controllable via the OneCard app, the SIB-OneCard Credit Card is a 'Next Generation', 100% digital Credit Card, on the 'Visa Signature' platform.

SIB OneCard has been envisioned to enable our customers to apply for and use a Credit Card, fully online and instantly. The objective behind the SIB OneCard Credit Card was to enable our customers with good credit standing to apply for and start using their Credit Cards instantly, through a hassle-free process, which will in turn increase the Bank's Credit

Card lending portfolio, with the existing manual process eliminated. New to Bank customers are guided through a Customer ID creation process through Video KYC before on-boarding. The interest income, Interchange and Card Issuance fee add to the Bank's income, requiring no manual intervention. AI-powered credit score determination, image liveness check and matching and location check using geo-tagging are some of the innovative technologies implemented in this project to ensure a completely digital and seamless on-boarding journey.

2,05,000+
Credit cards issued

₹796 Cr
Credit card dues

Digital GST Business Loan

SMILE (SIB MSME Integrated Lending Engine) was the project launched by South Indian Bank to build a digital portfolio underwriting model and improvise the processes associated with MSME Lending to augment the business in the MSME sector in line with the transformation agenda. The Instant GST Business Loan is a fully digital lending solution based on the GST returns filed by the MSME, with a combination of bureau score and socio-economic scoring parameters also taken into consideration. Business loans

up to ₹1 Cr based on GST returns can be issued through this platform. The platform boasts of end-to-end online processing and generation of ITS (Indicative Term Sheet) within a mere 10 minutes. It employs simple assessment norms on the basis of GST returns. What was initially launched as a fully paper-based loan underwriting system has now been transformed into a fully digital platform, enabling our customers to avail business loans seamlessly.

700
Customers
in a span of 1 month

₹100 Cr
Loan Book

Micro LOS

With the objective of enhancing the Priority Sector Lending and Agri Business portfolio of the Bank, Business Correspondents (BC) were identified to open co-branded branches at locations identified. All the expenses for running these branches are borne by the BCs. Identifying suitable customers, preliminary assessment, KYC verification, formation of groups, sourcing applications for onward submission to the Bank for sanction, documentation, disbursal of the sanctioned

amount, collections and MIS are the responsibilities of these non-individual BCs. The loan application file is uploaded by the BC through a BC digital platform with all necessary documents, to the Loan Management System of the Bank (LMS). The sanction of the loan, document generation, opening of individual loan account and NPA management are done in the LMS. The software is tightly coupled with CBS for accounting and the IRAC system for NPA classification. The purpose of the loan is to provide Agri JLG/SHG loan to meet the credit needs of marginal and small farmers

for Agri and allied activities, with a maximum quantum of credit per individual set at ₹1 Lakh. The loan thus serves the unserved and under-served section of the society.

Mobile based digital account opening platform - SIB SWIFTe

SIB SWIFTe is our mobile based savings account opening platform. The platform provides an exciting experience for the customer as his fully operative account gets opened well within 5 minutes.

Key features of SIB SWIFTe are mentioned below:

Instant account opening on submission of the documents, the account gets opened then and there itself, no more pushing the soft copy to the

backend operation for account number generation.

User friendly interface

Very intuitive and user-friendly interface that makes it a breeze to navigate through the account opening process. Clear instructions and visual cues that will guide and ensure a smooth and hassle free experience.

Anytime anywhere access

With this solution one can open account anytime anywhere.



South Indian Bank signed MoU with M/s Maruti Suzuki to provide dealer finance options and customised Auto Retail Financing Solutions for for the customers of the Bank.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Path to Responsible Banking

As a responsible corporate citizen, we recognise the importance of Environmental, Social and Governance (ESG) considerations in shaping our business practices. We firmly believe that the long-term success of our Bank is intrinsically linked to the well-being of the communities we serve and the planet we inhabit. We are committed to minimising our environmental footprint, fostering social inclusivity, and upholding robust governance practices that promote ethical conduct and sound decision-making.



MINIMISING ENVIRONMENTAL IMPACT

The Bank is continually taking proactive action towards addressing climate change, reducing carbon footprint, minimising waste and pollution, and promoting sustainable energy and infrastructure development. It is our duty to protect and improve the environment. The Bank is committed to minimising its impact on the environment and managing environmental risks effectively.

Environment

RENEWABLE ENERGY

The Bank has initiated steps to provide provision for Solar power generation in new buildings under construction, wherever possible.

50kW

For Platinum Jubilee building,
Ayyanthole

25kW

Installed plant for
Kannur RO building

SUSTAINABLE LIGHTING

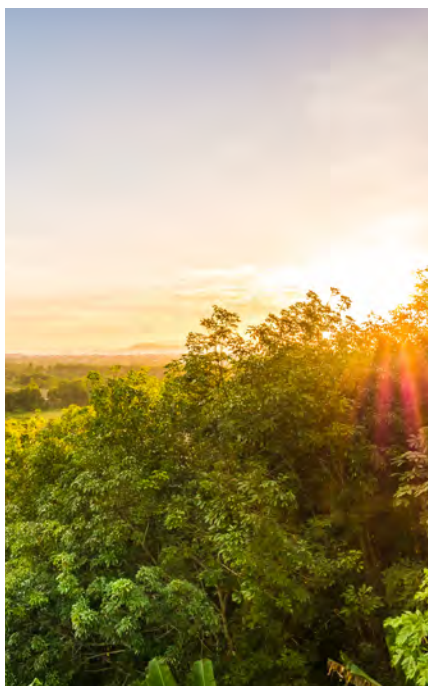
We are replacing lights from 2X2 lights in HO and Annex buildings to more power saving LED lights. We will continue the same effort in Kakkand Administrative building. Almost 50% of the work is completed.

Replacing **vinyl flex material from signboards** with more durable ACP (Aluminium Composite Panel)

95%

of Bank's transactions
done digitally

Tie up with authorised
e-waste vendor



Governance

“GREEN” BANKING

We introduced a new Term Deposit Product called “Green Deposit”. Green Deposit is a fixed-term deposit for investors looking to invest their surplus cash reserves in environment friendly projects. These deposits provide investors a platform to fulfil their sustainability goals

by investing surplus cash balances in environmentally beneficial projects. We launched social media campaigns for popularising green deposits and ESG Mutual Funds.

Being a Bank, a sustainable ESG complied lending policy is base for us to ensure that we equip ourselves for a future oriented and

sustainable lending, giving more focus on lending toward projects which are more environmental friendly. In this regard, Board has approved Environmental and Social Management System (ESMS) policy for focusing on environment friendly lending.

Green Deposits

ESMS policy

Promoting ESG Mutual Funds



Social

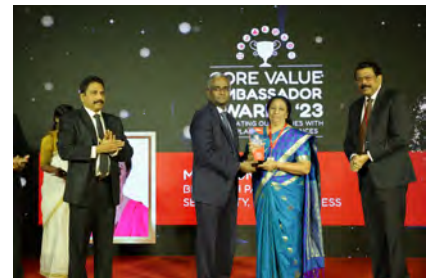
For more on our initiatives on employees please refer to pg. [36-37](#)

For more on our CSR policy please refer to pg. [38](#)

HUMAN RESOURCE MANAGEMENT

Nurturing a Culture of Engagement and Empowerment

In the dynamic landscape of the banking industry, South Indian Bank stands out as an exemplary institution that recognises the significance of a robust HR strategy in fostering employee satisfaction and creating a thriving workplace environment. The Bank's initiatives are aimed at nurturing employee engagement, build trust, and provide recognition to the Bank's talented workforce. The HR department plays a pivotal role in translating Bank's "Vision 2024" in action.



A glimpse of the Prestigious Core Value Ambassador Awards

Throughout the fiscal year 2022-23, SIB embarked on a transformative journey by implementing a wide range of impactful HR initiatives.

9,678

No. of employees

32.8 years

Average age

**180+ hours/
employee**

Learning content created

936

No. of freshers recruited

149

No. of experienced people recruited

5,905

Employees trained across grades

BUILDING SYNERGY: FOSTERING TRUST AND COLLABORATION

SIB's groundbreaking HR initiative, "Synergy - The HR Outreach Programme," aimed to foster trust, companionship, and open communication within the organisation. Through virtual town hall-style interactions, the Head of HR engaged personally with employees, providing a platform to voice concerns, share insights, and offer suggestions. SIB's commitment for creating an inclusive work environment was demonstrated through active listening, addressing concerns, and cultivating transparency, collaboration, and mutual respect. Synergy empowered employees, fostering a culture of value and empowerment.

HARNESSING EMPLOYEE INSIGHTS: THE SIB PULSE SURVEY

SIB conducted periodic Pulse Surveys to gather employee feedback on important business as well as non-business aspects such as work-life balance, training, development, and communication. These surveys served as a valuable resource for decision-making, guiding informed choices and addressing employee concerns effectively. The initiative demonstrated SIB's commitment to inclusivity and collaboration by actively seeking employee input for creating a better work environment.

RECOGNISING EXCELLENCE: EMPLOYEE RECOGNITION INITIATIVES

SIB implemented an Employee Recognition module and a monthly recognition newsletter to acknowledge and showcase outstanding employee contributions. The module allowed employees to nominate their colleagues for exceptional work,

while the newsletter highlighted their accomplishments, promoting a culture of appreciation, pride, and healthy competition. These initiatives significantly boosted employee morale and productivity, emphasising SIB's belief in the value of recognising employee efforts.

ALIGNING VALUES: CORE VALUE AMBASSADOR AWARDS

SIB introduced the prestigious Core Value Ambassador Awards to recognise employees who exemplified the organisation's core values in their daily activities. The award ceremony, held at Taj Hotels in Wayanad, celebrated 27 staff members who consistently demonstrated integrity, professionalism, teamwork, customer-centricity, and innovation. This initiative emphasised SIB's commitment to fostering a value-driven culture and aligning personal values with the organisation's mission and vision.

EMPOWERING SOCIAL RESPONSIBILITY: MAKE A DIFFERENCE INITIATIVE

SIB firmly believes in the power of social responsibility and community engagement. Through the "Make A Difference" initiative, employees formed teams to engage in various social service activities, such as charity drives, volunteering, and cloth donations. By empowering employees to give back to society, SIB showcased its commitment to corporate social responsibility, fostering a sense of purpose and fulfilment among its staff.

REVITALISING FESTIVALS: DIWALI CONTEST, SIB ONAM VIBES, AND SIB SYMPHONY

SIB promoted cultural diversity and strengthened bonds through festive celebrations. Engaging activities

like the "Khushiyon Ki Diwali" video contest and the "SIB Onam Vibes" photo contest showcased employee creativity and teamwork. The "SIB Symphony" virtual music competition celebrated International Music Day, highlighting staff members' musical talents. These festivities invigorated the workplace while honouring the diverse talent within the SIB family.

TRANSFORMING HR THROUGH TECHNOLOGY: STREAMLINING EFFICIENCY AND ACCESSIBILITY

SIB leveraged technology to enhance HR processes through its HRMS (Human Resource Management System) technology team. The team streamlined operations, improved accessibility, and enhanced the employee experience. Automation of expense calculations, recruitment processes, and document management were notable advancements. The updates, including executive expense claim automation, IT support for recruitment, and improved training management features through the SIB mHRMS mobile app, simplified administrative tasks and fostered digital transformation. These technological enhancements empowered employees and facilitated real-time information access, strengthening the organisation's culture of digitalisation.

As a result of these comprehensive HR endeavours, South Indian Bank continues to flourish as an organisation that values its employees, fosters their growth, and positions itself as an employer of choice in the banking industry.

CORPORATE SOCIAL RESPONSIBILITY

Ensuring Sustainability

We consider Corporate Social Responsibility (CSR) not merely as an obligation but as an integral part of our identity and purpose. Through our diverse and impactful CSR initiatives, we strive to make a positive difference in the lives of individuals, empower communities, and contribute to the sustainable development of society at large.

PATROLLING VEHICLES FOR POLICE

We donated advanced motor bike patrolling vehicles to Thrissur City Police called as "City Tuskers". The modified patrolling vehicles were flagged off by Mr. Anto George T, CGM (HR & Operations) along with Mr. Ankit Ashokan, IPS (Commissioner of Police, Thrissur).

AMBULANCES

We handed over Level III mobile NICU Ambulance to Government Tribal Speciality Hospital, Kottathara. The flagging off was done by Honourable Health Minister, Govt. of Kerala, Ms. Veena George. South Indian Bank Trivandrum Regional Head Ms. Jacqueline M Fernandez and Government Tribal Speciality Hospital Superintendent Mr. M S Padmanabhan presided over the function.

We also handed over Ambulance with ventilator to M/s St. Joseph Hospital, Karuvanchal. The flagging off was done by Mr. Anto George T (CGM- HR & Operations).

RO WATER PLANT

We presented RO Water Plant to Govt. High School Polletai, Alapuzha, in a function where Mr. Anto George T (CGM- HR & Operations) handed over the same to Mr. Krishna Teja, IAS (District Collector) in the presence of Mr. P P Chitharanjan (MLA).

"DRUG FREE CAMPUS"

We conducted an extensive anti-drug awareness campaign "Drug Free Campus" in various educational institutes across the country to raise awareness about adverse effects of drug abuse among the student community. There was active participation from students, parents, institution officials, renowned personalities and respective Government departments (police officials, narcotic cells etc) along with Bank officials.

South Indian Bank won the Asian CSR Leadership Award under the category 'Best use of CSR practice in Banking and Finance

South Indian Bank has a strong governance framework in place to ensure that it is operating in a responsible and ethical manner. The framework is based on transparency, accountability, fairness and compliance. The Bank's governance practices promote fairness, inclusivity, and responsible decision-making, reflecting its dedication to upholding the highest ethical standards in all aspects of its operations.



CORPORATE INFORMATION*

BOARD OF DIRECTORS

MR. SALIM GANGADHARAN

Chairman

MR. MURALI RAMAKRISHNAN

Managing Director & CEO

MR. V J KURIAN

Independent Director

MR. M GEORGE KORAH

Independent Director

MR. PRADEEP M GODBOLE

Independent Director

MR. PAUL ANTONY

Non- Executive Director

MR. R A SANKARA NARAYANAN

Independent Director

MS. RADHA UNNI

Independent Director

MR. BENNY P THOMAS

Non-Executive Director

CHIEF FINANCIAL OFFICER

MS. CHITHRA H, FCA

COMPANY SECRETARY

MR. JIMMY MATHEW, A.C.S, A.C.M.A

TOP MANAGEMENT

MR. THOMAS JOSEPH K

EVP & Chief Business Officer

MR. ANTO GEORGE T

Chief General Manager HR & Operations

MR. SANCHAY KUMAR SINHA

Senior General Manager & Country Head – (Distribution & Unsecured Retail)

MR. SONY A

Senior General Manager & Chief Information Officer

MS. BIJI S S

Senior General Manager & Group Business Head

MR. SENTHIL KUMAR

Senior General Manager & Group Business Head - Collection and Recovery

MS. CHITHRA H

Senior General Manager & CFO

MS. MINU MOONJELY

Senior General Manager –Credit Underwriting

MR. NANDAKUMAR G

General Manager- MSME Business Group

MR. HARIKUMAR L

General Manager- Liabilities, Gold & TPP

MR. ABEY ABRAHAM

General Manager – Housing Loan Business Group

MR. SIVARAMAN K.

General Manager – Banking Operations Group

MR. VINOD A N

General Manager – Treasury

MR. NEHRU SINGH B

General Manager – Credit Policy and Monitoring Group

JOINT GENERAL MANAGERS

Mr. Sreekumar Chengath

Mr. Mohan T M

Mr. Joby M. C.

Mr. Shibu. K. Thomas

Mr. Jimmy Mathew

Mr. Vijith S.

Ms. Lakshmi Prabha T M

Mr. Biju E Punnachalil

Mr. Vinod Francis

Mr. Vinod G

Mr. Anand Subramaniam

Ms. Azmat Habibulla

Mr. Madhu M

Mr. Krishna Kumar P.

Ms. Rekha V R

DEPUTY GENERAL MANAGER

Mr. Shashidhar Y

Mr. Peter A. D.

Mr. John C. A.

Mr. Pradeep V. N

Mr. John C Lazar

Mr. Jeevandas N. B.

Mr. Bala Naga Anjaneyulu G.

Mr. Ritesh Tulsidas Bhusari

Mr. Davis Jose Thettayil

Mr. Baiju Karan

Mr. Easwaran S.

Mr. Rajesh I R

Mr. Vivek Krishnan

Mr. Venugopal C

Mr. Binoy R. K.

Mr. Gurmeet Singh

Mr. Ramesh U.

Mr. Biby Augustine

Mr. Viji Yuvaraj C

Mr. Rayner H. Ephraim

Mr. Ragesh Kumar R. S.

Mr. Dharendra Pratap Singh

Mr. Sojan V. J.

Mr. Jose K. A.

Mr. Rammohan V

Joint Statutory Auditors

1. M/s. CNK & Associates LLP
Chartered Accountants
5th Floor, Narain Chambers, M.G. Road,
Vile Parle – East. Mumbai – 400 057
Firm Registration No.-101961W/W-100036

2. M/s. K Venkatachalam Aiyer & Co,
Chartered Accountants,
41/3647 B, 1st Floor, Blue Bird Towers,
Providence Road, Kochi – 682 018
Firm Registration No. 0046105

Secretarial Auditors

SVJS & Associates
Company Secretaries 65/2364A,
Ponoth Road Kaloor,
Kochi, Ernakulam – 682017
Contact : 0484 2950009 / 2950007
E-mail : info@svjs.in,
svjsassociates@gmail.com

Registrar and Share Transfer Agents

M/s. BTS Consultancy Services Pvt. Ltd
M 5 Complex , 1st floor, No: 8 Sastry Nagar,
Near 200 Feet Road/RTO Kolathur,
Kolathur Chennai,
Tamil Nadu – 600 099
Tel: 044-47725830
Fax: 044-25565131
Email: helpdesk@btsindia.co.in

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Email: head@sib.co.in

ISIN: INE683A01023

CIN: L65191KL1929PLC001017

STOCK EXCHANGES: BSE, NSE

*As on 31.03.2023

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

Currently, the global economy persists in its forward momentum, building upon the thrust it achieved in the previous quarters. Despite the presence of persistently high but gradually moderating inflation, constricted financial conditions, strains within the banking sector, and ongoing geopolitical conflicts, the global economy maintains its resilience. Meanwhile, sovereign bond yields remain steady, as market participants anticipate the nearing culmination of the monetary policy tightening cycle. Additionally, the US dollar has experienced an appreciation in value.

For numerous emerging market economies, the outlook for growth is threatened by factors, such as weakened external demand, elevated levels of debt and the disintegration of geo-economic relationships, all against the backdrop of tighter external financial conditions. Nonetheless, cautious capital flows are returning to these economies due to a renewed appetite for risk among investors.

Post Covid economic scenario is not at all free from its impacts in both banking and financial sector. According to the International Monetary Fund (IMF), on a per capita income basis, India ranked 139th by GDP (nominal) and 127th by GDP (Purchasing Power Parity). In parallel, the other major forces that shaped the world economy in 2022 seem set to continue into this year, but with changed intensities. Debt levels remain high, limiting the ability of fiscal policymakers to respond to new challenges. Commodity prices that rose sharply following Russia's invasion of Ukraine have moderated, but the war continues, and geopolitical tensions are high. Infectious COVID-19 strains caused widespread outbreaks last year, but economies that were hit hard—most notably China—appear to be recovering, easing supply-chain disruptions.

Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7% in 2022 to 1.5 per cent in 2023. In a plausible alternative scenario with further financial sector stress, global growth declines to about 2.5 per cent in 2023—the weakest growth since the global downturn of 2001, barring the initial COVID-19 crisis in 2020 and during the global financial crisis in 2009—with advanced economy growth falling below 1 per cent.

Global headline inflation is set to fall from 8.7 per cent in 2022 to 6.8 per cent in 2023 on the back of lower commodity prices, but underlying (core) inflation is likely to decline more slowly. Inflation's return to target is unlikely before 2025 in most cases. Once inflation rates are back to targets, deeper structural drivers will likely reduce interest rates toward their pre-pandemic levels. Risks to the outlook are heavily skewed to the downside, with the chances of a hard landing having risen sharply. Financial sector stress could amplify and contagion could take hold, weakening the real economy through a sharp deterioration in financing conditions and compelling central banks to reconsider their policy paths. The war in Ukraine could intensify and lead to more food and energy price spikes, pushing inflation up. Core inflation could turn out more persistent than anticipated, requiring even more monetary tightening to tame. Fragmentation into geopolitical blocs has the scope to generate large output losses, including through its effects on foreign direct investment.

Another significant development during this period was the acceleration of digital transformation and the growth of remote work. Information technology and electronic money transfer systems have become the two cornerstones of modern banking development in the area of technology-based banking. Banks now offer a variety of products that go far beyond traditional banking, and these services are now available 24x7. The pandemic forced businesses and individuals to adopt digital solutions, leading to a surge in e-commerce, online services and remote work arrangements. Technology companies and sectors related to digitalisation experienced significant growth and became major contributors to the global economy.

INDIAN ECONOMY

Domestic economic activity remains resilient in Q1 FY24, as reflected in high frequency indicators. Purchasing Managers' Indices (PMI) for manufacturing and services indicated sustained expansion, with the manufacturing PMI at a 31-month high in May 2023 and services PMI at a 13-year high in April-May 2023. In the services sector, domestic air passenger traffic, e-way bills, toll collections and diesel consumption exhibited buoyancy in April-May 2023, while railway freight and port traffic registered modest growth.

On the demand side, urban spending remains robust, as reflected in indicators, such as passenger vehicle sales and domestic air passenger traffic, which recorded double digit growth in April, 2023. Rural demand is gradually improving though unevenly – motorcycle sales expanded in April, 2023, while tractor sales contracted partly owing to unseasonal rains. Investment activity is picking up as reflected in the healthy expansion in steel consumption and cement output. Merchandise exports and non-oil non-gold imports remained in contraction mode, while services exports sustained a robust expansion.

CPI inflation fell sharply to 4.7 per cent in April, 2023 from 6.4 per cent in February, 2023 on the back of large favourable base effects, with softening observed across all the three major groups. The average daily absorption under the LAF increased to ₹1.7 lakh crore during April-May, 2023 from ₹1.4 lakh crore in February-March, 2023. Money supply (M3) expanded by 10.1 per cent y-o-y and non-food Bank credit by 15.6 per cent as on May 19, 2023. India's foreign exchange reserves were placed at US\$ 595.1 billion as on June 2, 2023.

The Indian economy displayed exemplary resilience post-pandemic and rebounded strongly from a contraction of 5.8 per cent in 2020-21 to a growth of 9.1 per cent in 2021-22 and 7.2 per cent in 2022-23. The Consumer Price Index (CPI) inflation for the fiscal year 2024 would be around 5.1 per cent. Additionally, the GDP growth rate for FY 2023-24 was projected to be 6.5 per cent. The Indian economy has also made rapid gains in openness and has gradually integrated with the global economy over the years. Consequently, it is getting increasingly exposed to the vagaries of global headwinds. It is, however, pertinent to note that India's growth in the last few years is mainly driven by robust domestic demand, especially private consumption and investment, amidst the global slowdown. Looking ahead, RBI expects real GDP to grow by 6.5 per cent during FY 2023-24. In all likelihood, India will remain among the fastest growing large economies in 2023.

The credit growth to the Micro, Small, and Medium Enterprises (MSME) sector has been remarkably high, over 30.6 per cent, on average during Jan-Nov 2022, supported by the extended Emergency Credit Linked Guarantee Scheme (ECLGS) of the Union Government. It adds that the recovery of MSMEs is proceeding apace, as is evident in the amounts of Goods and Services Tax (GST) they pay, while the Emergency Credit Linked Guarantee Scheme (ECLGS) is easing their debt servicing concerns. Indian economy appears to have moved on after its encounter with the

pandemic, staging a full recovery in FY 2021-22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY 2022-23.

Manufacturing and investment activities consequently gained traction. By the time the growth of exports moderated, the rebound in domestic consumption had sufficiently matured to take forward the growth of India's economy. Private Consumption as a percentage of GDP stood at 58.4 per cent in Q2 of FY 2022-23, the highest among the second quarters of all the years since 2013-14, supported by a rebound in contact-intensive services such as trade, hotel and transport, which registered sequential growth of 16 per cent in real terms in Q2 of FY 2022-23 compared to the previous quarter.

Banking and Finance - Domestic

The finances of the public sector banks have seen a significant turnaround, with profits being booked at regular intervals and their Non-Performing Assets (NPAs) being fast-tracked for quicker resolution/liquidation by the Insolvency and Bankruptcy Board of India (IBBI). At the same time, the Government has been providing adequate budgetary support for keeping the PSBs well-capitalised, ensuring that their Capital to Risk-Weighted Adjusted Ratio (CRAR) remains comfortably above the threshold levels of adequacy. Nonetheless, financial strength has helped banks make up for lower debt financing provided by corporate bonds and External Commercial Borrowings (ECBs) in FY 2022-23. Rising yields on corporate bonds and higher interest/hedging costs on ECBs have made these instruments less attractive than the previous year.

Outlook for Banking Sector

A few highlights of the measures and guidelines introduced by the RBI and Central Government to cushion the Banking and financial market are:

- The Reserve Bank of India (RBI) has authorised banks to issue Rupay prepaid forex cards. Additionally, the RBI has announced plans to expand the use of e-rupee vouchers, allowing non-bank companies to issue similar instruments independently.
- The Union government's ongoing focus on capital expenditure will help to gradually crowd in private sector investment. However, in line with the slowdown in the broader economy, bank credit growth is likely to moderate in the year ahead, with the divergence between credit and deposit growth coming down.
- According to the Union Budget 2023, a national financial information registry would be established to

act as the central repository for financial and ancillary data. This will enhance the efficient flow of credit, accelerate financial inclusion, and support financial stability. In addition, authorities of the financial sector regulators will be required to conduct a full assessment of existing legislation to cut costs and simplify compliance.

- The Union Budget's 2023 has focussed on improving the credit scheme for equipping MSMEs with access to financing and continuing the reforms in terms of investor protection will provide further impetus to growth in the banking sector.

Going forward, the Reserve Bank may remain nimble in its liquidity management, while ensuring that adequate resources are available for the productive requirements of the economy.

FINANCIAL PERFORMANCE VS OPERATIONAL PERFORMANCE

During the FY 2022-23, the total gross business of the Bank increased from ₹1,50,957.86 crore to ₹1,63,743.42 crore; deposits increased from ₹89,142.10 crore to ₹91,651.35 crore and gross advances increased from ₹61,815.76 crore to ₹72,092.07 crore. Operating profit of the Bank had increased to ₹1,507.33 crore in FY 2022-23 from ₹1,247.57 crore in FY 2021-22. The Net Profit increased to ₹775.09 crore in FY 2022-23 as against ₹44.98 crore reported in 2021-22. The Provision Coverage Ratio (PCR including write-off) has improved to 76.78 per cent in FY 2022-23 from previous level of 69.55 per cent in FY 2021-22. The Board has recommended a dividend of 30 per cent i.e. ₹0.30 per equity share of face value of ₹1/-each, which is subject to the approval of shareholders in the ensuing Annual General Meeting.

The Gross NPA to Gross Advances stood at 5.14 per cent and the Net NPA to Net Advances stood at 1.86 per cent as on March 31, 2023. The CASA has increased by 2 per cent during current financial year to ₹30,227 crore from ₹29,602 crore in the FY 2021-22. Net Interest income of the Bank has increased from ₹2,240 crore in the FY 2021-22 to ₹3,012 crore in the FY 2022-23.

The Capital Adequacy Ratio of the Bank was 17.25 under Basel III norms as on March 31, 2023, as against the RBI mandated level of 11.50. The Book value per share has increased from ₹27.97 to ₹31.89 as on March 31, 2023. The gross revenue from Treasury Operations segment decreased from ₹1,499.70 crore in the FY 2021-22 to ₹1,088.00 crore in the FY 2022-23. During the FY 2022-23, the Corporate/Wholesale Banking segment has increased

from ₹2,065.04 crore to ₹2,323.02 crore., Retail Banking segment has increased from ₹3,710.05 crore to ₹4,083.76 crore and Other Banking Operations segment increased from ₹345.85 crore to ₹551.03 crore.

The segment results, net of allocated/apportioned cost and provisions from Treasury segment has decreased from ₹18.51 crore to ₹158.42 crore, Retail Banking segment has increased from ₹291.65 crore to ₹975.59 crore, whereas Corporate/wholesale Banking segments have increased from ₹656.82 crore to ₹101.70 crore, and other banking operations increased from ₹254.67 crore to ₹392.74 crore.

KEY BUSINESS RATIOS

Interest income as a percentage to the Working Funds for the FY 2022-23 has increased from 6.57 per cent to 6.86 per cent, which is mainly on account of change in interest rate.

Non-interest income as a percentage to the Working Funds for the FY 2022-23 has decreased from 1.03 per cent to 0.77 per cent, mainly on account of increase in the provision for depreciation on investments and lower profit on sale of investments, which was partially offset by higher recovery income from written off accounts and income received from sale of Priority Sector Lending Certificates.

On account of the above mentioned reasons, the operating profit as a percentage to Working Funds for the FY 2022-23 has increased from 1.24 per cent to 1.43 per cent, the return on Assets (based on working fund) for the FY 2022-23 was increased from 0.04 per cent to 0.73 per cent and Return on Equity for the FY 2022-23 was increased from 0.77 per cent to 11.61 per cent. Profit per employee has increased from ₹0.50 lakh in the FY 2021-22 to ₹8.18 lakhs in the FY 2022-23.

UPDATE ON IND-AS IMPLEMENTATION

The Ministry of Corporate Affairs (MCA), Government of India has notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015. Further, a Press Release was issued by the MCA on January 18, 2016 outlining the roadmap for implementation of Indian Accounting Standards (IND AS) converged with International Financial Reporting Standards (IFRS) for banks. As per earlier instructions, the banks in India were required to comply with the IND AS for the financial statements for accounting periods beginning from April 1, 2018 onwards, with comparatives for the periods ended March 31, 2018 or thereafter. Progressing towards IND AS, the Bank had prepared pro-forma financials from June 30, 2017 as per extant regulatory

guidelines and submitted the same to the RBI. On April 05, 2018, the RBI had announced deferment of implementation date by one year with IND AS being applicable to banks for accounting periods beginning April 1, 2019 onwards. In preparation for the same, the Bank has been submitting quarterly pro-forma financials to the RBI from quarter ended June 30, 2018. On March 22, 2019, the RBI has announced deferment of the implementation of IND AS by banks till further notice. However, the Bank continues to submit to the RBI pro-forma for financials on half year basis.

Accounting Policy

The significant accounting policy of the Bank is mentioned in Schedule 17 of the financial statements. The Bank has consistently applied its significant accounting policies in the preparation of its financial results for the year ended March 31, 2023 as compared to those followed for the year ended March 31, 2022.

STRATEGIES OF THE BANK

Strategic planning is an organisational management activity used to set priorities, to focus energy and resources, to strengthen operations, and to ensure that employees and other stakeholders are working towards common goals. It helps the organisation to be more competitive in the market. The Bank is committed to achieve its goals by focusing on the major areas such as profitability, asset quality, resilient loan book, robust retail liability portfolio, appropriate organisational structure and latest digital technology. As a banking institution, the Bank should have a strong strategic plan for the way forward in order to ensure that the Bank is able to bring a sustainable growth as well as value for all stake holders.

The strategies of the Bank are framed taking into account the past performance, action plan for the ensuing years, policies of the Bank, risk appetite of the Bank, reforms in the banking sector, statutory and regulatory changes, advancement in technology, previous experiences in products/activities/geographic locations, the present socio-economic conditions in the national and global markets, the present and estimated market share, regulatory frameworks, etc.

The Bank propose to continue its focus on profitability, asset quality, resilient loan book, robust retail liability portfolio, sharpening organisational structure and digital

technology to achieve the business goals. The brief action plans and strategies initiated are as follows:

Improve the profitability through quality credit and focusing on following 6C's:

6 C's	Strategy
Capital	Churning of advance portfolio 'by increasing the share of 'A' rated and above accounts and increase in gold loan portfolio has helped to conserve capital.
CASA	Improving CASA through focused drive on building a sustainable CASA book through Pan India presence.
Cost to Income	Optimising the cost across the organisation. Continued efforts have been made to calibrate the Cost Income ratio over a period of time.
Competency Building	Augmenting talent young resources and revamping the organisational structure to build a pool of talents to deliver continued excellence.
Customer Focus	Adoption of a "phygital" "approach at branches with personalised services for legacy loyal customers and end to end digital experience for NextGen customers with a "Fair to customer, Fair to Bank" approach. Customer experience is critical for the success of any organisation as the same is a competitive advantage for the Bank.
Compliance	Compliance continues to be the core focus for the Bank and will be the axis across all domains of banking activities by adopting the motto "compliance with conscience".

To Build strong and resilient Loan Book by focusing on:

a) Strengthening Business Structure :

- Focus on cohesive lending with emphasis on nurturing relationship through multiple banking product offerings.
- Scale up sourcing capability through DMA/DSA.
- Assets and Liabilities team to work closely for creating value from the customers of the Bank.

b) Strengthening the Team:

- Competency building through newly launched LMS & instilling sense of ownership and sensitivity.

- Continuous training programs for senior management team.

c) Building Robust Infrastructure:

- The systems and controls are put in place and the utmost priority is given to quality over growth.
- Setting up lending platform (LOS/LMS) for retail and SME asset products.
- Various systems like Nucleus, SMILE, etc. are put in place for ensuring quality.
- Strengthening of collection system.

d) Launching of New Products:

- Adding High yielding assets like Personal loans, credit cards, etc.

To Build Robust Retail Liability franchise by focusing on:

a) NRI Business:

- Focus on acquiring New to Bank (NTB) Customers with quality by driving Higher IP value collection and sourcing of higher Variant of CA/SB products.
- Expanding geographies by partnering with exchange houses, banks and remittance platforms.

b) Higher Share of Customer Wallet:

- Acquiring Savings account relationship of OneCard customers completely through digital journey.
- Focused drive on making South Indian Bank as a primary Bank for all the asset and liability customers.
- Use of data analytics for deeper customer penetration with multiple product offerings.

c) Customer Segments:

- Setting up of salary team for Corporate Salary Tie-ups and acquisition in major cities. Focus on segments like Trust, Co-operative Society and Govt. Banking.
- Digital mapping of customer life cycle management.
- Centralised lead sharing activity to support NTB customer acquisition.

More emphasis on collection and recovery of stressed accounts:

- The Collection and Recovery Department was decentralised with dedicated regional collection Managers at each region thereby lowering the slippages and stringent recovery has led to a better

performance in reducing the NPAs and lower provisions for the quarter.

- Alignment of Recovery Team with asset verticals to target each customer segments.
- Implementation of new collection system with better management capabilities.
- Emphasis on one-time settlement against long drawn legal processes.
- Dedicated focus on mitigating frauds.
- Deployment of N-Collect system to enable seamless recovery and reconciliation.

Digital Technology

All financial organisations have their technology strategies to deal with a rapidly evolving environment. Technology strategy is a critical aspect of banking, and banks are leveraging cloud adoption, high availability, fraud detection, cyber security, and modernisation of infrastructure to stay competitive and provide better services to their customers. Banks need to embrace technology and innovation to remain relevant in the dynamic banking industry. By leveraging the use of digital technology, the Bank will be able to offer better experience to customers and staffs, thereby increasing the customer base, improve other income, reduce operation cost and prepare the business for the future. The Bank has initiated various digital initiatives for supporting the below mentioned areas and through further scaling up of the same, Bank is expected to reap more benefits in coming years.

DIGITAL AND INFORMATION TECHNOLOGY ENABLED SERVICES

The rapid advancement of digital technology over the past decade has sparked a profound transformation across various industries. As far as the banking industry is concerned, this wave of technological progress has revolutionised the way banks operate and conduct business. With the advent of ground-breaking technologies like Blockchain, Internet of Things (IoT), Artificial Intelligence, and driven Data Analytics, combined with the leap in automation, banks have been presented with new opportunities to innovate and improve their services.

The proliferation of mobile devices and the rise of digital platforms have also reshaped customer expectations and preferences. Customers now demand seamless and convenient banking experiences that transcend traditional brick-and-mortar boundaries. In response, banks have embraced digitisation by developing user-friendly mobile

applications, offering online banking services, and exploring alternative delivery channels such as chatbots and virtual assistants to bolster the digital channels of banking.

This technological revolution has not only improved the customer experience but also transformed internal processes within banks. Automation and artificial intelligence have enabled banks to streamline operations, enhance efficiency and reduce costs. Tasks that were previously time-consuming and resource-intensive can now be automated, allowing employees to focus on more complex and strategic initiatives while building long-term solutions for customers.

In this era of digital disruption, banks are increasingly collaborating with Fintech start-ups and tech giants to leverage their expertise and stay ahead of the curve. These partnerships foster innovation and enable banks to offer cutting-edge solutions to customers. Embracing open banking initiatives, banks are also exploring data sharing partnerships and APIs (Application Programming Interfaces) to create an interconnected financial ecosystem that benefits both customers and industry stakeholders, by providing service to the customer through all possible modes.

The Digital & Technology Department has been focusing on the innovation, improvement and implementation of projects on Bank's digital platforms be it, ATM, Net Banking, Mobile Banking, etc. The Bank also ensures the highest level of service and integrity of internal applications and infrastructural support to enable a seamless growth in the Bank's business operations. Digital strategy of the Bank is instituted on 4 pillars viz. **INPF** i.e., **Indulge** (customer self-service), **Nudge** (assistance to be nudged to go digital), **Purge** (remove redundant processes using automation) and **Forge** (impactful Fintech partnerships). Enhancing self-service capability across channels, empowering branches with technology solutions to nudge the customers to go digital, automating manual processes at branches and back-offices to improve customer TAT using AI and RPA and tie-up with Fintech's are the integral part of the Bank's overall strategy. The share of digital transaction of the Bank has grown to 95 per cent in the Financial Year 2022-23. The Bank also expects a considerable increase in digital transactions with the UPI facility being enabled through feature phones and introduction of digital currency. The Bank is planning to increase the share further in the coming Financial Year. Technology strategy focuses on leveraging cloud adoption, high availability,

fraud detection, cyber security, and modernisation of infrastructure to stay competitive and provide better services to the customers.

Retail Customers

The Bank offers best in class technology services to meet the diverse requirements of retail clientele. The technology stack includes well designed customer touch points and robust back end systems providing 24x7 digital availability of the highest quality to the customers, which *inter-alia*, include the following:

- Internet Banking - SIBerNet.
- Mobile Banking – Mirror +.
- All variants of VISA, Mastercard & RuPay Debit Cards are offered.
- Credit Card – Tie-up with One Card.
- RuPay Prepaid Cards.
- Student Smart Cards for Institutions- used for Identity cum financial transactions.
- ATM, Cash Recyclers (CRM) and Call Centre Solution catering to customers 24x7.
- ATM network that spread across the country, which supports Mastercard, VISA and RuPay cards allowing customers quick access to money.
- Mobile Banking with support for other Bank money transfer through UPI, IMPS, NEFT, and Bharat QR.
- Missed call services for retrieving balance through SMS etc.
- Online investment in primary and secondary markets offered to customers through ASBA and e-trade modes.
- Portfolio Investment Scheme for NRIs, allowing them to invest in Indian equity market.
- IMPS Facility to Exchange Houses for Foreign Remittance - For the international client exchange houses/banks. The Bank has introduced IMPS based fund transfer on a 24x7 basis in addition to NEFT.
- Issuer of FASTag for toll fee payment.
- Kiosk based Financial Inclusion Solution to enable the Bank reach nook and corner of the country, even in remote villages using technology enabled tools.
- Payment Options such as Automated Clearing House (NACH) Payment Service, Cheque Truncation System (CTS), RTGS/ NEFT etc.
- Account Opening for NRI directly through Bank's website.

- Introduction of Interoperable Cash Deposit (ICD) Machines to facilitate remittance through our recyclers to other Bank accounts and vice versa.
- Artificial Intelligence based banking services such as SAM and SONA (Chatbot).
- Central Plan Scheme Monitoring System (CPSMS), which links to the DBT (Direct Benefit Transfer) for instant receipt of Govt. subsidies to the beneficiaries of various Govt. schemes.
- SIB SWIFTe mobile App based instant account opening for individual Savings Accounts.
- Quick account opening facility at branch level through e-KYC acceptance with reduced paper involvement, processing time and interdepartmental dependency.
- Self on-boarding by opening SIB-Insta account through mobile devices using Aadhaar and PAN card.
- KYC Update and communication address modification through SIB Mirror Plus / SIBerNet.
- Pre-Approved Personal Loan /Car Loan through Channels.
- Instant Demat account opening through SIBerNet.
- Video KYC solution for on-boarding customers digitally.
- IPO/ASBA through SIBerNet.
- Fully digital Electronic Bank Guarantee through NeSL platform.
- Lead Management/Compliant Management through CRM Software.
- The Bank is offering business debit cards to the business customers.
- SIB FeeBook is an online event-based fund management/collection portal which enables organisations to create a payment portal as per their needs.
- On the business acquiring capabilities, the Bank has full suite of payment acquiring including POS terminals, Bharat QR, UPI QR, Payment Gateway etc. which gives the merchants a whole host of accepting payments instantly from their customers.
- Integration through APIs for full-fledged automation done with several corporate and Govt. agencies.
- Trade Finance Portal for Customers.
- VAN based NEFT/RTGS collection API.
- Complete end to end NACH integration through API model for mandate creation, transaction processing etc.

Corporate Customers

- The Bank has Internet Banking facility from Infosys which provides all the workflow capabilities required for each corporate. Moreover, it offers the security of Digital certificate integration thereby balancing convenience with security.
- The Bank also offers Host to Host Integration facility ("Hi-Hi banking") which will handle fund transfer in a seamless fashion by real time interface with ERP solutions of corporates. This facility is available for 365 X 24 X 7 and the clients can securely access the system from anywhere.
- Supply Chain Management Solution caters to the dealer/ vendor financing requirement of corporates.
- SIB PAYGATE provides the platform for the business entity to accept online payment through UPI, All Major Debit Card and Credit Cards, Internet Banking against the services provided Online.

Technology Infrastructure

- Core Banking Solution (CBS) from Infosys, viz. Finacle 10.
- Enhanced Security Operation Centre.
- ISO 9001:2015 Certified Bank owned Data Centre (DC).
- ISO Certified Disaster Recovery and BCP Setup.
- Zero Data Loss high availability setup with DC, DR and Near line DR Setup.
- Automation of procurement and payments.
- Process Automation using RPA.
- Full Fledged API banking system capable of quick integration.
- Fraud Risk Management (FRM) Solution for channel transactions.
- CRM solution providing 360 degree view of customers.
- Business Process Management (BPM) to enable centralisation.
- Technology backed Branch Infrastructure.
- Enterprise Risk Management Solution.

Digital/Technology Initiatives/Solutions embarked during the FY 2022-23

The services/solutions that the Bank has launched during the year *inter-alia* includes the following:

- SIB-IIFL Gold Loan Co-lending.
- Micro finance LOS.

- Online in-principle approval of GST Business Loan through Actyv.ai.
- System level integration with CBIC for Customs Duty payment.
- System level integration with CBDT for Direct tax payment.
- Whatsapp Banking.
- New Retail LOS System-Nucleus with Mobile App facility for Sales team/DSA/DST.
- Digital Banking Unit Launched.
- Document digitisation of Bank's documents for retails loan.
- Centralisation of Bank's payment of Expenses (CPMS).
- Centralisation of Outward Clearing Process.
- E-NACH facility with PAYCORP.
- Integration with Vaahan for Hypothecation cancellation.
- SIB SWIFTe - Mobile App for savings account opening.
- SIB Insta Business Current Account for opening Individual Current Account.
- Periodic KYC Update for customers with Unexpired KYC through SIBerNet/ Mirror+/Website.
- PAN, Driving License, Aadhaar and Voters Id update made available in SIBerNet /Mirror+.
- Loan Repayment and FD Opening for Corporates – SIBerNet.
- Telangana Treasury Integration with SIBerNet.
- Trade MIS Dashboard for corporates SIBerNet users.
- Deposit E-receipt in SIBerNet.
- Outward Remittance through Mirror+.
- Demat account opening through Mirror+ (NSDL).
- Credit Card bill payment through SIB Mirror+ - BBPS.
- NFC in Mastercard Debit Cards.
- New Bulk Mail Solution.
- Voice Guidance facility in CRMs.
- Voice Notification for UPI POS transaction.
- On boarding of exchange houses via API integration.
- Fund transfer facility for Kerala Forest Dept. Eco Tourism.
- VAN system for the electricity bill payment collections of KSEB.
- UPI facility to make payments to International Merchants.
- Virtual Account Integration for Unimoni Financial Services Ltd.
- Robotic Process Automation-15 processes has been automated.
- Application Program Interface (API) banking-190 APIs has been made live during FY 2022-23.

Awards and Certifications Received on Technology Front

The Bank has won various awards and accolades in the FY 2022-23 also. These awards are a testimony of the Bank's strategy, commitment and execution of various digital/IT initiatives and has brought in acclaim from both customers and stakeholders.

18 th IBA Banking Technology Awards	Best IT Risk Management - Winner Best Technology Bank of the Year- Runner Up Best Use of AI/ML Adoption-Runner Up Digital Sales & Engagement-Runner Up Technology Talent and Organisation- Runner Up Best Fintech Collaboration-Special Mention
11 th UBS Forums' Data Center Summit and Awards	Physical Security (Security Design)- Winner Risk Management (Availability)- Recognition Innovation - New Initiatives (Infrastructure) - Recognition Design Management (Infrastructure) - Recognition
Banking Frontiers Finnoviti Award - Best Innovation in Banking Technology Awards	Robotic Automation of Merchant Credit Processing
Krypton Group's BFSI Leadership Awards	Best App Modernisation Project of the Year: SIB Mirror+
Quantic India's Technology Excellence Awards	Best Tech of the Year (Robotics & AI): RPA
IBS Intelligence Global FinTech Innovation Awards	Best Trade Finance Implementation

elets BFSI Tech Innovation Awards	Excellent Use of AI/ML - Jury Choice Award
CXO Tech Innovation Awards	Digital Innovation in Banking Systems
Data and AI ICON Awards	Best Use of Analytics in Lending
India CISO Summit and Awards	Innovation Security Leader of Year
Bharath FinTech and Digital Excellence Awards	Best CDO/CTO/CIO Award
Financial Express Power List	FE Visionary Leader CIO
12 th edition TRESCON Big CIO Show	CIO Leader

IT Training

During the year, many training programmes had been arranged for the Bank's officers in premier institutions such as IDRBT, Reserve Bank Innovation Hub, College of Agriculture Banking, etc. to keep themselves abreast with the advancements in Cyber Security, Security in Cloud Computing, Mobile App Security, FinTech, etc. The Bank has also tied-up with leading online technology training platforms to offer all year-free technology training and certification programmes for its technology team.

Business Continuity Planning

As per BCP Policy, the Bank has a full-fledged BCP and DR setup at Bangalore which is ISO 27001:2003 certified. Planned BCP drills are being conducted on a regular basis from BCP location to ensure preparedness of critical applications at DR, to face any emergency. The necessary infrastructure and technology are in place which is adequate and people are trained enough to respond and act quickly to a BCP or disaster recovery situation. BCP location is manned with adequate staff members who can handle the IT operations during disasters. Considering the pandemic situation like Covid-19, various measures were implemented including usage of laptops with Work From Home (WFH) or Work from anywhere for critical personnel with necessary security policies. Facilities for conducting meetings and conferences in online mode is also in place. Thus, ensuring uninterrupted customer services round the clock. As per recommendations from BCP Committee, zero data loss replication methods are implemented for primary to DR synchronisation. The Bank has implemented 3 way replication also for most critical applications, to achieve minimum data loss. A testimony of Bank's robust BCP programme and preparation is that, during the forecasted

flood situation in 2020 and 2021, the BCP operations were invoked, and all critical systems were switched to DR in a time bound manner without any hindrance to customers and in pandemic period also customer services were not impacted by ensuring access from anywhere. The Bank also implemented necessary measures for cyber recovery and ransomware protection and its enhancement is performing on a continuous basis. Systems of the Bank worked at full potential capability without any disturbance to the customers during the period. The BCP policy for information systems is also periodically reviewed and updated with latest industry standards.

NEW PRODUCTS

During the FY 2022-23, the Bank has introduced new loan products to provide focused thrust on advances to Housing Loan, Gold, MSME and Agricultural Sectors. With increased environmental awareness among our shareholders and stakeholders, the Bank realised the importance of adopting Environmental and Social Management Practices for long-term business continuity and ensured more focus on funding the borrowers whose projects are sustainable and environment friendly.

During the FY 2023-24, the Bank is focussing on Commercial Vehicle/Commercial Equipment Division to finance small operators, fleet operators and strategic clients for their purchase of new and used Commercial Vehicles and Construction Equipment. A new fast track credit Product targeted at borrowers with high credit bureau ranking is also proposed to launch during the FY 2023-24.

Information Security and Risk Management

As banks adopt sophisticated technology to roll-out the most effective banking solutions to customers, they are increasingly exposed to technology risks. It is therefore imperative for each Bank to work out appropriate IT risk management strategies to secure its most vital information assets and to ensure that related Information Security, risk management systems and processes are strengthened and made secure for smooth and continuous banking operations.

- IT Departments including Data Centre, DR Site & BCP site and CISO Office are ISO 27001 certified for the implementation of Information Security Management System (ISMS). As a part of ISMS implementation, the Bank has prepared IS Security Policy and related IT risk management procedures.
- The Bank also ensures that all cyber security requirements as per statutory/regulatory guidelines

and best industrial practices are implemented on priority basis.

- The Bank has a full time CISO Office for surveillance of the security architecture/infrastructure and for coordinating security incident-response activities. The Bank has formulated Cyber Security Policy and Cyber Crisis Management Plan to provide guidance in addressing various cyber threat scenarios. The Bank has also identified various types of IT risks and the required preventive, detective and corrective cyber security controls are implemented/updated.
- The Bank has also ensured that Security Operation Centre (SOC) does 24/7 surveillance and keeps itself regularly updated on the latest nature of cyber threats. The Bank is using several monitoring tools for identifying, monitoring, recording and analysing security events or incidents within the real-time IT environment.
- The Bank has put in place a number of security solutions to manage cyber-attacks. The Bank has implemented multiple advanced security solutions to protect IT infrastructure, employees, customers, partners etc. from malware, advanced persistent threats, denial of service type of attacks and variety of other threats and malicious attacks.
- The employees are updated with the latest security threats and the best security practices. In order to ensure continuous awareness on best cyber security practices and cyber security risks, a dedicated internal web portal to disseminate relevant security information has been set up and it is accessible to all the employees.
- The Bank provides cyber security awareness to its customers on a continuous basis through various channels like SMS/Email/Website/Social media, etc. Cyber Jagrookta (Awareness) Diwas is observed on the first Wednesday of every Month as advised by the Ministry of Home Affairs, Govt. of India to create awareness for prevention of cyber crimes.
- The Bank is also committed to Data Privacy of customers, employees, stakeholders, etc. and is undertaking initiatives to further enhance and improve its Data Privacy posture.

Measures for the effective implementation of Cyber Security Framework and management philosophy

Effective measures have been taken to address the gaps, if any, identified, in each area such as IT Governance, Information Security, IT Service outsourcing, IS Audit, IT

Operations, Cyber Frauds, Business Continuity Plan (BCP), Customer Education and Legal issues. Information Security policy is periodically revamped incorporating various guidelines and stipulations mentioned in regulatory framework/guidelines/other best practices. In addition, other relevant IT Policies such as IT Operations Policy, IT Governance Policy etc. are also enforced.

Various management level and Board level committees are in place to oversee the related activities. Cyber security preparedness of the Bank is reviewed by Information Security Committee, IT Strategy Committee of Board and Board of Directors on a quarterly basis.

Gopalakrishna Committee recommendations, management philosophy & measures for the effective implementation of Cyber Security Framework

Effective measures have been taken to address the identified gaps in each area such as IT Governance, Information Security, IT Service outsourcing, IS Audit, IT Operations, Cyber Frauds, Business Continuity Plan (BCP), Customer Education and Legal issues. Information Security policy is revamped incorporating various guidelines and stipulations mentioned in regulatory framework/guidelines/other best practices. In addition, other IT Policies such as IT Operation Policy and IT Governance Policy are also enforced.

IT Strategy Committee of the Board, IT Steering Committee and Information Security Committee are in place. Cyber security preparedness of the Bank is reviewed by Information Security Committee and IT Strategy Committee.

BANKING OPERATIONS GROUP (BOG)

The Banking Operations Group (BOG) has been set up to centralise and to streamline various operations which were happening at branches/sales/product, making them free from those operational activities. This helps to empower the sales teams/branches to focus and garner more business, improving the top line as well as bottom line of the Bank.

BOG operates at different geography Pan India. To ensure business continuity, BOG is present at 6 states in India, operational from different locations - Ernakulam, Kottayam, Chennai, Coimbatore, Hyderabad, Bangalore, Pune & Delhi.

Delhi and Pune centres has been functional since March 2023, to provide extensive support to business verticals

covering Delhi, Kolkata, Mumbai and Ahmedabad Regions for specified operations.

BOG operations are of hybrid in nature - in house and outsourced.

Outsourced personnel are predominantly employed from Bank's wholly-owned subsidiary M/s. SIB Operations and Services Limited.

BOG covers the following functional operations in a centralised environment with a view to bring standardisation of processes and procedures, scalability in line with business expansion, compliance with regulatory and statutory requirements, enforcement of internal controls, besides expeditious service to the customers.

A) Asset Operations

Banking Operations Group (BOG) – Asset Operations covers the following functional operations which centrally carried out and managed:

1. Detailed Data Entry of Retail and Agri Loans.
2. Loan document preparation and verification of executed documents.
3. Loan Opening and Disbursement of Retail and Non-Retail Loans.
4. Capturing Collateral details and facilitate CERSAI registration in all the applicable cases.
5. Central Subsidy Schemes – Education, MSME, Export.
6. Storage of Loan Documents.
7. OTS (One Time Settlement) Validation and Vetting.

B) Liability Operations

Liability Operations include relationship and servicing, covering the following:

1. Retail & Corporate Account Opening
2. Accounts/Customer Modifications
3. Re-KYC/Periodic KYC Updation/C-KYC
4. Digital Account Openings (Diya, Insta, SIB SWIFTe and Video KYC)

C) Reconciliation and Digital Channel Support Operations

Reconciliation operations covers the following areas:

1. Dispute management and reconciliation process of:
 - i. Debit Cards (NFS, MASTERCARD/MAESTRO, VISA, RUPAY)
 - ii. RUPAY PREPAID CARDS
 - iii. ONECARD Credit Card
 - iv. NFS, IMPS, UPI, ONUS POS, AEPS, BBPS, ICD, NETC Fastag
2. Managing issues pertaining to unauthorised Electronic Transactions and ATM cash shortage.

D) Retail Product Support

As part of the transformation, the Bank is in the process of bringing the operational activities under a single entity – Banking Operations Group (BOG), which shall facilitate business verticals to drive sales and marketing activities with a focused approach. Retail product support currently includes the following:

1. PFMS/WPS
2. NPS/APY
3. Internet Banking/Hi-Hi Banking
4. Debit Card
5. Aadhaar Centre Operations
6. POS/UPI POS
7. Travel Card
8. Payment Gateway/SIB Fee /E Academia /Fee Book
9. DEMAT

E) Payment & Settlement Operations

Payment & settlement operations covers:

1. RTGS/NEFT
2. CTS Operations
3. NACH Operations

F) Trade Finance Central Processing Center (TFCPC)

TFCPC undertakes the Trade Finance Operations of the Bank centrally. During the FY 2022-23, the entire supply chain operations were migrated to Vayana's full-stack platform which works as a bridge, connecting with the Bank's back end while communicating with the ERP of each individual corporate and MSME. The project won the award for Best Project Implementation of the fourth edition

of the IBS Intelligence Global FinTech Innovation Awards 2022.

e-BG (Electronic Bank Guarantee) facility in partnership with National E-Governance Service Limited (NeSL) was also introduced by TFCPC during the year under review.

The following operational activities are centralised at TFCPC:

- 1) Inward and Outward Remittances
- 2) Export Bill Operations and Post Shipment Finance
- 3) Import Bill Operations
- 4) SWIFT Operations
- 5) Issuance of LC and BG (Foreign and Domestic)
- 6) Other Forex Operations (Foreign Cheques, Vostro, Money Transfer Services, FCNR Deposits etc.)
- 7) Supply Chain Finance

G) Cash Management Cell

Cash Management Cell at BOG covers the following:

- 1) Cash replenishment and monitoring of outsourced ATMs.
- 2) Cash Management of the Branches and Currency Chests.

During the FY 2022-23, BOG-Cash Management Cell has implemented Cash Movement Services, which is carried out by the outsourced vendors in Chennai City.

Way Forward

BOG proposes to commence/expand the following operational activities during the FY 2023-24 as part of the vision of the Bank.

1. Expansion of new Retail LOS platform–Nucleus Pan India
2. MSME New LOS Platform
3. Treasury New Application
4. Customer Modification through V KYC
5. Automation and Outsourcing of more operational activities to reduce cost of operations
6. GST Dispute Management system of NPCI
7. Completion of ATM Cassette Swapping in line with RBI directives

8. ASBA and Sovereign Gold Bond (SGB) Operational activities
9. Currency Chest Operations at Kannur and Ernakulam
10. Completion of Outward clearing centralisation
11. eNACH for Corporates
12. PPS for ₹5 lakhs and above in CTS mandatory
13. RTGS/NEFT centralisation
14. SWIFT ISO 20022 migration
15. TFCPC BCP at Coimbatore location

Asset and Liability operations of BOG has been awarded with the ISO 9001:2015 Quality Management Certification during the year.

SLA based delivery, FTR based TAT, Productivity based optimal operation, feedback based refinement and enrichment are the key parameters, BOG reckons to function as a Centre of Excellence in operations.

COMPLIANCE DEPARTMENT

The Bank has institutionalised a strong compliance culture and mechanism across the organisation, in pursuit of its strategic goals of transparency and trust, among all its stakeholders. The Bank has a dedicated independent Compliance Department headed by a Joint General Manager which operates as per a well-documented compliance policy for ensuring regulatory compliance, across all businesses and operations. The key functions of the department include tracking of regulatory updates affecting various business verticals of the Bank, dissemination of regulatory updates to functional units, monitoring of timely implementation of regulatory instructions, review of processes from a regulatory compliance perspective, providing guidance on compliance-related matters, vetting of Bank's policies and internal guidelines, imparting training to employees on compliance aspects among others. The Bank has a well-defined and structured mechanism to assess the compliance risk and monitor its mitigation measures, thereby ensuring the effectiveness of the compliance function in managing the compliance risk. Compliance officials have been designated in all business units and departments for monitoring and mitigation of compliance risk. All the circulars of the Bank are made available in electronic form. Bank's policies, guidelines and forms are also uploaded in software platform so as to empower the branches with readily accessible pool of information/guidelines.

DATA SCIENCE DEPARTMENT

The Bank has a full-fledged Data Science department, with the primary objective of accelerating and improving decision-making with valuable insights, optimising internal business processes, enhancing operational efficiencies, driving new revenues and gaining competitive advantage over business rivals and thereby achieving the pre-determined corporate goals in an engineered manner. This Department has already rolled out several Business Intelligent reports and descriptive analytical reports which gives meaningful insights to the top management for quicker and right decisions and thereby assisting in the total Business growth of the Bank. The Data Science Department has also built an in-house regulatory reporting solution as per the specifications of the Reserve Bank of India so as to automate Bank's regulatory reports and its online submission.

On the data analytics, the department has built and implemented several Descriptive analytical models for providing valuable insights to the top management and operations staff. The Bank has also deployed a few Predictive analytical models for identifying the right customers to extend various asset products like Digital Pre-Approved Personal loan, Digital EMI loans, targeted marketing, Optimising cash at ATMs, etc. Data Science Department has also put in place a single centralised data repository after collating data from CBS, other internal surround source systems and also from the external sources. This centralised data repository serves act as the data warehouse for the Bank with separate data marts for the specific requirements.

RISK MANAGEMENT

Risk is an integral part of banking business. In the recent past, the Bank has exerted focused efforts in building a robust, and sustainable risk governance framework and to create risk awareness culture across all tiers of the organisation's hierarchy and continuing to do so. Various initiatives such as comprehensive review of Credit Risk Policy and other Risk Management Policies has been conducted along with other process improvement. Liquidity is also actively being managed through the ALCO forum, where the Bank is pursuing actively into increasing the sticky and retail deposits along with operationalising majority of the wholesale banking financing relationships. As part of the Business Continuity Management, the Bank's Operational Risk team is working in close coordination with various stakeholders to ensure smooth conduct of operations.

Risk Management underscores the fact that the survival of an organisation depends heavily on its capabilities to anticipate and prepare for the change rather than just

waiting for the change and react to it. The objective of risk management is not to prohibit or prevent risk taking activity, but to ensure that the risks are consciously taken with full knowledge, purpose and clear understanding so that it can be measured and mitigated. The essential functions of risk management are to identify, measure and more importantly monitor the risk profile of the Bank. Managing risk is fundamental to banking and is the key to sustained profitability and stability. Management of risk aims to achieve best trade-off between risk and return and to maximise Risk Adjusted Return on Capital (RAROC). Sound risk management is critical to a Bank's success. Business and revenue growth have therefore to be aligned with Risk appetite in the context of the risks embedded in the Bank's business strategy and balance sheet. Of the various types of risks the Bank is exposed to, the most important are credit risk, market risk and operational risk. The identification, measurement, monitoring and mitigation of risks continue to be key focus areas for the Bank. The risk management function attempts to anticipate vulnerabilities at the transaction level or at the portfolio level through qualitative and quantitative examinations of the embedded risks. The risk management strategy of the Bank is based on a clear understanding of various risks, disciplined risk assessment, risk measurement procedures and continuous monitoring for mitigation. The policies and procedures established for this purpose are continuously evaluated and benchmarked against the best practices followed in the industry. Through continuous refinement/improvement of the risk measurement/management systems, including automation of feasible processes, the Bank aims to ensure regulatory compliance as well as better return on and utilisation of capital in line with the business objectives. The Risk Management Department received Certificate of Approval under ISO 9001:2015 Standard during the FY 2022-23. There are no elements of Risk identified, which may, in the Opinion of the Board, threaten the existence of the Bank.

With an objective to be socially and environmentally sustainable, the Bank has established an 'Environmental and Social Management System (ESMS) Policy' which defines guiding principles for mitigating the Environmental & Social (E&S) risks arising out of Bank's lending activities. This approach integrates Environmental & Social factors in addition to the various credit, operational & financial risk factors, while undertaking high value lending and investment decisions. The policy also prescribes an exclusion list consisting of activities prohibited for lending operations considering their negative impact on the environment and the society.

RISK APPETITE

Risk appetite of the Bank refers to the level of risk that the banking organisation is prepared to accept in pursuit of its financial and strategic objectives, before action is deemed necessary to reduce the risk. It is determined through the assessment of risk taking capabilities of the Bank in the form of sound risk mitigation techniques and capital base. Risk Appetite forms a key input to the business and capital planning process by linking business strategy to risk appetite. Risk appetite of the Bank is defined by the Board of Directors through the Risk Appetite Framework which encompasses the general risk appetite of the Bank as well as risk appetite with respect to specific categories of risks. Qualitative and quantitative measures, risk tolerances as well as targeted limits for various categories of risks are included within the risk appetite and are monitored on a quarterly basis. The framework ensures that aggregate risk exposure of the Bank is always within the desired risk bearing capacity. Further, constant monitoring of such limit is done by Risk Management Department to ensure that activity of the stakeholders is well within the Board approved limits.

RISK MANAGEMENT POLICY FRAMEWORK

The Bank has a comprehensive policy framework which contains separate policies for identification, measurement and management of all material risks including but not limited to credit, market, operational, liquidity and other Pillar-II risks. The Bank has put in place an integrated risk management policy which ensures independence of the risk governance structure. The required standard operating procedures also follows the Policies to ensure that all the parameters are well covered while implementing the approved policies.

RISK MANAGEMENT PRACTICES

It is imperative to have robust and effective risk management practices not only to manage risks inherent in the banking business but also the risks emanating from financial markets as a whole. The Bank has in place a robust risk management structure which proactively identifies the risks faced by the Bank and helps in mitigating the same, while maintaining proper trade-off between risk and return thereby maximising shareholder value.

The Bank has put in place independent risk management architecture and practices that are overseen by Risk Management Committee of the Board (RMCB). Appropriate policies to manage various types of risks are approved by the Board of Directors after review by Risk Management Committee of the Board (RMCB), which provides strategic

guidance while reviewing portfolio behaviour. The senior level executive committees like Credit Risk Management Committee (CRMC), Market Risk Management Committee (MRMC), Operational Risk Management Committee (ORMC) and Asset Liability Management Committee (ALCO) develop the risk management policies and vet the risk limits to ensure better control.

a) Credit Risk Management:

Credit risk management policy defines credit risk as the possibility of losses associated with the diminution in the credit worthiness of the borrower or the counterparty or the failure on the part of the borrower to meet its obligations in accordance with the agreed terms. The Bank has a comprehensive credit risk management framework, which deals with identification, assessment, measurement and mitigation of credit risk. The Bank has devised two-dimensional rating system and retail scoring system in line with RBI's guideline on Internal Rating Based (IRB) approach. Further, the Bank's Board has approved the methodology for estimation of risk components namely Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) for its Corporate and Retail exposures. The Credit risk of the Bank is overseen by RMCB at Board level and Credit Risk Management Committee (CRMC) at executive level. Of the strategic measures employed in managing credit risk, risk rating occupies a position of prominence, as it involves the rating of borrowers from a risk perspective for the purpose of credit decision, pricing and supervision. RMCB/CRMC approves the launch/modification of new rating models/scorecards, exposure ceilings, oversees the monitoring of size, rating distribution and concentration of credit exposures, and timely amendments/review of Credit Risk Management Framework. Credit Risk Management cell, which functions under their guidance executes the directions of RMCB/CRMC and it ensures that appropriate system level changes (including IT) are also implemented. For the purpose of credit risk assessment, the Bank's exposure is broadly classified into retail and non-retail. All corporate loans are rated using dual rating models/specialised lending rating models and retail exposures are scored using scorecards. Ratings and scorings are performed in proprietary automated platforms which ensure integrity, objectivity and consistency of ratings. Further, rating/scoring data is captured in core IT systems of the Bank to facilitate seamless reporting

and timely validation of rating models/scorecards. The Bank has deployed system level validations/checks to ensure timely review of borrower ratings and capture of scoring information of all retail loans at granular level. Bank has eight non-default rating grades and one default rating grade. The customers are assessed based on their financial performance, industry characteristics, business positioning, project risks, operating performance and other non-financial parameters, such as quality of management and conduct of account. The Bank validates its rating models and scorecards on an annual basis. Corporate/Retail loan applications sourced at different Business units are processed at Centralised Processing Centres.

The corporate loan proposals are independently reviewed by Risk Management Department during the risk rating process. Committee system of loan approvals have been implemented in the Bank for exposures that fall beyond the powers of individual functionaries. A well-defined approval matrix is in place for approving exceptions. Credit Mid Office Group (CMOG) has been set up to ensure compliance of pre-disbursement conditions before issuing clearance certificate for non-retail loan account opening. Post disbursement, CMOG will ensure compliance with critical post-disbursement/special conditions specified in the sanction order and also track activities that happen at regular intervals like stock statement submission. A dedicated Market Intelligence Unit (MIU) attached to Risk Management Department comes out with detailed reports every quarter on the outlook pertaining to different industry sectors. Early Warning System has been put in place to enable the Bank to take proactive measures for addressing the possibility of credit quality deterioration of specific borrowers. The pricing system is suitably aligned to the cost of funds and to the perceived risk that a borrower poses. Appropriate credit underwriting and approval processes, risk mitigation, post-disbursement monitoring and timely remedial actions are part of the credit risk management. Segment-wise and borrower category-wise exposure limits are fixed and monitored by the Bank to address the risk of concentration. Rating migration studies and default rate analysis, based on the credit risk rating of the borrowers, are undertaken on a periodic basis to analyse the changes in credit risk profile of the borrowers and to provide input for policy and

strategic decisions. The portfolio analysis of various products/industries, covering various credit quality indicators are being carried out on a periodic basis for identifying portfolio trends, and generating portfolio level MIS. PD Term structure and LGD estimates are used as inputs for ECL computation under Ind-AS, for proforma reporting purpose.

b) Market Risk Management:

The Bank has laid down comprehensive policies, framework and procedures to manage market risk in a holistic manner. The Investment Management Policy lays down broad guidelines to proactively manage market risk. The Board, supported by the Market Risk Management Committee (MRMC), frames the Market risk management policy, which details the methods to identify, measure, monitor and control market risks. The Bank has dedicated independent mid-offices for forex and domestic treasury at Treasury Department, reporting directly to the head of the Risk Management Department. The mid-offices closely monitor market risk inherent in treasury dealings. The market risk at an overall level is measured by applying techniques, such as VaR and Modified Duration. The stop loss levels for individual securities and limit framework for different categories of investments play a pivotal role in controlling market risk associated with different securities at micro level.

c) Operational Risk Management:

The Bank has developed and implemented an operational risk management framework that is fully integrated into the Bank's overall risk management system. The Bank has put in place processes, systems and procedures to actively manage and mitigate operational risks and to optimise resources not only to protect the interests of the Bank but also to ensure return commensurate with the risk profile adopted. Identification and assessment of risk together with the assessment of control effectiveness are key to Operational risk management process. The Bank has put in place risk management tools like Risk and Control Self-Assessment (RCSA) and Key Risk Indicator (KRI) frameworks to ensure continuous monitoring, evaluation and trend analysis of various risk elements. All new products and processes are reviewed and approved by the Risk Management Department and thus, it is ensured that all risks involved in new products and

processes are clearly documented and adequate procedures and controls are implemented well before the launch /implementation of product/process. Further, organisational wide awareness programme on importance of operational risk, timely and adequate reporting of incidents in any nature is also initiated. In order to ensure adequate and timely identification, measurement, monitoring, control and mitigation of reputation risk posed by the business, a Board approved reputation risk management policy is put in place. With a view to monitor reputation risk emanating from various forms of media, a Media monitoring mechanism is put in place to ensure timely and proactive identification and mitigation of risk. Risk drivers for reputation risk is identified and monitored on a quarterly basis. Quantification of reputation risk is accomplished through Reputation risk scorecard and is undertaken on a quarterly basis along with the ICAAP process. Further, a reputation risk matrix is prepared to identify the magnitude and direction of various risk drivers. The Bank is also evaluating the criticality of outsourced activities based on the foreseen inherent risk and the risk score/level of the respective activity. The Operational Risk Management Committee is monitoring and reviewing the overall outsourcing risk management.

d) Liquidity Risk:

Liquidity risk refers to the risk that the Bank is unable to meet its obligations as and when they fall due. The Asset Liability Management Policy of the Bank stipulates broad framework for liquidity risk management to ensure that the Bank is in a position to manage its daily liquidity requirements and to withstand stress situations stemming from, Bank-specific factors, market-specific factors or a combination of both. Asset Liability Management Committee (ALCO) of the Bank, comprising of senior executives of the Bank oversees Asset Liability Management (ALM) functions within the framework prescribed under the ALM Policy and other relevant policies and guidelines. The core objective of the ALM policy adopted by ALCO is to ensure planned and profitable growth in business through appropriate management of the liquidity risk and interest rate risk. The ALCO is responsible for (i) recommending pricing of deposits and advances, (ii) preparing forecasts showing the effects of various possible changes in market

conditions, (iii) recommending appropriate actions in anticipation of such forecasts, (iv) deciding on the desired maturity profile and mix of assets and liabilities, and (v) conducting funding, capital planning, profit planning and growth projection.

The liquidity profile of the Bank is analyzed on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and periodic liquidity stress tests. The Bank has put in place a liquidity risk management framework adhering to the guidelines issued by RBI on liquidity risk management and the best practices. These include the intraday liquidity management and monitoring of the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

e) Information Security and Cyber Risk Management:

In order to provide guidelines for cyber security related initiatives, a Board approved Cyber Security policy is in place. Also, Cyber Crisis Management Plan (CCMP) is in place to provide the requisite strategy, direction and roadmap towards cyber threat mitigation. Digital and Technology Department and CISO Office are ISO 27001 certified for the implementation of Information Security Management System (ISMS). As a part of ISMS implementation, the Bank has prepared IS Security Policy and related IT risk management procedures. The Cyber Security governance is a part of Bank's Information Security framework. In order to consider cyber security from the Bank-wide perspective, a steering committee of executives known as Information Security Committee is formed with formal terms of reference. The Chief Information Security Officer (CISO) is the member secretary of the committee. The committee serves as an effective communication channel for management's cyber security aims and directions. The Committee also guides and monitors development, facilitation and implementation of Cyber Security Policies, standards and procedures to ensure that all identified risks are managed within the Bank's risk appetite. Also, the Bank has a comprehensive Incident Management procedure which proactively address potential threats/risks arising out of cyber security incidents. The incident management procedure specifies the requirements for establishing, implementing, maintaining and

continually improving incident management process as applicable to IT in the Bank. Key Risk Indicators are used to track various security parameters and their progress/ changes. Regular IS audits and VA/PT is carried out to assess the vulnerabilities, if any, in the IT systems.

The Bank has a fully operational Security Operation Centre (SOC) and network & end point security devices to monitor any security incident and to take appropriate actions. SOC is operational on a 24x7 basis. The Bank is using several monitoring tools for identifying, monitoring, recording and analysing security events or incidents within the real-time IT environment.

Employees are updated with the latest security threats and the best security practices. In order to ensure continuous awareness on best cyber security practices and cyber security risks, a dedicated internal web portal to disseminate relevant security information has been set up and it is accessible to all employees.

The Bank provides cyber security awareness to its customers on a continuous basis through various channels like SMS, Email, Website, Social media etc. Cyber Jagrookta (Awareness) Diwas is observed on the first Wednesday of every Month as advised by the Ministry of Home Affairs, Govt. of India to create awareness for prevention of cybercrimes. The Bank is also committed to data privacy of customers, employees, stakeholders etc. and is undertaking initiatives to further enhance and improve its data privacy posture.

f) Business Continuity Plan:

The Bank has a comprehensive Business Continuity Plan (BCP) to ensure continuity of critical business operations of the Bank identified through criticality assessment using Business Impact Analysis (BIA), at times of disruptions. In line with the Business Continuity Plan, the Bank has constituted a BCP Committee incorporating the heads of all major departments, to exercise, maintain and invoke business continuity plan as needed and to ensure that the business functions are back to normalcy with minimum delay. As a measure to enhance the Bank's operational resilience and to effectively manage adverse situations, a Crisis Management Group (CMG) is instituted with objectives to ensure safety of stakeholders and to ensure that critical business

processes continue to function during the crisis, to the extent possible Disaster Recovery drill for the Core Banking System (CBS) and critical IT systems of the Bank is conducted at regular intervals to ensure the continuance of the same during emergency situations. The Bank undertakes periodical testing of recovery speed of critical applications from alternate location. The Bank has taken multiple steps including enabling alternate locations, work from home facilities, etc. to ensure Business continuity.

INTERNAL CONTROL AND AUDIT/INSPECTION

Internal Control and their Adequacy

The Bank has put in place extensive internal controls and processes to mitigate operational risks, which includes maker checker authentication of CBS transactions, centralised processing of opening and modifications of CASA accounts and loan accounts, centralised sanctioning of loan facilities etc.

Various Preventive controls viz., Dual custody for cash, gold and other security items, maintenance of daily control registers for security items, finger-scan-authentication for processing of transactions in CBS in addition to login passwords, stringent guidelines on password usage, STP processes between CBS and payment interface systems for transmission of messages etc. are in place.

As per requirement of Companies Act, 2013, the Bank has formulated Internal Financial Controls Framework. Risk and Controls associated with each process in the Bank are documented under the Internal Financial Controls Framework. Inspection and Vigilance Department plays a significant role in testing the control effectiveness for each process under the framework.

The Internal Audit function provides independent assurance to the Board of Directors and Senior Management on the quality and effectiveness of the Bank's internal control, risk management and governance systems and processes, thereby helping the Board and Senior Management to protect the Bank and its reputation.

Audit/Inspection

The Bank has an Inspection & Vigilance Department which is responsible for independently evaluating the adequacy and effectiveness of all internal controls, risk management systems, governance systems and processes. The Department is manned by appropriately qualified personnel to handle the Risk Based Internal Audit,

Management Audits, Information Systems Audit and Special Audits including Investigations. All the internal audits are conducted based on the RBI direction in relation to conducting risk based internal audit and concurrent audit of branches and identified critical processes of the branches.

Head of Internal Audit & Vigilance is directly reporting to MD & CEO.

Internal inspectors conduct inspection at regular intervals and the inspection reports are placed to Audit Committee at Executive level (Sub Committee of Audit Committee of Executives (SACE)/Audit Committee of Executives - ACE) for review, which is overseen and controlled by Board Level committee (Audit Committee of Board - ACB).

All activities (including outsourced activities) of the Bank and the Subsidiary Company fall within the ambit of Internal Audit.

Audit of Branches

All the branches are subjected to Risk Based Internal Audit (RBIA). This audit is conducted at periodic intervals based on the risk perception. All the audits are conducted based on predefined check points and all the operational areas are covered under this audit. Credit audit is also conducted as part of Risk Based Internal Audit where aggregate credit exposure of a borrower is ₹5 crore and above.

In addition to RBIA of branches, the Bank has concurrent audit system, which covers selected Branches, conducted by qualified Chartered Accountants/retired officers. The selection of branches for concurrent audit is done in such a way that it covers branches having substantial advance or deposit, entire specialised Branches such as 'B' Category Branches, Corporate Branches etc., and all poorly rated branches as per the latest rating awarded.

In addition to the concurrent and risk based internal audits, the branches are subjected to Surprise Inspection, Flash Inspection, IS Audit, Revenue Inspection, Self-Audit, Gold Loan Inspection/ Asset Verification and compliance inspection during the financial year. Separate monitoring team - Inspection Monitoring Group (IMG) closely monitors various inspections/audits at the Branches. There are six IMGs who are reporting to Head of IMG. These Monitoring Groups are assigned the task of ensuring the compliance and closure of the inspection report of the branches. During the course of inspections, serious issues if any, concerning regulatory

guidelines, legal requirements and operational processes are found, these are escalated to the Management for timely action.

All the branch related audits are presently automated through system where reporting, risk rating, compliance and closure of the reports are done through software application which provides the Bank with an overall control on various audits conducted in the branches. Continuous improvements are made to the application to automate several activities at HO and digitise the records in single application.

Audit of Departments and critical process

Management Audit of Regional Offices (RO) and Departments are conducted to review the managerial aspects like organisational objective, policies, procedures, structure, control and systems in order to assess their efficiency and performance.

As part of the transformation process, new exclusive asset verticals and specialised operational groups were formed by Bank and these verticals are also covered under Management Audit. The scope of audit in each vertical are based on nature/function/services/business achievement carried out by them in line with the Regulator as well as internal guidelines.

The Management Audit is conducted at periodical intervals based on the risk perception of respective office.

In addition to the management audit conducted by inspection department, all the critical operations such as International Banking Division, Treasury Department, Credit Department and Centralised Processing Centres, etc., are subjected to concurrent audit by independent Chartered Accountant firms. All these reports are reviewed by Audit Committee of Executives (ACE/SACE) and corrective steps are taken to rectify the lapses/irregularities, if any, pointed out in such inspection reports as recommended by vetting department.

Information System Audit of CBS and major applications are conducted by internal audit/ external audit firm. The IS audit team also undertakes a general scrutiny of the efficiency of the information system at branch level and its rating so as to enhance the internal controls.

New product/process whenever introduced in the Bank is reviewed by Inspection Department and recommendations are made for necessary controls/improvements for deficiencies/gaps observed in existing internal controls.

Inspection Department also carries out independent evaluation of Bank's internal financial controls in terms of Companies Act, 2013 and also the adequacy of internal financial controls with reference to the Financial Statements.

INTERNATIONAL BANKING

The total forex business turnover for the year ended March 31, 2023 was ₹5,90,086.85 crore (comprising Merchant Turnover of ₹21,736.64 crore and Interbank Turnover of ₹5,68,350.21 crore). The Bank has earned an exchange profit of ₹51.54 crore for the FY 2022-23.

At present the Bank is having rupee inward remittance arrangement with 3 banks and 45 Exchange Houses and the turnover for the year ended March 31, 2023 was ₹14,466.41 crore. The Bank has concluded speed remittance arrangement during the FY 2022-23 with the following Exchange Houses:

- Doha Exchange Co WLL, Qatar
- Bahrain India International Exchange Co. BSC (c), Kingdom of Bahrain
- U Remit International Corporation, Canada
- KMB International Money Transfer Ltd, United Kingdom
- ZamZam Exchange LLC, Jordan
- Wasel Exchange SAOC, Oman

The Bank has continued providing managerial support to M/s Hadi Express Exchange, UAE. The Bank has presently deputed 10 officers of the Bank to manage the operations of Hadi Express Exchange. Considering the scope in improving the remittance business through arrangements with exchange houses, the Bank has deputed 11 officers to UAE, 3 officers to Qatar with City Exchange, Doha, Qatar, Al Dar for Exchange Works and M/s AlFardan Exchange LLC, Doha Qatar and 2 officers to Oman with Joy Alukkas Exchange and Purushottam Kanji Exchange Co LLC and 1 officer to Kuwait with UAE Exchange Kuwait WLL.

The Bank has opened three new nostro accounts in USD, EURO and GBP with J P Morgan Chase N A during the FY 2022-23. Following are the digital initiatives launched by the Bank in Forex and Trade Finance segment which enable customers to initiate Cross Border Transactions online with convenience, secure, fast and paperless.

- The Bank has rolled out the new product "Online Foreign Outward remittance" in the Internet Banking platform (SIBERNET) for Resident SB & NRE SB clients. The same facility is also available

in SIB Mirror+ mobile App under the module "Remit Money Abroad". This will enable the customers to initiate outward remittances in 100+ currencies via online without visiting the branches. Customers can also initiate outward remittance request in online 24x7 including Holidays in US Dollar Currency and other currencies during the daily market timings.

- **"SIB TF ONLINE-"** new portal for Trade Finance customers has been made live for initiating import related payments during FY2022-23. This facility will reduce the cost, manpower and TAT of clients as well as Bank. The advantage is that clients can initiate Forex transactions 24 X 7 through online mode. Currently, in the Phase I of SIB TF ONLINE, import transaction modules are available for clients. Other forex transactions in SIB TF ONLINE portal will also be made available in the next phases.
- **Trade MIS dashboard** was implemented during FY 2022-23, wherein outstanding Letter of Credit (Foreign/Inland), Foreign Bank Guarantee, Forward Contracts, Export/Import Bills and outstanding shipping bills is made available in the corporate internet banking under TF online- Trade MIS module.

NRI PORTFOLIO

The NRI business has crossed the significant milestones of 4.50 lakhs NRI customers and ₹28,000 crore book size in FY 2022-23 and the NRI deposits constitute almost 30 per cent of the Bank's total deposits. As a part of the strategy for the next phase of business growth, the business vertical has implemented some key initiatives and these will be enhanced over the next FY too to consolidate our business growth. Some of the key initiatives and focus areas for the business were:

a) Foreign Exchange Advisory Cell

The Bank has launched Foreign Exchange Advisory Cell to provide advisory services by subject experts on FEMA rules and trade finance related issues to the general public. The complimentary service is available to all Foreign Exchange Trade Fraternity.

b) Business growth initiatives

- The business acquired over 53000 NTB customers during the year which has been the highest ever in any financial year.
- The business team and Bank's representative office enhanced tie-up with exchange houses in Kuwait and Oman to tap new markets with a large Indian diaspora.

- Digital presence and non-Face-to-Face sourcing was given a new focus and this initiative will be further ramped up to acquire customers through new markets.
- Micro marketing activities and sponsorship of NRI events was also focused upon during the year and supported various events in UAE, featured advertisements in FM radio channel in Hindi, Tamil along with Malayalam in Dubai and also organised an NRI meet in Thiruvalla, India.
- Visibility and presence inside and in the exteriors of the branches were also focused upon and NRI welcome arches, posters, displays and brochures etc. were placed in potential branches.

c) Product innovation

- Keeping in line with the business growth initiatives, the Bank has launched Seafarer and Pulse accounts to cater to Mariners and Health Care professionals who are NRIs. The business team is also planning to launch new products for students going abroad and IT professionals. The Bank would continue to focus on creating customer centric products.
- Existing products have been redesigned to enhance customer convenience. Now customers can maintain deposits as an alternative to minimum balance criteria.

d) Enhancing sourcing quality

The NRI business has also focused on enhancing the customer relationship value through sourcing higher value variants like gold and platinum, higher value initial payment, cross selling PIS & recurring deposits to NTB customers, deepening on priority program to ensure family accounts of the customers etc.

- Updation of email and phone numbers to maintain customer connect.

e) Customer service

- The Bank had set up the NRI Service Centre (NSC) to provide a dedicated service point to the NRI customers. The same has been operational for the full year and has resulted in enhancement of customer service levels. This has enabled sourcing of additional business through NSC. NSC has also been successful in converting leads from the calling activity and sourcing New to Bank customers for the Bank.
- Monthly newsletter, "NRI Connect" provides relevant information and update on the Bank's initiatives is being sent every month to NRI customers.
- The Bank has also provided a dedicated & trained team to process newly sourced accounts resulting in quicker account opening and ensuring that all

accounts are compliant with current regulatory norms & requirements.

The NRI Business will continue to focus on new initiatives like product innovation, enhancing sourcing quality etc. which will enable a sustained business growth in future.

TRAINING

The Bank accords utmost importance to Capability Building of its employees. Regular up-skilling of the staff members is the stated goal of the Human Resources L & D unit. To meet this objective, the Bank has divided the competency building activity in 2 mutually collaborative units:

Learning and Development:

The HR – L&D, Ernakulam focuses primarily on developing e-learning and other digital learning modules for the benefit of all staff members. The Team has successfully created and published content to address most of the functional and behavioural skill needs of the staff members of the Bank across grades. These are self-service learning units that have been rolled out to the employees via the Learning Management System (LMS) named, SIB iLearn. In the 2022-23, the unit has published 64 courses, which translates to 180 credit hours of learning. The LMS is regularly accessed by the entire workforce of the Bank as part of their asynchronous learning plan, earning them the required credit points in the employee appraisal process. It is noteworthy to mention that the learning content published through iLearn in the FY 2022-23 was entirely made in-house.

SIB Staff Training College (SIBSTC), Thrissur conducts internal training programmes for development of professional skills of all staff members. The training programmes are designed to develop competency of operating personnel while imbibing the SIBians' spirit and culture through an effective learning process. The success of these programmes reflects on the enhanced organisational productivity. Efforts are taken to identify skill gaps in the personnel and provide support for quality improvement.

The Staff members are also nominated to external training centres for being trained in specialised areas as well as to have higher exposure. During the FY 2022-23, the Bank has imparted training to a total of 5,905 staff members across grades, including new joiners' induction for 1,050 persons.

Besides, both these units also contain professional soft-skills trainers who conduct sessions for the staff on a variety of topics related to Personality Development, Team Working, Leadership, Selling skills and Customer Servicing.

RETAIL BANKING DEPARTMENT

The Retail Banking Department focuses primarily on increasing retail business for the Bank through customer acquisition and retention. The Retail Banking Department has two verticals - Retail Liabilities and Retail Assets. The Liability vertical constitutes the entire retail liability portfolio of the Bank including Core Deposits, CASA, NRI Business, Marketing of Third Party and Digital Products. Apart from above, the Department also plays a vital role in ensuring continuous product development and promotion by creating awareness on products through customer-centric campaigns.

Technology Products & services of the Bank

With more customers on boarding to the digital channels every day, Digital Technology is revolutionising traditional banking. Introduction of UPI has boosted the payment ecosystem by simplifying contactless and real time payments. The Bank is a frontrunner in adapting the changes in the technology, by strengthening the digital banking space. The Bank has effectively leveraged technology and introduced several variants of traditional products and new e-based services, tailor-made to suit the diversified needs of the customers. Technology services like Contactless Debit cards, Internet banking, Mobile banking with UPI, QR based payment acceptance, API Banking and WhatsApp banking have transformed the customers' digital banking experience from branch banking to anytime, anywhere banking. The Bank has a separate Digital Marketing Division under Retail Banking Department to enhance the Digital outreach and a separate Digital Banking Department that facilitates technological developments.

SIB Mirror+

SIB Mirror+ offers Next Generation Digital Banking Experience from South Indian Bank- A comprehensive and secure Mobile Banking platform, offering 100+ banking and utility services to take care of daily banking needs conveniently from the smartphone.

- Single App for Domestic & NRI customers available in 8 Regional Languages apart from English
- KYC update
- APY, Secure Credit Card apply
- DEMAT account opening
- Invest in Sovereign Gold Bond, Contribute towards NPS
- BHIM UPI
- Digital e-Lock with e- Limit facility

- Self-Account opening (SIB Video KYC/ SIB INSTA)
- Link Multiple Profiles for Personal & Business Use
- Grievance Module
- Investment Module & Apply for Loans Module
- Deposit & Debit Card Management
- Utility Bill Payment & Mobile/ DTH Recharge
- Stop Cheque Payment, Cheque status enquiry and much more.

SIBerNet

The Internet Banking service under the brand name "SIBerNet" positioned the Bank as a technology-driven Bank offering superior banking services to both Retail and Corporate customers. The Customers can avail banking services and e-commerce transactions 24 x 7 from home, office or anywhere.

Types of SIBerNet

Internet Banking (SIBerNet) is available in two modes:

1. SIBerNet Personal: All retail including proprietorship can apply for SIBerNet Personal.
2. SIBerNet Corporate: All Partnerships, Trust, Institutions, Society, Companies etc. can apply for SIBerNet Corporate.

Services/Features of SIBerNet

- Instant Payee Activation
- KYC Update
- Foreign Outward Remittance
- Online Demat Account Opening
- Gold Loan Renewal
- Password on Email for Corporates
- Personalised Transaction Limit
- Loan Account Credit Facility
- Debit Card Module
- Cheque Book Request
- SPOT Credit – Pre-Approved Loan
- School/College Fee Payments
- KSFE-NRE Chit Enrolment
- Sovereign Gold Bond Application
- Positive Pay System Module
- Deposit Management Module

Debit Cards

The South Indian Bank offers Debit card for domestic as well as international transactions. The card comes to you with features of Global acceptance, Online Shopping, Utility bill payments and Cash withdrawal from ATMs in India and millions of ATMs across the world.

For domestic as well as International transactions, as per RBI mandate, SIB offers Debit card to the customers in DI and PIN enabled platform. This card can be used for cash withdrawals from ATMs displaying the VISA/MASTERCARD/RUPAY/DINERS/DISCOVER logo across the World in addition to South Indian Bank ATMs. The customers can also use this card for making purchases from all merchant outlets globally, accepting VISA/MASTERCARD/RUPAY/DINERS/DISCOVER debit cards and earn points with the SIB Rewardz program. The accumulated points can be redeemed at more than thousands of retail outlets and online shopping websites or for exciting gifts. SIB's DI and PIN enabled debit cards are offered in VISA/MasterCard/RuPay platforms with enhanced transaction limits at ATM/Online/POS.

SIB REWARDZ

The South Indian Bank presents SIB Rewardz, a loyalty program for all the valued customers. Now customers earn SIB Reward Points every time they use their South Indian Bank Debit Card at Point of Sale terminals or online for purchases, payments and bookings. As a South Indian Bank customer, they are auto-enrolled in this program and as a special gesture, will be rewarded with SIB Reward Points for making payments by using their South Indian Bank Debit Card.

SIB TRAVEL CARD

The South Indian Bank, in association with M/s Thomas Cook (India) Ltd., offers Travel Card, a perfect travel partner for all foreign trips. Hassle-free, secure and supports multiple currencies which ensures that you are always ready for a getaway.

Features of the Travel Card

- Tie-up with All Point Network-the largest surcharge-free ATM network in the world
- Enhanced security with chip and PIN protection and real-time fraud monitoring with instant card block
- Zero chargeback fee
- Inbuilt Tap & Pay technology enables contactless payment
- Online PIN change facility

- E-commerce access
- Insurance cover of up to \$10,000 in case of fraud transactions
- Pre authorisation release and instant encashment
- Global usage offers better value by avoiding any currency fluctuation risks
- Free card statements
- Free card replacement
- Enhanced health and safety protocols while packaging your card to ensure minimal human contact

South Indian Bank Prepaid Gift cards

Prepaid cards or pre-loaded cards are those which can be used similar to Debit cards for Online/POS transactions. SIB Gift Cards are one-time cards issued in value as per the choice of the customer for a finite period. These cards can be gifted to a third party and can be used for multiple purchases as long as value remains on the card and before the card expires. However, cash withdrawals from ATMs are not possible using SIB Gift Cards and these cards cannot be reloaded.

South Indian Bank Reloadable Prepaid Cards

South Indian Bank presents Reloadable Prepaid Cards in RuPay platform. Reloadable Prepaid Cards can be used for POS/Ecommerce as well as for ATM transactions. Prepaid Cards can be reloaded umpteen number of times as per the choice of the customer. Two categories of Reloadable Prepaid cards are available:

- CashCard, which is offered to retail customers can be loaded to a maximum amount up to ₹ 1,00,000/-
- DigiCash is offered to corporate customers for onward issuance to their employees, customers, etc. These cards can be loaded to a maximum amount upto ₹ 50,000/-

SIB NETC FASTAG

NETC FASTag is a project from National Highways Authority of India (NHAI) and the Indian Highways Management Company Ltd. (IHMCL) in association with National Payments Corporation of India (NPCI). Through this system, any vehicle with a FASTag (RFID) tag can easily to cruise through the Toll gates without making any cash payments. NETC FASTags are Preloaded RFID Tags for making the Toll Payments electronically. When the vehicle passes through the Toll gate, the RFID reader at the Toll plaza receives information about the vehicle and the Toll amount is deducted automatically from the FASTag, thus saving time and fuel.

Benefits of SIB NETC FASTag

- Avoid Long queue at the Toll plaza
- Forget carrying cash for Toll payments
- Saves time and Fuel
- SMS alerts for each toll transaction
- Online portal for Tag holders
- Easy recharge options
- Easy to track toll transactions
- Quick Dispute Resolution

Point of Sale (POS)

Point of Sale terminals provide convenience, speed, security and choice of payment methods for Merchants and its customers. It also helps in reducing cash handling, increasing customer satisfaction and boosting sales. Point of sales offerings are the services and solutions that the Bank provides its merchants to facilitate POS transactions. These includes:

POS terminals: These are electronic devices that accept and process payment cards (credit cards, debit cards, prepaid cards etc.) at the merchant outlets. They can be of different types such as Android, GPRS, PSTN etc. They can also have feature such as Tap and Pay, EMI acceptance, QR code scanning and billing integration etc.

POS Merchant Support: These are the services that the Bank provides to its merchants to ensure smooth and hassle-free POS transactions, which includes installation and training, customer service desk, online portal access, SMS alerts, transaction statements, transaction settlement and competitive pricing etc.

The Bank is associated with M/s. Worldline India Pvt. Ltd. in this segment and M/s Skilworth Technologies (Bijlipay) for POS sourcing under referral model.

On October 2022, Bank has tied-up with M/s Pine Labs Pvt Ltd. to offer the bouquet of products to its merchants and to become competitive in the market. With an intend to achieve higher merchant satisfaction and to create a high brand recognition, Bank has also started deployment of South Indian Bank Branded Colour Customised POS Terminals procured from December 2022 onwards.

Payment Gateway: Internet Payment Gateway (IPG) service provides a platform for the online transaction between a shopper/client and a merchant/institution. The infrastructure allows institution/merchant to accept payment through Debit card, Credit card, Internet Banking, UPI, Wallets etc. against the goods/services provided online.

The facility is provided basically as a link in the website of the merchant /Institution. There are value added services like SMS invoicing, email invoicing, Payment links etc bundled along with Payment Gateway. At present the Bank is having tie up with 2 vendors to provide the Payment Gateway services. M/s Worldline India Pvt. Ltd. (Banks own PG Cards acquiring in hosted model) and M/s Razorpay Software Pvt. Ltd. (In referral Model)

Fee Book: FeeBook is an event based fund management/ collection portal, which can be customised by the organisation/merchant according to the collection requirements. FeeBook comes with the tagline, 'YOU DECIDE, YOU COLLECT'. In Fee Book, the organisation has the flexibility of deciding & customising the entire collection cycle. This can be integrated to the existing Website of the Client or can be provided as a separate payment link with branding of the institution. Fee Book is backed by Bank's payment gateway services and can be offered to different merchant categories to handle the online collection requirements.

e-Academia: e-Academia is a customised fee collection portal which can be offered to educational institutions. The portal is customised so as to handle the complex Fee collection requirements of educational institutions and will act as a total fee collection solution to the institution. e-Academia is backed by Bank's payment gateway solution.

Hi-Hi Banking: South Indian Bank is offering a Host-to-Host channel for seamless and secure bulk payment facility to the corporate, institutions, enterprises. It is aimed at providing a highly secure platform for paying employee salary, vendor/supplier payments or any payments from their system without depending on Bank branches. Hi-Hi Banking is a corporate bulk payment solution that enables corporates to process Bulk fund transfer through their system. The payment can be processed and report can be obtained at their convenience.

WhatsApp Banking: SIB WhatsApp Banking service was launched to address various banking related requests and queries of the customers in a simple and effective manner. Through this platform customer can send direct messages to Bank through the WhatsApp messenger. The service offers quick response to customer, conveniently from a Smart phone. The WhatsApp banking service can be availed on the number 9895900555. The service can be availed by sending "Hi" to this number in WhatsApp messenger. Various services related to accounts, cards, FASTag, loans, Investments, Bill payments/Recharges are available so far in the WhatsApp banking platform.

API Banking: South Indian Bank offers a host of banking API services spread across Accounts & Deposits, Payments Gateways, Trade services & Business Banking. It is a tool by which corporates can customise their business needs and gain easy access ensuring complete safety & enhanced efficiency. It involves access to core system of the Bank and customise their financial needs.

Credit Card: South Indian Bank - OneCard is a premium metal based Visa Credit Card with a 100% digital, app based onboarding experience. A truly 'Next Generation Banking' product which offers instant virtual card issuance, attractive reward points and zero joining fees or annual fees. Product also has many attractive merchant offers to make customer's shopping experience better. SIB-OneCard can be fully controlled through the OneCard app which serves an irresistible blend of convenience & security. SIB-OneCard is offered as both Unsecured & Secured Card. Unsecured cards are offered to both ETB customers as Pre Qualified offer and NTB customers. Add-On card facility is also available.

Third Party Products

Insurance: The Bank has tied-up with the following partners for soliciting insurance under the corporate agency model.

Life Insurance

- HDFC Life Insurance Co. Ltd.
- SBI Life Insurance Co. Ltd.
- Kotak Mahindra Life Insurance Co. Ltd.
- Max Life Insurance Company Ltd.

Health Insurance

- NivaBupa Health Insurance Co. Ltd.
- Manipal Cigna Health Insurance Co. Ltd.
- Star Health & Allied Insurance Co. Ltd.

General Insurance

- Bajaj Allianz General Insurance Co. Ltd.
- New India Assurance Co. Ltd.
- ICICI Lombard General Insurance Co. Ltd.
- Chola MS General Insurance Co. Ltd.

It was a highly successful year with regard to the performance in insurance sector. The Bank has got a significant increase in income from Life, Health, and General insurance by adding ₹ 52 crore for the financial year with a growth rate of an impressive 57% over the previous FY. The combined premium generated from life

and non-life saw a remarkable growth of 45% y-o-y. The Bank delivered 104% of achievement against the allotted target of Life Insurance.

Bank has also processed the application to procure ISNP licence from IRDA in order to digitalise the insurance subscription mode through our Mirror Plus app and SiberNet. The Bank has also processed an application for Tele and Distance marketing.

The insurance cell is collaborating with a fintech company, to acquire a business management platform that will enable seamless online and offline end-to-end insurance sales. The platform will also have the ability to generate business management information systems, manage complaints, and ensure regulatory compliance by adhering to the guidelines set by IRDAI for both sales and operations.

Mutual Funds: Mutual Fund is a popular form of investment since it provides the advantages of professional portfolio management and dividend reinvestment. The Bank has tied up with 19 leading Mutual Fund companies, thereby offering a variety of mutual fund products to the customers. Asset Under Management (AUM) of the Bank is ₹ 435 crore and income generated from mutual fund business is ₹ 2.97 crore as on March 31, 2023. With the aim of increasing the mutual fund business and thereby increasing third party income, the Bank has launched an online mutual fund platform 'SIB E-Invest' to facilitate online purchase and sale of mutual funds. SIB E invest Platform is currently live in SIB Mirror+ and in SiberNet, which made Mutual Fund investments of the customers very easy. The platform is also live in Branches, where a branch can initiate mutual fund investment online after getting customers authorisation. Now this online channel contributes about 85% of the Bank's mutual fund business.

Bonds: The Bank has been enrolled as a Channel Partner for the distribution of bonds issued by different companies through Bank's tie up with IFIN - a subsidiary of IFCI (Industrial Financial Corporation of India) Financial services Limited. Through this tie up the Bank has been enrolled as a channel partner of IFCI for the distribution of capital gain bonds and tax free bonds.

Depository services: The Bank offers Depository services for the benefit of its customers. Through this facility, customers can hold their securities in electronic form in Demat account with M/s Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Limited (NSDL). Our Customers can open their Demat account in Physical mode through Branches and Digital mode through SiberNet & Mirror+. For trading, the Bank

offers SIBerTrade – the online trading facility to buy /sell stocks for its domestic customers from stock exchanges in India through tie-up with M/s. Geojit Financial Services Ltd., M/s. Religare Broking Ltd., M/s IIFL Securities Ltd. & M/s Motilal Oswal Financial Services Ltd. Customers are also having the option of trading through mobile application at their comfort zone where the Demat Account and Bank account will be with our Bank and the trading account will be with one of our Broking partners.

ASBA: SEBI has also registered the Bank as Self Certified Syndicate Bank (SCSB) for accepting application under Application Supported by Blocked Amount (ASBA) through all the branches of the Bank. ASBA enables the Bank's customers to apply for IPO/FPO, Rights issue etc. by marking a lien on the account instead of actual debit at the time of applying, which is more beneficial for the customers. The Bank has participated in 209 issues (including IPO/FPO/NCD/ Rights Issue) in the FY 2022-23.

SGB: Sovereign Gold Bond is expected to provide an alternative and attractive investment option to retail individuals. Investors can apply Sovereign Gold Bond sponsored by Govt. of India through SIB Digital and Offline platform. Digital platform for applying SGB is introduced in the year 2020. The Bank has participated in all the 4 Tranches of SGB 2022-23 series and collected 1819 applications with a total investment of ₹21.90 crore.

PIS: An extensive share trading facility for the NRI customers through tie-up with M/s. Geojit Financial Services Ltd & M/s Motilal Oswal Financial Services Ltd. Under PIS, NRI customers can directly invest in the Indian securities market through recognised stock exchanges under repatriable/non-repatriable basis.

Achievement (Nos.) as on 31.03.2023

Cumulative PIS accounts No: 2,763
PIS opened during the FY 2022-23: 420
Income generated as on March 31, 2023: 63.57 Lakh

The National Pension System (NPS): The Government of India has introduced the National Pension System (NPS) on January 1, 2004 (except for armed forces). NPS was made available to all citizens of India from May 1, 2009. The Bank is appointed as a Point of Presence (POP) since then and all the branches are authorised to extend the product and services of NPS. The Government of India has announced the increase of tax exemption limit for NPS to 60%. This has effectively made NPS tax free at maturity and an effective 'EEE' status is attained, i.e. Tax Exempt at Entry, Earning and Exit stages. NPS is a very appealing

product for NRIs and in fact, the Bank is the topper among the peer-banks and Kerala based banks for both resident and NRI NPS. Only NPS offers the additional tax benefits up to ₹ 50,000/- under I.T act 80 CCD(1B) and it is over and above ₹ 1.50 lakh of 80C investments. APY was introduced by Govt. of India in place of NPS Lite providing minimum assured pension from ₹ 1,000/- to ₹ 5,000/- to subscribers is also available to Bank's customers.

Cumulative Achievement (Nos.) as on 31.03.2023

NPS – All Citizen Model	14,783
NPS Corporate (Including Staff)	10,241
APY	68,657
Total	93,681

SIB E-Pay: In association with BSNL, the Bank is facilitating the payment of BSNL Landline bill of its customers through their accounts maintained with the branches. A customer can avail this facility by submitting a mandate form at the branch where the account is being maintained. Once registered, the BSNL landline bill of the customer will be automatically debited from the customer's account every month. The key feature of this facility is that it is totally hassle free and is offered free of cost to the customers.

CENTRALISED DIRECT DEBIT SERVICE

Centralised direct debit facility is a service offered by the Bank to the customers, through which monthly/quarterly/half yearly payments of Mutual Fund SIP investments/Loan EMIs (Vehicle/Equipment Loans)/insurance premium can be made directly by debiting their account and thereby making payments to various billers/ institutions. At present the Bank has tie up with 5 vendors for the Centralised Direct Debit facility which includes M/s India Ideas.com Ltd., M/s TVS Credit Services Ltd., M/s Sundaram Finance Ltd., M/s Shriram City Union Finance Ltd. and M/s Bajaj Finance Ltd.

Customer Experience Group (CEG)

CEG was set up to improve customer service relationships and ensure maximum customer satisfaction by offering them Banking services 24x7.

Customer Experience Group has three sections namely Inbound, Outbound call centre and Digital Quick Support Team (DQST).

CEG inbound team is the touch point for all Banking needs of customers and the same is available on a call 24x7. Customer dials the Toll free number and narrates the requirement and the front line analyst after analysing

the nature of the requirement does the necessary to give the fastest resolution to the requirement. There are also various escalation levels of handling the requirement as per nature of each case and all working towards the ultimate goal of providing maximum customer satisfaction in the shortest possible time. There are standard procedures set and experienced back office teams to help serve the goal.

CEG Outbound Team engages customer for various types of activities like doing welcome calls on account opening, creating leads on asset, liability products and digital products like Mirror+, Internet banking, Debit card activations, dormant account activations etc. The team is also involved in sales conversion of pre-approved products. The leads are managed in CRM and all prospective leads are directed to respective Sales verticals for fulfilment.

DQST team is the touch point for customers via mail, Chat and Social Media. There are dedicated resources to handle requests in digital services like internet banking and Mirror+ including complaints. DQST team also manages CEG's Complaint handling processes received from various sources like Email, Mirror +, IVR, internet banking etc.

Highlights

- Debit card activations of new accounts is 70% for FY 2022-23.
- 28,777 Leads generated through CEG in FY 2022-23.
- Pre-approved Personal Loan conversion for FY 2022-23 is ₹57.44 crore with 3,463 accounts.

Liability

CASA Initiatives

- **CASA Enablers:** As part of improving customer engagement and for deepening the existing base, different enablers have been shared to branches at periodic intervals. Bank provide 2 set of Enablers – Business Enablers & Event Based Enablers.
- **Channel Migration for Customer On boarding:** Account opening through VKYC has been launched to ease the on boarding experience and has opened around 68.7% (eligible base) SB accounts through this mode. Account opening through digital channels like DIYA, TAB, INSTA and VKYC has contributed to 59% which the Bank propose to take it to 100%. SIB SWIFTe is introduced which is a paperless account opening process to boost digital account opening process.
- **Focus on Quality Acquisition:** This will help to increase the sourcing of high value accounts with focus on higher NAV. Accounts maintaining required product balance only are considered for number achievement and point targets are achieved only with a higher

product mix. More focus on sourcing Prime & Prime Platinum category accounts.

- **Corporate Salary:** As an initiative to attract more Group Salary Savings the corporate salary brochures where revamped and salary on-boarding process has been simplified for Bulk Salary Account opening and for INSTA through VKYC. More comprehensive Data capture of the employer has been enabled by migrating the UEID code management to BPM module. Generation and follow up of leads from existing CBG data base with nil salary account relationship has resulted in a conversion of around 28 per cent.
- **Staff Mapped Portfolio:** All high value & high transacting CASA accounts are mapped to branch staff for improving customer connect, multiproduct penetration and for enhanced customer experience. The end to end process of portfolio creation, transfer and maintenance has been automated.
- **Introduction of Customer Life Cycle Management (CLCM):** Dedicated Central Team to monitor the quality of accounts/Retention/Transactions/Depletion & Activation of existing and new customers.
- **One Million IP value drive:** Campaign on One Million IP value drive (IPL) has been initiated to bring focus in potential CASA acquisition and has opened 2,217 accounts as part of this initiative. This drive focus on accounts opened with 10 lakh initial funding.

Government Business Division

Government Business Division (GBD) is institutionalised to cater to the Banking requirements of Central Government/State Governments/PSUs/Boards/other Government affiliates, with a focus on canvassing & liaising with various Government institutions pan India. South Indian Bank is an Agency Bank of Reserve Bank of India since 2021. GBD aims at driving the Government Business portfolio of the Bank, with special emphasis to boost up CASA. Branches, ROs, Cluster Heads & Regional Sales Managers are the major acquisition channels to augment Government Business segment. South Indian Bank offers state of the art customised Collection and Payment arrangements to cater to the specific needs of the Govt. entities.

Milestones for the FY 2022-23

- South Indian Bank went LIVE for collection of Direct Taxes on behalf of Central Board of Direct Taxes.
- South Indian Bank went LIVE for the collection of Customs Duty (ICEGATE 2.0) on behalf of Central Board of Indirect Taxes.

- Accredited by Central Board of Indirect Taxes for collection of GST.
- South Indian Bank is LIVE on e-Treasury Portal of Govt. of Telangana.
- Accredited by Govt of Karnataka (Khajane) for online Treasury Collections.
- Arrangement with Kerala State Electricity Board & Kerala Forest Department, Govt. of Kerala.
- Partnered with various Central/ State Government Project/Schemes rolled out through various LSGDs entities.

Major Central & State Government Collaborations

- Tie up with Chief Ministers Office (CMO) - Kerala for Chief Minister's Distress Relief Fund (CMDRF).
- Official Banker to M/s IRCTC for Online Booking of Railway tickets.
- Sole Banker to Govt. of Kerala for the Collection of Profession Tax across all Municipalities in Kerala State & partnering with all LSGDs in Kerala for numerous digitalisation initiatives.
- Banker to more than 10 + Welfare Boards & 25 + Govt Companies/Corporations in Kerala.
- Banker to Devaswom Boards, Electricity Boards, Water Authorities, Smart Cities, Central/State Department Projects, LSGDs, Govt. Companies/Corporations/PSUs across India.
- Associated with Govt. of India for numerous Single Nodal Agency (SNA) Projects in Kerala & Tamil Nadu.

Upcoming Projects

- Integration with Non-Tax Receipts Portal (NTRP) - Bharatkosh.
- Association with Government e-Marketplace (GeM).

Priority Banking Service

South Indian Bank's Prime Platinum and Prime are exclusive priority banking programs offered to the HNW clients of the Bank to provide them with privilege banking experience. Under this program, customers can enjoy exclusive priority benefits that suit their individual needs.

Customers in priority banking program get red carpet treatment in all the branches across the country. Presently the Bank has 2.59 lakh customers under the program with total Saving Account book size of ₹11,400 crore and term deposits of priority customers as on March 31, 2023 is ₹28,277 crore.

The following are the highlights of the program:

- Introduced TRV (Total Relationship Value) based priority eligibility where 10 per cent of TD balance of customers are also considered along with their CASA balances.
- Free PIS account with zero AMC has been added to the program for the benefit of NRI customers.
- 35,330 customers have been added to the Priority Banking Program that include 16,339 NTB customers.
- 102 Liability Relationship Managers were assigned to the branches to engage Priority Customers.
- RMs have sourced ₹126.22 crore NTB account value and ₹15.52 crore life insurance premium in the FY 2022-23.

SIB Wealth X- Wealth Management Program in partnership with Geojit Financial Services Limited

The South Indian Bank has rolled out the Wealth Management Services to Bank's esteemed customers in association with Geojit Financial Services from September 22, 2022. The Bank has branded this premium program as SIB Wealth X and through this programme, the Bank helps HNI customers in wealth creation by understanding the customer risk appetite and support in investing suitable products as Bank values their hard-earned money. With this new tie up all Products of the investment universe is now available with SIB. Through SIB Wealth X, the Bank offers Mutual Funds, PMS, AIF, Bonds, Structure and offshore investment products to customers. These offering will help in attracting new HNI customers as well as to cater the investment requirement of the existing customers. The Bank is launching a separate banking programme to add more NTB - SHNI customers to the Bank and will be offered with the best in class features compared to competition.

Visibility Enhancement Initiatives during the FY 2022-23

- The Bank had executed various promotional campaigns in media like Print, Television, Radio, Outdoor and Digital. The campaigns proved economical as well as ensured target delivery across the geography.
- The Corporate Communication initiatives yielded remarkable achievements this year. Through strategic campaigns, the Bank's Share of Voice (SoV) increased significantly, expanding its visibility and reach in both national and regional media. This has facilitated meaningful engagement with diverse stakeholders nationwide, boosting South Indian Bank's growth and reputation. The PR initiatives successfully positioned the Bank's spokes people as industry thought leaders, earning admiration from experts, media outlets, and customers alike. The proactive approach of nurturing strong

relationships with the media fraternity, especially on the national level, has cultivated trust and credibility. This has empowered the Bank to effectively communicate the key messages, share notable achievements and address any concerns. With the symbiotic relationship cultivated with the media, Bank has amplified the reach and enhanced the brand reputation.

- Through effective PR strategy, major events and financial results pertaining to the Bank were promoted globally across the digital and print media. Exclusive interviews of MD & CEO with the prominent print and online media like The Economic Times, Business Standard, Mint, Money Control, The Hindu Business Line, Financial Express, Mathrubhumi, etc. were conducted across the financial year.
- Press Releases were done on occasions like Declaration of Financial Results, World Record for mega event 'Onnichirikkam Oonjaladam' at Kochi, Kerala, Launch of EXIM Trade Portal, SIB's partnership with Kerala Forest & Wildlife Department for digital collection of payments, Launch of Digital Banking Unit in Thrissur, Launch of 'Remit Money Abroad' feature in SIB Mirror+ app, CBIC integration for GST etc.
- The South Indian Bank organised a first-of-its-kind cultural connect event called 'Onnichirikkam Oonjaladam' at Kochi, Kerala in October 2022 where the Bank set a world record by synchronising and swinging 101 coir swings for 90 seconds. It was the largest sustainable event of its kind, with beautifully decorated wooden swings adorned with flowers. The event brought together customers, visitors and dignitaries, promoting social unity and prosperity during Diwali. The achievement was recognised by the World Book of Records and received extensive media coverage in 131 publications. Over 10,000 attendees witnessed the event and it was live-streamed on YouTube and Facebook, reaching more than 21,000 viewers worldwide.
- In order to establish and position, The South Indian Bank as a Universal Tech-savvy Bank, the Bank has launched the 'Trust Meets Tech since 1929' campaign across TV, Connected TV and Digital media including social media influencers, theatre, and outdoor. The campaign helped in positioning the Bank as a Tech-savvy Bank with a unique approach that resonated with the Indian audience, particularly the youth. Multiple duration digital videos were prepared for better reach and engagement among the target audience on various online platforms. During the campaign period, the brand video received 2 crore views online. Operating on a limited budget, The South Indian Bank has achieved impressive results through optimised production and media planning, outperforming the competition. The campaign's ROI showcased the Bank's strategic and cost-effective approach. The digital innovations guided by the Digital Marketing team, expanded SIB's reach and engagement. Strategic outdoor advertising in Kerala including hoardings, bus branding, metro pillars and medians, garnered significant audience attention and brand visibility. In conclusion, The South Indian Bank's 'Trust Meets Tech since 1929' campaign revolutionised BFSI marketing. With its unique approach, strong ROI, digital innovations and impactful outdoor advertising, South Indian Bank positioned itself as a Tech-savvy Bank, resonating with the Indian audience, especially the youth.
- To enhance the effectiveness of its communication channels, SIB implemented automation, martech and AI solutions, enabling the Bank to deliver personalised and customised messaging. This strategic integration of advanced technologies has empowered South Indian Bank to tailor communications to individual preferences and optimise engagement with the target audience.
- Regular social media posts of digital products, assets and liability products were promoted through the official social media handles of The South Indian Bank. Special days/ festive occasions were also promoted to engage the customers with the brand. The Bank has strategically utilised platforms such as Facebook, Twitter, Instagram, LinkedIn, YouTube among others to ensure effective communication regarding product announcements, corporate updates, milestones and crucial customer interactions. Additionally, Bank has leveraged the power of influencers to extend the reach and connect with the target audience more effectively. Sustained efforts have helped us in expanding the digital presence of the Bank and successfully engaged with the intended audience.
- Along with exploring social media and google platforms, during the year, the Bank also explored new mediums to reach out more to the Millennials and GenZ. In the digital campaigns, Bank has considered platforms such as Bobble AI which works on conversational approach and VEVE which follows notification-based approach.
- Focused campaign approach based on age group and affinity segments helped us to reach more among the Bank's TG. Currently, more than 60% of the website traffic are between the age group of 18 to 40 years. The Bank is also able to expand the brand visibility beyond its strong markets of South. As on March 2023, in terms of website visitors, two among the top 5 states are Non-South states.

- Product centric campaigns were rolled out for Home Loan, Car Loan and Gold Loan during the year. The Bank also initiated developing exclusive landing pages for separate campaigns which helped in considerable increase in lead generation & conversion also.
- The Bank has implemented over 360 segmented campaigns in this year which helped in promoting various products and generating business.
- The Bank had also associated in major cultural events outside its home state, like SS International Live - Fusion Music Show, The Great Man'dolin Tribute Show in Tamil Nadu, Global Fintech Fest 2022 by Internet and Mobile Association of India (IAMAI) at Mumbai etc. Also, SIB partnered with Institute of Directors for 16th International Conference on CSR, 68th Nehru Trophy Boat Race, Varnakkuda cultural festival in Irinjalakkuda, Kerala, Thrissur Shopping Festival, State Forum of Bankers Club, Kerala for 14th SFBCB Banking Excellence Awards, Thrissur Management Association for Business and Annual Management Convention 2023. The Bank had also advertised in major Malayalam News channels in the event of Thrissur Pooram.
- The South Indian Bank Ltd. has won the Asian CSR Leadership Award under the category 'Best use of CSR practice in Banking and Finance.
- Mr. Murali Ramakrishnan, MD & CEO was honoured with "ET Ascent Business Leader of the Year Award".
- The South Indian Bank Ltd. was chosen as a winner of "e4m Pride of India – The Best of South" Awards 2022 by exchange4media Group.
- The South Indian Bank's Learning and Development (L&D) unit bagged two prestigious awards at The 8th National Awards – one each in the organisation and the individual category, at the National Awards for Leadership and Excellence.
- The South Indian Bank Ltd. was recognised as the "Wealth Creator of the Year" by Dhanam Business Magazine.
- Bank's MD & CEO Mr. Murali Ramakrishnan was honoured with the Management Excellence Award by Thrissur Management Association (TMA).
- The South Indian Bank and Vayana Network won "Best Project Implementation" at IBS Intelligence 'Global Fintech Innovation Awards'.

Awards & Recognitions

The Bank had received the following awards: -

- Six awards at IBA's 18th Annual Banking Technology Awards:
 - Winner - Best IT Risk Management
 - Runner Up - Best Technology Bank of the Year
 - Runner Up - Best Use of AI/ML adoption
 - Runner Up – Digital Sales & Engagement
 - Runner Up – Technology talent and organisation
 - Special Mention - Best Fintech Collaboration
- The South Indian Bank has won Banking Frontiers Finnoviti Awards, 2022 for Robotic Automation of Merchant Credit Processing.
- World Record for Staging and Swinging 101 'Oonjals' at Marine Drive, Kochi, Kerala.
- The South Indian Bank has been recognised as one of India's Most Preferred Workplaces in BFSI 2022-23 by Team Marksmen India.
- The South Indian Bank Ltd. has been recognised in the ET Edge Best Brands in Best Brand 2022 Conclave 5th Edition organised by The Economic Times.
- The South Indian Bank Ltd. was awarded with "Outstanding Digital CX-SME Loans" at the 6th Digital CX Awards powered by The Digital Banker, Singapore.
- SIB was honoured with ASSOCHAM Best Private Sector Bank Award during the 9th MSME Awards & Excellence Summit.
- SIB received the "Excellent use of AI and ML" award at the eLets BFSI Tech Innovation awards 2023.
- The South Indian Bank received the "Best Use of Experiential and Innovative Media" by Kamikaze Media for Installing and Swinging 101 Swings at a single venue in Kochi.
- The Chief Information Officer, Mr. Sony A was awarded with:
 - Best CDO/CTO/CIO award, The Fintech & Digital Excellence Award was declared at the Bharat Fintech Summit 2023.
 - CIO Leader award in recognition of exemplary tech leadership selected across multiple sectors in the country. It was given away in the BIGCIO SHOW powered by Intel, with support of NITI Aayog.
 - Financial Express, has bestowed FE Visionary leader felicitation under its FE Power.
- The Chief Financial Officer, Ms. Chithra H was selected as one of the "Leading Women CFO of the Year 2022" by CII.

- The Chief Marketing Officer, Ms. Azmat Habibulla was honoured with the "Woman Disruptors Award - Women Marketing Head of the Year" by Adgully on Women's Day 2023.
- The South Indian Bank Ltd won the award for "Best Use of Social Publishing-Banking" in the Konnect Insights Excellence Awards and Summit 2022.

Subsidiary Companies/Joint Ventures or Associate Companies

As on March 31, 2023, the Bank has one unlisted wholly owned subsidiary - M/s. SIB Operations and Services Limited, which was incorporated on May 28, 2021. SIB Operations and Services Limited is a wholly owned Non-Financial Subsidiary Company of The South Indian Bank Ltd. RBI has accorded the final approval on March 25, 2021 for setting up the Subsidiary Company and the Company was incorporated on May 28, 2021 to cater to the operational needs of The South Indian Bank Ltd. The authorised Capital as on March 31, 2023 is ₹ 2 crore and the Issued and Paid-up Capital is ₹ 50 lakh. The Company is providing exclusive services to the Bank in the operational areas of Telecalling, Business Development, Data Entry Operations, IT Support and other services permitted by the Reserve Bank of India.

HUMAN RESOURCE DEVELOPMENT

The Human Resources Department has undergone a remarkable transformation, evolving from a centre focused on operational excellence to a strategic partner of the Bank. With a clear understanding of the Bank's strategic vision, "The Vision 2024," the HR Department plays a pivotal role in translating this vision into action. By aligning HR strategies and initiatives with the overall organisational goals, the Department has become an integral part of driving the Bank's success.

Embracing the strategic partnership approach, the HR Department has proactively contributed to the realisation of "The Vision 2024" by implementing innovative HR practices and programs. By closely collaborating with key stakeholders, including senior management and department heads, the HR Department has gained a deep understanding of the Bank's priorities and has tailored its initiatives accordingly.

Overall, the HR Department's transformation into a strategic partner has been instrumental in driving the Bank's success and realising "The Vision 2024." Through its strategic alignment, innovative initiatives, and focus on talent, performance, engagement and diversity, the

HR Department continues to play a critical role in shaping the future of The South Indian Bank.

The newly established verticals have been staffed with the appropriate talent, primarily through internal redeployment and lateral recruitment from the market whenever a gap is identified. Furthermore, recruitment efforts have been significantly scaled up to align with the business plans for the upcoming years. As of March 31, 2023, the number of personnel on the rolls has increased from 9,219 to 9,678 compared to the previous year. The lateral hiring process was initiated to facilitate the adoption of industry standards at a faster pace and ensure the placement of the right individuals in the right positions, ultimately enabling the realisation of Experience Next Generation Banking in accordance with the strategic plan.

To align with the strategic objective of the Bank, HR team was grouped into an Operational team focussing on HR service delivery excellence and a Strategic team for driving the strategic objectives. The operational excellence is achieved through enhancements made in 'HRMS' developed by in house HR Technology team. The HRMS system frontier are expanded through the introduction of mobile version of HRMS i.e. SIB m-HRMS. The mobile application now delivers more commonly used HRMS features in every employee's mobile devices. The App also won the "South India Best Employer Brand Awards 2021 for excellence in HR through Technology" by Employee Branding Institute.

As part of the strategic HR initiative, the Bank has adopted balanced scorecard for all the job roles identified. More over single scorecard was used for appraisal, incentive and transfer prioritisation process. This gives clarity in deliverables of each job role. Transparency is ensured for promotion by publishing cut off marks for promotions which ensures trust in the newly formed system.

Learning & Development has assumed significant importance in the present banking scenario. The Bank's Learning & Development division identifies the gaps in capability of the personnel and trains them for qualitative improvement. The development of employees are essential for the future strength of our business. Bank has moved towards the new age learning through the Introduction of LMS platform, where the employee has the opportunity to learn 24 x7. More over the proper weightage was given to every employee's scorecard which has made learning their part of life. World class content of 100 + hours are added in the platform which was assigned to each employee based on their role.

The following four areas are the keys to the Bank's success:

1. **Talent Management:** HRD, the Human Resources Department played a crucial role in ensuring that all recently established asset verticals were staffed with highly skilled employees. These individuals possessed the capabilities needed to effectively drive the verticals growth and provide excellent support to customers during the transitional phase.
2. **Recruitment:** To staff the new verticals, a two-pronged approach was adopted, involving the redeployment of existing employees and the recruitment of fresh talents. The recruitment process was exceptionally swift, setting a new record for efficiency and enabling the organisation to quickly source the skilled individuals needed to drive the success of these verticals.
3. **Strategic and Operational HR:** In order to ensure a seamless transformation and align the workforce with the strategic objectives of the Bank, the HR team was divided into two main categories; the operational team and the strategic team. The operational team prioritised service delivery excellence, while the strategic team was dedicated to driving the

achievement of strategic objectives through the implementation of impactful new initiatives.

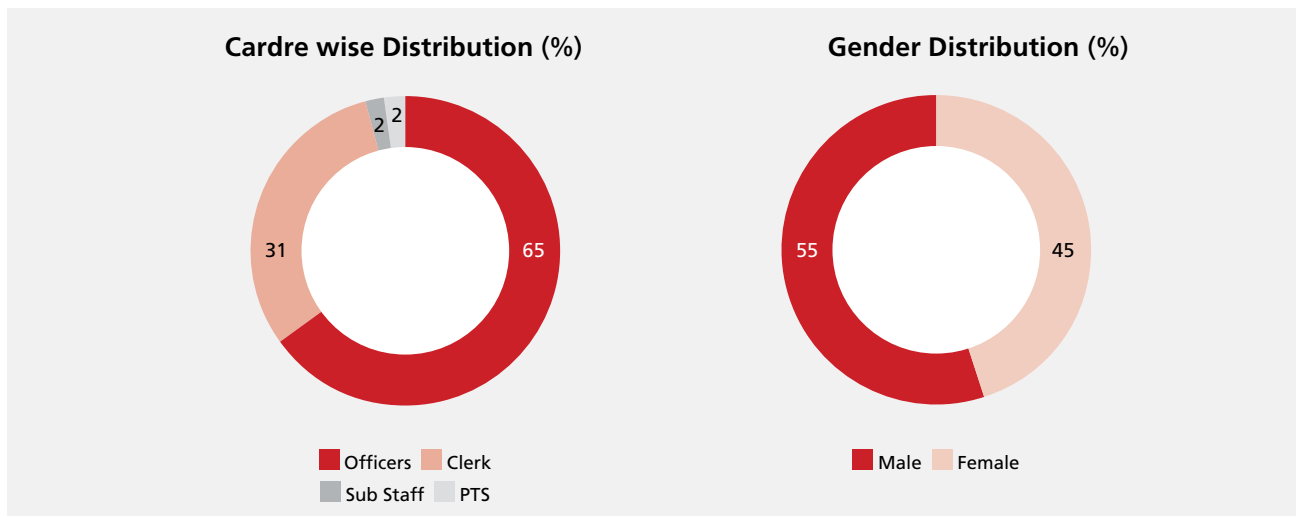
4. **Learning and Development:** The organisation embraced modern learning practices and cutting-edge technology, incorporating tools such as Learning Management Systems, e-learning platforms and Micro Learning. These initiatives allowed for the adoption of innovative learning approaches to enhance employee development and knowledge acquisition.

DISTRIBUTION OF MANPOWER (CADRE WISE)

As on March 31, 2023, the Bank had 9678 personnel on its payroll. The cadre wise break up is as follows:

Cadre	Gender		Total
	Male	Female	
OFFICERS	3,972	2,267	6,239
CLERK	1,122	1,902	3,024
SUB-STAFF	198	20	218
PTS	46	151	197
GRAND TOTAL	5,338	4,340	9,678

The average age of employees is 32.8 as on March 31, 2023



As on March 31, 2023 Staff members having professional qualification constitute 52% of the overall workforce. The detailed breakup is as follows:

PERFORMANCE MANAGEMENT SYSTEM

Number of Staff Members Having Professional Qualification As on April 1, 2023	
Educational Stream	Number of Staff
CA	50
CS	5
Engineering	2,227
ICWA / CMA	27
Legal	72
Management	1,507
PHD	2
Post Graduation	1,495
Total	5,385
Total Staff as on April 1, 2023	9,678

The HR Department has also prioritised the implementation of robust performance management systems. By introducing transparent and fair performance evaluation processes, the department ensures that employees' efforts are recognised, rewarded, and aligned with the Bank's strategic objectives. This has not only enhanced individual performance but also fostered a culture of accountability and continuous improvement throughout the organisation.

HRD reworked the then existing job roles such that they are linked to performance. Thus a job role based performance management system was developed. The whole system is based on a Balance Score Card framework which is one of the most popular and well accepted framework. Another major change was making the Score Card more quantitative in nature. This ensures that every job role knows his / her key deliverables upfront and also on a day to day basis.

EMPLOYEE ENGAGEMENT

A range of employee engagement initiatives were introduced to foster trust and recognition within the organisation. Amongst, the notable initiatives were the following:

- Core Value Ambassador Awards:** In order to better align the staff members with the core values of the Bank, an award ceremony was organised for 27 staff members at Taj Hotels, Wayanad.
- Make A Difference:** As a Christmas engagement activity, staff members were encouraged to formulate teams within Branches, Departments, Regions and Clusters to do social service activities

such as charity, volunteering and cloth donations on PAN India basis.

- Diwali Contest:** A video contest was organised for staff members across the country – "KHUSHIYON KI DIWALI" and 7 teams emerged as winners of the contest.
- SIB Onam Vibes:** A photo contest was organised for staff members on PAN India basis in connection with Onam celebration and 18 staff members were rewarded for emerging as winners in various categories.
- SIB SYMPHONY:** A virtual music competition was organised for staff members across the country in connection with International Music Day and 20 staff members winning prizes in various categories.
- Earth Day- Photo Contest :** In connection with The Earth Day celebration, a photo contest was organised for staff members across the country and 3 staff members securing prizes in the contest.

EMPLOYEE WELL-BEING

- The South Indian Bank Staff Welfare Scheme:

This year 165 staff members have availed the benefit of 'The South Indian Bank Staff Welfare Scheme' introduced in December 2008. Leave can be availed for the purposes of child care after maternity and medical treatment. The scheme ensures the Bank's employee friendly approach towards its employees and the concern for their family members.

- The Staff Welfare Study Support Scheme:

The Staff Welfare Study Support Scheme which was introduced in the FY 2016-17 for children of staff members has been successfully continued in the current financial year also. The number of children availed Staff Welfare Study Support Scheme for the FY 2022-23 is 1,328. The scheme has proved to be effective in its implementation with the aim of encouraging the children of staff members to soar greater heights.

- On boarding Kits were introduced for all new joiners.

TECHNOLOGY DRIVEN HRMS SYSTEM

The HR Department has a dedicated IT team, which aims at leveraging on technology and mobility to drive service excellence and employee experience. Following projects were successfully implemented by the team in the FY 2022-23:

- Regular updates for SIB mHRMS mobile app with each update carrying new features such as AD unlock facility, Festival Advance Request Entry, PL encashment entry, E-circular abstracts, Digital business card etc.
- Release of Ex-Staff portal for the Bank.
- Introduction of employee on boarding facility in HRMS along with generation of welcome greetings to newly joining staff members.
- Introduction of Employee Referral Module in HRMS.
- Introduction of E-circular module in SIB mHRMS that keeps the staff members updated about new release of Bank products, change in rules & procedures etc. even if they are out of office. Understanding the staff requirement to access e-circulars anywhere anytime, HRD has included the e-Circular segment in SIB mHRMS which enables the staff to read the e-circulars with annexures that have been published by the Bank in the last 30 days.
- Introduction of Staff Personal Overdraft (POD) facility in HRMS with direct integration with NeSL Digital Document Execution (DDE) portal for digital execution of loan documents.
- Completion of automation of staff settlement process. Facility for direct transfer of settlement benefits to staff accounts on staff exit due to superannuation, resignation etc.
- Digital signing power document for officers.
- Facility for applying NOC for going abroad/ availing passport.
- Introduction of Transfer Support Facility in SIB mHRMS app. This is a novel initiative from HRD that allows SIBians to leverage on the vast SIB employee network to seek help/referral on their various needs such as finding a rented apartment, finding a school / daycare and getting referral of a good doctor.
- Consolidated Nomination Register for various staff welfare schemes such as GSLIS, GTLIS, GLIS etc. and for Gratuity.
- Direct credit facility of allowance/expense such as executive soft furnishing, executive driver allowance, entertainment expense (branch heads), retiree memento, bereavement expense etc. to beneficiary salary accounts were implemented in HRMS.

AWARDS AND RECOGNITION TO HUMAN RESOURCES DEPARTMENT

- The Bank has been recognised as one of India's Most Preferred Workplaces in BFSI 2022-23 by Team Marksmen India.

SIB- Executive Brief

"SIB-Executive Brief" - a daily news update on Banking, Finance, Economy, Industry, Sports, Market Rates etc. is compiled by HR-L&D. It is mailed on a daily basis to members of the Board, Executives and is also made available in SIB Insight for the ready access of all staff members every day. The Bank has also included more information like yields on 10-year G-Sec., 'AAA' Corporate bond of 5 years, 3 months CD & CP, 3 months forward premium, US10-year yield and Forex reserves.

E-Learning Tests

The Bank has conducted 2 online tests on IS and Cyber Security for Clerks, Scale I, Scale II, Scale III, Scale IV and Scale V Officers during the FY 2022-23 through the LMS platform, iLearn. There is active participation from the branches and offices for the tests. These tests were conducted for cyber security awareness among staff members.

Continuous Assessment Test for Probationary Officers

To facilitate updating of knowledge and continuous learning by the probationary officers, HR-L&D conducts E learning tests on 20 modules for each batch of POs, BDOs and PGDBF. HR-L&D also shoulders the responsibility to ensure that all the POs take efforts to clear the test on time and get confirmed without delay.

SIB STUDENTS' ECONOMIC FORUM (SIB SEF)

This is a monthly publication which discusses and analyses relevant themes related to the recent economic, financial and banking topics. As on March 31, 2023, 375 themes have been published since the first publication in December 1991. The objective of this venture is to kindle interest in economic affairs among the younger generation and also to provide a learning platform for the student community. All contemporary topics relating to Economics and Finance are discussed in this publication. The publication is dispatched to offices of RBI, Banks, other Corporates and various educational institutions. It is a well-accepted & appreciated publication among students, professionals and the academic community.

SIBLINK

'SIBLINK' is our corporate family magazine in which the articles, reviews, interview with great personalities, experiences and other literary content written by our staff members and their family members are published on a quarterly basis and shared as hard copy to Branches/ Departments/Offices of the Bank as well as shared on

SIB Insight and Bank's website in the digital form. The publication also features the achievements of our staff members, their wedding photos, campaign results etc. The new section to include the contributions of staff members' children was introduced last year. During the last financial year, the Bank has published 4 SIBLINK issues.

Daily Quiz

HR-L&D steadily endeavours to ensure that the learning and development curve of staff members continues to grow at all times. The Daily Quiz is administered through the HRMS which consists of 5 questions on content from Executive Brief and general topics like credit, forex, NRI business etc.

ISO 27001:2013 CERTIFICATION

IT Departments and CISO Office are ISO 27001 certified for the implementation of Information Security Management System (ISMS).

INDUSTRIAL RELATIONS

The Bank has enjoyed a mutually respectful and cooperative relationship with its employees and their representative organisations, namely the Workmen Union and Officers Association. This harmonious atmosphere has fostered a strong sense of shared responsibility towards the overall progress and well-being of the Bank and its staff. As a result of the positive industrial relations established with both associations, the Bank has experienced significant growth throughout the years.

A jovial and employee friendly approach by the Bank is the only reason to have a very minimal attrition rate of 4.88% .

PERFORMANCE LINKED INCENTIVE SCHEME (PLIS)

In order to ensure enhanced productivity and efficiency in all areas of operations and cultivate motivation among employees in all cadres, the Bank has implemented the Performance Linked Incentive Scheme (PLIS) from the

FY 2007-08 onwards. PLIS calculation is based on the score obtained by each employee in respective balanced scorecard. From FY 2021-22 onwards the Bank has moved to balanced score card based appraisal process for all the job roles in the Bank. In which single score is considered for promotion, PLIS calculation, etc.

EMPLOYEE STOCK OPTION SCHEME (ESOS)

To motivate the employees further and to inculcate in them a sense of ownership, Employees' Stock Option Scheme (ESOS) was approved by the shareholders at the Annual General Meeting held on August 18, 2008. The Bank has introduced Tranche 1 of the scheme in 2009-10, Tranche 2 of the scheme in 2010-11, Tranche 3 of the scheme in 2011-12, Tranche 4 and Tranche 5 during 2012-13, Tranche 6 during 2013-14, Tranche 7 during 2014-15, Tranche 8 & Tranche 9 during 2017-18 and Tranche 10 during 2020-21, Tranche 11 and Tranche 12 during the FY 2022-23.

The SIB ESOS 2008 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Managing Director & CEO of the Bank. The Scheme is in compliance with Securities and Exchange Board of India (Share-Based Employee Benefits and Sweat Equity) Regulations, 2021. The Bank followed Black Scholes model for calculating fair value of option to account for its stock based employee compensation plans as per the Guidelines for all the options granted till the accounting period ended March 31, 2023. The fair value thus arrived were being recognised as expense beginning with the accounting period for which approval has been granted as per RBI circular No. RBI/2021-22/95 DOR.GOV. REC.44/29.67.001/2021-22 dated August 30, 2021. Till March 2023, 5,69,80,858 stock options were vested, out of which 2,89,49,199 stock options were exercised by eligible employees. The money realised due to exercise of the said options was ₹ 42,74,54,572.64 and consequently 2,89,49,199 shares of ₹ 1/- each have been allotted to the employees/legal heirs concerned.

By order of the Board

(Salim Gangadharan)

Chairman

DIN : 06796232

Place: Thrissur

Date: 31-07-2023

(Murali Ramakrishnan)

Managing Director & CEO

DIN : 01028298

DIRECTORS' REPORT

To the Members,

The Board of Directors is pleased to place before you, the 95th Annual Report on the business and operations of the South Indian Bank Ltd. ("the Bank") along with the audited accounts for the Financial Year (FY) ended March 31, 2023.

PERFORMANCE OF THE BANK

The performance highlights of the Bank for the financial year ended March 31, 2023 are as follows:

Key Parameters	₹ in crore	
	2022-23	2021-22
Deposits	91,651.35	89,142.10
Gross Advances	72,092.07	61,815.76
Total Gross Business	1,63,743.42	1,50,957.86
Operating Profit	1,507.33	1,247.57
Net Profit	775.09	44.98
Capital & Reserves	6,674.58	5,853.13
Capital Adequacy (%) - Basel-III	17.25	15.86
Earnings Per Share (EPS)		
(a) Basic EPS (in ₹) [face value ₹ 1/-]	3.70	0.21
(b) Diluted EPS (in ₹) [face value ₹ 1/-]	3.70	0.21
Book Value per Share (in ₹) [face value ₹ 1/-]	31.89	27.97
Gross NPA as % of Gross Advances	5.14	5.90
Net NPA as % of Net Advances	1.86	2.97
Return on Average Assets (%)	0.73	0.04

Previous year's figures have been regrouped / reclassified, wherever necessary to conform to current year's classification.

BUSINESS ACHIEVEMENTS

The Bank has achieved a total Business of ₹ 1,63,743.42 crore, consisting of Deposits of ₹ 91,651.35 crore and Gross Advances of ₹ 72,092.07 crore as on March 31, 2023.

DEPOSITS

The total Deposits of the Bank as on March 31, 2023 was ₹ 91,651.35 crore as against ₹ 89,142.10 crore as on March 31, 2022, registering a growth of 2.81%. The break-up of the deposits as on March 31, 2023 is as under:

	Amount (₹ in crore)	% to total Deposits
Current Deposits	₹ 4,985.98	5.44%
Savings Deposits	₹ 25,241.08	27.54 %
Term Deposits	₹ 61,424.29	67.02%
Total	₹ 91,651.35	100%

The Bank during the year has focused on Retail Advances and CASA.

The CASA has grown from ₹ 29,601.37 crore as on March 31, 2022 to ₹ 30,227.06 crore as on March 31, 2023, with a growth of 2.11%. The Savings Bank Deposits grew by 2.03 % on a year on year basis. Current Deposits grew by 2.56% on a year on year basis. While opening new banking relationships, the Bank has accorded priority to meaningful financial inclusion during the period under reporting.

ADVANCES

The advance portfolio of the Bank grew by 16.62% on a YoY basis to reach ₹ 72,092.07 crore as on March 31, 2023. The focussed strategies implemented by the Bank has facilitated rapid growth in advances.

The Bank has registered a robust recovery and up-gradation of GNPA aggregating to ₹ 1,295.82 crore, during the financial year 2022-23. The Gross NPA of the Bank as on March 31, 2023 as a percentage to gross advance is 5.14 and Net NPA stood at 1.86%. Ensuring the Bank's vision on asset quality, the underwriting standards are revisited and reviewed from time to time. The GNPA and Net NPA percentage of the new loan book stood only being 0.09 and 0.06 respectively, excluding ₹21 Crore of Credit card business that have fully been backed by FLDG and ₹5.00 Crore Gold Loan.

During the financial year 2022-23, the Bank could register growth with focus on building quality assets across all Verticals like Corporate, SME, Housing Loan, Auto Loan, Credit Card, Personal Loan, Gold Loan, etc. The Housing Loan policy of the Bank was revamped during the year 2022-23, to make the Housing Loan products more competitive in the market without compromising on credit quality. The technical team embedded with proficiency on valuation of securities also started full-fledged functioning during the financial year.

The Bank has adopted a forward looking approach and envisaged more co-lending arrangements to enhance

priority sector lending. All the priority sector advance targets stands achieved and the Bank was also able to generate additional revenue of ₹ 79.75 crore during the year, through sale of Priority Sector Lending Certificates (PSLCs).

Priority sector target & achievement as on March 31, 2023 is as follows:

	% of Target	% of Achievement
Overall PSL	40.00%	53.72%
Agriculture	18.00%	21.16%
Small & Marginal Farmers	9.50%	12.23%
Non-Corporate Farmers	13.78%	15.35%
Micro Enterprises	7.50%	7.66%
Weaker Sections	11.50%	14.42%

Break-up of exposure under Priority Sector as on March 31, 2023 is furnished below:

	Amount (₹ in crore)
A) Agriculture & Allied activities (Net of PSLC)	11,370.03
B) MSME (Net of PSLC)	15,357.50
C) Other Priority Sector	2,141.28
(TOTAL PS (Net of PSLC))	28,868.81

The high quality portfolio growth was channelized by the Relationship Management structure at numerous locations/touch points which helped the Bank in tapping various Retail, SME and cross-sell opportunities. Decentralisation of credit processing centres resulted in speedy disposal of credit facilities.

Endeavours for profitable credit growth through quality credit

To achieve the vision of 'profitable credit growth through quality credit', the Bank has made an arrangement with McKinsey & Company India LLP and re-designed the credit underwriting model – SIB MSME Integrated Lending Engine (SMILE) for SME lending up to ₹ 2.00 crore. The banking industry too, witnessed a wave of changes as everything from business models to operations transitioned to a digital world. The Bank is in the process of migrating to an advance suite provided by 'M/s Nucleus Software Exports Ltd' & 'M/s NewGen Software Technologies Ltd' which can handle all the procedures from sourcing to collection, including documentation in retail and SME lending digitally.

FINANCIAL PERFORMANCE

Profit

The Net Operating Income (Net Interest Income and Other Income) of the Bank increased by ₹ 550.85 crore (16.83%) from ₹ 3,273.86 crore in FY 2021-22 to ₹ 3,824.71 crore in FY 2022-23. The decrease in Non-Interest Income was ₹ 221.47 crore (21.42%) during the year, which was mainly on account of depreciation on security receipts charged during the FY 2022-23. The Operating Profit for the year under review was ₹ 1,507.33 crore (before taxes and provisions) as against ₹ 1,247.57 crore for the financial year 2021-22. The Net Profit for the year was ₹ 775.09 crore as compared to a net profit of ₹ 44.98 crore during the previous year and the profit available for appropriation are as per details given below:

	₹ in crore
Profit before taxes and provisions	1,507.33
Less: Provision for NPI	(137.54)
Provisions for Non- Performing Assets	623.06
Provision for FITL	(22.17)
Provision for Income Tax	258.38
Provision for Deferred Tax	213.00
MAT credit	(138.25)
Provision for Standard Assets	(58.61)
Provision for Restructured Assets	(0.05)
Provision for Other Impaired Assets	(6.53)
Provision for Un-hedged Forex Exposure	1.66
Provision for Non-Banking Asset Provision	(0.71)
Net profit	775.09
Brought forward from previous year	(37.87)
Profit available for appropriation	737.22
Appropriations:	
Transfer to Statutory Reserves	193.78
Transfer to Capital Reserves	4.57
Transfer to General Reserves	130.00
Transfer to Investment Fluctuation Reserve	104.39
Transfer to Special Reserve	80.00
Balance carried over to Balance Sheet	224.48
Total	737.22

Dividend

The Board of Directors has recommended a dividend of 30% i.e. ₹ 0.30 per Equity share of face value of ₹ 1/- each per share for the financial year ended March 31, 2023 (previous year Nil).

CAPITAL & RESERVES

The Bank's issued and paid-up capital stood at ₹ 209.27 crore as on March 31, 2023. The Bank has not issued any securities during the financial year 2022-23.

The capital plus reserves of the Bank has moved up from ₹ 5,853.13 crore, as on March 31, 2022 to ₹ 6,674.58 crore as on March 31, 2023, mainly on account of plough back of profits and fixed asset revaluation during the current financial year.

THE CAPITAL TO RISK WEIGHTED ASSETS RATIO (CRAR)- BASEL III

The Capital to Risk Weighted Assets Ratio (CRAR) of the Bank according to Basel III guidelines is 17.25 as on March 31, 2023 as against the statutory requirement of 11.50 (including Capital Conservation Buffer). Tier I CRAR constitutes 14.74 while Tier II CRAR works out to 2.51. The Bank follows Standardized Approach, Standardized Duration Approach and Basic Indicator Approach for measurement of capital charges in respect of credit risk, market risk and operational risk, respectively.

LISTING AGREEMENT WITH STOCK EXCHANGES

The Bank's shares continue to be listed on BSE Ltd. and The National Stock Exchange of India Ltd. The Tier I/II Bonds issued by the Bank continue to be listed on BSE Ltd. The Bank confirms that it has paid the listing fees to all the Stock Exchanges for the year 2023-24. The securities of the Bank are actively traded on NSE (Shares only) and BSE (Shares and Bonds) and have not been suspended from trading.

EXPANSION PROGRAMME

The Bank has been successful in widening its network across India with 946 banking outlets (940 Branches, 3 Satellite branches and 3 Ultra small branches) and 1,289 ATMs/CRMs as on March 31, 2023. The Bank has opened 16 new outlets and closed 4 branches. The Bank has also opened 40 new ATMs, 9 CRMs across the country during the financial year 2022-23 and closed 23 ATMs and 8 CRMs. The branch network now covers 26 States and 4 Union Territories. The Bank plans to open 17 banking outlets and 25 ATMs & 10 CRMs during the financial year 2023-24. Construction of Currency Chest at Kannur

has been completed. Construction of Currency Chest at Kakkannad is under progress and the same is expected to be completed in the FY 2023-24, as per the time line permitted.

INVESTMENT

As the pandemic seemed to abate, the Russia-Ukraine conflict caused inflation in India and across the world. Consumer Price Index (CPI) inflation in India persisted at elevated levels during 2022-23, impacted by a series of adverse supply shocks and the continuing pass through of high input costs. To curb the high inflation, the RBI has increased the policy repo rate by 250 basis points (bps) during May 2022-February 2023 to 6.5%, keeping the stance to "accommodative" and monetary policy remaining focused on progressively aligning inflation with the target, while supporting growth. This was preceded by the introduction of the Standing Deposit Facility (SDF) at a rate 40 bps higher than the fixed rate reverse repo. Thus, the effective rate hike since April last year has been 290 bps. These increases have been fully transmitted to the overnight weighted average call money rate (WACR), the operating target of monetary policy, which has gone up from daily average of 3.32% in March 2022 to 6.52% in March 2023.

Meanwhile, in the few weeks during March, 2023, global economy started witnessing a renewed phase of turbulence with fresh headwinds from the banking sector turmoil in some advanced economies. Bank failures and contagion risk have brought financial stability issues to the forefront. Given the stubbornness in inflation, central banks continued to tighten monetary policy, although at a reduced pace. Inflation globally has moderated in the recent months, but its descent to the target is proving to be long and arduous. The RBI projects CPI inflation to moderate to 5.2% for FY24. Looking ahead, India's headline inflation is likely to moderate at 4-5% in FY24, and this may augur well for RBI to continue the pause. The next move by the RBI will likely to be a cut, albeit conditional on global policy moves.

The nominal exchange rate of the Indian rupee (INR) depreciated from ₹ 75.24 to record low of ₹ 83.26 relative to the US Dollar (USD) in FY23 amidst tightening global financial conditions, an uncertain global environment and portfolio capital outflows.

The Bank's gross investment portfolio stood at ₹ 26,014.21 crore as on March 31, 2023 compared to ₹ 22,534.01 crore as on March 31, 2022, reported an increase of 15.44%. Investment Deposit Ratio moved to 28.40 as on March 31,

2023 from 25.28 as on March 31, 2022. Profit on sale of investment for the FY 2022-23 stood at ₹ 70.01 crore. Total interest Income (Interest + Dividend) from investment for the year was ₹ 1,285.72 crore. Yield on investments (profit + interest earned to average investments) during the FY 2022-23 was 5.38%.

During the year, the trading desks in Treasury Department have all managed their portfolios well with data-backed analysis. The SLR trading desk also planned and executed the Bank's participation in Government's Securities Market. The desk has successfully managed the held-to-maturity (HTM) book. The equity trading desk took well thought out positions in the secondary market and participated actively in the various primary market offerings. The forex trading desk too contributed actively to overall profits by taking gainful trading positions.

System's liquidity remained in large surplus especially in the first half of FY23, but it moderated to ₹ 0.4 lakh crore during H2 from ₹ 3.3 lakh crore during H1. The net LAF slipped occasionally into deficit mode in H2, triggered by frictional pressures from festival-related currency demand, month-end GST outflows and quarterly advance tax payments.

The Fund Management and Money Market Desk at Treasury Department successfully managed the liquidity risk by maintaining appropriate levels of surplus funds. The desk also ensured compliance with the regulatory requirements of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR).

Besides the above, the Forex Merchant Desk in Treasury Department offers to the Bank's customers solutions for foreign exchange risk hedging and remittance-related services. A significant portion of the total Treasury profits for FY 2022-23 came from Forex Merchant activities. Going forward, Treasury Department intends to focus on Forex Merchant business and other similar offerings to customers for diversifying its revenue mix.

A new Treasury Management Software will be implemented in the Financial Year 2023-24. This will enhance product portfolio and better the customer service. The Treasury Department was able to operate continuously and without interruptions during the year, which demonstrates the resilience of the risk management systems and processes in place.

NON-PERFORMING ASSETS (NPA)

During the FY 2022-23, as a result of focused and sustained efforts using legal recourse available under the SARFAESI Act, DRTs and Civil Courts, the Bank has been able to improve its overall recovery. The Bank has also relied on expeditious deciding on requests for one-time settlement. The cumulative effect of the sustained action has facilitated the Bank to reach an all-time high recovery figure of ₹ 1,814.69 crore, which is 24% higher than the recovery during the last financial year 2021-22. The recovery was largely in cash and the Bank has recorded its highest ever cash recovery at ₹ 1,570.66 crore. During the financial year 2022-23, in order to improve the quality of assets, special thrust was given to selection and underwriting of credit. Further, focus on building efficiency of collection team, resulted in marked improvement in collections and the Bank reaching its lowest ever SMA2 numbers at ₹ 711.65 crore (against ₹ 892.15 crore in FY2021-22). Incremental NPA was also controlled and addition to GNPA was limited at ₹ 1,513.22 crore, as against ₹ 2,159.23 crore in FY 2021-22. The Gross NPA of the Bank has decreased to 5.14% from 5.90% as on March 31, 2022. The Net NPA has decreased to ₹ 1,293.61 crore, from ₹ 1,777.77 crore as on March 31, 2022. In terms of percentages, the Net NPA has decreased to 1.86 from 2.97 as on March 31, 2022. On the recovery front, the Bank has managed to outperform peer group banks and strives to build capability to sustain the momentum and deliver higher numbers during the years to come.

RISK MANAGEMENT

Risk is an integral part of banking business. In the recent past, the Bank has exerted focused efforts in building a robust, and sustainable risk governance framework and to create risk awareness culture across all tiers of the organization's hierarchy and continues to do so. Various initiatives such as comprehensive review of Credit Risk Policy and other Risk Management Policies have been initiated along with other process improvements. Liquidity is also actively being managed through the ALCO forum, where the Bank is pursuing actively into increasing the sticky and retail deposits along with operationalizing majority of the wholesale banking financing relationships. As part of the Business Continuity Management, the Bank's Operational Risk team is working in close coordination with various stakeholders to ensure smooth conduct of operations.

The risk management strategy of the Bank is based on a clear understanding of various risks, disciplined risk assessment, risk measurement procedures and continuous monitoring for mitigation. The policies and procedures established for this purpose are continuously evaluated and benchmarked against the best practices followed in the industry. Through continuous refinement/improvement of the risk measurement/ management systems, including automation of feasible processes, the Bank aims to ensure regulatory compliance as well as better return on and utilization of the capital in line with the business objectives. The Risk Management Department received Certificate of approval under ISO 9001:2015 Standard during the Financial Year 2022-23. There are no elements of Risk identified, which may, in the opinion of the Board, threaten the existence and stability of the Bank.

RISK MANAGEMENT POLICY FRAMEWORK

The Bank has a comprehensive policy framework which contains separate policies for identification, measurement and management of all material risks including but not limited to credit, market, operational, liquidity and other Pillar-II risks. The Bank has put in place an integrated risk management policies which ensures independence of the risk governance structure. The required standard operating procedures also follows the Policies to ensure that all the parameters are well covered while implementing the approved policies. The details of risk management practices are provided in Management Discussion and Analysis Report annexed to the Director's Report.

COMPLIANCE WITH CAPITAL ADEQUACY FRAMEWORK

In compliance with regulatory guidelines on Pillar I of Basel III norms, the Bank has computed capital charge for credit risk as per the Standardized Approach, for market risk as per the Standardized Duration Method and for operational risk as per the Basic Indicator Approach. To address Pillar II risk, the Bank has implemented ICAAP (Internal Capital Adequacy Assessment Process), to integrate capital planning with budgetary planning and to capture residual risks which are not addressed in Pillar I, like credit concentration risk, interest rate risk in the banking book, liquidity risk, earnings risk, strategic risk, reputation risk, pension obligation risk etc. The Bank has adopted a common framework for additional disclosures under Pillar III for adhering to the market discipline norms of Basel III guidelines. This requires the Bank to disclose its risk exposures, risk assessment processes and

its capital adequacy to the market in a consistent and comprehensive manner.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO SUB SECTION (3)(M) OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE (8)(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

The Bank ensures strict compliance with all statutory requirements and voluntarily undertakes several sustainable steps in order to contribute towards a better environment. The Bank has undertaken various initiatives for energy conservation at its premises. The Bank has taken various initiatives to reduce its carbon footprint and improve resource efficiency. It ranging from using better technology to improve energy efficiency, recycling and generating energy from renewable sources. A detailed report on the same is included in the Business Responsibility and Sustainability Report forming part of this annual report. Digital & Technology Department of the Bank has been focusing on the innovation, improvement and implementation of projects on Bank's digital platforms viz., ATM, Net Banking, Mobile Banking, etc. The Department also ensures the highest level of service and integrity of the internal applications and infrastructural support to enable a seamless growth in the Bank's business operations. Digital strategy of the Bank is instituted on 4 pillars viz. INPF i.e., Indulge (customer self-service), Nudge (assistance to be nudged to go digital), Purge (remove redundant processes using automation) and Forge (impactful Fintech partnerships). Enhancing self-service capability across channels, empowering branches with technology solutions to nudge the customers to go digital, automating manual processes at branches & back-offices to improve customer TAT using AI & RPA and tie up with Fintech's are an integral part of Bank's overall strategy. The Bank has grown the share of digital transaction to 95% in the last Financial Year 2022-23. The Bank is planning to increase this share further in the coming Year. Technology strategy focuses on leveraging cloud adoption, high availability, fraud detection, cyber security and modernization of infrastructure to stay competitive and provide better services to the customers. The Bank, being a banking company and an authorized dealer in Foreign Exchange, has taken all possible steps to enhance export credit. Through its export financing operations, the Bank supports and encourages the country's export efforts.

Number of cases filed, if any, and their disposal under section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank has zero tolerance towards any action on the part of any executive/employees which may fall under the ambit of 'Sexual Harassment' at workplace and is fully committed to uphold and maintain the dignity of every women staff working in the Bank. The Bank has complied with provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]. The Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. All the employees (permanent, contractual, temporary, trainees) are covered under this policy.

Number of complaints pending as at the beginning of the financial year - Nil

Number of complaints filed during the financial year – Nil

Number of complaints pending as at the end of the financial year – Nil

Particulars of Employees

The Bank had 9678 employees as on March 31, 2023. The details of the top 10 employees including the employees who were in receipt of aggregate remuneration of more than ₹ 1.02 crore per annum (employed throughout the year) or who were in receipt of remuneration of ₹ 8.5 lakhs per month (employed for a part of the year) during the FY 2022-23, in terms of remuneration drawn pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report (Annexure A). The ratio of the remuneration of each director to the median employees' remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this report (Annexure B).

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

A brief outline of the Bank's CSR Policy, including overview of projects or programs to be undertaken.

South Indian Bank's CSR Policy

The South Indian Bank is grateful to the society that has supported and encouraged the Bank during its long journey of growth and development. The Bank believes that no organization can make sustainable development without the patronage of the society. The Bank is committed to integrate social and environmental concerns in its business operations. The Bank shall continue to have among its objectives, promotion and growth of national economy and shall continue to be mindful of its social and moral responsibilities to the customers, shareholders and the society. The Bank is committed to financing the economic and developmental activities of the nation with concern for human rights and environment.

In line with the CSR Policy and in accordance with Schedule VII, section 135 of Companies Act, 2013 the Bank undertook various activities during the FY 2022-23, which had significant impact on the society. These activities, inter-alia, include:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive healthcare and sanitation and making available safe drinking water.
- Promoting Education, including special education and employment enhancing vocational skills and livelihood enhancement projects.
- Empowering women, setting up homes and hostels for women and orphans, setting up old age homes, measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, maintaining quality of soil, air and water.
- Rural development activities.
- Training to promote nationally recognized sports.
- Promoting Financial Literacy.

CSR Expenditure

The Bank has always given top priority to fulfilling its obligations under the Corporate Social Responsibility. Diversified Projects in the areas of healthcare, education, sports and sanitation that would benefit the society as a whole are identified and the Bank wholeheartedly supports such initiatives.

The amount to be spent by the Bank towards CSR for FY 2022-23 as per Section 135 of the Companies Act, 2013, comes to ₹1.84 crore. The amount spent by the Bank this year towards CSR was ₹1.86 crore. The Bank had also embarked on some major projects last year in the field of education, healthcare etc. By choosing long term sustainable projects, the Bank has taken an approach which brings steady and long lasting impact on the society. The details of the CSR activities of the FY 2022-23 are mentioned in Annexure 'C' to this report.

Web-Link to the CSR Policy

https://www.southindianbank.com/userfiles/file/csr_policy.pdf

FINANCIAL INCLUSION

Financial inclusion refers to efforts to make financial products and services accessible and affordable to all individuals and businesses, regardless of their personal net worth or company size. Financial inclusion strives to remove the barriers that exclude people from participating in the financial sector and using these services to improve their lives. Financial inclusion is an effort to make every day financial services available to more of the world's population at a reasonable cost. It aims to ensure that the poor and marginalised make the best use of their money and attain financial education.

With advances in financial technology and digital transactions, more and more start-ups are now making financial inclusion simpler to achieve. It is all about bringing basic banking facilities to the lower income groups at an affordable cost. The Bank has adopted several financial inclusion initiatives, including appointment of Business Correspondents and Financial Literacy Counsellors. For expanding the Financial Inclusion activities, the Bank has 68 Business Correspondents and 19 Financial Literacy Counsellors as on 31.03.2023, in the States of Kerala and Tamil Nadu. Through corporate business correspondents, the Bank has on-boarded 6,554 borrowers with total outstanding of ₹ 27.62 crore in the FY 2022-23 in the agriculture lending, hence reaching out to the unserved and under served strata of society.

Aadhaar Enabled Payment System (AePS)

Aadhaar Enabled Payment System (AePS) is a payment service, empowering a bank customer to use Aadhaar as his/her identity to access his/ her respective Aadhaar enabled bank account and perform basic banking transactions through a Business Correspondent / POS machine. National Payment Corporation of India (NPCI), an umbrella organisation for all retail payments is

controlling AePS operations. AePS offers basic banking services such as Cash Withdrawal, Cash Deposit, Balance Enquiry, Aadhaar to Aadhaar Fund Transfer and Mini Statement. The Bank has also successfully migrated to Aadhaar Enabled Payment System (AePS) for performing transactions through Business Correspondents.

Business Correspondent

In an era of heightened competition, thin profit margins and cost constraints, establishment of conventional bank branches in all locations cannot be a viable proposition. It is, therefore, imperative to explore the possibilities of other cost effective delivery mechanisms to reach out to remote locations and satisfy the financial needs of clientele at an affordable cost. This has evolved the concept of Business Correspondent (BC) in the banking sector. This is also an efficient and effective tool for implementation of Financial Inclusion programme of Government of India.

Though there are manifold challenges like credit risk, operational risk, legal risk, reputational risk, difficulty in assessing the integrity of the BCs, managing cost on low volume of business, and effective supervision and control of the activities, there exists the potential for employment generation, creativity and productivity in rural hinterlands for bringing about a comprehensive economic development and the resultant benefits to the Bank. Bank's BCs are branded under the name "BANK MITRA".

The wholly outsourced BC model will complement the Bank's strength to increase business volume and improve efficiency of operation. The Bank is ensuring that the Business Correspondent meets the benchmark performance standards at all stages of delivery of services, without diluting Bank's values and principles, control mechanisms, business processes or goodwill and reputation.

Financial Literacy Counsellors

Financial Literacy is the ability to understand how money works in our day to day life and how someone manages it, how he/she invests it and how a person offers it to others. More specifically, it refers to the set of skills and knowledge that allows an individual to make informed and effective decisions with their financial resources. As on 31.03.2023 the Bank has engaged 13 FLCs in different Blocks of Kerala to disseminate financial literacy to the people. In addition to this, the Bank has also appointed 6 FLCs in different Districts in Tamil Nadu to emphasize the objectives of Financial Literacy. Bank's FLCs are branded under the name "SIB JYOTHIS". Efforts are being taken

to make them more efficient, responsive to the needs of the people. A Board approved policy covering all aspects of Financial Literacy Counsellors has been formulated, giving due consideration to the revised guidelines on FLCs circulated by RBI.

Pradhan Mantri Jan-Dhan Yojana (PMJDY)

Pradhan Mantri Jan-Dhan Yojana (PMJDY), is conceived as a national mission on financial inclusion initiated by Honourable Prime Minister on August 15, 2014. The scheme envisages universal access to banking facilities, with at least one basic banking account for every household. In line with the directives given by Ministry of Finance and SLBC, PMJDY scheme was implemented in the Bank since 2014. Pradhan Mantri Jan-Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely, a basic savings & deposit accounts, remittance, credit, insurance, pension in an affordable manner. Under the scheme, a basic savings bank deposit (BSBD) account can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet, by persons not having any other account.

Atal Pension Yojana (APY)

Atal Pension Yojana (APY), a pension scheme for citizens of India is focused on the unorganized sector workers. Under the APY, guaranteed minimum pension ranging from ₹1,000/- to ₹5,000/- per month will be given at the age of 60 years depending on the contributions by the subscribers. Any Citizen of India can join the APY scheme.

The prospective applicant may provide Aadhaar and mobile number to the Bank during registration to facilitate receipt of periodic updates on APY account. However, Aadhaar is not mandatory for enrollment.

The benefit of minimum pension under Atal Pension Yojana would be guaranteed by the Government in the sense that if the actual realized returns on the pension contributions are less than the assumed returns for minimum guaranteed pension, over the period of contribution, such shortfall shall be funded by the Government. On the other hand, if the actual returns on the pension contributions are higher than the assumed returns for minimum guaranteed pension, over the period of contribution, such excess shall be credited to the subscriber's account, resulting in enhanced scheme benefits to the subscribers.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

The Pradhan Mantri Jeevan Jyoti Bima Yojana is available to people in the age group of 18 to 50 years having a

Bank account who give their consent to enable auto-debit. Aadhar would be the primary KYC for the Bank account. The life cover of ₹2 lakhs shall be for the one-year period stretching from 1st June to 31st May and will be renewable. The PMJJBY offers an annual life coverage of ₹2 lakhs in case of the demise of the policyholder during the policy term. The policy can be availed at the lowest premium rate of ₹436 per annum.

Pradhan Mantri Suraksha Bima Yojana (PMSBY)

Pradhan Mantri Suraksha Bima Yojana (PMSBY) is an accidental insurance scheme that provides one year of accidental death and disability coverage with an annual renewal. With the minimum premium rate of ₹20/- per annum, this policy is most beneficial to the poor and low-income section of the society. PMSBY covers people aged between 18 years and 70 years with a Bank account for accidental death and full disability benefits of up to ₹2 Lakh and for partial disability for ₹1 Lakh.

GREEN INITIATIVE IN CORPORATE GOVERNANCE.

Dispatch of documents in Electronic Form: As a responsible corporate citizen, the Bank supports and pursues the 'Green Initiative' of the Ministry of Corporate Affairs ("MCA"). In conformance with such initiatives and in terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, the Bank may give notice through electronic mode including e-mail to those Members who have provided their e-mail address either to their Depository Participants (DPs) or to the Registrar/ Company. Pursuant to General circulars dated on December 28, 2022 issued by MCA and SEBI Master Circular dated on July 11, 2023 under the Head 'Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in continuation to SEBI circular dated 5th January, 2023, the notice of 95th Annual general Meeting and the Annual Report 2022-23 will be sent via email to all the shareholders and no physical copies will be sent via post.

Further, in terms of Regulation 36 of the Listing Regulations, the listed entity is required to send soft copies of its Annual Report to all those shareholder(s), who have registered their email address for this purpose. Accordingly, the documents including the notice and explanatory statement of 95th Annual General Meeting, Annual Report of the Bank for the financial year 2022-23 including Audited Financial Statements, Directors' Report, Auditors' Report etc., for the year ended March 31, 2023, is sent to the e-mail address registered with their Depository Participant(DP)/Registrar/Company. The e-mail

addresses indicated in respective DP accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be their registered e-mail address for serving notices/documents including those covered under Section 136 of the Companies Act, 2013. In case a Member, whose e-mail address has changed, fails to update this new e-mail address, the said documents will be sent to the existing e-mail address and the said documents will be deemed to have been delivered, in compliance with the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder and the Listing Regulations. Members who have not yet registered their e-mail address are requested to do so, at the earliest. In case of shares held in electronic form and in case of any change in the e-mail address, Members are requested to update the same with their DP and in case of shares held in Physical form, Members are requested to update the same with the RTA/Company. Security holders may please note that, as allowed by MCA and SEBI circulars, the Bank will not be sending physical copies of AGM Notice to shareholders and Annual Report to the security holders unless the same is specifically requested.

Please note that the said documents will also be uploaded on the Bank's website www.southindianbank.com and copies thereof will be made available for inspection at the Registered Office of the Bank during 10.00 a.m. to 3.00 p.m. on all working days except Saturdays, Sundays, Bank Holidays and Public Holidays up to the date of ensuing AGM. Shareholders have been requested on several occasions to update their e-mail IDs in their folio/demat A/c to help accelerate the Bank's migration for paperless compliances. The Bank seeks your support for the said green initiatives, as it is designed to protect our fragile environment.

Further, as a part of green initiative by the Bank, all relevant agenda papers pertaining to the Board/Committee are being circulated in advance to the Board of Directors through electronic mode to facilitate easy access of agenda which would provide sufficient time to the Board for reading and understanding the proposals placed in a meeting.

ANTI - MONEY LAUNDERING (AML)

Transactions processed through the Core Banking Solution are monitored for detecting suspicious transactions, using an AML application to comply with the provisions under Prevention of Money Laundering Act (PMLA). The Bank already has a Centralized Processing Centre (CPC)

for customer creation with the objective of full KYC compliance and to use KYC as a fraud prevention tool. The Bank has attached great importance for compliance of KYC/AML/CFT norms by the customers as per the Reserve Bank of India directive.

FATCA-CRS

The Bank has been registered as a reporting entity under FATCA, under GIIN No. IIK7HU.99999.SL.356, to comply with the reporting requirement under the inter-Governmental agreement entered between Indian and US Government and the CRS Multilateral Competent Authority Agreement.

DIRECTORS

The composition of the Board of Directors is governed by the Banking Regulation Act, 1949, the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Code of Conduct on Corporate Governance adopted by the Bank. The Board comprises of 9 Directors as on the date of this report, with rich experience and specialized knowledge in various areas of relevance to the Bank, including Banking, Accountancy, Risk Management, Treasury, Finance, Business Management, Small scale Industry, Agriculture, Law, Human Resources and Information Technology.

Excluding the MD & CEO, all other members of the Board are Non-Executive Directors and six Directors out of the total nine Directors are Independent Directors. Declaration has been obtained from the Independent Directors as required under the RBI Regulations, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. The remuneration and other benefits paid to MD & CEO of the Bank and other Non-Executive and Independent Directors during the financial year 2022-23 are disclosed in Corporate Governance Report. Vide Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 an online data Bank for the independent directors ("Data Bank") has been rolled out by the Indian Institute of Corporate Affairs, all the Independent Directors of the Bank had registered themselves in the Data Bank in compliance with the same.

During the 94th Annual General Meeting held on July 12, 2022 as recommended by the Bank the shareholders accorded their approval for:

- Re-appointment of Sri. Paul Antony (DIN: 02239492) as a Non-Executive Director of the Bank liable to

retire by rotation under Section 152 of Companies Act, 2013.

- Appointment of Sri. Benny P Thomas (DIN: 09448424) as non-executive Director of the Bank, liable to retire by rotation under Section 152 of Companies Act, 2013, who was appointed as an Additional Director pursuant to Section 161(1) of the Companies Act, 2013 on 30th December, 2021 and who holds office up to the date of the 94th Annual General Meeting.
- Revising the remuneration payable to Sri. Murali Ramakrishnan (DIN: 01028298), Managing Director and CEO of the Bank.
- Re-appointment of Sri Salim Gangadharan, (DIN: 06796232) as Independent Director of the Bank upto November 1, 2023 in compliance with section 149 of the Companies Act, 2013, not liable to retire by rotation as Non-Executive Independent – Part time Chairman of the Bank and approval of his remuneration.
- Re-appointment of Sri V.J. Kurian, (DIN: 01806859) as Independent Director of the Bank for a second term as Non-Executive Independent Director of the Bank, not liable to retire by rotation.
- Re-appointment of Sri. Pradeep M Godbole (DIN: 08259944) as Non-Executive Independent Director of the Bank, not liable to retire by rotation.
- Appointment of Smt. Radha Unni (DIN: 03242769) as Independent Director of the Bank, not liable to retire by rotation.

Sri Parayil George John Tharakan (DIN: 07018289), Non-executive Independent Director of the Bank, retired from the Board of Directors w.e.f. 24th November 2022 upon completion of his eight-year term, as per Section 10A(2A) of the Banking Regulation Act, 1949.

The Board of Directors has recommended to members:

- To re-appoint Sri. Benny P Thomas (DIN: 09448424) as Non-Executive Director of the Bank, liable to retire by rotation at the 95th AGM, who retires by rotation under Section 152 of Companies Act, 2013 and being eligible, offers himself for reappointment.
- To re-appoint Sri M George Korah (DIN: 08207827)) as Non-Executive Independent Director of the Bank, who was appointed by the Board of Directors on August 31, 2018 and appointed by Shareholders at the 91st AGM held on July 17, 2019 for a period of 5

years, and in respect of whom the Bank has received a notice in writing, proposing his candidature for the office of Director of the Bank, for a second term as 'Non-Executive Independent Director' of the Bank, for the purpose of Section 149 of the Companies Act, 2013, to hold office for a period not exceeding three consecutive years, not liable to retire by rotation.

Necessary information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of directors to be appointed, re-appointed and change in terms of appointment at the ensuing Annual General Meeting are given in the Annexure to the Notice convening the Annual General Meeting scheduled to be held on August 24, 2023.

None of the Directors of your Bank are disqualified for being appointed as Directors, as specified in Section 164 (1), Section 164 (2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

CHANGE IN KEY MANAGERIAL PERSONNEL

There was no change in Key Managerial Personnel during the financial year ended March 31, 2023.

On May 31, 2023, Mr. Joby M C, Joint General Manager, Head of Inspection and Vigilance Department and Head of Internal Audit and Chief of Internal Vigilance and a Key Managerial Personnel of the Bank has retired from the Bank on attaining superannuation. The Board of Directors of the Bank has appointed Mr. Nandakumar G, General Manager as Head of Inspection and Vigilance Department and Head of Internal Audit and Chief of Internal Vigilance of the Bank w.e.f June 01, 2023.

Composition of Audit Committee

The Audit Committee of the Board is chaired by Sri M George Korah, (Non-Executive Independent Director), who is a Chartered Accountant. The other members of the committee are Sri. Pradeep M Godbole (Non-Executive Independent Director), Sri. R A Sankara Narayanan (Non-Executive Independent Director) and Smt. Radha Unni (Non-Executive Independent Director). The constitution of the Committee is in compliance with the regulatory requirements. The terms of reference of the Audit Committee, are in accordance with the SEBI (LODR) Regulations, 2015, Companies Act, 2013 and RBI guidelines.

Independent Directors

In terms of the definition of Independence of Director as prescribed under Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of Companies Act, 2013 and based on the confirmation/disclosures received from the Directors, the following Directors are Independent Directors of the Bank as on the date of this report

1. Sri.Salim Gangadharan (DIN 06796232)
2. Sri V J Kurian (DIN: 01806859)
3. Sri M George Korah (DIN: 08207827)
4. Sri. R A Sankara Narayanan (DIN: 05230407)
5. Smt. Radha Unni (DIN: 03242769)
6. Sri.Pradeep M Godbole (DIN 08259944)

The Bank has received declaration from all the Independent Directors that they continue to meet the criteria of independence as provided under the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and comply with the Code for Independent Directors as specified under Schedule IV of the Act. In terms of the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019 read with the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, the Independent Directors of the Bank have enrolled his/ her name in the online databank of Independent Directors maintained by the Government. Further all the independent directors have either qualified or being eligible obtained exemption from the online proficiency self-assessment test as per Companies (Appointment and Qualification of Directors) Rules, 2014.

The Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are the persons of high integrity and repute. They fulfil the conditions specified in the Act and the Rules made thereunder and are independent of the Management.

Women Directors

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations

2015, the Bank has appointed Smt. Radha Unni (DIN: 03242769) as Woman Director on the Board of the Bank.

Bank's policy on directors' appointment and remuneration including criteria for determining qualification, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178.

The nomination policy of the Bank can be accessed at https://www.southindianbank.com/userfiles/file/nomination_policy.pdf

Criteria for appointment as a Director of the Bank:

The Nomination and Remuneration Committee of the Board shall identify and ascertain the integrity, qualification, expertise and experience of the person who is considered for being appointed/re-appointed as Director of the Bank and apply due diligence in compliance with the Banking Regulation Act, 1949, Reserve Bank of India directives on Fit & Proper Criteria, all other applicable provision of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 including any amendments from time to time and Nomination Policy of the Bank.

Criteria for Determining Qualifications, Positive Attributes

- a) The professional and personal ethics, integrity and track record.
- b) Special knowledge or practical experience in Banking, accountancy, agriculture and rural economy, co-operation, economics, finance, law, small-scale industry, Information Technology, Payment & Settlement Systems, Human Resources, Risk Management, Business Management or any other matter useful to the Banking Company in the opinion of Reserve Bank of India.
- c) Ability to provide insights and practical wisdom based on their experience and expertise relevant to the Bank's line of business.
- d) Details of his/her association with other Companies/LLPs/ Firms (including NBFC)
- e) Details of substantial interest in other Companies/LLPs/ Firms (including NBFC).
- f) Details of financial facilities, if any, availed from the Bank.
- g) Details of default in the re-payment of loans, availed from the Bank or any other Bank, if any

- h) Commitment to enhancing stockholder value.
- i) Ability to develop a good working relationship with members with the Board and contribute to the working relationship with Senior Management of the Bank.
- j) Whether he/she suffers from any of the disqualifications envisaged under the provisions of Banking Regulation Act, 1949, Companies Act, 2013 and SEBI (LODR) Regulations, 2015.
- k) Any other factors as the Committee may deem fit and in the best interests of the Bank and its stockholders.

Criteria for determining Independence of a director

The Criteria of Independence of a director is determined based on conditions as laid down in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The independent director shall at the first meeting of the Board in which he/she participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his/her status as an independent director, give a declaration that he/she meets the criteria of Independence.

REMUNERATION POLICY:

The Remuneration Policy for Whole-time Directors/Part-time Chairman, Non-Executive Directors and Employees of the Bank:

The Bank has a Board approved Compensation Policy which deals with the Compensation & Benefits of the Whole-time Directors/Part-time Chairman, Non-Executive Directors and Employees of the Bank

The objectives of the Compensation Policy of the Bank inter-alia includes, to provide a fair and persistent basis for motivating, inspiring and rewarding the employees appropriately, according to their jobs/role size, performance, accomplishments, contribution, skill, aptitude and competence to implement standards on sound compensation practices and incentives and to provide effective governance of compensation payable to the WTDs/CEO and other staff, alignment of compensation with prudent risk taking and effective supervisory oversight. The disclosure requirement of the remuneration is separately provided in "Disclosure under Basel III norms."

Remuneration of MD & CEO and Material Risk Takers:

The Board approved Compensation Policy deals with the Compensation & Benefits of the Whole-time Directors/MD & CEO. The remuneration of the Whole-time Directors/MD & CEO is recommended by the Nomination & Remuneration Committee (NRC) to the Board for approval after considering the factors prescribed under the Compensation Policy. The Compensation Policy factors the guidelines issued by the RBI from time to time.

The Board considers the recommendations of NRC and approves the remuneration, with or without modifications, subject to shareholders' and regulatory approvals. The remuneration payable to Whole-time Directors/MD & CEO is subject to prior approval of the Reserve Bank of India (RBI). Therefore, the remuneration or any revision in remuneration to Whole-time Directors/MD & CEO is payable only after receipt of the approval from RBI.

The compensation paid out to the referred functionalities is divided into two components:

The fixed compensation is determined based on the relevant factors such as industry standards, the exposure, skill sets, talent and qualification attained by the official over his/her career span and adherence to statutory requirements. All the fixed items of compensation, including the perquisites, will be treated as part of fixed pay. Perquisites that are reimbursable would also be included in the fixed pay so long as there are monetary ceilings on these reimbursements. Contributions towards superannuation/retirement benefits will also be treated as part of fixed pay.

The variable compensation for Whole Time Directors, Managing Director & Chief Executive Officer and Material Risk Takers is fixed based on organizational performance (both business-unit and firm-wide) and KPAs set for the official. The organization's performance is charted based on Performance Scorecard which takes into account various financial indicators like revenue earned, cost deployed, profit earned, NPA position and other intangible factors like leadership and employee development. The Performance Parameters provides a mix of Financial and Non-Financial, Quantitative and Qualitative Metrics. The variable pay is paid in the form of a mix of cash and share-linked instruments. While considering/ recommending the variable pay in respect of Managing Director & CEO,

MRTs and Whole Time Directors, serious supervisory and regulatory observations (if any) shall be factored.

Risk, Control and Compliance Staff

Members of staff engaged in financial and risk control, including internal audit, are compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the Bank. The total fixed and variable compensation paid out to the employees in the Risk Control and Compliance Function is decided independent of business parameters.

Other Categories of the Staff:

For the other employees, the Board, based on the recommendation of the NRC may devise appropriate compensation structure. The compensation paid to other employees that include Award Staff, Officers coming under Scale I to IV and executives coming under Scale V to VII is fixed based on the periodic industry level settlements with Indian Banks Association. The variable compensation paid to employees is based on the Performance Linked Incentive Scheme, which has been formulated on the basis of performance parameters set in Performance Management System.

Limit on Variable pay and Deferred Compensation:

As per the compensation policy of the Bank, the compensation structure for the whole-time directors/ Chief Executive Officers / Material Risk Takers (MRTs) of the Bank is divided into Fixed Pay and Perquisites and Variable pay.

Fixed Pay and Perquisites

Based on the recommendations of the Nomination and Remuneration Committee, and subject to the approval of Reserve Bank of India (for MD & CEO and Executive Directors), Board shall fix the fixed portion of compensation payable which is reasonable, taking into account all relevant factors including adherence to statutory requirements and industry practice.

Variable Pay

In order to have a proper balance between the cash and share-linked components in the variable pay, the variable pay is to be structured in the form of share-linked instrument (including Cash-linked Stock Appreciation Rights (CSARs)), or a mix of cash and share-linked instruments subject to the recommendation of the Nomination and Remuneration Committee of the Board. Only in cases where the compensation by way of share-linked instruments is not permitted by law/regulations,

the entire variable pay can be in cash to be exercised. The assessment of the variable pay will be based on 'Key Performance Indicators' (KPI) achievement of respective whole-time directors/ Chief Executive Officers / Material Risk Takers (MRTs).

Limit on Variable Pay:

A. For Whole-Time Directors and Chief Executive Officers

- i. In compliance with the RBI Guidelines and other applicable rules and regulations at least 50%, should be variable and paid on the basis of individual, business-unit and firm-wide measures that adequately measure performance. The total variable pay shall be limited to a maximum of 300% of the fixed pay (for the relative performance measurement period).
- ii. In case variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay; and in case variable pay is above 200%, a minimum of 67% of the variable pay should be via non-cash instruments.
- iii. In the event that an executive is barred by statute or regulation from grant of share-linked instruments, his/ her variable pay will be capped at 150% of the fixed pay, but shall not be less than 50% of the fixed pay.
- iv. The deterioration in the financial performance of the Bank should generally lead to a contraction in the total amount of variable compensation, which can even be reduced to zero.

B. For Material Risk Takers (MRTs)

- i. In compliance to the RBI Guidelines and other applicable rules & regulations 50% of total pay for all MRTs should be variable pay and paid on the basis of individual, business-unit and firm-wide measures that adequately measure performance.
- ii. 50% of the variable pay should be via non-cash instruments.
- iii. The deterioration in the financial performance of the Bank should generally lead to a contraction in the total amount of variable compensation, which can even be reduced to zero.

The Board will from time to time specify the Material Risk Takers (MRTs).

a. Deferral of Variable Pay

- (i) For senior executives, including WTDs, and other employees who are MRTs, a minimum of 60% of the total variable pay must invariably be under deferral arrangements. Further, if cash component is part of variable pay, at least 50% of the cash bonus should also be deferred.
- (ii) However, in cases where the cash component of variable pay is under ₹ 25lakh, deferral requirements is not applicable.

b. Period of Deferral Arrangement

The deferral period should be for a period of three years. This would be applicable to both the cash and non-cash components of the variable pay arrangements.

c. Vesting:

Deferred remuneration should be spread out over the course of the deferral period on a pro rata basis as follows:

- not more than 33.33 % of the total deferred variable pay should vest at the end of first year.
- Further, not more than 33.33 % of total deferred variable pay should vest at the end of second year.

Additionally, vesting should not take place more frequently than on a yearly basis to ensure a proper assessment of risks before the application of ex-post adjustments.

In case of employee's death or permanent disability, whole of the deferred variable pay (Cash component) shall immediately vest on the employee's legal heirs, or the employee, as the case maybe.\

Share-linked Instruments

Such instruments shall be included as a component of variable pay. Norms for grant of share-linked instruments should be framed by banks in conformity with relevant statutory provisions and should form part of the Bank's compensation policy. The details of share-linked instruments granted should also be disclosed in terms of the disclosure requirements stipulated in these Guidelines. Share-linked instruments should be fair valued on the date of grant by the Bank using Black-Scholes model in compliance with the RBI guidelines.

The Variable pay assessment should be considering the following parameters

- The HR Dept. in consultation with CFM Dept. has to recommend that amount of Variable pool of the Bank each year to the Nomination and Remuneration Committee.
- While recommending the variable Pool HR Dept. should establish the linkage between the variable pool at the Bank level and the performance of the Bank vis-à-vis its financials and risk assumed.
- Further HR Dept. should also detail the linkage between performance of various units/ functions/ divisions to performance of variable pool.
- There should be a prudent basis for distribution of the overall variable pool between various units/ functions / divisions including various control and assurance functions.
- Performance thresholds as defined and assessed by HR Dept. to be attained for being eligible for variable compensation.

The same to be included and form part of the Performance Linked Incentive scheme.

Malus / Clawback

The deferred compensation should be subject to malus/ clawback arrangements in the event of subdued or negative financial performance of the Bank and/or the relevant line of business in any year. The Bank has identified a set of situations which require the invocation of the malus and clawback clauses that may be applicable as detailed below:

- i) Applying of Malus / Clawback arrangement on entire variable pay on occurrence of the following Situations:
 - Identified fraud / misconduct by the executive (whole-time directors, Chief Executive Officers / Material Risk Takers (MRTs)) pertaining to the corresponding period for which the clause to be applied.
- ii) Applying of Malus / Clawback arrangement on unvested portion of deferred variable pay on occurrence of the following situation:
 - Reporting of operating loss or more than 50% fall in operating profit in any year

iii) Applying of Malus clause on unvested portion of deferred variable pay on occurrence of the following situation:

- Wherever the assessed divergence in Bank's provisioning for Non-Performing Assets (NPAs) or asset classification exceeds the prescribed threshold for public disclosure as detailed below: (As referred in RBI circular No. DBR.BP.BC. No.32/21.04.018/2018-19 dated April 1, 2019, as amended from time to time),
 - a. the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period, and
 - b. the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period

Further, in such situations, no proposal for increase in variable pay (for the assessment year) shall be entertained. In case the Bank's post assessment Gross NPAs are less than 2.0%, these restrictions will apply only if criteria for public disclosure are triggered either on account of divergence in provisioning (clause (a)) or both provisioning (clause (a) and asset classification (Clause (b))).

Any other act detrimental to the interest of the Bank including and not restricted to violation of Code of Conduct, violation of Framework for dealing with Conflict of Interest, violation of rules and regulations of the Bank, failure to discharge fiduciary and regulatory duties – and in respect of which the Bank would reserve the right to institute appropriate civil, criminal or other proceedings at the risks, costs and consequences of such individuals.

As part of the criteria for the application of malus and clawback, the following period during which malus and/or clawback can be applied will be 36 months from application of the clause. covering at least deferral and retention periods (a period of time after the vesting of instruments which have been awarded as variable pay during which they cannot be sold or accessed)

In case, the MRT(s) resigns, retires or takes early retirements or has been terminated, the above provisions of clawback shall apply subject to due process for recovery of amounts adjudged.

Guaranteed Bonus

Guaranteed bonus is not consistent with sound risk management or the 'pay for performance' principles and should not be part of the compensation plan. Therefore, guaranteed bonus should only occur in the context of hiring new staff as joining/sign-on bonus and be limited to the first year. Such bonus will neither be considered part of fixed pay nor part of variable pay. Further, banks will not grant severance pay other than accrued benefits (gratuity, pension, etc.) except in cases where it is mandatory under any statute.

Hedging

The Bank will not provide any facility or funds or permit employees to insure or hedge their compensation structure to offset the risk alignment effects embedded in their compensation arrangement. To enforce the same, the Bank will establish appropriate compliance.

Remuneration of Chairman:

The NRC recommends the remuneration of the non-executive Independent Chairman to the Board which is considered and approved by the Board in the same manner subject to Shareholders' and regulatory approvals. The NRC, while recommending the remuneration of the part-time Chairman considers the Function, Role and Responsibilities of the Chairman and Regulatory guidelines as applicable etc. The remuneration payable to the Chairman is subject to prior approval of the Reserve Bank of India (RBI). Therefore, the remuneration or any revision in remuneration of the Chairman is payable only after receipt of the approval from RBI.

Remuneration of Non-Executive Directors (NEDs):

The NEDs are paid sitting fees for attending each meeting of the Board of Directors or any committee thereof as approved by the Board, within the permissible limit prescribed under the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other regulatory guidelines, as amended from time to time. The Board while recommending the change in the sitting fees considers various factors like size and complexity of organization, comparison with the peer Banks and Regulatory guidelines as applicable etc. while recommending the change in the sitting fees to the Board.

Policy on Board Diversity:

Pursuant to SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 to ensure compliance with the applicable provisions, the Bank has devised a policy on Board diversity to ensure adequate diversity in its Board of Directors. The Bank believes that diversity underpins the successful operation of an effective Board and embraces diversity as a means of enhancing the business. With a view to achieve sustainable and balanced development, the Bank sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives. A diverse Board includes and makes good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of Directors.

Policy on Board Diversity of the Bank mainly depends on the qualifications for appointment of Directors of the Bank as contained in the Banking Regulation Act, 1949 and satisfying the Fit and Proper Criteria for directors as per the regulatory requirement of RBI.

The Bank continuously seeks to enhance the effectiveness of its Board and to maintain the highest standards of corporate governance and recognizes and embraces the benefits of diversity in the Board room. Diversity is ensured through consideration of a number of factors, including but not limited to skills, regional and industry experience, background and other qualities. In formulating its perspective on diversity, the Bank also takes into account factors based on its own business model and specific needs from time to time.

The NRC has the responsibility to lead the process for Board appointments and for identifying and nominating, candidates for appointment to the Board. The benefits of diversity continue to influence succession planning and continue to be the key criteria for the search and nomination of Directors to the Board.

The Board appointments are based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender. The policy of Board Diversity is displayed in Bank's website: https://www.southindianbank.com/userfiles/file/rupay/disclosure/policy_on_board_diversity.pdf

Familiarisation Programme

The Bank had conducted various sessions during the financial year to familiarize the Independent Directors of

the Bank, including various topics on Banking Industry, business model, Corporate Law, Risk management system and Cyber Security. Further, the Directors are encouraged to attend the training programmes being organized by various regulators/ bodies/institutions on above matters. The details of such familiarization programmes are displayed on the weblink of the Bank. https://www.southindianbank.com/userfiles/file/disclosure_on_familiarisation_programme_for_independent_directors.pdf

Board Level Performance Evaluation

The Companies Act, 2013 and SEBI (LODR) Regulations, 2015 stipulates the performance evaluation of the Directors, MD & CEO, Chairman, Board and its Committees. Considering the said provisions, the Bank has devised the process and the criteria for the performance evaluation which has been recommended by the Nomination & Remuneration committee and approved by the Board.

The process for formal annual performance evaluation is as under:

- Committee of Independent Directors at their separate meeting evaluates the performance of Non-Independent Directors, MD & CEO, Chairman of the Bank and the Board as a whole.
- The Board evaluates the performance of the Independent Directors, Non-Executive Directors, Chairman and MD & CEO (excluding the director being evaluated) and submit its report to the Nomination & Remuneration committee.
- The Board and Nomination & Remuneration Committee evaluates the fulfilment of the independence criteria as specified in the regulations and their independence from the management.
- The Board evaluates the performance of Board level committees.
- Nomination & Remuneration Committee evaluates/ reviews the performance of each Director and recommends the appointment/re-appointment/ continuation of Directors to the Board. Based on the recommendation of Nomination & Remuneration Committee, Board will take appropriate action.

The criteria for performance evaluation, inter-alia, include the following:

Performance Evaluation of Non-Executive Directors, MD & CEO and Chairman

Participation at Board/Committee Meetings, Managing Relationship, Knowledge and skill, Personal attributes, Compliance and Corporate Governance; Leadership; Strategy Formulation, Strategy Execution, Financial Planning/ Performance, Relationships with the Board, Human Resource Management and Succession Planning, Personal Qualities; Resources; Conduct of Meetings.

Performance Evaluation of Board

Composition and Diversity; Strategic Foresight, Value Creation, Process and Procedures, Oversight of the Financial Reporting Process and Internal Controls, Oversight of Audit Functions, Corporate Governance, Corporate Culture, monitoring of business activities, Understanding of the business of the Bank and Regulatory environment; Contribution to effective corporate governance and transparency in the Company's Operations; Deliberations/decisions on the Company's strategies, policies, plans and guidance to the Executive Management.

Performance Evaluation of the Board Level Committees

The performance and effectiveness of the Committee; Frequency and duration; Spread of talent and diversity in the Committee; Understanding of regulatory environment and developments; Interaction with the Board.

Outcome of Performance Evaluation

An annual performance evaluation of the Board, Committees of the Board and the individual members of the Board was conducted in June, 2022 as per the aforesaid process and the report on the evaluation were presented at the meeting of the NRC and the Board of Directors. The Directors expressed their satisfaction with the evaluation process.

The feedback of the Board, post completion of the exercise of performance evaluation of the Board and Committees of the Board were as under:

- Need to focus on strategic ideas than managing micro issues.
- Concentrate on advanced technology to go more and more digital.
- Suggest to have more meetings in matters where urgent actions are required.

EMPLOYEE STOCK OPTION SCHEME:

The SIB ESOS 2008 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Managing Director & CEO of the Bank. The Scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021. The Bank followed Black Scholes model for calculating fair value of option to account for its stock based employee compensation plans as per the Guidelines for all the options granted till the accounting period ended 31 March, 2023. The fair value thus arrived were being recognised as expense beginning with the accounting period for which approval has been granted as per RBI circular No. RBI/2021-22/95 DOR.GOV.REC.44/29.67.001/2021-22 dt. August 30, 2021. Till March 2023, 5,69,80,858 stock options were vested, out of which 2,89,49,199 stock options were exercised by eligible employees. The money realized due to exercise of the said options was ₹ 42,74,54,572.64 and consequently 2,89,49,199 shares of ₹ 1/- each have been allotted to the concerned employees/legal heirs.

A Certificate of the Secretarial Auditors pursuant to Regulation 13 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be placed to the AGM for the scrutiny of Shareholders. The total options granted under twelve phases of SIB ESOS 2008 works out to 2.97% of the paid-up share capital of the Bank as at March 31, 2023. The scheme has generated the intended motivation amongst the staff. There is no material change in the scheme during the FY 2022-23 and the scheme is in compliance with the applicable regulations. The scheme was last modified at the AGM held on 18.08.2021 in line with the new regulations. Statutory disclosures regarding details of the stock options granted, vested, exercised, forfeited and expired during the year under review is hosted on the website of the Bank and can be viewed at <https://www.southindianbank.com/content/annual-report-financial-year-2022-to-2023/3978>

AUDITORS

a) Statutory Auditors:

The shareholders at its 93rd Annual General Meeting held on August 18, 2021, has appointed M/s. CNK & Associates LLP, Chartered Accountants, Mumbai (Firm Registration Number: 101961 W/W-100036) and has appointed M/s K Venkatachalam Aiyer & Co, Chartered Accountants, Kochi (Firm Registration Number 0046105) as the Joint Central Statutory Auditors of the Bank at its 94th Annual General

Meeting held on July 12, 2022 for a continuous period of 3 years. Accordingly, the appointment of M/s. CNK & Associates LLP, Chartered Accountants will be until the conclusion of the 96th Annual General Meeting and appointment of M/s K Venkatachalam Aiyer & Co, Chartered Accountants will be until the conclusion of the 97th Annual General Meeting of the Bank.

For the year ended March 31, 2023, fees paid/payable to the Joint Statutory Central Auditors M/s. CNK & Associates LLP Chartered Accountants and M/s K Venkatachalam Aiyer & Co Chartered Accountants are as follows:

Fee paid#	Amount
Limited Review	90.00
Year end audit and ICFR	92.00
Tax Audit, LFAR and other certifications	18.00
Total	200.00

Excluding out of pocket expenses

There is no qualification or adverse remark in Auditors' Report. There is no incident of fraud requiring reporting by the Auditors under Section 143(12) of the Companies Act, 2013.

Secretarial Auditors and Secretarial Audit Report:

Pursuant to Section 204 of the Companies Act, 2013, the Bank had appointed M/s SVJS & Associates, Practicing Company Secretaries, Kochi as its Secretarial Auditors to conduct the secretarial audit of the Bank for the FY 2022-23. The Bank has provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for the FY 2022-23 is annexed to this report as Annexure D. There are no reservations, adverse remark or disclaimer in the Secretarial Audit Report. No offence of fraud was reported by the Secretarial Auditor of the Bank.

Pursuant to circular no. CIR/CFD/CMD1/27/2019 dated February 08, 2019, issued by SEBI and Regulation 24A of the SEBI (LODR) Regulations, 2015 the Bank has obtained Secretarial Compliance Report from Practicing Company Secretaries on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder and the copy of the Secretarial Compliance Report was submitted with the Stock Exchanges.

INTERNAL CONTROL AND AUDIT/INSPECTION

Internal Control and their Adequacy

The Bank has put in place extensive internal controls and processes to mitigate operational risks, which includes maker checker authentication of CBS transactions, centralized processing of opening and modifications of CASA accounts and loan accounts, centralized sanctioning of loan facilities, etc.

Various Preventive controls viz., Dual custody for cash, gold and other security items, maintenance of daily control registers for security items, finger-scan-authentication for processing of transactions in CBS in addition to login passwords, stringent guidelines on password usage, STP processes between CBS and payment interface systems for transmission of messages etc. are in place.

As per the requirement of Companies Act, 2013, the Bank has formulated an Internal Financial Controls framework. Risk and Controls associated with each process in the Bank are documented under the Internal Financial Controls Framework. Inspection and Vigilance Department plays a significant role in testing the control effectiveness for each process under the framework.

The Internal Audit function provides independent assurance to the Board of Directors and Senior Management on the quality and effectiveness of the Bank's internal control, risk management and governance systems and processes, thereby helping the Board and Senior Management to protect the Bank and its reputation.

Audit/Inspection

The Bank has an Inspection & Vigilance department which is responsible for independently evaluating the adequacy and effectiveness of all internal controls, risk management systems, governance systems and processes. The Department is manned by appropriately qualified personnel to handle the Risk Based Internal Audit, Management Audits, Information Systems Audit, and Special audits including Investigations. All the internal audits are conducted based on the RBI direction in relation to conducting risk based internal audit, and concurrent audit of branches and identified critical processes of the branches.

Head of Internal Audit & Vigilance is directly reporting to MD & CEO.

Internal inspectors conduct inspection at regular intervals and the inspection reports are placed to Audit Committee at Executive level (Sub Committee of Audit Committee of Executives (SACE)/ Audit Committee of Executives - ACE) for review, which is overseen and controlled by Board Level committee (Audit Committee of Board - ACB).

Audit of Branches

All the branches are subjected to Risk Based Internal Audit (RBIA). This audit is conducted at periodic intervals based on the risk perception. All the audits are conducted based on predefined check points and all the operational areas are covered under this audit. Credit audit is also conducted as part of Risk Based internal audit where aggregate credit exposure of a borrower is ₹ 5 crore and above.

In addition to RBIA of branches, the Bank has concurrent audit system, which covers selected Branches, conducted by qualified Chartered Accountants/retired officers. The selection of branches for concurrent audit is done in such a way that it covers branches having substantial advance or deposit, entire specialized Branches such as 'B' Category Branches, Corporate Branches etc., and all poorly rated branches as per the latest rating awarded.

In addition to the concurrent and risk based internal audits, the branches are subjected to Surprise Inspection, Flash Inspection, IS Audit, Revenue Inspection, Self-Audit, Gold Loan Inspection/ Asset Verification and compliance inspection during the financial year.

Separate monitoring team - Inspection Monitoring Group (IMG) closely monitors various inspections/audits at the Branches. There are six IMGs who are reporting to Head of IMG. These Monitoring groups are assigned the task of ensuring the compliance and closure of the inspection report of the branches. During the course of inspections, serious issues if any concerning regulatory guidelines, legal requirements and operational processes are found, these are escalated to the Management for timely action.

All the branch related audit are presently automated through system where reporting, risk rating, compliance and closure of the reports are done through software application which provides the Bank with an overall control on various audits conducted in the branches. Continuous improvements are made to the application to automate several activities at HO and digitize the records in a single application.

Audit of Departments and critical process

Management Audit of Regional Offices (RO) and Departments are conducted at periodical intervals based on the risk perception.

In addition to the management audit conducted by inspection department, all the critical operations such as International Banking Division, Treasury Department, Credit Department and Centralized Processing Centers, etc., are subjected to concurrent audit by independent Chartered Accountant firms. All these reports are reviewed by Sub Committee of Audit Committee of Executives (SACE) and corrective steps are taken to rectify the lapses/irregularities, if any, pointed out in such inspections.

Information System Audit of CBS and major applications are conducted by Internal Audit Department as well as by external audit firm. The IS audit team also undertakes a general scrutiny of the efficiency of the information system at branch level and its rating so as to enhance the internal controls.

New product/process whenever introduced in the Bank is reviewed by Inspection Department and recommendations are made for necessary controls/improvements for deficiencies / gaps observed in existing internal controls.

Inspection Division also carries out independent evaluation of Bank's internal financial controls in terms of Companies Act, 2013 and also the adequacy of internal financial controls with reference to the Financial Statements.

EXPLANATION FOR AUDITOR'S COMMENT IN THE REPORT

The Statutory Auditor's Report for the year 2022-23 does not contain any qualification

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 and other applicable provisions of the Banking Regulation Act, 1949, the Bank has prepared its Consolidated Financial Statement including its wholly owned subsidiary Company M/s. SIB Operations and Services Limited, which is forming part of this Annual report. The financial position and performance of its subsidiary Company is given in Form AOC-1, the statement containing salient features of the financial statements of the subsidiary Company.

In accordance with third proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of the Bank, containing therein its Standalone and the Consolidated Financial Statements has been hosted on its website, (www.southindianbank.com). Further, as per fourth proviso to the said Section, the Audited Annual Accounts of the said Subsidiary Company of the Bank, considered as part of the Consolidated Financial Statements have also been hosted on the Bank's website, (www.southindianbank.com). The said documents have been hosted on the website of the Subsidiary Company of the Bank also, in compliance with the said Section. The documents/details available on the Bank's website (www.southindianbank.com) will also be available for inspection by any Member at its Registered Office. Further, pursuant to the provisions of Accounting Standard ('AS') 21, Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs, the Consolidated Financial Statements of the Bank along with its Subsidiary Company for the year ended March 31, 2023 forms part of the Annual Report.

CORPORATE GOVERNANCE

A separate report detailing Corporate Governance as required under applicable regulations of the SEBI (LODR) Regulations 2015 and a certificate from M/s SVJS & Associates Company Secretaries, Secretarial Auditors of the Bank, are annexed to this Report.

Annual Return/Extracts of Annual Return

Pursuant to sub-section 3(a) of Section 134 and subsection (3) of Section 92 of the Companies Act, 2013, read with Rule 11 and 12 of the Companies (Management and Administration) Rules, 2014, copy of Annual Return as at March 31, 2023 in Form No. MGT-7 is hosted on the website of the Bank and can be viewed <https://www.southindianbank.com/content/annual-report-financial-year-2022-to-2023/3978>

Business Responsibility and sustainability Reporting (BRSR)

Environmental, Social and Governance (ESG) matters have become increasingly relevant for companies across the Globe. Being in financial sector, the Bank has focused on promotion of sustainable and environmentally friendly assets by identifying and recognising ESG risks viz-a-viz opportunities.

As part of developing a sustainable financing policy and for implementing ESG benchmarks in lending and also

for addressing issues in Environmental risk management and governance, the Bank has formulated ESMS policy (for governing Lending standards) and ESG Policy (for addressing other ESG issues). During FY 2022-23 the Bank has taken following steps in this regard.

- Corporate Social Responsibility Committee of the Board is made responsible for the overseeing Environmental, Social and Governance (Reporting & review) activities of the Bank under the ESG framework.
- For effective Reporting of BRSR and to review the ESG practices at the Bank, Board has appointed a Professional agency for assisting Business Responsibility and Sustainability Reporting.
- The Bank has conducted a training programme for the Board of Directors and Senior Management
- Further, in order to pass a message throughout the entire organization, the Bank has conducted training programme and a clarification session with stakeholder Departments to ensure that the ESG guidelines are followed in letter and spirit.
- The Bank has introduced a new Term Deposit Product called "Green Deposit". Green Deposit is a fixed-term deposit for investors looking to invest their surplus cash reserves in environmentally friendly projects. These deposits provide investors a platform to fulfil their sustainability goals by investing surplus cash balances in environmentally beneficial projects. Social Media Campaigns were launched for popularizing Green Deposit and ESG Mutual Funds.
- Being a Bank, a sustainable ESG complied lending policy is a base for us to ensure that we equip ourselves for a future oriented and sustainable lending, giving more focus on lending toward projects which are more environmental friendly. In this regard Board has approved Environmental and Social Management System (ESMS) policy for focusing on environment friendly lending.
- MD & CEO has been authorized as the designated Director for implementing ESG in the Bank for BRSR reporting.
- The Bank has published in its fully dedicated Students Economic Forum (a monthly magazine published by Bank) on the Topic "Business Responsibility and Sustainability Reporting, reflecting the subject matter of ESG & BRSR.

- The Board has constituted an Executive Level Committee for ESG implementing in the Bank. Executive Level Committee will be responsible for supervision and implementation of ESG activities in the Bank.
- Human Resources Department has conducted training on “Human Rights under ESG framework in India” in Bank’s E learning platform viz., I-learn, for familiarizing concept of ESG among all employees.
- Tie-up arrangement with authorized E-waste vendors were made for better e-waste management.
- Preventive wellness programs / campaigns / webinars through tie ups with Hospitals and other organizations has been done by Bank for employees.
- The Bank has initiated steps to provide provision for Solar power generation in New Buildings under construction, wherever possible. In this regard, the Bank has issued work order for installation of On-Grid Solar Power Plants of 50 kW each at Platinum Jubilee Building in Ayyanthole and Market Road Building in Ernakulam. Installed 25 kW Solar Power Plant in Kannur RO Building.
- As part of Light Change Project, the Bank has replaced 500 numbers of 2X2 Lights in HO and Annex Buildings to more power saving LED Lights. In continuation to the same, approval has been given for changing 628 lights in Kakkanad Administrative Building, Block I, to LED. Almost 50% of the work is completed.
- The existing practice of using flex vinyl material for Signboards has been discontinued. From now on, the new signboards shall be made with ACP (Aluminium Composite Panel) which is more durable and environment friendly. New arrangement has been made with vendors providing service on Pan India basis.
- As a green initiative, around 350 indoor plant saplings were distributed among HO and Annex Building staffs as part of the New Year Celebrations.
- The Bank has extended financial assistance under CSR for construction of RO Plant in schools.

As stipulated in Listing Regulations, the Business Responsibility and sustainability Report describing the initiatives taken by the Bank from environmental, social and governance perspective is attached as part of the Annual Report as **Annexure-E**.

Dividend Distribution Policy

In accordance with the Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank has formulated a Dividend Distribution Policy and the Policy is hosted on the website of the Bank and can be viewed.

(https://www.southindianbank.com/userfiles/file/dividend%20distribution%20policy_17.pdf)

Subsidiary Companies/Joint Ventures or Associate Companies

As on March 31, 2023, the Bank has one unlisted wholly owned subsidiary - M/s. SIB Operations and Services Limited, which was incorporated on 28th May, 2021,

M/s SIB Operations and Services Limited is a wholly owned Non-Financial Subsidiary Company of the South Indian Bank Ltd. The RBI has accorded the final approval on 25th March, 2021 for setting up the Subsidiary Company and the Company was incorporated on 28th May 2021 to cater to the operational needs of the South Indian Bank Ltd. Its authorized Capital as on 31st March, 2023 is ₹2 crores and the Issued and Paid up Capital is ₹50 lakh . The company is providing exclusive services to the Bank in the operational areas of Tele calling, Business Development, Data Entry Operations, I.T. Support and other services permitted by Reserve Bank of India. The Subsidiary Company has reported a profit of ₹22.04 lakhs as on March 31, 2023.

There are no companies which have ceased to be bank’s subsidiaries, joint ventures or associate companies during the Financial year 2022-23.

Mr. M George Korah (DIN: 08207827)), Independent Director of the Bank, Mr. Murali Ramakrishnan (DIN: 01028298), MD & CEO of the Bank, Mr Thomas Joseph K (DIN 09186452), EVP and Chief Business Officer of the Bank and Mr. Chakkakkal Abraham John (DIN: 09186451) , Deputy General Manager of the Bank are directors of SIB Operations and Services Limited.

Except Mr. M George Korah (DIN: 08207827), no other directors in the Board of SIB Operations and Services Limited were drawing any remuneration / sitting fee from the subsidiary company. Mr. M George Korah (DIN: 08207827), has received ₹ 2,00,000/- as sitting fee for attending the Board meeting of the subsidiary company.

The Board of Directors has formulated a policy for determining ‘material’ subsidiaries pursuant to the provisions of the Listing Regulations. The same is displayed on the website of the Bank(<https://www>.

southindianbank.com/content/policy-for-determining-material-subsidiaries/781)

Related Party Transactions

The Board of Directors has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The same is displayed on the website of the Bank <https://www.southindianbank.com/userfiles/file/rupay/disclosure/policy%20on%20materiality%20of%20and%20dealing%20with%20relatedparty%20transactions.pdf>

Since the related party transactions are in the ordinary course of business and on an arm's length basis and not material AOC2 is not applicable.

Material Changes and Commitment Affecting Financial Position of the Bank

There are no material changes and commitments, affecting the financial position of the Bank which has occurred between the end of the financial year of the Bank i.e. March 31, 2023 and the date of the Directors' report i.e. July 31, 2023.

Significant and material orders passed by Regulators

During the year under review, there are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Bank's operations in future.

Maintenance of Cost Records

Being a Banking Company, the Bank is not required to maintain cost records as per sub-section (1) of Section 148 of the Companies Act, 2013.

Details in respect of frauds reported by auditors

There is no fraud reported by auditors under sub-section (12) of section 143 of the Companies Act, 2013 other than those which are reportable to the Central Government.

Compliance to Secretarial Standards

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) related to the Board Meetings and General Meeting have been complied with by the Bank.

Strictures and Penalties

During the last three financial years, there were no penalties or strictures imposed on the Bank by the SEBI or any of the stock exchanges and/or any other statutory authorities on matters relating to capital market.

Deposits

Being a Banking Company, the disclosures required as per Rule 8(5) (v) & (vi) of the Companies (Accounts) Rules, 2014, read with Section 73 and 74 of the Companies Act, 2013 are not applicable to the Bank.

Confirmation with respect to Insolvency and Bankruptcy Code, 2016

Particulars	Details
The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year	NIL
The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.]	NIL

Management Discussion and Analysis Report

This has been dealt with in a separate section in the Annual Report.

Particulars of Loans, Guarantees or Investments

Pursuant to Section 186 (11) of the Companies Act, 2013, the provisions of section 186 of Companies Act, 2013, except subsection (1), do not apply to a loan made, guarantee given or security provided or investment made by a banking company in the ordinary course of business.

Directors' Responsibility statement

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to the Director's Responsibility Statement, it is hereby confirmed that:

- in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments

and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year 2022-23 and of the profit of the Bank for that period;

- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 and other applicable laws for safe guarding the assets of the Bank and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts for the financial year ended on March 31, 2023, on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board of Directors places on record its gratitude to the Reserve Bank of India, Securities and Exchange Board of India, Government of India, Government of Kerala and all other State Governments where the Bank operates, other Government and Regulatory Authorities, including stock exchanges, where the Bank's securities are listed and correspondent Banks for their strong support and guidance, during the year. The Board also places on record its gratitude to the Bank's securityholders and customers for their continued support, patronage and goodwill. The single most important pillar of any Institution is its personnel, more so in the case of a service entity like a Bank, the Board acknowledges this fact and thank all of them for their diligence and loyalty towards the Bank. The Board expresses its sincere appreciation for the dedicated services rendered by officers and employees of the Bank at all levels.

By Order of the Board

(SALIM GANGADHARAN)
CHAIRMAN
DIN : 06796232

(MURALI RAMAKRISHNAN)
MANAGING DIRECTOR & CEO
DIN : 01028298

Place : Thrissur
Date: July 31, 2023

Annexure A

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013

Information as required by the provisions of Section 197 of the Companies Act, 2013, read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is given under: (Top 10 employees based on Annual Salary)

Name, Qualification and Age (in years)	Designation	Remuneration		Experience (in years)	Date of Employment	Nature of employment (Contractual/ otherwise)	Last Employment
		Gross (₹)#	Net (₹)##				
Murali Ramakrishnan, B.Tech, PGDM (61 years)	MD & CEO	2,04,43,848.00 @	73,24,253.88	36	01-07-2020	Whole-Time	ICICI Bank – SGM
Senthil Kumar MBA , BSC (52 Years)	Senior General Manager Head Recovery & Collections	1,00,50,182.80	55,27,832.72	28	27-08-2021	Contractual	ICICI Bank Zonal Head
Vinod G MBA –Financial Mangement, M Com, BCom Cost accounts (48 Years)	Joint General Manager & Head Data Science	73,73,548.39	30,01,202.39	27	04-03-2021	Contractual	Tata Motors Finance Ltd. - Head Risk & Business Intelligent Unit
Azmat Habibulla PGDBA & B.Com (51 Years)	Joint General Manager & Chief Marketing Officer	71,31,166.67	40,65,262.55	23	01-09-2021	Contractual	ICICI Bank
Sanchay Kumar Sinha, PG Diploma in Management (55 years)	Country Head - Liabilities And Branch Banking	60,79,000.00	34,54,416.44	30	02-09-2017	Contractual	IndusInd Bank SVP- Head Liabilities and Client Engagement for Consumer Banking -
Anand Subramaniam MBA, B.Sc (54 Years)	Joint General Manager & Head NRI Business	60,74,735.48	36,68,202.36	23	02-08-2021	Contractual	DCB Bank Senior Vice President
Abey Abraham Chartered Accountant CA, B Com Taxation Law& Practice (46 Years)	General Manager -Business Head Housing Loan Business Group	57,20,433.33	36,95,596.21	20	02-06-2021	Contractual	ICICI Bank , DGM

Name, Qualification and Age (in years)	Designation	Remuneration		Experience (in years)	Date of Employment	Nature of employment (Contractual/ otherwise)	Last Employment
		Gross (₹)#	Net (₹)##				
Harikumar L MBA, B.Sc (49 Years)	General Manager – Head Liabilities & TPP	50,55,066.67	30,24,476.55	22	05-05-2021	Contractual	Axis Bank – Senior Vice President
Thomas Joseph K, B.Sc. (Mechanical Engg.), Diploma in Management, CAIIB (64 years)	EVP & Group Business Head	48,12,232.80	29,71,883.88	39	01-06-2019	Contractual	EVP, SIB (Retired on 31.05.2019)
Venugopal C MBA , M. Phil – Management, B.Tech - Civil (48 years)	Deputy General Manager & Head - MCCPC	39,76,600.13	28,71,027.01	18	02-03-2022	Contractual	Axis Bank – Vice President

@ Excluding PF & Gratuity

Gross salary means total salary as per the Form 16 issued for the FY 2022-23.

Net salary means Gross Salary less TDS.

- None of the above employees holds together with his relatives two percent or more of the equity shares of the Company.
- The above mentioned personnel are not related to any Director of the Bank.

No employees were employed for a part of the year who were in receipt of remuneration of ₹ 8.5 lakh per month or above during the F.Y 2022-23.

(SALIM GANGADHARAN)
CHAIRMAN
DIN : 06796232

By Order of the Board
(MURALI RAMAKRISHNAN)
MANAGING DIRECTOR & CEO
DIN : 01028298

Place : Thrissur
Date: July 31, 2023

Annexure B**PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013**

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr No.	Requirements	Disclosure
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Chairman Mr. Salim Gangadharan 3.66x MD & CEO Mr. Murali Ramakrishnan 20.80x For this purpose, sitting fees paid to the Directors (except Sitting fee paid to Chairman have not been considered as remuneration.
II	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	Mr.Salim Gangadharan,Chairman 39.53% Mr.Murali Ramakrishnan MD&CEO 25.75% Ms. Chithra H (CFO) 9.06% Mr. Jimmy Mathew (Company Secretary) 3.21%
III	The percentage increase in the median remuneration of employees in the financial year(Including Managerial persons)	22.21%
IV	The number of permanent employees on the rolls of the Bank	There were 9653 employees as on March 31, 2023
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average percentage increase made in the median salaries of employees other than the managerial personnel is 22.29% <ul style="list-style-type: none">Increase in the median remuneration of managerial personnel is 6.90%
VI	Affirmation that the remuneration is as per the remuneration policy of the Bank	Yes, it is confirmed

Notes:

x denotes the median remuneration of the employees in the financial year.

- The median salary of the staff members is arrived by taking 12 months' actual salary & Allowances paid during the FY 2022-23.
- Remuneration of Chairman and MD & CEO is regulated by RBI guidelines.

(SALIM GANGADHARAN)
CHAIRMAN
DIN : 06796232

By Order of the Board
(MURALI RAMAKRISHNAN)
MANAGING DIRECTOR & CEO
DIN : 01028298

Place : Thrissur
Date: July 31, 2023

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014

1. Brief outline on CSR

The Bank's CSR mission is to contribute to the social and economic development of the community. Through a series of interventions, the Bank seeks to mainstream economically, physically and socially challenged groups and to draw them into the cycle of growth, development and empowerment.

At the core of this, it is commitment to reach out to marginalized communities through Sustainable Livelihood Initiatives. The Bank's strategy is to integrate its activities in community development, social responsibility and environmental responsibility and encourage each business unit or function to include these considerations into its operations whether directly or in participation or in association with or jointly with NGOs of repute, Trusts, Partnership, Corporate or any other such organization as the Bank deems fit.

2. Composition of CSR Committee:

Sl. No	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR committee attended during the year
1	Sri. Parayil George John Tharakan	Chairman*	3	3
2	Sri. Murali Ramakrishnan	Managing Director & CEO	4	4
3	Sri. V J Kurian	Chairman®	4	4
4	Sri. Benny P Thomas	Director	4	4

*Ceased to be a member w.e.f. 24th November, 2022.

® New committee chairman w.e.f 25th November, 2022.

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

The web – link where composition of CSR committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the company. Weblink: https://www.southindianbank.com/userfiles/file/csr_policy.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

The Company takes cognizance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("CSR Amendment Rules"). There are no projects taken up or completed after the effective date (which is 22.01.2021) of the aforementioned rules for fiscal 2023.

Impact assessment is not carried out as there is no CSR project having outlays of ₹ 1 crore or more and/or average CSR obligation for last 3 FY is not more than ₹ 10 Crore.

- 5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 91,94,71,461.88**
(b) Two percent of average net profit of the company as per sub-section (5) of section 135.: ₹ 1,83,89,429.24
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.: Nil
(d) Amount required to be set-off for the financial year, if any. : Nil
(e) Total CSR obligation for the financial year [(b)+(c)-(d)].: ₹ 1,83,89,429.24

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 1,84,29,425.92*
 * Excluding unspent CSR amount ₹ 104.45 Lakhs spent on previous Financial Years ongoing projects and administrative expense
- (b) Amount spent in Administrative Overheads. ₹ 1,51,700.00
- (c) Amount spent on Impact Assessment, if applicable. NA
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. ₹ 1,85,81,125.92
- (e) CSR amount spent or unspent for the Financial Year: ₹ 1,85,81,125.92

Total Amount spent for the Financial Year. 2022-23 (in ₹)	Amount Unspent (in ₹)				
	Total amount transferred to unspent CSR account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5)		
	Amount (in ₹)	Date of transfer	Name of the fund	Amount	Date of transfer
1,85,81,125.92*					

* Excluding unspent CSR amount Rs. 104.45 Lakhs spent on previous Financial Years ongoing projects

Annexure 1

Details of CSR amount spent against other than ongoing projects for the Financial Year

1 Sl. No.	2 Name of the project	3 Item from the list of activities in Schedule VII to the Act.	4 Local area (Yes/No)	5 Location of the project		6 Amount allocated for the project (In ₹)	7 Mode of implementation Direct (Yes/No)	8 Mode of implementation through implementing agency	
				State	District			Name	CSR Registration No
1	Parappur Sports and Educational Trust	Sports	Yes	Kerala	Thrissur	72,00,000.00	Yes	NA	NA
2	Financial Literacy Council FLC	Education	No	Kerala and Tamilnadu	Kasaragod, Kannur, Kozhikode, Malappuram, Palakkad, Thrissur, Ernakulam, Alappuzha, Kottayam, Idukki, Pathanamthitta, Kollam, Thiruvananthapuram, Coimbatore, Trichy, Madurai, Dindigul, Nagarcoil, Nilgiris	36,44,242.50	No	SIB Foundation	CSR00015361
3	Students' Economic Forum	Education	No	All states	All districts	3,44,091.42	No	SIB Foundation	CSR00015361
4	John Ukken Memorial Special School	Education	Yes	Kerala	Thrissur	54,000.00	Yes	NA	NA
5	Stella Maris School, Kolkata	Healthcare	No	West Bengal	Kolkata	10,000.00	No	SIB Foundation	CSR00015361
6	St. Joseph Hospital, Ghaziabad	Healthcare	No	Uttar Pradesh	Ghaziabad	15,500.00	No	SIB Foundation	CSR00015361
7	Premasree, Ghatakpukur	Education	No	West Bengal	Parganas	2,47,000.00	Yes	NA	NA
8	Ranchi Catholic Archdiocese	Education	No	Jharkhand	Ranchi	1,40,000.00	No	SIB Foundation	CSR00015361
9	St. Joseph Hospital, Karuvanchal	Healthcare	No	Kerala	Kannur	1,90,000.00	No	SIB Foundation	CSR00015361
10	St. Joseph Hospital, Pondicherry	Healthcare	No	Pondicherry UT	Pondicherry UT	1,40,000.00	No	SIB Foundation	CSR00015361
11	Malayala Manorama	Education	No	Kerala	Ernakulam	98,000.00	No	SIB Foundation	CSR00015361

1	2	3	4	5		6	7	8
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount allocated for the project (In ₹)	Mode of implementation Direct (Yes/ No)	Mode of implementation through implementing agency
				State	District			Name CSR Registration No
12	Perumatty Grama Panchayat	Healthcare	No	Kerala	Palakkad	10,000.00	No	SIB Foundation CSR00015361
13	Mar Thoma Hospital, Azhikode	Healthcare	Yes	Kerala	Thrissur	17,500.00	No	SIB Foundation CSR00015361
14	Mangalam Daily	Education	Yes	Kerala	Thrissur	45,000.00	No	SIB Foundation CSR00015361
15	Nazerath L P (St. Thomas Capuchin)	Education	No	Kerala	Ernakulam	71,000.00	No	SIB Foundation CSR00015361
16	Chavakkad Municipality	Healthcare	Yes	Kerala	Thrissur	90,000.00	No	SIB Foundation CSR00015361
17	St. Annes Convent, Manali	Gender Equality	Yes	Kerala	Thrissur	1,43,840.00	No	SIB Foundation CSR00015361
18	Aruvy Rehabilitation Centre	Gender Equality	Yes	Kerala	Thrissur	2,50,000.00	No	SIB Foundation CSR00015361
19	KIRTADS, Kozhikode	Healthcare	No	Kerala	Kozhikode	91,302.00	No	SIB Foundation CSR00015361
20	St. Arnold's Central School, Mysore	Healthcare	No	Karnataka	Mysuru	95,000.00	No	SIB Foundation CSR00015361
21	Diocese of Irinjalakuda	Healthcare	Yes	Kerala	Thrissur	1,00,000.00	No	SIB Foundation CSR00015361
22	Tharangam Mission Action Centre	Healthcare	No	Kerala	Pathanamthitta	3,00,000.00	No	SIB Foundation CSR00015361
23	St. Marys Convent Educational Society	Education	No	Uttar Pradesh	Prayagraj	1,05,000.00	No	SIB Foundation CSR00015361
24	Assumption College	Education	No	Kerala	Kottayam	1,00,000.00	No	SIB Foundation CSR00015361
25	St. Joseph's Hospital, Kothamangalam	Healthcare	No	Kerala	Ernakulam	1,00,000.00	No	SIB Foundation CSR00015361
26	Nazareth Hospital, Mokama	Healthcare	No	Bihar	Patna	3,50,000.00	No	SIB Foundation CSR00015361
27	Diocese of Kohima	Education	No	Nagaland	Kohima	2,95,000.00	No	SIB Foundation CSR00015361
28	S H Medical Centre, Kottayam	Healthcare	No	Kerala	Kottayam	3,00,000.00	No	SIB Foundation CSR00015361

1	2	3	4	5		6	7	8
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount allocated for the project (In ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation through implementing agency
				State	District			Name CSR Registration No
29	TASC	Education	No	Many States	Many Districts	75,000.00	No	SIB Foundation CSR00015361
30	St. Alberts College	Education	No	Kerala	Ernakulam	98,700.00	No	SIB Foundation CSR00015361
31	Malappuram Parivar Mampad Panchayath Committee	Healthcare	No	Kerala	Malappuram	25,000.00	No	SIB Foundation CSR00015361
32	Peace Haven Convent	Education	No	Goa	North Goa	57,950.00	No	SIB Foundation CSR00015361
33	Mother Thresa Palliative Care	Healthcare	No	Kerala	Kollam	75,000.00	No	SIB Foundation CSR00015361
34	Kasaragod Municipality	Gender Equality	No	Kerala	Kasaragod	17,500.00	No	SIB Foundation CSR00015361
35	St. Johns Hospital	Environmental Sustainability	No	Karnataka	Bangalore	5,00,000.00	No	SIB Foundation CSR00015361
36	Govt. School, Pollethai	Healthcare	No	Kerala	Alappuzha	1,31,000.00	No	SIB Foundation CSR00015361
37	Anaimudi Forest Development Agency	Environmental Sustainability	No	Kerala	Idukki	99,800.00	No	SIB Foundation CSR00015361
38	Puthupally Grama Panchayath	Healthcare	No	Kerala	Kottayam	9,000.00	No	SIB Foundation CSR00015361
39	North East Institute of Social Science & Research	Healthcare	No	Nagaland	Dimapur	1,00,000.00	No	SIB Foundation CSR00015361
40	Assisi Hospital	Healthcare	No	Kerala	Kottayam	21,800.00	No	SIB Foundation CSR00015361
41	Thrissur City Police	Gender Equality	Yes	Kerala	Thrissur	6,50,000.00	No	SIB Foundation CSR00015361
42	Govt. Medical College, Trivandrum	Healthcare	No	Kerala	Trivandrum	1,12,200.00	No	SIB Foundation CSR00015361

1	2	3	4	5		6	7	8
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount allocated for the project (in ₹)	Mode of implementation Direct (Yes/ No)	Mode of implementation through implementing agency
				State	District			Name
43	XIIM University, Bhubaneswar	Education	No	Odisha	Khordha	1,00,000.00	No	SIB Foundation CSR00015361
44	The Salesians of Don Bosco North East India	Education	No	Assam	Kamrup	1,00,000.00	No	SIB Foundation CSR00015361
	Total					1,84,29,425.92		

(f) Excess amount for set-off, if any:

Sr No.	Particulars	Amount(in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	1,83,89,429.24
(ii)	Total amount spent for the Financial Year	1,85,81,125.92
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	1,91,696.68
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0.00
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	1,91,696.68

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl No	Preceding Financial Year	Amount transferred to unspent CSR account under section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any.		Amount remaining to be spent in succeeding financial years(in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	2019-20	49,00,000.00	0.00	Nil	Nil	Nil	Nil	Nil
2	2020-21	3,13,96,573.15	1,22,74,681.27	82,70,434.00	Nil	Nil	40,04,247.27	Nil
3	2021-22	34,00,000.00	34,00,000.00	21,74,800.00	Nil	Nil	12,25,200.00	Nil
-	Total	3,96,96,573.15	1,56,74,681.27	1,04,45,234.00	-	-	52,29,447.27	-

Annexure 2

Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl No	Project ID	Name of the project	Financial year in which the project was commenced	Project duration (M)	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the project- Completed/ ongoing
1	FY31.03.2021_1	Pullu Village, Thrissur Dt	2019-20	36	50,00,000.00	8,25,200.00	50,00,000.00	Completed
2	FY31.03.2021_3	Vadakkechira Renovation works	2020-21	36	33,00,000.00	0.00	3,34,339.88	Ongoing
3	FY31.03.2021_4	Scholar	2019-20	48	8,20,00,000.00	74,45,234.00	6,62,58,655.05	Ongoing
4	FY31.03.2022_1	The Coastal Educational Society, Alappuzha	2021-22	24	15,00,000.00	7,50,000.00	15,00,000.00	Completed
5	FY31.03.2022_2	Thrikkakara Municipality	2021-22	24	9,00,000.00	4,50,000.00	9,00,000.00	Completed
6	FY31.03.2022_3	Pullu Village, Thrissur Dt	2021-22	36	25,00,000.00	9,74,800.00	12,74,800.00	Ongoing
-	Total		-	-	9,52,00,000.00	1,04,45,234.00	7,52,67,794.93	-

* 4 CSR ongoing projects amounting to ₹ 25,06,882.00 which was under Unspent CSR for FY 2020-21 has been cancelled and the funds has been reallocated to SIB Scholar.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No

If Yes, enter the number of Capital assets created/ acquired

NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/authority/beneficiary of the registered owner		
					(1)	(2)	(3)
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135 : NA

Sd/-
 Murali Ramakrishnan
 MD&CEO
 DIN:01028298

Sd/-
 V J Kurian
 Chairman-CSR Committee
 DIN: 01806859

Place: Thrissur
 Date: July 31, 2023

Annexure D

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members

THE SOUTH INDIAN BANK LIMITED

S I B House, Mission Quarters
T B Road, Thrissur -680001

We, SVJS & Associates, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **The South Indian Bank Limited [CIN: L65191KL1929PLC001017]** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **The South Indian Bank Limited** ("the Company") for the financial year ended on 31.03.2023 according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder to the extent applicable;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (h) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable.

(vi) As informed to us, the following other laws are specifically applicable to the Company.

1. The Banking Regulation Act, 1949 and Banking Regulation (Companies) Rules, 1949
2. Reserve Bank of India Act, 1934
3. Banking Ombudsman Scheme 2006
4. The Bankers' Books Evidence Act, 1891
5. The Banking Companies (Period of Preservation of Records) Rules, 1985
6. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 and The Security Interest (Enforcement) Rules, 2002
7. The Prevention of Money-Laundering Act, 2002 and The Prevention of Money-Laundering (Maintenance of Records) Rules, 2005
8. The Deposit Insurance and Credit Guarantee Corporation Act, 1961 and The Deposit Insurance and Credit Guarantee Corporation General Regulations, 1961
9. The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 and
10. Credit Information Companies (Regulation) Act, 2005.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda

were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the board were unanimous and the same was captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances of public issue/right issue, Preferential issue of shares / debentures, issue of sweat equity or redemption or buy back of securities, major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013, Merger / amalgamation / reconstruction or foreign technical collaborations.

The Bank has taken Shareholders' approval at the Annual General Meeting held on 12.07.2022, among others, for the following:

- Pursuant to Sections 23, 41, 42, 62 (1) (c) and other applicable provisions of the Companies Act, 2013, and other relevant statutory provisions, to raise Tier I Capital of the Bank by further issue of securities for an amount not exceeding ₹ 2000 Crores.
- Pursuant to Sections 42, 71, 179 and other applicable provisions of the Companies Act, 2013, and other relevant statutory provisions, to raise funds by issue of debt securities on private placement basis for an amount not exceeding ₹ 500 Crores.

This report is to be read with **Annexure A** of even date and the same forms an integral part of this report.

UDIN: F003067E000706605
Peer Review Certificate No.648 /2019

For SVJS & Associates
Company Secretaries

CS Vincent P.D.
Managing Partner
CP No.: 7940, FCS: 3067

Kochi
31-07-2023

Annexure A**ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE**

To
The Members
THE SOUTH INDIAN BANK LIMITED
S I B House, Mission Quarters
T B Road, Thrissur -680001

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of the secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit
2. During the audit, we have followed the audit practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2023 but before the issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.
8. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

UDIN: F003067E000706605
Peer Review Certificate No.648 /2019

For SVJS & Associates
Company Secretaries

CS Vincent P.D.
Managing Partner
CP No.: 7940, FCS: 3067

Kochi
31-07-2023

Annexure - E

Business Responsibility and Sustainability Report

Business Responsibility and Sustainability Reporting by listed entities
 SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021 and Master Circular SEBI/HO/CFD/POD2/CIR/P/2023/120
 July 11, 2023.

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

Sl. No.	Required Information	
1	Corporate Identity Number (CIN) of the Listed Entity	L65191KL1929PLC001017
2	Name of the Listed Entity	The South Indian Bank Limited
3	Year of incorporation	1929
4	Registered office address	SIB House, TB Road, Mission Quarters, Thrissur 680001, Kerala, India
5	Corporate address	SIB House, TB Road, Mission Quarters, Thrissur 680001, Kerala, India
6	E-mail	sibcorporate@sib.co.in
7	Telephone	+91-487-2420020
8	Website	www.southindianbank.com
9	Financial year for which reporting is being done	2022-23
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited ('NSE'), BSE Limited ('BSE')
11	Paid-up Capital	Rs. 209.27 crores
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Dhilip N Kumar Chief Manager and Deputy Nodal Officer, Secretarial Department +91-487-2429333 sibagm@sib.co.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	On a standalone basis

II. PRODUCTS / SERVICES

14. Details of business activities (accounting for 90% of the turnover):

Sl. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Financial and insurance services	Banking activities by Central, Commercial and savings banks	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No	Product / Service	NIC Code	% of total Turnover contributed
1	Banking Services and financial services	64191	100%

III. OPERATIONS

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Not applicable	940 Branches, 6 Satellite Branches, 18 Regional Offices	964
International	Not applicable	1 Representative Office	1

17. Market Served by the entity:

- a. Number of locations

Locations	Number
National (No. of States)	26 State; 4 Union Territories
International (No. of Countries)	1 (Representative office)

- b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not applicable

- c. A brief on type of customers

The Bank's principal foray of business includes retail banking and corporate banking. The Bank offers various types of Deposits to its customers including fixed deposits, recurring deposits, Savings Bank and Current accounts. On the Advances side, the Bank offers Gold Loans, Home Loans, Mortgage loans, Education Loans, and Agriculture Loans. The Bank undertakes priority sector lending to financially support the weaker sections of society and supports economic growth through MSME lending. To cater the needs of corporate clients, various schemes like Supply Chain Financing, Corporate bill discounting, Vendor Finance, Working Capital Financing, Corporate Loans, Term Loans, Securitisation Transactions, TReDS, etc. are provided. Further, the Bank through its vast branch network offers third party products (TPP), viz. Life Insurance, General and Health Insurance products and other investment avenues for its customers like Mutual Funds, online trading accounts, etc. by tie-up with selected corporates in respective business. The customer network of the bank was over 73 lakhs as on March 31, 2023 and aggressively on boards new to bank customers to its already strong customer base. The total business of the Bank stood at over 1 lakh 60 thousand crores.

IV. EMPLOYEES

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No. C	% (C/A)
EMPLOYEES						
1	Permanent (D)	9653	5316	55%	4337	45%
2	Other than Permanent (E)	25	23	92%	2	8%
3	Total employees (D+E)	9678	5339	55%	4339	45%
WORKERS						
4	Permanent (F)	3439	1366	40%	2073	60%
5	Other than Permanent (G)	0	0	0%	0	0%
6	Total workers (F+G)	3439	1366	40%	2073	60%

Note: "Employees" include officers and Award Staff and workers include Award Staff.

b. Differently abled Employees and workers:

Sl. No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No. C	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	8	5	62.5%	3	37.5%
2	Other than Permanent (E)	0	0	0%	0	0%
3	Total differently abled employees (D+E)	8	5	62.5%	3	37.5%
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	6	3	50%	3	50%
5	Other than Permanent (G)	0	0	0%	0	0%
6	Total differently abled workers (F+G)	6	3	50%	3	50%

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11.1%
Key Management Personnel*	6	1	16.7%

*Key Managerial Personnel Including MD & CEO

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021- 22 (Turnover rate in previous FY)			FY 2020 - 21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5.32	4.35	4.88	3.96	4.3	4.11	2.63	3.37	2.95
Permanent Workers	4.68	4.63	4.65	4.07	4.45	4.3	3.55	4.08	3.83

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. (a) Name of holding / subsidiary / associate companies / joint ventures

Sl. No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	SIB Operations and Services Ltd (SIBOSL)	Subsidiary	100	No

VI. CSR DETAILS

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

(ii) Turnover (in Rs. crores) 8,046

(iii) Net worth (in Rs. crores) 6,098

VII. TRANSPARENCY AND DISCLOSURE COMPLIANCES

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022 - 23			FY 2021 - 22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
The list of the stakeholders							
Communities	Yes https://www.southindianbank.com/userfiles/file/greivance_redressal_policy.pdf	0	0	NIL	0	0	NIL
Investors (other than shareholders)*	https://www.southindianbank.com/userfiles/file/greivance_redressal_policy.pdf	0	0	NIL	0	0	NIL
Shareholders*	Yes https://www.southindianbank.com/content/redressal-of-investor-complaints/867	130	1	Pending for resolution.	122	1	Pending for resolution.
Employees and workers	Yes	4	0	NIL	11	0	NIL
Customers	Yes https://www.southindianbank.com/userfiles/file/greivance_redressal_policy.pdf https://www.southindianbank.com/userfiles/file/customer_protection_policy.pdf	43091	860	Out 860 complaints 184 complaints are created post 18.03.2023 and none of these have exceeded stipulated TAT.	43099	1446	Out of the 1446 complaints 139 complaints were created during March. The pending figure as such, constitutes those under process as well as those lodged towards the end of March 2022.
Value Chain Partners	Yes	0	0	NIL	0	0	NIL
Other (please specify)	-	-	-	-	-	-	-

* Details of Investors (including Bond Holders) /Shareholder are covered)

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Responsible Lending	Opportunity	<ul style="list-style-type: none"> Financing Small and marginal farmers for crop cultivation and animal husbandry under Interest Subvention scheme by Gol. Finance against warehouse receipts in order to provide liquidity to farmers and to avoid distress sales of commodities. Various investment activities in agriculture and animal husbandry are supported under AIF and AHIDF schemes of Gol. Area specific approach is given special thrust to provide simple and faster credit delivery to the farming sector. Credit Support to Contract Farming Arrangement in Crop and Allied activities. Micro Food and Agro processing units are given credit assistance under PMFME scheme. 		Positive: Financing to various farming activities helped to uplift the socio-economic status of farming community.
2	Human rights practices	Risk	<p>Risk- Parameters on human rights such as fair working environment, equal opportunities, remuneration, freedom of association without ethnic discrimination will impact the performance of the bank on the social front from the employee's perspective.</p>	<p>Training and awareness of all the employees and clause on Human rights in employee and stakeholder agreements and contracts. Further, the Bank provides a fair working environment, equal opportunities, remunerations, freedom of association without any ethnic discrimination. The percentage of women employees to the total staff stood at 45% which is one of the best in the Banking Industry.</p>	Negative- Mechanisms on monitoring human rights depict a direct commitment towards human rights integration within the bank's activities.

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Environmental and Social Risk	Opportunity & Risk	<p>Opportunity:</p> <ul style="list-style-type: none"> To promote the usage of green energy by green financing products. To identify and mitigate adverse potential environmental and social impacts due to Bank's lending activities. To ensure that clients establish E & S requirements in line with national environmental and social regulations. Bank's Environmental and Social Management System (ESMS) Policy provides a systematic procedure to check whether the lending policy may cause any potential adverse environmental and social impacts, to assure that negative impacts are avoided or minimized to the extent possible and the positive impacts are stimulated. Bank will desist from extending finance, irrespective of the amount, for activities coming under exclusion list in the ESMS policy. <p>Risk- Proactively identifying the risks paired with policies to reduce their impact is a critical part of the bank's pathway towards sustainability. Lack of environment and social measures will lead to increased cost, reduced resource efficiencies and potentially regulatory/compliance related costs.</p>	<p>The bank has formulated an ESG policy for effective integration of sustainability into the business operations. ESG factors are considered in the risk assessment and management processes of the bank and extends to all of its stakeholders. For the effective implementation of ESG in the Bank, Board has constituted an Executive Level Committee.</p>	<p>Positive:</p> <ul style="list-style-type: none"> Improvement in overall E & S performance of Bank's portfolio through enhanced risk management <p>Negative:</p> <ul style="list-style-type: none"> Transition risk arising due to adoption of E & S guidelines. Increased expenditure to meet E & S performance standards

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Data Security	Opportunity and risk	<p>Opportunity-Bank's digital lending products helped to reduce usage of paper and enhanced customer experience.</p> <p>Risk-</p> <ol style="list-style-type: none"> 1. Cyber threats to banking system. 2. Launch of Bank's lending product through mobile banking and internet Banking channel. 3. Various SMS and Email facilities. 	<p>Cyber Crisis Management Plan (CCMP) is in place, to provide the requisite strategy, direction and roadmap towards cyber threat mitigation. IT Departments and CISO Office are ISO 27001 certified for the implementation of Information Security Management System (ISMS). In order to consider cyber security from the bank-wide perspective, a steering committee of executives known as Information Security Committee is formed with formal terms of reference. The Chief Information Security Officer (CISO) is the member secretary of the committee. The committee serves as an effective communication channel for management's cyber security aims and directions.</p>	<p>Positive-Improved turnaround time with customer satisfaction.</p> <p>Negative-Efficiency of cyber security systems directly impact the business productivity.</p>

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Regulatory & Legal Compliances	Risk	<p>Risk- Risk of non-compliance exposes the Bank to legal penalties and financial losses resulting from failure to comply with the industry laws and regulations. Failure to adhere to the laws would directly affect the Bank's revenue, valuations and could lead to loss of reputation and business opportunities. More compliant Banks tend to have improved performances and better process efficiency. Compliance gives assurance and provides a broader insight to the investors.</p>	<p>The Bank, has adopted a Code of Conduct for its Board and Senior Managerial Personnel and adheres to the highest standards of honest and ethical conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationship. The Bank has put in place Whistle Blower Policy which sets forth obligations on part of every employee for prevention, detection and reporting of any act of bribery or corruption.</p>	<p>Negative- Banks who are compliant with the regulatory laws have a better ability to manage risks and builds a better sense of fairness and loyalty among employees</p>

SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.southindianbank.com/content/viewcontentlvl1.aspx?linkIdLvl2=215&linkId=215&sec=1								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Some of the policies which have impacts on customer service, customer conduct ,etc. extend to our value chain partners as well.								
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Bank has framed its ESMS Policy based on IFC performance standards IT Departments including Data Centre, DR Site & BCP site and CISO Office are ISO 27001 certified for the implementation of Information Security Management System (ISMS). Human Resources Department ,Compliance Department , Facility Management Group , Banking Operations Group and Integrated Risk Management Departments are certified with ISO 9001:2015.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Bank has formulated its ESMS policy for environmentally responsible lending to its customers and endeavours to built a sustainable lending portfolio. The company strives to make a positive and sustainable impact on all stakeholders by identifying key focus areas and fulfilling commitments and goals through environmental initiatives and corporate social activities. Additionally, the company emphasizes the upskilling of its workforce to promote holistic employee development and alignment with the evolving business landscape. Corporate Social Responsibility Committee, Stakeholder Relationship Committee, Customer Service Committee and Audit Committee of Board reviews the items as per reference of the respective Committee and the policies are reviewed as necessitates. The Bank also won several prestigious awards for its digital initiatives, South Indian Bank strives to incorporate various facets of ESG into its business operations, aiming to integrate sustainability and responsible practices throughout its organization.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>The bank has implemented an ESG policy that explicitly articulates its dedication to incorporating sustainable factors into its operations, risk management practices, and investment decisions. During the year, the Bank strengthened its digital transformation considerably with over 95% transactions being carried out digitally. The Bank also promotes conservation of environment by reducing usage of paper by promoting green pin for debit cards and digitalising documents. The Bank continues its efforts to make awareness among employees on concepts of "Reduce, Reuse and Recycle" to eliminate waste and protect our environment. Since the banking outlets / offices are the major targets for saving energy. The Bank gives priority for the installation of energy-efficient products that reduces the consumption of energy. The Bank also won several prestigious awards for its digital initiatives, namely:</p> <ol style="list-style-type: none"> 1. ASSOCHAM Best Pvt Sector Bank Award during the 9th MSME Awards & Excellence Summit held at Delhi. 2. Best CDO/CTO/CIO award at The Fintech & Digital Excellence Award was declared at the Bharat Fintech Summit 2023 held at Mumbai. 3. "Excellent use of AI and ML" award at the eLets BFSI Tech Innovation awards 2023 								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	<p>As mentioned in point 6, during the year the Bank has undertaken major projects to digitize the customer offering - thereby increasing the transparency and ease of access of its products and services. Further, with digitization the requirement for paper-based process has been reduced thereby, reducing the carbon footprint of the Bank. In FY23, 95% of transactions were done digitally. The Bank has also tied up with Fintechs to expand its reach and increasing the ease of access through digital loan documentation. Our process improvement initiatives saw the increased participation of our employees - the Bank received over 3,500 suggestions from employees. The Bank has also adopted the ESMS policy to build a sustainable lending portfolio.</p> <p>As a financial service provider, we believe that Environmental, Social and Governance (ESG) principles are crucial in our stakeholder satisfaction.</p>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>Mr. Murali Ramakrishnan MD & CEO +91-487-2429333 md@sib.co.in</p>								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>Yes. Corporate Social Responsibility Committee of Board is overseeing Environmental, Social & Governance (ESG) Reporting and Review of various activities of the Bank under the ESG Framework. For the effective implementation of ESG in the Bank, Board constituted an Executive Level Committee. The Executive Level Committee is headed by EVP & Chief Business Officer.</p>								

10. Details of Review of NGRBCs by the Company:

Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Board of Directors									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Board of Directors									Annually								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes. CareEdge Advisory, Research and Training Limited has mapped the existing policies and procedures against the requirements of BRSR and accordingly suggested the improvements to bridge it with the BRSR requirements.									

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. The entity does not consider the Principles material to its business (Yes/No)									
b. The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
c. The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
d. It is planned to be done in the next financial year (Yes/No)									
e. Any other reason (please specify)									

Not applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	Training on ESG, BRSR and NGRBC principles. Seminar on Corporate Governance Duties and Responsibilities of Board of Directors under Companies Act, 2013 and various other statutes.	100%
Key Managerial Personnel	7	Training on ESG, BRSR and NGRBC principles. Interviewing Skills Cyber Risk and Resilience Cyber Security for Chief Risk Officers SACB on theme- boosting Self Resilience Risk Management in Agriculture Finance Programme for Heads of Internal Audit of SCB on theme- boosting Self Resilience	100%
Employees	131	Human Rights Issues and Policies	44.7%
Workers	43	Human Rights Issues and Policies	29.2%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Principle 1	RBI	15,90,650	Various cases pertaining to Banking operations, such as ATM Cash out penalty, discrepancies in soiled note remittance by Currency Chest, delay in filing GSTR-6 return, penalty for Non Frisking by Currency Chest on various dates, etc.	No
Settlement			NIL		
Compounding fee			NIL		

Non- Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment			NIL	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	NIL

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. Covered under the Code of Conduct policy. The anti-corruption and anti-bribery policy are part of the Ethical practices in Code of conduct of the Bank. The policy emphasize on the Bank's zero tolerance approach towards corruption and bribery. It says that, under any circumstance the Employees should not offer, promise or grant anything of value to anyone for the purpose of influencing the recipient. Payments made indirectly through any intermediary or other third party are subject to the same restriction. https://www.southindianbank.com/userfiles/file/banks_code_of_conduct.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial Year)	FY 2021 - 22 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)		FY 2021 - 22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

During the year, there were no cases related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
The Bank ensures that the people working in contact centres are trained on matters such as ethics, code of conduct, responsible customer engagements		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. Covered under the Related Party Transaction policy. The Bank has adopted the policy on related party transactions which is applicable to the Board of Directors and KMPs. The weblink for the policy is as given below: <https://www.southindianbank.com/content/viewcontent/v1.aspx?linkIdLv12=215&LinkIdLv13=782&linkId=782>

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R & D	Given to the nature of operations as Financial Service provider, this question is not applicable.		
Capex			

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

The Bank being part of the financial service industry, consumption of resources is limited. The Bank ensures that it purchases products from local suppliers and at a fair price.

- b. If yes, what percentage of inputs were sourced sustainably? Not applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a) Plastics (including packaging)	Not applicable
(b) E-waste	<p>The bank empanelled vendor for centralized collection of E-waste from branches/ departments.</p> <p>The process of e-waste disposal is detailed below:</p> <ul style="list-style-type: none"> • Branches may raise request through a module in the internal application. • Respective Regional office may forward the request to DTD - Hardware team for approval. • DTD – hardware team may scrutiny the request and put up the request to the respective sanction authority based on rate contract and delegation of powers assigned in IT purchase policy for disposal/write off of assets. • After approval, DTD may issue disposal orders to the respective empanelled vendor for collecting the e-waste from branches. Along with disposal order, DTD will generate a proforma invoice for the sale amount. • Green certificate/Destruction certificate will be provided by the vendor within 30 days from the date of E-waste collection.
(c) Hazardous waste	Not applicable
(d) other waste.	Not applicable

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not applicable

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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Product Life Cycle Assessment is not applicable to the Bank

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
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Not applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
	NIL	

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste						
Hazardous waste						
Other waste						

Not applicable

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not applicable

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	5316	5316	100%	5316	100%	Not applicable		5316	100%	0	0%
Female	4337	4337	100%	4337	100%	4337	100%	Not applicable		0	0%
Total	9653	9653	100%	9653	100%	4337	100%	5316	100%	0	0%
Other than Permanent employees											
Male	23	23	100%	23	100%	Not applicable		23	100%	0	0%
Female	2	2	100%	2	100%	2	100%	Not applicable		0	0%
Total	25	25	100%	25	100%	2	100%	23	100%	0	0%

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	1366	1366	100%	1366	100%	Not applicable		1366	100%	0	0%
Female	2073	2073	100%	2073	100%	2073	100%	Not applicable		0	0%
Total	3439	3439	100%	3439	100%	2073	100%	1366	100%	0	0%
Other than Permanent workers											
Male											
Female	Not applicable										
Total											

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF*	99.75%	100%	N	99.73%	100%	Y
Gratuity	99.75%	100%	Y	99.73%	100%	Y
ESI	NA	NA	NA	NA	NA	NA

*Represented PF/ Pension/NPS under one category. In the case of employees, those who are on-contract is not covered under PF/ Pension/DCPS and Gratuity. The Bank has an exempted PF Trust and hence the PF deposits are not made to any authority but directly to The South Indian Bank Ltd. Employees' Provident Fund Trust.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

Most of the premises/ offices are located in the Ground floor and the entry ways have ramp facility for differently abled employees and workers. ATM/CRM are provided with ramp facility wherever possible. Further, the Bank has a practice of posting differently abled employees in branches where facilities have been designed with accessibility for differently abled people in mind

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, one of the key objectives of the HRM policy of the bank is to provide equal opportunity viz. "To provide fair, transparent and equal opportunity to all employees at all levels irrespective of caste, creed, gender and ethnicity." The policy is published in the intranet of the Bank which is accessible to all internal stakeholders.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	97.5%	100%	97.3%
Female	100%	98.8%	100%	98.2%
Total	100%	98.1%	100%	97.9%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. Permanent workers at any Branch/Office can present their grievance to Branch Manager/Redressal Cell at Regional Office/Department and the same will be settled or replied by the Branch Manager/ Redressal cell at RO/Dept. within seven days. If the worker is not satisfied with the reply or settlement, the aggrieved worker may forward his/her grievance to the Grievance Redressal Cell at HO level consisting of Head of Human Resources Department and a Chief Manager from Human Resources Department. The decision will be communicated by Head HR within seven days of the receipt of the recommendation from the management. The employees/ workers can register their grievance through the internal portal. The company has an employee grievance redressal policy on https://www.southindianbank.com/userfiles/file/greivance_redressal_policy.pdf
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	9653	8637	89.47%	9219	7769	84.27%
Male	5316	4772	89.76%	5152	4412	85.64%
Female	4337	3865	89.11%	4067	3357	82.54%
Total Permanent Workers	3439	2924	85.02%	3198	2628	82.18%
Male	1366	1141	83.53%	1283	1115	86.91%
Female	2073	1783	86.01%	1915	1513	79.01%

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Male	5339	31	0.58%	2463	46.14%	5152	36	0.70%	2265	43.96%
Female	4339	20	0.46%	1122	25.86%	4067	12	0.30%	1275	31.35%
Total	9678	51	0.53%	3585	37.05%	9219	48	0.52%	3540	38.40%
Workers										
Male	1366	27	1.98%	570	41.73%	1283	19	1.48%	649	50.58%
Female	2073	18	0.87%	900	43.42%	1915	5	0.26%	1206	62.98%
Total	3439	45	1.31%	1470	42.74%	3198	24	0.75%	1855	58.01%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	5339	5339	100%	5152	5152	100%
Female	4339	4339	100%	4067	4067	100%
Total	9678	9678	100%	9219	9219	100%
Workers						
Male	1366	1366	100%	1283	1283	100%
Female	2073	2073	100%	1195	1195	100%
Total	3439	3439	100%	2478	2478	100%

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. The Bank has implemented various measures to ensure a safe working environment for employees. Detailed guidelines and emergency response procedures are being issued to all outlets of the Bank to take care of emergencies like fire, flood, earthquake etc. The Bank has a qualified FSO (Fire & Security Officer) who visits Branches and give training on use of fire extinguishers and emergency evacuation drills. Further, every outlet of the Bank is equipped with smoke sensors. These sensors are integrated with intrusion alarm panels. As and when there is a smoke or fire, these sensors get activated and triggers an alarm locally as well as sends an alert to a centralized command centre where such alerts are monitored on a real time basis. The command center alerts fire and rescue department instantly in the case of an eventuality.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Bank has a dedicated department to take care of all aspects related to physical security of its assets as well as employees. Under the aegis of the department, a comprehensive remote e-surveillance system has been put in place. Through this system, incidents of work-related hazards are reported, visually verified through integrated CCTV network and mitigation measures taken as per the laid down procedure. The smoke sensors, integrated to the alarm system placed at Offices enables recording and analysis of risk events through the Command Centre.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

The risk of work-related hazards to employees is minimal due to the nature of business. Bank has implemented various measures to ensure a safe working environment for employees. Detailed guidelines and emergency response procedures are being issued to all outlets of the Bank to take care of emergencies like fire, flood, earthquake etc.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. The Bank has a comprehensive insurance policy for its employees

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Bank undertakes various measures to ensure a safe and healthy workplace. These include:

- i. Periodic internal communication and alerts are sent out to employees on safety related aspects.
- ii. Demonstration of fire safety equipment's are conducted periodically to sensitize staff members on how to use various equipments.
- iii. Mock drills are conducted at various premises to sensitize staff members on evacuation means in the case of an emergency. In premises where there are multiple floor, each floor is assigned with a floor marshal to lead the drill.
- iv. Bank provides an annual medical allowance to all employees and also reimburses the cost for annual medical checkup for employees above 40 years and their spouses.
- v. Bank provides medical insurance cover for employees and their dependent family members.
- vi. In special cases where the staff medical insurance cover is not sufficient to meet medical costs, an additional buffer coverage is provided to assist the employee.
- vii. The Bank conducts free medical camps at its various premises viz. eye, dental, ear checkup camps.
- viii. The Bank has got into corporate tie ups with various medical institutions via which special benefits are extended to staff members like free consultations, subsidized medical checkups and diagnostic treatments. The benefit is extended to their immediate family members as well.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions						
Health & Safety			Nil			

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Electrical Audits are carried out at the Branches/Offices every three years for ensuring that any potential hazards or issues with the electrical system can be identified and addressed in a timely manner. For the period 2020-23 the Audit has already been completed for all the Branches/Offices. Corrective actions, if required, are taken after the Audit, followed by a post-rectification Audit to confirm that the rectification has sufficed
Working Conditions	Bank has been certified as 'Most preferred workplace' by Marksmen, which is a testimony to the positive work conditions in the Bank. In addition, it has received Business leader of the year award 'People and workplace development' and ET Ascent Best HR practices award. All these are rendered after evaluating the employee satisfaction, best practices and initiatives taken by the Bank towards a better workplace.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

There hasn't been any need to take corrective action towards addressing health and safety as no such incidents have been present. However, as a proactive measure Bank conduct health camps, extend health checkup allowances to employees aged 40 plus, conduct vaccination drives etc. Evacuation drills are conducted with the help of floor marshals at banks premises to sensitize employees on actions to be taken in the event of an incident. Crisis Management Teams are formed at Head Office and other control offices to better manage any un-anticipated incidents

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. The Bank provides group personal accident policy for all the employees and workers, for which the cost is borne by the Bank.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Bank ensures that statutory dues as applicable to the transactions with the value chain partners, are deducted and deposited in accordance with the applicable regulations through the centralized payment solution managed by CFM Dept. of the Bank, which is subjected to audit by internal and statutory auditors from time to time. The Bank believes its value chain partners to uphold business responsibility principles and values of transparency and accountability.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	There were no work related injuries.			
Workers				

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes. **'Peep into Retirement'** is an exclusive training program conducted for employees nearing retirement. The program primarily delivers sessions on tax planning, super annuation benefits, life style and fitness which would help the individuals during their retirement life.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Bank expects all its partners to ensure that they follow the applicable standards of working conditions and employee health and safety is taken care.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No corrective action was warranted with any of value chain partners during the fiscal.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity - The Bank recognizes all entities or individuals who are directly and indirectly impacted by our operations or add value to our operations, as our stakeholder. The Bank has recognized the following stakeholders: employees, customers, investors/ shareholders, regulator, value chain partners and communities.
- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1. Employees	No	Email Training Circulars Internal Portal MD's Town hall meeting Staff meetings Student Economic Forum Mobile Application	Ongoing basis	Most of these engagement cover areas such as Training and development, Addressing any work related communication, updates on regulatory changes/ introduction of new regulations, compliance communication
2. Customers	No	Emails Letters Social Media Direct interaction Over Phone Customer Experience Group Mobile Application	Ongoing. Based on customer needs / regulatory requirements/ educating customers	Engagement with customers is throughout entire life cycle of loan products/ savings product.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
3. Investors/ Shareholders	No	Annual General Meeting Investor presentation Email Earning call Financial Results Stock exchange filing Press release Website	Need Basis	To keep investors/ shareholders updated about the Banks business activities and performance
4. Regulatory bodies	No	Letters Email Regulator platforms Stock Exchange filing RBI Returns	Ongoing basis	Compliance related communication and engagement for policy consultation and participation in larger economic objectives by participating in various Government initiatives and programs.
5. Communities	Yes- certain communities living in rural areas, farmer community and low income group individuals are recognized as vulnerable & marginalised stakeholder	Email Letters	Ongoing basis	Through CSR reaching out to socially and economically disadvantaged people.
6. Value chain partners	No	Email Letters	Need Basis	Maintaining our relationships with vendors, addressing any work related communication, updates on regulatory changes/ introduction of new regulations, compliance communication

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company has always maintained that a constant and proactive engagement with our key stakeholders enables the Company to better communicate its strategies and performance.

A continuous engagement helps align expectations, thereby enabling the Company to better serve its stakeholders. The Board is kept abreast on various developments and feedback on the same is sought from the Directors. We engage with our stakeholders regularly and as needed. The format of engagement will depend on the nature and needs of the stakeholders. The consultation with stakeholders is in the form of online / offline meetings.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No).

If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Stakeholder feedbacks and suggestions are considered wherever feasible. The company continuously engages with internal and external stakeholders on various aspects of ESG. The engagement takes place through various channels as part of an ongoing process. The Company is engaging with an ESG rating agency to understand areas of improvement and enhance disclosure on ESG. The Company is engaged on various evolving aspects of ESG and hence stakeholder interactions are important. We also intend to make it a regular exercise to engage with stakeholders and incorporate their feedback into the company's strategy.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The Company's CSR activities focus on the disadvantaged, vulnerable and marginalised segments of society. CSR activities are mentioned separately in the Annual report. The Bank has adopted several financial inclusion initiatives, including appointment of more Business Correspondents and Financial Literacy Counsellors. For expanding financial inclusion activities, Bank is having 68 Business Correspondents and 19 Financial Literacy Counsellors as on 31-03-2023, in the state of Kerala and Tamil Nadu.

PRINCIPLE: 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	9653	4302	44.6%	9195	2	0.02%
Other than permanent	25	21	84.0%	24	0	0.00%
Total Employees	9678	4323	44.7%	9219	2	0.02%
Workers						
Permanent	3439	1003	29.2%	3398	0	0%
Other than permanent	0	0	0.0%	0	0	0%
Total Workers	3439	1003	29.2%	3398	0	0%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than minimum Wage		Total (D)	Equal to Minimum Wage		More than minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Permanent	9653	0	0%	9653	100%	9195	0	0%	9195	100%
Male	5316	0	0%	5316	100%	5128	0	0%	5128	100%
Female	4337	0	0%	4337	100%	4067	0	0%	4067	100%
Other than permanent	25	0	0%	25	100%	24	0	0%	24	100%
Male	23	0	0%	23	100%	23	0	0%	23	100%
Female	2	0	0%	2	100%	1	0	0%	1	100%
Workers										
Permanent	3439	0	0%	3439	100%	3398	0	0%	3398	100%
Male	1366	0	0%	1366	100%	1375	0	0%	1375	100%
Female	2073	0	0%	2073	100%	2023	0	0%	2023	100%
Other than permanent	0	0	0%	0	0%	0	0	0%	0	0%
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	2	11259674	0	-
Key Managerial Personnel*	4	28,88,621.70	1	30,07,934.24
Employees other than BoD and KMP	5311	11,36,940.81	4336	8,71,466.44
Workers	1366	6,17,543.38	2073	5,51,344.07

Excluding sitting fees for attending Board / Committee Meetings.

*Excluding MD&CEO

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Bank has focal points assigned to address the issues as per the extent statutory guidelines. For example in the Sexual harassment at workplace, the Bank has an internal complaints committee for women. All officers / employees are advised to contact the Presiding Officer of the Internal Committee in the case of any related complaints. The Bank enquires instances and/or complaints of sexual harassment promptly and discreetly and initiate action as per the extent guidelines of the act.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Bank is compliant to various statutory requirements and adheres to the grievance redress mechanism mandated by them. It condemns and prohibits all forms of human right violations. The bank has POSH, Insider Trading Policies and vigil mechanism in place. Statutory requirements such as payment of minimum wages, PDS,

Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 etc. that has more relevance in the Banking context is rigorously followed. The Bank has POSH, insider trading and vigil mechanism in place.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NIL	2	0	Resolved
Discrimination at workplace	0	0	NIL	0	0	NIL
Child Labour	0	0	NIL	0	0	NIL
Forced Labour/ Involuntary Labour	0	0	NIL	0	0	NIL
Wages	0	0	NIL	0	0	NIL
Other Human rights related issues	0	0	NIL	0	0	NIL

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Bank shows zero tolerance towards any form of discrimination or harassment and it is ensured that the complainant is well protected from any such adverse consequences.

The Bank complies with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has an active internal complaints committee for women. All officers / employees are advised to contact the Presiding Officer of the Internal Committee in the case of any complaint. The Bank enquires instances and/or complaints of sexual harassment promptly and discreetly and initiate action as per the extent guidelines of the act. Similarly, PDS or Whistle blower policy condemns any kind of harassment, discrimination, victimization or any unfair practice adopted against whistle blowers. The Bank shall take steps to minimize the difficulties, which the whistle blower may experience as result of making the disclosure. The identity of the whistle blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting the investigation process too shall be extended the same level of protection as the whistle blower.

8. Do human rights requirements form part of your business agreements and contracts?

(Yes/No)

Yes. Human rights is part of all contracts as compliance to Labour Laws/Code and other welfare codes/Acts is always made part of all contracts.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The Bank is in full compliance with the laws as applicable.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

The bank has always seen Human Rights as inherent part of all its policies. There hasn't been an instance where the bank has to alter its policy / process in order to align with human rights and grievances. As an institution with the right professional flare, the bank is highly committed to the principle of equal opportunity for all employees and also believes in fabricating an environment which is free of discrimination. The bank has strictly prohibited discrimination or harassment based on race, colour, religion, or belief, social or ethnic origin, sex, age, physical, mental or sensory disability, HIV Status, sexual orientation, gender identity and/ or expression, marital status, family medical history or genetic information, family or parental status. The code of conduct lays down guidelines that facilitate the right environment in the bank. The bank nurtures its employees with the right ethics and code of conduct by organizing various training programs designed for the better enhancement and development of the workforce.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Bank upholds the principle of Human Rights in all its dealings.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Most of the premises/ offices are working at Ground floor and have ramp facility for differently abled employees and workers. ATM/CRM are provided with ramp facility wherever possible. Bank has a practice of posting differently abled employees in a convenient branch which has adequate facilities.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The bank is in compliance with all applicable laws. Human rights is part of all contracts as compliance to Labour Laws/ Code and other Welfare codes/ Acts is always made part of all contracts.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No such instances warranting a corrective action plan was necessitated during the Fiscal.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**Essential Indicators**

1. Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	8,075.64	Not available
Total fuel consumption (B)	2984.51	Not available
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	11,060.15	Not available
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees Cr.)	1.37	Not available
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- **No**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	53,223.50	-
(iii) Third party water (tanker)	-	-
(iv) Seawater / desalinated water	-	-
(v) Water from municipal corporation	-	-
(vi) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	53,223.50	-
Total volume of water consumption (in kilolitres)	53,223.50	-
Water intensity per rupee of turnover (Water consumed / turnover in ₹ Cr.)	6.61	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- **No**

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx			
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Not applicable since the company is into the banking business.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- **No**

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Tonnes of CO ₂	201.08	-
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Tonnes of CO ₂	1772.16	-
Total Scope 1 and Scope 2 emissions per rupee Cr. of turnover	Tonnes of CO ₂	0.25	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.
- The Bank has initiated steps to provide provisions for solar power generation in new buildings under construction, wherever possible.
 - 95% of Banks transactions were done digitally during the Financial Year.
 - Bank replaced lights from 2X2 lights in Head Office and Annexure buildings to more power saving LED lights. **No**

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)		
E-waste (B)		
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil) . Please specify, if any. (G)		
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Total (A+B + C + D + E + F + G + H)		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled		
(ii) Re-used		Not applicable
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration		
(ii) Landfilling		Not applicable
(iii) Other disposal operations		
Total		

The company currently does not generate a significant amount of e-waste. However, moving forward, the company intends to handle any waste generated in an environmentally friendly manner.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We have engaged self-helping groups for the collection and disposal of waste from offices/branches. They will segregate the bio degradable and non-bio degradable waste separately. In many cities the collection of waste is handled by professional teams having accreditation from Pollution Control Board and most of the bio degradable waste is used for the manufacturing of manure. Due to the nature of business, reuse/ recycling of waste material is limited. However, we are selling out paper scraps for recycling.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sl. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
1			Not Applicable
2			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sl. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1				
2	The bank complies with all the applicable environmental laws			

Leadership Indicators

1. Provide break-up of the total energy consumed (in Giga Joules) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
From Non-renewable sources		
Total electricity consumption (D)	8,075.64	Not available
Total fuel consumption (E)	2,984.51	Not available
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	11,060.15	Not available

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
(i) To Surface Water		
– No treatment		
– With treatment – please specify level of treatment		
(ii) To Groundwater		
– No treatment		
– With treatment – please specify level of treatment		
(iii) To Seawater		
– No treatment		
– With treatment – please specify level of treatment		
(iv) Sent to third-parties		
– No treatment		
– With treatment – please specify level of treatment		
(v) Others		
– No treatment		
– With treatment – please specify level of treatment		
Total Water discharged (in kilolitres)		

Since the company is not involved in manufacturing operations, its water usage is limited to the purpose of human consumption only. The details related to water discharge have not been tracked by the company.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - **No**

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information: **Not Applicable**

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent		
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

The Company does not measure Scope 3 emissions, however, plans to track the data in the upcoming financial year.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - **No**

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. NO	Initiative undertaken	Outcome of the initiative
1	LED Lights	Bank replaced lights from 2X2 lights in Head Office and Annexure Buildings to more power saving LED Lights.
2	Digitisation	95% of Bank's transactions were done digitally during the Financial Year.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.
- The bank has developed a Business Continuity Policy for Information Systems to ensure continuation of critical business processes in the event of any business or information technology (IT) infrastructure failure, thereby minimizing the potential impact. It shall help reduce the impact of disruption, caused by disasters and security failures to an acceptable level through a combination of preventive and recovery measures. Also we have formulated a DR Policy which provide a framework for the ongoing process of planning, developing and implementing disaster recovery management for IT Systems.
8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.
- NIL
9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
- Not applicable

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. (As below)
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State / National)
1	Indian Bank's Association (IBA)	National
2	Southern Indian Bank Staff Training College	Multiple Southern States
3	Indian Institute of Banking and Finance (IIBF)	National
4	National Institute of Bank Management (NIBM)	National
5	Foreign Exchange Dealers Association of India (FEDAI)	National
6	Federation of Indian Export Organisations (FIEO)	National
7	International Chamber of Commerce (ICC) India	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

No adverse orders have been received from any regulatory authority w.r.t. anti-competitive conduct by the entity.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1	Bank is a member of IBA and actively provides feedback to the regulator through IBA. Representatives			
2	of the Bank has associated with various working groups of the regulator as well as industry bodies which will help in strengthening the Indian financial ecosystem.			

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	Not Applicable				
2					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
1	Not Applicable					
2						

3. Describe the mechanisms to receive and redress grievances of the community.

The bank has a grievance redressal policy to receive and address grievances from its stakeholders.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	Not applicable owing to the nature of the business	
Sourced directly from within the district and neighbouring districts		

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No	State	Aspirational District	Amount spent (In INR)
1	Jharkhand	Ranchi	1,40,000

- 3 (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
 The Bank being in the financial services sector, the procurement needs are limited. Daily consumables are sourced through local vendors at a fair price.
- (b) From which marginalized /vulnerable groups do you procure?
 Not tracked for the year
- (c) What percentage of total procurement (by value) does it constitute?
 Not tracked for the year

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1				
2		Not Applicable		

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
	Not Applicable	

6. Details of beneficiaries of CSR Projects:

Sl. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
	Education	39,000	
	Environmental Sustainability	1,60,000	Majority of the programs serve the vulnerable and marginalized group. Around 70% of the beneficiaries were from marginalized groups.
	Gender Equality	50,000	
	Healthcare	24,000	
	Promotion of sports	160	

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Bank follows a three tier complaint management system. The customer Care is the designated point of receipt of all complaints. Complaints received through all channels (namely calls/emails/letters, regulators, Bank's Web based Grievance Redress Management System[WebGRM], walk-in customers etc.) are incorporated in Bank's Centralised Complaint Management System. From here, these are assigned to and dealt by SPOC at various stake holder departments. Any complainant who is not satisfied with the response provided at Tier 1 has the option to escalate the complaint to Bank's Nodal and Principal Nodal Officers [Tiers 2 and 3 respectively]. Bank rejects complaints only with the concurrence of Internal Ombudsman as stipulated in Internal Ombudsman Scheme, 2018.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	10	0	NIL	9	0	NIL
Advertising	0	0	NIL	1	0	NIL
Cyber-security	1036	228	Sum total of all unauthorized transaction complaints dealt at Bank's Banking Operations Group & Complaints tagged under the category [Fraud / FRM Block among Internet Banking / Mobile Banking related complaints] Complaints pending are only the unauthorized transactions with higher TAT of 90 days.	1215	0	NIL
Delivery of Products	0	0	NIL	0	0	NIL
Quality of Products	0	0	NIL	0	0	NIL
Restrictive Trade Practices	0	0	NIL	0	0	NIL
Unfair Trade Practices	17	0	NIL	3	0	NIL
Details of essential services	28	2	Complaints tagged under the category Infrastructure / Branch Details. Both complaints lodged toward end of March and have not exceeded TAT.	53	0	NIL
Other	42000	630	Other complaints include service quality, staff behaviour, technology and credit related complaints.	41818	1258	Other complaints include service quality, staff behaviour, technology and credit related complaints.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls		Nil
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes.

In order to provide guidelines for cyber security and data privacy for the employees of the Bank, a Board approved Cyber Security policy and Information System Security Policy is in place. The purpose of the Cyber Security Policy is to set the guiding principles for establishing cyber security of the information systems and to provide proactive and timely response to potential and emerging cyber-attacks / threats. The purpose of Information System Security policy is to provide a framework to ensure the protection of Bank's information assets, and to allow the use, access and disclosure of such information in accordance with appropriate standards, laws and regulations. Also, Cyber Crisis Management Plan (CCMP) is in place, to provide the requisite strategy, direction and roadmap towards cyber threat mitigation. IT Departments and CISO Office are ISO 27001 certified for the implementation of Information Security Management System (ISMS).

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

In order to provide guidelines for cyber security and data privacy for the employees of the Bank, a Board approved Cyber Security policy and Information System Security Policy is in place. Also, Cyber Crisis Management Plan (CCMP) is in place, to provide the requisite strategy, direction and roadmap towards cyber threat mitigation. IT Departments and CISO Office are ISO 27001 certified for the implementation of Information Security Management System (ISMS). In order to consider cyber security from the bank-wide perspective, a steering committee of executives known as Information Security Committee is formed with formal terms of reference. The Chief Information Security Officer (CISO) is the member secretary of the committee. The committee serves as an effective communication channel for management's cyber security aims and directions. Bank has a fully operational Security Operation Centre (SOC) and network & end point security devices to monitor any security incident and to take appropriate actions. SOC is operational on a 24 X 7 basis. The Bank is using several monitoring tools for identifying, monitoring, recording and analysing security events or incidents within the real-time IT environment. Employees are updated with the latest security threats and the best security practices. In order to ensure continuous awareness on best cyber security practices and cyber security risks, a dedicated internal web portal to disseminate relevant security information has been set up and it is accessible to all employees. The Bank provides cyber security awareness to its customers on a continuous basis through various channels like SMS/ Email/Website/ Social media, etc. Cyber Jagrookta (Awareness) Diwas is observed on the first Wednesday of every Month as advised by the Ministry of Home Affairs, Govt. of India to create awareness for prevention of cybercrimes.

Leadership Indicators

1. Channels / Platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information about all the products offered by the Bank is available on the website. Further, all branches also have information about products displayed in the Branches. The web link is as follows: <https://www.southindianbank.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Bank through its website provides information about safe and responsible banking and /or use of banking services to all its customers. Bank uses E-mail, SMS, Social Media, Direct interactions, Pamphlets, notices to educate consumer about the safe and responsible usage of products and services. The web link of the same is as follows: <https://www.southindianbank.com/helpdesk/helpdeskdetails.aspx?hdId=17>

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services

Information about disruption of essential services are mentioned on the Bank's website as well as communicated to customers through email/ SMS.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Details of product parameters like interest rate etc. are displayed on the website. Further, details of interest rate on credit and savings products are displayed in the branches. The Bank is in compliance with all disclosure norms as required by RBI.

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact

NIL

- b. Percentage of data breaches involving personally identifiable information of customers

NIL

REPORT ON CORPORATE GOVERNANCE

In terms of Regulation 34(3) read with Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a Report on Corporate Governance for the year ended March 31, 2023 is presented below:

Bank's Philosophy on Code of Governance:

Corporate Governance ensures high standards of transparency, accountability, ethical operating practices, professional management thereby enhancing shareholders' value and protecting the interest of the stakeholders such as depositors, creditors, customers, suppliers and employees. The Bank is committed to uphold highest standards of Corporate Governance by ensuring integrity in financial reporting, disclosure of material information, continuous improvement of internal controls and sound investor relations.

The Bank's Corporate Governance framework ensures that it makes timely disclosures and share accurate information regarding our financials and performance as well as the leadership and governance of the Bank.

The required details on Corporate Governance are given hereunder:

1. BOARD OF DIRECTORS

The Board of Directors of the Bank is broad based and varied in terms of experience of the members of the Board. The Board has been constituted in compliance with the Banking Regulation Act, 1949, the Companies Act, 2013, the relevant rules made there under, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), the guidelines issued by the Reserve Bank of India (RBI) in this regard, the Articles of Association of the Bank and in accordance with best practices in Corporate Governance. The Board of Directors of the Bank has an optimum combination of Executive and

Non-Executive Directors with one Woman Director. The Chairperson of the Board is a Non-Executive Independent Director. The Board functions either as a full Board or through various Committees constituted to oversee specific areas. Policy formulation, setting up of goals and risk appetite/ limits, evaluation of performance and control functions vest with the Board. The Committees have oversight of operational issues assigned to them by the Board. The Board of Directors/ Committees of the Board periodically reviews compliance reports pertaining to major laws applicable to the Bank. All statutory and other matters of significance including information as mentioned in Part A of Schedule II to the Listing Regulations are informed to the Board to enable it to discharge its responsibility of strategic supervision of the Bank.

Composition of Board

The Board comprises of 9 Directors as on March 31, 2023, with rich experience and specialized knowledge in various areas. None of the Directors of the Bank are related inter-se, in terms of Section 2(77) of the Companies Act, 2013, including Rules thereunder. The Board has confirmed the veracity of declaration of Independence provided by the Independent Directors and has taken the same on record. In the opinion of the Board, all the Independent Directors fulfil the conditions as specified in the Listing Regulations and are independent of the Management. Pursuant to the notification of the Ministry of Corporate Affairs dated October 22, 2019, an online data bank for the independent directors ("Data Bank") has been rolled out by the Indian Institute of Corporate Affairs and all the Independent Directors of the Bank had registered themselves in the Data Bank.

The composition and category of the Directors along with their attendance at Board Meetings, Annual General Meeting and shareholdings in the Bank as on March 31, 2023 are given below:

Sl. No	Name of Director	Category of Director	No. of Board Meetings		Attendance of last AGM held on 12.07.2022	No. of Shares held	% of holding
			Held During the year	Attended			
1.	Sri. Salim Gangadharan	INE (Chairman)	13	13	Present	20,000	0.001%
2.	Sri. Murali Ramakrishnan	Managing Director (Executive)	13	13	Present	Nil	Nil
3.	Sri. Parayil George John Tharakan *	INE	9	9	Present	NA (retired on 24.11.2022)	NA
4.	Sri. V J Kurian	INE	13	12	Present	Nil	Nil
5.	Sri. M George Korah	INE	13	13	Present	Nil	Nil
6.	Sri. Pradeep M Godbole	INE	13	13	Present	Nil	Nil
7.	Sri. Paul Antony	NE	13	13	Present	10,470	0.001%
8.	Sri. R A Sankara Narayanan	INE	13	13	Present	Nil	Nil
9.	Smt. Radha Unni	INE	13	13	Present	Nil	Nil
10	Sri. Benny P Thomas	NE	13	13	Present	2,500	0.0001%

NE – Non-Executive Director

INE – Independent Non-Executive Director

*Sri. Parayil George John Tharakan (DIN: 07018289) retired from the directorship of the Bank from 24.11.2022.

During the year under review, the Board and its committees were re-constituted one time on 25.11.2022.

List of core Skills/Experience/Competencies identified by the Board.

The Bank considers the principles relating to fit and proper norms as prescribed by the RBI and confirms that each Director is also in compliance with the norms as prescribed by the Ministry of Corporate Affairs and the Securities and Exchange Board of India (SEBI) under applicable laws, whilst determining the composition of its Board. Section 10A (2) of the Banking Regulation Act, 1949 read with RBI notification no. DBR.Appt. BC. No.38/29.39.001/2016-17 dated November 24, 2016, requires that not less than 51% of the total number of members of the Board of Directors of a banking company shall comprise of persons who shall have special knowledge or practical experience, in respect of one or more of the matters, namely: Accountancy, Agriculture and rural economy, Banking, Co-operation/Small Scale Industry, Information Technology, Infrastructure sector, Human resources, Economics, Finance, Law, Payment and settlement systems, Risk management, Business Management. The Bank is in full compliance with the above requirements as the Directors of the Bank has rich experience and specialized

knowledge in the said areas of relevance to the Bank. The Bank has identified above Skills/Expertise/Competencies as required to be possessed by its Board, in the context of its businesses and the sectors, for it to function effectively. The details of the names of the Directors possessing the required Skills/Expertise/Competencies are detailed as under:

Sl. No	Name	Special Knowledge/ Practical Experience
1.	Sri Salim Gangadharan	Banking and Risk Management
2.	Sri. Murali Ramakrishnan	Banking
3	Sri. V J Kurian	Economics, Business Management and Agriculture & Rural Economy
4	Sri. M George Korah	Accountancy and Finance
5	Sri. Pradeep M Godbole	IT and Payment & Settlement systems

Sl. No	Name	Special Knowledge/ Practical Experience
6	Sri. Paul Antony	SSI/Cooperation/ Economic and Business Management
7	Sri. R A Sankara Narayanan	Banking, Treasury, Finance, Risk Management and Human Resource
8	Smt. Radha Unni	Finance, Banking and Human Resource
9	Sri. Benny P Thomas	Law

PROFILE OF BOARD OF DIRECTORS

The profile of the Directors of the Bank as on March 31, 2023 is as under:

Sri. Salim Gangadharan, aged 69 years, is the Chairman and Non-Executive Independent Director of the Board of the Bank. Sri. Gangadharan holds a master's degree in economics from the University of Kerala. He is also a Certified Associate of the Indian Institute of Bankers. He has several years of experience in the Reserve Bank of India, Central Bank of Oman, IMF etc. He retired in October, 2013 as principal chief general manager and regional director, RBI, Trivandrum. He has been on Bank's Board since January, 2014. He is also a Director in Kerala Infrastructure Investment Fund Board. He is not a director in any other public limited company. Sri Salim Gangadharan holds 20,000 shares of the Bank as on March 31, 2023.

Sri. Murali Ramakrishnan, aged 61 years, is the MD & CEO of the Bank. He retired from ICICI Bank as a Senior General Manager in May, 2020. During his tenure at ICICI Bank, he was heading business transformation project of SME business. Sri. Murali Ramakrishnan was the Chief Executive Hong Kong and Regional Head - North Asia, Srilanka, Middle East and Africa. He has varied experience in the entire banking industry in many facets of banking businesses both in domestic and international markets viz. Retail, SME, Corporate, Project Finance, International Business, Risk, Policy, BIU etc. apart from handling 8 regulators across various markets in Asia, MENA and South Africa. He had represented the Bank in the board of CIBIL and also in the Risk advisory board of VISA for Asia Pacific. Before joining the ICICI Bank Ltd., he had worked for GE Capital TFS Ltd, SRF Finance Ltd, Spartek Emerging Fund, Canbank Venture Capital fund and Spic Ltd. Presently he is director of SIB Operations and Services Ltd (wholly owned subsidiary of the Bank) also. Sri. Murali holds no shares of the Bank as on March 31, 2023.

Sri. V J Kurian, aged 66 years, is a Non-Executive Independent Director of the Bank. He retired from Indian Administrative Services (IAS) of 1983 batch in Kerala cadre as Additional Chief Secretary, Water Resources. During the tenure of services, Sri Kurian held positions of Managing director in various companies for a total period of 23 years. Previously Sri Kurian served as the Managing Director of Cochin International Airport Ltd. and was Director of CIAL Infrastructure Limited, CIAL Duty free and Retail Services Limited, Air Kerala International Services Limited, Cochin International Aviation Services Limited, Kerala Waterways Infrastructures Limited and Kerala Infrastructure Fund Management Limited. He was also director of Kerala Irrigation Infrastructure Development Corporation Limited, Flavourit Spices Trading Limited, Kochi Metro Rail Limited, Kannur International Airport Limited, Cochin Smart Mission Limited. Presently, he is engaged in agricultural activity on a full time basis after his retirement from CIAL as Managing Director in June, 2021. During his service period also, he used to engage in farming, in about 10 acres of agricultural land inherited to him. His experience as Director of the Kerala Irrigation Infrastructure Development Corporation Limited and as Chairman of Spices Board, Ministry of Commerce & Industry, Government of India helped him to learn more about the agricultural activity. Presently he is not a director in any other Public Limited Company. Sri V J Kurian holds no shares of the Bank as on March 31, 2023.

Sri. M George Korah, aged 63 years, is a Non-Executive Independent Director of the Bank. He is a fellow member of the Institute of Chartered Accountants of India. He is a qualified Information System Auditor and was a rank holder in the I.S. Examination conducted by the Institute of Chartered Accountants of India. He is a partner of M/s Korah & Korah, Chartered Accountants and has been in practice for over 30 years. Sri Korah is a trustee of Green Storm Foundation, Cochin (not for Profit Public Registered Trust) and financial consultant to several business organizations including Information Technology Companies. Presently he is director of SIB Operations and Services Ltd (wholly owned subsidiary of the Bank) and Asset Foundation Trustee, also. He is not a Director in any other Public Limited Company. Sri M George Korah holds no shares of the Bank as on March 31, 2023.

Sri. Pradeep M Godbole, aged 58 years, is a Non-Executive Independent Director of the Bank. He is a Chartered Accountant having over 30 years of Banking, Technology, Consulting, Auditing, Accounting and Management experience. He has held Senior Consulting positions at Big 4 consulting firm - Ernst & Young; IT

organizations such as Oracle Financial Services Software (OFSS) & Wipro and Banks like Deutsche Bank. He has executed large risk management & compliance, business and technology projects for top tier BFS organization across the world. Sri Godbole is currently working on capability building initiatives and is a guest faculty at the Institute of Chartered Accountants of India (ICAI). Sri Godbole is also a speaker at professional events and seminars. Presently he is a director of Risk Intellect Solutions Private Limited and Belief Impex Private Limited. Sri. Godbole is also a director of Risk and Compliance Professional Association (Not for Profit Organization). He is not a Director in any other Public Limited Company. Sri Pradeep M Godbole holds no shares of the Bank as on March 31, 2023.

Sri. Paul Antony, aged 64 years, is a Non-Executive Director of the Bank. He retired as Chief Secretary, Kerala on 30th June 2018. He was a member of the Indian Administrative Service, 1983 Batch, Kerala cadre. Empanelled as Secretary to Government of India. In addition to the above he has worked with various govt undertakings. He had exposure to diverse sectors in the State and Central Governments, such as industries promotion, export promotion, infrastructure development including in the ports and power sector, taxation, public distribution system, and development of the weaker sections. He has worked in large organisations like SUPPLYCO, Cochin Port Trust and KSEB Ltd apart from heading major Government Departments and companies like the Industries Department and the Commercial Taxes Department. Presently he is also acting as Director (Chairman) of Kerala State Industrial Development Corporation Limited (KSIDC) and Kerala Lifesciences Industries Parks Private Limited further he is also Independent External Monitor of Goa Shipyard Ltd. He is not a Director in any other Public Limited Company. Sri Paul Antony holds 10,470 shares of the Bank as on March 31, 2023.

Sri. R A Sankara Narayanan, aged 63 years, is a Non-Executive Independent Director of the Bank. He started his banking career with Bank of India in 1983 and has supervised various branches, zones and national banking groups across the country. He has headed several departments in the corporate offices, including treasury, retail, international banking, corporate credit, risk management, compliance, retail, marketing, recovery and human resources and had also been a part of overseas assignments in Tokyo and Singapore. He was the Executive Director of Bank of India and has been appointed as Managing Director and Chief Executive Officer of Vijaya Bank in September 2017. He has been designated as the MD and CEO of Canara Bank w.e.f. April 1, 2019 till his

superannuation in January, 2020. Presently he is a Director in Centrum Capital Limited, Centrum Wealth Limited, Sri. Kanchi Kamakoti Peetam Charitable Trust (SKKPCT), Vishwa Vidya Scholarship Scheme (under SPCT), SCSVMV-Sri Chandrasekharendra Saraswathi Viswa Mahavidyalaya (Deemed to be University) On behalf of SKKPCT in Board and Finance Committee and Autolystics Technology Pvt Ltd. Further he is acting as Independent Member- Fund Trustee and Advisory Commission (FTAC) of Kerala Infrastructure Investment Fund Board (KIIFB). He is not a Director in any other Public Limited Company. Sri. R A Sankara Narayanan holds no shares of the Bank as on March 31, 2023.

Smt. Radha Unni, aged 74 years is a Non-Executive Independent Director of the Bank. She has started her career with State Bank of India with over 36 years of experience in banking sector, who has assigned in all aspects of the Banking with specialization in Corporate Credit and project appraisal of Small and Medium Enterprises. Her other assignments include Risk Management at the Corporate centre of SBI, Mumbai, Non-performing Asset (NPA) management, Business process Re-engineering programme of SBI, Transformational change Management, Capital market operations with the SBI Capital Market Ltd, she has retired as the Chief General Manager from SBI and after retirement from the SBI, she was engaged by the Bank in Management Audit and recruitment of its officers. Her other professional engagements include Independent Director on the Board of Royal Sundaram General Insurance Co. Ltd, Nitta Gelatin India Ltd, V-Guard Industries Ltd., Western India Plywoods Ltd., Axles India Ltd., Wil Car India Ltd., and Rajeshwari Nathan Foundation. She had also served as Independent Director on the Board of CSB Bank Ltd and Muthoot Capital Services Ltd. She is not a Director in any other Public Limited Company. Smt. Radha Unni holds no Shares of the Bank as on March 31 ,2023.

Sri. Benny P Thomas, aged 59 years, is a Non-Executive Director of the Bank, who has started his career as a lawyer and enrolled at the Bar in the year 1988. He initiated his practice in the stream of Civil Law and later gained Substantial depth in Labour law providing professional legal services to companies including big corporates. He now heads M/s Thomas & Thomas, a promising and fast growing boutique Law Firm established in 2017 providing services in the streams of Labour Law, Civil Law, Cyber Law, Taxation Law, Alternate Dispute Resolution, Arbitration & Conciliation etc., He is not a Director in any other Public Limited Company. Sri. Benny P Thomas holds 2,500 Shares of the Bank as on March 31, 2023.

Familiarization Programme

The Bank had conducted various sessions during the financial year to familiarize the Independent Directors of the Bank, including various topics on Banking Industry, business model, Corporate Law, risk management system and Cyber Security. Further, the Directors are encouraged to attend the training programmes being organized by various regulators/ bodies/institutions on above matters. The details of such familiarization programmes are displayed on the weblink of the Bank. https://www.southindianbank.com/userfiles/file/disclosure_on_familiarisation_programme_for_independent_directors.pdf

Information supplied to the Board

The Board is regularly presented with all information under the following heads wherever applicable and materially significant. These are submitted either as a part of the agenda papers well in advance of the Board/Committee meetings or are tabled in course of the Board/Committee meetings. Video conferencing facility is provided to facilitate Directors to participate in the meetings. The members of the Board exercise due diligence in performance of their functions as Directors of the Bank and follow highest degree of business ethics, transparent practices and code of good governance amidst cordial environment.

The approval required/information provided to the Board shall include but not be limited to the following:

- 1 Approval of Bank's strategic and business plans and forecasts; periodical review of achievement of business targets, implementation of strategic initiatives and plans.
- 2 Approval of Annual operating plans and budgets including capital budgets and updates.
- 3 Detailed scrutiny and approval of quarterly and annual financial results
- 4 Status of NPA management and reported NPA and provisioning integrity
- 5 Preparation, modification, deviation and review of Policies of the Bank including policies concerning credit, operational, market and liquidity risks
- 6 Assessing the independence of the risk management function in the Bank. Consider the effectiveness of overall risk management framework in meeting sound corporate risk governance principles and identifying, managing and monitoring the key risks of the Bank.
- 7 Periodical assessment of Capital Adequacy.
- 8 Appointment or Removal of Board of Directors, Key Managerial Personnel, other senior managerial personnel one level below Board of Directors and Chief Information Officer, Chief Security Officer, Chief Risk Officer, Chief Compliance Officer.
- 9 Approval of remuneration, perks and perquisites for Directors including Managing Director, Chairman and other Directors, employees, incentive schemes for employees, promotion policies for employees, training and skill development of employees.
- 10 Review of priority sector lending; support to microfinance institutions, deposit mobilization from weaker sections; Financial Inclusion initiatives of the Bank etc.
- 11 Review of observations from the Risk Based Supervision by RBI and from the Long Form Audit Report.
- 12 Review of action taken report on Board Directions.
- 13 Sale of investments, assets, Purchase and Sale of subsidiaries which are material nature and not in the normal course of business and other key decisions pertaining to the Subsidiaries.
- 14 Constitution/re-constitution of Board Committees and review of minutes of meetings of audit committee and other committees of the board including Board minutes of Subsidiary Company.
- 15 Information and updates as appropriate on Bank's products; development of new products and review of status of customer complaints/grievances.
- 16 Recruitment/Manpower assessment/succession planning aligning with business strategy of the Bank.
- 17 According sanction for related party transactions which are not in the ordinary course of business or which are not on arm's length basis.
- 18 Recommendation of Dividend
- 19 Issue of Securities/Bonds/Debentures.
- 20 Review corporate and management controls and systems including procedures;

- 21 Items arising out of separate meeting of the Independent Directors if so decided by the Independent Directors.
- 22 Review/Approval of new tie up with exchange houses/ MTSS arrangements/ Correspondent banks.
- 23 Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- 24 Any material default in financial obligations by the Bank and non-compliance of any regulatory, statutory or listing requirements.
- 25 Review of Employee grievance redressal systems/ disciplinary proceedings against Officers/employees.
- 29 Staff accountability review in NPA accounts with GNPA of ₹ 25.00 crores and above (Quarterly).
- 27 Review of report on annual compliance risk assessment.
- 28 Review on quarterly certificate on compliance for RBI directions.
- 29 Show cause, demand, prosecution notices and penalty notices which are materially important. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Bank or taken an adverse view regarding another enterprise that can have negative implications on the Bank.
- 30 All agenda items required to be placed to the Board in compliance with Policies of the Bank and as directed by the Board from time to time.
- 31 Any other agenda items which are not specifically delegated by the Board to any other Committees/ sub-Committees.
- 32 Review of all reports as per the Calendar of Reviews stipulated by the RBI from time to time.
- 33 Delegation/modification of authority/power entrusted to the Board and change in Organisational structure of the Bank.
- 34 All relevant information for taking informed decisions in respect of matters brought before the Board.
- 35 Any other items/information, including the operations/other statements pertaining to the subsidiary Company, as may be prescribed under SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and by Reserve Bank of India.
- 36 Review the implementation of Environmental, Social and Governance (ESG) Framework of the Bank.

Board Meetings

A total of 13 Board Meetings were held during the period April 1, 2022 to March 31, 2023 and the dates are as under:

23.04.2022	12.05.2022	07.06.2022	12.07.2022
26.07.2022	30.08.2022	01.10.2022	20.10.2022
02.11.2022	07.12.2022	24.01.2023	01.03.2023
28.03.2023			

Committee position of Directors in the Bank as on March 31, 2023:

The name of each Committee with the name of its respective Chairman/Chairperson as on 31.03.2023 is furnished below:

Sr. No	Name of Committee	Chairperson
1.	Management Committee	Sri. Salim Gangadharan
2.	Audit Committee	Sri. M George Korah
3.	NPA Review Committee	Sri. Paul Antony
4.	Nomination & Remuneration Committee	Sri. V J Kurian
5.	Customer Service Committee	Smt. Radha unni
6.	Stakeholders Relationship Committee	Sri. V J Kurian
7.	Special Committee of Board for Monitoring and follow-up of Frauds	Sri. Murali Ramakrishnan
8.	Premises Committee	Sri. Benny P Thomas
9.	Risk Management Committee	Sri. R A Sankara Narayanan
10.	Information Technology Strategy Committee	Sri. Pradeep M Godbole
11.	Corporate Social Responsibility Committee	Sri. V J Kurian
12.	Capital Planning & Infusion Committee	Sri. Salim Gangadharan
13.	Committee of Independent Directors	

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- None of the Directors of the Bank were members in more than ten committees or act as chairperson of more than five committees across all listed entities in which She/he is a director.
- None of the Independent Directors of the Bank held directorship in more than seven Listed Companies.
- Whole Time Director of the Bank is not serving as an Independent Director in any other Listed Companies.
- None of the Directors of the Bank is related to any Director of the Bank.
- The independent directors fulfil the conditions specified in these regulations and are independent of the management.

Directorship of Directors in other Public Limited Companies and Listed entities as on March 31, 2023

Name of the Director	Name of the Company (Directorship in other Indian Public Limited Companies)	Category of Directorship	Name of Committees in other listed entities	Chairman/ Member in other listed entities
Sri. Murali Ramakrishnan	SIB Operations and Services Limited	Director	Nil	Nil
Sri. M George Korah	SIB Operation and Services Limited	Director	Nil	Nil
Sri. R A Sankara Narayanan	Centrum Wealth Limited	Independent director	Audit Committee	Member
	Centrum Capital Limited	Independent director	Board	Member
Sri. Paul Antony	Kerala State Industrial Development Corporation Ltd	Director	Nil	Nil
Smt. Radha Unni	Royal Sundaram General Insurance Co. Limited	Independent Director.	Stakeholders Relationship Committee	Member
	Nitta Gelatin India Limited	Independent Director.	Audit Committee	Member
	V-Guard Industries Limited	Independent Director.	Audit Committee	Member
	Western India Ply woods Limited	Independent Director.	Audit Committee	Member
	Axles India Ltd	Independent Director	Nil	Nil
	Wil Car Wheels Ltd	Independent Director	Nil	Nil

- No other Director holds Directorship in any other Public Limited Company.
- Chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee in listed entity alone are considered.

Directors and Officers Insurance:

The Bank had undertaken Directors and Officers insurance ('D and O Insurance') for all its Directors, including Independent Directors, for a quantum and risks as determined by the Board of Directors of the Bank.

2. BOARD COMMITTEES AND ITS TERMS OF REFERENCE

The Board has constituted various Committees of Directors to take informed decisions in the best interest of the Bank. These Committees monitor the activities falling within their terms of reference. Details on the role and composition of Board Committees, including the number of meeting held during the financial year and the related attendance are provided below.

(A) MANAGEMENT COMMITTEE

Management Committee of the Board has been constituted based on RBI guidelines vide its circular No. DBOD. No.BP. BC.96/21.03.038/2004-05 dated 10th June, 2005 essentially to sanction credit proposals beyond the powers of MD & CEO, Executive level Credit Committees and all other operational matters permitted by the Board from time to time.

The terms of reference of the committee inter-alia, include the following:

- 1 Consider all credit proposals, beyond the powers of Managing Director and Executive level Credit Committee(s) constituted by the Board.
- 2 OTS proposals within the discretionary powers of MC.
- 3 Ratification proposals of sanction made by Credit Committees and MD beyond its powers.
- 4 Review of Sanctions made by Credit Committees.
- 5 Review of MD's sanctions.
- 6 Review of Food Credit – Monthly disbursement (Monthly).
- 7 Monthly recovery in NPA accounts.
- 8 Review of the order of Committee for identification of Wilful Defaulters.
- 9 Review of the order of Committee for identification of non-cooperative borrowers of the Bank.
- 10 Quarterly review of OTS/Write Off/Remission allowed by various functionaries of the Bank and status report of OTS sanctioned by MCB during the last 1 year.
- 11 Status report on OTS sanctioned by MCB during last one year (Quarterly).
- 12 Review of Quick Mortality account of ₹ 1.00 crore and above and Staff accountability review in NPA accounts with GNPA of 5.00 crores to less than 25.00 crores (Quarterly).
- 13 Documents time barred/getting time barred (Quarterly).
- 14 Concessions given by MD & CEO in MC Sanctions and review of MD & CEO sanctions by MC (Quarterly).
- 15 Overdue Credit Proposal over 3 months, falling within the power of MC (Quarterly).
- 16 Review of Performance under Annual Credit Plan (ACP) (Half yearly).
- 17 Review of Advances granted to SC/ST under Priority Sector (Half yearly).
- 18 Quarterly review of Legal action waiver sanctioned under MD & CEO's power
- 19 Sanction to bid the property in court auction above the decretal dues.
- 20 Enhancement of the prudential individual exposure limit.
- 21 Miscellaneous items not requiring the approval of the Board.
- 22 Periodically review the large corporate loans and advances appearing in SMA lists.
- 23 Review of all reports as per the calendar of reviews stipulated by the RBI from time to time.
- 24 Any other items which may be permitted by the Board from time to time.
- 25 Payment of compensation in consumer cases (above ₹ 1,00,000/-).
- 26 Acquisition of Fixed Assets. (Non-IT related)
- 27 Awarding of Contracts/Appointment of Architects and Engineers for building construction/renovation etc. where the expenditure exceeds the delegated powers.
- 28 For incurring any Revenue or Capital Expenditure pertaining to the dept. in excess of the delegated powers.
- 29 Ratification Note for exceeding of various limits fixed as per Forex Policy.
- 30 Equity Trading (Monthly).
- 31 Investment in Equity shares in the secondary market.
- 32 Statement of Structural Liquidity & Statement of Interest Rate Sensitivity (Monthly).
- 33 Prob. Impact of rise in yields on market value of Central Government Securities & Trading Book Investments (Monthly).
- 34 Report on Country Risk (Monthly).

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| <p>35 Report of VaR of Central Government Securities in AFS & HFT category (Trading Book) & of Currencies (Monthly).</p> <p>36 Exposure Monitoring (Monthly).</p> <p>37 Monitoring of excess CRR (Quarterly).</p> <p>38 Review of Debit/Credit/Travel Cards (Half yearly).</p> <p>39 Review of performance of MasterCard debit card operations (Quarterly).</p> <p>40 Fresh purchases, AMC (Annual Maintenance Contract) and other IT related expenses – beyond the delegated powers of HO Executives.</p> | <p>41 Region-wise fund Position (Fortnightly).</p> <p>42 Issue of duplicate share certificates in Lieu of original Share Certificates Lost/Misplaced.</p> <p>43 Selection of centers for opening of new branches as part of branch expansion plan.</p> <p>44 Miscellaneous items not requiring the approval of the Board.</p> <p>45 Any other items which may be required to be placed as per the Policy of the Bank and as may be permitted by the Board/Committee from time to time.</p> |
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The Composition and details of the meetings of the Management Committee of Directors attended by the Members during the financial year 2022-23, are given below:

Name of the Director	Chairperson/Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri Salim Gangadharan	Chairperson	Non-Executive Independent director	14	14
Sri. Murali Ramakrishnan	Member	Managing Director	14	14
Sri Pradeep M Godbole	Member	Non-Executive Independent director	14	14
Sri. Paul Antony	Member	Non-Executive Non-Independent director	14	14
Sri. R A Sankara Narayanan	Member	Non-Executive Independent director	14	14
Smt. Radha Unni	Member	Non-Executive Independent director	14	14

A total of 14 meetings were held during the period. The dates of meetings were :

29.04.2022	26.05.2022	23.06.2022	19.07.2022	11.08.2022
05.09.2022	26.09.2022	25.10.2022	24.11.2022	22.12.2022
19.01.2023	14.02.2023	08.03.2023	27.03.2023	

(B) AUDIT COMMITTEE

The Audit Committee of the Board is chaired by Sri. M George Korah, Independent Director, who is a Chartered Accountant. The other members of the committee as on March 31, 2023 are, Sri. Pradeep M Godbole, Sri. R A Sankara Narayanan and Smt. Radha Unni. All the members of the Audit Committee are Independent Directors.

The terms of reference of Audit Committee, harmonized with the provisions of Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Companies Act, 2013, and the responsibilities enjoined upon by the RBI, inter-alia includes the following;

- 1 Oversight of the Bank’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, adequate and credible.
- 2 Recommending to the Board, the appointment, reappointment and terms of appointment of auditors or, if required, the replacement of the statutory

- auditor together with the fixation of audit fees and approval of payment for any other services rendered by the statutory auditors.
- 3 Review and monitor the auditor's independence and performance, and effectiveness of audit process.
 - 4 Reviewing, with management the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report;
 - 5 Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 - 6 Valuation of undertakings or assets of the company, wherever it is necessary.
 - 7 Review, with the management, the quarterly financial statements before submission to the Board for approval.
 - 8 Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - 9 Review Management letters/letters of internal control weaknesses issued by the statutory auditors.
 - 10 Review of quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) & Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
 - 11 Evaluation of Internal Financial Controls and Risk Management System including reviewing the adequacy of the Audit and Compliance functions, including their policies, procedures, techniques and other regulatory requirements.
 - 12 Review, as far as the situation necessitates all other finding in the audit reports (along with brief details of special reports) including Risk based internal Audit Reports, Credit audit reports, management audit reports of head office departments and regional offices, concurrent audit reports, surprise inspection reports and gold asset verification reports.
 - 13 Monitoring the end use of funds raised through public offers and related matters.
 - 14 Review with the management, the financial statement, review and monitor the performance of statutory and internal auditors, adequacy of the internal control systems.
 - 15 Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit and discussion with internal auditors of any significant findings and follow up there on.
 - 16 Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - 17 Management discussion and analysis of financial condition and results of operations.
 - 18 Internal audit reports relating to internal control weaknesses; and the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

- 19 To review the functioning of the whistle blower mechanism;
- 20 Approval or any subsequent modification of transactions of the company with related parties and review of statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 21 Review Ind AS Pro-forma Financial Statements.
- 22 Opening of internal office accounts/GL opened during the quarter.
- 23 Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 24 Scrutiny of inter-corporate loans and investments.
- 25 Recommend the appointment of Chief Financial Officer, Chief Risk Officer, Chief Compliance Officer and Head of Internal audit and Chief of internal Vigilance Officer, after assessing the qualifications, experience and background etc. of the candidate.
- 26 Review of report on annual compliance risk assessment.
- 27 Risk Assessment Report (RAR) and its periodic compliance status reviews.
- 28 Review of all reports as per the calendar of reviews stipulated by the RBI from time to time.
- 29 Any show cause, demand and prosecution notice and penalty notices issued by any Govt./Quasi Govt./regulatory authority with its implication and action taken.
- 30 Any other terms of reference as may be included from time to time in SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and by Reserve Bank of India.
- 31 Any other items which may be required to be placed to the Audit Committee as per the Policy of the Bank and as may be permitted by the Board/Committee from time to time.
- 32 Monitoring the Concurrent Audit function and internal audit of all outsourced activities.
- 33 Recommending to the Board, the appointment, reappointment and terms of appointment of secretarial auditors or, if required, the replacement of the secretarial auditor together with the fixation of audit fees and yearly review of secretarial audit report.
- 34 Approval/review of the financial statements, investments and other information pertaining the Subsidiary Company as prescribed under SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and by Reserve Bank of India.
- 35 Valuation of undertakings or assets of the Bank, wherever it is necessary;
- 36 To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- 37 To investigate into any matter in relation to the items specified in terms of reference or referred to it by the Board and for this purpose the Committee has power to obtain professional advice from external sources.
- 38 Review the performance of Chief Compliance Officer and Head of Internal audit and Chief of internal Vigilance Officer.

The Composition and details of the meetings of the Audit Committee of Directors attended by the Members during the financial year 2022-23, are given below:

Name of the Director	Chairperson/Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. M George Korah	Chairperson	Independent Non- Executive Director	13	13
Sri. Pradeep M Godbole	Member	Independent Non-Executive Director	13	13

Name of the Director	Chairperson/Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. R A Sankara Narayanan	Member	Independent Non- Executive Director	13	13
Smt. Radha Unni	Member	Independent Non- Executive Director	13	13

The Committee met 13 times during the period. The dates of meetings were:

11.04.2022	12.05.2022	27.05.2022	24.06.2022	26.07.2022
22.08.2022	27.09.2022	20.10.2022	29.11.2022	28.12.2022
24.01.2023	17.02.2023	22.03.2023		

(C) NOMINATION & REMUNERATION COMMITTEE

Vide Board Resolution SEC/S-104/15-16 on July 15, 2015 the Nomination Committee and Compensation & Remuneration Committee of the Board were merged and constituted Nomination & Remuneration Committee with comprehensive terms of reference of both the Committees to take care of the nomination of Directors, KMP, performance evaluation criteria for independent directors, to oversee the framing, review and implementation of compensation policy of the Bank on behalf of the board and remuneration related matters of the Directors, KMPs and Employees, etc. The Committee is chaired by Sri. V J Kurian, Non-Executive Independent Director. The other Members of the Committee as on March 31, 2023 are Sri. Salim Gangadharan and Sri. M George Korah. The Terms of reference of the Committee are harmonized with the provisions of Companies Act, 2013/AS-15, SEBI (LODR) Regulations, 2015/Banking Regulation Act and other RBI Guidelines, which inter-alia, includes the following:

- 1 Scrutinizing the declarations received from persons to be appointed as Directors as well as from the existing Directors seeking re-appointment and to decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors and make references to the appropriate authority/persons to ensure compliance with the requirements indicated by Reserve Bank of India vide their directive dated May 23, 2011 and March 31, 2020 on Fit & Proper Criteria of the Banks.
- 2 Recommend to the Board for its consideration and approval on the size and composition of the Board taking into account the available and needed diversity

and balance in terms of experience, knowledge, skills and judgment of the Directors.

- 3 To devise a Succession Planning Policy for the Board and Senior Management.
- 4 To formulate a Nomination policy of the Board to guide the Board in relation to appointment/re-appointment/removal of Directors.
- 5 To identify persons who are qualified to become Directors/ KMPs and who may be appointed in senior management as defined in the Succession Policy in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- 6 To formulate the criteria for evaluation of Independent Directors and the Board/Committees.
- 7 To devise a policy on Board diversity.
- 8 To carry out any other function as mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- 9 To perform such other functions as may be necessary or appropriate for the performance of its duties.
- 10 To oversee the framing, review and implementation of Bank's overall compensation structure and related policies on remuneration packages payable to the WTDs/MD & CEO and other staff including performance linked incentives, perquisites, Stock option scheme etc. with a view to attracting, motivating and retaining employees and review compensation levels vis-a-vis other Banks and the industry in general.

- 11 The Committee shall work in close coordination with the Risk Management Committee of the Bank, in order to achieve effective alignment between remuneration and risks. The Committee will also ensure that the cost/income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.
- 12 With respect to the variable pay, both cash and non-cash Performance Linked Incentive Schemes, the Committee is empowered to:
 - a) Draw up terms and conditions and approve the changes, if any, to the Performance Linked Incentive schemes;
 - b) Moderate the scheme on an ongoing basis depending upon the circumstances and link the same with the recommendations of Audit Committee;
 - c) Coordinate the progress of growth of business vis -a- vis the business parameters laid down by the Board and Audit Committee and effect such improvements in the scheme as are considered necessary;
 - d) On completion of the year, finalize the criteria of allotment of marks to ensure objectivity/equity.
 - e) To identify Material Risk Takers (MRTs) as per the recommendations made by MD & CEO and to fix variable pay and other terms of payment including component (Cash and non-cash), deferment and divergence clause in line with compensation policy and other RBI guidelines and other policies and guidelines of the bank.
- 13 The Committee shall also function as the Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and is empowered to formulate detailed terms and conditions of the Scheme, administer, supervise the same and to allot shares in compliance with the guidelines and other applicable laws.
- 14 To obtain necessary clearances and approvals from regulatory authorities, appoint Merchant Bankers and do such other things as may be necessary in respect of the Employees Stock Option Scheme.
- 15 To oversee the administration of Employee benefits, such as Provident Fund, Pension Fund, Gratuity, Compensation for absence on Privilege/Sick/Casual Leave etc., which are recognized in accordance with Accounting Standard-15 (revised) specified in the Companies (Accounting Standards) Rules, 2006.
- 16 The Committee may suggest amendments to any stock option plans or incentive plans, provided that all amendments to such plans shall be subject to consideration and approval of the Board.
- 17 Any other matters regarding remuneration to WTDs/ MD & CEO and other staffs of the Bank as and when permitted by the Board.
- 18 To conduct the annual review of the Compensation Policy.
- 19 To fulfil such other powers and duties as may be delegated to it by the Board.
- 20 To review HR Strategy aligning with business strategy of the Bank.
- 21 To review the skill gaps and talent pool creation.
- 22 To do any other matters regarding remuneration to whole-time directors/ non-executive directors /part-time chairman, Chief Executive Officers / Material Risk Takers (MRTs) and employees (risk control and compliance staff and all other categories of staff) of the Bank including signing/ joining bonus occurring in the context of hiring new staff and be limited to first year, in the form of share-linked instruments only, as and when permitted by the Board. Such bonus will neither be considered part of fixed pay nor part of variable pay.

The Composition and details of the meetings of Nomination & Remuneration Committee of Directors attended by the Members during the financial year 2022-23, are given below:

Name of the Director	Chairperson/Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. V J Kurian	Chairperson	Non-Executive Independent director	10	10
Sri. Salim Gangadharan	Member	Non-Executive Independent director	10	10
Sri. Parayil George John Tharakan *	Member	Non-Executive Independent director	5	5
Sri. M George Korah	Member	Non-Executive Independent director	10	10

*Ceased to be a member w.e.f 24.11.2022

The Nomination and Remuneration Committee met 10 times during the period. The dates of meetings were:

22.04.2022	10.05.2022	04.06.2022	19.07.2022	29.08.2022
30.11.2022	30.12.2022	21.01.2023	28.02.2023	27.03.2023

D) NPA REVIEW COMMITTEE

This Committee has been constituted to review all NPA Accounts above ₹ 15.00 crore. The Committee meets once in a quarter. The Committee is chaired by Sri. Paul Antony and consists of Sri. Murali Ramakrishnan, Sri. M George Korah, Sri. R A Sankara Narayanan, Sri Benny P Thomas and Smt. Radha Unni, as members as on March 31, 2023.

The terms of reference of the committee inter-alia, include the following:

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|---|---|---|---|
| 1 | Quarterly Review of NPA Position of the Bank. | 2 | Quarterly Review of NPA accounts with balance ₹ 15.00 crore and above and NPAs with balance ₹ 5.00 crore and above. |
| 3 | | 3 | Status report on recovery Position/details of structured meeting held with ARC's in NPAs sold to Asset Reconstruction Company's (ARCs), where Bank had invested in Security Receipts (SRs) backed by the stressed assets sold on quarterly basis. |
| 4 | | 4 | Recommending to Board of Directors for approving Loan Recovery Policy of the Bank. |
| 5 | | 5 | Quarterly Review of top 100 NPA accounts below ₹ 15.00 crore (SS/Doubtful/Loss) (25 each quarter) |

The Composition and details of the meetings of NPA Review Committee of Directors attended by the Members during the financial year 2022-23, are given below:

Name of the Director	Chairperson/Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. Paul Antony	Chairperson	Non-Executive Non-Independent director	4	4
Sri. Murali Ramakrishnan	Member	Managing Director	4	4
Sri. M. George Korah	Member	Non-Executive Independent director	4	4
Sri. R A Sankara Narayanan	Member	Non-Executive Independent director	4	4

Name of the Director	Chairperson/Member	Category	No. of Meetings	
			Held during the tenure	Attended
Smt. Radha Unni	Member	Non-Executive Independent director	4	4
Sri. Benny P Thomas	Member	Non-Executive Non-Independent director	4	4

The NPA Review Committee met 4 times during the period. The dates of meetings were:

21.05.2022 20.08.2022 01.11.2022 20.02.2023

(E) CUSTOMER SERVICE COMMITTEE

The Committee is entrusted with the responsibility of monitoring the quality of services rendered to the customers and also ensuring implementation of directives received from RBI in this regard. The terms of reference of the Committee inter-alia, are to formulate comprehensive deposit policy incorporating the issues arising out of death of a depositor for operations of his account, the product approval process and any other issues having a bearing on the quality of customer services rendered. The Committee is chaired by Smt. Radha Unni and consists of Sri. Murali Ramakrishnan, Sri. Paul Antony and Sri. Pradeep M Godbole as members as on March 31, 2023.

Besides, in accordance with RBI guidelines, the Bank has been inviting special invitees, representing the customers of the Bank and/or expert in customer services, with a view to strengthen the corporate governance structure in the banking system and also to bring about ongoing improvements in the quality of customer services provided by the Bank.

The Terms of Reference of The Committee Inter-Alia, Include The Following:

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| <p>1 Review & recommend to the Board various policies which inter-alia includes:</p> <p>a) Any new policy formulated with regard to customer service as and when directed by the Board.</p> <p>b) Bank's policies on Deposits, Grievance Redressal, Cheque Collection, Dishonour of cheque, Customer Education, Rights, Compensation & Protection.</p> <p>2 Review & Recommend to the Board, Policy on New Product / Procedure Approval Process.</p> | <p>3 To review performance of Branch Level Customer Service Committee (BLCSC).</p> <p>4 Reviewing the metrics and indicators that provide information on the state of customer services in the Bank;</p> <p>5 Reviewing the action taken/being taken by the Bank to standardize the delivery of customer experience across all branches.</p> <p>6 Providing inputs on the products introduced by the Bank with a view to ensure suitability and appropriateness.</p> <p>7 Monitoring the implementation of the Integrated Ombudsman Scheme with particular reference to:</p> <ul style="list-style-type: none"> • Reviewing all the awards against the Bank with a focus on identifying issues of systemic deficiencies and the Bank's plan to address these deficiencies. • Reviewing all awards that remain unimplemented after 3 months from the date of the award with the reasons thereof; to report to the Board such delays in implementation without valid reasons and for initiating remedial action. <p>8 Monitoring the activities of the Standing Committee on Customer Service (executive level committee) on a quarterly basis.</p> <p>9 To review the business transacted through E-commerce/M commerce aggregators.</p> <p>10 To review of downtime of all digital channels for the quarter.</p> <p>11 To ensure implementation of the directives issued by the RBI, from time to time, with respect to rendering services to customers of the Bank.</p> |
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- 12 Status/action taken report on the observations of the earlier Committee meetings.
- 13 To review cases of dispute between the Bank and Internal Ombudsman where the final decision is taken by MD & CEO.
- 14 Review the performance / functioning of Office of Internal Ombudsman on a quarterly basis.

The Composition and details of the meetings of Customer Service Committee of Directors attended by the Members during the financial year 2022-23, are given below.

Name of the Director	Chairperson/Member	Category	No. of Meetings	
			Held during the tenure	Attended
Smt. Radha Unni	Chairperson	Non-Executive Independent director	4	4
Sri. Murali Ramakrishnan	Member	Managing Director	4	4
Sri. Pradeep M Godbole	Member	Non-Executive Independent director	4	4
Sri. Paul Antony	Member	Non-Executive Non-Independent director	4	4

The Customer Service Committee met 4 times during the period. The dates of meetings were:

24.06.2022	17.09.2022	06.12.2022	22.03.2023
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(F) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee looks into redressal of the complaints from shareholders and investors, like transfer of Shares, non-receipt of Annual Reports, non-receipt of declared dividends etc. The Committee also ratifies share transfers/ transmission/name deletion cases etc. from time to time. Sri. Jimmy Mathew, Company Secretary is designated as the Compliance Officer. The members of the Committee consists of Sri. V J Kurian, Non-Executive Independent Director as Chairman, Sri. Murali Ramakrishnan and Sri. Benny P Thomas as members as on March 31, 2023.

The Committee looks into the mechanism of redressal of grievances/complaints from shareholders, debenture holders and other security holders.

The terms of reference of the committee inter-alia, include the following:

- 1 Review, the complaints received from shareholders or other security holders regarding transfer/transmission of shares, non-receipt of declared dividends, non-receipt of annual accounts or reports, or other matters relating to shareholding in the Bank, and the action taken by the Bank on such complaints, issue of new/ duplicate share certificates and general meetings.
- 2 To ratify the Transfer/Transmission, Name Change/ Correction, Status change, Residential status change, Rematerialisation, Issue of Duplicate Share certificates, Nominations Registered, Splitting/ Consolidation of Folios etc. from time to time.
- 3 To oversee and review all matters connected with transfers, transmissions, dematerialization, rematerialisation, splitting and consolidation of securities issued by the Bank and issue of duplicate share certificates.
- 4 To review the changes in Top 100 shareholders of the Bank.
- 5 To review the report on reconciliation of Share Capital and Compliance certificate issued under Regulation 40 of SEBI Regulations, 2015 by Practicing Company Secretary.
- 6 Review of measures taken for effective exercise of voting rights by the shareholders.
- 7 Review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 8 Review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed

dividends and ensuring timely receipt of dividend warrants/ Annual Reports/statutory notices by the shareholders of the company.

- 9 Review of measures taken for effective exercise of voting rights by the shareholders.
- 10 Any other agenda items as may be included from time to time in compliance with SEBI (LODR) Regulations, 2015/ Companies Act, 2013.

Sl No	Items	No of Complaints			
		Pending at the beginning of the period	Received during the period	Redressed during the period	Pending at the end of the period
01	Non-receipt of Refund Order/ Allotment credits	0	0	0	0
02	Non-receipt of Dividend Warrants	0	41	41	0
03	Request for issue of duplicate share certificate	0	78	78	0
04	Complaints received from BSE/NSE/ SEBI/ROC	0	5	5	0
05	Other Miscellaneous Complaints (including non- receipt of split share certificate)	1	6	6	1
06	Non-receipt of share certificate after transfer	0	0	0	0
	Total	1	130	130	1

The Composition and details of the meetings of Stakeholders Relationship Committee of Directors attended by the Members during the Financial year 2022-23, are given below:

Name of the Director	Chairperson/Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. V J Kurian	Chairperson	Non-Executive Independent Director	4	4
Sri. Murali Ramakrishnan	Member	Managing Director	4	4
Sri. Benny P Thomas	Member	Non-Executive Non-Independent director	4	4
Sri. Parayil George John Tharakan*	Member	Non-Executive Independent Director	3	3

*Ceased to be a member w.e.f 24.11.2022

The Stakeholders Relationship Committee met 4 times during the period on:

18.06.2022 17.09.2022 16.11.2022 28.02.2023

(G) SPECIAL COMMITTEE FOR MONITORING AND FOLLOW UP OF FRAUDS

In terms of Reserve Bank of India guidelines, this committee has been constituted by the Bank with a view to provide focused attention on preventing and monitoring of frauds involving amounts of Rupees One crore and above. The Committee is chaired by Sri. Murali Ramakrishnan and consists of Sri. Salim Gangadharan, Sri. M George Korah Sri. R A Sankara Narayanan and Sri. Pradeep M Godbole as members of the Committee as on March 31, 2023.

The terms of reference of the committee inter-alia, include the following:

In terms of Reserve Bank of India guidelines, this committee has been constituted by the Bank with a view to provide focused attention on preventing and monitoring of frauds involving amounts of Rupees One crore and above so as to:

- 1 Identify the systemic lacunae if any that facilitated perpetration of the fraud and put in place measures to plug the same.
- 2 Identify the reasons for delay in detection, if any, reporting to the top management of the Bank and RBI.
- 3 Monitor the progress of Investigation and recovery position.
- 4 Ensure that the staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly and without loss of time.
- 5 Review the efficacy of remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls and preventive measures.
- 6 Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.
- 7 Status/action taken report on the observations of the earlier Committee meeting.

The Composition and details of the meetings of Special Committee for Monitoring and follow-up of Frauds in the Bank attended by the Members during the financial year 2022-23, are given below

Name of the Director	Chairperson/Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. Murali Ramakrishnan	Chairperson	Managing Director	5	5
Sri. Salim Gangadharan	Member	Non-Executive Independent director	5	5
Sri. Pradeep M Godbole*	Member	Non-Executive Independent director	2	2
Sri. M. George Korah	Member	Non-Executive Independent director	5	5
Sri. R A Sankara Narayanan	Member	Non-Executive Independent director	5	5
Sri. Parayil George John Tharakan**	Member	Non-Executive Independent director	3	3

* Inducted to the Committee w.e.f. 25.11.2022

** Ceased to be a member w.e.f. 24.11.2022

The Special Committee for Monitoring and follow-up of Frauds met 5 times during the period. The dates of meetings were:

23.06.2022	18.08.2022	26.09.2022	28.12.2022	16.02.2023
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(H) PREMISES COMMITTEE

A Premises Committee was constituted by the Board of Directors at its meeting held on December 28, 2007 to oversee and monitor the improvements to the Head Office building and a new Data Centre Building at Rajagiri Valley, Kakkanad, Kochi and thereafter the scope of the committee has been revised from time to time. The Committee consists of Sri. Benny P Thomas as Chairman, Sri. Murali Ramakrishnan, Sri. V J Kurian and Sri. Paul Antony as members as on March 31, 2023.

The terms of reference of the committee inter-alia, include the following:

- 1 Status/action taken report on the observations of the earlier Premises Committee.

2. Oversee and monitor the improvements to the Head Office building and Bank's other own buildings.
3. Approving & recommending Budgets for acquisition/modification of new premises, calling tenders from reputed architects and contractors, scrutinizing, short-listing and negotiating their site plans, estimates, finalizing their appointment, fees & other terms and conditions and monitoring the progress of the project.
4. Acquiring/Purchase of properties for the Bank.
5. Review of status on new building projects

The Composition and details of the meetings of Premises Committee of Directors attended by the Members during the financial year 2022-23, are given below:

Name of the Director	Chairperson/Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. Benny P Thomas	Chairperson	Non-Executive Non-Independent director	4	4
Sri. Murali Ramakrishnan	Member	Managing Director	4	4
Sri. V J Kurian	Member	Non-Executive Independent director	4	4
Sri. Paul Antony	Member	Non-Executive Non-Independent director	4	4

The Premises Committee met 4 times during the financial year. The dates of meetings were:

18.06.2022	17.09.2022	16.11.2022	28.02.2023
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(I) RISK MANAGEMENT COMMITTEE

In terms of the guidelines of Reserve Bank of India on the Asset Liability Management/Risk Management Systems, a Risk Management Committee of Board has been constituted. The members of the committee as on March 31, 2023 are Sri. R A Sankara Narayanan Independent Director - Chairman, Sri. Salim Gangadharan, Sri. Murali Ramakrishnan, Sri. M George Korah and Sri. V J Kurian. The Risk Management Committee shall approve the policy, strategy and methods for risk management, by evaluating the overall risks faced by the Bank in determining the acceptable level of risks.

The terms of reference of the committee inter-alia, include the following:

In terms of the guidelines of Reserve Bank of India on the Asset Liability Management/Risk Management Systems, a Risk Management Committee of Board has been constituted.

The Risk Management Committee shall approve the policy, strategy and methods for risk management, by evaluating the overall risks faced by the Bank in determining the acceptable level of risks. The committee inter-alia looks into the following aspects:

1. Review and recommend on a regular basis the risk management policies including policies concerning credit risk, market risk, and operational risk and also the Business Continuity Policy/Plan and monitor & oversee implementation of the risk management framework, policy, including evaluating the adequacy of risk management systems, which shall include;
 - (a) A framework for identification of internal and external risks specifically faced by the Bank, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
2. Recommend risk management governance structure of the Bank and deciding the allocation of resources.
3. Define the risk appetite framework of the Bank and periodic review of the same.
4. Approve the vendors for risk data warehouse and other risk management software requirements.

- 5 Approve revisions in existing systems and policies to address risk management requirements and good practices.
- 6 Consider the effectiveness of overall risk management framework in meeting sound corporate governance principles and identifying, managing and monitoring the key risks of the Bank.
- 7 Oversee and monitor the Bank's compliance with regulatory requirements.
- 8 Approve delegation of risk limits to management and approve any transactions exceeding those delegated authorities.
- 9 Review risk mitigation plans on significant risks, which affects policy or procedure level changes for effective implementation.
- 10 To review the direction of various risks attributable to the Bank based on an analytical model articulated by RBI.
- 11 Oversee functions of Credit Risk Management Committee (CRMC), Market Risk Management Committee (MRMC), Asset Liability Management Committee (ALCO) and Operational Risk Management Committee (ORMC).
- 12 Reviewing and approving the Internal Capital Adequacy Assessment Process.
- 13 Reinforce the culture and awareness of risk management throughout the organization that would attach high priority on effective risk management and adherence to sound internal controls.
- 14 Status/action taken report on the observations of the earlier Committee meeting.
- 15 Risk associated with outsourced activities of the Bank.
- 16 Review of Cyber Risk.
- 17 Monitoring of Liquidity Risk Parameters.
- 18 Review of Stress Testing.
- 19 Discussion with CRO for ensuring independence of risk functions.
- 20 Ensure robustness and effectiveness of financial / rating models and their appraisal systems for assessing various risks faced by the Bank.
- 21 Decide/approve adoption of technology/ appropriate and adequate MIS system needed for risk management.
- 22 Reinforce the culture and awareness of risk management throughout the organization that would attach high priority on effective risk management and adherence to sound internal controls.
- 23 To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Bank.
- 24 To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- 25 The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee.
- 26 The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.
- 27 Review and recommend all credit and treasury policies to Board for approval.
- 28 Any other agenda items required to be placed to RMCB in compliance with the SEBI LODR, RBI Guidelines, policies of the Bank and as directed by the Board/RMC from time to time.

The Composition and details of the meetings of Risk Management Committee of Directors attended by the Members during the financial year 2022-23, are given below:

Name of the Director	Chairperson/Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. R A Sankara Narayanan	Chairperson	Non-Executive Independent director	5	5
Sri. Salim Gangadharan	Member	Non-Executive Independent director	5	5
Sri. Murali Ramakrishnan	Member	Managing Director	5	5

Name of the Director	Chairperson/Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. V J Kurian	Member	Non-Executive Independent director	5	5
Sri. M. George Korah	Member	Non-Executive Independent director	5	5

The Risk Management Committee met 5 times during the period. The dates of meetings were:

10.06.2022	13.09.2022	06.12.2022	16.02.2023	24.03.2023
(J) INFORMATION TECHNOLOGY STRATEGY COMMITTEE This committee has been constituted w.e.f. March 2, 2010 to suggest improvement and monitor the implementation of modern technology in the Bank. In compliance with Gopalakrishna Committee report contained in RBI circular RBI/2010-11/494 DBS:CO:ITC:BC. No.6/31.02.008/2010-11 dated 29.04.2011 the name of the Information Technology Committee has been changed as "Information Technology Strategy Committee" w.e.f. 28.11.2012. The Committee is chaired by Sri Pradeep M Godbole and consists of, Sri. Salim Gangadharan, Sri. Murali Ramakrishnan, Sri. M George Korah and Sri. Paul Antony as members as on March 31, 2023. The terms of reference of the committee inter-alia, include the following:			7	Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.
1 Suggest improvement and monitor the implementation of modern technology in the Bank.			8	Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
2 Approving IT strategy and policy documents.			9	Ensuring proper balance of IT investments for sustaining Bank's growth.
3 Ensuring that the management has put an effective strategic planning process in place.			10	Make aware about exposure towards IT risks and controls, and evaluating effectiveness of management's monitoring of IT risks.
4 Ensuring that the IT strategy is indeed aligned with business strategy.			11	Assessing Senior Management's performance in implementing IT strategies.
5 Ensuring that the IT organizational structure complements the business model and its direction.			12	Issuing high-level policy guidance (e.g.: related to risk, funding, or sourcing tasks).
6 Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.			13	Confirming whether IT or business architecture is to be designed, so as to derive the maximum business value from IT.
			14	Overseeing the aggregate funding of IT at a bank-level, and ascertaining if the management has resources to ensure the proper management of IT risks.
			15	Reviewing IT performance measurement and contribution of IT to businesses (i.e. delivering the promised value).
			16	Any other terms of reference as may be included from time to time by the Board or in compliance with RBI Guidelines.

The Composition and details of the meetings of Information Technology Strategy Committee of Directors attended by the Members during the financial year 2022-23, are given below:

Name of the Director	Chairperson/Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. Pradeep M Godbole	Chairperson	Non-Executive Independent director	5	5
Sri. Salim Gangadharan	Member	Non-Executive Independent director	5	5
Sri. Murali Ramakrishnan	Member	Managing Director	5	5
Sri. M. George Korah	Member	Non-Executive Independent director	5	5
Sri. Paul Antony	Member	Non-Executive Non-Independent director	5	5

The IT Strategy Committee met 5 times during the financial year. The dates of meetings are:

21.05.2022 10.08.2022 14.10.2022 17.01.2023 28.02.2023

(K) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013 and the rules and admissible activities notified therein by Ministry of Corporate Affairs in February 2014, the Bank is required to constitute a Corporate Social Responsibility Committee of Board to formulate Corporate Social Responsibility Policy and to oversee the implementation of CSR activities undertaken by the Bank. As provided in the Act and pursuant to the same, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee.

The terms of reference of the Committee, inter-alia, include the following:

- 1 Articulate and recommend to the Board, a Corporate Social Responsibility Policy which should stipulate the scope of activities to be undertaken by the Bank as specified in Schedule VII to the Companies Act, 2013. Schedule VII includes the following items:
 - (i) Eradicating hunger, poverty and malnutrition, [“promoting health care including preventive health care”] and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.
 - (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women,

elderly and the differently abled and livelihood enhancement projects.

- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents, [Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];
- (vii) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.

- (viii) Contribution to the Prime Minister's National Relief Fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PMCARES Fund)] or any other fund setup by the central govt. for socioeconomic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (x) Rural development projects.
- (xi) Slum area development.
- as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- (xii) Disaster management, including relief, rehabilitation and reconstruction activities.
- 2 Sanction of CSR proposals from ₹ 25.00 lakhs to ₹ 50.00 lakhs which are evaluated and recommended by SIB Foundation and vetted by CFO. To evaluate and recommend to the Board for sanctioning CSR proposals above ₹ 50.00 lakhs which are evaluated and forwarded by SIB Foundation and vetted by CFO. To review the CSR sanctions up to ₹ 25 lakh. To evaluate and recommend to the Board to modify/ amend/cancel the ongoing projects
 - 3 Monitor and update, as and when warranted, the Corporate Social Responsibility Policy of the company from time to time.
 - 4 To recommend to the Board any other activities/ programmes/projects, which may be specified by the regulatory authorities from time to time.
 - 5 Ensure that the activities which are included in Corporate Social Responsibility Policy of the Bank are undertaken by the Bank.
 - 6 Provide inputs, on an ongoing basis, to the formulation of strategic objectives and tactical plans that would help ensure the Bank is able to fulfil its corporate social responsibilities in a responsible and effective manner.
 - 7 Overseeing Environmental, Social and Governance (ESG) Reporting and review of various activities of the Bank under the prescribed ESG Framework.
 - 8 Review of Annual Action Plan and Fund utilization certificate issued by CFO.

Explanation. - For the purposes of this item, the term 'slum area' shall mean any area declared

The Composition and details of the meetings of Corporate Social Responsibility Committee of Directors attended by the Members during the financial year 2022-23, are given below

Name of the Director	Chairperson/Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. V J Kurian	Chairperson/Member*	Non-Executive Independent director	4	4
Sri. Murali Ramakrishnan	Member	Managing Director	4	4
Sri. Benny P Thomas	Member	Non-Executive Non-Independent director	4	4

Name of the Director	Chairperson/Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. Parayil George john Tharakan **	Chairperson	Non-Executive Independent director	3	3

*Appointed as Chairperson of the Committee w.e.f 25.11.2022

** Ceased to be a member w.e.f 24.11.2022

The Corporate Social Responsibility Committee met 4 times during the financial year. The dates of meetings were:

18.06.2022 17.09.2022 16.11.2022 28.02.2023

(L) CAPITAL PLANNING AND INFUSION COMMITTEE

The Bank had constituted one special purpose committee viz. Capital Planning & Infusion Committee. The Capital Planning & Infusion Committee was formed on May 28, 2014 to analyse various options for infusion of Capital and to do all acts and things and to take all decisions pertaining to the issue and which are ancillary and incidental to such decisions including the short-listing/ appointment of Merchant Bankers to the issue.

The Composition and details of the meetings of Capital Planning & Infusion Committee of Directors attended by the Members during the financial year 2022-23, are given below:

Name of the Director	Chairperson/Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. Salim Gangadharan	Chairperson	Non-Executive Independent director	2	2
Sri. Murali Ramakrishnan	Member	Managing Director	2	2
Sri. V J Kurian	Member	Non-Executive Independent director	2	2
Sri. R A Sankara Narayanan	Member	Non-Executive Independent director	2	2
Smt. Radha Unni	Member	Non-Executive Independent director	2	2

The Capital Planning & Infusion Committee met 2 times during the period. The dates of meetings were:

07.06.2022 07.12.2022

M) COMMITTEE OF INDEPENDENT DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the performance of non-independent directors and the Board as a whole to be evaluated by a Committee comprising of all the Independent Directors of the Bank as on the date of the meeting of the said committee.

The terms of reference of the committee inter-alia, include the following:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the performance of non-independent directors and the Board as a whole to be evaluated by a Committee comprising of all the Independent Directors of the Bank as on the date of the meeting of the said committee.

- 1 To review the performance of non-independent directors and the Board as a whole.
- 2 To review the performance of the Chairman of the Bank taking into account the views of executive directors and non-executive directors.

- 3 To assess the quality, quantity and timeliness of flow of information between the Bank management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- 4 To perform such other roles as may be prescribed by the Companies Act, 2013, SEBI (LODR) Regulations, 2015, Banking Regulation Act, 1949 and the Circulars/Regulations issued by the Regulatory Authorities from time to time.
- 5 To give reasoned recommendation of any preferential issue after considering all the aspects relating to the preferential issue including pricing, which may result in a change in control of the Bank, and the voting pattern of the said committee's meeting shall be disclosed in the notice calling the general meeting of shareholders. The said meeting of the independent directors for giving reasoned recommendation of the preferential issue shall be attended by all the independent directors on the Board.

The Committee met once during the financial year on March 27, 2023. All the Independent Directors of the Bank attended the meeting.

(N) INTERVIEW COMMITTEE

The Interview Committee met 9 times during the period for the purpose of external recruitment and internal promotions. The members of the Committee are nominated by the Board from time to time. The dates of meetings were:

15.06.2022	01.07.2022	10.08.2022	18.08.2022	02.09.2022
06.09.2022	10.01.2023	20.03.2023	21.03.2023	

The details of the meetings of Interview Committee of Directors attended by the Members during the financial year 2022-23, are given below:

Name of the Director	Category	No. of Meetings	
		Held during the tenure	Attended
Sri. Salim Gangadharan	Non-Executive Independent director	9	9
Sri. Murali Ramakrishnan	Managing Director	9	9
Sri. R A Sankara Narayanan	Non-Executive Independent director	9	9
Sri. V J Kurian	Non-Executive Independent director	9	9
Sri. M.George Korah	Non-Executive Independent director	7	7

Resignation/Removal of Independent Directors:

There was no resignation/Removal of Independent Directors during the financial year 2022-23.

SUBSIDIARY AND JOINT VENTURE COMPANY OF THE BANK

The Bank has a subsidiary company, SIB operations and services limited. The Bank has no material subsidiaries as per the conditions laid down in the SEBI(LODR) Regulation, 2015 even though the Bank has framed a Board Approved Policy for Determining the Material Subsidiary of The South Indian Bank Limited. The same is available at <https://www.southindianbank.com/userfiles/file/rupay/disclosure/policy%20for%20determining%20material%20subsidiaries.pdf>

The Directors/KMP /employees of the Bank who are also in the subsidiary company on March 31, 2023 are as follows:

Sri. Murali Ramakrishnan Managing Director and Chief Executive Office (MD & CEO) of the Bank, Sri. George Korah – Independent Directors are Non-Executive Directors in SIB Operations and Services Limited, Sri. Thomas Joseph K – Executive Vice President who is also a Non-Executive Director in SIB Operation and Services Limited.

Further Sri. John CA, DGM of the Bank is deputed Director of the Wholly owned subsidiary company.

- The Audit Committee reviews financial statements of the subsidiary company, along with investments made by it.

- The Board of Directors reviews the Board Meeting minutes and statements of all significant transactions and arrangements, if any, of subsidiary company. The Bank does not have a listed subsidiary.
- All activities of the subsidiary company fall within the ambit of Internal audit of the Bank.

COMPENSATION POLICY

The Bank has a Board approved Compensation Policy which deals with the Compensation & Benefits of the Employees of the Bank and Whole-time Directors/CEO, Part-time Chairman and other Non-Executive Directors of the Bank.

The objectives of the Compensation Policy of the Bank inter-alia includes, to provide a fair and persistent basis for motivating, inspiring and rewarding the employees appropriately, according to their jobs/role size, performance, accomplishments, contribution, skill, aptitude and competence to implement standards on sound compensation practices and incentives and to provide effective governance of compensation payable to the WTDs/CEO and other staff, alignment of compensation with prudent risk taking and effective supervisory oversight.

The disclosure requirement of the remuneration is separately provided in "Disclosure under Basel III norms."

REMUNERATION PAID TO DIRECTORS DURING THE PERIOD APRIL 1, 2022 TO MARCH 31, 2023

The details of gross remuneration paid to Sri. Murali Ramakrishnan, Managing Director & Chief Executive Officer from 01.04.2022 to 31.03.2023 in accordance with the terms and conditions approved by Reserve Bank of India and the Shareholders as follows:-

A) Details of Remuneration paid to MD & CEO

PARTICULARS	AMOUNT (₹)
Salary (Fixed Pay)	1,56,63,000/-
HRA	9,00,000/-
PF Bank Contribution	14,75,500/-
Entertainment Allowance	1,30,848/-
Total Fixed Pay (A)	1,81,69,348 /-
Variable Pay (cash) (B)	37,50,000/-
Total Remuneration (A)+(B) (Cash Component)	2,19,19,348/-

Variable pay (Cash and non-Cash ESOS) granted during the FY 2022-23

Deferred variable pay (Cash component) for the FY 2021-22

No. of Shares	Non-cash variable pay	FY	
3,99,171	₹ 13,13,273/-	2020-21*	88,13,273
11,06,194	₹ 75,00,000/-	2021-22	
Gross Remuneration**			3,44,82,621

* The Gross remuneration includes Non-Cash Variable pay (ESOS) of ₹ 13,13,273/- for FY 2020-21 is granted on April 23, 2022 and excludes the gratuity payable at the time completion of the term.

** The Variable pay (Cash Component) for the FY 2021-22 and Non-Cash Variable Pay (ESOS) for the FY 2020-21 and 2021-22 are subject to deferred vesting as per the Compensation policy of the Bank.

- B) Details of honorarium/sitting fee paid to Part-time Non-Executive Chairman: The Bank has paid ₹ 6,00,000/- to Sri Salim Gangadharan, Part-time Chairman, as honorarium from April 01, 2022 to March 31, 2023 and ₹ 30,00,000/- as sitting fees during the period April 01, 2022 to March 31, 2023.
- C) Details of Remuneration paid to other Non-Executive Directors:

As provided under Article 95A of the Articles of Association of the Bank, the sitting fees payable to a Non-Executive Director for attending a Meeting of the Board or Committee thereof are decided by the Board of Directors from time to time subject to the ceilings if any, prescribed under the Companies Act, 2013 and the rules made there under. The Board of Directors has revised the sitting fees from ₹ 60,000 to ₹ 80,000 with effect from 01.03.2023 for each Board Meetings and from ₹ 40,000 to ₹ 60,000 as sitting fee for each Meeting of the Committee attended with effect from 01.03.2023. Accordingly, the Bank paid sitting fees during the period 01.04.2022 to 31.03.2023 as under,

Sri. Parayil George John Tharakan – ₹ 11,00,000/, Sri. V J Kurian – ₹ 24,20,000/-, Sri. M George Korah* – ₹ 31,00,000/-, Sri. Pradeep M Godbole – ₹ 24,80,000/, Sri. Paul Antony- ₹ 21,20,000/-, Sri. R A Sankara Narayanan- ₹ 31,60,000/-, Smt Radha Unni – ₹ 24,40,000/-, Sri. Benny P Thomas – ₹ 14,60,000/- Total sitting fee paid during the year ₹ 2,12,80,000/-.

* The above sitting fees is inclusive of sitting fee of ₹ 2,00,000/- received by Sri George Korah from SIB Operations and Services Ltd, wholly owned subsidiary of the Bank, towards attending the Board during FY 2022-23.

Further, we confirm that:

- a) No pecuniary relationship or transactions exists for Independent Directors/Non-Executive Directors vis-à-vis the Bank, other than payment of sitting fees for Board/ Committee meetings/monthly honorarium during the financial year (for Non-Executive part time Chairman) as per law. The Independent Directors of the Bank also had no pecuniary relationship with
- b) The criteria of making payments to Independent Directors/ Non-executive Directors of the Bank are disclosed on the Bank's website, the web link to which is <https://www.southindianbank.com/content/remuneration-criteria-for-directors/877>
- the Bank, or their promoters or directors during last immediately presiding 3 years. The Independent Directors are not eligible for Stock Option.

3. BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT / CHANGE IN TERMS OF APPOINTMENT

1. Sri. Benny P Thomas

Name of the Director	Sri. Benny P Thomas (DIN:09448424)
Date of Birth and Age	09-05-1964, Age: 59 years
Date of First Appointment on Board	30.12.2021
Qualification	B Com., LLB
Brief Resume including Experience	Sri. Benny P Thomas has started his career as a lawyer and enrolled at the Bar in the year 1988. He initiated his practice in the stream of Civil Law and later gained Substantial depth in labour law providing professional legal services to companies including big corporates. He now heads M/s Thomas & Thomas, a promising and fast growing boutique law firm established in 2017 providing services in the streams of Labour Law, Civil Law, Cyber Law, Taxation Law, Alternate Dispute Resolution, Arbitration & Conciliation etc.
Nature of his expertise in specific functional area	He has Expertise in Company Law, Insurance Law, Property Law, Labour Law, Civil Law, Cyber Law, Taxation Law, Alternate Dispute Resolution, Arbitration & Conciliation etc.
Directorship in other Companies	Nil
Directorship in listed entities from which director has resigned in the past three years	Nil
Membership/Chairmanship of Committees in other Companies	Nil
Shareholding in the Bank as on (cut-off date)	2,500 equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil
Details of the remuneration last drawn meetings	Sitting fee – ₹ 14,60,000/- for attending Board and committee meetings
Number of Meetings of the Board attended during the year	He has attended all the 13 Board meetings conducted during the FY 2022-23.

Chairman/member of the committee of the board of Directors of this Company	Premises Committee – Chairman NPA Review Committee – Member Stake Holders Relationship Committee – Member Corporate Social Responsibility Committee - Member
Details of the skills and capabilities required for the role and the manner in which the proposed person meets such requirements (for Independent Directors)	NA
Terms and conditions of appointment/re-appointment including remuneration	He is eligible for sitting fees for attending the Board and its Committee Meetings as approved by the Board subject to the provisions of the applicable laws and other compensation as may be approved by the shareholders of the Bank.

2. Sri. M George Korah

Name of the Director	Sri. M George Korah (DIN : 08207827)
Date of Birth and Age	23.03.1960 (Age: 63 years)
Date of First Appointment on Board	31.08.2018
Qualification	B.Com., CA
Brief Resume including Experience	Sri. M George Korah, is a fellow member of the Institute of chartered accountants of India. He is a qualified Information System Auditor and was a rank holder in the I.S. Examination conducted by the Institute of Chartered Accountants of India. He is a partner of M/s Korah & Korah, Chartered Accountants and has been in practice for over 30 years. Sri. Korah is a trustee of Green Storm Foundation, Cochin (Not for Profit Public Registered Trust) and financial consultant to several business organizations including Information Technology Companies.
Nature of his expertise in specific functional area	Sri. M George Korah, is a fellow member of the Institute of chartered accountants of India. He is a qualified Information System Auditor and was a rank holder in the I.S. Examination conducted by the Institute of Chartered Accountants of India. He is a partner of M/s Korah & Korah, Chartered Accountants and has been in practice for over 30 years and financial consultant to several business organizations including Information Technology Companies. Sri. M George Korah is heading the Audit Committee of the Bank and he having substantial experience in the area of Finance, Accountancy, Audit and Taxation.
Directorship in other Companies	SIB Operation and Services Limited (wholly owned subsidiary of the Bank)
Directorship in listed entities from which director has resigned in the past three years	Nil
Membership/Chairmanship of Committees in other Companies	Nil
Shareholding in the Bank as on (cut-off date)	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil

Details of the remuneration last drawn meetings	Sitting fee – ₹ 31,00,000/- for attending Board and committee meetings (including sitting fees of ₹ 2,00,000/- received from SIB Operation and Services Ltd (Wholly Owned Subsidiary of the Bank) towards attending Board meeting during FY 2022-23).
Number of Meetings of the Board attended during the year	He has attended all the 13 Board meetings conducted during the FY 2022-23.
Chairman/member of the committee of the board of Directors of this Company	Audit Committee – Chairman Nomination and Remuneration Committee – Member NPA Review Committee – Member Risk management Committee – Member Special Committee for monitoring and follow up of frauds – Member IT Strategy Committee – Member
Details of the skills and capabilities required for the role and the manner in which the proposed person meets such requirements (for Independent Directors)	Skills and capabilities required: Auditing and taxation. He is proposed to be reappointed as Non-Executive Independent Director. Sri. M George Korah is a fellow member of the Institute of chartered accountants of India. He is a qualified Information System Auditor and was a rank holder in the I.S. Examination conducted by the Institute of Chartered Accountants of India. He is a partner of M/s Korah & Korah, Chartered Accountants and has been in practice for over 30 years.
Terms and conditions of appointment/reappointment including remuneration	He is eligible for sitting fees for attending the Board and its Committee Meetings as approved by the Board subject to the provisions of the applicable laws and other compensation as may be approved by the shareholders of the Bank.

4. DETAILS OF GENERAL BODY MEETINGS HELD IN THE LAST 3 YEARS

Name of Meeting	Day date and time	Venue	Whether any special resolution(s) passed
92 nd Annual General Meeting	Tuesday, 29 th September, 2020 at 11.00 am	Via VC/OAVM	Yes. 1. Raising of Tier I capital of the Bank through issuance of Securities 2. Raising of funds by issue of bonds/ debentures/ securities on private placement basis 3. For increasing foreign investment limit under NRI/ PIO category 4. Amendments in Employees Stock Option Scheme 5. Ratification for amendment of Object clause of Memorandum of Association 6. Amendment of Articles of Association
EGM	Tuesday, 23 rd March, 2021 at 10:00 AM	Via VC/OAVM	Yes. 1. To Approve the issuance of equity shares on preference basis

Name of Meeting	Day date and time	Venue	Whether any special resolution(s) passed
93 rd Annual General Meeting	Wednesday, August 18, 2021 at 11:00 AM	Via VC/OAVM	Yes. 1. Raising of Tier I Capital of the Bank through issuance of Securities 2. Raising of Funds by issue of Bond/Debentures/ Securities on private Placement basis 3. Amendment in Employees Stock Option Scheme
94 th Annual General Meeting	Tuesday, July 12, 2022 at 11:00 AM	Via VC/OAVM	Yes. 1. To re-appoint Sri. Salim Gangadharan, (DIN: 06796232) as Independent Director of the Bank. 2. To re-appoint Sri. V.J. Kurian, (DIN: 01806859) as Independent Director of the Bank 3. To appoint Sri. Pradeep M Godbole (DIN: 08259944) as Independent Director of the Bank. 4. To appoint Smt. Radha Unni (DIN: 03242769) as Independent Director of the Bank. 5. Raising of Tier I Capital of the Bank through issuance of Securities 6. Raising of Funds by issue of Bond/Debentures/ Securities on Private Placement basis

During the year, all recommendations of the Board of Directors were accepted by the Shareholders of the Bank in respect of special businesses mentioned in the 94th Annual General Meeting notice.

Postal Ballot

During the year under review, no resolution was passed through postal ballot. Currently, no resolution is proposed to be passed through postal ballot. However, if required, the same shall be passed in compliance of provisions of Companies Act, 2013, Listing Regulations or any other applicable laws.

5. POLICIES, AFFIRMATION AND DISCLOSURES

A) MD & CEO/CFO Certification

The MD & CEO and the CFO have issued certificate pursuant to the provisions of Regulation 17 of the Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

B) Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were

in conflict with the interest of the Bank. Suitable disclosure as required by the Accounting Standards (AS18) and listing regulations has been made in the notes to the Financial Statements. The details of the transactions with related parties, if any, are placed before the Audit Committee from time to time. The Board of Directors at its Meeting held on October 30, 2014 has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and Listing Regulations. The policy was last reviewed by Board on 07th June 2022 during last financial year. The same is displayed on the website of the Bank

<https://www.southindianbank.com/userfiles/file/rupay/disclosure/policy%20on%20materiality%20of%20and%20dealing%20with%20relatedparty%20transactions.pdf>

C) Code of Conduct

The Board of Directors has framed the Code of Conduct for the Board of Directors and Core Management Personnel of the Bank, as required under SEBI (LODR) Regulations, 2015 "on Corporate Governance." The confirmation from the Managing Director & CEO regarding compliance with the code by all the Directors and Senior Management Personnel forms part of the Report. The Code of Conduct and Ethics is displayed on the website of the Bank https://www.southindianbank.com/userfiles/file/banks_code_of_conduct.pdf

D) Code of Conduct for Prevention of Insider Trading

The Bank has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Companies Act, 2013 with a view to regulate trading in securities by the Directors and designated employees of the Bank. The Code requires pre-clearance for dealing in the Bank's shares beyond threshold limits. Further, it prohibits the purchase or sale of Bank's securities by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Bank and during the period when the Trading Window is closed. The code of conduct for prevention of insider trading are available on the website of the Bank. <https://www.southindianbank.com/content/code-of-conduct-for-prevention-of-insider-trading/784>

E) Internal Controls

The Bank has a system of internal control which examines both the financial effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory compliances.

F) Whistle Blower Policy / Vigil Mechanism

The Bank has formulated a Whistle Blower Policy with a view to provide a mechanism for employees of the Bank to approach the Chairman of the Audit Committee of the Bank/Ethics Counsellor (Chief of Internal Vigilance) in case they observe any unethical and improper practices or any other alleged wrongful conduct in the Bank and to prohibit Managerial functionaries from taking any adverse personal action against those employees. The vigil mechanism shall provide for adequate safeguards

against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee and no personnel has been denied access to the Audit Committee. All protected disclosures reported under this policy will be thoroughly investigated by the Ethics Counsellor/Chairman of the Audit Committee of the Bank. The investigation is to be normally completed within 45 days of receipt of the protected disclosure. The identity of the whistle blower shall be kept confidential to the extent possible and permitted under law. The functioning of the Whistle Blower Policy mechanism is reviewed half yearly by the Audit Committee and the Policy is reviewed annually by the Board and no personnel was denied access to Audit Committee. The Details of whistle Blower Policy are available on the website of the Bank: <https://www.southindianbank.com/userfiles/file/whistle%20blower%20policy.pdf>

G) Details of non-compliance by the Bank

The Bank has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Bank by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

H) Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations

The Bank has complied with the requirements of Part C (Corporate Governance Report) of Sub-Paras (2) to (10) of Schedule V of the Listing Regulations. The Bank has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance report, to the extent applicable.

I) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

To monitor Foreign Exchange risk, the Bank has envisaged Forex VaR and AGL which are being monitored on daily basis by Risk Management department. The Bank also has Investment, Forex and Derivative Policies to define and regulate forex operations taken up by the Bank and different levels of limits are given in it. Treasury Department also monitors Foreign assets liabilities gap to hedge it in the market. The Bank hedges its foreign currency

position using derivatives including SWAPs and outright Forwards. The Bank is not involved in commodity trading and its hedging activities.

J) Dividend Distribution Policy

To bring transparency in the matter of declaration of dividend and to protect the interests of investors, the Bank has in place a Dividend Policy. The Dividend Distribution Policy of the Bank is in line with Regulation 43A of the Listing Regulations and the Companies Act, 2013 which has been displayed on the Bank's website, https://www.southindianbank.com/userfiles/file/dividend%20distribution%20policy_17.pdf, and is also provided in the Directors' Report which forms part of the Annual Report.

K) Utilization of funds raised through Preferential Allotment or Qualified Institutions Placement

During the year under review, no funds were raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of listing Regulations.

L) Certificate from Company Secretary in Practice regarding disqualification of Directors

In terms of Clause 10(i) of Para C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Auditors of the Bank, M/s SVJS & Associates, Practicing Company Secretaries has issued a certificate that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The same is placed at the end of this report.

M) Recommendations of Committee(s) of the Board of Directors

During the year, all recommendations of Committee(s) of the Board of Directors, which are mandatorily required, were accepted by the Board.

N) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Kindly refer to relevant disclosures in the Directors' Report which forms part of the Annual Report 2022-23.

O) Credit Ratings and Change/Revisions in Credit Ratings for Debt Instruments

Instrument Type	Amount outstanding (₹ in crore)	CARE Ratings	India Ratings & Research (A Fitch group company) Ratings/ Outlook
Tier II Bonds (Basel III Compliant)	300	CARE A (Single A; Outlook: Stable)	IND A/ Stable
Tier II Bonds (Basel III Compliant)	490	CARE A (Single A; Outlook: Stable)	IND A/ Stable
Tier II Bonds (Basel III Compliant)	250	CARE A (Single A; Outlook: Stable)	IND A/ Stable
Tier I Bonds (Basel III Compliant)	500	-	IND A-/ Stable

Short Term Ratings

Instrument Type	Rating
Certificate of Deposits	CARE A1+ (A One Plus)
Short Term Fixed Deposits	CRISIL A1+ (A One Plus)

P) Fees paid to Statutory Auditors

For the year ended March 31, 2023, fees paid/payable to the Joint Statutory Central Auditors M/s. CNK & Associates LLP Chartered Accountants and M/s. K Venkitachalam Aiyer & Co., Chartered Accountants, is as follows:

Particulars	KVA (₹ In lakhs)	CNK (₹ In lakhs)	Total (₹ In lakhs)
Limited Review – Q1	15.00	15.00	30.00
Limited Review – Q2	15.00	15.00	30.00
Limited Review – Q3	15.00	15.00	30.00
Year end Audit and ICFR#	46.00	46.00	92.00
Tax Audit	-	4.00	4.00
LFAR	2.00	2.00	4.00
Other Certifications*	5.00	5.00	10.00
Total	98.00	102.00	200.00

* Includes all certificates as stipulated by the RBI at its appointment letter/circular/notification, certificates required under Companies Act, 2013 and SEBI Listing Regulations, 2015, reporting on internal financial controls of the Bank's accounts at its head office, branches and other offices and issuing certificate(s) specified by the regulators/any other statutory body/body corporates from time to time.

Includes Centralised Branch audit fee but excluding out of pocket expenses and fee for other Certifications taken from time to time.

Q) Outstanding GDRS/ADRS/Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

The Bank has not issued any GDRS/ADRS/Warrants or any Convertible Instruments.

R) Cyber Security

A total of 3 cyber security incidents had happened during the Financial Year 2022-23 which were reported to RBI. These were a combination of operational incidents and fraudulent attempts by external agencies on various systems of the bank. In all the mentioned cases, bank was not affected and there was no monetary loss to the Bank. The Bank has implemented various systems/security solutions to take care of any fraudulent attempts/attacks by external agencies.

S) Change in Senior Management

During the financial year 2022-23, there was following changes in the Senior Management Team of the Bank:

Sri. Leelanand Kodaganti , General Manager & Head of Treasury and Sri. Thallam Sreekumar General Manager & Head of Personal Loan Business Group, resigned from the Bank on April 27,2022 and July 02,2022 respectively.

Sri. Vinod A N has joined the Bank on 01.08.2022 as General Manager & Head of Treasury and Sri. Nehru Singh assumed the position of General Manager & Head of Credit quality assurance on 01.09.2022.

T) Disclosure as per Regulation 30A (2) of SEBI (LODR) Regulations, 2015.

The Bank has not entered in any agreement, during the Financial Year 2022-23 other than in the normal course of business, which is directly or indirectly or potentially effect/ impact the management or control of the Bank.

6. MEANS OF COMMUNICATION

A. Financial Results

The quarterly unaudited and annual audited financial results were published in any of the nationally circulated newspaper in English, viz. Business Line/ Business Standard/Financial Express and in the regionally circulated Malayalam daily Deepika. Official press releases, presentations made to the media, analysts, institutional Investors, the financial

results, etc. are displayed on the Bank's website, www.southindianbank.com.

B. Annual Report

Soft copy of the AGM notice and Annual Report for FY 2021-22, containing interalia, details of the Audited Financial Statements, Director's Report (including Management Discussion and Analysis and Corporate Governance Report) was sent to all shareholders to their email id registered in the demat/folio in compliance with the MCA circulars in electronic mode and is also available at the Bank's website.

C. Website

The Bank's website, www.southindianbank.com contains a separate section 'Investor Desk' for use of investors. The quarterly, half yearly and annual financial results, official news releases and presentations made to institutional Investors and to analysts are promptly and prominently displayed on the website. Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern and other Corporate Communications made to the Stock Exchanges are also available on the website. The 'Investor Desk' section provides the details of unclaimed dividend warrants for dividends declared up to the financial year ended 31.03.2022, to help shareholders to claim the same. In addition, various downloadable forms required to be executed by the shareholders have also been provided on the website. Annual Report of the Subsidiary company is also posted on the Website.

D. Communication to Shareholders on E-mail

Documents like Notices, Annual Report etc. are sent to the shareholders at their email address, as registered with their Depository Participants/ Bank/ Registrar and Transfer Agent (RTA). This helps in prompt delivery of document, reduce paper consumption and avoid loss of documents in transit. Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/updated either with their depositories or by writing to the Bank/ RTA

E. Reminders to Shareholders

Reminders for claiming unclaimed shares lying with the Bank which are liable to be transferred to the Investor Education and Protection Fund Authority are sent to the Shareholders as per Bank records.

F. NEAPS (NSE Electronic Application Processing System) and BSE Listing centre

NSE and BSE have developed web based applications for Corporates. All compliances like Financial Results, Shareholding Pattern and Corporate Governance Report, etc. are filed electronically on NSE Digital platform/NEAPS/ BSE Listing centre.

G. SCORES (SEBI complaints redressal system)

SEBI processes investor complaints in a centralized web based complaints redressal system i.e., SCORES. Through this system a shareholder can lodge complaint against a Company for his/her grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SCORES.

7. GENERAL SHAREHOLDER INFORMATION

95th Annual General Meeting

Date	24.08.2023
Day	Thursday
Time	11.00 AM (IST)
Venue	Via VC/OAVM (Head Office of the Bank at Thrissur, Kerala is deemed to be the Venue of the Meeting)
Financial year	2022-23
For the Financial year ended 31 st March 2023, results were announced on:	
a) First Quarter	July 26, 2022
b) Second Quarter	October 20, 2022
c) Third Quarter	January 24, 2023
d) Fourth Quarter and Annual Results	May 11, 2023
Book closure date	18.08.2023 to 24.08.2023
Dividend Payment	Within 30 days from the Date of AGM (i.e on or before 22.09.2023)
Name & designation of Compliance Officer	Sri. Jimmy Mathew (Company Secretary)
Share Transfer Agent	BTS Consultancy Services Pvt. Ltd. M S Complex, 1st Floor, No. 8, Sastri Nagar Near 200 Feet Road/ RTO Kolathur, Kolathur, Chennai – 600 099 Tel. : 044 – 47725830

Corporate Identity Number (CIN)	L65191KL1929PLC001017
E-Mail address	ho2006@sib.co.in
Bank's Website	https://www.southindianbank.com/
Address for correspondence.	The South Indian Bank Ltd. Secretarial Department, Head Office, SIB House, T.B Road, Mission Quarters, Thrissur, Kerala, India, PIN 680001.

LISTING OF THE BANK'S EQUITY SHARES

The Bank's shares are listed on the following Stock Exchanges in India and their Stock Codes are as under:

1. The National Stock Exchange of India Ltd. (Stock Code: SOUTHBANK)
Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051 Tel. No.: (022) 26598100 - 8114, Fax No.: (022) 2659812
2. The BSE Ltd. (Stock Code: 532218) Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001 Phones : (022) 22721233/4, Fax : (022) 22721919.
Bank's Stock Exchange Code BSE Scrip Code : 532218

NSE Symbol : SOUTHBANK ISIN Code : INE683A01023

The listing fees payable to the Stock Exchanges for the financial year 2023-24 have already been remitted.

The Bank has paid the custodial fees to the NSDL and CDSL as per the SEBI Circular CIR/MRD/DP/05 2011 dated April 27, 2011 and CIR/MRD/DP/18 2015 dated December 9, 2015 for the financial year 2023-24.

LISTING OF OTHER SECURITIES

The Bank had listed the following Bonds in BSE Ltd. and their Stock Code are as under:

1. Unsecured Redeemable Non-Convertible Basel III Compliant Tier II Bonds in the nature of Debentures issued on 30.09.2015 (Stock Code: 952810).
2. Unsecured Redeemable Non-Convertible Basel III Compliant Tier II Bonds in the nature of Debentures issued on 28.11.2017 (Stock Code: 957189).
3. Unsecured Redeemable Non-Convertible Basel III Compliant Tier II Bonds in the nature of Debentures issued on 26.03.2019 (Stock Code: 958670).

4. Non-convertible, Fully Paid-Up, Unsecured, Perpetual, Basel III compliant Tier I Bonds in the nature of debentures issued on 24th January, 2020 (Stock Code: 959209)

Mumbai and BSE Ltd. (BSE), Mumbai during the period April 2022 to March 2023 are as under:

Month	NSE		BSE	
	HIGH	LOW	HIGH	LOW
Apr-22	9.10	7.50	9.10	7.53
May-22	8.55	7.60	8.50	7.60
Jun -22	8.20	7.25	8.18	7.27
Jul-22	8.20	7.55	8.18	7.56
Aug-22	8.70	7.80	8.67	7.79
Sep-22	10.80	8.10	10.75	8.11
Oct-22	14.15	9.20	14.12	9.22
Nov-22	18.10	13.40	18.08	13.36
Dec-22	21.80	15.30	21.80	15.30
Jan -23	21.20	16.25	21.25	16.20
Feb -23	18.70	16.20	18.70	16.20
Mar-23	19.15	13.75	19.13	13.79

Debenture Trustee Details

IDBI Trusteeship Services Limited
Universal Insurance Building, Ground Floor,
Sir P.M. Road, Fort, Mumbai – 400001
Tel.No.: 022-40807000, E-mail: itsl@idbitrustee.com

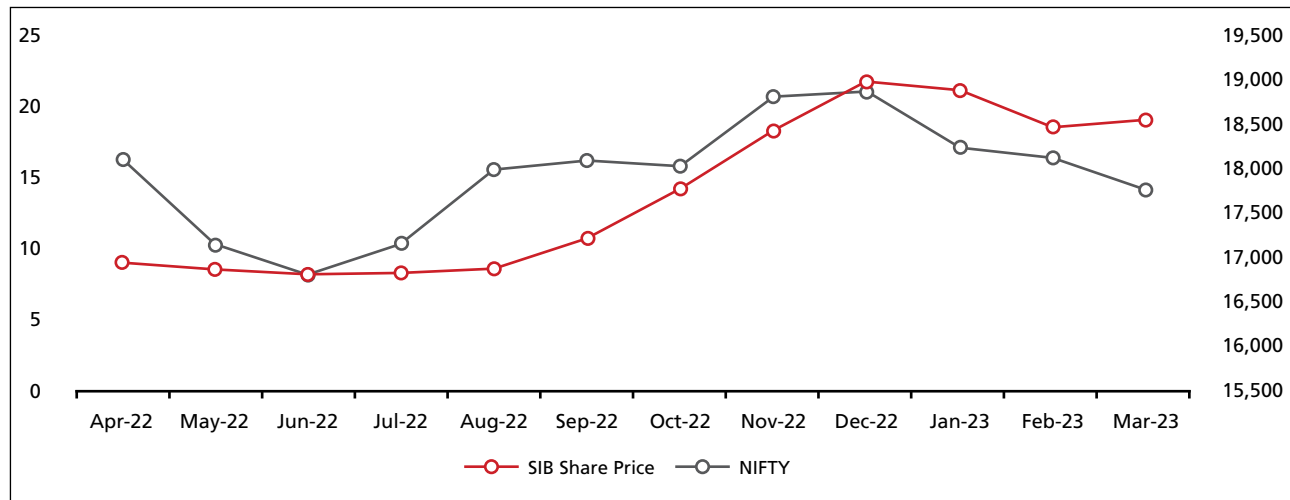
Equity Evolution during the year

No equity shares have been issued during the financial year. As at March 31, 2023, the paid-up share capital of the Bank was ₹ 209,27,41,018/- consisting of 209,27,41,018 equity shares of face value of ₹ 1/- each.

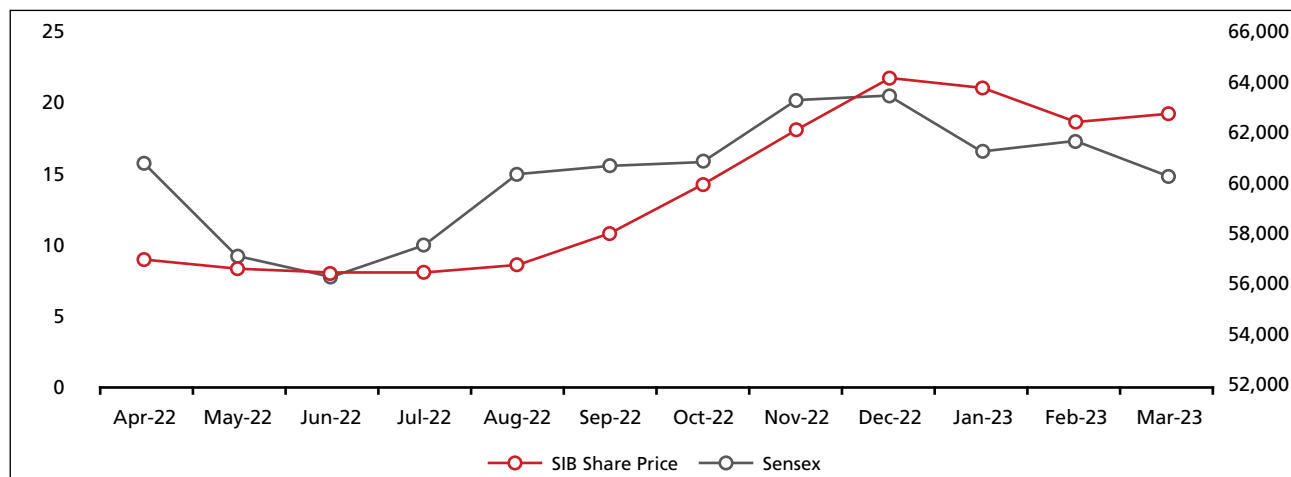
The Market Price Data of Bank's Shares

The monthly high and low prices of the Bank's shares traded on the National Stock Exchange of India Ltd. (NSE),

Performance of The South Indian Bank Equity Share relative to NSE Nifty during FY 2022-23



Performance of The South Indian Bank Equity Shares relative to S&P BSE Sensex during FY 2022-23



DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2023

CATEGORY (NO. OF SHARES)	PHYSICAL			DEMAT		
	NO. OF HOLDERS	SHARES	% of SHARE HOLDING	NO. OF HOLDERS	SHARES	% of SHARE HOLDING
UP TO --- 100	2438	38279	0.00	300616	10343220	0.49
101 --- 200	1669	217723	0.01	67464	11212902	0.54
201 --- 500	2064	741037	0.04	99693	37905685	1.81
501 --- 1000	2300	1599557	0.08	76749	65184691	3.11
1001 --- 5000	17670	33185985	1.59	99794	239389242	11.44
5001 --- 10000	1070	7862441	0.38	18775	142550874	6.81
10001--- 50000	631	11565495	0.55	15613	331311351	15.83
50001 & ABOVE	70	9519628	0.45	3261	1190112908	56.87
TOTAL	27912	64730145	3.10	681965	2028010873	96.90
Total number of shareholders both physical and electronic put together is						709877

MEMBERS' PROFILE AS ON MARCH 31, 2023 IS AS UNDER

SI No:	CATEGORY	SHARES		TOTAL SHARE	% OF SHARE HOLDING
		PHYSICAL	DEMAT		
1	RESIDENT INDIVIDUALS	53586722	1267725464	1321312186	63.14
2	INDIAN FINANCIAL INSTITUTIONS	0	0	0	0.00
3	FOREIGN INSTITUTIONAL INVESTOR	0	0	0	0.00
4	NON-RESIDENT INDIANS	8401422	140239069	148640491	7.10
5	BODIES CORPORATES	2741535	91155240	93896775	4.49
6	DIRECTORS & RELATIVES	0	32970	32970	0.01
7	MUTUAL FUNDS	0	56979186	56979186	2.72
8	TRUSTS	0	27388	27388	0.00
9	BANKS	0	70635	70635	0.00
10	CLEARING MEMBERS	0	9220374	9220374	0.44

Sl No:	CATEGORY	SHARES		TOTAL SHARE	% OF SHARE HOLDING
		PHYSICAL	DEMAT		
11	HUF	466	43128520	43128986	2.06
12	FOREIGN PORTFOLIO INVESTOR (CORP)	0	305175710	305175710	14.58
13	FOREIGN PORTFOLIO INVESTOR (INDV)	0	3548	3548	0.00
14	FOREIGN NATIONALS	0	262000	262000	0.01
15	ALTERNATIVE INVEST FUND	0	8615132	8615132	0.41
16	IEPF AUTHORITY MCA	0	10746526	10746526	0.51
17	QIB	0	94362112	94362112	4.51
18	SUSPENSE ESCROW DEMAT ACCOUNT	0	266999	266999	0.02
	GRAND TOTAL	64730145	2028010873	2092741018	100.00

Shareholders holding more than 1% as on March 31, 2023

SL NO	NAME OF THE SHAREHOLDER/S	Shares as on 31.03.2023	%
1	YUSUFFALI MUSALIAM VEETIL ABDUL KADER	90359249	4.32
2	LIFE INSURANCE CORPORATION OF INDIA	56369232	2.69
3	KOTAK MAHINDRA TRUSTEE CO LTD A/C KOTAK MULTICAP FUND	48221746	2.30
4	HDFC LIFE INSURANCE COMPANY LIMITED	35400000	1.69
5	ACACIA BANYAN PARTNERS	25322346	1.21
6	ACACIA PARTNERS LP	24985520	1.19

SHARE TRANSFER SYSTEM

The Bank has appointed M/s BTS Consultancy Services Private Limited, Chennai as its Share Transfer Agents and the share transfer/transmission; dividend payments and all other investor related matters are attended to and processed at the office of Share Transfer Agents of the Bank. The Share Transfer Agents, after processing the requests of investors, put up the same to the Bank's officers in the cadre of GM or above, wherever necessary, for his approval and thereafter all such cases are put up to the Stakeholders Relationship Committee of the Board of the Bank for its information. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 1, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository.

All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Bank obtains, from a company secretary in practice, yearly certificate of compliance with the share transfer/transmission or transposition of securities formalities as required under Regulation 40(9) of the Listing Regulations, and the Bank files a copy of the same with the Stock Exchanges.

An independent firm of practicing Company Secretaries carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on the reconciliation of total issued and listed Capital with that of total share capital admitted/held in dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges, where the Bank's shares are listed.

REGISTRARS AND SHARE TRANSFER AGENT

SEBI vide Regulation 7 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations), has mandated that where the total number of security holders of the Company exceeds one lakh, the Company shall register with SEBI as a Category II Share Transfer Agent for all work related to share registry or appoint a Registrar to an Issue and Share Transfer Agent registered with SEBI. The Bank had appointed M/s BTS Consultancy Services Private Limited as its RTA for both segments, physical and electronic, much before this was mandated by SEBI.

As required under Regulation 7(3) of the Listing Regulations, the Bank files, on yearly basis, certificate issued by RTA and compliance officer of the company certifying that all activities in relation to both physical

and electronic share transfer facilities are maintained by RTA registered with SEBI i.e., M/s BTS Consultancy Services Private Limited.

Address of the Share Transfer Agent:

BTS Consultancy Services Pvt. Ltd.
M S Complex, 1st Floor,
No.8, Sastri Nagar, Near 200 Feet Road/RTO Kolathur,
Kolathur, CHENNAI – 600 099 Tel. : 044-47725830
Fax : 044-25565131
E-mail : ramesh@btsindia.co.in
helpdesk@btsindia.co.in

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Equity shares of the Bank have been allotted International Securities Identification Number (ISIN) INE683A01023. As at the end of March 2023, 202,80,10,873 (96.90%) shares of the Bank have been converted into dematerialized form and 6,47,30,145 (3.10%) shares were being held in physical form.

The Shareholders of the Bank who have not dematerialized their shares so far may approach any of the Depository Participants of National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for dematerializing their shareholding.

UNCLAIMED/UNPAID DIVIDEND

All dividends remaining unclaimed or unpaid including the balance in Dividend Account upto and including financial year 1993-94 have been transferred to the General Revenue Account of the Central Government. Any claim in respect of transferred amounts shall be made to the Registrar of Companies, Kerala, Company Law Bhavan, Bharath Matha College, Thrikkakara P.O., Kochi - 682 021.

In terms of the provisions of Section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Bank is statutorily required to transfer to the Investor Education & Protection Fund ('IEPF'), established by the Central Government, all dividends remaining unpaid/unclaimed for a period of 7 (Seven) years, thereon, from the date of transfer of such Dividend to the Unpaid Dividend Account. In compliance with above, the unpaid dividend of ₹ 1,19,23,739.00 for the financial year 2014-15 has already transferred to the fund on 17.08.2022. Once such amounts are transferred to IEPF, no claim of the shareholder shall lie against the Bank. However, shareholders may claim their unclaimed amount as per the procedures/guidelines issued by the Ministry of Corporate

Affairs (MCA). Dividends for and upto the financial year ended March 31, 2015 have already been transferred to the IEPF.

The Ministry of Corporate Affairs on May 10, 2012 has notified Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, whereby companies are required to identify and upload information regarding unclaimed amounts due to be transferred to IEPF on the Ministry's website and also on Bank's website in the following link: <https://www.southindianbank.com/divident/divident.aspx?id=1&linkId=672>.

Accordingly, the details of such unpaid/ unclaimed amounts along with their respective due dates for transfer to IEPF are provided for the benefit of investors.

The Shareholders may please claim their unclaimed/unpaid amount due to them by making a request to the Company giving their particulars before the same are transferred to the IEPF.

Dates for Transfer of Unclaimed Dividend/ Application Money of Right Issue to Investors Education and Protection Fund (IEPF)

Pursuant to Section 124 of the Companies Act, 2013, final dividend for the financial year 2014-15 amounting to ₹ 1,19,23,739.00 pertaining to the financial year 2014-15, which remained unpaid/unclaimed for a period of seven years from the date it was lying in the unpaid dividend account, has been transferred by the Bank to the Investors Education and Protection Fund (IEPF) of the Central Government on 17.08.2022.

The dividend for following years and the application money in connection with Right Issue which was unclaimed by the shareholders (see table below), which remains unclaimed for seven years from the date it is lying in the unpaid dividend account of the Bank, will be transferred to the IEPF in accordance with the schedule given below. Shareholders who have not encashed their dividend warrants relating to the dividends specified below are requested to immediately send their request for issue of duplicate warrants/ for credit to their bank account with requisite documents. The details of dividends specified below are available on the website of the Bank, www.southindianbank.com. Once unclaimed dividends are transferred to IEPF, no claim shall lie in respect thereof with the Bank. However, shareholders may claim their unclaimed amount as per the procedures/ guidelines issued by the Ministry of Corporate Affairs (MCA). For

details, Investors can visit the website of IEPF Authority viz., www.iepf.gov.in.

Sl. No	Financial Year	Type of Dividend	Dividend %	Date of declaration	Due date for transfer to IEPF
1	2015-16	Final	50	08.07.2016	07.08.2023
2	2016-17	Final	40	11.07.2017	10.08.2024
3	2017-18	Final	40	11.07.2018	11.08.2025
4	2018-19	Final	25	17.07.2019	15.08.2026
5	2019-20	Final		No Dividend	
6	2020-21	Final			
7	2021-22	Final			

Sl. No	Financial Year	Nature of Amount	Date of Issue	Due date for transfer to IEPF
01	2016-17	Right Issue (Application Money)	29.03.2017	27.03.2024

Disclosure regarding TDS on Dividend

In accordance with the provisions of the Income Tax Act, 1961 as amended by Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by the Bank is taxable in the hands of the shareholders and Bank is required to deduct tax at source ('TDS') on dividend paid to the shareholders at the applicable rates. The details / information in this regard are attached as Annexure to the notice of this, the 95th Annual general Meeting of the Bank.

Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/unclaimed dividend on shares for a consecutive period of seven years

In terms of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, members are requested to note that the shares in respect of which dividends have been unpaid or unclaimed for seven consecutive years or more shall be credited to the IEPF Demat Account maintained with depositories. Upon transfer of such shares, all benefits (e.g. bonus, spilt etc.), if any, accruing on such shares shall also be credited to the IEPF Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Accordingly, shares in respect of which dividend has not been paid or claimed for seven consecutive years for the financial year 2014-15 has been transferred by the Bank to

the DEMAT Account of the authority by 17th August 2022. In this connection, the Bank had sent intimation letters to members in respect of the shares on which dividend had remained unpaid or unclaimed for seven consecutive years or more, requesting them to claim such dividend so as to avoid the corresponding shares being transferred to the IEPF authority. Simultaneously, an advertisement to this effect was published in leading English and vernacular newspapers. The aforesaid Rules also prescribe the procedure to be followed by an investor to claim the Shares/Dividend amount transferred to IEPF Demat Account. Shares which are transferred to the IEPF Demat Account can be claimed back by the shareholder from IEPF Authority by following the procedure prescribed under the aforesaid rules.

Disclosure with respect to Suspense Escrow Demat Account :

In compliance with schedule V Clause F of SEBI LODR Regulations, 2015 and further to SEBI Circulars issued with respect to Issuance of Securities in dematerialized form in case of Investor Service Requests, the Bank has opened a suspense escrow account to transfer the non-dematerialised shares which are pending for dematerialisation by the securities holder/claimant within 120 days of the date of Letter of Confirmation issued by the Bank/ RTA. The details of shares in suspense account/unclaimed suspense account are as follows:

Sl. No.	Particulars Number of Shareholders	No. of shares
(a)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; (01.04.2022)	0
(b)	Aggregate Number of shareholders and the outstanding shares transferred during the financial year 2022-23 to Unclaimed Suspense Account	2,66,999
(c)	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year 2022-23;	0
(d)	Number of shareholders to whom shares were transferred from suspense account during the year 2022-23	0
(e)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (31.03.2023)	2,66,999

Compliance with Secretarial Standards:

The Bank is in compliance with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 for FY 2022-23.

8. COMPLIANCE STATUS OF LISTING AGREEMENT/SEBI (LODR) REGULATIONS, 2015

The Bank has complied with all applicable mandatory requirements of the Listing Regulations during the financial year 2022-23. Quarterly compliance report on Corporate Governance, in the prescribed format, duly signed by the compliance officer is submitted regularly with the Stock Exchanges where the shares of the Bank are listed. The required disclosures under SEBI (LODR) Regulations, 2015 are detailed under various portions of Directors' Report and Corporate Governance Report and compliance has been ensured. A certificate to this effect issued by M/s SVJS & Associates, Practicing Company Secretaries is annexed. Further, a certificate issued by M/s SVJS & Associates, Practicing Company Secretaries, Pursuant to regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") to the effect that none of the Directors, who are on the Board of the Bank as on 31st March 2023 have been debarred or disqualified from being appointed or continuing as Directors of the Bank is annexed.

COMPLIANCE WITH DISCRETIONARY REQUIREMENTS AS STIPULATED UNDER PART E OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

A. The Board

An office of the Non-Executive Chairman is maintained at the Bank's expense and reimbursement of expenses incurred by the Chairman in performance of his duties is allowed.

B. Modified Opinion(s) in Audit Report

The auditors have expressed an unmodified opinion on the financial statements of the Bank.

C. Shareholder's Rights

The Bank publishes its results on its website at www.southindianbank.com which is accessible to the public at large. The same are also available on the websites of the Stock Exchanges on which the Bank's shares are listed. The Bank's results for each quarter are published in an English newspaper having a wide circulation and in a Malayalam newspaper having a wide circulation in Kerala.

D. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

The Bank has appointed separate persons in the post of the (1) Chairperson (as non-executive Independent part time Chairman) and (2) the Managing Director & Chief Executive Officer. Further Bank confirms that the Managing Director & Chief Executive Officer is not related to Chairperson of the Bank as per the definition of the term "relative" defined under the Companies Act, 2013.

By Order of the Board

(Salim Gangadharan)
Chairman
(DIN:06796232)

(Murali Ramakrishnan)
Managing Director & CEO
(DIN:01028298)

Place: Thrissur
Date: July 31, 2023

AFFIRMATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Murali Ramakrishnan, MD & CEO hereby declare that the Bank's Code of Conduct has been accepted and the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management as required under SEBI (LODR) Regulations, 2015 "on Corporate Governance."

By Order of the Board

(MURALI RAMAKRISHNAN)
DIN:01028298

Place: Thrissur
Date: July 31, 2023

CEO / CFO CERTIFICATION

We, Murali Ramakrishnan, Managing Director & CEO and Chithra.H, Chief Financial Officer, of THE SOUTH INDIAN BANK LIMITED hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - ii) these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violative of the Bank's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated, to the Auditors and the Audit Committee:
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Bank's internal control system over financial reporting.

Yours faithfully

Murali Ramakrishnan
Managing Director & CEO
(DIN: 01028298)

CHITHRA.H
Chief Financial Officer

Place : Thrissur
Date : May 11, 2023

Certificate on compliance with the conditions of Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members

The South Indian Bank Limited

1. The accompanying Corporate Governance Report prepared by The South Indian Bank Limited (hereinafter the "Bank"), contains details as required by the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2023.

Managements' Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Bank including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Bank complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Our Responsibility

4. The procedures for verification that have been selected depend on judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The key procedures performed include:
 - i. Reading and understanding of the information prepared by the Bank and included in its Corporate Governance Report;

- ii. Obtained and verified that the composition of the Board of Directors w.r.t. executive and non-executive directors has been met throughout the reporting period;
- iii. Obtained and read the Directors' Register as on March 31, 2023 and verified that at least one Independent woman director was on the Board during the year;
- iv. Obtained and read the minutes of the annual general meeting held on July 12, 2022;
- v. Obtained and read the minutes of the Board of Directors and the committees of the Board of Directors, held April 1, 2022 to March 31, 2023 viz., Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee.
- vi. Obtained necessary representations and declarations from directors of the Bank including the independent directors; and
- vii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this certificate did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Bank taken as a whole.

Opinion

5. Based on the procedures performed by us, and according to the information and explanations

given to us, we are of the opinion that the Bank has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2023.

We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

Other matters and Restriction on Use

6. This certificate is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.
7. This certificate is addressed to and provided to the members of the Bank solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose.

Peer Review Certificate No.648 /2019

UDIN: F003067E000706572

For SVJS & Associates
Company Secretaries

Kochi
July 31, 2023

CS Vincent P. D.
Managing Partner
FCS: 3067
CP No: 7940

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
The South Indian Bank Limited
SIB House, Mission Quarters
T B Road, Thrissur-680001
Kerala

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **The South Indian Bank Limited** having CIN: **L65191KL1929PLC001017** and having registered office at SIB House, Mission Quarters, T B Road, Thrissur-680001, Kerala (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2023** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such Statutory Authority.

Sl. No	Name of Director	DIN	Date of appointment in Company
1	Sri. Salim Gangadharan	06796232	16/01/2014
2	Sri. Murali Ramakrishnan	01028298	01/10/2020
3	Sri. Parayil George John Tharakan *	07018289	25/11/2014
4	Sri. V.J.Kurian	01806859	23/03/2018
5	Sri. M. George Korah	08207827	31/08/2018
6	Sri. Pradeep M.Godbole	08259944	26/03/2019
7	Sri. Paul Antony	02239492	29/09/2020
8	Sri. R.A.Sankaranarayanan	05230407	15/10/2020
9	Smt. Radha Unni	03242769	30/11/2021
10	Sri. Benny Payyappilly Thomas	09448424	30/12/2021

* Sri. Parayil George John Tharakan retired from the board on 24.11.2022.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Peer Review Certificate No.648 /2019
UDIN: F003067E000706583

For SVJS & Associates
Company Secretaries

Kochi
July 31, 2023

CS Vincent P. D.
Managing Partner
FCS: 3067, CP No: 7940

Financial Statements

Independent Auditor's Report

To the Members of The South Indian Bank Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of The South Indian Bank Limited ('the Bank'), which comprise the Balance Sheet as at March 31, 2023, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') and the circulars and guidelines issued by the Reserve Bank of India ("RBI"), in the manner so required for banking companies and give a true and fair view in conformity with accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with rules thereunder, of the state of affairs of the Bank as at March 31, 2023, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the

Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' 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 Standalone Financial Statements 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 Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and results of our audit procedures, including the procedures performed to address the matters below, provide the basis in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters:

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>(i) Classification of Advances, identification of non-performing advances, Income Recognition, and provisioning on Advances (Refer Schedule 9, Note 3 of Schedule 17 and Note 4 of Schedule 18A to the standalone financial statements)</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorized as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances;</p> <p>RBI prescribes the prudential norms for Income Recognition, Asset Classification and Provisioning of non-performing assets (including circulars in relation to COVID-19 Regulatory Package – Asset Classification and Provisioning) (IRACP Norms) and prescribes the minimum provision required for such assets.</p> <p>The identification of performing and non-performing advances (including advances restructured accounts under applicable IRACP Norms) involves establishment of proper systems, controls mechanism, and the bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each Non-Performing Asset ('NPA') applying both quantitative as well as qualitative factors prescribed by the regulations. The risk of identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors.</p> <p>The provision on NPA is estimated based on ageing and classification of NPAs, recovery estimates, nature of loan product, value of security and other qualitative factors and is subject to the minimum provisioning norms specified by RBI and approved policy of the Bank in this regard.</p> <p>The Management of the Bank also makes an assessment of the impact on borrowers' accounts which were restructured as per RBI Circulars issued to provide relief to the borrowers.</p>	<p>Our audit approach / procedures included the following:</p> <ul style="list-style-type: none"> - Understanding and considering the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the prudential norms prescribed by the RBI (IRACP Norms) including the additional provisions made on advances and additional provisions and asset classification benefit extended on restructured advances under RBI's COVID-19 Regulatory Package. - Understanding, evaluation and testing the design and operating effectiveness of key controls (including application controls for system driven identification of NPAs) over approval, recording, monitoring and recovery of loans, monitoring overdue / stressed accounts, identification of NPA, provision for NPA, valuation of security and collateral and identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI. Further obtained an understanding of the contingency provision carried by the Bank and verified the underlying assumptions used by the Bank for such estimate. - Testing of application controls on sample basis including testing of automated and manual controls, reports and system reconciliations, in relation to income recognition, asset classification, provisioning pertaining to advances and investments and compliances of other regulatory guidelines issued by the RBI. - Testing on sample basis the accuracy of the data input in the system for income recognition, classification into performing and nonperforming Advances and provisioning in accordance with the IRACP norms. - Selected the sample borrowers based on quantitative and qualitative risk factors for their assessment of appropriate classification as NPA including computation of overdue ageing to assess its correct classification and provision amount as per extant IRACP norms and the Bank policy. - Performed other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included:

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements on:</p> <ul style="list-style-type: none"> - Completeness and timing of recognition of non-performing assets in accordance with criteria as per IRACP norms. - Measurement of the provision for non-performing assets based on loan exposure, ageing and classification of the loan, realizable value of security; - Appropriate reversal of unrealized income on the NPAs <p>Since the identification of NPAs and provisioning of advances (including additional provisions arising out of COVID-19 pandemic) requires proper mechanism and significant level of estimation and given its significance to the overall audit, including possible observation by RBI which could result into disclosure in the financial statements, we have ascertained identification of NPAs and provisioning against such NPAs as a key audit matter.</p>	<ul style="list-style-type: none"> (a) Considering testing of the exception reports generated from the application software and the systems where the advances have been recorded; (b) Considering the accounts reported by the Bank and other banks as Special Mention Accounts ("SMA") in RBI's central repository of information on large credits (CRILC) to identify stress; (c) Reviewing account statements, appraisal note, audited financial statements, drawing power calculation, security and other related documents and information of the sample borrowers selected based on quantitative and qualitative risk factors; (d) Reading of minutes of management committee and credit committee meetings and performing inquiries with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a loan account or any product; (e) Considering Internal Audit, Systems Audit, Credit Audit, Concurrent Audit, stock and receivable audit and credit appraisal as per the policies and procedures of the Bank; (f) Considering the RBI Annual Financial Inspection report on the Bank, the bank's response to the observations and other communication with RBI during the year; (g) Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines. <ul style="list-style-type: none"> - For NPAs identified, we, based on our sample factors including stressed sectors and account materiality, tested the asset classification dates, value of available security and provisioning as per IRACP norms. We recomputed the provision for NPA after considering the key input factors and compared our measurement outcome to that of system-generated reports and statements prepared by management.

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>(ii) Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Refer Schedule 8, Note 2 of Schedule 17 and Note 3 of Schedule 18A to the standalone financial statements)</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments (NPI), nonrecognition of income and provisioning against NPI.</p> <p>Investments are classified into 'Held for Trading' ('HFT'), 'Available for Sale' ('AFS') and 'Held to Maturity' ('HTM') categories at the time of purchase. Investments, which the Bank intends to hold till maturity are classified as HTM investments.</p> <p>Investments classified as HTM are carried at amortised cost. Where in the opinion of management, a diminution, other than temporary, in the value of investments has taken place, appropriate provisions are made.</p> <p>Investments classified as AFS and HFT are marked-to-market on a periodic basis as per the relevant RBI guidelines.</p> <p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FBIL /FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc.</p> <p>Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of NPI and provisioning related to investments.</p>	<p>Our audit approach/procedures included the following:</p> <ul style="list-style-type: none"> - We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs and provisioning/depreciation related to investments; - We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments; - For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample; - We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision; - We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs; - We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>(iii) Assessment of Provision for Taxation (including Deferred Tax Assets) (Refer Note 14 of Schedule 17 and Note 3 of Schedule 18B to the standalone financial statements)</p> <p>This matter has been identified as a Key Audit Matter due to the significant level of management judgement required in the estimation of provision for income taxes including any write back of provisions, due to the following factors</p> <ol style="list-style-type: none"> a. The Bank's assessment of provision is based on facts of matter, existence of multiple uncertain tax positions leading to multiple disputes / litigations b. Provision for tax involves interpretation of various rules and law. It also involves consideration of the complex issues in on-going disputes and disclosures of related contingencies. <p>Further, significant judgements are also involved in Assessment of Liability, Adequacy of provisions and Adequacy of disclosures for measuring such obligations.</p> <p>Recognition of deferred tax assets involves the assessment of its recoverability within the allowed time frame requiring significant estimate of the financial projections which are approved by the Bank's Board of Directors, availability of sufficient taxable income in the future and also involving significant judgements in the interpretation of tax regulations and tax positions adopted by the Bank. Considering the judgement involved in determining the recovery of deferred tax assets, the matter is considered a Key Audit Matter</p>	<p>Our key audit procedures includes:</p> <ol style="list-style-type: none"> a. Obtaining an understanding of the Bank's process and respective internal controls for determining tax liabilities, tax provisions, deferred tax assets and contingent liabilities in respect of the major litigations in order to design our audit procedures that are appropriate in the circumstances; b. Analyzing the facts of subject matter of each dispute, issue and matter under consideration and judgements/ interpretation of law involved. c. Understanding the current status of the litigations/ tax assessments in respect of each matter for different years; d. Discussion with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of the disputed cases; and evaluated the Management's underlying key assumptions in estimating the tax provisions. e. Considering legal precedence and other rulings in evaluating management's position on these uncertain tax positions, the provisions made, and/ or write back of the provisions f. Review of the reconciliation of the underlying tax balances to supporting documentation, including correspondence with tax authorities. g. Obtaining the components of deferred tax assets and estimates of taxable incomes for future periods as approved by the Board of Directors. h. Evaluating management assessment for estimating availability of future taxable profits for recognition of deferred tax assets. i. Assessing the period over which the deferred tax assets would be recovered against future taxable income. j. Verifying the disclosures related to significant litigations and taxation matters in the standalone financial statements

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>(iv) Litigation, Claims and Contingent Liabilities (Refer Schedule 12, Note 15 of Schedule 17 and note 14 of Schedule 18B to the standalone financial statements)</p> <p>Assessment of provisions and Contingent liabilities in respect of certain litigations including Indirect Taxes, various claims filed by other parties not acknowledged as debt and other matters under dispute which involve significant judgement to determine the possible outcome of these disputes.</p> <p>There is a high level of judgement required in estimating the level of provisioning for the above. The Bank's assessment is supported by the facts of matter, their own judgement, interpretation and analysis of the complex issues under dispute, past experience and orders of the judicial authorities on identical issues, and advice from legal and independent tax consultants wherever necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgement in interpretation of law. Accordingly, our audit was focused on analyzing the facts of subject matter of each dispute, issue and matter under consideration and judgements/ interpretation of law involved.</p>	<p>Our audit approach/procedures included the following:</p> <ul style="list-style-type: none"> - Testing the design and operating effectiveness of the Bank's key controls over the estimation, monitoring and disclosure of provisions and contingent liabilities - Obtaining an understanding of internal controls in relation to creation of provisions and Contingent liabilities in respect of the major litigations before various judicial forums including Indirect Taxes, various claims filed by other parties not acknowledged as debts relevant to audit in order to design our audit procedures that are appropriate in the circumstances; - Understanding the current status of the litigations/ tax assessments in respect of each matter for different years; - Examining recent orders/ communications received from various tax authorities/ judicial forums, judicial pronouncements and follow up action thereon; - Evaluating the merit of the issues and subject matter under consideration with reference to the grounds presented therein and available independent legal/ tax advice including opinion of our internal legal/tax experts; - Review and analysis of evaluation of the contentions of the Bank through discussions, collections of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and - Verification of disclosures related to significant litigations and indirect taxation matters.

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>(v) Information Technology ('IT') Systems and Internal Controls for financial reporting</p> <p>IT systems and controls followed by the bank are material from a financial reporting perspective, due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Therefore on account of these factors, there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately, and consistently for reliable financial reporting.</p> <p>In addition, there are increasing challenges to protect the integrity of the Bank's systems and data since cyber security has become a more significant risk in recent periods. These are key to ensure that IT dependent and application-based controls are operating effectively.</p> <p>Due to the pervasive nature and complexity of the IT environment as well as its importance in relation to accurate and timely financial reporting, we have ascertained IT systems and controls as a Key Audit Matter.</p>	<ul style="list-style-type: none"> - Obtaining a comprehensive understanding of IT applications landscape implemented at the Bank, followed by process understanding, mapping of applications to the processes related to financial reporting and understanding financial risks posed by people-process and technology. - We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). - This included testing that requests for access to systems were appropriately logged, reviewed and authorized. We tested the Bank's periodic review of access rights. We inspected requests of changes to systems for approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. - In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal system controls over financial reporting using various techniques such as inquiry, review of documentation / record / reports, observation, and re-performance. - Where deficiencies and mismatches were identified, we tested compensating controls or performed alternate procedures. - In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting. - In addition, we relied on management representation which included IS audit, and also the testing of the automated system driven controls conducted by the Management.

Information other than the standalone Financial Statements and Auditor's Report Thereon

The Bank's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to that Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon, the Pillar III disclosures under Basel III Capital Regulation, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Bank's Board of Directors and management are responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 in so far as they apply to the Bank and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by RBI from time to time (the "RBI Guidelines"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and 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 management and 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 Bank's financial reporting process.

Auditor's Responsibilities for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are 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 these standalone financial statements.

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 standalone financial statements, 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system 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 management and board of directors;
- Conclude on the appropriateness of management's and 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 standalone financial statements 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these

matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
2. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - (a) we have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - (c) The key operations and functions of the Bank are administered, managed and controlled by regional offices and Head Office through centralised systems and processes with automation of critical applications integrated to the software of Core Banking System, and therefore the audit was also carried out centrally based on such centralised systems and processes with automation of critical applications by review of the relevant records, documents and data required for the purposes of our audit available centrally through such applications/platform. Further, we visited 41 major branches to examine the operations and functioning of the branch and review the records/registers/documents maintained at such branches as part of our audit processes and procedures.
 - (d) the profit and loss account shows a true balance profit for the year then ended.
3. Further, as required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our

- knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
- (c) The Standalone Balance Sheet, the Standalone Profit and Loss Account, the Standalone Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
- (e) On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Bank with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
- (g) With respect to the matters to be included in the Auditor's Report under Section 197(16) of the Act:
- The Bank is a banking company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Companies Act, 2013 do not apply by virtue of Section 35B(2A) of the Banking Regulation Act, 1949, and;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us
- i. The Bank has disclosed the impact of pending litigations on its financial position in its standalone financial statements - as per details furnished in Schedule 12 and Sl.no 1 of Note 14 under Schedule 18B to the standalone financial statements;
 - ii. The Bank has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts - as per details furnished in Note 15 under Schedule 18B to the standalone financial statements; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank.
- iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 20 of Schedule 18B of the notes to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) Further, the management has represented, that, to the best of its knowledge and belief, other than as disclosed in in Note 20 of Schedule 18B of the notes to the standalone financial statements, no funds have been received by the Bank from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and
- (c) Based on such audit procedures performed, that were considered reasonable and appropriate by us in the circumstances and according to

the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the management representations made under subclause (a) and (b) contain any material misstatement.

- v. The Board of Directors, in their meeting held on May 11, 2023 have proposed final dividend of ₹ 0.30 per equity share (30%) for the year ended March 31, 2023 amounting to ₹ 62.78 Crores. The proposal is subject to the approval of shareholders at the Annual General Meeting as stated in note 21 of Schedule 18B to the Standalone Financial Statements.
- vi. Provisions of the Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has features of recording audit trail (Edit log) facility are applicable to the Bank with effect from April 1, 2023,

and accordingly, the requirement of reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Other Matter

The audit of standalone financial statements of the Bank for the year ended March 31, 2022 was conducted by CNK & Associates LLP, Chartered Accountants and Varma and Varma, Chartered Accountants, the joint statutory auditors of the Bank, who have expressed an unmodified opinion on those financial statements. Accordingly, we, K Venkatachalam Aiyer & Co. Chartered Accountants, do not express any opinion on the figures reported in the standalone financial statements for the year ended / as at March 31, 2022.

Our opinion on the standalone financial statement is not modified in respect of the above matter.

For **CNK & Associates LLP**
Chartered Accountants
Firm Registration No. 101961W/W-100036

Hiren Shah
Partner
Membership No: 100052
UDIN: 23100052BGVTUS2499

Place: Thrissur
Date: 11th May 2023

For **K Venkatachalam Aiyer & Co.**
Chartered Accountants
Firm Registration No. 004610S

A. Gopalakrishnan
Partner
Membership No: 018159
UDIN: 23018159BGYOFX2838

Place: Thrissur
Date: 11th May 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF THE SOUTH INDIAN BANK LIMITED FOR THE YEAR ENDED MARCH 31, 2023

[Referred to paragraph 3(f) under Report on Other Legal Regulatory requirements in the Independent Auditors' Report on the Internal Financial Controls Over Financial Reporting with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over Financial Reporting with reference to standalone financial statements of The South Indian Bank Limited ('the Bank') as at March 31, 2023, in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls over Financial Reporting

The Bank's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the Internal Control over Financial Reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to Standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing as specified under section 143 (10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting were established

and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to Standalone financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to Standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A bank's internal financial control with reference to Standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. The Bank's internal financial control with reference to Standalone financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being

made only in accordance with authorizations of management and directors of the bank; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to Standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone financial statements

to future periods are subject to the risk that the internal financial control with reference to Standalone financial statements become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank has maintained, in all material respects, an adequate internal financial controls system with reference to the Standalone financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For CNK & Associates LLP
Chartered Accountants
Firm Registration No. 101961W/W-100036

Hiren Shah
Partner
Membership No: 100052
UDIN: 23100052BGVTUS2499

Place: Thrissur
Date: 11th May 2023

For K Venkatachalam Aiyer & Co.
Chartered Accountants
Firm Registration No. 0046105

A. Gopalakrishnan
Partner
Membership No: 018159
UDIN: 23018159BGYOFX2838

Place: Thrissur
Date: 11th May 2023

Standalone Balance Sheet

as at March 31, 2023

₹ ('000)

		Schedule No	As at March 31, 2023	As at March 31, 2022
पूँजी और देयताएँ	CAPITAL AND LIABILITIES			
पूँजी	Capital	1	20,92,741	20,92,741
कर्मचारी स्टोक विकल्प (अनुदान) बकाया	Employees' Stock Options Outstanding		1,092	12,905
आरक्षितियाँ निधियाँ और अधिशेष	Reserves and Surplus	2	6,46,53,062	5,64,38,590
निक्षेप	Deposits	3	91,65,13,530	89,14,21,078
उधार	Borrowings	4	6,99,38,514	3,29,44,934
अन्य ऋण तथा प्रावधान	Other liabilities and provisions	5	2,37,82,874	1,76,13,967
जोड़	TOTAL		1,07,69,81,813	1,00,05,24,215
संपत्तियाँ	ASSETS			
भारतीय रिज़र्व बैंक में नकदी अधिशेष	Cash and Balances with Reserve Bank of India	6	4,63,92,196	7,27,66,056
बैंको में अधिशेष और मांग पर तथा अल्प सूचना पर प्राप्त धन	Balances with banks and money at call and short notice	7	2,44,12,677	3,92,68,220
विनिधान	Investments	8	24,64,18,041	21,44,50,128
अग्रिम	Advances	9	69,80,44,444	59,99,33,907
स्थिर आस्तियाँ	Fixed Assets	10	87,79,163	81,10,541
अन्य आस्तियाँ	Other Assets	11	5,29,35,292	6,59,95,363
जोड़	TOTAL		1,07,69,81,813	1,00,05,24,215
आकस्मिक ऋण	Contingent Liabilities	12	25,89,12,394	33,76,47,010
संग्रहण के लिए बिल	Bills for collection		2,05,77,900	1,75,29,647
महत्वपूर्ण लेखांकन नीतियाँ	Significant Accounting Policies	17		
लेखा संबंधी टिप्पणियाँ	Notes on Accounts	18		

अनुसूचियाँ ऊपर तुलन पत्र का एक अभिन्न अंग के रूप में

Schedules referred to above form an integral part of the Balance Sheet

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Chithra.H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
(DIN : 01028298)

Jimmy Mathew
Company Secretary

Vinod Francis
Joint General Manager

V. J. Kurian
Director
(DIN : 01806859)

M George Korah
Director
(DIN : 08207827)

In terms of our report attached

For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration No.
101961W/W-100036

For K Venkatachalam Aiyer & Co
Chartered Accountants
ICAI Firm Registration No. 0046105

Pradeep M Godbole
Director
(DIN : 08259944)

Paul Antony
Director
(DIN : 02239492)

Hiren Shah
Partner
Membership No. 100052

A Gopalakrishnan
Partner
Membership No. 018159

R A Sankara Narayanan
Director
(DIN : 05230407)

Radha Unni
Director
(DIN : 03242769)

Thrissur
May 11, 2023

Thrissur
May 11, 2023

Thrissur
May 11, 2023

Benny P Thomas
Director
(DIN : 09448424)

Standalone Profit and Loss Account

for the year ended March 31, 2023

		₹ ('000)		
		Schedule No	Year ended March 31, 2023	Year ended March 31, 2022
I. आय	I. INCOME			
अर्जित ब्याज	Interest Earned	13	7,23,31,794	6,58,65,375
अन्य आय	Other Income	14	81,26,275	1,03,41,031
जोड़	TOTAL		8,04,58,069	7,62,06,406
II. व्यय	II. EXPENDITURE			
व्यय किया गया ब्याज	Interest Expended	15	4,22,10,962	4,34,67,803
परिचालन व्यय	Operating Expenses	16	2,31,73,840	2,02,62,913
उपबंध और आकस्मिक व्यय	Provisions and Contingencies	18.A.14.e	73,22,388	1,20,25,870
जोड़	TOTAL		7,27,07,190	7,57,56,586
III. लाभ / हानि	III. PROFIT/LOSS			
वर्ष के शुद्ध लाभ	Net Profit(Loss) for the year		77,50,879	4,49,820
पिछले वर्ष के अग्रनीत लाभ	Profit/(Loss) brought forward from previous year		(3,78,683)	46,278
जोड़	Total		73,72,196	4,96,098
IV. विनियोग	IV. APPROPRIATIONS			
कानूनी आरक्षितियों को अंतरण	Transfer to Statutory Reserve		19,37,800	1,12,500
पूँजिगत आरक्षितियों को अंतरण	Transfer to Capital Reserve		45,665	7,62,281
राजस्व एवं अन्य आरक्षितियों को अंतरण	Transfer to/(from) Revenue and Other Reserve		13,00,000	-
निवेश उतार-चढ़ाव आरक्षितियों को अंतरण	Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act		8,00,000	-
तुलनपत्र में ले जाई शेषराशि	Transfer to Investment Fluctuation Reserve		10,43,862	-
अतिशेष जो आगे तुलन पत्र में ले जाया गया है	Balance carried over to Balance Sheet		22,44,869	(3,78,683)
जोड़	TOTAL		73,72,196	4,96,098
प्रति शेयर अर्जन (₹)	Earnings per share (Face value of ₹ 1 per share)			
आधार ईपीएस (₹)	Basic (in ₹)	18.B.16	3.70	0.21
तनुकृत ईपीएस (₹)	Diluted (in ₹)	18.B.16	3.70	0.21
महत्वपूर्ण लेखांकन नीतियाँ	Significant Accounting Policies	17		
लेखा संबंधी टिप्पणियाँ	Notes on Accounts	18		

अनुसूचियाँ ऊपर लाभ और हानि खाता का एक अभिन्न अंग के रूप में

Schedules referred to above form an integral part of the Profit and Loss Account

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Chithra.H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
(DIN : 01028298)

Jimmy Mathew
Company Secretary

Vinod Francis
Joint General Manager

V. J. Kurian
Director
(DIN : 01806859)

M George Korah
Director
(DIN : 08207827)

In terms of our report attached

For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration No.
101961W/W-100036

For K Venkatachalam Aiyer & Co
Chartered Accountants
ICAI Firm Registration No. 0046105

Pradeep M Godbole
Director
(DIN : 08259944)

Paul Antony
Director
(DIN : 02239492)

Hiren Shah
Partner
Membership No. 100052

A Gopalakrishnan
Partner
Membership No. 018159

R A Sankara Narayanan
Director
(DIN : 05230407)

Radha Unni
Director
(DIN : 03242769)

Thrissur
May 11, 2023

Thrissur
May 11, 2023

Thrissur
May 11, 2023

Benny P Thomas
Director
(DIN : 09448424)

Standalone Cash Flow Statement

for the year ended March 31, 2023

		₹ ('000)	
		Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities			
Profit before tax as per Profit and Loss Account		1,10,82,073	(9,19,858)
Adjustments for:			
Depreciation		8,74,834	8,40,171
Amortisation of Premium on HTM Investments		31,24,143	25,65,358
Provision for Depreciation / Non Performing Investments		29,69,786	25,62,987
General Provisions against Standard Assets		(5,86,100)	17,55,700
Provision/write off for Non Performing Assets		62,30,741	1,16,14,053
Other Provisions		(2,78,081)	1,04,921
Employee Stock Options expense		1,088	1,983
Interest on Subordinated bonds		17,54,250	17,54,250
(Profit)/Loss on sale of land, buildings and other assets		1,222	(1,476)
Operating profit before working capital changes	(A)	2,51,73,956	2,02,78,089
Changes in working capital:			
Increase / (Decrease) in Deposits		2,50,92,452	6,43,15,588
Increase / (Decrease) in Other liabilities and provisions		70,27,989	(73,132)
(Increase) / Decrease in Investments		(3,52,90,708)	6,68,017
(Increase) / Decrease in Advances		(10,43,40,750)	(3,09,95,355)
(Increase) / Decrease in Other Assets		1,19,15,323	(21,44,329)
	(B)	(9,55,95,694)	3,17,70,789
Cash flow from operating activities before taxes	(A+B)	(7,04,21,738)	5,20,48,878
Direct Taxes paid		(21,86,444)	(3,95,676)
Net cash flow from/(used in) operating activities	(C)	(7,26,08,182)	5,16,53,202
Cash flow from investing activities:			
Purchase of Fixed Assets/Capital Work-in-Progress		(11,26,995)	(10,18,674)
Sale of Fixed/Non Banking Assets		37,578	6,48,541
(Purchase)/Sale of Investments (Held To Maturity)		(27,71,134)	(1,70,35,646)
Net cash flow from/(used in) investing activities	(D)	(38,60,551)	(1,74,05,779)

		₹ ('000)	
		Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from financing activities:			
Net proceeds/(repayments) in borrowings		3,69,93,580	(81,37,797)
Interest on Subordinated bonds		(17,54,250)	(17,54,131)
Net cash flow from/(used in) financing activities	(E)	3,52,39,330	(98,91,928)
Net increase/(decrease) in cash and cash equivalents	(C+D+E)	(4,12,29,403)	2,43,55,495
Cash and cash equivalents as at beginning of the year		11,20,34,276	8,76,78,781
<i>(Refer note below)</i>			
Cash and cash equivalents as at the end of the year		7,08,04,873	11,20,34,276
<i>(Refer note below)</i>			

Note :Cash and cash equivalents comprise of cash on hand (including foreign currency notes), Balances with Reserve Bank of India, Balance with Banks and money at call and short notice.(Refer schedules 6 and 7 of the Balance sheet)

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Chithra.H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
(DIN : 01028298)

Jimmy Mathew
Company Secretary

Vinod Francis
Joint General Manager

V. J. Kurian
Director
(DIN : 01806859)

M George Korah
Director
(DIN : 08207827)

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For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration No.
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Partner
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A Gopalakrishnan
Partner
Membership No. 018159

R A Sankara Narayanan
Director
(DIN : 05230407)

Radha Unni
Director
(DIN :03242769)

Thrissur
May 11, 2023

Thrissur
May 11, 2023

Thrissur
May 11, 2023

Benny P Thomas
Director
(DIN : 09448424)

Schedules to Balance Sheet as at March 31, 2023

	As at March 31, 2023	As at March 31, 2022
₹ ('000)		
SCHEDULE 1 - CAPITAL		
Authorised Capital	40,00,000	40,00,000
400,00,00,000 Equity shares of ₹ 1/- each (Previous year 400,00,00,000 equity shares of ₹ 1/- each)		
Issued, Subscribed and Paid up Capital	20,92,741	20,92,741
209,27,41,018 Equity shares of ₹ 1/- each (Previous year 209,27,41,018 equity shares of ₹ 1/- each) (Refer Note no. A.1.e of Schedule 18)		
TOTAL	20,92,741	20,92,741
Employees' Stock Options Outstanding		
Employees' Stock Options Outstanding	8,817	12,905
Less: Deferred Employee Compensation Expense (unamortised)	(7,725)	-
TOTAL	1,092	12,905
SCHEDULE 2 - RESERVES AND SURPLUS		
I. Statutory Reserve		
Opening Balance	1,16,80,439	1,15,67,939
Additions during the year	19,37,800	1,12,500
Sub total	1,36,18,239	1,16,80,439
II. Capital Reserve [#]		
Opening Balance	90,98,285	83,77,031
Additions during the year*	45,665	7,62,281
Due to revaluation of Assets (net)	4,50,692	-
	95,94,642	91,39,312
Deductions during the year:		
Deduction from reserve to the extent of depreciation on revalued amount	(56,503)	(41,027)
Sub total	95,38,139	90,98,285
III. Share Premium		
Opening Balance	1,76,68,966	1,76,68,966
Additions during the year	-	-
Sub total	1,76,68,966	1,76,68,966

	As at March 31, 2023	As at March 31, 2022
₹ ('000)		
IV. Revenue and Other Reserves[§]		
Opening Balance	1,83,69,583	1,83,18,653
Additions during the year :		
a) lapse of vested options	12,901	9,903
b) transfer of depreciation on revaluation	56,503	41,027
c) appropriation during the Year	31,43,862	-
Sub total	2,15,82,849	1,83,69,583
V. Balance in Profit and Loss Account	22,44,869	-3,78,683
TOTAL [i+ii+iii+iv+v]	6,46,53,062	5,64,38,590

* Includes Profit appropriated to Capital Reserve (net of applicable taxes and transfer to statutory reserve) on:

- a) Gain on sale of Held to Maturity Investments ₹9.48 Crore (Previous Year ₹ 156.08 Crore)
b) Profit/(Loss) on sale of Fixed Assets (₹0.12) Crore (Previous Year ₹ 0.15 Crore)

#(Refer Note no. A.1.f of Schedule 18)

§(Refer Note no. A.1.f of Schedule 18)

SCHEDULE 3 - DEPOSITS

A. I. Demand Deposits		
(i) From Banks	70,184	1,23,699
(ii) From Others	4,97,89,619	4,84,91,545
II. Savings Bank Deposits	25,24,10,824	24,73,98,532
III. Term Deposits		
(i) From Banks	33,45,670	2,22,87,247
(ii) From Others	61,08,97,233	57,31,20,055
TOTAL	91,65,13,530	89,14,21,078
B. (i) Deposits of branches in India	91,65,13,530	89,14,21,078
(ii) Deposits of branches outside India	Nil	Nil
TOTAL	91,65,13,530	89,14,21,078

SCHEDULE 4 - BORROWINGS

I. Borrowings in India		
(i) Reserve Bank of India	27,50,000	-
(ii) Other Banks*	12,02,300	20,78,800
(iii) Other Institutions and Agencies#	6,41,93,051	2,87,38,169
II. Borrowings outside India - from other banks	17,93,163	21,27,965
TOTAL	6,99,38,514	3,29,44,934
Secured borrowings under Triparty repo, market repurchase transactions with banks and financial institutions and transactions under Liquidity Adjustment Facility and Marginal Standing Facility included above.	3,18,14,751	99,95,969

*Borrowings from other banks include Subordinated Debt of ₹47.36 Crore (Previous year ₹48.36 Crore) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹72.87 Crore (Previous year ₹ 159.52 Crore) [Refer Note no. 18.A.1.d]

#Borrowings from other institutions & agencies include Subordinated Debt of ₹992.64 Crores (Previous year ₹991.64 Crore) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹427.13 Crore (Previous year ₹340.48 Crores) [Refer Note no. 18.A.1.d]

₹ ('000)

	As at March 31, 2023	As at March 31, 2022
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	10,28,487	12,51,958
II. Inter -Office adjustments (Net)	8,18,455	25,656
III. Interest Accrued	20,41,463	18,01,206
IV. Others (including provisions)*	1,98,94,469	1,45,35,147
TOTAL	2,37,82,874	1,76,13,967

*Includes :- Provision for standard assets ₹407.59 Crore (Previous year ₹ 464.54 Crore) (Refer Note no. A.4.a of Schedule 18)

**SCHEDULE 6 - CASH AND BALANCES WITH
RESERVE BANK OF INDIA**

I. Cash in hand (Including foreign currency notes)	51,69,959	57,23,146
II. Balances with Reserve Bank of India		
a) In Current Account	4,12,22,237	3,10,42,910
b) Lending under Reverse Repo (including Standing Deposit Facility)	-	3,60,00,000
TOTAL	4,63,92,196	7,27,66,056

**SCHEDULE 7 - BALANCES WITH BANKS AND
MONEY AT CALL AND SHORT NOTICE**

I. In India		
i) Balances with Banks		
(a) In Current Accounts	1,09,326	1,97,384
(b) In Other Deposit Accounts	9,45,658	2,89,417
ii) Money at call & short notice		
(a) With Banks	5,00,000	-
(b) With other Institutions	-	-
(c) Lending under Reverse Repo (Market & Tri party)	4,99,712	-
Sub total	20,54,696	4,86,801
II. Outside India		
(a) In Current Accounts	10,95,672	15,80,187
(b) In Other Deposit Accounts	1,97,20,800	3,52,43,512
(c) Money at call & short notice - with banks	15,41,509	19,57,720
Sub total	2,23,57,981	3,87,81,419
TOTAL	2,44,12,677	3,92,68,220

	As at March 31, 2023	As at March 31, 2022
₹ ('000)		
SCHEDULE 8 - INVESTMENTS		
I. Investments in India in:		
(i) Government Securities*	223,766,114	194,655,253
(ii) Other Approved Securities	-	-
(iii) Shares	21,83,349	5,45,603
(iv) Debentures and Bonds	1,29,79,496	57,18,540
(v) Subsidiaries and/or Joint Ventures	5,000	5,000
(vi) Others#	74,82,103	1,35,23,768
Sub total	24,64,16,062	21,44,48,164
II. Investments outside India - Shares	1,979	1,964
TOTAL (I+II)	24,64,18,041	21,44,50,128
A. Gross Investments		
(i) In India	26,01,40,119	22,53,38,150
(ii) Outside India	1,979	1,979
Sub total (A)	26,01,42,098	22,53,40,129
B. Depreciation/Provision for investments		
(i) In India	1,37,24,057	1,08,89,986
(ii) Outside India	-	15
Sub total (B)	1,37,24,057	1,08,90,001
C. Net Investments		
(i) In India	24,64,16,062	21,44,48,164
(ii) Outside India	1,979	1,964
TOTAL (A-B)	24,64,18,041	21,44,50,128
* Including Non SLR State Government bonds with Book Value ₹ 86.71 Crore (Previous Year: ₹ 105.28 Crore) [Refer Note no. A.3.d of Schedule 18]. Securities costing to ₹ 11,365.78 Crore (Previous Year ₹10,125.77 Crore) pledged for availment of fund transfer facility, clearing facility and margin requirements.		
# includes		
Security Receipts	16,59,849	70,30,389
Certificate of Deposit	43,52,158	50,09,066
Commercial Paper	14,70,096	14,84,313
TOTAL	74,82,103	1,35,23,768

₹ ('000)

	As at March 31, 2023	As at March 31, 2022
SCHEDULE 9 - ADVANCES		
A. (i) Bills Purchased and Discounted	8,13,34,993	5,11,09,407
(ii) Cash Credits, Overdrafts and Loans repayable on demand	36,72,86,039	29,60,75,004
(iii) Term Loans	24,94,23,412	25,27,49,496
TOTAL	69,80,44,444	59,99,33,907
B. (i) Secured by tangible assets*	55,40,07,373	52,35,50,632
(ii) Covered by Bank/Government Guarantees	3,04,15,256	4,16,85,676
(iii) Unsecured	11,36,21,815	3,46,97,599
TOTAL	69,80,44,444	59,99,33,907
*advances secured by tangible assets includes advances against Book Debt		
C. I. Advances in India		
(i) Priority Sectors	29,61,34,861	29,49,32,182
(ii) Public Sector	1,00,05,515	31,35,817
(iii) Banks	-	-
(iv) Others	39,19,04,068	30,18,65,908
TOTAL	69,80,44,444	59,99,33,907
II. Advances outside India	Nil	Nil
TOTAL	69,80,44,444	59,99,33,907
SCHEDULE 10 - FIXED ASSETS		
I. Premises (including Land)		
Gross Block:		
At cost as on March 31, of the preceding year	59,47,242	59,46,942
Additions during the year		
Due to purchases/acquisitions	4,85,802	300
	64,33,044	59,47,242
Deductions during the year	647	-
Closing Balance	64,32,397	59,47,242
Depreciation		
As at beginning of the year	7,36,405	6,69,021
Charge of the year	83,139	67,384
Depreciation to date	8,19,544	7,36,405
Net Block	Sub total	52,10,837
II. Capital Work in Progress		
At cost as on March 31, of the preceding year	5,90,470	4,05,046
Additions during the year	12,58,888	9,66,531
	18,49,358	13,71,577
Capitalisations during the year	6,09,373	7,81,107
Sub total	12,39,985	5,90,470

	₹ ('000)	
	As at March 31, 2023	As at March 31, 2022
III. Other Fixed Assets (Including furnitures and fixtures and Software)		
Gross Block:		
At cost as on March 31, of the preceding year	82,22,361	75,75,854
Additions during the year	4,42,370	8,32,950
	86,64,731	84,08,804
Deductions/adjustments during the year	4,18,314	1,86,443
Closing Balance	82,46,417	82,22,361
Depreciation		
As at beginning of the year	59,13,127	53,07,154
Charge of the year	7,91,693	7,72,772
Deductions during the year	3,84,728	1,66,799
Depreciation/adjustments to date	63,20,092	59,13,127
Net Block	19,26,325	23,09,234
Sub total	19,26,325	23,09,234
TOTAL [I+II+III]	87,79,163	81,10,541

SCHEDULE 11 - OTHER ASSETS

I. Interest Accrued		1,13,16,438	1,00,87,447
II. Tax Paid in Advance/Tax Deducted at Source (Net of provision)		26,76,503	30,73,835
III. MAT Credit Entitlement (Refer Note no. B.3 of Schedule 18)	1,680,504		
Less MAT Credit utilisation	297,957	13,82,547	-
IV. Deferred tax asset (net) (Refer Note no. B.3.b of Schedule 18)		2,14,117	23,44,082
V. Deferred Employee Benefits (Refer Note no.B.11.c.ii of Schedule 18)		-	2,45,714
VI. Stationery and Stamps		29,360	25,383
VII. Non-Banking Assets acquired in satisfaction of claims	134,494	1,41,860	
Less: Provisions held	134,494	-	1,41,860
VIII. Others*		3,73,16,327	5,02,18,902
		5,29,35,292	6,59,95,363

*Includes Priority Sector Shortfall Deposits amounting to ₹ 2,636.43 Crore (Previous year ₹3,790.89 Crore)

SCHEDULE 12 - CONTINGENT LIABILITIES (REFER NOTE NO. 15 OF SCHEDULE 17)

I. Claims against the Bank not acknowledged as debts:			
(i) Direct Tax disputes		2,05,023	2,05,023
(ii) Indirect Tax disputes		2,20,266	2,27,201
(iii) Others		2,68,615	2,69,928
II. Liability on account of outstanding Forward Exchange Contracts ¹		22,51,72,106	30,89,46,320
III. Guarantees given on behalf of constituents in India			
(a) in India		1,69,78,184	1,54,23,975
(b) outside India		42,59,569	19,89,724
IV. Acceptances, endorsements and other obligations		92,53,844	83,63,430
V. Other items for which the bank is contingently liable:			
(i) Capital Commitments		3,68,432	3,84,387
(ii) Transfers to Depositor Education and Awareness Fund (DEAF) *		21,86,355	18,37,022
TOTAL		25,89,12,394	33,76,47,010

¹Represents notional amount

*[Refer Note no. A.10 of Schedule 18]

Schedules to Profit and Loss Account

for the year ended March 31, 2023

₹ ('000)

	Year ended March 31, 2023	Year ended March 31, 2022
SCHEDULE 13 - INTEREST EARNED		
I. Interest/Discount on Advances/Bills	5,71,21,507	5,06,93,408
II. Income on Investments	1,28,57,266	1,03,98,050
III. Interest on balances with Reserve Bank of India and Other Inter - Bank funds	13,20,999	33,37,314
IV. Others	10,32,022	14,36,603
TOTAL	7,23,31,794	6,58,65,375

SCHEDULE 14 - OTHER INCOME		
I. Commission, Exchange and Brokerage	4,45,697	4,71,836
II. Profit on sale of Investments	8,79,967	34,62,571
Loss on sale of Investments	(1,79,854)	(1,58,813)
Prov for Depn on Investments	(43,45,152)	(36,45,039)
III. Profit on sale of land, buildings and other assets	11,922	8,704
Loss on sale of land, buildings and other assets	(13,144)	(1,222)
IV. Profit/(Loss) on Exchange/derivative transactions (net)	5,60,509	6,01,233
V. Miscellaneous Income*	1,07,66,330	86,04,841
TOTAL	81,26,275	1,03,41,031

* Includes Amount written off since recovered ₹ 247.20 Crore (Previous Year ₹ 104.75 Crore)

SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on Deposits	3,85,33,239	4,06,23,714
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	16,598	40,385
III. Others	36,61,125	28,03,704
TOTAL	4,22,10,962	4,34,67,803

SCHEDULE 16 - OPERATING EXPENSES		
I. Payments to and Provisions for Employees	1,30,03,590	1,19,78,918
II. Rent, Taxes and Lighting	13,88,037	12,87,967
III. Printing and Stationery	2,48,388	1,26,082
IV. Advertisement and Publicity	1,23,701	27,803
V. Depreciation on Bank's Property	8,74,834	8,40,171
VI. Directors fees, remuneration, allowances and expenses	22,977	19,773
VII. Auditors' fees and expenses	27,957	21,276
VIII. Law charges	2,22,213	1,45,293
IX. Postage,telegrams,telephones, etc.	5,72,806	5,05,240
X. Repairs and Maintenance	6,47,388	5,07,892
XI. Insurance	12,10,997	11,59,449
XII. Other Expenditure *	48,30,952	36,43,049
TOTAL	2,31,73,840	2,02,62,913

* Includes expenditure towards Corporate Social Responsibility ₹1.86 Crore (Previous year : ₹ 6.06 Crore) [Refer Note no. B.17 of Schedule 18]

SCHEDULE – 17 SIGNIFICANT ACCOUNTING POLICIES APPENDED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Background

The South Indian Bank Limited ('SIB' or the 'Bank'), incorporated on January 29, 1929 at Thrissur, as a private limited company and was later converted into a public limited company on August 11, 1939. SIB has a network of 940 branches in India and provides retail and corporate banking, para banking activities such as debit card, third party financial product distribution, in addition to Treasury and Foreign Exchange Business. SIB is governed by Banking Regulation Act, 1949, The Companies Act, 2013 and other applicable Acts/Regulations for Banks. Its shares are listed in BSE Limited and National Stock Exchange of India Limited.

Basis of Preparation

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the bank used in the preparation of these financial statements conform in all material aspects to Generally Accepted Accounting Principles in India ("Indian GAAP"), the circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time and the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (as amended) and the relevant provisions of the Companies Act, 2013 ("the Act") and current practices prevailing within the banking industry in India. The Bank follows the historical cost convention and accrual method of accounting in the preparation of the financial statements, except where otherwise stated. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognized prospectively in the current and future periods.

Significant Accounting Policies

1. Revenue recognition

- a) Interest / discount / other charges income from loans, advances and investments and deposits placed with banks and other institutions are recognized on accrual basis, except in respect of income relating to advances/ investments classified as non-performing advances/ investments, additional finance treated as standard asset under approved restructuring package, where the income is recognized only on realization in accordance with RBI guidelines.
- b) Interest income on loans bought out through the direct assignment route is recognized at their effective interest rate, except in case of such loans classified as non-performing advances.
- c) The recoveries made from NPA accounts are appropriated towards the order of demand applicable to borrowers accounts.
- d) Dividend on investments in shares and units of mutual funds are accounted when the bank's right to receive the dividend is established.
- e) Income on discounted instruments is recognised over the tenure of the instrument on a straight-line basis.
- f) Insurance claims and locker rent are accounted on receipt basis.
- g) Commission income on issuance of bank guarantee / letter of credit is recognised over the period of the guarantee/letter of credit.
- h) Processing fee/ upfront fee, handling charges or income of similar nature collected at the time of sanctioning or renewal of loan/ facility is recognised at the inception/renewal of loan.
- i) Other fees and commission income (including commission income on third party products) are recognised when due, except in cases where the bank is uncertain of ultimate collection.
- j) Unpaid funded interest on term loans are recognised on realisation as per the guidelines of RBI.

- k) In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account in the year of sale. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.
- l) Fees received on sale of Priority Sector Lending Certificates is considered as Miscellaneous Income, while fees paid for purchase is expensed as other expenses in accordance with the guidelines issued by the RBI.
- m) The difference between the sale price and purchase cost of gold coins, received on consignment basis is included in other income and is recognised at the time of sale to the customers.
- n) Interest on income tax refund is recognised under "Other Income" in the year of passing of Assessment Orders.
- o) Legal expenses incurred on suit filed accounts are expensed in profit and loss account as per RBI guidelines. Such amount when recovered is treated as income
- p) In case of One Time settlement (OTS) accounts the recoveries are first adjusted to principal balance and sacrifice on settlement is accounted upfront.
- q) Penal interest is recognised as income on realisation other than on running accounts where it is recognised when due.
- b) Investments which are held for sale within 90 days from the date of purchase are classified as "Held for Trading".
- c) Investments which the bank intends to hold till maturity are classified as "Held to Maturity".
- d) Investments which are not classified in either of the above two categories are classified as "Available for Sale".

B) Acquisition cost

The cost of investments is determined on the weighted average basis. Broken period interest on debt instruments and government securities is treated as a revenue item. The transaction cost including brokerage, commissions etc. paid at the time of acquisition of investments are charged to the Profit and Loss Account.

C) Valuation

The valuation of investments is performed in accordance with the RBI Guidelines:

- a. Investments classified as HFT or AFS – Investments classified under the AFS and HFT categories are marked-to-market. The market/fair value of quoted investments included in the 'AFS' and 'HFT' categories is measured with respect to the Market Price of the Scrip as available from the trades/ quotes on the stock exchanges, pricelist of RBI or prices declared by Financial Benchmark India Private Limited periodically. Net depreciation, if any, within each category of investment classification is recognized in Profit and Loss Account. The net appreciation, if any, under each category of Investment is ignored. Except in cases where provision for diminution other than temporary is created, the Book value of individual securities is not changed consequent to the periodic valuation of Investments.

Net depreciation on each type of investments falling under the residual category of 'Others' (i.e. mutual funds, PTCs, security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category.

The depreciation on securities acquired by way of conversion of outstanding loan is provided in accordance with the RBI guidelines. Provision for depreciation on investments is classified under

2. Investments

A) Classification

- a) In accordance with the RBI guidelines, investments are categorized into "Held for Trading", "Available for Sale" and "Held to Maturity" and further classified under six groups, viz. Government Securities, Other Approved Securities, Shares, Debentures & Bonds, Subsidiaries and / or joint ventures and Other (to be specified) Investments for the purposes of disclosure in the Balance Sheet. Shifting amongst the categories is done in accordance with the RBI guidelines.

Schedule 14 "Other Income". The book value of individual securities is not changed consequent to the periodic valuation of investments.

- b. Held to Maturity – These are carried at their acquisition cost unless it is more than the face value, in which case premium on acquisition is amortized over the remaining maturity of the security on straight line basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under Schedule 13 in Profit and Loss account. As per RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity. Any diminution, other than temporary, in the value of such securities is provided for.
 - c. Treasury Bills, commercial paper, Cash management bills and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount amortized over the period to maturity.
 - d. Units of Mutual Funds are valued at the latest repurchase price/net asset value declared by Mutual Fund.
 - e. Market value of investments where current quotations are not available, is determined as per the norms prescribed by the RBI as under:
 - In case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity (YTM) for Government Securities as published by Financial Benchmark India Pvt Limited (FBIL) and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA are adopted for this purpose;
 - In case of bonds and debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by RBI;
 - Preference shares shall be valued on YTM basis. It shall be valued with appropriate mark-up over the YTM rates for Central Government Securities put out by the FBIL. The preference shares shall not be valued above its redemption value.
 - f.
 - Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet. In case the latest Balance Sheet is not available, the shares are valued at ₹ 1/- per company;
 - In case of investment by the Bank in SRs issued against loans transferred by it is more than 10 percent of all SRs issued against the transferred asset, then the provision for depreciation in value is made at the higher of - provisioning rate required in terms of net asset value declared by the Reconstruction Company ('RC')/ Securitization Company ('SC') or the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the bank.
 - Non-Performing Investments are identified and valued based on RBI guidelines. Interest on non-performing investments is recognised on cash basis.
 - Investment in subsidiary as per RBI guidelines are categorized as HTM and assessed for impairment to determine permanent diminution, if any
- D) Repo and Reverse Repo transactions**
- In accordance with the RBI guidelines repo and reverse repo transactions in government securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are reflected as collateralized borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted for as interest

expense and revenue on reverse repo is accounted for as interest income.

E) Short Sales

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is reflected as the amount received on sale and is classified under 'Other Liabilities'. The short position is marked to market and resultant mark-to-market gain/losses are accounted for as per the relevant RBI guidelines for valuation of investments.

F) Transfer of securities between Categories

Transfer of securities between categories is done at the lower of the acquisition cost / book value/ market value on the date of the transfer and the depreciation, if any, on such transfer is fully provided for in accordance with RBI guidelines.

G) Disposal of Investments

- a. Investments classified as HFT and AFS – Profit or loss on sale / redemption is included in the Profit and Loss account.
- b. Investments classified as HTM – Profit on sale of /redemption of investments is included in the Profit and Loss Account and is appropriated to capital Reserve after adjustments for tax and transfer to Statutory Reserve. Loss on sale/redemption is charged to the Profit and Loss Account.

H) Investment Fluctuation Reserve ('IFR'):

Investment Fluctuation reserve is accounted in line with the RBI guidelines issued from time to time.

3. Advances

A) Valuation / Measurement

- a) Advances are classified into performing assets (Standard) and non-performing assets ('NPAs') as per the RBI guidelines and are stated net of specific provisions made towards NPAs, sacrifice provisions on restructured advances, claims received from guarantee corporations and unrealised interest on NPAs. Interest on Non- Performing advances is not recognised in profit and loss account and transferred to an unrealised interest account until receipt. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated

by the RBI. Provisions for NPAs are made as per the guidelines and circulars of the RBI on matters relating to prudential norms.

- b) Non-performing advances are written-off in accordance with the Bank's policies. Amounts recovered against debts written off are recognised in the profit and loss account and included under "Other Income". The recovery of unrealised interest is accounted under "Interest on Loans & Advances" in the profit and loss account.
- c) For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by the RBI, which requires the diminution in the fair value of the assets to be provided at the time of restructuring. In respect of loans and advances accounts subjected to restructuring, the account is upgraded to standard only after the specified period i.e. a period of one year after the date when first payment of interest or of principal, whichever is later, falls due, subject to satisfactory performance of the account during the period.

Additional provision for restructured accounts as per the relevant restructuring scheme announced by RBI for Micro, Small and Medium (MSME) sector, accounts affected by natural calamities and as per COVID 19 resolution framework are made as per extant RBI guidelines.

- d) For entities with Unhedged Foreign Currency Exposure (UFCE), provision is made in accordance with the guidelines issued by RBI, which requires to ascertain the amount of UFCE, estimate the extent of likely loss and estimate the riskiness of unhedged position. The Provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.
- e) The Bank maintains general provision for standard assets including credit exposures computed as per the current marked-to-market values of foreign exchange derivative contracts, in accordance with the guidelines and at levels stipulated by RBI from time to time. The Provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.
- f) The bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the

case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where bank is participating; the aggregate amount of participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the bank is participating, the aggregate amount of participation is shown as due from banks under advances.

g) **Loss on sale of assets to Asset Reconstruction Companies**

If the sale of non- performing advances is at a price below the net book value, the shortfall is charged to the Profit and Loss Account, spread over a period as specified in RBI guidelines. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

h) **The Bank makes additional provisions as per RBI's guidelines on 'Prudential Framework on Resolution of Stressed Assets' dated June 7, 2019 on accounts in default and with aggregate exposure above the threshold limits as laid down in the said framework where the resolution plan is not implemented within the specified timeline.**

i) **Loans reported as fraud are classified as loss assets and provided as per RBI guidelines.**

j) **In the event of substantial erosion in value of loan and remote possibility of collection, non-performing loans with adequate provisions are evaluated for technical / prudential write off based on Bank's policy and the RBI guidelines. Such write off does not have an impact on the Bank's legal claim against the borrower. The Bank may also write off non-performing loans on one time settlement ('OTS') with the borrower or otherwise.**

4. Country risk

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country). The countries are categorised into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit

as per Export Credit Guarantee Corporation of India Limited ("ECGC") guidelines and provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposure. This provision if any, is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

5. Fixed Assets (Property Plant & Equipment and Intangibles) and depreciation / amortization

a) The Property Plant & Equipment and Intangibles (other than office premise, which are revalued) are stated at historical cost less accumulated depreciation/amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on asset put to use is capitalised only when it increases the future benefit / functioning capability from/ of such assets. Gain or losses arising from the retirement or disposal of a Property Plant and Equipment / Intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of assets and recognised as income or expense in the Profit and Loss Account. Profit on sale of premises after adjustments for tax and transfer to Statutory, if any, is transferred to Capital Reserve as per the RBI guidelines.

b) Portfolio of immovable properties is revalued periodically by independent valuers to reflect current market valuation. All land and building owned by the bank and used as branches or offices or office quarters are grouped under "Office Premises" in the Property Plant & Equipment. Appreciation, if any, on revaluation is credited to Revaluation Reserve under Capital Reserve. Additional depreciation on revalued asset is charged to Profit and Loss Account and appropriated from Revaluation Reserve to Revenue and other Reserves.

c) Depreciation /Amortisation: Depreciation is provided on a pro-rata basis on a straight-line method over the estimated useful life of the fixed assets at the rates and in the manner

prescribed in Schedule II of the Companies Act, 2013, except for Vehicles which are depreciated over five years, based on technical estimates. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II of Companies Act, 2013. Computer software is amortised over its useful life, not more than 5 years.

6. Impairment of Assets

The carrying values of assets at each balance sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Profit and Loss Account, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a reduction in revaluation to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Profit and Loss Account, to the extent the amount was previously charged to the Profit and Loss Account. In case of revalued assets such reversal is not recognised.

7. Non-Banking Assets

Non-banking assets (NBAs) acquired in satisfaction of claims is carried at lower of net book value and net realisable value. Specific provision is made on specific Non-banking assets acquired on debt asset swap arrangements as specified by RBI.

8. Transactions involving foreign exchange

a) Foreign currency income and expenditure items are translated at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities outstanding at the Balance Sheet date are revalued at rates notified by Foreign Exchange Dealers Association of India [FEDAI] and resulting profits or losses are included in the Profit and Loss Account, as per the guidelines issued by RBI.

b) Foreign exchange spot and forward Contracts outstanding as at the Balance Sheet date (except Forward Contracts taken to hedge FCNR Deposits/Overseas Borrowings) are revalued at the closing Spot and Forward Rates respectively as notified by FEDAI and at interpolated rates for contracts of interim maturities. For valuation of contracts having longer maturities, the forward points (for rates/tenures not published by FEDAI) are obtained from Reuters for valuation of the FX Deals. As directed by FEDAI to consider profit or loss on present value basis, the forward profit or loss on the deals are discounted till the valuation date using the discounting yields. The resulting profit or loss on valuation is recognised in the Profit and Loss Account in accordance with RBI/FEDAI Guidelines.

c) Forward Contracts taken to hedge FCNR Deposits/Overseas Borrowings are translated at the prevailing spot rate at the time of swap. The Premium/ Discount on the swap arising out of the difference in the exchange rate of the swap date and maturity date of the underlying forward exchange contract is amortised over the period of the swap and the same is recognized in the Profit and Loss Account.

d) Contingent liabilities on account of foreign exchange contracts, guarantees, letters of credit, acceptances and endorsements are reported at closing rates of exchange notified by FEDAI as at the Balance Sheet date.

9. Derivative transactions

The Bank recognizes all derivative contracts at fair value, on the date on which the derivative contracts are entered into and are remeasured at fair value as at the Balance sheet or reporting dates. Derivatives are classified as assets when the fair value is positive (Positive marked-to-market) or as liabilities when the fair value is negative (negative marked-to-market). Changes in the fair value of derivatives other than those designated as hedges are recognised in the Profit and Loss Account.

10. Employee benefits

a) Provident Fund:

The contribution made by the Bank to "The South Indian Bank Ltd Employees Provident Fund", administered by the trustees is charged

to Profit and Loss account. The fund is a defined contribution fund and the Bank has no further liability beyond the contribution made to the fund.

b) Pension Fund:

The contribution towards "The South Indian Bank Ltd Employees' Pension Fund Trust", managed by trustees, is determined on actuarial basis on projected unit credit method as on the Balance Sheet date and is recognised in the profit and loss account. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

Employees who had joined the services of the Bank with effect from April 1, 2010 are covered under Defined Contributory Pension Scheme (DCPS). In respect of such employees the bank contributes specified percentage of the Basic Pay plus Dearness Allowance and the expenditure thereof is charged to Profit and Loss account and the Bank has no further liability beyond the contribution to the fund on this account.

c) Gratuity:

The bank makes contribution to "The South Indian Bank Ltd Employees' Gratuity Trust" administered and managed by the trustees. The present value of the bank's obligation towards the same is actuarially determined based on the projected unit credit method as at the balance sheet date. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

d) Compensated absence on Privilege / Sick / Casual Leave and Leave Travel Concession (LTC):

The employees of the Bank are entitled to compensated absence on account of privilege / sick / casual leave as per the leave rules. The bank measures the long term expected cost of compensated absence as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuation and such costs are recognised in the profit and loss account. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

The employees are also eligible for LTC as per the rules. The estimated cost of unused entitlement as on the Balance Sheet date based on actuarial valuation is provided for.

e) Employees Stock Option Scheme (ESOS):

The SIB ESOS 2008 Employee Stock Option Scheme ("the Scheme") provides for grant of stock options on equity shares of the Bank to employees and Managing Director of the Bank. The Scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021. The Bank followed intrinsic value method to account for its stock-based employee compensation plans as per the Guidelines for all the options granted till the accounting period ending 31 March, 2021.

RBI issued a clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers /Material Risk Takers and Control Function Staff on 30 August, 2021, advising banks that the share-linked instruments are required to be fair valued on the date of grant using the Black-Scholes model. Accordingly, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognized the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. Options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant or at such a discount as may be approved by NRC/Board from time to time. The fair market price being the closing price of stock exchange which recorded the highest trading volumes in equity shares of the Bank and trading day immediately preceding the date on which the grant of options was approved and recommended to Board by Nomination and Remuneration Committee of Board.

f) Other Employee Benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employee is recognised during the period when the

employee renders the service. These benefits include performance incentives.

g) **New Pension Scheme ('NPS')**

In respect of employees who are covered under NPS, the Bank contributes certain percentage of the sum of basic salary and dearness allowance of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies and regulated by PFRDA. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue. The Bank has no liability other than its contribution and recognises such contributions as an expense in the year incurred.

11. Segment Reporting

The disclosure relating to segment information is in accordance with the guidelines issued by RBI. Segmental expenses are allocated as per board approved policy.

12. Debit Card Reward Points

The Bank runs a loyalty program which seeks to recognise and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. The Bank estimates the probable redemption of such loyalty/reward points using an actuarial method at the Balance Sheet date by employing independent actuary. Provision for said reward points is then made based on the actuarial valuation report as furnished by the said independent Actuary

13. Earnings Per Share (EPS)

The Bank reports Basic and Diluted Earnings per Equity Share in accordance with Accounting Standard 20, prescribed under section 133 of the Companies Act, 2013 read together with the Companies (Accounting Standards) Rules, 2021. Basic EPS has been computed by dividing Net Profit for the year by the weighted average number of Equity Shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. A diluted earnings per share is computed using the weighted average

number of equity shares and dilutive potential equity shares outstanding at the year end. Potential equity shares which are anti-dilutive in nature are ignored.

14. Taxes on income

Income tax expense is the aggregate amount of current tax and deferred tax charge. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961, the rules framed there under and considering the material principles set out in Income Computation and Disclosure Standards and as per Accounting Standard 22 – "Accounting for Taxes on Income" respectively.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961, Accounting Standard 22 - "Accounting for Taxes on Income" and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Bank has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay

normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Bank.

15. Accounting for Provisions, Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets prescribed under section 133 of the Companies Act, 2013, the Bank recognises provisions when it has a present obligation as a result of a past event and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate of the amount of the obligation can be made.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

16. Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account as per the lease terms.

17. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with Reserve Bank of India and balances with other banks/institutions and Money at Call and Short Notice (including the effect of changes

in exchange rates on cash and cash equivalents in foreign currency).

18. Share issue expenses

Share issue expenses are adjusted from Securities Premium Account as permitted by Section 52 of the Companies Act, 2013 and in line with the respective RBI guidelines issued from time to time.

19. Corporate Social Responsibility

Expenditure towards Corporate Social Responsibility is recognized in accordance with Companies Act 2013

20. Accounting of Priority Sector Lending Certificate (PSLC)

The Bank vide RBI circular FIDD.CO.Plan. BC.23/04.09.01/2015-16 dated April 7, 2016 trades in priority sector portfolio by selling or buying PSLC, without transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income'.

21. Accounting for Dividend

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 dated March 30, 2016, Proposed Dividend or Dividend declared after balance sheet date are not shown as liability in current year balance sheet. The effect of the proposed dividend shall be reckoned in determining capital funds in the computation of capital adequacy ratios in Financial Year for which the dividend is declared. In case of interim dividend, the same shall be reckoned in the same quarter.

22. Cash Flows

Cash flow Statement has been prepared under the Indirect Method.

SCHEDULE - 18: NOTES ON ACCOUNTS FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

A: Disclosures as per RBI's Master Directions on Disclosure in Financial Statements

Amounts in Notes forming part of the financial statements for the year ended March 31, 2023 are denominated in Rupees Crore (unless specified otherwise) to conform to extant RBI guidelines.

1. Regulatory Capital

a) Composition of regulatory Capital

The Bank is subject to the capital adequacy guidelines stipulated by RBI, which are based on the framework of the Basel Committee on Banking Supervision. As per Basel III and RBI guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% {11.5% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier I (CET1) of 5.5% (8% including CCB). These guidelines on Basel III have been implemented completely. The minimum CRAR required to be maintained by the Bank as on 31st March 2023 is 11.50 %. The Capital Adequacy Ratio of the Bank calculated as per Basel III Capital Regulations is furnished below:

Particulars	₹ in Crore)	
	March 31, 2023	March 31, 2022
i) Common Equity Tier I Capital(CET 1)/Paid up share capital and reserves (net of deductions, if any)	6,315.63	5,550.94
ii) Additional Tier 1 capital/Other Tier 1 capital	500.00	500.00
iii) Tier 1 Capital (i+ii)	6,815.63	6,050.94
iv) Tier 2 Capital	1,161.37	1,206.80
v) Total Capital (Tier 1 +Tier 2)	7,977.00	7,257.74
vi) Total Risk Weighted Assets (RWAs)	46,224.83	45,743.59
Capital Adequacy Ratios under Basel III		
vii) CET 1 Ratio (CET 1 as a percentage of RWAs)/Paid-up share capital and reserves as percentage of RWAs	13.66%	12.13%
viii) Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	14.74%	13.22%
ix) Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.51%	2.64%
x) Capital to Risk Weighted Asset Ratio (CRAR)(Total Capital as a percentage of RWAs)	17.25%	15.86%
xi) Leverage Ratio	6.05%	5.83%
xii) Percentage of the shareholding of Government of India	-	-
xiii) Amount of paid up Equity Capital raised (Including share premium) through: Preferential Issue	-	-
xiv) Amount of Non Equity Tier 1 capital raised during the year	-	-
xv) Amount of Tier 2 capital raised;	-	-

In accordance with RBI Guidelines, banks are required to make Pillar 3 disclosures under Basel III Capital Regulations. The Bank has made these disclosures which are available on its website at the following link:

<http://www.southindianbank.com/content/viewContentLv1.aspx?linkIdLv2=854&LinkIdLv3=880&linkId=880>

Pillar 3 disclosures have not been subjected to audit.

b) Draw Down from Reserves:

The Bank has not undertaken any drawdown from reserves during the years ended March 31, 2023 and March 31, 2022.

c) Credit to Reserve :

Nil (Previous year ₹ Nil)

d) Additional Tier I Bonds:

Additional Tier I Bonds outstanding and included under borrowings is as follows:

Borrowings in India	(₹ in Crore)	
	March 31, 2023	March 31, 2022
From Banks	72.87	159.52
From Others	427.13	340.48
Total	500.00	500.00

Tier II Bonds:

Subordinated Tier II Bonds outstanding and included under borrowings is as follows:

Borrowings in India	(₹ in Crore)	
	March 31, 2023	March 31, 2022
From Banks	47.36	48.36
From Others	992.64	991.64
Total	1,040.00	1,040.00

Total Subordinated debt of ₹860 Crore (Previous Year: ₹920.00 Crore) is reckoned for Tier II capital as per RBI guidelines.

Particulars of Tier I and Tier II bonds

Name of instrument	Amount	Date of Issue	ROI	(₹ in Crore)
				Date of Maturity
Tier II Bonds	300	30.09.2015	10.25%	31.10.2025
Tier II Bonds	490	28.11.2017	9.50%	28.05.2028
Tier II Bonds	250	26.03.2019	11.75%	26.06.2029
Tier I Bonds	500	24.01.2020	13.75%	Perpetual

e) Capital Infusion:

During the year ended March 31, 2023 and March 31, 2022 the Bank has not allotted any equity shares.

Details of movement in the paid-up equity share capital of the Bank are given below:

Particulars	March 31, 2023		March 31, 2022	
	No of shares	Amount (₹ In Cr)	No of shares	Amount (₹ In Cr)
Opening Balance	2,09,27,41,018	209.27	2,09,27,41,018	209.27
Additions pursuant to Stock Options exercised/ preferential issue	-	-	-	-
Closing balance	2,09,27,41,018	209.27	2,09,27,41,018	209.27

f) Movement of Reserves clubbed under Capital Reserve, Revenue & Other Reserves
i) Movement of Capital Reserve

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Capital Reserve		
Opening Balance	596.94	520.71
Additions during the year	4.57	76.23
Closing Balance (A)	601.51	596.94
Asset Revaluation Reserve		
Opening Balance	312.89	316.99
Addition due to Revaluation of Premises (net)	45.06	
Deduction from Revaluation Reserve to the extent of depreciation on revalued amount	(5.65)	(4.10)
Closing Balance (B)	352.30	312.89
Total (A + B)	953.81	909.83

ii) Movement in Revenue and other Reserves

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	1,415.42	1,410.33
Addition during the year by way of lapse of vested option	1.29	0.99
Addition due to transfer of depreciation on revaluation	5.65	4.10
Additions During the year - current year contribution	130.00	0.00
Closing Balance (A)	1,552.36	1,415.42
Investment Fluctuation Reserve		
Opening Balance	22.15	22.15
Additions during the year	104.38	-
Closing Balance (B)	126.53	22.15
Special Reserve		
Opening Balance	399.39	399.39
Additions during the year	80.00	-
Closing Balance (C)	479.39	399.39
Grand Total (A + B + C)	2,158.28	1,836.96

Note: As per RBI circular the above reserves are clubbed in the schedule 2 of Balance sheet

2. Asset Liability Management.

a) Maturity Pattern of Certain items of assets and liabilities:

i) As at March 31, 2023:

Particulars	(₹ in Crore)										Total	
	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days and up to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years		Over 5 years
Deposits	634.56	786.91	711.86	1,637.01	2,138.66	2,019.99	2,326.13	4,088.71	5,956.70	6,955.21	64,395.62	91,651.35
Advances	1,141.45	1,618.80	2,460.74	2,867.96	5,479.78	4,745.83	9,915.32	5,968.80	7,047.25	3,809.35	24,749.16	69,804.44
Investments	5,535.36	544.45	39.62	860.75	585.52	363.85	877.88	978.61	1,582.02	1,269.85	12,003.89	24,641.80
Borrowings	179.32	3,181.48	19.58	-	19.58	82.08	399.75	271.01	2,101.05	-	740.00	6,993.85
Foreign Currency-Assets	442.07	1,276.36	31.37	525.60	1,130.47	272.71	142.00	277.80	2.83	-	-	4,101.20
Foreign Currency-Liabilities	128.02	3.51	8.73	18.45	110.69	84.46	222.65	483.23	960.41	236.16	-	2,256.31

Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the returns submitted to the RBI, which has been relied upon by the auditors.

Advances as on March 31, 2023 include Rs 1300 Crore of Inter Bank Participation Certificate (IBPC), out of which Rs 550 Crore is bucketed in 31 days and up to 2 months bucket and Rs 750 Crore is bucketed in over 3 months and up to 6 months bucket.

Off balance sheet items are not considered in maturity pattern of assets and liabilities

ii) As at March 31, 2022:

Particulars	(₹ in Crore)										Total	
	Day 1	2-7 days	8-14 days	15-30 days	31 days and up to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 year and up to 5 years		Over 5 years
Deposits	549.85	788.01	621.24	1,570.56	3,410.67	1,965.52	3,623.26	3,472.50	5,004.88	6,449.91	61,685.71	89,142.11
Advances	1,413.20	642.08	593.34	2,590.33	2,970.91	5,006.89	9,297.72	6,263.01	7,633.83	3,732.93	19,849.15	59,993.39
Investments	3,322.92	167.02	168.81	495.86	418.49	868.98	913.76	1,053.88	1,109.00	1,588.09	11,338.20	21,445.01
Borrowings	212.80	999.60	28.06	-	28.05	28.05	112.71	124.10	664.12	357.00	740.00	3,294.49
Foreign Currency-Assets	582.45	526.14	57.55	2,666.38	741.03	377.73	480.20	58.01	5.20	2.39	-	5,497.08
Foreign Currency-Liabilities	112.09	13.14	23.35	31.04	116.48	100.76	140.84	381.26	606.62	331.46	-	1,857.04

Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the returns submitted to the RBI, which has been relied upon by the auditors.

Advances as on March 31, 2022 include Rs 1300 Crore of Inter Bank Participation Certificate (IBPC), out of which ₹700 Crore is bucketed in 15-30 days and ₹600 Crore is bucketed in over 3 months and up to 6 months bucket.

Off balance sheet items are not considered in maturity pattern of assets and liabilities

b) Liquidity Coverage Ratio (LCR)

i) Qualitative Disclosure around LCR

The Bank measures and monitors the LCR in line with the Reserve Bank of India's circular dated June 9, 2014 on "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards". The LCR guidelines aim to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken. Banks are required to maintain High Quality Liquid Assets of a minimum of 100% of its Net Cash Outflows from January 01, 2019. The daily average LCR of the bank for the quarter ended March 2023 is 199.46%.

The Bank has been maintaining HQLA primarily in the form of SLR investments over and above mandatory requirement, regulatory dispensation allowed up to 2% of NDTL in the form of borrowing limit available through Marginal Standing Facility (MSF) and 5% of NDTL as Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR). From February 2016 onwards, RBI has allowed Banks to reckon an additional 3% of NDTL as FALLCR. This has been further increased by 1% from July 2016, 2% from June 2018 and another 2% from October 2018, onwards. Further, towards harmonisation of the effective liquidity requirements of banks with the LCR, RBI has permitted banks to reckon an additional 2% of Government securities within the mandatory SLR requirement as FALLCR in a phased manner from April 04, 2019. As on March 31, 2023, FALLCR stands at 16.00%.

Bank has a well-diversified funding portfolio and has a lower dependence on wholesale funds. Retail deposits which are considered as stable deposits from a liquidity perspective forms the major funding source of the Bank. The Bank intends to fund the short term cash outflows from extremely liquid Government securities and funding for estimated cash outflows considered in LCR computation substantially flows from this source. The Bank is managing its liquidity from the centralized fund management cell attached to Treasury Department, Mumbai.

ii) Quantitative Disclosure around LCR

Particulars	Quarter ended March 31, 2023		Quarter ended December 31, 2022		Quarter ended September 30, 2022		Quarter ended June 30, 2022	
	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
(₹ in Crore)								
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)	20,241.80		18,937.37		20,648.30		19,616.62	
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	80,554.95	7,755.52	77,166.37	7,440.99	72,181.54	6,993.86	71,793.84	6,965.87
(i) Stable deposits	5,995.54	299.78	5,512.98	275.65	4,485.86	224.29	4,270.28	213.51
(ii) Less stable deposits	74,559.41	7,455.94	71,653.38	7,165.34	67,695.68	6,769.57	67,523.56	6,752.36
3 Unsecured wholesale funding, of which:	7,705.44	6,657.83	6,200.95	4,906.24	3,043.95	3,000.55	3,117.65	3,071.56
(i) Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Non-operational deposits (all counterparties)	7,701.38	6,653.78	6,158.48	4,863.78	3,043.95	3,000.55	3,107.50	3,061.41
(iii) Unsecured debt	4.06	4.06	42.47	42.47	0.00	0.00	10.14	10.14
4 Secured wholesale funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5 Additional requirements, of which	1.16	1.16	3.16	3.16	0.00	0.00	0.03	0.03
(i) Outflows related to derivative exposures and other collateral requirements	1.16	1.16	3.16	3.16	0.00	0.00	0.03	0.03
(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Credit and liquidity facilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6 Other contractual funding obligations	491.50	491.50	384.29	384.29	618.26	618.26	623.74	623.74
7 Other contingent funding obligations	2,503.83	534.76	2,404.58	490.55	2,403.41	500.50	2,513.80	811.41
8 TOTAL CASH OUTFLOWS	15,440.97		13,225.24		11,113.18		11,472.60	
Cash Inflows								
9 Secured lending (e.g. reverse repos)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10 Inflows from fully performing exposures	7,531.69	3,765.84	6,594.01	3,297.00	5,909.92	2,954.96	5,990.11	2,995.06
11 Other cash inflows	1,624.92	1,526.78	2,132.37	1,984.54	2,080.71	2,015.86	2,528.17	2,449.33
12 TOTAL CASH INFLOWS	9,156.61	5,292.63	8,726.38	5,281.54	7,990.63	4,970.82	8,518.28	5,444.39
13 TOTAL HQLA	20,241.80		18,937.37		20,648.30		19,616.62	
14 TOTAL NET CASH OUTFLOWS	10,148.34		7,943.69		6,142.36		6,028.22	
15 LIQUIDITY COVERAGE RATIO (%)	199.46%		238.39%		336.16%		325.41%	

Note: The LCR for each quarter is calculated taking daily average.

Particulars	Quarter ended March 31, 2022		Quarter ended December 31, 2021		Quarter ended September 30, 2021		Quarter ended June 30, 2021	
	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)	21,566.17		24,532.80		22,523.78		21,556.39	
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	69,819.71	6,774.68	68,578.96	6,653.54	67,364.81	6,533.44	66,041.48	6,399.83
(i) Stable deposits	4,145.79	207.29	4,087.19	204.36	4,060.78	203.04	4,086.32	204.31
(ii) Less stable deposits	65,673.92	6,567.39	64,491.78	6,449.18	63,304.03	6,330.40	61,955.15	6,195.51
3 Unsecured wholesale funding, of which:	2,785.45	2,729.51	3,401.75	3,330.65	3,104.13	3,057.54	2,942.14	2,887.05
(i) Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Non-operational deposits (all counterparties)	2,784.73	2,728.79	3,394.71	3,323.61	3,103.85	3,057.26	2,940.19	2,885.11
(iii) Unsecured debt	0.71	0.71	7.04	7.04	0.28	0.28	1.94	1.94
4 Secured wholesale funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5 Additional requirements, of which	0.23	0.23	1.25	1.25	0.00	0.00	5.85	5.85
(i) Outflows related to derivative exposures and other collateral requirements	0.23	0.23	1.25	1.25	0.00	0.00	5.86	5.86
(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Credit and liquidity facilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6 Other contractual funding obligations	613.15	613.15	602.17	602.17	596.90	596.90	599.31	599.31
7 Other contingent funding obligations	2,120.83	509.08	2,188.72	536.59	2,050.71	419.80	2,293.76	495.32
8 TOTAL CASH OUTFLOWS	10,626.65		11,124.20		10,607.68		10,387.36	
Cash Inflows								
9 Secured lending (e.g. reverse repos)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10 Inflows from fully performing exposures	4,304.87	2,152.43	4,556.56	2,278.28	4,751.38	2,375.69	4,558.15	2,279.07
11 Other cash inflows	1,826.47	1,724.14	2,938.40	2,827.18	3,363.19	3,271.05	2,784.49	2,752.08
12 TOTAL CASH INFLOWS	6,131.34	3,876.57	7,494.96	5,105.46	8,114.57	5,646.74	7,342.64	5,031.15
13 TOTAL HQLA		21,566.17		24,532.80		22,523.78		21,556.39
14 TOTAL NET CASH OUTFLOWS		6,750.08		6,018.74		4,960.94		5,356.21
15 LIQUIDITY COVERAGE RATIO (%)		319.50%		407.61%		454.02%		402.46%

c) Net Stable Funding Ratio (NSFR)

i) Qualitative Disclosure

The Basel Committee on Banking Supervision (BCBS) had introduced the Net Stable Funding Ratio (NSFR) in order to ensure that banks maintain a stable funding profile in relation to the composition of their assets, liabilities and off-balance sheet activities. NSFR ensures resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding.

NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. "Available stable funding" is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of stable funding required ("Required stable funding") of the Bank is a function of the liquidity characteristics and residual maturities of the various assets as well as the off-balance sheet (OBS) exposures of the Bank. As per the RBI Guideline, Bank is required to maintain a minimum NSFR of 100% on an ongoing basis effective from October 1, 2021.

The NSFR of the Bank as on 31st March 2023 is at 158.92% as against the regulatory minimum of 100% and the table given below sets out the details of NSFR of the Bank as on the aforesaid date.

ii) NSFR Quantitative Disclosure Template

(₹ in Crore)

	NSFR Disclosure Template					Weighted value
	Unweighted value by residual maturity					
	No maturity*	< 6 months	6 months to < 1yr	≥ 1yr		
Available Stable Funding Item (ASF)						
1 Capital: (2+3)	6,697.25	-	-	1,540.00		8,237.25
2 Regulatory capital	6,697.25	-	-	1,360.00		8,057.25
3 Other capital instruments	-	-	-	180.00		180.00
4 Retail deposits and deposits from small business customers: (5+6)	28,937.89	13,218.52	18,610.19	-		54,909.47
5 Stable deposits	2,156.41	1,034.22	1,200.12	-		4,171.21
6 Less stable deposits	26,781.47	12,184.29	17,410.07	-		50,738.26
7 Wholesale funding: (8+9)	-	1,006.22	2,766.73	-		1,886.48
8 Operational deposits	-	-	-	-		-
9 Other wholesale funding	-	1,006.22	2,766.73	-		1,886.48
10 Other liabilities: (11+12)	1,757.53	4,716.56	-	25,977.01		25,977.01
11 NSFR derivative liabilities	-	-	-	-		-
12 All other liabilities and equity not included in the above categories	1,757.53	4,716.56	-	25,977.01		25,977.01
13 Total ASF (1+4+7+10)						91,010.20
Required Stable Funding Item (RSF)						
14 Total NSFR high-quality liquid assets (HQLA)						989.15
15 Deposits held at other financial institutions for operational purposes	-	2,391.30	-	-		1,195.65
16 Performing loans and securities: (17+18+19+21+23)	-	31,288.79	13,570.58	25,829.26		43,392.58

(₹ in Crore)

	NSFR Disclosure Template					Weighted value
	Unweighted value by residual maturity					
	No maturity*	< 6 months	6 months to < 1yr	≥ 1yr		
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	1,313.24	187.23	5,423.54	5,714.14	
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	29,140.68	12,953.10	15,813.77	33,742.08	
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	3,732.58	2,426.18	
21 Performing residential mortgages, of which:	-	0.93	3.42	3,547.88	2,418.52	
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	2,996.78	1,947.91	
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	833.94	426.83	1,044.06	1,517.84	
24 Other assets: (sum of rows 25 to 29)	997.11	510.14	657.16	8,315.74	10,418.55	
25 Physical traded commodities, including gold	-	-	-	-	-	
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	410.62	349.03	
27 NSFR derivative assets	-	-	-	11.29	11.29	
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	6.90	6.90	
29 All other assets not included in the above categories	997.11	510.14	657.16	7,886.92	10,051.33	
30 Off-balance sheet items	-	-	-	27,270.77	1,273.21	
31 Total RSF (14+15+16+24+30)	-	-	-	-	57,269.14	
32 Net Stable Funding Ratio (%)	-	-	-	-	158.92%	

*Items to be reported in the 'no maturity' time bucket does not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

3. Investments

a) Composition of Investment Portfolio

As at 31.03.2023

	(₹ in Crore)											
	Investments in India					Investments outside India					Total Investments	
	Government Securities	Other Approved Securities	Shares	Debtures and Bonds	Subsidiaries and/or joint ventures	Others	investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others		Investments outside India
Held to Maturity												
Gross	19,687.13	-	-	-	0.50	-	19,687.63	-	-	-	-	19,687.63
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	19,687.13	-	-	-	0.50	-	19,687.63	-	-	-	-	19,687.63
Available for Sale												
Gross	2,436.59	-	304.95	1,334.08	-	1,995.77	6,071.39	-	-	0.20	0.20	6,071.59
Less: Provision for depreciation and NPI	-	-	88.69	36.13	-	1,247.56	1,372.37	-	-	-	-	1,372.37
Net	2,436.59	-	216.26	1,297.95	-	748.21	4,669.02	-	-	0.20	0.20	4,669.22
Held for Trading												
Gross	252.89	-	2.10	-	-	-	254.99	-	-	-	-	254.99
Less: Provision for depreciation and NPI	-	-	0.03	-	-	-	0.03	-	-	-	-	0.03
Net	252.89	-	2.07	-	-	-	254.96	-	-	-	-	254.96
Total Investments	22,376.61	-	307.05	1,334.08	-	1,995.77	26,014.01	-	-	0.20	0.20	26,014.21
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	88.72	36.13	-	1,247.56	1,372.41	-	-	-	-	1,372.40
Net	22,376.61	-	218.33	1,297.95	0.50	748.21	24,641.61	-	-	0.20	0.20	24,641.81

As at 31.03.2022

(₹ in Crore)

	Investments in India				Investments outside India				Total Investments		
	Government Securities	Other Approved Securities	Shares	Debtentures and Bonds	Subsidiaries and/or joint ventures	Others	Government securities (including local authorities)	Subsidiaries and/or joint ventures		Others	Total Investments outside India
Held to Maturity											
Gross	19,364.95	0	0	0	0.5	0	19,365.45	0	0	0	19,365.45
Less: Provision for non-performing investments (NPI)	0	0	0	0	0	0	0	0	0	0	0
Net	19,364.95	-	-	-	0.5	-	- 19,365.45	-	-	-	- 19,365.45
Available for Sale											
Gross	16.1	0	211.81	588.32	0	2,219.69	3,035.92	0	0	0.2	3,036.12
Less: Provision for depreciation and NPI	0	0	160.28	40.72	0	887.25	1,088.25	0	0	0	1,088.25
Net	16.1	0	51.53	547.59	0	1,332.45	1,947.67	0	0	0.2	1,947.87
Held for Trading											
Gross	84.48	0	3.03	25	0	19.93	132.44	0	0	0	132.44
Less: Provision for depreciation and NPI	0	0	0	0.75	0	0	0.75	-	-	-	0.75
Net	84.48	0	3.03	24.25	0	19.93	131.69	-	-	-	131.69
Total Investments	19,465.53	0	214.84	613.31	0.5	2,239.62	22,533.8	0	0	0.2	22,534.01
Less: Provision for non-performing investments	0	0	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	160.28	41.47	0	887.25	1,089	0	0	0	1,089.00
Net	19,465.53	-	54.56	571.85	0.50	1,352.37	21,444.81	-	-	0.20	21,445.01

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

Particulars	(₹ in Crore)	
	March 31, 2023	March 31, 2022
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	899.03	634.82
b) Add: Provisions made during the year	445.60	267.33
c) Less: Write off / write back of excess provisions during the year	24.65	3.12
d) Closing balance	1,319.98	899.03
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	22.15	22.15
b) Add: Amount transferred during the year	104.38	0.00
c) Less: Drawdown	0.00	0.00
d) Closing balance	126.53	22.15
iii) Closing balance in IFR as a percentage of closing balance of investments* in AFS and HFT/Current category	2.55%	1.06%

* Carrying value less net depreciation

c) Sale and transfer to/from HTM category/Permanent Category

During the year ended March 31, 2023, the aggregate book value of sales and transfer of securities to/from HTM category did not exceeded 5% of the book value of investments held in HTM category at the beginning of the year. In accordance of RBI guidelines, the 5% threshold limit referred to above is excluding the following:

- i) The one-time transfers of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks at the beginning of the accounting year.
- ii) Additional shifting of securities explicitly permitted by the Reserve Bank of India from time to time and direct sales from HTM for bringing down SLR holdings in HTM category consequent to a downward revision in SLR requirement by RBI.
- iii) Sales to Reserve Bank of India under pre-announced open market auctions.
- iv) Repurchase of Government Securities by Government of India from banks.
- v) Repurchase of State Development Loans by respective state governments under buyback/switch operations and
- vi) Additional shifting of securities explicitly permitted by the Reserve Bank of India.

d) Disclosure in respect of Non-SLR investments:**i) Issuer composition of Non-SLR investments as at March 31, 2023:**

		(₹ in Crore)				
No	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
[1]	[2]	[3]	[4] ¹	[5] ^{1,2}	[6] ^{1,2}	[7] ^{1,2}
(i)	PSUs	332.59	328.91	-	-	-
(ii)	FIs	955.60	812.40	7.19	7.19	-
(iii)	Banks	525.10	485.22	-	-	-
(iv)	Private Corporate	395.60	325.90	20.00	20.00	5.00
(v)	Subsidiaries/ Joint Ventures	0.50	0.50	-	-	-
(vi)	Others ³	1,514.92	1,514.92	-	-	-
(vii)	Total Book Value of investments	3,724.31				
(viii)	Less: Provision for NPI	(52.43)				
(ix)	Less: Provision held towards depreciation	(1,319.98)				
	Total	2,351.90	3,467.85	27.19	27.19	5.00

¹Amounts reported under Columns 4, 5, 6 and 7 above are not mutually exclusive.

²Excludes investments in equity shares, units of equity oriented mutual funds, Non SLR State Government securities, securities acquired by way of conversion of debt and security receipts in line with extant RBI guidelines.

³Includes Non SLR State Government special bonds with Book Value ₹ 86.71Crore

(ii) Issuer composition of non-SLR investments as at March 31, 2022:

(₹ in Crore)

No	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
[1]	[2]	[3]	[4] ¹	[5] ^{1,2}	[6] ^{1,2}	[7] ^{1,2}
(i)	PSUs	40.34	35.34	-	-	-
(ii)	FIs	534.95	265.39	9.96	9.96	-
(iii)	Banks	502.94	500.91	-	-	-
(iv)	Private Corporate	384.80	383.76	20.00	20.00	5.00
(v)	Subsidiaries/ Joint Ventures	0.50	0.50	-	-	-
(vi)	Others ³	1,710.23	1,710.23	-	-	-
(vii)	Total Book Value of investments	3,173.77				
(viii)	Less: Provision for NPI	(189.97)				
(ix)	Less: Provision held towards depreciation	(899.03)				
	Total	2,084.77	2,896.13	29.96	29.96	5.00

¹Amounts reported under Columns 4, 5,6 and 7 above are not mutually exclusive.

²Excludes investments in equity shares, units of equity oriented mutual funds, non SLR State Government securities and securities acquired by way of conversion of debt in line with extant RBI guidelines.

³Includes Non SLR State Government special bonds with Book Value ₹105.28 Crore

Non-SLR investments as on 31.03.2023

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
A Shares	218.53	54.76
B Debentures & bonds ¹	1,384.66	677.14
C Subsidiaries/ joint ventures	0.50	0.50
D Others	748.21	1,352.37
E Total	2,351.90	2,084.77

¹Including Non SLR State Government special bonds with Book Value ₹ 86.71 Crore (Previous Year: ₹105.28Crore).

(i) Non- Performing Non-SLR investments

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	218.35	267.74
Additions during the year	1.66	-
Reductions during the year	167.58	49.39
Closing balance	52.43	218.35
Total provisions held	52.43	189.97

e) Repo Transactions:

a) Transacted during the Financial year 2022-23:

(₹ in Crore)

Particulars [Book value]	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As on March 31, 2023
A) Securities sold under RBI Repos				
i) Government Securities	100.00	900.00	30.63	275.00
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under RBI Reverse Repos				
i) Government Securities	1,800.00	3,600.00	224.55	-
ii) Corporate Debt Securities	-	-	-	-
B) Securities sold under Market Repos				
i) Government Securities	1.02	762.02	56.12	307.92
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Reverse Market Repos				
i) Government Securities	4.75	111.23	7.88	-
ii) Corporate Debt Securities	-	-	-	-
C) Securities sold under Tri Party Repos				
i) Government Securities	99.97	4,503.14	1,733.48	2,598.56
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Tri Party Reverse Repo				
i) Government Securities	49.97	1,009.28	41.87	49.97
ii) Corporate Debt Securities	-	-	-	-

b) Transacted during the Financial year 2021-22:

(₹ in Crore)

Particulars [Book value]	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As on March 31, 2022
A) Securities sold under RBI Repos				
i) Government Securities	8.00	1,913.00	9.73	-
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under RBI Reverse Repos				
i) Government Securities	858	12,061.00	5,917.39	3,600.00
ii) Corporate Debt Securities	-	-	-	-
B) Securities sold under Market Repos				
i) Government Securities-	107.69	107.69	0.29	-
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Reverse Market Repos				
i) Government Securities	4.95	169.29	22.30	-
ii) Corporate Debt Securities	-	-	-	-

(₹ in Crore)

Particulars [Book value]	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As on March 31, 2022
C) Securities sold under Tri Party Repo				
i) Government Securities-	29.99	4,999.58	1,797.59	999.59
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Tri Party Reverse Repo				
i) Government Securities	60.69	1,695.01	26.39	-
ii) Corporate Debt Securities	-	-	-	-

f) Details of Book value of Investments in Security Receipts*

(₹ in Crore)

Particulars	Backed by NPAs sold by the bank as underlying		Backed by NPAs sold by other banks/ financial institutions/ non-banking financial companies as underlying		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Book value of investments in security receipts	1,396.79	1,573.54	-	-	1,396.79	1,573.54

Note- In addition to the above, Bank holds security receipt of ₹16.75 Crore (Previous Year ₹16.75 Crore) which are backed by Standard assets sold by the Bank. Bank was holding investments in the Security Receipts issued by a Trust managed by an Asset Reconstruction Company (ARC).

*Amount represents gross book value of Security Receipts held

g) Details of ageing of Investments held as Security Receipts:
(i) As at March 31, 2023:

(₹ in Crore)

Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
i) Book value of SRs backed by NPAs sold by the bank as underlying	459.47	884.53	52.79 [#]
Provision held against (i)*	293.49	884.53	52.79
ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	-
Provision held against (ii)	-	-	-
Total (i) + (ii)	459.47	884.53	52.79

[#]In addition to the above, Bank holds security receipt of ₹16.75 Crore which are backed by Standard assets sold by the Bank. The bank maintains 100% provision of ₹16.75 Crore against the same.

*Provision amount represents Depreciation as per latest rating of SR/Provision as per RBI norms whichever is higher

(ii) As at March 31, 2022:

		(₹ in Crore)		
Particulars		SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
i	Book value of SRs backed by NPAs sold by the bank as underlying	554.10	1,019.44	-
	Provision held against (i)*	235.51	634.99	-
ii	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	-
	Provision held against (ii)	-	-	-
Total (i) + (ii)		554.10	1,019.44	-

*In addition to the above, Bank holds security receipt of ₹16.75 Crore which are backed by Standard assets sold by the Bank. The bank maintains 100% provision of ₹16.75 Crore against the same.

*Provision amount represents Depreciation as per latest rating of SR/Provision as per RBI norms whichever is higher

h) Details of Non-Performing financial assets purchased/ sold

		(₹ in Crore)	
Particulars		March 31, 2023	March 31, 2022
Non performing financial assets purchased/ sold (from/to banks)		Nil	Nil

4. Asset Quality**a) Classification of advances and provisions held as on 31.03.2023**

		(₹ in Crore)				
	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	58,167.67	1,350.48	2,225.17	72.44	3,648.09	61,815.76
Add: Additions during the year					1,513.22	
Less: Reductions during the year					1,453.05	
Closing balance	68,383.80	712.27	2,847.84	148.15	3,708.26	72,092.06
Reductions in Gross NPAs due to:						
i) Upgradation					297.37	
ii) Recoveries (excluding recoveries from upgraded accounts)					998.45	
iii) Technical/ Prudential Write-offs					53.02	
iv) Write-offs other than those under (iii) above					104.21	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	464.54	485.44	1,274.88	60.25	1,820.57	2,285.11
Add: Fresh provisions made during the year					1,222.17	
Less: Excess provision reversed/ Write-off loans					756.87	
Closing balance of provisions held	407.59*	144.43	2,011.29	130.15	2,285.87	2,693.46
Net NPAs						
Opening Balance		865.04	912.73	0.00	1,777.77	
Add: Fresh additions during the year					954.01	
Less: Reductions during the year					1,438.17	

(₹ in Crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Closing Balance of Net NPAs		544.42	749.19	0.00	1,293.61	
Floating Provisions						
Opening Balance						
Add: Additional provisions made during the year						
Less: Amount drawn down during the year						
Closing balance of floating provisions						0.00
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						2,189.93
Add: Technical/ Prudential write-offs during the year						53.02
Less: Recoveries made from previously technical/ prudential written-off accounts during the year [#]						379.39
Closing balance of Technical Write off						1,863.56

[#]includes Reduction due to sale of NPAs to ARCs from previously technical/prudential written-off accounts during the year and Sacrifice made from previously technical/prudential written-off accounts during the year

Classification of advances and provisions held as on 31.03.2022

(₹ in Crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	55,275.16	2,245.38	1,866.15	31.71	4,143.24	59,418.40
Add: Additions during the year					2,159.23	
Less: Reductions during the year					2,654.38	
Closing balance	58,167.67	1,350.48	2,225.17	72.44	3,648.09	61,815.76
Reductions in Gross NPAs due to:						
i) Upgradation					801.66	
ii) Recoveries (excluding recoveries from upgraded accounts)					1,151.08	
iii) Technical/ Prudential Write-offs					101.35	
iv) Write-offs other than those under (iii) above					600.29	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	290.03	405.36	936.93	19.04	1,361.33	1,651.36
Add: Fresh provisions made during the year					1,586.68	
Less: Excess provision reversed/ Write-off loans					1,127.44	
Closing balance of provisions held	464.54*	485.44	1,274.88	60.25	1,820.57	2,285.11
Net NPAs						

	(₹ in Crore)					
	Standard	Non-Performing				
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	Total
Opening Balance		1,840.01	894.51	0.00	2,734.52	
Add: Fresh additions during the year					1,636.34	
Less: Reductions during the year					2,593.09	
Closing Balance		865.04	912.73	0.00	1,777.77	
Floating Provisions						
Opening Balance						0.00
Add: Additional provisions made during the year						0.00
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						0.00
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						2,482.12
Add: Technical/ Prudential write-offs during the year						101.35
Less: Recoveries made from previously technical/ prudential written-off accounts during the year [#]						393.54
Closing balance						2,189.93

[#] includes Reduction due to sale of NPAs to ARCs from previously technical/prudential written-off accounts during the year and Sacrifice made from previously technical/prudential written-off accounts during the year

Ratios	March 31, 2023	March 31, 2022
Gross NPA to Gross Advances	5.14%	5.90%
Net NPA to Net Advances	1.86%	2.97%
Provision coverage ratio (Including technical / prudential written off accounts)	76.78%	69.55%
Provision coverage ratio (Excluding technical / prudential written off accounts)	65.12%	51.27%

*Provisions on Standard Assets

Particulars	(₹ in Crore)	
	March 31, 2023	March 31, 2022
Provisions towards Standard Assets (including provision towards stressed sector)	252.02	208.72
Standard Restructured Accounts under MSME - Restructuring Scheme	75.40	111.98
Provision for Specific Standard Assets on Stressed Sectors	1.53	1.85
Standard Restructured Accounts under other Restructuring schemes	3.40	5.21
Standard Restructured Accounts under COVID 19 restructuring scheme	61.52	124.72
Subtotal	393.87	452.48
Provision for Unhedged Foreign Currency Exposure of Borrowers	13.72	12.06
Grand Total (Refer Schedule 5.Point 4- Other liabilities and provisions)	407.59	464.54

b) Sector-wise Advances and Gross NPAs

(₹ in Crore)

Sl. No.	Sector	2022-23			2021-22		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	14,746.22	668.89	4.54%	12,709.12	654.44	5.15%
2	Advances to industries sector eligible as priority sector lending	5,960.15	372.71	6.25%	6,587.59	569.19	8.64%
2.a	Textile	1,495.10	77.92	5.21%	1,809.99	162.90	9.00%
2.b	Basic Metal	762.00	35.58	4.67%	715.35	46.17	6.45%
2.c	Infra	95.47	1.11	1.16%	68.36	0.43	0.63%
3	Services	8,413.02	811.92	9.65%	9,812.47	1,155.69	11.78%
3.a	Professional	1,687.35	144.55	8.57%	2,054.39	158.10	7.70%
3.b	Trade	4,857.60	497.72	10.25%	5,798.62	721.40	12.44%
3.c	NBFC	298.77	-	0.00%	170.51	-	0.00%
4	Personal loans	1,462.99	58.71	4.01%	1,722.28	84.73	4.92%
4.a	Housing Loan	1,208.67	37.76	3.12%	1,411.01	55.44	3.93%
4.b	Other Personal loans incl. Gold Loans	254.32	20.95	8.24%	311.27	29.29	9.41%
	Sub-total (A)	30,582.38	1,912.23	6.25%	30,831.46	2,464.05	7.99%
B	Non Priority Sector						
1	Agriculture and allied activities	695.54	31.37	4.51%	468.61	34.41	7.34%
2	Industry	12,116.76	608.51	5.02%	6,363.65	306.65	4.82%
2.a	Textile	735.56	169.70	23.07%	826.47	59.34	7.18%
2.b	Basic Metal	2,866.64	18.00	0.63%	1,042.87	28.69	2.75%
2.c	Infra	3,251.18	221.03	6.80%	1,840.35	132.35	7.19%
3	Services	15,541.83	777.89	5.01%	13,408.50	455.19	3.39%
3.a	Professional	1,848.71	72.76	3.94%	2,107.88	43.25	2.05%
3.b	Trade	4,175.96	565.03	13.53%	2,227.60	162.22	7.28%
3.c	NBFC	5,763.52	13.15	0.23%	5,444.04	60.49	1.11%
4	Personal loans	13,155.55	378.26	2.88%	10,743.54	387.79	3.61%
4.a	Housing Loan	2,679.40	126.21	4.71%	2,670.98	147.90	5.54%
4.b	Other Personal loans incl. Gold Loan	10,476.15	252.05	2.41%	8,072.56	239.89	2.97%
	Sub-total (B)	41,509.68	1,796.03	4.33%	30,984.30	1,184.04	3.82%
	Total (A+B)	72,092.06	3,708.26	5.14%	61,815.76	3,648.09	5.90%

c) Overseas Assets, Branches, NPAs and Revenue – Nil
d) Particulars of resolution plan and restructuring

I) Particulars of resolution plan

		(₹ in Crore)	
SI No	Particulars	March 31, 2023	March 31, 2022
1.	No of Accounts where Resolution Plan was implemented	0	1
2.	Exposure to accounts as on date of Implementation of Resolution Plan.	0	8.38

II) Details of accounts subjected to restructuring

		(₹ in Crore)									
		Agriculture and allied activities		Corporates Excluding MSMEs		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		Mar' 23	Mar' 22	Mar' 23	Mar' 22	Mar' 23	Mar' 22	Mar' 23	Mar' 22	Mar' 23	Mar' 22
Standard	Number of Borrowers	0	0	14	24	215	316	438	500	667	840
	Gross Amount	0.00	0.00	347.78	725.07	907.80	1,412.81	260.63	279.12	1,516.21	2,417.00
	Provision held	0.00	0.00	34.89	96.66	76.39	113.67	29.04	31.56	140.32	241.89
Sub Standard	Number of Borrowers	0	53	2	1	48	72	12	66	62	192
	Gross Amount	0.00	4.33	10.82	43.03	195.58	252.88	5.96	5.99	212.36	306.23
	Provision held	0.00	1.02	2.49	6.45	50.63	105.65	1.50	4.52	54.62	117.64
Doubtful (Including Loss Assets)	Number of Borrowers	66	35	5	4	155	134	156	188	382	361
	Gross Amount	16.40	3.27	344.51	187.60	355.73	224.98	29.78	14.45	746.42	430.30
	Provision held	9.02	1.21	339.60	148.24	218.52	136.90	13.96	14.45	581.10	300.80
Total	Number of Borrowers	66	88	21	29	418	522	606	754	1,111	1,393
	Gross Amount	16.40	7.60	703.11	955.70	1,459.11	1,890.67	296.37	299.56	2,474.99	3,153.53
	Provision held	9.02	2.23	376.98	251.35	345.54	356.22	44.50	50.53	776.04	660.33

e) Disclosure on Divergence in Asset Classification and Provisioning for NPAs:

RBI annual supervision process is not completed for the FY 2022-23 and hence no disclosure is made in this regard.

f) Disclosure of Transfer of Loan Exposures

Disclosures as per Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions 2021 dated September 24, 2021 for the loans transferred/acquired during the year ended March 31, 2023 are given below:

i. Details of loans not in default acquired through assignment are given below

	(₹ in Crore)
Aggregate amount of loans acquired	2146.10
Weighted average residual maturity (in months)	38.95
Weighted average holding period by originator (in months)	6.13
Retention of beneficial economic interest by the originator	10.00%
Tangible security coverage	162.30%

The Loans acquired are not rated as these are of non-corporate borrowers.

ii. Details of Non-Performing Assets transferred are given below;

Particulars	(₹ in Crore)		
	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	3	-	-
Aggregate principal outstanding of loans transferred	19.23	-	-
Weighted average residual tenor of the loans transferred in months	-	-	-
Net book value of loans transferred (at the time of transfer)	8.05	-	-
Aggregate consideration	16.86	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
Provision reversed to the profit and loss account on account of sale of stressed loans	8.81	-	-

iii. During the year ended March 31, 2023, the bank did not acquire any stressed loans or transfer any loan not in default / Special Mention Accounts (SMA)

iv. Details of recovery ratings assigned to Security Receipts as at March 31, 2023

Recovery Ratings *	(₹ in Crore)	
	Anticipated Recovery as per Recovery Rating	Book value
NR1 / R1 +/RR1 +	> 150%	0.00
NR2/ R1 /RR1	100% - 150%	0.00
NR3/ R2 / RR2	75% - 100%	525.72
R3/ NR4 / RR3	50% - 75%	34.87
NR5 / RR4 / R4	25% - 50%	783.41
NR6 / RR5 / R5	0% - 25%	52.79
Yet to be rated [#]	-	0.00
Unrated	-	16.75
Total		1,413.54

*Recovery Rating is as assigned by various external rating agencies

[#]Recent purchases whose statutory period not yet elapsed.

g) Fraud accounts

	March 31, 2023	March 31, 2022
Number of frauds reported during the year	417	402
Amount involved in fraud* (₹ Crore)	77.74	40.31
Amount of provision made for such frauds (₹ Crore)*	44.79	35.48
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ Crore)	NA	NA

* Amount involved in credit related fraud is inclusive of Interest on NPA while the provision created is for Gross NPA Net of recovery and technical write off.

h) Disclosure under Resolution Framework for COVID-19-related Stress

Details of Resolution Plan implemented under Resolution Framework for COVID 19 related stress as per RBI circular dated August 06, 2020 (DOR.No.BP.BC/3/21.04.048/2020-21 – Resolution Framework 1.0) and May 05, 2021 (DOR.STR.REC.11/21.04.048/2021-22 - Resolution Framework 2.0).

(₹ in Crore)

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	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year ¹	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year ²
Personal Loans [#]	308.19	23.93	0.00	5.76	278.50
Corporate persons [*]	297.24	92.73	0.00	12.63	191.87
Of which, MSMEs	0.10	0.00	0.00	0.10	0.00
Others	112.62	0.00	0.00	22.12	90.51
Total	718.05	116.66	0.00	40.51	560.88

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Includes ₹8.12 Crores which was restructured during earlier period.

¹Amount paid by the borrower during the half year is net of additions in the borrower account including additions due to interest capitalization.

²Includes other facilities to the borrowers which have not been restructured.

Disclosure related to clause 28 of RBI circular dated May 05, 2021 where the number of borrowers accounts in which modifications were sanctioned and implemented in terms of Clause 22 of the aforesaid circular.

Type of Borrower	No of Accounts	Aggregate exposure to such borrower (₹ in crore)
Personal Loans	6	2.81
Corporate Persons	0	0.00
Of which MSMEs	0	0.00
Others	0	0.00
Total	6	2.81

There were 6 borrowers having an aggregate exposure of ₹2.81 Crore to the Bank, where Resolution Plan has been implemented under RBI's Resolution Framework 1.0 dated August 06, 2020 and modified under RBI's Resolution Framework 2.0 dated May 05, 2021. Accounts where modification has been done subsequently closed/upgraded to standard category not included here.

5. Exposures

a) Exposures to Real Estate Sector

(₹ in Crore)

Category	March 31, 2023	March 31, 2022
1) Direct Exposure		
(a) Residential Mortgages -	4,005.08	4,209.54
Lending fully secured by mortgages on residential property that is or will be occupied by the borrowers or that is rented;		
of which Individual housing loans eligible for inclusion in priority sector advances .Exposure would also include non-fund based(NFB) limits.	1,228.73	1,435.28

(₹ in Crore)

Category	March 31, 2023	March 31, 2022
(b) Commercial Real Estate -	514.96	832.23
Lending secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure include Non-Fund Based (NFB) limits		
(c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures -		
a. Residential	Nil	Nil
b. Commercial Real Estate	Nil	Nil
2) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	2,614.52	1,008.49
Total Exposure to Real Estate Sector	7,134.56	6,050.26

b) Exposure to Capital Market sectors

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
(i) Direct Investments in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;*	152.86	27.34
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds and convertible debentures and units of equity oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers:	7.78	7.25
(vi) Loans sanctioned to corporate against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows/ issues	-	-
(viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	160.64	34.59

*Shares acquired by banks as a result of Conversion of debt under CDR mechanism for ₹139.73 Crore (Previous Year ₹108.39 Crore) is excluded in line with extant RBI guidelines.

c) Risk category wise country exposure:

Country Risk exposure has been classified on the following basis:

Risk Category*	(₹ in Crore)			
	Exposure (net) as at March 31, 2023	Provision held as at March 31, 2023	Exposure (net) as at March 31, 2022	Provision held as at March 31, 2022
Insignificant	1,901.28	-	3,270.85	-
Low	1,342.08	-	1,478.33	-
Moderately Low	23.39	-	4.55	-
Moderate	9.19	-	0.02	-
Moderately High	8.81	-	5.20	-
High	12.47	-	-	-
Very High	-	-	-	-
TOTAL	3,297.22	-	4,758.95	-

As the Bank's net exposure with each country for the year in respect of foreign exchange transaction is less than 1% of the total assets of the Bank, no provision is required.

* The above figures include both funded as well as non-funded exposure.

d) Unsecured Advances

Particulars	(₹ in Crore)	
	March 31, 2023	March 31, 2022
Total unsecured advances of the bank	11,404.93	3,584.52
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	0.00	76.73
Estimated value of such intangible securities	0.00	76.73

e) Factoring Exposure- Nil.**f) Intra-Group Exposure - Nil.****g) Unhedged Foreign Currency Exposure**

The Bank has in place a policy on managing credit risk arising out of unhedged foreign currency exposures of its borrowers. The objective of this policy is to maximize the hedging on foreign currency exposures of borrowers by reviewing their foreign currency product portfolio and encouraging them to hedge the unhedged portion. In line with the policy, assessment of unhedged foreign currency exposure is a part of assessment of borrowers and is undertaken while proposing limits or at the review stage.

Further, the Bank reviews the unhedged foreign currency exposure across its portfolio on a periodic basis. The Bank also maintains incremental provision towards the unhedged foreign currency exposures of its borrowers in line with the extant RBI guidelines. The Bank has maintained provision of ₹13.72 Crore and additional capital of ₹ 14.96 Crores on account of Unhedged Foreign Currency Exposure of its borrowers as at March 31, 2023.

Movement of Unhedged Foreign Currency Exposure

Date	Category	No. of borrowers with provision for UFCE	Unhedged Foreign Currency Exposure [₹. in Crore]	Provision [₹. in Crore]
31.03.2022	Above ₹5.00Cr	42	6,308.25	4.76
	Below ₹5.00Cr	15,906	-	7.30
	Total			12.06
30.06.2022	Above ₹5.00Cr	41	9,841.98	5.87
	Below ₹5.00Cr	15,784	-	7.12
	Total			12.99
30.09.2022	Above ₹5.00Cr	46	8,838.84	4.35
	Below ₹5.00Cr	15,675	-	7.01
	Total			11.36
31.12.2022	Above ₹5.00Cr	39	5,957.79	4.62
	Below ₹5.00Cr	15,543	-	6.95
	Total			11.57
31.03.2023	Above ₹5.00Cr	64	69,116.00	7.03
	Below ₹5.00Cr	15,683	-	6.69
	Total			13.72

* As per RBI guideline, for exposures to smaller entities which are having unhedged foreign currency exposure, banks may have the option of following a standardised method which would require an incremental provisioning of 10 bps over and above extant standard asset provisioning. Banks following standardised method for smaller entities will not be required to get UFCE data from these entities. Smaller entities are entities on which total exposure from banking system is at ₹ 50 Crore or less.

As per bank's Board approved policy, it was decided to collect UFCE data from all customers who are having exposure above ₹ 5.00 Crore and for exposure below ₹5.00 Crore bank is not collecting UFCE data. However for such accounts the bank is maintaining an incremental provision of 10bps over and above the extant standard asset provision on the outstanding balance.

6. Concentration of Deposits, Advances, Exposures and NPAs

a) Concentration of Deposits

Particulars	(₹ in Crore)	
	March 31, 2023	March 31, 2022
Total Deposits of twenty largest depositors	2,572.31	4,343.56
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	2.81%	4.87%

b) Concentration of Advances*

Particulars	(₹ in Crore)	
	March 31, 2023	March 31, 2022
Total Advances to twenty largest borrowers	9,109.98	6,261.62
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	9.45%	7.50%

*Advance is computed as per definition of Credit Exposure including derivatives furnished in RBI's Master Circular on Exposure Norms

c) Concentration of Exposures*

Particulars	₹ in Crore)	
	March 31, 2023	March 31, 2022
Total Exposure to twenty largest borrowers/customers	9,906.67	6,361.19
Percentage of Exposures to twenty largest borrowers/ customers to Total Exposure of the bank on borrowers/ customers	8.09%	6.00%

*Exposure is computed based on credit and investment exposure as prescribed in RBI's Master Circular on Exposure Norms

d) Concentration of NPAs*

Particulars	₹ in Crore)	
	March 31, 2023	March 31, 2022
Total Exposure to the top twenty NPA accounts	778.85	685.21
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	21.00%	18.78%

*Represents funded balance

7. Derivatives:**a) Forward Rate Agreement / Interest Rate Swap.**

Particulars	March 31, 2023	March 31, 2022
i) The notional principal of swap agreements	150.00	
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	0.00	
iii) Collateral required by the bank upon entering into swaps	0.00	Nil
iv) Concentration of credit risk arising from the swaps	0.00	
v) The fair value of the swap book	(0.07)	

The nature and terms of the IRS as on March 31, 2023 are set out below:

Nature	Nos	Notional Principal	Benchmark	Terms
Trading	6	150.00	MIOIS	Fixed Receivable/ Floating Payable

b) Exchange Traded Interest Rate Derivatives.

Sr. No.	Particulars	March 31, 2023	March 31, 2022
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)		
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2023 (instrument wise)		
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	Nil	Nil
(iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)		

The bank had dealt in exchange traded currency futures during the financial year ended March 31, 2023. As at March 31, 2023 the open contracts on the exchange was Nil.

c) Disclosures on Risk Exposure in Derivatives.

i) Qualitative Disclosure.

The Bank undertakes over the counter and exchange traded derivative transactions for Balance Sheet management and also for proprietary trading/ market making. Bank offers derivative products to the customers to enable them to hedge their exposure within the prevalent regulatory guidelines.

These transactions expose the Bank to various risks primarily credit, market, operational, legal, and reputation. There is functional separation between the Front Office, risk and Back Office for undertaking derivative transactions. The derivative transactions are governed by the Investment, forex and derivative policy and market risk management policy of the Bank as well as by the extant RBI guidelines. Various operational/risk limits are set up and actual exposures are monitored vis-à-vis the limits allocated. Risk Limits are in place for risk parameters viz. VaR, Stop Loss, Dealer Limit, Deal size limit. Actual positions are monitored against these limits on a daily basis and breaches, if any, are reported promptly. The MTM position of the derivative portfolio is monitored on a regular basis. The impact on derivative portfolio on account of the probable market movements are assessed on regular basis.

Bank deals in derivatives for hedging foreign currency assets/liabilities subject to the prevailing regulatory guidelines. Transactions for hedging and trading are recorded separately. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of the transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Transactions related to foreign exchange forwards, Currency futures etc. are marked to market (MTM) on the reporting dates and the MTM is accounted in the books. Collateral requirements for derivative transactions are determined based on usual credit appraisal process. For the purpose of credit risk mitigation, most of the deals have been contracted with Banks/ Major primary dealers and no default risk is anticipated on the deals with them.

ii) Quantitative Disclosures:

(₹ in Crore)

Sl. No	Particulars	March 31, 2023		March 31, 2022	
		Currency Derivatives*	Interest rate derivatives	Currency Derivatives*	Interest rate derivatives
1	Derivatives (Notional Principal Amount)	-	-	-	-
	a) For hedging	-	-	-	-
	b) For trading	-	150.00	-	-
2	Marked to Market Positions	-	-	-	-
	a) Asset (+)	-	-	-	-
	b) Liability (-)	-	0.07	-	-
3	Credit Exposure	-	0.75	-	-
4	Likely impact of one percentage change in interest rate (100*PV01)	-	-	-	-
	a) on hedging derivatives	-	-	-	-
	b) on trading derivatives	-	1.32	-	-
5	Maximum and Minimum of 100*PV01 observed during the year	-	-	-	-
	a) on hedging	-	-	-	-
	b) on trading	-	-	-	-
	Max (100*PV01)-Trading	7.37	9.03	-	1.38
	Min (100*PV01)-Trading	0	0	0	0

*Only Currency futures are reported in currency derivatives. There was no contract outstanding as on 31-03-2023.

Foreign exchange forward contract has not been included in the above disclosure. The notional principal amount of foreign exchange contracts classified as trading on March 31, 2023 amounted to ₹ 16269.20 Crore (Previous Year ₹ 24,286.43 Crore) and mark to market position was asset of ₹ 123.15 crore (previous year ₹ 139.11 Crore) and liability of ₹ 102.64 crore (Previous year ₹ 94.51 crore). The notional principal amount of Foreign exchange contacts classified as hedging on March 31 2023 amounted to ₹ 3334.66 Crore (Previous year ₹ 2865.58 Crore).

The notional principal amounts of derivatives reflect the volume of transactions outstanding as at the Balance Sheet date and do not represent the amounts at risk. Interest rate derivative represents interest rate swaps.

d) Credit Default Swaps

The bank has not undertaken any transactions in credit default swaps during the year ended March 31, 2023 and March 31, 2022.

8. Securitisation-Transactions

The Bank has not undertaken any securitisation transactions during the year ended March 31, 2023 and March 31, 2022.

9. Off-balance Sheet SPVs sponsored

There are no SPVs sponsored by the Bank as at March 31, 2023 and March 31, 2022.

10. Transfers to Depositor Education and Awareness Fund (DEA Fund):

In accordance with the guidelines issued by the RBI, the Bank transfers the amount to the credit of any account which has not been operated upon for a period of ten years or any deposits or any amount remaining unclaimed for more than ten years to DEAFund.

Details of amounts transferred to DEAFund are set out below:

Particulars	₹ in Crore)	
	March 31,2023	March 31,2022
Opening balance of amounts transferred to DEA Fund	183.70	149.85
Add : Amounts transferred to DEA Fund during the year	39.99	37.25
Less : Amounts reimbursed by DEA Fund towards claims	5.06	3.40
Closing balance of amounts transferred to DEA Fund	218.63	183.70

11. Status of Complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sr. No	Particulars	As at	
		March 31, 2023	March 31, 2022
Complaints received by the bank from its customers			
1.	Number of complaints pending at beginning of the year	1,446	1,175
2.	Number of complaints received during the year	43,091	43,099
3.	Number of complaints disposed during the year	43,677	42,828
3.1	Of which, number of complaints rejected by the bank	8,761	9,396
4.	Number of complaints pending at the end of the year	860	1,446

Sr. No	Particulars	As at March 31, 2023	As at March 31, 2022
Maintainable complaints received by the bank from Office of Ombudsman			
5.	Number of maintainable complaints received by the bank from Office of Ombudsman	279	251
5.1	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	162	129
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	117	121
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	0	1
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0
Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme. Previous year figures updated wherever considered necessary so as to align the same with current year data.			

b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
ATM/Debit Card	409	15,898	-23.62	123	
Internet Banking/Mobile Banking/Electronic Banking	430	12,692	46.98	287	
Account Opening /difficulty in operation of accounts	9	2,876	49.17	33	
Charges	61	1,181	84.82	76	
Credit Cards	1	416	1,385.71	4	
Others	536	10,028	-4.15	337	
Total	1,446	43,091	-0.018	860	
Previous Year					
ATM/Debit Card	122	20,817	35.25	409	-
Internet Banking/Mobile Banking/Electronic Banking	389	8,635	15.70	430	-
Account Opening /difficulty in operation of accounts	64	1,928	83.61	9	-
Charges	36	639	18.11	61	-
Loans and Advances	23	617	-12.97	15	1
Others	541	10,463	-3.75	522	17
Total	1,175	43,099	19.64	1,446	18

12. Penalties levied by the Reserve Bank of India

The penalty imposed by RBI during the year ended March 31, 2023 was ₹15,90,650/- (Previous year ₹1,01,86,000/-)

Penalties Imposed By RBI in FY 2022-23

Sl No	Imposed date	Amount(Rs)	Nature of breach
1	28-03-2022	10,000.00*	ATM Cash-out penalty imposed by RBI.
2	07-04-2022	10,000.00	ATM Cash-out penalty imposed by RBI.
3	12-05-2022	10,000.00	ATM Cash-out penalty imposed by RBI.
4	13-05-2022	20,000.00	ATM Cash-out penalty imposed by RBI.
5	20-05-2022	20,000.00	ATM Cash-out penalty imposed by RBI.
6	24-05-2022	4,00,000.00	ATM Cash-out penalty imposed by RBI.
7	01-06-2022	70,000.00	ATM Cash-out penalty imposed by RBI.
8	03-06-2022	1,00,000.00	ATM Cash-out penalty imposed by RBI.
9	05-07-2022	50,000.00	ATM Cash-out penalty imposed by RBI.
10	21-07-2022	2,150.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
11	10-08-2022	150.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
12	03-08-2022	3,750.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
13	16-08-2022	1,200.00	Late fee due to delay in filing Form GSTR-6 return for the month of July2022.
14	04-08-2022	10,000.00	Penalty imposed by RBI for non-reporting of ATM cash-out. Later, based on bank's representation, the penalty amount was reversed to our account.
15	22-08-2022	40,000.00	ATM Cash-out penalty imposed by RBI.
16	02-09-2022	60,000.00	ATM Cash-out penalty imposed by RBI.
17	06-09-2022	30,000.00	ATM Cash-out penalty imposed by RBI.
18	07-10-2022	30,000.00	ATM Cash-out penalty imposed by RBI.
19	03-11-2022	10,000.00	ATM Cash-out penalty imposed by RBI.
20	18-11-2022	4,850.00	Penalty imposed for discrepancies in Soiled Note Remittance / shortage in remittance by currency chest.
21	08-12-2022	10,000.00	ATM Cash-out penalty imposed by RBI.
22	12-12-2022	15,000.00	Penalty imposed by RBI for irregularities observed during their visit.
23	16-01-2023	15,000.00	Penalty imposed by RBI for irregularities observed during their visit.
24	29-12-2022	5,000.00	Penalty imposed by RBI for irregularities observed during their visit.
25	16-02-2023	90,000.00	ATM Cash-out penalty imposed by RBI.
26	27-02-2023	100.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
27	08-02-2023	950.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
28	08-03-2023	10,000.00	Penalty imposed by RBI for Non Frisking by Currency chest.
29	17-03-2023	12,500.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.-
30	10-03-2023	10,000.00	ATM Cash-out penalty imposed by RBI.
31	17-03-2023	10,000.00	ATM Cash-out penalty imposed by RBI.
32	29-03-2023	1,30,000.00	ATM Cash-out penalty imposed by RBI.
33	30-03-2023	4,00,000.00	ATM Cash-out penalty imposed by RBI.
Total		15,90,650.00	

*This penalty was pertaining to the month of March 2022 (i.e. Q4 of FY 2021-22). This case was further analysed and reported in the month of April 2022. Hence the same has been reported in Q1 of FY 2022-23.

Penalties Imposed by RBI In FY 2021-22

Sl No	Imposed date	Amount	Nature of Breach
1	06.07.2021	1,00,00,000.00	We were in receipt of a show cause notice from RBI dated 22 nd January 2021 with respect to the account IL & FS Group companies with regards to non-adherence of RBI Circular IECD.No.29/08.12.01/98-99 dated May 25, 1999 on "Lending to Non-Banking Financial Companies (NBFCs)". Vide letter SIB/COMP/RBI/77/20-21 dated February 09,2021.
2	06.09.2021	35,000.00	We were in receipt of a Show Cause Notice on the following discrepancies observed during RBI Inspection in Currency Chest, 1. Non-Frisking of person entering/exiting the vault. 2. Non Maintenance of charge certificate 3. Delay in sorting of Soiled notes. 4. Grill Gate of strong room kept open during operation.
3	11.11.2021	200.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
4	28.12.2021	1,00,000.00	On 22.12.21, Short Sale amounting to ₹45 crores was kept open for value 23.12.21. On 23.12.2021, inadvertently, purchase of Market Reverse Repo was not communicated to Money Market Desk by SLR Desk & thus they did not strike reverse repo deal to cover the security short sold. Hence, reverse repo for ₹10 crores against the security short 6.67% GS 2035 was not taken. This lead to shortage of security balance by ₹10 crores in Subsidiary General Ledger (SGL). The securities that were short, had to be bought under reverse repo to negate security short sold commitment to CCIL
5	18.01.2022	5,300.00	Penalty imposed on account of deficiencies noticed during RBI visit of currency chest.
6	07.03.2022	15,950.00	Penalty imposed on account of deficiencies noticed during RBI visit of currency chest.
7	10.03.2022	9,550.00	Penalty imposed for discrepancies in Soiled / forged / defective note Remittance by currency chest.
8	14.03.2022	10,000.00	ATM Cash-out penalty imposed by RBI.
9	17.03.2022	10,000.00	ATM Cash-out penalty imposed by RBI.
Total		1,01,86,000.00	

During the year, short sale of securities amounting to ₹ 45 Crore were kept open for value date 22.12. 2021. Market Reverse Repo for ₹ 35 Crore was taken against 45 Cr short sale and Purchase of Market Reverse Repo for ₹ 10 Crore against the securities short 6.67% GS 2035 was not taken which lead to shortage of security balance by ₹10 Crore in Subsidiary General Ledger (SGL). The same has been reported to the appropriate authority. There is no other such incidence incurred during the period. Further we also confirm that all investments and Forex transactions are in compliance with RBI directives and Banks Investment Policy.

13. Disclosures on Remuneration

a) Information relating to the composition and mandate of the Nomination & Remuneration Committee.

Composition:

The Nomination & Remuneration committee of the Board consists of three members and all three members are members of Risk Management committee of the Board to facilitate effective governance of compensation.

The roles and responsibilities of the Nomination & Remuneration Committee inter-alia includes the following:

Sl. No.	Name of Agenda item
1	Scrutinizing the declarations received from persons to be appointed as Directors as well as from the existing Directors seeking re-appointment and to decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors. and make references to the appropriate authority/persons to ensure compliance with the requirements indicated by Reserve Bank of India vide their directive dated May 23, 2011 on Fit & Proper Criteria of the Banks.
2	Recommend to the Board for its consideration and approval on the size and composition of the Board taking into account the available and needed diversity and balance in terms of experience, knowledge, skills, and judgment of the Directors
3	To devise a Succession Planning Policy for the Board and Senior Management.
4	To formulate a Nomination policy of the Board to guide the Board in relation to appointment/re-appointment/removal of Directors.
5	To identify persons who are qualified to become Directors/ KMPs and who may be appointed in senior management as defined in the Succession Policy in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
6	To formulate the criteria for evaluation of Independent Directors and the Board/Committees.
7	To devise a policy on Board diversity.
8	To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
9	To perform such other functions as may be necessary or appropriate for the performance of its duties.
10	To oversee the framing, review and implementation of Bank's overall compensation structure and related policies on remuneration packages payable to the WTDs/MD & CEO and other staff including performance linked incentives, perquisites, Stock option scheme etc. with a view to attracting, motivating and retaining employees and review compensation levels vis-a-vis other Banks and the industry in general.
11	The Committee shall work in close coordination with the Risk Management Committee of the Bank, in order to achieve effective alignment between remuneration and risks. The Committee will also ensure that the cost/income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.
12	With respect to the variable pay, both cash and non-cash Performance Linked Incentive Schemes, the Committee is empowered to: <ol style="list-style-type: none"> Draw up terms and conditions and approve the changes, if any, to the Performance Linked Incentive schemes; Moderate the scheme on an ongoing basis depending upon the circumstances and link the same with the recommendations of Audit Committee; Coordinate the progress of growth of business vis -a- vis the business parameters laid down by the Board and Audit Committee and effect such improvements in the scheme as are considered necessary; On completion of the year, finalize the criteria of allotment of marks to ensure objectivity/equity. To identify Material Risk Takers (MRTs) as per the recommendations made by MD & CEO and to fix variable pay and other terms of payment including component (Cash and non-cash), deferment and divergence clause in line with compensation policy and other RBI guidelines and other policies and guidelines of the bank.
13	The Committee shall also function as the Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits) Regulations, 2014 and is empowered to formulate detailed terms and conditions of the Scheme, administer, supervise the same and to allot shares in compliance with the guidelines and other applicable laws.

Sl. No.	Name of Agenda item
14	To obtain necessary clearances and approvals from regulatory authorities, appoint Merchant Bankers and do such other things as may be necessary in respect of the Employees Stock Option Scheme.
15	To oversee the administration of Employee benefits, such as Provident Fund, Pension Fund, Gratuity, Compensation for absence on Privilege/Sick/Casual Leave etc., which are recognized in accordance with Accounting Standard-15 (revised) specified in the Companies (Accounting Standards) Rules, 2006.
16	The Committee may suggest amendments to any stock option plans or incentive plans, provided that all amendments to such plans shall be subject to consideration and approval of the Board.
17	Any other matters regarding remuneration to WTDs/MD & CEO and other staffs of the Bank as and when permitted by the Board.
18	To conduct the annual review of the Compensation Policy.
19	To fulfil such other powers and duties as may be delegated to it by the Board.
20	To review HR Strategy aligning with business strategy of the Bank.
21	To review the skill gaps and talent pool creation.
22	To do any other matters regarding remuneration to whole-time directors/ non-executive directors /part-time chairman, Chief Executive Officers / Material Risk Takers (MRTs) and employees (risk control and compliance staff and all other categories of staff) of the Bank including signing/ joining bonus occurring in the context of hiring new staff and be limited to first year, in the form of share-linked instruments only, as and when permitted by the Board. Such bonus will neither be considered part of fixed pay nor part of variable pay.

b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.

- The Bank has formed the compensation policy based on the Reserve Bank of India guidelines vide its Circular No. DBOD.No.BC.72/29.67.001/2011-12 dated January 13, 2012.
- The fixed remuneration and other allowances including retirement benefits of all subordinate, clerical and officers up to the rank of General Manager (Scale VII) is governed by the industry level wage settlement under Indian Banks Association (IBA) pattern. In respect of officers above the cadre of General Manager, the remuneration is fixed by Board / Committee.
- Further, the compensation structure for the Whole Time Directors (WTDs) / Managing Director & Chief Executive Officer (MD & CEO) of the bank are subject to approval of Reserve Bank of India in terms of Section 35 B of the Banking Regulation Act, 1949. The payment of compensation also requires approval of the shareholders of the Bank in the General Meeting pursuant to clause 95 of Articles of Association of the Bank read with Section 197 of the Companies Act, 2013 and Section 35B (1) of Banking Regulation Act 1949.

- The Reserve Bank of India vide circular DOR. Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019 issued a detailed revised Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff. Accordingly, the Compensation Policy has been modified by incorporating the revised provisions of the RBI circular.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It will include the nature and type of the key measures used to take account of these risks.

The Board of Directors through the NRC shall exercise oversight and effective governance over the framing and implementation of the Compensation Policy. Human Resource Management under the guidance of MD & CEO shall administer the Compensation and Benefit structure in line with the best suited practices and statutory requirements as applicable.

For Material Risk Takers:

The Bank will refer to the Basel Committee on Banking Supervision (BCBS) report entitled Range of Methodologies for Risk and Performance Alignment of Remuneration published in May 2011 for guidance wherever required. It intends to enhance the banks'

and supervisors' understanding of risk-adjusted remuneration. This report, by providing some clarification on design of risk-adjusted remuneration schemes, will support and facilitate the greater adoption of sound practices in the banking sector. Some of the key stipulations of the report are as under:

1. In order for incentive-based remuneration to work, the variable part of remuneration will be truly and effectively variable and can even be reduced to zero in line with the symmetry principle defined by the FSB. A key element that supervisors expect is the ability for banks to demonstrate that the methodologies they developed to adjust variable remuneration to risk and performance are appropriate to their specific circumstances.
2. The methodologies for adjusting remuneration to risk and performance will also be consistent with the general risk management and corporate governance framework.
3. Performance measures and their relation to remuneration packages will be clearly defined at the beginning of the performance measurement period to ensure that the employees perceive the incentives mechanism. The usual annual determination of bonuses will be based on rules, processes and objectives known in advance, recognizing that some discretion will always be needed.
4. Bank will use a combination of financial and non-financial measures to assess employee performance and adapt the measurement to each employee's specific situation. Qualitative factors (like knowledge, skills or abilities), might play an important role when it comes to judging and rewarding some activities- particularly when these serve to reinforce the bank's risk management goals.
5. The nature and extent to which risk adjustments are needed depends first on the extent to which performance measures capture risks, but in all cases, some form of risk adjustment is needed as remuneration is often awarded before the final outcome of an activity is known. Risks taken need to be estimated (ex ante), risk outcomes observed (ex post) and both ex ante estimates and ex post outcomes will affect payoffs.
6. Risk adjustments need to take into account the nature of the risks involved and the time horizons over which they could emerge. The impact of remuneration adjustments will be linked to actions taken by employees and/or business units, and their impact on the level of risk taken on by the bank.
7. The nature of the award process, which links the variable remuneration of each individual employee with bonus pools and the total amount of variable remuneration at a bank's level, is also an area that will be carefully considered by banks and supervisors, as it directly influences how and when performance and risk adjustment are or can be used.
8. Considering the above parameters, the Board may approve suitable methodologies for fixing of risk adjusted remuneration, as appropriate, based on the recommendations of Risk Management committee and review/ approval of the Nomination and Remuneration Committee on the same.

The compensation structure for the Whole-Time Directors/ Chief Executive Officers / Material Risk Takers (MRTs) of the bank shall be as under:

Fixed Pay and Perquisites

Based on the recommendations of the Nomination and Remuneration Committee, and subject to the approval of Reserve Bank of India (for MD & CEO and Executive Directors), Board shall fix the fixed portion of compensation payable which is reasonable, taking into account all relevant factors including adherence to statutory requirements and industry practice.

Variable Pay

In order to have a proper balance between the cash and share-linked components in the variable pay, the variable pay are to be structured in the form of share-linked instrument (including Cash-linked Stock Appreciation Rights (CSARs)), or a mix of cash and share-linked instruments. Only in cases where the compensation by way of share-linked instruments is not permitted by law/regulations, the entire variable pay can be in cash to be exercised.

d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.

a) The factors taken in to account for the annual review and revision in the variable pay and performance bonus are:

- The performance of the Bank
- The performance of the business unit
- Individual performance of the employee
- Other risk perceptions and economic considerations.

The criteria for identification of MRTs are subject to the following:

The persons who satisfy the qualitative criteria and any one of the quantitative criteria as detailed below:

(I) Standard Qualitative Criteria:

- Relate to the role and decision-making power of staff members (e.g., General manager, member of management body) having jointly or individually, the authority to commit significantly to risk exposures, etc.

and

(II) Standard Quantitative Criteria:

- Their total remuneration exceeds a certain threshold (to be recommended by MD & CEO to NRC for approval); the determination of which may be done prudently by the bank,
- or
- They are included among the 0.3% of staff with the highest remuneration in the bank,
- or
- Their remuneration is equal to or greater than the lowest total remuneration of senior management and other risk-takers.

MD & CEO is considered as Material Risk Taker, whose compensation will be guided by the provisions applicable to WTD/CEO as per the policy. However the Board, on recommendation of NRC, will specify additional Material Risk Takers (MRTs) whose actions have a material impact on the risk exposure of the bank from time to time.

e) A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.

➤ Variable Pay

In order to have a proper balance between the cash and share-linked components in the variable pay, the variable pay are to be structured in the form of share-linked instrument (including Cash-linked Stock Appreciation Rights (CSARs)), or a mix of cash and share-linked instruments. Only in cases where the compensation by way of share-linked instruments is not permitted by law/regulations, the entire variable pay can be in cash to be exercised.

The assessment of the variable pay will be based on 'Key Performance Indicators' (KPI) achievement of respective whole-time directors/ Chief Executive Officers / Material Risk Takers (MRTs).

a. Limit on Variable Pay:

A. For Whole-Time Directors and Chief Executive Officers

i. In compliance to the RBI Guidelines and other applicable rules and regulations at least 50%, should be variable and paid on the basis of individual, business-unit and firm-wide measures that adequately measure performance. The total variable pay shall be limited to a maximum of 300% of the fixed pay (for the relative performance measurement period).

ii. In case variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay; and in case variable pay is above 200%, a minimum of 67% of the variable pay should be via non-cash instruments.

iii. In the event that an executive is barred by statute or regulation from grant of share-linked instruments, his/her variable pay will be capped at 150% of the fixed pay, but shall not be less than 50% of the fixed pay.

iv. The deterioration in the financial performance of the bank should generally lead to a contraction in the total amount of variable compensation, which can even be reduced to zero.

B. For Material Risk Takers (MRTs)

- i. In compliance to the RBI Guidelines and other applicable rules & regulations 50% of total pay for all MRTs should be variable pay and paid on the basis of individual, business-unit and firm-wide measures that adequately measure performance.
- ii. 50% of the variable pay should be via non-cash instruments.
- iii. The deterioration in the financial performance of the bank should generally lead to a contraction in the total amount of variable compensation, which can even be reduced to zero.

The Board will from time to time specify the Material Risk Takers (MRTs).

b. Deferral of Variable Pay

- (i) For senior executives, including WTDs, and other employees who are MRTs, a minimum of 60% of the total variable pay must invariably be under deferral arrangements. Further, if cash component is part of variable pay, at least 50% of the cash bonus should also be deferred.
- (ii) However, in cases where the cash component of variable pay is under ₹25 lakh, deferral requirements is not applicable.

c. Period of Deferral Arrangement

The deferral period should for a period three years. This would be applicable to both the cash and non-cash components of the variable pay arrangements.

d. Vesting:

Deferred remuneration should be spread out over the course of the deferral period on a pro rata basis as follows:

- not more than 33.33 % of the total deferred variable pay should vest at the end of first year.
- Further, not more than 33.33 % of total deferred variable pay should vest at the end of second year.

Additionally, vesting should not take place more frequently than on a yearly basis to ensure a proper assessment of risks before the application of ex post adjustments.

In case of employee's death or permanent disability, whole of the deferred variable pay (Cash component) shall immediately vest in the employee's legal heirs, or the employee, as the case maybe.

e. Share-linked Instruments

Such instruments shall be included as a component of variable pay. Norms for grant of share-linked instruments should be framed by banks in conformity with relevant statutory provisions and should form part of the bank's compensation policy. The details of share-linked instruments granted should also be disclosed in terms of the disclosure requirements stipulated in these Guidelines. Share-linked instruments should be fair valued on the date of grant by the bank using Black-Scholes model.

Malus / Clawback

- (a) The deferred compensation should be subject to malus/clawback arrangements in the event of subdued or negative financial performance of the bank and/or the relevant line of business in any year.
- (b) A set of situations as detailed below are hereby identified, which require the invocation of the malus and clawback clauses that may be applicable as detailed below:
 - i) Applying of Malus / Clawback arrangement on entire variable pay on occurrence of the following Situations:
 - identified fraud / misconduct by the executive (whole-time directors, Chief Executive Officers / Material Risk Takers (MRTs)) pertaining to the corresponding period for which the clause to be applied.
 - ii) Applying of Malus / Clawback arrangement on unvested portion of deferred variable pay on occurrence of the following situation:
 - Reporting of operating loss or more than 50% fall in operating profit in any year
 - iii) Applying of Malus clause on unvested portion of deferred variable pay on occurrence of the following situation:
 - Wherever the assessed divergence in bank's provisioning for Non-Performing Assets (NPAs) or asset classification exceeds the prescribed threshold for public disclosure as

detailed below: (As referred in RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019, as amended from time to time),

- a. the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period, and
- b. the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period

Further, in such situations, no proposal for increase in variable pay (for the assessment year) shall be entertained. In case the bank's post assessment Gross NPAs are less than 2.0%, these restrictions will apply only if criteria for public disclosure are triggered either on account of divergence in provisioning (clause (a) or both provisioning (clause (a) and asset classification (Clause (b).

Any other act detrimental to the interest of the Bank including and not restricted to violation of Code of Conduct, violation of Framework for dealing with Conflict of Interest, violation of rules and regulations of the Bank, failure to discharge fiduciary and regulatory duties – and in respect of which the Bank would reserve the right to institute appropriate civil, criminal or other proceedings at the risks, costs and consequences of such individual's,

As part of the criteria for the application of Malus and clawback, the following period during which malus and/or clawback can be applied will be 36 months from application of the clause. covering at least deferral and retention periods (a period of time after the vesting of instruments which have been awarded as variable pay during which they cannot be sold or accessed)

Members of staff engaged in financial and risk control, including internal audit, should be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the bank. Effective independence and appropriate authority of such staff are necessary to preserve the integrity of financial and risk management's influence on incentive compensation. Back office and risk control employees play a key role in ensuring the integrity of risk measures. If their own compensation is significantly affected by

short-term measures, their independence may be compromised. If their compensation is too low, the quality of such employees may be insufficient for their tasks and their authority may be undermined. The mix of fixed and variable compensation for control function personnel should be weighted in favour of fixed compensation. Therefore, the requirement of minimum 50% of total compensation to be paid in the form of variable pay will not be applicable for this category of staff. However, a reasonable proportion of compensation has to be in the form of variable pay, so that exercising the options of malus and/or clawback, when warranted, is not rendered infructuous.

For calculating the Variable Pay of Risk Control and Compliance Staff the 'Key Performance Indicators' (KPI) will be totally different and the modalities of the same will be recommended by the Nomination and Remuneration Committee to the Board for approval.

f) Description of the different forms of variable remuneration (i.e. cash and types of share linked instruments) that the bank utilizes and the rationale for using these different forms.

For Material Risk Takers both cash and non-cash Performance Linked Incentive Schemes to those employees who are eligible for incentives., In this regard the Committee is empowered to:

- i) Draw up terms and conditions and approve the changes, if any, to the Performance Linked Incentive schemes;
- ii) Moderate the scheme on an ongoing basis depending upon the circumstances and link the same with the recommendations of Audit Committee;
- iii) Coordinate the progress of growth of business vis -a-vis the business parameters laid down by the Board and Audit Committee and effect such improvements in the scheme as are considered necessary;
- iv) On completion of the year, finalize the criteria of allotment of marks to ensure objectivity/equity.
- v) To identify Material Risk Takers (MRTs) as per the recommendations made by MD & CEO and to fix variable pay and other terms of payment including component (Cash and non-cash), deferment and divergence clause in line with compensation policy and other RBI guidelines and other policies and guidelines of the bank.

For Others

The Board will from time to time specify the Risk Control and Compliance Staff.

- a) Based on the recommendations of the Committee, Board may fix the variable pay not exceeding 50% of the fixed pay in a year. Within this ceiling, at higher levels of responsibility, the proportion of variable pay will be higher. The variable pay may be in cash, or stock linked instruments or a mix of both.
- b) 'Variable pay' means the compensation as fixed by the Board on recommendation of the Committee, which is based on the performance appraisal of an employee in that role, that is, how well they accomplish their goals. It may be paid as:
 - i. Performance Linked Incentives' to those employees who are eligible for incentives.
 - ii. Ex-gratia for other employees who are not eligible for Performance linked Incentives.
 - iii. Bonus for those staff members who are eligible for bonus under the Payment of Bonus Act, 1965
 - iv. Any other incentives, by whatever name called having the features similar to the above.
- c) The Board may adopt principles similar to that enunciated for WTDs/CEOs, as appropriate, for variable pay-timing, Malus/Clawback, guaranteed bonus and hedging.
- d) Employee Stock Option Scheme/Employee Stock Option Plan as may be framed by the Board from time to time in conformity with relevant statutory provisions and SEBI guidelines as applicable.

			(₹ in Crore)	
			2022-23	2021-22
Quantitative disclosures	(a)	i. Number of meetings held by the Remuneration Committee during the financial year	10	12
		ii. Remuneration paid to its members	0.15	0.21
	(b)	i. Number of employees having received a variable remuneration award during the financial year.	1	1
		ii. Number and total amount of sign-on awards made during the financial year. <ul style="list-style-type: none"> • Number • Total amount 	Nil	Nil
		iii. Details of guaranteed bonus if any	Nil	Nil
		iv. Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil
	(c)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	ESOS : 0.88 Cash : 0.38	Nil
		(ii) Total amount of deferred remuneration paid out in the financial year.	Nil	Nil
	(d)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.		
		i. Fixed*	1.66	1.65
		ii. Variable	1.50	0.13
		iii. Deferred	1.12	Nil
		iv. Non Deferred	0.38	0.13
* Excluding PF and Gratuity				

(₹ in Crore)

		2022-23	2021-22
(e)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	ESOS : 0.88 Cash : 0.38	Nil
	(ii) Total amount of reductions during the financial year due to ex- post explicit adjustments.	Nil	Nil
	(iii) Total amount of reductions during the financial year due to ex- post implicit adjustments.	Nil	Nil
(f)	Number of MRTs identified.	1*	1*
(g)	• Number of cases where malus has been exercised.	Nil	Nil
	• Number of cases where clawback has been exercised.	Nil	
	• Number of cases where both malus and clawback have been exercised.	Nil	
General Quantitative Disclosure	(h) The mean pay for the bank as a whole (excluding sub-staff) and	0.10	0.09
	The deviation of the pay of each of its WTDs ⁵ from the mean pay. ⁵ Gross remuneration paid to MD & CEO is considered for this purpose, which excludes the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Bank as a whole	1.93	1.70

*Mr. Murali Ramakrishnan, Managing Director & Chief Executive Officer is identified as MRT

14. Other Disclosures

a) Business ratios

Particulars	March 31, 2023	March 31, 2022
(i) Interest Income as a percentage to Working Funds ¹	6.86%	6.57%
(ii) Non-interest income as a percentage to Working Funds ¹	0.77%	1.03%
(iii) Cost of Deposits	4.35%	4.75%
(iv) Net Interest Margin	3.30%	2.62%
(v) Operating Profit as a percentage to Working Funds ¹	1.43%	1.24%
(vi) Return on Assets [Based on Working Fund] ¹	0.73%	0.04%
(vii) Business (Customer Deposits plus Advances) per employee ^{2,3} (₹ in Crore)	17.24	16.48
(viii) Profit per employee ² (₹ In Crore)	0.082	0.005

¹ For the purpose of computing the ratio, Working Fund represents the average of total assets as reported in Form X to RBI under Section 27 of the Banking Regulation Act, 1949.

² For the purpose of computing the ratios number of employees (excluding Part time employees) as on Balance Sheet date is considered.

³ For the purpose of this ratio, business per employee has been recorded as gross advance plus deposits (excluding interbank deposits).

b) Bancassurance Business

Income from Bancassurance Business acquired during the FY :

		(₹ in Crore)	
Sl. No.	Nature of Income	March 31, 2023	March 31, 2022
1	From Selling Life Insurance Policies	43.88	27.89
	i. Traditional/Regular	41.48	25.12
	ii. Single	1.25	1.16
	iii. ULIP Regular	1.15	1.61
2	From Selling Non-Life Insurance Policies	8.12	6.49
	i. General Insurance	3.74	3.36
	ii. Stand-alone Health Insurance	4.38	3.13
3	From Selling Govt. Security Schemes (PMJJBY & PMSBY)	0.05	0.17
4	Others	Nil	Nil
5	Total	52.05	34.55

c) Marketing and Distribution

Banks has received following fees/remuneration in respect of the marketing and distribution function (excluding Bancassurance business) undertaken by the bank.

		(₹ in Crore)	
Particulars	March 31, 2023	March 31, 2022	
Centralized Direct Debit Services	2.87	3.48	
NPS	0.26	0.19	
APY/NPS –Lite	0.25	0.43	
Demat	0.19	0.22	
Sibertrade	0.90	1.21	
Mutual Funds	2.97	1.94	
Capital Gain Bonds	0.05	0.04	
ASBA	0.07	0.07	
SGB	0.18	0.19	
PIS	0.64	0.44	
Travel Card	0.37	0.14	
SBI-South Indian Bank Co-branded Credit card	0.22	0.35	
Total Income	8.97	8.70	

d) Priority sector lending certificates

		(₹ in Crore)			
Sl No.	Type of PSLCs	March 31, 2023		March 31, 2022	
		Purchase	Sale	Purchase	Sale
1	PSLC – Agriculture	0.00	0.00	0.00	600.00
2	PSLC – Small and Marginal Farmers	0.00	5100.00	0.00	3300.00
3	PSLC – Micro Enterprises	750.00	0.00	745.00	0.00
4	PSLC – General	0.00	0.00	0.00	8,800.00
	Total	750.00	5100.00	745.00	12,700.00

e) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account:

Particulars	₹ in Crore)	
	March 31, 2023	March 31, 2022
Provision for NPAs (including write off, excluding technical write off)	623.07	1,161.40
Provision for NPLs	(137.54)	(7.91)
Provision for taxes (Net of write back) ¹	258.38	(5.95)
Deferred Tax (net)	213.00	(131.02)
MAT Credit	(138.26)	-
Provision for Standard Assets	(58.61)	175.57
Provision for Restructured Advances	(0.05)	1.22
Provision for FITL	(22.17)	69.67
Provision for unhedged foreign currency exposures	1.66	(1.06)
Provision for Non-Banking Asset ²	(0.71)	(62.74)
Provision for Fraud / Other impaired assets	(6.53)	3.41
TOTAL	732.24	1,202.59

¹ Based on favourable Income Tax orders received during the financial year, the net excess provision for tax held in books amounting to ₹54.81 Crore (Previous year ₹ 69.60 Crore) has been written back.

² The Bank had acquired certain land parcels under a partial Debt Asset Swap transaction ("DAS") in earlier years aggregating ₹110 Crores and classified them as "Non-Banking Assets acquired in satisfaction of claims" in the Balance Sheet. During the FY 2022-23 Bank had sold certain properties and ₹0.71 Crore (Previous year ₹ 62.74 Crore) (after adjusting the expenses) was credited back to the provision.

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA), Government of India has notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015. Further, a Press Release was issued by the MCA on January 18, 2016 outlining the roadmap for implementation of Indian Accounting Standards (IND AS) converged with International Financial Reporting Standards (IFRS) for banks. As per earlier instructions, banks in India were required to comply with the IND AS for financial statements for accounting periods beginning from April 01, 2018 onwards, with comparatives for the periods ending March 31, 2018 or thereafter. Progressing towards IND AS, the Bank had prepared pro forma financials as on June 30, 2017 as per extant regulatory guidelines and submitted the same to the RBI. On April 05, 2018, the RBI had announced deferment of implementation date by one year with IND AS being applicable to banks for accounting periods beginning April 01, 2019 onwards. In preparation for the same, the Bank has been submitting quarterly pro-forma financials to the RBI from quarter ended June 30, 2018. On March 22, 2019, the RBI has announced deferment of the implementation of IND AS by banks till further notice. However, the Bank continues to submit to the RBI proforma financials on half year basis

g) Payment of DICGC Insurance Premium

Sl. No.	Particulars	₹ in Crore)	
		March 31, 2023	March 31, 2022
i)	Payment of DICGC Insurance Premium (excl. GST)	105.25	99.69
ii)	Arrears in payment of DICGC premium	0.00	0.00

h) Disclosure of facilities granted to directors and their relatives

Bank has not extended any fund or non-fund (guarantees, Letter of Credit, etc) facilities to directors, their relatives, companies or firms in which they are interested for the Financial year 2022-23 as per section 20 of BR Act, 1949.

i) Details of Single Counterparty Limit / Limit for Group of Connected Counterparties exceeded by the Bank

RBI has prescribed limits linked to bank's eligible capital base in respect of exposure to single counter party and group of connected counter parties. During the year ended March 31, 2023 and March 31, 2022, the Bank was within the limits prescribed by the RBI.

B. Additional Disclosure**1. Details of Single Borrower Limit, Group Borrower Limit exceeded by the Bank**

As on March 31, 2023, the bank has not exceeded the credit exposure to single borrower and group borrowers limit as per prudential exposure limit prescribed by RBI.

2. Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances:

(₹ in Crore)

Particulars	During FY 2022-23		During FY 2021-22	
	No of accounts	Amount	No of Accounts	Amount
MSME Restructured Accounts	Nil	Nil	177	657.74

As permitted by RBI vide its Circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019, DOR.No.BP. BC.34/21.04.048/2019-20 dated February 11, 2020, DOR.No.BP. BC/4/21.04.048/2020-21 dated August 06. 2020 and DOR.STR.REC.12/21.04.048/2021-22 dated May 05, 2021 the bank has not restructured any accounts during the year (Previous year 177 accounts). Additional Standard Asset provision of Nil (Previous year ₹67.87 crore) is maintained in the books towards such accounts.

3. Disclosure relating to tax**a) Provision for taxes during the year:**

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Current Tax (net of write back)	258.38	(5.95)
Deferred Tax (net)	213.00	(131.02)
MAT Credit	(138.26)	0.00
Total	333.12	(136.97)

Tax provision is created in the books after adjusting for permanent differences in Income tax, accounting of MAT credit and deferred tax assets/liability. Based on favourable Income Tax orders received during the financial year, the excess provision for tax held for different assessment years in the books of account as on the balance sheet date amounting to a net sum of ₹ 54.81 Crore (Previous year ₹ 69.60 Crore) has been written back.

b) Deferred Tax Assets (net)

Other Assets include deferred tax asset and the breakup of the same is shown below:

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Deferred Tax Asset (A)		
Provisions for Loans/Investments/ others	324.82	370.86
Fixed Assets: on difference between book balances and tax balance of WDV of fixed assets	8.40	3.11
Total (A)	333.22	373.97
Deferred Tax Liabilities (B)		
Special Reserve created u/s 36(1)(viii) of Income Tax Act	167.52	139.56
Interest accrued but not due on investments	144.29	0.00
Total (B)	311.81	139.56
Deferred Tax Asset (net) (A-B)	21.41	234.41

4. Movement in provision for debit card reward points:

Particulars	(₹ in Crore)	
	March 31, 2023	March 31, 2022
Provision at the beginning of the year	2.33	0.71
Provision made during the year	4.28	4.51
Reductions during the year	3.10	2.89
Provision at the end of the year	3.51	2.33

5. Movement in provision for other contingencies:

Particulars	(₹ in Crore)	
	March 31, 2023	March 31, 2022
Provision at the beginning of the year	20.32	17.38
Incremental expense during the year	21.85	3.11
Redemption during the year	19.14	0.17
Provision at the end of the year	23.03	20.32

6. Letter of Comfort (LoCs) issued by Banks:

The Bank has not issued any reportable Letter of Comfort on behalf of subsidiaries during the year ended March 31, 2023 and March 31, 2022 respectively.

7. Inter-bank participation with risk sharing

The aggregate amount of participation purchased by the Bank, shown as advances as per regulatory guidelines, outstanding as of March 31, 2023 was ₹. 1300.00 Crores (Previous Year: ₹1,300.00 Crore).

8. Fixed Assets

- a) Fixed Assets as per Schedule 10 include Intangible Assets relating to Software and System Development Expenditure which are as follows:

Particulars	(₹ in Crore)	
	March 31, 2023	March 31, 2022
Gross Block		
At the beginning of the year	208.98	175.90
Additions during the year	3.25	33.08
Deductions during the year	0.25	-
Closing Balance	211.98	208.98
Depreciation / Amortisation		
At the beginning of the year	135.16	106.60
Charge for the year	29.66	28.56
Deductions during the year	-	-
Depreciation to date	164.83	135.16
Net Block	47.15	73.82

9. Accounting for Employee Share Based Payments.

The company has provided various share based payment schemes to its employees. As on March 31, 2023, the following schemes were in operation;

	Tranche 12	Tranche 11	Tranche 8
Date of grant	01.03.2023	23.04.2022	06.12.2017
Date of Board approval	01.03.2023	23.04.2022	06.12.2017
Date of Shareholders approval	12-07-2022	12-07-2022	18.08.2008
Number of options granted	11,06,194	3,99,171	43,04,710
Method of settlement	Equity	Equity	Equity
Vesting period	01.03.2024 to 01.03.2026	23.04.2023 to 23.04.2025	06.12.2019 to 06.12.2021
Exercise period (for all Tranches)	The Grantee will be permitted to exercise their Options within five years from the date of vesting	The Grantee will be permitted to exercise their Options within five years from the date of vesting	Eligible to exercise the options during any one of the four specific periods (i.e., within 30 days after the end of each quarter) within one year from the date of vesting.
Manner of Vesting (for all Tranches)	30%, which will be vested on completion, of 1 st year from the date of grant. 30%, which will be vested on completion, of 2 nd year from the date of grant. 40%, which will be vested on completion, of 3 rd year from the date of grant	30%, which will be vested on completion, of 1 st year from the date of grant. 30%, which will be vested on completion, of 2 nd year from the date of grant. 40%, which will be vested on completion, of 3 rd year from the date of grant	In a graded manner over a 5 year period with 30%, 30% and 40% of the grants vesting in each year commencing from the end of 5years from the grant date.

Bank has changed its accounting policy from the intrinsic value method to the fair value method as per Black – Scholes model for all share-linked instruments granted after 31 March, 2021.

Activity in the options outstanding under the ESOS

Particulars	March 31, 2023		March 31, 2022	
	Options	Weighted average exercise price (₹)	Options	Weighted average exercise price (₹)
Options outstanding at the beginning of the year	1,005,872	18.72	1,797,019	18.72
Options granted during the year	15,05,365	14.34	-	-
Options exercised during the year	-	-	-	-
Forfeited / lapsed during the year	10,05,564	18.72	7,91,147	18.72
Options outstanding at the end of the year	15,05,673	14.34	1,005,872	18.72
Options Exercisable	308	18.72	1,005,872	18.72

Details of exercise price for stock options outstanding as at March 31, 2023

Particulars	Exercise price per share (₹)	Option Premium	Number of options outstanding	Remaining contractual life of options (in years)
Tranche 8	18.72	NA	308	0.20
Tranche 11	8.35	3.29	399171	2.16
Tranche 12	16.50	6.78	1106194	3.02

Details of exercise price for stock options outstanding as at March 31, 2022

Particulars	Exercise price per share (₹)	Number of options outstanding	Remaining contractual life of options (in years)
Tranche 8	18.72	1,005,872	0.68

Effect of the ESOS on the profit and loss account and on its financial position:

Particulars	(₹ in Crore)	
	March 31, 2023	March 31, 2022
Opening of ESOS Liability	1.29	2.31
Liability on account of ESOS issued	0.88	0.00
Reversal on account of Exercise	0.00	0.00
Reversal on account of lapsed/forfeiture	(1.29)	(1.02)
Total Employee compensation cost pertaining to ESOS	0.88	1.29
Opening Deferred Compensation Cost	0.00	0.22
Deferred compensation cost on ESOS issued	0.88	0.00
Compensation Cost pertaining to ESOS amortized during the year	(0.11)	(0.22)
Reversal on account of lapse/ forfeiture	0.00	0.00
Deferred compensation cost	0.77	0.00

Impact of fair value method on net profit and on EPS

Had compensation cost for the ESOS outstanding being determined based on the fair value approach instead of intrinsic value method, the Bank's net profit and earnings per share would have been as indicated below:

Particulars	(₹ in Crore)	
	March 31, 2023	March 31, 2022
Net Profit as reported	775.09	44.98
Proforma Net profit based on fair value approach	775.09	45.00
Basic EPS as reported (₹)	3.70	0.21
Basic EPS (Proforma)(₹)	3.70	0.22
Diluted EPS as reported(₹)	3.70	0.21
Diluted EPS (Proforma)(₹)	3.70	0.22

In computing the above information, certain estimates and assumptions have been made by the management which has been relied upon by the auditors.

10. Related party disclosure:

The related parties of the bank are broadly classified as:

a. Subsidiary

Sl. No.	Name of the Entity	Nature of Relationship
1	SIB Operations and Services Limited	Wholly Owned Subsidiary (WOS)

b. Key Management Personnel (As per AS 18) – MD & CEO

Sl. No.	Name of the Key Management Personnel	Relative of the Key Management Personnel
1	Mr. Murali Ramakrishnan, Managing Director and CEO	- Mangala Santhanam - Charumathy Murali

Related Party Transaction Summary for the Financial year ended 31.03.2023

(₹ in Crore)

Sl No	Details of counter party Relationship of the counterparty with the listed entity	Type of related party transaction	Value of the related party transaction as approved by the Audited Committee	Value of the related party transaction during the reporting period (for the Financial year ended March 31, 2023)	In case monies are due to either party as a result of the transaction	
					Opening Balance (as on April 1, 2022)	Closing Balance (as on March 31, 2023)
1	Wholly owned subsidiary (WOS)	Income received for providing management service	Note 6	1.24	0.20	0.81
2	Wholly owned subsidiary (WOS)	Income received for providing other services	Note 6	0.02	0.002	0.002
3	Wholly owned subsidiary (WOS)	Expense paid for HR services provided by WOS	Note 6	9.36	0.28	1.07
4	Directors	Sitting Fees (WOS)		0.02	0.004	-
5	Subsidiary Directors	Interest received		0.001	-	-
6	Subsidiary Directors	Interest Paid		0.09	-	-
7	Subsidiary Directors	Deposits	Note 5	1.38	1.22	1.38
8	Subsidiary Directors' Relatives	Interest received		0.003	-	-
9	Subsidiary Directors' Relatives	Deposits	Note 5	4.632	4.45	4.63
10	Subsidiary Directors' Relatives	Interest Paid		0.18	-	-
11	KMPs including MD & CEO and Subsidiary Directors	Remuneration paid	As per Bank's Internal Policies/ approved by Regulator	4.00	-	-
12	Directors	Sitting Fees including honorarium to Chairman		2.17	-	-

(₹ in Crore)

SI No	Details of counter party Relationship of the counterparty with the listed entity	Type of related party transaction	Value of the related party transaction as approved by the Audited Committee	Value of the related party transaction during the reporting period (for the Financial year ended March 31, 2023)	In case monies are due to either party as a result of the transaction	
					Opening Balance (as on April 1, 2022)	Closing Balance (as on March 31, 2023)
13	Directors	Deposits	Note 5	1.78	2.10	1.78
14	Directors	Interest received		0.06	-	-
15	Directors	Interest Paid		0.12	-	-
16	KMPs including MD & CEO	Deposits	Note 5	11.09	0.04	11.09
17	KMPs including MD & CEO	Interest received		0.04	-	-
18	KMPs including MD & CEO	Interest Paid		0.47	-	-
19	KMPs including MD & CEO and Subsidiary Directors	ESOS grant outstanding(Nos.)	Refer Note No 8	15,05,365.00	10,476.00	15,05,365.00
20	Relative/ Interested company- Directors	Deposits	Note 5	11.22	11.87	11.22
21	Relative/ Interested company- Directors	Interest Paid		0.64	-	-
22	Relative/ Interested company- Directors	Interest received		0.002	-	-
23	Relative of KMPs & MD & CEO	Deposits	Note 5	0.80	0.61	0.80
24	Relative of KMPs & MD & CEO	Interest Paid		0.06	-	-
25	MD & CEO	savings		0.002	0.19	0.002
26	Relative MD & CEO	savings		0.01	0.01	0.01

Note:

- 1) Transactions with WOS are shown excluding GST and TDS
- 2) In compliance with the guidelines given as per annexure to SEBI circular No SEBI/HO/CFD/CMD1/CIR/P/2021/662 November 22, 2021, The South Indian Bank Ltd, being a listed bank, is not required to provide the disclosures with respect to related party transactions involving loans, inter-corporate deposits, advances or investments made or given by the bank.
- 3) In compliance with the guidelines given as per annexure to SEBI circular No SEBI/HO/CFD/CMD1/CIR/P/2021/662 November 22, 2021 transactions such as acceptance of fixed deposits by banks, undertaken with related parties, at the terms uniformly applicable /offered to all shareholders/ public only are reported under deposit.
- 4) The Bank, being a scheduled commercial bank, as per RBI circular RBI/DBR/2015-16/19 dated March 03, 2016, has allowed additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or a term deposits of bank's staff and their exclusive associations as well as on deposits of Chairman, Managing Director and such other Executives appointed for a fixed tenure.
- 5) Value of the related party transaction for deposit is the balance in fixed deposit outstanding as on 31.03.2023.

- 6) Regulation 23 of Listing regulations, as amended from time to time, grant exemptions from seeking approval of the Audit Committee of the Board for the transactions entered into by and between the holding company and its wholly owned subsidiary company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- 7) None of the Directors/ KMPs/ relatives are holding substantial shares/ securities of the Bank.
- 8) As part of additional disclosure internal KMP data are also disclosed during the period ended 31.03.2023 in line with reporting made for the half year ended 30.09.2022.
- 9) Transactions with common directors of subsidiary and Bank is shown under Directors.
- 10) Mr. Parayil George John Tharakan (DIN-07018289), has retired from the office as a Non-Executive Independent Director of the Bank on November 24, 2022, upon completion of his 8-year term, as per Section 10A(2A) of Banking Regulation Act 1949, hence in the closing balance (Deposits) details of his/ his relatives' deposits were not included in reporting as the same will not be coming under the preview of RPT.
- 11) The CSR activity of Bank is carried out by a trust formed by Bank in this regard. Since the Trust is acting on behalf of Bank and amount are spent as Bank's CSR expenditure, these transactions are not treated as RPT

11. Employee Benefits

a) Provident Fund:

Employees, who have not opted for pension plan are eligible to get benefits from provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid on retirement, death, incapacitation or termination of employment. Both the employee and the Bank contribute a specified percentage of the salary to the South Indian Bank Employees' Provident Fund. The Bank has no obligation other than the monthly contribution.

The Bank recognized ₹0.24 Crore (Previous Year: ₹0.24 Crore) for provident fund contribution in the Profit and Loss Account.

b) New Pension Scheme

As per the industry level settlement dated April 27, 2010, employees who joined the services of the Bank on or after April 1, 2010 are not eligible for the existing pension scheme whereas they will be eligible for Defined Contributory Pension Scheme (DCPS) in line with the New Pension Scheme introduced for employees of Central Government. Employee shall contribute 10% of their Basic Pay and Dearness Allowance towards DCPS and the Bank will also make a contribution of 14%. There is no separate Provident Fund for employees joining on or after April 1, 2010.

The Bank recognized ₹45.05 Crore (Previous Year: ₹35.80 Crore) for DCPS contribution in the Profit and Loss Account.

c) Retirement Benefits.

- i) **The bank has recognized the following amounts in the Profit and loss account towards employee benefits as under:**

Particulars	₹ in Crore)	
	March 31, 2023	March 31, 2022
Pension Fund	116.35	244.71
Gratuity Fund	30.37	23.92
Compensation for absence on privilege/sick/casual leave	54.63	60.36

The employee benefits on account of pension, gratuity and Leave have been ascertained on actuarial valuation in accordance with Accounting Standard - 15 prescribed under section 133 of the Companies Act, 2013

ii) Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks

“Reserve Bank of India vide letter dated October 4, 2021 has permitted all member banks of Indian Banks’ Association covered under the 11th Bipartite Settlement to amortize the additional liability on account of revision in family pension over a period not exceeding five years, beginning with the Financial Year ended March 31, 2022. The bank has recognized the entire additional liability estimated at ₹ 43 crores and opted to amortize the same over a period of seven quarters beginning with the quarter ended September 30, 2021. Accordingly, an amount of ₹ 24.57 Crore (Previous year ₹ 18.43 crore) has been written off during the year ended March 31, 2023 in respect of the said additional liability and the balance is ₹ Nil.

The following table as furnished by Actuary sets out the funded status of gratuity / pension plan and the amount recognized in the Bank’s financial statements as at March 31, 2023.

d) Changes in the defined benefit obligations

(₹ in Crore)

	Gratuity Plan		Pension Plan	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Projected defined benefit obligation, beginning of the year	254.48	245.42	1,020.37	920.62
Current Service Cost	22.19	20.06	186.53	193.26
Past Service Cost	-	-	-	-
Interest Cost	17.89	16.55	65.47	57.17
Actuarial (gain)/ loss	8.85	4.13	(88.47)	82.37
Benefits paid	(33.15)	(31.67)	(199.08)	(233.05)
Projected defined benefit obligation, end of the year	270.27	254.49	984.81	1,020.37
Liability (net) of fair value of plan asset at the end of the year	3.13	7.63	(5.69)	4.73

e) Changes in the fair value of plan assets

(₹ in Crore)

	Gratuity Plan		Pension Plan	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Fair value of plan assets, beginning of the year	246.85	243.49	1,015.64	894.16
Expected return on plan assets	18.63	17.07	68.34	65.89
Employer’s contributions	34.88	18.21	102.21	291.00
Actuarial gain/ (loss)	(0.06)	(0.25)	3.40	(2.35)
Benefits paid	(33.15)	(31.67)	(199.08)	(233.05)
Fair value of plan assets, end of the year	267.14	246.85	990.50	1,015.63

f) Net Employee benefit expense (recognized in payments to and provisions for employees)

(₹ in Crore)

	Gratuity Plan		Pension Plan	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Current Service Cost	22.19	20.06	186.53	193.26
Past Service Cost	-	-	-	-
Interest Cost	17.89	16.55	65.47	57.17
Expected return on plan assets	(18.62)	(17.07)	(68.34)	(65.89)
Net actuarial (gain)/ loss recognised in the year	8.92	4.38	(91.87)	84.72
Employee cost	30.37	23.92	91.78	269.26
Unamortized cost	-	-	-	-
Total	30.37	23.92	91.78	269.26
Actual return on plan assets	18.56	16.82	71.73	63.54

g) Categories of plan assets as a percentage of the fair value of total plan assets

	Gratuity Plan		Pension Plan	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Government Securities (Central & State)	-	-	-	-
High quality Corporate Bonds	-	-	-	-
Equity Shares of Listed Companies	-	-	-	-
Funds Managed by Insurer *	100%	100%	100%	100%
Others (PSU & Special Deposits)	-	-	-	-
Total	100%	100%	100%	100%

*In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

h) Experience adjustments**(i) Gratuity**

(₹ in Crore)

	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Defined Benefit Obligations	270.27	254.49	245.41	232.65	216.44
Plan Assets	267.14	246.85	243.49	227.75	210.30
(Surplus)/Deficit	3.13	7.63	1.92	4.90	6.14
Unamortized	-	-	-	-	-
Net benefit expenses	3.13	7.63	1.92	4.90	6.14
Experience adjustments (gain) / loss on Plan Liabilities	9.16	12.43	32.70	(7.48)	5.25
Experience Adjustments gain / (loss) on Plan Assets	0.06	0.25	(0.97)	0.58	(1.49)

(ii) Pension

(₹ in Crore)

	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Defined Benefit Obligations	984.81	1,020.37	920.62	801.56	700.22
Plan Assets	990.50	1,015.63	894.15	747.52	674.56
(Surplus)/Deficit	(5.69)	4.73	26.47	54.05	25.66
Experience adjustments (gain) / loss on Plan Liabilities	(88.47)	82.37	138.80	42.33	(1.98)
Experience Adjustments gain / (loss) on Plan Assets	(3.40)	2.35	(4.77)	5.86	(1.20)

i) Assumptions used by the actuary in accounting for Gratuity/ Pension/Compensation for absence

	Gratuity Plan		Pension Plan		Compensation for absence	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Discount rate	7.53%	7.52%	7.52%	7.27%	7.53%	7.52%
Expected rate of return on plan assets	7.52%	7.21%	7.27%	7.11%	*	*
Increase in compensation cost	6.00%	6.00%	5.5%	5.5%	6.00%	6.00%

*Not applicable

Notes:

- (i) Discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of obligations.
- (ii) Expected rate of return on plan assets is based on the average long term rate of return expected on investments of the funds during the estimated term of the obligations.
- (iii) The estimates of future salary increases, considered in actuarial valuation, taken in to account the inflation, seniority, promotion and other relevant factors.

j) Compensation for absence on Privilege / Sick / Casual Leave

The charge on account of compensation for privilege / sick / casual leave has been actuarially determined and an amount of ₹54.63 Crore (Previous year ₹60.36 Crore) has been debited to Profit and Loss account.

The above information is as certified by actuary and relied upon by the auditor.

12. Micro Small and Medium Industries

Under the Micro, Small and Medium enterprises development Act 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payment to micro, and small enterprises or of interest payments due to delays in such payments. The above is based on information available with the Bank which has been relied on by the auditors.

13. Segment Reporting

Business Segments have been identified and reported taking into account, the target customer profile, the nature of product and services, the differing risks and returns, the organization structure, the internal business reporting system and guidelines issued by RBI from time to time. The Bank operates in the following business segments;

a) Treasury:

The treasury segment primarily consists of interest earnings on investments portfolio of the bank, gains or losses on investment operations and earnings from foreign exchange business. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

b) Corporate / Wholesale Banking:

The Corporate / Whole sale Banking segment provides loans to corporate segment identified on the basis of RBI guidelines. Revenues of this segment consist of interest earned on Loans made to corporate customers and the charges / fees earned from other banking services. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

c) Retail banking:

The Retail Banking segment provides loans to non-corporate customers identified on the basis of RBI guidelines. Revenues of this segment consist of interest earned on Loans made to non-corporate customers and the charges / fees earned from other banking services. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-2023 dated April 07, 2022 on establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as sub-segment of the Retail Banking Segment. Assets of DBU consists of mainly credit card, loan against deposits opened through digital mode etc.

d) Other Banking Operations:

This segment includes income from para banking activities such as debit cards, third party product distribution and associated costs. Segmental expenses are allocated as per board approved policy.

e) Unallocated

All items that cannot be allocated to reportable segments are included in unallocated portion.

Geographic segment

The Bank operations are predominantly confined within one geographical segment (India) and accordingly this is considered as the only secondary segment. In accordance with RBI guidelines in regard to business segments of banks, the bank has determined the business segments and the required disclosures are as follows:

(₹ in Crore)

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Particulars	1,088.00	1,499.70	2,323.02	2,065.04	4,083.76	3,710.05	551.03	345.85	8,045.81	7,620.64
Revenue	(158.42)	18.51	(101.70)	(656.82)	975.59	291.65	392.74	254.67	1,108.21	(91.99)
Result										
Unallocated (Expenses)/ Income									-	-
Operating profit									1,108.21	(91.99)
Income Taxes									333.12	(136.97)
Net Profit									775.09	44.98
Other Information:										
Segment Assets	26,438.99	24,263.97	37,973.84	31,599.90	39,750.34	40,568.85	25.91	19.79	1,04,189.08	96,452.51
Unallocated Assets									3,509.10	3,599.91
Total Assets									1,07,698.18	1,00,052.42
Segment Liabilities	25,038.41	23,258.48	36,329.54	30,643.81	38,029.11	39,341.39	-	-	99,397.06	93,243.68
Unallocated Liabilities									1,626.54	955.61
Total Liabilities									1,01,023.60	94,199.29

Since the Bank operates only in domestic segment, the requirement of disclosure regarding geographical segment is not applicable.

*RBI's Master Direction on Financial Statements-Presentation and Disclosures, requires to sub-divide 'Retail banking' into (a) Digital Banking (as defined in RBI Circular on Establishment of Digital Banking Units dated April 07, 2022) and (b) Other Retail Banking segment. Accordingly, the segmental results for retail banking segment for Q4 2022-23 is sub-divided as below.

(₹ in Crore)

Particulars	Segment Revenue for the year ended 31.03.2023	Segment Results (net of provisions) for the year ended 31.03.2023	Segment Assets as on 31.03.2023	Segment Liabilities as on 31.03.2023
Retail Banking				
(i) Digital Banking	302.53	73.17	3,017.67	2,887.01
(ii) Other Retail Banking	3,781.23	902.41	36,732.67	35,142.10

Segment information is provided as per the MIS available for internal reporting purposes, which include certain estimates/assumptions. The methodology adopted in compiling and reporting the above information has been relied upon by auditors.

14. Description of Contingent Liabilities*

Sl. No	Contingent liability	Brief Description
1	Claims not acknowledged as debts	This includes liability on account of, and other legal cases filed against the bank. The bank is a party to various legal proceedings in the ordinary course of business and these are contested by the Bank and are therefore subjudice. The Bank does not expect the outcome of these proceedings to have a material adverse impact on the Bank's financial position.
2	Liability on account of outstanding forward contracts	The Bank enters into foreign exchange contracts with interbank participants on its own account and for its customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contract rate.
3	Guarantees on behalf of constituents in India and outside India, Acceptances, endorsements and other obligations	As a part of banking activities, the Bank issues Letter of Guarantees and documentary credit on behalf of its customers, with a view to augment the customer's credit standing. Through these instruments, the Bank undertakes to make payments for its customers' obligations, either directly or in case the customer fails to fulfill their financial or performance obligations.
4	Other items for which the bank is contingently liable	Includes capital commitments and amount transferred to RBI under the Depositor Education and Awareness Fund (DEAF).

* Also refer schedule – 12

The Bank's pending litigations comprise of claims against the Bank by the clients and proceedings pending with Income Tax authorities/ Service Tax Authorities. The Bank has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities wherever applicable, in its financial statements. The Management believes that the possibility of outflow of resources embodying economic benefits in these cases is possible but not probable and hence no provision is required in these cases. However, the contingent liability has been disclosed with respect to these cases.

15. Provision for Long Term Contracts

The Bank has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the bank has reviewed and recorded adequate provision as required under any Law/Accounting Standards for material foreseeable losses on such long-term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements.

16. Earnings Per Share

The Bank reports basic and diluted EPS in accordance with the Accounting Standard - 20 on "Earnings per Share"

Particulars	March 31, 2023	March 31, 2022
Weighted average number of equity shares used in computation of basic earnings per share	2,09,27,41,018	2,09,27,41,018
Potential equity shares arising out of the Employees Stock Option Scheme	-	-
Weighted average number of equity shares used in computation of diluted earnings per share	2,09,27,41,018	2,09,27,41,018
Earnings used in the computation of basic earnings per share (₹ in Crore)	775.09	44.98
Earnings used in the computation of diluted earnings per share (₹ in Crore)	775.09	44.98
Nominal Value of share (in ₹)	1.00	1.00
Basic earnings per share (in ₹)	3.70	0.21
Effect of potential equity shares for ESOS	-	-
Diluted earnings per share (in ₹)	3.70	0.21

17. Corporate Social Responsibility

Operating expenses include ₹ 1.86 Crore (Previous Year ₹ 6.06 Crore) for the year ended March 31, 2023 towards Corporate Social Responsibility (CSR), in accordance with the Companies Act, 2013. The Bank has spent 2.02 % of its average net profit for the last three financial years as part of its CSR for the year ended March 31, 2023. The Bank is currently in the process of evaluating strategic avenues for CSR expenditure in order to deliver maximum impact.

Details of amount spent during the year towards CSR are as under:

For the year ended March 31, 2023

	Paid	Yet to be paid	Total
(₹ in Crore)			
i) Construction / Acquisition of any assets	0.60	-	0.60
ii) For purposes other than (i) above	1.26	-	1.26

For the year ended March 31, 2022

	Paid	Yet to be paid	Total
(₹ in Crore)			
i) Construction/ Acquisition of any assets	3.65	-	3.65
ii) For purposes other than (i) above	2.41	-	2.41

18. Investor Education and Protection Fund

There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Bank.

19. Operating Leases

Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account as per the lease terms. During the year an amount of ₹ 108.86 Crore (Previous year: ₹ 100.62 Crore) was charged to Profit and loss account.

20. Disclosure as to Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

The Bank, as part of its normal banking business grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are

conducted after proper due diligence and ensuring adherence to all regulatory requirements including “Know Your Customer” guidelines.

Other than the transactions described above which are carried out in the normal course of business, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or deposits or any other sources or kinds of funds) by the Bank to or in any other persons or entities, including foreign entities (“intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank (“Ultimate Beneficiaries”). The Bank has also not received any funds from any parties (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries..

21. Proposed Dividend

The Board of Directors has proposed a dividend of ₹0.30 per Equity share (30%) (Previous year Nil) for the year ended March 31, 2023, subject to the approval of the shareholders at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 ‘Contingencies and Events occurring after Balance Sheet date’ as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, proposed dividend including dividend distribution tax of ₹62.78 Crore is not recognized as liability as on March 31, 2023. However, effect of the proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratios as at March 31, 2023.

22. Figures of the previous year have been regrouped to conform to the current year presentation wherever necessary.

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Chithra.H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
(DIN : 01028298)

Jimmy Mathew
Company Secretary

Vinod Francis
Joint General Manager

V. J. Kurian
Director
(DIN : 01806859)

M George Korah
Director
(DIN : 08207827)

In terms of our report attached

For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration No.
101961W/W-100036

For K Venkatachalam Aiyer & Co
Chartered Accountants
ICAI Firm Registration No. 0046105

Pradeep M Godbole
Director
(DIN : 08259944)

Paul Antony
Director
(DIN :02239492)

Hiren Shah
Partner
Membership No. 100052

A Gopalakrishnan
Partner
Membership No. 018159

R A Sankara Narayanan
Director
(DIN : 05230407)

Radha Unni
Director
(DIN :03242769)

Thrissur
May 11, 2023

Thrissur
May 11, 2023

Thrissur
May 11, 2023

Benny P Thomas
Director
(DIN : 09448424)

Independent Auditor's Report

To the Members of The South Indian Bank Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of The South Indian Bank Limited (hereinafter referred to as "the Bank") and its subsidiary (the Bank and its subsidiary together referred to as "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Profit and Loss Account, the Consolidated Cash Flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') and the circulars and guidelines issued by the Reserve Bank of India ("RBI"), in the manner so required for banking Companies and give a true and fair view in conformity with Accounting Standards prescribed under section 133 of the Act read with Companies (Accounts) Rules, 2014 as amended and accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at

March 31, 2023, and their consolidated profit and their consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI"), together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the relevant provisions of the Act and the Rules thereunder, 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 audit opinion on the consolidated financial statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below the key audit matters to be communicated in our report:

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>(i) Classification of Advances, identification of non-performing advances, Income Recognition, and provisioning on Advances</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorized as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances;</p> <p>RBI prescribes the prudential norms for Income Recognition, Asset Classification and Provisioning of non-performing assets (including circulars in relation to COVID-19 Regulatory Package – Asset Classification and Provisioning) (IRACP Norms) and prescribes the minimum provision required for such assets.</p> <p>The identification of performing and non-performing advances (including advances restructured accounts under applicable IRACP Norms) involves establishment of proper systems, controls mechanism, and the bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each Non-Performing Asset ('NPA') applying both quantitative as well as qualitative factors prescribed by the regulations. The risk of identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors.</p> <p>The provision on NPA is estimated based on ageing and classification of NPAs, recovery estimates, nature of loan product, value of security and other qualitative factors and is subject to the minimum provisioning norms specified by RBI and approved policy of the Bank in this regard.</p> <p>The Management of the Bank also makes an assessment of the impact on borrowers' accounts which were restructured as per RBI Circulars issued to provide relief to the borrowers.</p> <p>Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements on:</p> <ul style="list-style-type: none"> - Completeness and timing of recognition of non-performing assets in accordance with criteria as per IRACP norms. - Measurement of the provision for non-performing assets based on loan exposure, ageing and classification of the loan, realizable value of security; - Appropriate reversal of unrealized income on the NPAs 	<p>Our audit approach / procedures included the following:</p> <ul style="list-style-type: none"> - Understanding and considering the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the prudential norms prescribed by the RBI (IRACP Norms) including the additional provisions made on advances and additional provisions and asset classification benefit extended on restructured advances under RBI's COVID-19 Regulatory Package. - Understanding, evaluation and testing the design and operating effectiveness of key controls (including application controls for system driven identification of NPAs) over approval, recording, monitoring and recovery of loans, monitoring overdue / stressed accounts, identification of NPA, provision for NPA, valuation of security and collateral and identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI. Further obtained an understanding of the contingency provision carried by the Bank and verified the underlying assumptions used by the Bank for such estimate. - Testing of application controls on sample basis including testing of automated and manual controls, reports and system reconciliations, in relation to income recognition, asset classification, provisioning pertaining to advances and investments and compliances of other regulatory guidelines issued by the RBI. - Testing on sample basis the accuracy of the data input in the system for income recognition, classification into performing and non performing Advances and provisioning in accordance with the IRACP norms. - Selected the sample borrowers based on quantitative and qualitative risk factors for their assessment of appropriate classification as NPA including computation of overdue ageing to assess its correct classification and provision amount as per extant IRACP norms and the Bank policy.

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Since the identification of NPAs and provisioning of advances (including additional provisions arising out of COVID-19 pandemic) requires proper mechanism and significant level of estimation and given its significance to the overall audit, including possible observation by RBI which could result into disclosure in the financial statements, we have ascertained identification of NPAs and provisioning against such NPAs as a key audit matter.</p>	<ul style="list-style-type: none"> - Performed other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included: <ol style="list-style-type: none"> (a) Considering testing of the exception reports generated from the application software and the systems where the advances have been recorded; (b) Considering the accounts reported by the Bank and other banks as Special Mention Accounts (“SMA”) in RBI’s central repository of information on large credits (CRILC) to identify stress; (c) Reviewing account statements, appraisal note, audited financial statements, drawing power calculation, security and other related documents and information of the sample borrowers selected based on quantitative and qualitative risk factors; (d) Reading of minutes of management committee and credit committee meetings and performing inquiries with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a loan account or any product; (e) Considering Internal Audit, Systems Audit, Credit Audit, ‘Concurrent Audit, stock and receivable audit and credit appraisal as per the policies and procedures of the Bank; (f) Considering the RBI Annual Financial Inspection report on the Bank, the bank’s response to the observations and other communication with RBI during the year; (g) Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines. - For NPAs identified, we, based on our sample factors including stressed sectors and account materiality, tested the asset classification dates, value of available security and provisioning as per IRACP norms. We recomputed the provision for NPA after considering the key input factors and compared our measurement outcome to that of system-generated reports and statements prepared by management.

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>(ii) Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments (NPI), nonrecognition of income and provisioning against NPI.</p> <p>Investments are classified into 'Held for Trading' ('HFT'), 'Available for Sale' ('AFS') and 'Held to Maturity' ('HTM') categories at the time of purchase. Investments, which the Bank intends to hold till maturity are classified as HTM investments.</p> <p>Investments classified as HTM are carried at amortised cost. Where in the opinion of management, a diminution, other than temporary, in the value of investments has taken place, appropriate provisions are made.</p> <p>Investments classified as AFS and HFT are marked-to-market on a periodic basis as per the relevant RBI guidelines.</p> <p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FBIL/FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc.</p> <p>Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of NPI and provisioning related to investments.</p>	<p>Our audit approach/procedures included the following:</p> <ul style="list-style-type: none"> - We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs and provisioning/depreciation related to investments; - We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments; - For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample; - We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision; - We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs; - We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>(iii) Assessment of Provision for Taxation (including Deferred Tax Assets)</p> <p>This matter has been identified as a Key Audit Matter due to the significant level of management judgement required in the estimation of provision for income taxes including any write back of provisions, due to the following factors</p> <ol style="list-style-type: none"> a. The Bank's assessment of provision is based on facts of matter, existence of multiple uncertain tax positions leading to multiple disputes / litigations b. Provision for tax involves interpretation of various rules and law. It also involves consideration of the complex issues in on-going disputes and disclosures of related contingencies. <p>Further, significant judgements are also involved in Assessment of Liability, Adequacy of provisions and Adequacy of disclosures for measuring such obligations.</p> <p>Recognition of deferred tax assets involves the assessment of its recoverability within the allowed time frame requiring significant estimate of the financial projections which are approved by the Bank's Board of Directors, availability of sufficient taxable income in the future and also involving significant judgements in the interpretation of tax regulations and tax positions adopted by the Bank. Considering the judgement involved in determining the recovery of deferred tax assets, the matter is considered a Key Audit Matter</p>	<p>Our key audit procedures includes:</p> <ol style="list-style-type: none"> a. Obtaining an understanding of the Bank's process and respective internal controls for determining tax liabilities, tax provisions, deferred tax assets and contingent liabilities in respect of the major litigations in order to design our audit procedures that are appropriate in the circumstances; b. Analyzing the facts of subject matter of each dispute, issue and matter under consideration and judgements/ interpretation of law involved. c. Understanding the current status of the litigations/ tax assessments in respect of each matter for different years; d. Discussion with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of the disputed cases; and evaluated the Management's underlying key assumptions in estimating the tax provisions. e. Considering legal precedence and other rulings in evaluating management's position on these uncertain tax positions, the provisions made, and/or write back of the provisions f. Review of the reconciliation of the underlying tax balances to supporting documentation, including correspondence with tax authorities. g. Obtaining the components of deferred tax assets and estimates of taxable incomes for future periods as approved by the Board of Directors. h. Evaluating management assessment for estimating availability of future taxable profits for recognition of deferred tax assets. i. Assessing the period over which the deferred tax assets would be recovered against future taxable income. j. Verifying the disclosures related to significant litigations and taxation matters in the standalone financial statements

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>(iv) Litigation, Claims and Contingent Liabilities</p> <p>Assessment of provisions and Contingent liabilities in respect of certain litigations including Indirect Taxes, various claims filed by other parties not acknowledged as debt and other matters under dispute which involve significant judgement to determine the possible outcome of these disputes.</p> <p>There is a high level of judgement required in estimating the level of provisioning for the above. The Bank's assessment is supported by the facts of matter, their own judgement, interpretation and analysis of the complex issues under dispute, past experience and orders of the judicial authorities on identical issues, and advice from legal and independent tax consultants wherever necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgement in interpretation of law. Accordingly, our audit was focused on analyzing the facts of subject matter of each dispute, issue and matter under consideration and judgements/ interpretation of law involved.</p>	<p>Our audit approach/procedures included the following:</p> <ul style="list-style-type: none"> - Testing the design and operating effectiveness of the Bank's key controls over the estimation, monitoring and disclosure of provisions and contingent liabilities - Obtaining an understanding of internal controls in relation to creation of provisions and Contingent liabilities in respect of the major litigations before various judicial forums including Indirect Taxes, various claims filed by other parties not acknowledged as debts relevant to audit in order to design our audit procedures that are appropriate in the circumstances; - Understanding the current status of the litigations/ tax assessments in respect of each matter for different years; - Examining recent orders/ communications received from various tax authorities/ judicial forums, judicial pronouncements and follow up action thereon; - Evaluating the merit of the issues and subject matter under consideration with reference to the grounds presented therein and available independent legal/ tax advice including opinion of our internal legal/tax experts; - Review and analysis of evaluation of the contentions of the Bank through discussions, collections of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and - Verification of disclosures related to significant litigations and indirect taxation matters.

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>(v) Information Technology ('IT') Systems and Internal Controls for financial reporting</p> <p>IT systems and controls followed by the bank are material from a financial reporting perspective, due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Therefore on account of these factors, there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately, and consistently for reliable financial reporting.</p> <p>In addition, there are increasing challenges to protect the integrity of the Bank's systems and data since cyber security has become a more significant risk in recent periods. These are key to ensure that IT dependent and application-based controls are operating effectively.</p> <p>Due to the pervasive nature and complexity of the IT environment as well as its importance in relation to accurate and timely financial reporting, we have ascertained IT systems and controls as a Key Audit Matter.</p>	<ul style="list-style-type: none"> - Obtaining a comprehensive understanding of IT applications landscape implemented at the Bank, followed by process understanding, mapping of applications to the processes related to financial reporting and understanding financial risks posed by people-process and technology. - We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls)./ - This included testing that requests for access to systems were appropriately logged, reviewed and authorized. We tested the Bank's periodic review of access rights. We inspected requests of changes to systems for approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. - In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal system controls over financial reporting using various techniques such as inquiry, review of documentation / record / reports, observation, and re-performance. - Where deficiencies and mismatches were identified, we tested compensating controls or performed alternate procedures. - In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting. - In addition, we relied on management representation which included IS audit, and also the testing of the automated system driven controls conducted by the Management.

Information other than the consolidated Financial Statements and Auditor's Report Thereon

The Bank's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to that Board Report's, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon, the Pillar III disclosures under Basel III Capital Regulation, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above, when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Bank's Board of Directors and Management are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder, provision of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by Reserve Bank of

India ("RBI") from time to time (the "RBI Guidelines") as applicable to the Bank. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act and the RBI Guidelines for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 consolidated financial statements 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 Consolidated Financial Statements by the Board of Directors of the Bank, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the entities included in the Group are responsible for assessing the Group'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 respective entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group are also responsible for overseeing the respective entity's financial reporting process.

Auditor's Responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 these consolidated financial statements.

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 consolidated financial statements, 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has in place adequate internal financial controls with reference to consolidated financial statements and on the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors;
- Conclude on the appropriateness of management's and 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 ability of the Group 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 consolidated financial statements 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with Those Charged with Governance of the Bank and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹2.79 crores as at March 31, 2023, total revenue of ₹ 9.36 crores and net cash flows amounting to ₹ 0.91 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

The Consolidated Financial Statement include the audited financial statements of one subsidiary, whose financials statements / financial results/ financial information reflect total assets of ₹ 2.79 crores as at March 31, 2023, total revenue of ₹ 9.36 crores and total net profit after tax of ₹ 0.22 crore for the year ended March 31, 2023, and net cash inflow amounting to ₹ 0.91 crore for the year ended on that date as considered in the Consolidated Financial Statements have been audited by another independent auditor whose reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the reports of such auditors and the procedures performed by us as stated above and is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

The audit of consolidated financial statements of the Bank for the year ended March 31, 2022 was conducted by CNK & Associates LLP, Chartered Accountants and Varma and Varma, Chartered Accountants, the joint statutory auditors of the Bank, who have expressed an unmodified

opinion on those financial statements. Accordingly, we, K Venkatachalam Aiyer & Co. Chartered Accountants, do not express any opinion on the figures reported in the consolidated financial statements for the year ended / as at March 31, 2022.

Our opinion on the consolidated financial statement is not modified in respect of the above matter.

Report on other legal and regulatory requirements

1. As required by section 143(3) of the Act, based on our audit and the consideration of the report of the other auditors on separate financial statements as noted in the 'Other Matters' paragraph, we report to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Bank so far as it appears from our examination of those books and the report of other auditor;
 - c) The Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the guidelines prescribed by RBI;
 - e) On the basis of written representations received from the directors of the bank as on March 31, 2023, taken on record by the Board of Directors of the bank and the reports of the statutory auditors of its subsidiary company, none of the directors of the group companies are disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group with reference to these consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” to this report;
- g) With respect to the matters to be included in the Auditor’s Report under Section 197(16) of the Act:
- The Bank is a banking company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Companies Act, 2013 do not apply by virtue of Section 35B(2A) of the Banking Regulation Act, 1949, and;
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on the consolidated financial position in its consolidated financial statements - as per details furnished in Schedule 12 and Sl.no 1 of Note 17 under Schedule 18 to the consolidated financial statements;
 - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts - as per details furnished in Note 19 under Schedule 18 to the consolidated financial statements in respect of such items as it relates to the Group; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank. There are no amounts required to be transferred to the Investor Education and Protection Fund by the subsidiary company.
- iv.(a) The respective managements of the holding company and its subsidiary have represented to us and the auditor of the subsidiary that, to the best of its knowledge and belief, other than as disclosed in Schedule 18 – Note 20 of the notes to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank or its subsidiary to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank or its subsidiary (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) Further, the respective managements of the holding company and its subsidiary have represented to us and the auditor of the subsidiary that, to the best of its knowledge and belief, other than as disclosed in Schedule 18 – Note 20 of the notes to the consolidated financial statements, no funds have been received by the Bank or its subsidiary from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Bank or its subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on such audit procedures performed, that were considered reasonable and appropriate by us in the circumstances, and according to the information and explanations provided to us by the Management of Bank in this regard, nothing has come to our notice that has caused us to believe that the management representations made under subclause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Board of Directors, in their meeting held on May 11, 2023 have proposed final dividend of ₹ 0.30 per equity share (30%) for the year ended March 31, 2023 amounting to ₹ 62.78 Crores. The proposal is subject to the approval of shareholders at the Annual General Meeting As stated in note 21 of Schedule 18 to the Consolidated Financial Statements.
- vi. Provisions of the Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has features of recording audit trail (Edit log) facility are applicable to the Bank with effect from April 1, 2023, and accordingly, the requirement of reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For CNK & Associates LLP

Chartered Accountants

Firm Registration No. 101961W/W-100036

Hiren Shah

Partner

Membership No: 100052

UDIN: 23100052BGMTUT4910

Place: Thrissur

Date: 11th May 2023**For K Venkatachalam Aiyer & Co.**

Chartered Accountants

Firm Registration No. 0046105

A. Gopalakrishnan

Partner

Membership No: 018159

UDIN: 23018159BGYOFY3597

Place: Thrissur

Date: 11th May 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE SOUTH INDIAN BANK LIMITED FOR THE YEAR ENDED MARCH 31, 2023

[Referred to paragraph 1(f) under Report on Other Legal Regulatory requirements in the Independent Auditors' Report of even date to the members of The South Indian Bank Limited on the Consolidated Financial Statements for the year ended 31 March 2023]

We have audited the internal financial controls over financial reporting with reference to consolidated financial statements of The South Indian Bank Limited ('the Bank') and its subsidiary company, which is incorporated in India, as at March 31, 2023, in conjunction with our audit of the consolidated financial statements of the Bank as of and for the year ended on that date.

Management's Responsibility for Internal Financial Controls over Financial Reporting

The respective Board of Directors of the Bank and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria, with reference to Consolidated Financial Statements, established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to the Consolidated Financial Statements of the Bank and its subsidiary, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness.

Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Bank and its subsidiary.

Meaning of Internal Financial Controls Over Financial Reporting

A Bank's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. The Bank's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management and directors of the Bank; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated Financial Statements may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of the auditors as mentioned in Other Matters paragraph below, the Bank and its subsidiary, have, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to one subsidiary, is based on the corresponding reports of the auditors of such companies incorporated in India.

For CNK & Associates LLP

Chartered Accountants

Firm Registration No. 101961W/W-100036

Hiren Shah

Partner

Membership No: 100052

UDIN: 23100052BGMTUT4910

Place: Thrissur

Date: 11th May 2023

For K Venkatachalam Aiyer & Co.

Chartered Accountants

Firm Registration No. 0046105

A. Gopalakrishnan

Partner

Membership No: 018159

UDIN: 23018159BGYOFY3597

Place: Thrissur

Date: 11th May 2023

Consolidated Balance Sheet

as at March 31, 2023

₹ ('000)

		Schedule No	As at March 31, 2023	As at March 31, 2022
पूँजी और देयताएँ	CAPITAL AND LIABILITIES			
पूँजी	Capital	1	20,92,741	20,92,741
कर्मचारी स्टोक विकल्प (अनुदान) बकाया	Employees' Stock Options Outstanding		1,092	12,905
आरक्षितियाँ निधियाँ और अधिशेष	Reserves and Surplus	2	6,46,53,526	5,64,36,851
निक्षेप	Deposits	3	91,65,00,696	89,14,17,430
उधार	Borrowings	4	6,99,38,514	3,29,44,934
अन्य ऋण तथा प्रावधान	Other liabilities and provisions	5	2,37,85,066	1,76,13,822
जोड़	TOTAL		1,07,69,71,635	1,00,05,18,683
संपत्तियाँ	ASSETS			
भारतीय रिज़र्व बैंक में नकदी अधिशेष	Cash and Balances with Reserve Bank of India	6	4,63,92,196	7,27,66,056
बैंको में अधिशेष और मांग पर तथा अल्प सूचना पर प्राप्त धन	Balances with banks and money at call and short notice	7	2,44,12,677	3,92,68,220
विनिधान	Investments	8	24,64,13,041	21,44,45,128
अग्रिम	Advances	9	69,80,44,444	59,99,33,907
स्थिर आस्तियाँ	Fixed Assets	10	87,79,262	81,10,697
अन्य आस्तियाँ	Other Assets	11	5,29,30,015	6,59,94,675
जोड़	TOTAL		1,07,69,71,635	1,00,05,18,683
आकस्मिक ऋण	Contingent Liabilities	12	25,89,12,394	33,76,47,010
संग्रहण के लिए बिल	Bills for collection		2,05,77,900	1,75,29,647
महत्वपूर्ण लेखांकन नीतियाँ	Significant Accounting Policies	17		
लेखा संबंधी टिप्पणियाँ	Notes on Accounts	18		

अनुसूचियाँ ऊपर तुलन पत्र का एक अभिन्न अंग के रूप में

Schedules referred to above form an integral part of the Balance Sheet

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Chithra.H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
(DIN : 01028298)

Jimmy Mathew
Company Secretary

Vinod Francis
Joint General Manager

V. J. Kurian
Director
(DIN : 01806859)

M George Korah
Director
(DIN : 08207827)

In terms of our report attached

For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration No.
101961W/W-100036

For K Venkatachalam Aiyer & Co
Chartered Accountants
ICAI Firm Registration No. 0046105

Pradeep M Godbole
Director
(DIN : 08259944)

Paul Antony
Director
(DIN :02239492)

Hiren Shah
Partner
Membership No. 100052

A Gopalakrishnan
Partner
Membership No. 018159

R A Sankara Narayanan
Director
(DIN : 05230407)

Radha Unni
Director
(DIN :03242769)

Thrissur
May 11, 2023

Thrissur
May 11, 2023

Thrissur
May 11, 2023

Benny P Thomas
Director
(DIN : 09448424)

Consolidated Profit and Loss Account

for the year ended March 31, 2023

		₹ ('000)		
		Schedule No	Year ended March 31, 2023	Year ended March 31, 2022
I. आय	I. INCOME			
अर्जित ब्याज	Interest Earned	13	7,23,31,794	6,58,65,375
अन्य आय	Other Income	14	81,13,697	1,03,38,970
जोड़	TOTAL		8,04,45,491	7,62,04,345
II. व्यय	II. EXPENDITURE			
व्यय किया गया ब्याज	Interest Expended	15	4,22,10,962	4,34,67,803
परिचालन व्यय	Operating Expenses	16	2,31,58,317	2,02,63,176
उपबंध और आकस्मिक व्यय	Provisions and Contingencies		73,23,130	1,20,25,285
जोड़	TOTAL		7,26,92,409	7,57,56,264
III. लाभ / हानि	III. PROFIT/LOSS			
वर्ष के समेकित शुद्ध लाभ	Consolidated Net Profit/(Loss) for the year		77,53,082	4,48,081
पिछले वर्ष के अग्रनीत समेकित लाभ	Brought forward consolidated Profit/(Loss) from previous year		(3,80,422)	46,278
जोड़	Total		73,72,660	4,94,359
IV. विनियोग	IV. APPROPRIATIONS			
कानूनी आरक्षितियों को अंतरण	Transfer to Statutory Reserve		19,37,800	1,12,500
पूँजित आरक्षितियों को अंतरण	Transfer to Capital Reserve		45,665	7,62,281
रोजस्व एवं अन्य आरक्षितियों को अंतरण	Transfer to/(from) Revenue and Other Reserve		13,00,000	-
निवेश उतार-चढ़ाव आरक्षितियों को अंतरण	Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act		8,00,000	-
तुलनपत्र में ले जाई शेषराशि	Transfer to Investment Fluctuation Reserve		10,43,862	-
अतिशेष जो आगे तुलन पत्र में ले जाया गया है	Balance carried over to Consolidated Balance Sheet		22,45,333	(3,80,422)
जोड़	TOTAL		73,72,660	4,94,359
प्रति शेयर अर्जन (₹)	Earnings per share (Face value of ₹ 1 per share)			
आधार ईपीएस (₹)	Basic (in ₹)	18.9	3.70	0.21
तनुकृत ईपीएस (₹)	Diluted (in ₹)	18.9	3.70	0.21
महत्वपूर्ण लेखांकन नीतियाँ	Significant Accounting Policies	17		
लेखा संबंधी टिप्पणियाँ	Notes on Accounts	18		

अनुसूचियाँ ऊपर लाभ और हानि खाता का एक अभिन्न अंग के रूप में

Schedules referred to above form an integral part of the Profit and Loss Account

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Chithra.H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
(DIN : 01028298)

Jimmy Mathew
Company Secretary

Vinod Francis
Joint General Manager

V. J. Kurian
Director
(DIN : 01806859)

M George Korah
Director
(DIN : 08207827)

In terms of our report attached

For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration No.
101961W/W-100036

For K Venkatachalam Aiyer & Co
Chartered Accountants
ICAI Firm Registration No. 0046105

Pradeep M Godbole
Director
(DIN : 08259944)

Paul Antony
Director
(DIN :02239492)

Hiren Shah
Partner
Membership No. 100052

A Gopalakrishnan
Partner
Membership No. 018159

R A Sankara Narayanan
Director
(DIN : 05230407)

Radha Unni
Director
(DIN :03242769)

Thrissur
May 11, 2023

Thrissur
May 11, 2023

Thrissur
May 11, 2023

Benny P Thomas
Director
(DIN : 09448424)

Consolidated Cash Flow Statement

for the year ended March 31, 2023

		₹ ('000)	
		Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities			
Consolidated Profit before tax as per Profit and Loss Account		1,10,85,017	(9,22,182)
Adjustments for:			
Depreciation		8,74,891	8,40,205
Amortisation of Premium on HTM Investments		31,24,143	25,65,358
Provision for Depreciation / Non Performing Investments		29,69,786	25,62,987
General Provisions against Standard Assets		(5,86,100)	17,55,700
Provision/write off for Non Performing Assets		62,30,741	1,16,14,053
Other Provisions		(2,78,081)	1,04,921
Employee Stock Options expense		1,088	1,983
Interest on Subordinated bonds		17,54,250	17,54,250
(Profit)/Loss on sale of land, buildings and other assets		1,222	(1,476)
Operating profit before working capital changes	(A)	2,51,76,957	2,02,75,799
Changes in working capital:			
Increase / (Decrease) in Deposits		2,50,83,266	6,43,11,940
Increase / (Decrease) in Other liabilities and provisions		70,21,552	(68,617)
(Increase) / Decrease in Investments		(3,52,90,708)	6,73,017
(Increase) / Decrease in Advances		(10,43,40,750)	(3,09,95,355)
(Increase) / Decrease in Other Assets		1,19,30,798	(21,47,654)
	(B)	(9,55,95,842)	3,17,73,331
Cash flow from operating activities before taxes	(A+B)	(7,04,18,885)	5,20,49,130
Direct Taxes paid		(21,89,297)	(3,95,738)
Net cash flow from/(used in) operating activities	(C)	(7,26,08,182)	5,16,53,392
Cash flow from investing activities:			
Purchase of Fixed Assets/Capital Work-in-Progress		(11,26,995)	(10,18,864)
Sale of Fixed/Non Banking Assets		37,578	6,48,541
(Purchase)/Sale of Investments (Held To Maturity)		(27,71,134)	(1,70,35,646)
Net cash flow from/(used in) investing activities	(D)	(38,60,551)	(1,74,05,969)

₹ ('000)

		Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from financing activities:			
Net proceeds/(repayments) in borrowings		3,69,93,580	(81,37,797)
Interest on Subordinated bonds		(17,54,250)	(17,54,131)
Net cash flow from/(used in) financing activities	(E)	3,52,39,330	(98,91,928)
Net increase/(decrease) in cash and cash equivalents	(C+D+E)	(4,12,29,403)	2,43,55,495
Cash and cash equivalents as at beginning of the year		11,20,34,276	8,76,78,781
<i>(Refer note below)</i>			
Cash and cash equivalents as at the end of the year		7,08,04,873	11,20,34,276
<i>(Refer note below)</i>			

Note :Cash and cash equivalents comprise of cash on hand (including foreign currency notes), Balances with Reserve Bank of India, Balance with Banks and money at call and short notice.(Refer schedules 6 and 7 of the Balance sheet)

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Chithra.H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
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Thrissur
May 11, 2023

Thrissur
May 11, 2023

Thrissur
May 11, 2023

Benny P Thomas
Director
(DIN : 09448424)

Schedules to Consolidated Balance Sheet

as at March 31, 2023

	As at March 31, 2023	As at March 31, 2022
₹ ('000)		
SCHEDULE 1 - CAPITAL		
Authorised Capital	40,00,000	40,00,000
400,00,00,000 Equity shares of ₹ 1/- each		
Issued, Subscribed and Paid up Capital	20,92,741	20,92,741
209,27,41,018 Equity shares of ₹ 1/- each (Previous year 209,27,41,018 equity shares of ₹ 1/- each) (Refer Note no. 3.ii of Schedule 18)		
TOTAL	20,92,741	20,92,741
Employees' Stock Options Outstanding		
Employees' Stock Options Outstanding	8,817	12,905
Less: Deferred Employee Compensation Expense (unamortised)	(7,725)	-
TOTAL	1,092	12,905
SCHEDULE 2 - RESERVES AND SURPLUS		
I. Statutory Reserve		
Opening Balance	1,16,80,439	1,15,67,939
Additions during the year	19,37,800	1,12,500
Sub total	1,36,18,239	1,16,80,439
II. Capital Reserve		
Opening Balance	90,98,285	83,77,031
Additions during the year*	45,665	
Due to revaluation of Assets (net)	4,50,692	7,62,281
	95,94,642	91,39,312
Deductions during the year:		
Deduction from reserve to the extent of depreciation on revalued amount	(56,503)	(41,027)
Sub total	95,38,139	90,98,285
III. Share Premium		
Opening Balance	1,76,68,966	1,76,68,966
Additions during the year	-	-
Sub total	1,76,68,966	1,76,68,966

	As at March 31, 2023	As at March 31, 2022
₹('000)		
IV. Revenue and Other Reserves		
Opening Balance	1,83,69,583	1,83,18,653
Additions during the year :		
a) lapse of vested options	12,901	9,903
b) transfer of depreciation on revaluation	56,503	41,027
c) appropriation during the Year	31,43,862	-
Sub total	2,15,82,849	1,83,69,583
V. Balance in Profit and Loss Account	22,45,333	(3,80,422)
TOTAL [i+ii+iii+iv+v]	6,46,53,526	5,64,36,851

* Includes Profit appropriated to Capital Reserve (net of applicable taxes and transfer to statutory reserve) on:

a) Gain on sale of Held to Maturity Investments ₹9.48 Crore (Previous Year ₹ 156.08 Crore)

b) Profit/(Loss) on sale of Fixed Assets (₹0.12) Crore (Previous Year ₹ 0.15 Crore)

SCHEDULE 3 - DEPOSITS

A. I. Demand Deposits		
(i) From Banks	70,184	1,23,699
(ii) From Others	4,97,76,785	4,84,87,897
II. Savings Bank Deposits	25,24,10,824	24,73,98,532
III. Term Deposits		
(i) From Banks	33,45,670	2,22,87,247
(ii) From Others	61,08,97,233	57,31,20,055
TOTAL	91,65,00,696	89,14,17,430
B. (i) Deposits of branches in India	91,65,00,696	89,14,17,430
(ii) Deposits of branches outside India	Nil	Nil
TOTAL	91,65,00,696	89,14,17,430

SCHEDULE 4 - BORROWINGS

I. Borrowings in India		
(i) Reserve Bank of India	27,50,000	-
(ii) Other Banks*	12,02,300	20,78,800
(iii) Other Institutions and Agencies#	6,41,93,051	2,87,38,169
II. Borrowings outside India - from other banks	17,93,163	21,27,965
TOTAL	6,99,38,514	3,29,44,934
Secured borrowings under Triparty repo, market repurchase transactions with banks and financial institutions and transactions under Liquidity Adjustment Facility and Marginal Standing Facility included above.	3,18,14,751	99,95,969

*Borrowings from other banks include Subordinated Debt of ₹47.36 Crore (Previous year ₹48.36 Crore) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹72.87 Crore (Previous year ₹ 159.52 Crore)

#Borrowings from other institutions & agencies include Subordinated Debt of ₹992.64 Crores (Previous year ₹991.64 Crore) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹427.13 Crore (Previous year ₹340.48 Crores)

₹ ('000)

	As at March 31, 2023	As at March 31, 2022
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	10,28,487	12,51,958
II. Inter -Office adjustments (Net)	8,18,455	25,656
III. Interest Accrued	20,41,463	18,01,206
IV. Others (including provisions)*	1,98,96,661	1,45,35,002
TOTAL	2,37,85,066	1,76,13,822

*Includes :- Provision for standard assets ₹393.87 Crore (Previous year ₹ 464.54 Crore)

**SCHEDULE 6 - CASH AND BALANCES WITH
RESERVE BANK OF INDIA**

I. Cash in hand (Including foreign currency notes)	51,69,959	57,23,146
II. Balances with Reserve Bank of India		
a) In Current Account	4,12,22,237	3,10,42,910
b) Lending under Reverse Repo (including Standing Deposit Facility)	-	3,60,00,000
TOTAL	4,63,92,196	7,27,66,056

**SCHEDULE 7 - BALANCES WITH BANKS AND
MONEY AT CALL AND SHORT NOTICE**

I. In India		
i) Balances with Banks		
(a) In Current Accounts	1,09,326	1,97,384
(b) In Other Deposit Accounts	9,45,658	2,89,417
ii) Money at call & short notice		
(a) With Banks	5,00,000	-
(b) With other Institutions	-	-
(c) Lending under Reverse Repo (Market & Tri party)	4,99,712	-
Sub total	20,54,696	4,86,801
II. Outside India		
(a) In Current Accounts	10,95,672	15,80,187
(b) In Other Deposit Accounts	1,97,20,800	3,52,43,512
(c) Money at call & short notice - with banks	15,41,509	19,57,720
Sub total	2,23,57,981	3,87,81,419
TOTAL	2,44,12,677	3,92,68,220

	₹ ('000)	
	As at March 31, 2023	As at March 31, 2022
SCHEDULE 8 - INVESTMENTS		
I. Investments in India in:		
(i) Government Securities*	22,37,66,114	19,46,55,253
(ii) Other Approved Securities	-	-
(iii) Shares	21,83,349	5,45,603
(iv) Debentures and Bonds	1,29,79,496	57,18,540
(v) Subsidiaries and/or Joint Ventures	-	-
(vi) Others#	74,82,103	1,35,23,768
Sub total	24,64,11,062	21,44,43,164
II. Investments outside India - Shares	1,979	1,964
TOTAL (I+II)	24,64,13,041	21,44,45,128
A. Gross Investments		
(i) In India	26,01,35,119	22,53,33,150
(ii) Outside India	1,979	1,979
Sub total (A)	26,01,37,098	22,53,35,129
B. Depreciation/Provision for investments		
(i) In India	1,37,24,057	1,08,89,986
(ii) Outside India	-	15
Sub total (B)	1,37,24,057	1,08,90,001
C. Net Investments		
(i) In India	24,64,11,062	21,44,43,164
(ii) Outside India	1,979	1,964
TOTAL (A-B)	24,64,13,041	21,44,45,128
* Including Non SLR State Government bonds with Book Value ₹ 86.71 Crore (Previous Year: ₹ 105.28 Crore). Securities costing to ₹ 11,365.78 Crore (Previous Year ₹10,125.77 Crore) pledged for availment of fund transfer facility, clearing facility and margin requirements.		
#includes		
Security Receipts	16,59,849	70,30,389
Certificate of Deposit	43,52,158	50,09,066
Commercial Paper	14,70,096	14,84,313
TOTAL	74,82,103	1,35,23,768

₹ ('000)

	As at March 31, 2023	As at March 31, 2022
SCHEDULE 9 - ADVANCES		
A. (i) Bills Purchased and Discounted	8,13,34,993	5,11,09,407
(ii) Cash Credits, Overdrafts and Loans repayable on demand	36,72,86,039	29,60,75,004
(iii) Term Loans	24,94,23,412	25,27,49,496
TOTAL	69,80,44,444	59,99,33,907
B. (i) Secured by tangible assets*	55,40,07,373	52,35,50,632
(ii) Covered by Bank/Government Guarantees	3,04,15,256	4,16,85,676
(iii) Unsecured	11,36,21,815	3,46,97,599
TOTAL	69,80,44,444	59,99,33,907
*advances secured by tangible assets includes advances against Book Debt		
C. I. Advances in India		
(i) Priority Sectors	29,61,34,861	29,49,32,182
(ii) Public Sector	1,00,05,515	31,35,817
(iii) Banks	-	-
(iv) Others	39,19,04,068	30,18,65,908
TOTAL	69,80,44,444	59,99,33,907
II. Advances outside India	Nil	Nil
TOTAL	69,80,44,444	59,99,33,907
SCHEDULE 10 - FIXED ASSETS		
I. Premises (including Land)		
Gross Block:		
At cost as on March 31, of the preceding year	59,47,242	59,46,942
Additions during the year		
Due to purchases/acquisitions	4,85,802	300
	64,33,044	59,47,242
Deductions during the year	647	-
Closing Balance	64,32,397	59,47,242
Depreciation		
As at beginning of the year	7,36,405	6,69,021
Charge of the year	83,139	67,384
Depreciation to date	8,19,544	7,36,405
Net Block	56,12,853	52,10,837
II. Capital Work in Progress		
At cost as on March 31, of the preceding year	5,90,470	4,05,046
Additions during the year	12,58,888	9,66,531
	18,49,358	13,71,577
Capitalisations during the year	6,09,373	7,81,107
Sub total	12,39,985	5,90,470

	₹ ('000)	
	As at March 31, 2023	As at March 31, 2022
III. Other Fixed Assets (Including furnitures and fixtures and Software)		
Gross Block:		
At cost as on March 31, of the preceding year	82,22,551	75,75,854
Additions during the year	4,42,370	8,33,140
	86,64,921	84,08,994
Deductions/adjustments during the year	4,18,314	1,86,443
Closing Balance	82,46,607	82,22,551
Depreciation		
As at beginning of the year	59,13,161	53,07,154
Charge of the year	7,91,750	7,72,806
Deductions during the year	3,84,728	1,66,799
Depreciation/adjustments to date	63,20,183	59,13,161
Net Block	19,26,424	23,09,390
Sub total	19,26,424	23,09,390
TOTAL [I+II+III]	87,79,262	81,10,697

SCHEDULE 11 - OTHER ASSETS

I. Interest Accrued		1,13,16,438	1,00,87,447
II. Tax Paid in Advance/Tax Deducted at Source (Net of provision)		26,76,503	30,73,835
III. MAT Credit Entitlement (Refer Note no. 10 of Schedule 18)	1,680,504	-	-
Less MAT Credit utilisation	297,957	13,82,547	-
IV. Deferred tax asset (net) (Refer Note no. 10 of Schedule 18)		2,14,183	23,44,667
V. Deferred Employee Benefits (Refer Note no.5.c.ii of Schedule 18)		-	2,45,714
VI. Stationery and Stamps		29,360	25,383
VII. Non-Banking Assets acquired in satisfaction of claims	134,494	1,41,860	-
Less: Provisions held	134,494	-	-
VIII. Others*		3,73,10,984	5,02,17,629
		5,29,30,015	6,59,94,675

*Includes Priority Sector Shortfall Deposits amounting to ₹ 2,636.43 Crore (Previous year ₹3,790.89 Crore)

SCHEDULE 12 - CONTINGENT LIABILITIES (REFER NOTE NO. 15 OF SCHEDULE 17)

I. Claims against the Bank not acknowledged as debts:			
(i) Direct Tax disputes		2,05,023	2,05,023
(ii) Indirect Tax disputes		2,20,266	2,27,201
(iii) Others		2,68,615	2,69,928
II. Liability on account of outstanding Forward Exchange Contracts ¹		22,51,72,106	30,89,46,320
III. Guarantees given on behalf of constituents in India			
(a) in India		1,69,78,184	1,54,23,975
(b) outside India		42,59,569	19,89,724
IV. Acceptances, endorsements and other obligations		92,53,844	83,63,430
V. Other items for which the bank is contingently liable:			
(i) Capital Commitments		3,68,432	3,84,387
(ii) Transfers to Depositor Education and Awareness Fund (DEAF)		21,86,355	18,37,022
TOTAL		25,89,12,394	33,76,47,010

¹Represents notional amount

Schedules to Consolidated Profit and Loss Account

for the year ended March 31, 2023

₹ ('000)

	Year ended March 31, 2023	Year ended March 31, 2022
SCHEDULE 13 - INTEREST EARNED		
I. Interest/Discount on Advances/Bills	5,71,21,507	5,06,93,408
II. Income on Investments	1,28,57,266	1,03,98,050
III. Interest on balances with Reserve Bank of India and Other Inter - Bank funds	13,20,999	33,37,314
IV. Others	10,32,022	14,36,603
TOTAL	7,23,31,794	6,58,65,375

SCHEDULE 14 - OTHER INCOME

I. Commission, Exchange and Brokerage	4,45,697	4,71,836
II. Profit on sale of Investments	8,79,967	34,62,571
Loss on sale of Investments	(1,79,854)	(1,58,813)
Prov for Depn on Investments	(43,45,152)	(36,45,039)
III. Profit on sale of land, buildings and other assets	11,922	8,704
Loss on sale of land, buildings and other assets	(13,144)	(1,222)
IV. Profit/(Loss) on Exchange/derivative transactions (net)	5,60,509	6,01,233
V. Miscellaneous Income*	1,07,53,752	86,02,780
TOTAL	81,13,697	1,03,38,970

* Includes Amount written off since recovered ₹ 247.20 Crore (Previous Year ₹ 104.75 Crore)

SCHEDULE 15 - INTEREST EXPENDED

I. Interest on Deposits	3,85,33,239	4,06,23,714
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	16,598	40,385
III. Others	36,61,125	28,03,704
TOTAL	4,22,10,962	4,34,67,803

SCHEDULE 16 - OPERATING EXPENSES

I. Payments to and Provisions for Employees	1,30,80,299	1,19,82,945
II. Rent, Taxes and Lighting	13,88,233	12,87,967
III. Printing and Stationery	2,48,411	1,26,082
IV. Advertisement and Publicity	1,23,701	27,803
V. Depreciation on Bank's Property	8,74,891	8,40,205
VI. Directors fees, remuneration, allowances and expenses	23,177	19,773
VII. Auditors' fees and expenses	28,057	21,276
VIII. Law charges	2,22,213	1,45,293
IX. Postage, telegrams, telephones, etc.	5,72,816	5,05,240
X. Repairs and Maintenance	6,47,388	5,07,892
XI. Insurance	12,10,997	11,59,449
XII. Other Expenditure *	47,38,134	36,39,251
TOTAL	2,31,58,317	2,02,63,176

*Includes expenditure towards Corporate Social Responsibility ₹1.86 Crore (Previous year : ₹ 6.06 Crore)

SCHEDULE – 17 SIGNIFICANT ACCOUNTING POLICIES APPENDED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Background

The Bank

The South Indian Bank Limited ('SIB' or the 'Bank'), incorporated on January 29, 1929 at Thrissur, as a private limited company and was later converted into a public limited company on August 11, 1939. SIB has a network of 940 branches in India and provides retail and corporate banking, para banking activities such as debit card, third party financial product distribution, in addition to Treasury and Foreign Exchange Business. SIB is governed by Banking Regulation Act, 1949, The Companies Act, 2013 and other applicable Acts/Regulations for Banks. Its shares are listed in BSE Limited and National Stock Exchange of India Limited.

The Subsidiary

SIB Operations and Services Limited, a wholly owned non-financial subsidiary of the Bank was incorporated on May 28, 2021 for undertaking back office operations of the holding company and other outsourcing operations.

Principles of Consolidation

- i. The consolidated financial statements relate to The South Indian Bank ('SIB' or the 'Bank') and its subsidiary company. The details of subsidiary company is given below:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly as at March 31, 2023
SIB Operations and Services Ltd.	Wholly owned subsidiary	India	The South Indian Bank Ltd.	100%

- ii. The audited financial statements of the subsidiary company is drawn up to the same reporting date as that of the Bank, i.e. March 31, 2023.
- iii. The financial statements of the Bank and its subsidiary company have been combined on a line-by-line basis as per AS 21, Consolidated Financial statements by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- iv. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Bank's separate financial statements.
- v. Differences in accounting policies followed by the subsidiaries and associates have been reviewed and no adjustments have been made, since the impact of these differences is not significant.
- ("Indian GAAP"), the circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time and the Accounting Standards prescribed under Section 133 of the Companies Act, 2013(as amended) and the relevant provisions of the Companies Act, 2013 ("the Act") and current practices prevailing within the banking industry in India. Suitable adjustments are made to align with the format prescribed under the Banking Regulation Act, 1949. The Consolidated financial statements have been prepared in historical cost convention and accrual method of accounting, except where otherwise stated. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

Use of estimates

The preparation of the consolidated financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. The Management believes that the estimates used in the preparation of the financial statements are

Basis of Preparation

The Consolidated financial statements of the Bank and its subsidiary have been prepared in accordance with the Generally Accepted Accounting Principles in India

prudent and reasonable. Any revisions to the accounting estimates are recognized prospectively in the current and future periods.

Significant Accounting Policies

1. Revenue recognition

The Bank

- a) Interest / discount / other charges income from loans, advances and investments and deposits placed with banks and other institutions are recognized on accrual basis, except in respect of income relating to advances/ investments classified as non-performing advances/ investments, additional finance treated as standard asset under approved restructuring package, where in accordance with RBI guidelines the income is recognized only on realization.
- b) Interest income on loans bought out through the direct assignment route is recognized at their effective interest rate, except in case of such loans classified as non-performing advances.
- c) The recoveries made from NPA accounts are appropriated towards the order of demand applicable to borrowers accounts.
- d) Dividend on investments in shares and units of mutual funds are accounted when the bank's right to receive the dividend is established.
- e) Income on discounted instruments is recognized over the tenure of the instrument on a straight-line basis.
- f) Insurance claims and locker rent are accounted on receipt basis.
- g) Commission income on issuance of bank guarantee / letter of credit is recognized over the period of the guarantee/letter of credit.
- h) Processing fee/ upfront fee, handling charges or income of similar nature collected at the time of sanctioning or renewal of loan/ facility is recognized at the inception/renewal of loan.
- i) Other fees and commission income (including commission income on third party products) are recognized when due, except in cases where the bank is uncertain of ultimate collection.
- j) Unpaid funded interest on term loans are recognized on realization as per the guidelines of RBI.

- k) In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account in the year of sale. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.
- l) Fees received on sale of Priority Sector Lending Certificates is considered as Miscellaneous Income, while fees paid for purchase is expensed as other expenses in accordance with the guidelines issued by the RBI.
- m) The difference between the sale price and purchase cost of gold coins, received on consignment basis is included in other income and is recognised at the time of sale to the customers.
- n) Interest on income tax refund is recognised under "Other Income" in the year of passing of Assessment Orders.
- o) Legal expenses incurred on suit filed accounts are expensed in profit and loss account as per RBI guidelines. Such amount when recovered is treated as income
- p) In case of One Time settlement (OTS) accounts the recoveries are first adjusted to principal balance and sacrifice on settlement is accounted upfront.
- q) Penal interest is recognized as income on realization other than on running accounts where it is recognized when due.

The Subsidiary

Income from services rendered and other income are recognized on accrual basis; to the extent, the realisability thereof is certain.

2. Investments

The Bank

A) Classification

- a) In accordance with the RBI guidelines, investments are categorized into "Held for Trading", "Available for Sale" and "Held to Maturity" and further classified under six groups, viz. Government Securities, Other Approved Securities, Shares, Debentures & Bonds, Subsidiaries and / or joint ventures and

Other (to be specified) Investments for the purposes of disclosure in the Balance Sheet. Shifting amongst the categories is done in accordance with the RBI guidelines.

- b) Investments which are held for sale within 90 days from the date of purchase are classified as "Held for Trading".
- c) Investments which the bank intends to hold till maturity are classified as "Held to Maturity".
- d) Investments which are not classified in either of the above two categories are classified as "Available for Sale".

B) Acquisition cost

The cost of investments is determined on the weighted average basis. Broken period interest on debt instruments and government securities is treated as a revenue item. The transaction cost including brokerage, commissions etc. paid at the time of acquisition of investments are charged to the Profit and Loss Account.

C) Valuation

The valuation of investments is performed in accordance with the RBI Guidelines:

- a. Investments classified as HFT or AFS – Investments classified under the AFS and HFT categories are marked-to-market. The market/fair value of quoted investments included in the 'AFS' and 'HFT' categories is measured with respect to the Market Price of the Scrip as available from the trades/ quotes on the stock exchanges, pricelist of RBI or prices declared by Financial Benchmark India Private Limited etc. periodically. Net depreciation, if any, within each category of investment classification is recognized in Profit and Loss Account. The net appreciation, if any, under each category of Investment is ignored. Except in cases where provision for diminution other than temporary is created, the Book value of individual securities is not changed consequent to the periodic valuation of Investments.

Net depreciation on each type of investments falling under the residual category of 'Others' (i.e. mutual funds, PTCs, security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category.

The depreciation on securities acquired by way of conversion of outstanding loan is provided in accordance with the RBI guidelines. Provision for depreciation on investments is classified under Schedule 14 "Other Income". The book value of individual securities is not changed consequent to the periodic valuation of investments.

- b. Held to Maturity – These are carried at their acquisition cost unless it is more than the face value, in which case premium on acquisition is amortized over the remaining maturity of the security on straight line basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under Schedule 13 in Profit and Loss account. As per RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity. Any diminution, other than temporary, in the value of such securities is provided for.
- c. Treasury Bills, commercial paper, Cash management bills and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount amortized over the period to maturity.
- d. Units of Mutual Funds are valued at the latest repurchase price/net asset value declared by Mutual Fund.
- e. Market value of investments where current quotations are not available, is determined as per the norms prescribed by the RBI as under:
 - in case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity (YTM) for Government Securities as published by Financial Benchmark India Pvt Limited (FBIL) and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA are adopted for this purpose;
 - in case of bonds and debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is

in accordance with prudential norms for provisioning as prescribed by RBI;

- Preference shares shall be valued on YTM basis. It shall be valued with appropriate mark-up over the YTM rates for Central Government Securities put out by the FBIL. The preference shares shall not be valued above its redemption value.
 - equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet. In case the latest Balance Sheet is not available, the shares are valued at ₹1/- per company;
 - In case of investment by the Bank in SRs issued against loans transferred by it is more than 10 percent of all SRs issued against the transferred asset, then the provision for depreciation in value is made at the higher of - provisioning rate required in terms of net asset value declared by the Reconstruction Company ('RC')/ Securitization Company ('SC') or the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the bank.
 - Non- Performing Investments are identified and valued based on RBI guidelines. Interest on non-performing investments is recognized on cash basis.
 - Investment in subsidiary as per RBI guidelines are categorized as HTM and assessed for impairment to determine permanent diminution, if any
- f. The Bank follows 'Settlement Date' accounting for recording purchase and sale transactions in securities. The investments in equity shares, they are accounted for on settlement date.

D) Repo and Reverse Repo transactions

In accordance with the RBI guidelines repo and reverse repo transactions in government securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF')

with RBI are reflected as collateralized borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted for as interest expense and revenue on reverse repo is accounted for as interest income.

E) Short Sales

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is reflected as the amount received on sale and is classified under 'Other Liabilities'. The short position is marked to market and resultant mark-to-market gain/losses are accounted for as per the relevant RBI guidelines for valuation of investments.

F) Transfer of securities between Categories

Transfer of securities between categories is done at the lower of the acquisition cost / book value/ market value on the date of the transfer and the depreciation, if any, on such transfer is fully provided for in accordance with RBI guidelines.

G) Disposal of Investments

- a. Investments classified as HFT and AFS – Profit or loss on sale / redemption is included in the Profit and Loss account.
- b. Investments classified as HTM – Profit on sale of /redemption of investments is included in the Profit and Loss Account and is appropriated to capital Reserve after adjustments for tax and transfer to Statutory Reserve. Loss on sale/redemption is charged to the Profit and Loss Account.

H) Investment Fluctuation Reserve ('IFR')

Investment Fluctuation reserve is accounted in line with the RBI guidelines issued from time to time

3. Advances

The Bank

A) Valuation / Measurement

- a) Advances are classified into performing assets (Standard) and non-performing assets ('NPAs') as per the RBI guidelines and are stated net of specific provisions made towards NPAs, sacrifice provisions on restructured advances, claims received from guarantee corporations and unrealised interest on NPAs. Interest on Non- Performing advances is not recognised in

profit and loss account and transferred to an unrealised interest account until receipt. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Provisions for NPAs are made as per the guidelines and circulars of the RBI on matters relating to prudential norms.

- b) Non-performing advances are written-off in accordance with the Bank's policies. Amounts recovered against debts written off are recognised in the profit and loss account and included under "Other Income". The recovery of unrealised interest is accounted under "Interest on Loans & Advances" in the profit and loss account.
- c) For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by the RBI, which requires the diminution in the fair value of the assets to be provided at the time of restructuring. In respect of loans and advances accounts subjected to restructuring, the account is upgraded to standard only after the specified period i.e. a period of one year after the date when first payment of interest or of principal, whichever is later, falls due, subject to satisfactory performance of the account during the period.

Additional provision for restructured accounts as per the relevant restructuring scheme announced by RBI for Micro, Small and Medium (MSME) sector, accounts affected by natural calamities and as per COVID 19 resolution framework are made as per extant RBI guidelines.
- d) For entities with Unhedged Foreign Currency Exposure(UFCE), provision is made in accordance with the guidelines issued by RBI, which requires to ascertain the amount of UFCE, estimate the extent of likely loss and estimate the riskiness of unhedged position. The Provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.
- e) The Bank maintains general provision for standard assets including credit exposures computed as per the current marked-to-market values of foreign exchange derivative contracts, in accordance with the guidelines and at levels stipulated by RBI from time to time. The Provision

is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

- f) The bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where bank is participating; the aggregate amount of participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the bank is participating, the aggregate amount of participation is shown as due from banks under advances.
- g) Loss on sale of assets to Asset Reconstruction Companies

If the sale of non-performing advances is at a price below the net book value, the shortfall is charged to the Profit and Loss Account, spread over a period as specified in RBI guidelines. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.
- h) The Bank makes additional provisions as per RBI's guidelines on 'Prudential Framework on Resolution of Stressed Assets' dated June 7, 2019 on accounts in default and with aggregate exposure above the threshold limits as laid down in the said framework where the resolution plan is not implemented within the specified timeline.
- i) Loans reported as fraud are classified as loss assets and provided as per RBI guidelines.
- j) In the event of substantial erosion in value of loan and remote possibility of collection, non-performing loans with adequate provisions are evaluated for technical / prudential write off based on Bank's policy and the RBI guidelines. Such write off does not have an impact on the Bank's legal claim against the borrower. The Bank may also write off non-performing loans on one-time settlement ('OTS') with the borrower or otherwise.

4. Country risk

The Bank

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country). The countries are categorised into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit as per Export Credit Guarantee Corporation of India Limited ("ECGC") guidelines and provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposure. This provision if any, is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

5. Fixed Assets (Property Plant & Equipment and Intangibles) and depreciation / amortization

The Bank

- a) The Property Plant & Equipment and Intangibles (other than office premise, which are revalued) are stated at historical cost less accumulated depreciation/amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on asset put to use is capitalised only when it increases the future benefit / functioning capability from/of such assets. Gain or losses arising from the retirement or disposal of a Property Plant and Equipment / Intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of assets and recognised as income or expense in the Profit and Loss Account. Profit on sale of premises after adjustments for tax and transfer to Statutory, if any, is transferred to Capital Reserve as per the RBI guidelines.
- b) Portfolio of immovable properties is revalued periodically by independent valuers to reflect current market valuation. All land and building owned by the bank and used as branches or offices or office quarters are grouped under

"Office Premises" in the Property Plant & Equipment. Appreciation, if any, on revaluation is credited to Revaluation Reserve under Capital Reserve. Additional depreciation on revalued asset is charged to Profit and Loss Account and appropriated from Revaluation Reserve to Revenue and other Reserves.

- c) Depreciation /Amortisation: Depreciation is provided on a pro-rata basis on a straight-line method over the estimated useful life of the fixed assets at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013, except for Vehicles which are depreciated over five years, based on technical estimates. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II of Companies Act, 2013. Computer software is amortised over its useful life, not more than 5 years.

The Subsidiary

a) **Tangible fixed assets**

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes all direct expenses incurred to bring an asset to working condition for its intended use.

b) **Intangible Assets**

Intangible assets are recorded at the cost of acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Depreciation and Amortization

- i) Depreciation on tangible assets, has been provided by adopting the useful lives prescribed as per Part C of Schedule II to the Companies Act, 2013 or based on the technical evaluation done, as the case may be, retaining 5% of the original cost as residual value.
- ii) License Cost of Website and EV SSL Certificate is treated as Intangible Assets and is amortized over a period of 9 years and 2 years respectively in accordance with Accounting Standard (AS) 26.

6. Impairment of Assets

The Bank

The carrying values of assets at each balance sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Profit and Loss Account, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a reduction in revaluation to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Profit and Loss Account, to the extent the amount was previously charged to the Profit and Loss Account. In case of revalued assets such reversal is not recognised.

7. Non-Banking Assets

The Bank

Non-banking assets (NBAs) acquired in satisfaction of claims is carried at lower of net book value and net realisable value. Specific provision is made on specific Non-banking assets acquired on debt asset swap arrangements as specified by RBI.

8. Transactions involving foreign exchange

The Bank

- a) Foreign currency income and expenditure items are translated at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities outstanding at the Balance Sheet date are revalued at rates notified by Foreign Exchange Dealers Association of India [FEDAI] and resulting profits or losses are included in the Profit and Loss Account, as per the guidelines issued by RBI.
- b) Foreign exchange spot and forward Contracts outstanding as at the Balance Sheet date (except Forward Contracts taken to hedge FCNR Deposits/Overseas Borrowings) are revalued at the closing Spot and Forward Rates respectively as notified by FEDAI and at interpolated rates for contracts of interim maturities. For valuation of

contracts having longer maturities, the forward points (for rates/tenures not published by FEDAI) are obtained from Reuters for valuation of the FX Deals. As directed by FEDAI to consider profit or loss on present value basis, the forward profit or loss on the deals are discounted till the valuation date using the discounting yields. The resulting profit or loss on valuation is recognised in the Profit and Loss Account in accordance with RBI/FEDAI Guidelines.

- c) Forward Contracts taken to hedge FCNR Deposits/Overseas Borrowings are translated at the prevailing spot rate at the time of swap. The Premium/ Discount on the swap arising out of the difference in the exchange rate of the swap date and maturity date of the underlying forward exchange contract is amortised over the period of the swap and the same is recognized in the Profit and Loss Account.
- d) Contingent liabilities on account of foreign exchange contracts, guarantees, letters of credit, acceptances and endorsements are reported at closing rates of exchange notified by FEDAI as at the Balance Sheet date.

9. Derivative transactions

The Bank

The Bank recognizes all derivative contracts at fair value, on the date on which the derivative contracts are entered into and are remeasured at fair value as at the Balance sheet or reporting dates. Derivatives are classified as assets when the fair value is positive (Positive marked-to-market) or as liabilities when the fair value is negative (negative marked-to-market). Changes in the fair value of derivatives other than those designated as hedges are recognised in the Profit and Loss Account.

10. Employee benefits

The Bank

a) **Provident Fund:**

The contribution made by the Bank to "The South Indian Bank Ltd Employees Provident Fund", administered by the trustees is charged to Profit and Loss account. The fund is a defined contribution fund and the Bank has no further liability beyond the contribution made to the fund.

b) Pension Fund:

The contribution towards “The South Indian Bank Ltd Employees’ Pension Fund Trust”, managed by trustees, is determined on actuarial basis on projected unit credit method as on the Balance Sheet date and is recognised in the profit and loss account. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

Employees who had joined the services of the Bank with effect from April 1, 2010 are covered under Defined Contributory Pension Scheme (DCPS). In respect of such employees the bank contributes specified percentage of the Basic Pay plus Dearness Allowance and the expenditure thereof is charged to Profit and Loss account and the Bank has no further liability beyond the contribution to the fund on this account.

c) Gratuity:

The bank makes contribution to “The South Indian Bank Ltd Employees’ Gratuity Trust” administered and managed by the trustees. The present value of the bank’s obligation towards the same is actuarially determined based on the projected unit credit method as at the balance sheet date. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

d) Compensated absence on Privilege / Sick / Casual Leave and Leave Travel Concession (LTC):

The employees of the Bank are entitled to compensated absence on account of privilege / sick / casual leave as per the leave rules. The bank measures the long term expected cost of compensated absence as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuation and such costs are recognised in the profit and loss account. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

The employees are also eligible for LTC as per the rules. The estimated cost of unused entitlement as on the Balance Sheet date based on actuarial valuation is provided for.

e) Employees Stock Option Scheme (ESOS):

The SIB ESOS 2008 Employee Stock Option Scheme (‘the Scheme’) provides for grant of stock options on equity shares of the Bank to employees and Managing Director of the Bank. The Scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021. The Bank followed intrinsic value method to account for its stock based employee compensation plans as per the Guidelines for all the options granted till the accounting period ending 31 March, 2021.

RBI issued a clarification on Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers /Material Risk Takers and Control Function Staff on 30 August, 2021, advising banks that the share-linked instruments are required to be fair valued on the date of grant using the Black-Scholes model. Accordingly, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognized the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. Options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant or at such a discount as may be approved by NRC/Board from time to time. The fair market price being the closing price of stock exchange which recorded the highest trading volumes in equity shares of the Bank and trading day immediately preceding the date on which the grant of options was approved and recommended to Board by Nomination and Remuneration Committee of Board.

f) Other Employee Benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employee is recognised during the period when the employee renders the service. These benefits include performance incentives.

g) New Pension Scheme ('NPS')

In respect of employees who are covered under NPS, the Bank contributes certain percentage of the sum of basic salary and dearness allowance of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies and regulated by PFRDA. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue. The Bank has no liability other than its contribution, and recognises such contributions as an expense in the year incurred.

11. Segment Reporting*The Bank*

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by RBI. Segmental expenses are allocated as per board approved policy.

12. Debit Card Reward Points*The Bank*

The Bank runs a loyalty program which seeks to recognise and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. The Bank estimates the probable redemption of such loyalty/reward points using an actuarial method at the Balance Sheet date by employing independent actuary. Provision for said reward points is then made based on the actuarial valuation report as furnished by the said independent Actuary.

13. Earnings Per Share (EPS)

The Bank & Subsidiary reports Basic and Diluted Earnings per Equity Share in accordance with Accounting Standard 20, prescribed under section 133 of the Companies Act, 2013 read together with the Companies (Accounting Standards) Rules, 2021. Basic EPS has been computed by dividing Net Profit for the year by the weighted average number of Equity Shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. A diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity

shares outstanding at the year end. Potential equity shares which are anti-dilutive in nature are ignored.

14. Taxes on income*The Bank*

Income tax expense is the aggregate amount of current tax and deferred tax charge. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961, the rules framed there under and considering the material principles set out in Income Computation and Disclosure Standards and as per Accounting Standard 22 – "Accounting for Taxes on Income" respectively.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961, Accounting Standard 22 - "Accounting for Taxes on Income" and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Bank has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay

normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Bank.

15. Accounting for Provisions, Contingent Liabilities and Contingent Assets

The Bank

In accordance with Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets prescribed under section 133 of the Companies Act, 2013, the Bank recognises provisions when it has a present obligation as a result of a past event and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate of the amount of the obligation can be made.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

16. Operating Lease

The Bank

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account as per the lease terms.

17. Cash and cash equivalents

The Bank

Cash and cash equivalents include cash in hand, balances with Reserve Bank of India and balances with other banks/institutions and Money at Call and Short Notice (including the effect of changes in exchange rates on cash and cash equivalents in foreign currency).

18. Share issue expenses

The Bank

Share issue expenses are adjusted from Securities Premium Account as permitted by Section 52 of the Companies Act, 2013 and in line with the respective RBI guidelines issued from time to time.

19. Corporate Social Responsibility

The Bank

Expenditure towards Corporate Social Responsibility is recognized in accordance with Companies Act 2013.

20. Accounting of Priority Sector Lending Certificate (PSLC)

The Bank

The Bank vide RBI circular FIDD.CO.Plan.BC.23/04.09.01/2015-16 dated April 7, 2016 trades in priority sector portfolio by selling or buying PSLC, without transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income'.

21. Accounting for Dividend

The Bank

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 dated March 30, 2016, Proposed Dividend or Dividend declared after balance sheet date are not shown as liability in current year balance sheet. The effect of the proposed dividend shall be reckoned in determining capital funds in the computation of capital adequacy ratios in Financial Year for which the dividend is declared. In case of interim dividend, the same shall be reckoned in the same quarter.

22. Cash Flows

The Bank

Cash flow Statement has been prepared under the Indirect Method.

SCHEDULE - 18; NOTES ON ACCOUNTS FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- Consolidated Financial Statements comprises the results of The South Indian Bank Limited (Parent) and the wholly owned non-financial subsidiary of SIB Operations and Services Limited for the year ended March 31, 2023.
- Audited Financial Statements of the Subsidiary has been drawn up to the same reporting date as that of the Parent i.e. March 31,2023.

3. Share Capital

i. Capital infusion

During the year ended March 31, 2023 and March 31, 2022 the Bank has not allotted any equity shares.

ii. Details of movement in the paid-up equity share capital of the Bank are given below:

Particulars	March 31, 2023		March 31, 2022	
	No of shares	Amount	No of shares	Amount
	Opening Balance	2,09,27,41,018	209.27	2,09,27,41,018
Additions pursuant to Stock Options exercised/ preferential issue	-	-	-	-
Closing balance	2,09,27,41,018	209.27	2,09,27,41,018	209.27

(₹ in Crore)

4. Accounting for Employee Share Based Payments.

The company has provided various share based payment schemes to its employees. As on March 31, 2023, the following schemes were in operation;

	Tranche 12	Tranche 11	Tranche 8
Date of grant	01.03.2023	23.04.2022	06.12.2017
Date of Board approval	01.03.2023	23.04.2022	06.12.2017
Date of Shareholders approval	12-07-2022	12-07-2022	18.08.2008
Number of options granted	11,06,194	3,99,171	43,04,710
Method of settlement	Equity	Equity	Equity
Vesting period	01.03.2024 to 01.03.2026	23.04.2023 to 23.04.2025	06.12.2019 to 06.12.2021
Exercise period (for all Tranches)	The Grantee will be permitted to exercise their Options within five years from the date of vesting	The Grantee will be permitted to exercise their Options within five years from the date of vesting	Eligible to exercise the options during any one of the four specific periods (i.e., within 30 days after the end of each quarter) within one year from the date of vesting.
Manner of Vesting (for all Tranches)	30%, which will be vested on completion, of 1 st year from the date of grant. 30%, which will be vested on completion, of 2 nd year from the date of grant. 40%, which will be vested on completion, of 3 rd year from the date of grant	30%, which will be vested on completion, of 1 st year from the date of grant. 30%, which will be vested on completion, of 2 nd year from the date of grant. 40%, which will be vested on completion, of 3 rd year from the date of grant	In a graded manner over a 5 year period with 30%, 30% and 40% of the grants vesting in each year commencing from the end of 5years from the grant date.

Bank has changed its accounting policy from the intrinsic value method to the fair value method as per Black – Scholes model for all share-linked instruments granted after 31 March, 2021.

Activity in the options outstanding under the ESOS

Particulars	March 31, 2023		March 31, 2022	
	Options	Weighted average exercise price (₹)	Options	Weighted average exercise price (₹)
Options outstanding at the beginning of the year	10,05,872	18.72	17,97,019	18.72
Options granted during the year	15,05,365	14.34	-	-
Options exercised during the year	-	-	-	-
Forfeited / lapsed during the year	10,05,564	18.72	7,91,147	18.72
Options outstanding at the end of the year	15,05,673	14.34	10,05,872	18.72
Options Exercisable	308	18.72	10,05,872	18.72

Details of exercise price for stock options outstanding as at March 31, 2023

Particulars	Exercise price per share (₹)	Option Premium	Number of options outstanding	Remaining contractual life of options (in years)
Tranche 8	18.72	NA	308	0.20
Tranche 11	8.35	3.29	3,99,171	2.16
Tranche 12	16.50	6.78	11,06,194	3.02

Details of exercise price for stock options outstanding as at March 31, 2022

Particulars	Exercise price per share (₹)	Number of options outstanding	Remaining contractual life of options (in years)
Tranche 8	18.72	10,05,872	0.68

Effect of the ESOS on the profit and loss account and on its financial position:

Particulars	(₹ in Crore)	
	March 31, 2023	March 31, 2022
Opening of ESOS Liability	1.29	2.31
Liability on account of ESOS issued	0.88	0.00
Reversal on account of Exercise	0.00	0.00
Reversal on account of lapsed/forfeiture	(1.29)	(1.02)
Total Employee compensation cost pertaining to ESOS	0.88	1.29
Opening Deferred Compensation Cost	0.00	0.22
Deferred compensation cost on ESOS issued	0.88	0.00
Compensation Cost pertaining to ESOS amortized during the year	(0.11)	(0.22)
Reversal on account of lapse/ forfeiture	0.00	0.00
Deferred compensation cost	0.77	0.00

Impact of fair value method on net profit and on EPS

Had compensation cost for the ESOS outstanding being determined based on the fair value approach instead of intrinsic value method, the Bank's net profit and earnings per share would have been as indicated below:

Particulars	₹ in Crore)	
	March 31, 2023	March 31, 2022
Net Profit as reported	775.09	44.98
Proforma Net profit based on fair value approach	775.09	45.00
Basic EPS as reported (₹)	3.70	0.21
Basic EPS (Proforma)(₹)	3.70	0.22
Diluted EPS as reported(₹)	3.70	0.21
Diluted EPS (Proforma)(₹)	3.70	0.22

In computing the above information, certain estimates and assumptions have been made by the management which has been relied upon by the auditors.

5. Employee Benefits

a) Provident Fund:

Employees, who have not opted for pension plan are eligible to get benefits from provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid on retirement, death, incapacitation or termination of employment. Both the employee and the Bank contribute a specified percentage of the salary to the South Indian Bank Employees' Provident Fund. The Bank has no obligation other than the monthly contribution.

The Bank recognized ₹0.24 Crore (Previous Year: ₹0.24 Crore) for provident fund contribution in the Profit and Loss Account.

b) New Pension Scheme

As per the industry level settlement dated April 27, 2010, employees who joined the services of the Bank on or after April 1, 2010 are not eligible for the existing pension scheme whereas they will be eligible for Defined Contributory Pension Scheme (DCPS) in line with the New Pension Scheme introduced for employees of Central Government. Employee shall contribute 10% of their Basic Pay and Dearness Allowance towards DCPS and the Bank will also make a contribution of 14%. There is no separate Provident Fund for employees joining on or after April 1, 2010.

The Bank recognized ₹45.05 Crore (Previous Year: ₹35.80 Crore) for DCPS contribution in the Profit and Loss Account.

c) Retirement Benefits.

i) **The bank has recognized the following amounts in the Profit and loss account towards employee benefits as under:**

Particulars	₹ in Crore)	
	March 31, 2023	March 31, 2022
Pension Fund	116.35	244.71
Gratuity Fund	30.37	23.92
Compensation for absence on privilege/sick/casual leave	54.63	60.36

The employee benefits on account of pension, gratuity and Leave have been ascertained on actuarial valuation in accordance with Accounting Standard - 15 prescribed under section 133 of the Companies Act, 2013

ii) Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks

“Reserve Bank of India vide letter dated October 4, 2021 has permitted all member banks of Indian Banks’ Association covered under the 11th Bipartite Settlement to amortize the additional liability on account of revision in family pension over a period not exceeding five years, beginning with the Financial Year ended March 31, 2022. The bank has recognized the entire additional liability estimated at ₹ 43 crores and opted to amortize the same over a period of seven quarters beginning with the quarter ended September 30, 2021. Accordingly, an amount of ₹ 24.57 Crore (Previous year ₹ 18.43 crore) has been written off during the year ended March 31, 2023 in respect of the said additional liability and the balance is ₹ Nil.

The following table as furnished by Actuary sets out the funded status of gratuity / pension plan and the amount recognized in the Bank’s financial statements as at March 31, 2023.

d) Changes in the defined benefit obligations

(₹ in Crore)

	Gratuity Plan		Pension Plan	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Projected defined benefit obligation, beginning of the year	254.48	245.42	1020.37	920.62
Current Service Cost	22.19	20.06	186.53	193.26
Past Service Cost	-	-	-	-
Interest Cost	17.89	16.55	65.47	57.17
Actuarial (gain)/ loss	8.85	4.13	(88.47)	82.37
Benefits paid	(33.15)	(31.67)	(199.08)	(233.05)
Projected defined benefit obligation, end of the year	270.27	254.49	984.81	1020.37
Liability (net) of fair value of plan asset at the end of the year	3.13	7.63	(5.69)	4.73

e) Changes in the fair value of plan assets

(₹ in Crore)

	Gratuity Plan		Pension Plan	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Fair value of plan assets, beginning of the year	246.85	243.49	1,015.64	894.16
Expected return on plan assets	18.63	17.07	68.34	65.89
Employer’s contributions	34.88	18.21	102.21	291.00
Actuarial gain/ (loss)	(0.06)	(0.25)	3.40	(2.35)
Benefits paid	(33.15)	(31.67)	(199.08)	(233.05)
Fair value of plan assets, end of the year	267.14	246.85	990.50	1,015.63

f) Net Employee benefit expense (recognized in payments to and provisions for employees)

(₹ in Crore)

	Gratuity Plan		Pension Plan	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Current Service Cost	22.19	20.06	186.53	193.26
Past Service Cost	-	-	-	-
Interest Cost	17.89	16.55	65.47	57.17
Expected return on plan assets	(18.62)	(17.07)	(68.34)	(65.89)
Net actuarial (gain)/ loss recognised in the year	8.92	4.38	(91.87)	84.72
Employee cost	30.37	23.92	91.78	269.26
Unamortized cost	-	-	-	-
Total	30.37	23.92	91.78	269.26
Actual return on plan assets	18.56	16.82	71.73	63.54

g) Categories of plan assets as a percentage of the fair value of total plan assets

	Gratuity Plan		Pension Plan	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Government Securities (Central & State)	-	-	-	-
High quality Corporate Bonds	-	-	-	-
Equity Shares of Listed Companies	-	-	-	-
Funds Managed by Insurer *	100%	100%	100%	100%
Others (PSU & Special Deposits)	-	-	-	-
Total	100%	100%	100%	100%

* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

h) Experience adjustments**(i) Gratuity**

(₹ in Crore)

	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Defined Benefit Obligations	270.27	254.49	245.41	232.65	216.44
Plan Assets	267.14	246.85	243.49	227.75	210.30
(Surplus)/Deficit	3.13	7.63	1.92	4.90	6.14
Unamortized	-	-	-	-	-
Net benefit expenses	3.13	7.63	1.92	4.90	6.14
Experience adjustments (gain) / loss on Plan Liabilities	9.16	12.43	32.70	(7.48)	5.25
Experience Adjustments gain / (loss) on Plan Assets	0.06	0.25	(0.97)	0.58	(1.49)

(ii) Pension

(₹ in Crore)

	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Defined Benefit Obligations	984.81	1,020.37	920.62	801.56	700.22
Plan Assets	990.50	1,015.63	894.15	747.52	674.56
(Surplus)/Deficit	(5.69)	4.73	26.47	54.05	25.66
Experience adjustments (gain) / loss on Plan Liabilities	(88.47)	82.37	138.80	42.33	(1.98)
Experience Adjustments gain / (loss) on Plan Assets	(3.40)	2.35	(4.77)	5.86	(1.20)

i) Assumptions used by the actuary in accounting for Gratuity/ Pension/Compensation for absence

	Gratuity Plan		Pension Plan		Compensation for absence	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Discount rate	7.53%	7.52%	7.52%	7.27%	7.53%	7.52%
Expected rate of return on plan assets	7.52%	7.21%	7.27%	7.11%	*	*
Increase in compensation cost	6.00%	6.00%	5.5%	5.5%	6.00%	6.00%

*Not applicable

Notes:

- (i) Discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of obligations.
- (ii) Expected rate of return on plan assets is based on the average long term rate of return expected on investments of the funds during the estimated term of the obligations.
- (iii) The estimates of future salary increases, considered in actuarial valuation, taken in to account the inflation, seniority, promotion and other relevant factors.

j) Compensation for absence on Privilege / Sick / Casual Leave

The charge on account of compensation for privilege / sick / casual leave has been actuarially determined and an amount of ₹54.63 Crore (Previous year ₹60.36 Crore) has been debited to Profit and Loss account.

The above information is as certified by actuary and relied upon by the auditor.

6. Micro Small and Medium Industries

Under the Micro, Small and Medium enterprises development Act 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payment to micro, and small enterprises or of interest payments due to delays in such payments. The above is based on information available with the Bank which has been relied on by the auditors.

7. Segment reporting

Business Segments have been identified and reported taking into account, the target customer profile, the nature of product and services, the differing risks and returns, the organization structure, the internal business reporting system and guidelines issued by RBI from time to time. The Bank operates in the following business segments;

a) Treasury:

The treasury segment primarily consists of interest earnings on investments portfolio of the bank, gains or losses on investment operations and earnings from foreign exchange business. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

b) Corporate / Wholesale Banking:

The Corporate / Whole sale Banking segment provides loans to corporate segment identified on the basis of RBI guidelines. Revenues of this segment consist of interest earned on Loans made to corporate customers and the charges / fees earned from other banking services. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

c) Retail banking:

The Retail Banking segment provides loans to non-corporate customers identified on the basis of RBI guidelines. Revenues of this segment consist of interest earned on Loans made to non-corporate customers and the charges / fees earned from other banking services. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-2023 dated April 07, 2022 on establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as sub-segment of the Retail Banking Segment. Assets of DBU consists of mainly credit card, loan against deposits opened through digital mode etc.

d) Other Banking Operations:

This segment includes income from para banking activities such as debit cards, third party product distribution and associated costs. Segmental expenses are allocated as per board approved policy.

e) Unallocated

All items that cannot be allocated to reportable segments are included in unallocated portion.

Geographic segment

The Bank operations are predominantly confined within one geographical segment (India) and accordingly this is considered as the only secondary segment. In accordance with RBI guidelines in regard to business segments of banks, the bank has determined the business segments and the required disclosures are as follows:

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Particulars	1,088.00	1,499.70	2,323.02	2,065.04	4,083.76	3,710.05	549.77	345.65	8,044.55	7,620.44
Revenue	(158.42)	18.51	(101.70)	(656.82)	975.59	291.65	392.74	254.68	1,108.21	(91.99)
Result									0.29	(0.23)
Unallocated (Expenses)/ Income										
Operating profit									1,108.50	(92.21)
Income Taxes									333.19	(137.03)
Net Profit									775.31	44.82
Other Information:										
Segment Assets	26,438.49	24,263.47	37,973.84	31,599.90	39,750.34	40,568.85	25.91	19.79	1,04,188.58	96,452.01
Unallocated Assets									3,508.58	3,599.86
Total Assets									1,07,697.16	1,00,051.87
Segment Liabilities	25,038.41	23,258.48	36,329.54	30,643.81	38,027.83	39,341.02	-	-	99,395.78	93,243.31
Unallocated Liabilities									1,626.76	955.60
Total Liabilities									1,01,022.54	94,198.91

Since the Bank operates only in domestic segment, the requirement of disclosure regarding geographical segment is not applicable.

*RBI's Master Direction on Financial Statements-Presentation and Disclosures, requires to sub-divide 'Retail banking' into (a) Digital Banking (as defined in RBI Circular on Establishment of Digital Banking Units dated April 07, 2022) and (b) Other Retail Banking segment. Accordingly, the segmental results for retail banking segment for Q4 2022-23 is sub-divided as below.

Particulars	Segment Revenue for the year ended 31.03.2023		Segment Results (net of provisions) for the year ended 31.03.2023		Segment Assets as on 31.03.2023		Segment Liabilities as on 31.03.2023	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Retail Banking								
(i) Digital Banking			302.53		73.17		3,017.67	
(ii) Other Retail Banking			3,781.23		902.42		36,732.67	
								2,887.01
								35,140.82

Segment information is provided as per the MIS available for internal reporting purposes, which include certain estimates/assumptions. The methodology adopted in compiling and reporting the above information has been relied upon by auditors.

8. Related party disclosure:

The related parties of the bank are broadly classified as:

a. Subsidiary

Sl. No.	Name of the Entity	Nature of Relationship
1	SIB Operations and Services Limited	Wholly Owned Subsidiary (WOS)

b. Key Management Personnel (As per AS 18) – MD & CEO

Sl. No.	Name of the Key Management Personnel	Relative of the Key Management Personnel
1	Mr. Murali Ramakrishnan, Managing Director and CEO	- Mangala Santhanam - Charumathy Murali

Related Party Transaction Summary for the Financial year ended 31.03.2023

(₹ in Crore)

Sl No	Details of counter party Relationship of the counterparty with the listed entity	Type of related party transaction	Value of the related party transaction as approved by the Audited Committee	Value of the related party transaction during the reporting period (for the Financial year ended March 31, 2023)	In case monies are due to either party as a result of the transaction	
					Opening Balance (as on April 1, 2022)	Closing Balance (as on March 31, 2023)
1	Wholly owned subsidiary (WOS)	Income received for providing management service	Note 6	1.24	0.20	0.81
2	Wholly owned subsidiary (WOS)	Income received for providing other services	Note 6	0.02	0.002	0.002
3	Wholly owned subsidiary (WOS)	Expense paid for HR services provided by WOS	Note 6	9.36	0.28	1.07
4	Directors	Sitting Fees (WOS)		0.02	0.004	-
5	Subsidiary Directors	Interest received		0.001	-	-
6	Subsidiary Directors	Interest Paid		0.09	-	-
7	Subsidiary Directors	Deposits	Note 5	1.38	1.22	1.38
8	Subsidiary Directors' Relatives	Interest received		0.003	-	-
9	Subsidiary Directors' Relatives	Deposits	Note 5	4.632	4.45	4.63
10	Subsidiary Directors' Relatives	Interest Paid		0.18	-	-
11	KMPs including MD & CEO and Subsidiary Directors	Remuneration paid	As per Bank's Internal Policies/ approved by Regulator	4.00	-	-
12	Directors	Sitting Fees including honorarium to Chairman		2.17	-	-

(₹ in Crore)

SI No	Details of counter party	Type of related party transaction	Value of the related party transaction as approved by the Audited Committee	Value of the related party transaction during the reporting period (for the Financial year ended March 31, 2023)	In case monies are due to either party as a result of the transaction	
	Relationship of the counterparty with the listed entity				Opening Balance (as on April 1, 2022)	Closing Balance (as on March 31, 2023)
13	Directors	Deposits	Note 5	1.78	2.10	1.78
14	Directors	Interest received		0.06	-	-
15	Directors	Interest Paid		0.12	-	-
16	KMPs including MD & CEO	Deposits	Note 5	11.09	0.04	11.09
17	KMPs including MD & CEO	Interest received		0.04	-	-
18	KMPs including MD & CEO	Interest Paid		0.47	-	-
19	KMPs including MD & CEO and Subsidiary Directors	ESOS grant outstanding(Nos.)	Refer Note No 8	15,05,365.00	10,476.00	15,05,365.00
20	Relative/ Interested company- Directors	Deposits	Note 5	11.22	11.87	11.22
21	Relative/ Interested company- Directors	Interest Paid		0.64	-	-
22	Relative/ Interested company- Directors	Interest received		0.002	-	-
23	Relative of KMPs & MD & CEO	Deposits	Note 5	0.80	0.61	0.80
24	Relative of KMPs & MD & CEO	Interest Paid		0.06	-	-
25	MD & CEO	savings		0.002	0.19	0.002
26	Relative MD & CEO	savings		0.01	0.01	0.01

Note:

- 1) Transactions with WOS are shown excluding GST and TDS
- 2) In compliance with the guidelines given as per annexure to SEBI circular No SEBI/HO/CFD/CMD1/CIR/P/2021/662 November 22, 2021, The South Indian Bank Ltd, being a listed bank, is not required to provide the disclosures with respect to related party transactions involving loans, inter-corporate deposits, advances or investments made or given by the bank.
- 3) In compliance with the guidelines given as per annexure to SEBI circular No SEBI/HO/CFD/CMD1/CIR/P/2021/662 November 22, 2021 transactions such as acceptance of fixed deposits by banks, undertaken with related parties, at the terms uniformly applicable /offered to all shareholders/ public only are reported under deposit.
- 4) The Bank, being a scheduled commercial bank, as per RBI circular RBI/DBR/2015-16/19 dated March 03, 2016, has allowed additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or a term deposits of bank's staff and their exclusive associations as well as on deposits of Chairman, Managing Director and such other Executives appointed for a fixed tenure.
- 5) Value of the related party transaction for deposit is the balance in fixed deposit outstanding as on 31.03.2023.

- 6) Regulation 23 of Listing regulations, as amended from time to time, grant exemptions from seeking approval of the Audit Committee of the Board for the transactions entered into by and between the holding company and its wholly owned subsidiary company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- 7) None of the Directors/ KMPs/ relatives are holding substantial shares/ securities of the Bank.
- 8) As part of additional disclosure internal KMP data are also disclosed during the period ended 31.03.2023 in line with reporting made for the half year ended 30.09.2022.
- 9) Transactions with common directors of subsidiary and Bank is shown under Directors.
- 10) Mr. Parayil George John Tharakan (DIN-07018289), has retired from the office as a Non-Executive Independent Director of the Bank on November 24, 2022, upon completion of his 8-year term, as per Section 10A(2A) of Banking Regulation Act 1949, hence in the closing balance (Deposits) details of his/ his relatives' deposits were not included in reporting as the same will not be coming under the preview of RPT.
- 11) The CSR activity of Bank is carried out by a trust formed by Bank in this regard. Since the Trust is acting on behalf of Bank and amount are spent as Bank's CSR expenditure, these transactions are not treated as RPT

9. Earnings Per Share

The Bank reports basic and diluted EPS in accordance with the Accounting Standard - 20 on "Earnings per Share"

Particulars	March 31, 2023	March 31, 2022
Weighted average number of equity shares used in computation of basic earnings per share	2,09,27,41,018	2,09,27,41,018
Potential equity shares arising out of the Employees Stock Option Scheme	-	-
Weighted average number of equity shares used in computation of diluted earnings per share	2,09,27,41,018	2,09,27,41,018
Earnings used in the computation of basic earnings per share (₹ in Crore)	775.31	44.82
Earnings used in the computation of diluted earnings per share (₹ in Crore)	775.31	44.82
Nominal Value of share (in ₹)	1.00	1.00
Basic earnings per share (in ₹)	3.70	0.21
Effect of potential equity shares for ESOS	-	-
Diluted earnings per share (in ₹)	3.70	0.21

10. Deferred Tax Assets (Net)

Particulars	(₹ in Crore)	
	March 31, 2023	March 31, 2022
Deferred Tax Asset (A)		
Provisions for Loans/Investments/ others	324.82	370.86
Fixed Assets: on difference between book balances and tax balance of WDV of fixed assets	8.40	3.11
Preliminary expenses	0.00	0.01
Carried forward Business Loss/Depreciation Allowance	0.01	0.05
Total (A)	333.23	374.03
Deferred Tax Liabilities (B)		
Special Reserve created u/s 36(1)(viii) of Income Tax Act	167.52	139.56
Interest accrued but not due on investments	144.29	0.00
Total (B)	311.81	139.56
Deferred Tax Asset (net) (A-B)	21.42	234.47

Provision for taxes during the year:

Particulars	₹ in Crore)	
	March 31, 2023	March 31, 2022
Current Tax (net of write back)	258.40	(5.95)
Deferred Tax (net)	213.05	(131.08)
MAT Credit	(138.26)	0.00
Total	333.19	(137.03)

Tax provision is created in the books after adjusting for permanent differences in Income tax, accounting of MAT credit and deferred tax assets/liability. Based on favourable Income Tax orders received during the financial year, the excess provision for tax held for different assessment years in the books of account as on the balance sheet date amounting to a net sum of ₹ 54.81 Crore (Previous year ₹ 69.60 Crore) has been written back.

11. Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account:

Particulars	₹ in Crore)	
	March 31, 2023	March 31, 2022
Provision for NPAs (including write off, excluding technical write off)	623.07	1,161.40
Provision for NPIs	(137.54)	(7.91)
Provision for taxes (Net of write back) ¹	258.40	(5.95)
Deferred Tax (net)	213.05	(131.08)
MAT Credit	(138.26)	-
Provision for Standard Assets	(58.61)	175.57
Provision for Restructured Advances	(0.05)	1.22
Provision for FITL	(22.17)	69.67
Provision for unhedged foreign currency exposures	1.66	(1.06)
Provision for Non-Banking Asset ²	(0.71)	(62.74)
Provision for Fraud / Other impaired assets	(6.53)	3.41
TOTAL	732.31	1,202.53

¹ Based on favourable Income Tax orders received during the financial year, the net excess provision for tax held in books amounting to ₹54.81 Crore (Previous year ₹ 69.60 Crore) has been written back.

² The Bank had acquired certain land parcels under a partial Debt Asset Swap transaction ("DAS") in earlier years aggregating ₹110 Crores and classified them as "Non-Banking Assets acquired in satisfaction of claims" in the Balance Sheet. During the FY 2022-23 Bank had sold certain properties and ₹0.71 Crore (Previous year ₹ 62.74 Crore) (after adjusting the expenses) was credited back to the provision.

12. Draw Down from Reserves

The Bank has not undertaken any drawdown from reserves during the years ended March 31, 2023 and March 31, 2022

13. Penalties levied by the Reserve Bank of India

The penalty imposed by RBI during the year ended March 31, 2023 was ₹15,90,650/- (Previous year ₹1,01,86,000/-)

Penalties Imposed By RBI in FY 2022-23

Sl No	Imposed date	Amount(Rs)	Nature of breach
1	28-03-2022	10,000.00*	ATM Cash-out penalty imposed by RBI.
2	07-04-2022	10,000.00	ATM Cash-out penalty imposed by RBI.
3	12-05-2022	10,000.00	ATM Cash-out penalty imposed by RBI.
4	13-05-2022	20,000.00	ATM Cash-out penalty imposed by RBI.
5	20-05-2022	20,000.00	ATM Cash-out penalty imposed by RBI.
6	24-05-2022	4,00,000.00	ATM Cash-out penalty imposed by RBI.
7	01-06-2022	70,000.00	ATM Cash-out penalty imposed by RBI.
8	03-06-2022	1,00,000.00	ATM Cash-out penalty imposed by RBI.
9	05-07-2022	50,000.00	ATM Cash-out penalty imposed by RBI.
10	21-07-2022	2,150.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
11	10-08-2022	150.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
12	03-08-2022	3,750.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
13	16-08-2022	1,200.00	Late fee due to delay in filing Form GSTR-6 return for the month of July2022.
14	04-08-2022	10,000.00	Penalty imposed by RBI for non-reporting of ATM cash-out. Later, based on bank's representation, the penalty amount was reversed to our account.
15	22-08-2022	40,000.00	ATM Cash-out penalty imposed by RBI.
16	02-09-2022	60,000.00	ATM Cash-out penalty imposed by RBI.
17	06-09-2022	30,000.00	ATM Cash-out penalty imposed by RBI.
18	07-10-2022	30,000.00	ATM Cash-out penalty imposed by RBI.
19	03-11-2022	10,000.00	ATM Cash-out penalty imposed by RBI.
20	18-11-2022	4,850.00	Penalty imposed for discrepancies in Soiled Note Remittance / shortage in remittance by currency chest.
21	08-12-2022	10,000.00	ATM Cash-out penalty imposed by RBI.
22	12-12-2022	15,000.00	Penalty imposed by RBI for irregularities observed during their visit.
23	16-01-2023	15,000.00	Penalty imposed by RBI for irregularities observed during their visit.
24	29-12-2022	5,000.00	Penalty imposed by RBI for irregularities observed during their visit.
25	16-02-2023	90,000.00	ATM Cash-out penalty imposed by RBI.
26	27-02-2023	100.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
27	08-02-2023	950.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
28	08-03-2023	10,000.00	Penalty imposed by RBI for Non Frisking by Currency chest.
29	17-03-2023	12,500.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.-
30	10-03-2023	10,000.00	ATM Cash-out penalty imposed by RBI.
31	17-03-2023	10,000.00	ATM Cash-out penalty imposed by RBI.
32	29-03-2023	1,30,000.00	ATM Cash-out penalty imposed by RBI.
33	30-03-2023	4,00,000.00	ATM Cash-out penalty imposed by RBI.
Total		15,90,650.00	

*This penalty was pertaining to the month of March 2022 (i.e. Q4 of FY 2021-22). This case was further analysed and reported in the month of April 2022. Hence the same has been reported in Q1 of FY 2022-23.

Penalties Imposed by RBI In FY 2021-22

Sl No	Imposed date	Amount	Nature of Breach
1	06.07.2021	1,00,00,000.00	We were in receipt of a show cause notice from RBI dated 22 nd January 2021 with respect to the account IL & FS Group companies with regards to non-adherence of RBI Circular IECD.No.29/08.12.01/98-99 dated May 25, 1999 on "Lending to Non-Banking Financial Companies (NBFCs)". Vide letter SIB/COMP/RBI/77/20-21 dated February 09,2021.
2	06.09.2021	35,000.00	We were in receipt of a Show Cause Notice on the following discrepancies observed during RBI Inspection in Currency Chest, 1. Non-Frisking of person entering/exiting the vault. 2. Non Maintenance of charge certificate 3. Delay in sorting of Soiled notes. 4. Grill Gate of strong room kept open during operation.
3	11.11.2021	200.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
4	28.12.2021	1,00,000.00	On 22.12.21, Short Sale amounting to ₹ 45 crores was kept open for value 23.12.21. On 23.12.2021, inadvertently, purchase of Market Reverse Repo was not communicated to Money Market Desk by SLR Desk & thus they did not strike reverse repo deal to cover the security short sold. Hence, reverse repo for ₹ 10 crores against the security short 6.67% GS 2035 was not taken. This lead to shortage of security balance by ₹ 10 crores in Subsidiary General Ledger (SGL). The securities that were short, had to be bought under reverse repo to negate security short sold commitment to CCIL
5	18.01.2022	5,300.00	Penalty imposed on account of deficiencies noticed during RBI visit of currency chest.
6	07.03.2022	15,950.00	Penalty imposed on account of deficiencies noticed during RBI visit of currency chest.
7	10.03.2022	9,550.00	Penalty imposed for discrepancies in Soiled / forged / defective note Remittance by currency chest.
8	14.03.2022	10,000.00	ATM Cash-out penalty imposed by RBI.
9	17.03.2022	10,000.00	ATM Cash-out penalty imposed by RBI.
Total		1,01,86,000.00	

During the year, short sale of securities amounting to ₹ 45 Crore were kept open for value date 22.12. 2021. Market Reverse Repo for ₹ 35 Crore was taken against 45 Cr short sale and Purchase of Market Reverse Repo for ₹ 10 Crore against the securities short 6.67% GS 2035 was not taken which lead to shortage of security balance by ₹10 Crore in Subsidiary General Ledger (SGL). The same has been reported to the appropriate authority. There is no other such incidence incurred during the period. Further we also confirm that all investments and Forex transactions are in compliance with RBI directives and Banks Investment Policy.

14. Fixed Assets

- a) Fixed Assets as per Schedule 10 include Intangible Assets relating to Software and System Development Expenditure which are as follows:-

Particulars	(₹ in Crore)	
	March 31,2023	March 31,2022
Gross Block		
At the beginning of the year	209.00	175.90
Additions during the year	3.25	33.10
Deductions during the year	0.25	-
Closing Balance	212.00	209.00
Depreciation / Amortisation		
At the beginning of the year	135.16	106.60
Charge for the year	29.68	28.56
Deductions during the year	-	-
Depreciation to date	164.84	135.16
Net Block	47.16	73.84

15. Other Provisions and Contingencies

- **Movement in provision for other contingencies:**

Particulars	(₹ in Crore)	
	March 31, 2023	March 31, 2022
Provision at the beginning of the year	20.32	17.38
Incremental expense during the year	21.85	3.11
Redemption during the year	19.14	0.17
Provision at the end of the year	23.03	20.32

- **Movement in provision for debit card reward points:**

Particulars	(₹ in Crore)	
	March 31, 2023	March 31, 2022
Provision at the beginning of the year	2.33	0.71
Provision made during the year	4.28	4.51
Reductions during the year	3.10	2.89
Provision at the end of the year	3.51	2.33

16. Operating Lease

Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account as per the lease terms. During the year an amount of ₹ 108.86 Crore (Previous year: ₹ 100.62 Crore) was charged to Profit and loss account.

17. Description of contingent liabilities*

Sl. No	Contingent liability	Brief Description
1	Claims not acknowledged as debts	This includes liability on account of, and other legal cases filed against the bank. The bank is a party to various legal proceedings in the ordinary course of business and these are contested by the Bank and are therefore subjudice. The Bank does not expect the outcome of these proceedings to have a material adverse impact on the Bank's financial position.
2	Liability on account of outstanding forward contracts	The Bank enters into foreign exchange contracts with interbank participants on its own account and for its customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contract rate.
3	Guarantees on behalf of constituents in India and outside India, Acceptances, endorsements and other obligations	As a part of banking activities, the Bank issues Letter of Guarantees and documentary credit on behalf of its customers, with a view to augment the customer's credit standing. Through these instruments, the Bank undertakes to make payments for its customers' obligations, either directly or in case the customer fails to fulfill their financial or performance obligations.
4	Other items for which the bank is contingently liable	Includes capital commitments and amount transferred to RBI under the Depositor Education and Awareness Fund (DEAF).

* Also refer schedule – 12

The Bank's pending litigations comprise of claims against the Bank by the clients and proceedings pending with Income Tax authorities/ Service Tax Authorities. The Bank has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities wherever applicable, in its financial statements. The Management believes that the possibility of outflow of resources embodying economic benefits in these cases is possible but not probable and hence no provision is required in these cases. However, the contingent liability has been disclosed with respect to these cases.

18. Corporate Social Responsibility

Operating expenses include ₹ 1.86 Crore (Previous Year ₹ 6.06 Crore) for the year ended March 31, 2023 towards Corporate Social Responsibility (CSR), in accordance with the Companies Act, 2013. The Bank has spent 2.02 % of its average net profit for the last three financial years as part of its CSR for the year ended March 31, 2023. The Bank is currently in the process of evaluating strategic avenues for CSR expenditure in order to deliver maximum impact.

Details of amount spent during the year towards CSR are as under:

For the year ended March 31, 2023

		(₹ in Crore)		
		Paid	Yet to be paid	Total
i)	Construction / Acquisition of any assets	0.60	-	0.60
ii)	For purposes other than (i) above	1.26	-	1.26

For the year ended March 31, 2022

		(₹ in Crore)		
		Paid	Yet to be paid	Total
i)	Construction/ Acquisition of any assets	3.65	-	3.65
ii)	For purposes other than (i) above	2.41	-	2.41

19. Provision for Long Term Contracts

The Bank has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the bank has reviewed and recorded adequate provision as required under any Law/Accounting Standards for material foreseeable losses on such long-term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements.

20. Disclosure as to Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

The Bank, as part of its normal banking business grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are conducted after proper due diligence and ensuring adherence to all regulatory requirements including “Know Your Customer” guidelines.

Other than the transactions described above which are carried out in the normal course of business, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or deposits or any other sources or kinds of funds) by the Bank to or in any other persons or entities, including foreign entities (“intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank (“Ultimate Beneficiaries”). The Bank has also not received any funds from any parties (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

21. Proposed Dividend

The Board of Directors has proposed a dividend of ₹ 0.30 per Equity share (30%) (Previous year Nil) for the year ended March 31, 2023, subject to the approval of the shareholders at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 ‘Contingencies and Events occurring after Balance Sheet date’ as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, proposed dividend including dividend distribution tax of ₹ 62.78 Crore is not recognized as liability as on March 31, 2023. However, effect of the proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratios as at March 31, 2023.

22. Additional Disclosure

Additional statutory information disclosed in the separate financial statements of the Bank and subsidiary have no material bearing on the true and fair view of the consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements.

23. Figures of the previous year have been regrouped to conform to the current year presentation wherever necessary.

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Chithra.H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
(DIN : 01028298)

Jimmy Mathew
Company Secretary

Vinod Francis
Joint General Manager

V. J. Kurian
Director
(DIN : 01806859)

M George Korah
Director
(DIN : 08207827)

In terms of our report attached

For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration No.
101961W/W-100036

For K Venkatachalam Aiyer & Co
Chartered Accountants
ICAI Firm Registration No. 0046105

Pradeep M Godbole
Director
(DIN : 08259944)

Paul Antony
Director
(DIN :02239492)

Hiren Shah
Partner
Membership No. 100052

A Gopalakrishnan
Partner
Membership No. 018159

R A Sankara Narayanan
Director
(DIN : 05230407)

Radha Unni
Director
(DIN :03242769)

Thrissur
May 11, 2023

Thrissur
May 11, 2023

Thrissur
May 11, 2023

Benny P Thomas
Director
(DIN : 09448424)

FORM AOC-I

(PURSUANT TO FIRST PROVISION TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

PART "A": SUBSIDIARIES

(₹ in ('000))

1.	SI No.	1
2.	Name of the subsidiary:	SIB Operations and Services Limited
3.	The date since when subsidiary was acquired	28/05/2021
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	NA
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
6.	Share Capital	5,000.00
7.	Reserves & surplus	464.34
8.	Total assets	27,999.71
9.	Total Liabilities	27,999.71
10.	Investments	Nil
11.	Turnover	93,615.94
12.	Profit before taxation	2,944.66
13.	Provision for taxation	741.08
14.	Profit after taxation	2,203.58
15.	Proposed Dividend	Nil
16.	Extent of shareholding (in %)	100%

Notes:

- Names of subsidiaries which are yet to commence operations - NIL
- Names of subsidiaries which have been liquidated or sold during the year. – NIL
- The reported figures of the subsidiaries are as per the audited financial statements prepared for the consolidation as per AS 21, Consolidated Financial Statements.

PART "B": ASSOCIATES AND JOINT VENTURES: NA

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Chithra.H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
(DIN : 01028298)

Jimmy Mathew
Company Secretary

Vinod Francis
Joint General Manager

V. J. Kurian
Director
(DIN : 01806859)

M George Korah
Director
(DIN : 08207827)

Pradeep M Godbole
Director
(DIN : 08259944)

Paul Antony
Director
(DIN :02239492)

R A Sankara Narayanan
Director
(DIN : 05230407)

Radha Unni
Director
(DIN :03242769)

Benny P Thomas
Director
(DIN : 09448424)

Thrissur
May 11, 2023

DISCLOSURE UNDER BASEL III NORMS AS ON 31ST MARCH 2023

1: SCOPE OF APPLICATION

The South Indian Bank Limited is a commercial bank, which was incorporated on January 25, 1929 in Thrissur, Kerala.

As per capital adequacy guidelines under Basel III, insurance and non-financial subsidiaries / joint ventures / associates etc. of banks are not to be consolidated. The Bank's Subsidiary, M/s SIB Operations and Services Limited, is a non-financial entity, and hence not consolidated for capital adequacy purpose.

Name of the entity / country of incorporation	Whether entity is included in the accounting scope of consolidation	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
M/s SIB Operations and Services Limited/India	Yes	AS-21	No	NA	NA	The Bank's Subsidiary, is a non-financial entity, and hence not consolidated for capital adequacy purpose

2: CAPITAL ADEQUACY

I. Qualitative Disclosure

RBI Guidelines on capital adequacy

The Bank is subject to the capital adequacy guidelines stipulated by RBI, which are based on the framework of the Basel Committee on Banking Supervision. As per Basel and RBI guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% {11.5% including Capital Conservation Buffer (CCB) of 2.5%}, with minimum Common Equity Tier I (CET1) of 5.5% (8% including CCB). These guidelines on Basel III have been implemented completely. Thus the minimum CRAR required to be maintained by the Bank as on 31st March 2023 is 11.50 %.

The bank's approach in assessment of capital adequacy

The bank is following Standardized approach, Standardized Duration approach and Basic Indicator approach for measurement of capital charge in respect of Credit risk, Market risk and Operational risk respectively. Besides, computation of CRAR under the Pillar I requirement, the Bank also periodically undertakes stress testing in various risk areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, profitability and capital adequacy. The bank conducts Internal Capital Adequacy Assessment Process (ICAAP) on quarterly basis to assess the sufficiency of its capital funds to cover the risks specified under Pillar- II of Basel guidelines. The adequacy of banks capital funds to meet the future business growth is also assessed in the ICAAP document.

Quantitative Disclosure

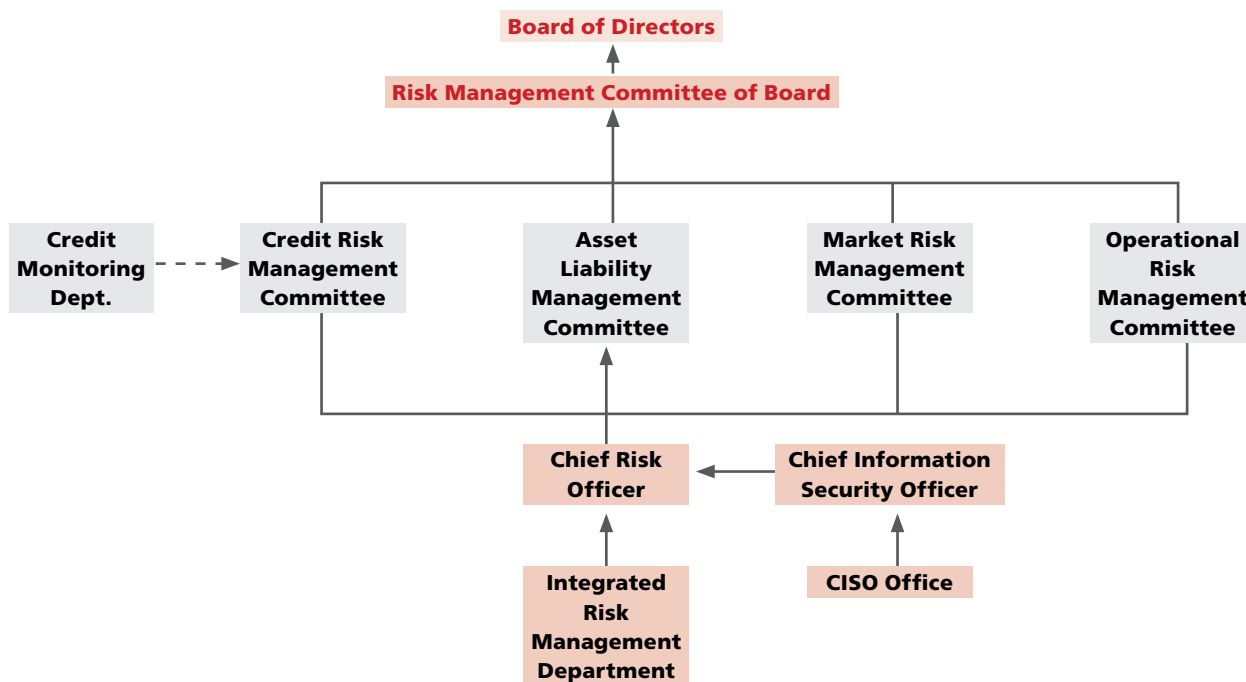
	Particulars	Amount in ₹ Million
(a)	Capital requirements for Credit Risk	43,952.13
	Portfolios subject to standardized approach	43,952.13
	Securitization exposures	0.00
(b)	Capital requirements for Market Risk (Standardised duration approach)	2,351.38
	Interest Rate Risk	1,598.81
	Foreign Exchange Risk (including gold)	97.03
	Equity Risk	655.54
(c)	Capital requirements for Operational Risk (Basic Indicator Approach)	6,855.04
	Total Capital Requirement at 11.5%{ (a)+ (b)+(c) }	53,156.60
	Total Capital Fund	79,770.03
	Common Equity Tier- I CRAR %	13.66%
	Total Tier- I CRAR %	14.74%
	Tier- II CRAR %	2.51%
	Total CRAR %	17.25%

Risk Management: Objectives and Organisation Structure

Risk is an integral part of banking business in an ever dynamic environment, which is undergoing radical changes both on the technology front and product offerings. The main risks faced by the bank are credit risk, market risk and operational risk. The bank aims to achieve an appropriate trade-off between risk and return to maximize shareholder value. The relevant information on the various categories of risks faced by the bank is given in the ensuing sections. This information is intended to give market participants a better idea on the risk profile and risk management practices of the bank.

The bank has a comprehensive risk management system set up to address various risks and has set up an Integrated Risk Management Department (IRMD),

which is independent of operational departments. Bank has a Risk Management Committee functioning at apex level for formulating, implementing and reviewing bank's risk management measures pertaining to credit, market and operational risk. Apart from the Risk Management Committee of the Board at apex level, the Bank has a strong Bank-wide risk management structure comprising of Asset Liability Management Committee, Credit Risk Management Committee, Market Risk Management Committee and Operational Risk Management Committee at senior management level, risk-cum-compliance officers in all Regional Offices/branches and dedicated mid office at Treasury Department and International Banking Division (IBD) at operational level. The structure and organization of Risk Management functions of the bank is as follows:



3. CREDIT RISK: GENERAL DISCLOSURES

I. Qualitative Disclosure

Definition of Non Performing Assets

The bank follows extant guidelines of the RBI on income recognition, asset classification and provisioning.

- a) An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank.
- b) A non performing asset (NPA) is a loan or an advance where;
 - i. Interest and /or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan,
 - ii. the account remains 'out of order', in respect of an Overdraft / Cash Credit (OD/ CC), (out of order - An account is treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit / drawing power, but there are no

credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period, these accounts are treated as "out of order".)

- iii. the bill remains overdue for a period of more than 90 days in the case of bills Purchased and discounted, (overdue - Any amount due to the bank under any credit facility is "overdue" if it is not paid on the due date fixed by the bank.)
- iv. The instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops, (overdue - Any amount due to the bank under any credit facility is "overdue" if it is not paid on the due date fixed by the bank.)
- v. The instalment of principal or interest thereon remains overdue for one crop season for long duration crops, (overdue - Any amount due to the bank under any credit facility is 'Overdue' if it is not paid on the due date fixed by the bank.)

- vi. Any amount to be received remains overdue for a period of more than 90 days in respect of other accounts.
- vii. The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of RBI guidelines on Securitization dated February 1, 2006.
- viii. In respect of derivative transactions, the overdue receivables representing positive Mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

A loan for an infrastructure project will be classified as NPA during any time before commencement of commercial operations as per record of recovery (90 days overdue), unless it is restructured and becomes eligible for classification as 'standard asset' in terms of conditions laid down in the related RBI guidelines. A loan for an infrastructure project will be classified as NPA if it fails to commence commercial operations within two years from the original Date of Commencement of Commercial Operations ('DCCO'), even if it is regular as per record of recovery, unless it is restructured and becomes eligible for classification as 'standard asset' in terms of conditions laid down in the related RBI guidelines.

A loan for a non-infrastructure project (other than commercial real estate exposures) will be classified as NPA during any time before commencement of commercial operations as per record of recovery (90 days overdue), unless it is restructured and becomes eligible for classification as 'standard asset' in terms of conditions laid down in the related RBI guidelines. A loan for a non-infrastructure project (other than commercial real estate exposures) will be classified as NPA if it fails to commence commercial operations within one year from the original DCCO, even if is regular as per record of recovery, unless it is restructured and becomes eligible for classification as 'standard asset' in terms of conditions laid down in the related RBI guidelines.

A loan for commercial real estate project will be classified as NPA during any time before commencement of commercial operations as per record of recovery (90 days overdue), or if the project fails to commence commercial operations within one year from the original DCCO or if the loan is restructured.

Special Mention Accounts

As prescribed by RBI, the Bank is required to identify incipient stress in the account by creating a Sub Asset category named as 'Special Mention Accounts' (SMA). It is considered as a corrective action plan to arrest slippages of standard assets to NPA. Accordingly, Bank is identifying three sub categories under SMA as below:

1. SMA-0- Principal or interest payment or any other amount wholly or partly overdue between 1-30 days.
2. SMA-1- Principal or interest overdue between 31-60 days.
3. SMA-2- Principal or interest overdue between 61-90 days.

Credit Risk Management Practices of our Bank

The bank has a comprehensive credit risk management policy which deals with identification, assessment, measurement and mitigation of credit risk. The policy has defined credit risk as the possibility of losses associated with the diminution in the credit quality of the borrower or the counter party or the failure on its part to meet its obligations in accordance with the agreed terms. The Credit Risk Management Committee, an executive level committee is entrusted with the task of overseeing various risk management measures envisaged in the policy. The Credit Risk Management Committee also deals with issues relating to credit risk management policy and procedures and analyse, manage and control credit risk on a bank wide basis. Credit risk management policy primarily addresses the credit risk inherent in advances. The principal aspects covered under this policy include credit risk rating, credit risk monitoring, credit risk mitigation and country risk management.

The major specific credit risk management measures followed by bank, as listed out in the credit risk management policy are given in following points.

- The credit/country risk associated with exposures, like inter-bank deposits and export bill discounting, to different countries are consolidated regularly and monitored by the Board.
- Bank uses a robust risk rating framework for evaluating credit risk of the borrowers. The bank uses segment-specific rating models that are aligned to target segment of the borrowers.
- Risks on various counter-parties such as corporates, banks, are monitored through counter-party exposure limits, also governed by country risk exposure limits in case of international transactions.
- The bank manages risk at the portfolio level too, with portfolio level prudential exposure limits to mitigate concentration risk.

II. Quantitative Disclosure

a) Gross Credit Risk Exposures as on 31st March 2023

Category	₹ in Million Exposure
Fund Based ¹	9,65,167.75
Non Fund Based ²	51,170.66
Total	10,16,338.41

Note :

Fund based credit exposure excludes Cash in hand, Balance with RBI, SLR investments, shares, deposits placed NABARD, SIDBI & NHB, Fixed and Other assets.

Non-fund based exposure includes Letter of Credit, Acceptances, Bank Guarantee exposures and Forward Contracts. The value of forward contracts is arrived based on Current Exposure Method (CEM).

b) Geographic Distribution of Credit Risk Exposure as on 31st March 2023

Particulars	₹ in Million
Domestic	10,16,338.41
Overseas	0.00
Total	10,16,338.41

c) Industry wise Distribution of gross advances and NPAs as on 31st March 2023

Industry Name	Total Funded Exposure (including Investment)	Total Non Funded Exposure	Total Credit Exposure
A. Mining and Quarrying	2,018.69	24.87	2,043.56
A.1 Coal	256.77	2.50	259.27
A.2 Others	1,761.93	22.37	1,784.30
B. Food Processing	4,899.75	67.95	4,967.71
B.1 Sugar	5.79	-	5.79
B.2 Edible Oils and Vanaspati	204.57	-	204.57
B.3 Tea	87.64	3.00	90.64

₹ in Million

Industry Name	Total Funded Exposure (including Investment)	Total Non Funded Exposure	Total Credit Exposure
B.4 Coffee	304.17	-	304.17
B.5 Others	4,297.59	64.95	4,362.54
C. Beverages (excluding Tea & Coffee) and Tobacco	2,022.12	31.60	2,053.72
C.1 Tobacco and tobacco products	454.04	-	454.04
C.2 Others	1,568.08	31.60	1,599.68
D. Textiles	22,306.71	1,859.64	36,996.70
D.1 Cotton	9,878.96	580.33	10,459.29
D.2 Jute	375.90	484.51	860.41
D.3 Man-made	159.26	3.89	163.15
D.4 Others	11,892.58	790.92	12,683.50
Out of D (i.e., Total Textiles) to Spinning Mills	11,737.75	1,092.60	12,830.35
E. Leather and Leather products	705.25	4.61	709.85
F. Wood and Wood Products	850.06	170.50	1,020.56
G. Paper and Paper Products	3,933.37	291.00	4,224.37
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	20,170.86	1,538.40	21,709.26
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	9,517.79	2,006.57	11,524.35
I.1 Fertilizers	77.90	1,400.00	1,477.90
I.2 Drugs and Pharmaceuticals	3,224.31	95.52	3,319.82
I.3 Petro-chemicals (excluding under Infrastructure)	-	-	-
I.4 Others	6,215.58	511.05	6,726.63
J. Rubber, Plastic and their Products	8,588.16	1,651.49	10,239.65
K. Glass & Glassware	103.71	-	103.71
L. Cement and Cement Products	5,639.02	1,200.00	6,839.02
M. Basic Metal and Metal Products	36,286.50	2,785.68	39,072.17
M.1 Iron and Steel	23,100.93	1,589.32	24,690.25
M.2 Other Metal and Metal Products	13,185.57	1,196.36	14,381.93
N. All Engineering	15,103.97	2,683.19	17,787.15
N.1 Electronics	64.80	-	64.80
N.2 Others	15,039.17	2,683.19	17,722.36
O. Vehicles, Vehicle Parts and Transport Equipments	2,744.18	1,230.08	3,974.26
P. Gems and Jewellery	3,118.70	30.52	3,149.22
Q. Construction	4,335.15	1,033.99	5,369.14
R. Infrastructure	33,604.15	3,042.19	86,618.81
R.a Transport (a.1 to a.8)	5,562.34	1,168.58	6,730.91
R.a.1 Roads and Bridges	4,145.88	1,168.58	5,314.45
R.a.2 Ports	-	-	-
R.a.3 Inland Waterways	-	-	-
R.a.4 Airport	1,416.46	-	1,416.46

₹ in Million

Industry Name	Total Funded Exposure (including Investment)	Total Non Funded Exposure	Total Credit Exposure
R.a.5 Railway Track, tunnels, viaducts, bridges	-	-	-
R.a.6 Urban Public Transport (except rolling stock in case of urban road transport)	-	-	-
R.a.7 Shipyards	-	-	-
R.a.8 Logistics Infrastructure	-	-	-
R.b. Energy (b.1 to b.6)	18,091.41	145.91	18,237.32
R.b.1 Electricity Generation	17,777.15	95.91	17,873.06
R.b.1.1 Central Govt PSUs	-	-	-
R.b.1.2 State Govt PSUs (incl. SEBs)	573.02	-	573.02
R.b.1.3 Private Sector	17,204.13	95.91	17,300.04
R.b.2 Electricity Transmission	314.26	50.00	364.26
R.b.2.1 Central Govt PSUs	-	-	-
R.b.2.2 State Govt PSUs (incl. SEBs)	91.60	-	91.60
R.b.2.3 Private Sector	222.67	50.00	272.67
R.b.3 Electricity Distribution	-	-	-
R.b.3.1 Central Govt PSUs	-	-	-
R.b.3.2 State Govt PSUs (incl. SEBs)	-	-	-
R.b.3.3 Private Sector	-	-	-
R.b.4 Oil Pipelines	-	-	-
R.b.5 Oil/Gas/Liquefied Natural Gas (LNG) storage facility	-	-	-
R.b.6 Gas Pipelines	-	-	-
R.c. Water and Sanitation (c.1 to c.7)	137.52	1,000.00	1,137.52
R.c.1 Solid Waste Management	-	-	-
R.c.2 Water supply pipelines	-	-	-
R.c.3 Water treatment plants	137.52	1,000.00	1,137.52
R.c.4 Sewage collection, treatment and disposal system	-	-	-
R.c.5 Irrigation (dams, channels, embankments etc)	-	-	-
R.c.6 Storm Water Drainage System	-	-	-
R.c.7 Slurry Pipelines	-	-	-
R.d. Communication (d.1 to d.3)	7,526.99	558.00	8,084.99
R.d.1 Telecommunication (Fixed network)	-	-	-
R.d.2 Telecommunication towers	-	-	-
R.d.3 Telecommunication and Telecom Services	7,526.99	558.00	8,084.99
R.e. Social and Commercial Infrastructure (e.1 to e.12)	-	-	-
R.e.1 Education Institutions (capital stock)	-	-	-
R.e.2 Hospitals (capital stock)	-	-	-

₹ in Million

Industry Name	Total Funded Exposure (including Investment)	Total Non Funded Exposure	Total Credit Exposure
R.e.3 Tourism - Three-star or higher category classified hotels located outside cities with population of more than 1 million	-	-	-
R.e.4 Common infrastructure for industrial parks, SEZ, tourism facilities and agriculture markets	-	-	-
R.e.5 Fertilizer (Capital investment)	-	-	-
R.e.6 Post harvest storage infrastructure for agriculture and horticultural produce including cold storage	-	-	-
R.e.7 Terminal markets	-	-	-
R.e.8 Soil-testing laboratories	-	-	-
R.e.9 Cold Chain	-	-	-
R.e.10 Sports Infrastructure	-	-	-
R.e.11 Tourism - Ropeways and Cable Cars	-	-	-
R.e.12 Affordable Housing	-	-	-
R.f. Others, if any, please specify	2,285.90	169.70	2,455.60
Social Infrastructure	2,285.90	169.70	2,455.60
S. Other Industries, pl. specify	4,820.92	104.87	4,925.78
Other industries	4,820.92	104.87	4,925.78
All Industries (A to S)	1,80,769.05	19,757.13	2,00,526.18
Residuary other exposure (to tally with gross exposure)	5,40,151.62	21,602.08	5,61,753.70
Total	7,20,920.67	41,359.21	7,62,279.88

d) Major Industry breakup of NPA

₹ in Million

Industry	Gross NPA	Specific Provision
Top 5 Industries	33,521.38	22,302.26

e) Residual Contractual Maturity breakdown of Assets as on 31st March 2023

₹ in Million

Time band	Cash and Balance with RBI	Balance with Banks	Investments	Loans & Advances	Fixed Asset	Other Assets
Next Day	5,169.96	2,754.26	55,353.59	11,414.47	-	84.87
2 - 7 Day	-	13,358.01	5,444.48	16,188.00	-	113.16
8 - 14 Day	-	23.50	396.23	24,607.39	-	198.04
15 - 30 Day	2,158.76	4,062.65	8,607.50	28,679.63	-	1,476.31
31 - 2 Months	1,099.65	4,150.35	5,855.20	54,797.81	-	707.28
2 - 3 Months	881.01	63.90	3,638.54	47,458.33	-	707.28
3 - 6 Months	1,381.95	-	8,778.79	99,153.24	-	1,814.43

₹ in Million

Time band	Cash and Balance with RBI	Balance with Banks	Investments	Loans & Advances	Fixed Asset	Other Assets
6 - 12 Months	1,868.77	-	9,786.09	59,688.01	-	6,571.59
1 - 3 Year	3,462.46	-	15,820.21	70,472.46	-	13,599.71
3 - 5 Year	2,932.64	-	12,698.48	38,093.46	-	7,768.18
Over 5 Year	27,437.00	-	1,20,038.94	2,47,491.64	8,779.16	19,894.44
Total	46,392.20	24,412.67	2,46,418.05	6,98,044.44	8,779.16	52,935.29

- f) The composition of Gross NPAs and NPIs, Net NPAs, NPA ratios and provision for GNPA and GNPIs as on 31st March 2023 and movement of gross NPAs and provisions during the year ended 31st March 2023 are given in following table:

₹ in Million

1	Amount of Gross NPAs	37,082.65
	• Substandard	7,122.73
	• Doubtful-1	10,302.30
	• Doubtful-2	12,587.41
	• Doubtful-3	5,588.73
	• Loss	1,481.48
2	Net NPA	12,936.09
3	NPA Ratios	
	• Gross NPA to Gross Advance (%)	5.14%
	• Net NPA to Net Advance (%)	1.86%
	Movement of NPA (Gross)	
	• Opening Gross NPA (balance as on 01.04.2022)	36,480.94
	• Additions to Gross NPA	15,132.25
	Reductions to Gross NPA	
	• Up gradations	2,973.71
	• Recoveries (excluding recoveries made from upgraded accounts)	9,984.50
	• Technical/prudential and other write offs	1,572.33
	• Reduction by sale of assets to ARCs	0.00
	• Closing Balance of Gross NPA	37,082.65

Movement of Specific & General Provision – Position as on 31st March 2023

₹ in Million

Movement of Provision	Specific Provision	General Provision
• Opening Balance as on 01.04.2022	18,205.65	
• Provision made in 2022-23	12,221.76	
• Write off/ Write back of excess provision	7,568.72	
• Closing Balance as on 31.03.2023	22,858.69	

NPIs and Movement of Provision for Depreciation on Investments – Position as on 31st March 2023

	₹ in Million
1 Amount of Non Performing Investments (Gross)	524.30
2 Amount of Provisions held Non Performing Investments	524.30
3 Movement of Provisions for Depreciation on Investments	
• Opening Balance (as on 01.04.2022)	8990.33
• Provision made in 2022-23	4455.99
• Write-offs / Write-back of excess provisions during the period	246.57
• Closing Balance (as on 31.03.2023)	13199.76

Geographical Distribution of NPA and Provision Position as on 31st March 2023

	₹ in Million		
Geography	Gross NPA	Specific Provision	General Provision
Domestic	37,082.65	22,858.69	
Overseas	0.00	0.00	
Total	37,082.65	22,858.69	

Details of write-offs and recoveries that have been booked directly to the income statement- for the year ending 31st March 2023

	₹ in Million
Write-offs that have been booked directly to the income statement	1047.50
Recoveries that have been booked directly to the income statement	2472.00

4: CREDIT RISK: DISCLOSURE FOR PORTFOLIOS UNDER STANDARDIZED APPROACH
I. Qualitative Disclosure
a. Names of credit rating agencies used

Bank has approved all the seven External Credit Rating Agencies accredited by RBI for the purpose of credit risk rating of domestic borrower accounts that forms the basis for determining risk weights under Standardized Approach. External Credit Rating Agencies approved are:

1. Credit Rating Information Services of India Limited (CRISIL)
2. Credit Analysis and Research Limited (CARE)
3. India Ratings and Research Private Limited
4. ICRA Limited (ICRA)
5. Acuite Ratings and Research Ltd
6. Infomeric Valuation and Rating Pvt Limited

The Bank computes risk weight on the basis of external rating assigned, both Long Term and Short Term, for the facilities availed by the borrower. The external ratings assigned are generally facility specific. The Bank follows below mentioned procedures as laid down in the Basel III guidelines for use of external ratings:

- The external rating assigned by an agency is considered if it fully takes into account the credit exposure of the bank.

- If an issuer has a long- term exposure with an external long term rating that warrants a risk weight of 150 percent, all unrated claims on the same counter-party, whether short term or long-term, should also receive a 150 percent risk weight, unless the bank uses recognized credit risk mitigation techniques for such claims.
- If an issuer has a short-term exposure with an external short term rating that warrants a risk weight of 150 per cent, all unrated claims on the same counter-party, whether long-term or short-term, should also receive a 150 per cent risk weight, unless the bank uses recognized credit risk mitigation techniques for such claims.
- The unrated short term claim of counterparty will attract a risk weight of at least one level higher than the risk weight applicable to the rated short term claim on that counter-party. If a short-term rated facility to counterparty attracts a 20 per cent or a 50 per cent risk weight, unrated short-term claims to the same counter-party cannot attract a risk weight lower than 30 per cent or 100 per cent respectively.
- Pursuant to RBI circular No. RBI/2022-23/125 DOR.STR.REC.71/21.06.201/2022-23 dated 10.10.2022, Bank's name should be included in lenders list disclosed by external rating agencies, else the exposure shall be treated as unrated and applicable risk weight of 100% or 150% should be assigned.

b. Process used to transfer public issue ratings onto comparable assets in the banking book

- (i) In circumstances where the borrower has a specific assessment for an issued debt - but the bank's claim is not an investment in this particular debt - the rating applicable to the specific debt (where the rating maps into a risk weight lower than that which applies to an unrated claim) may be applied to the bank's un-assessed claim only if this claim ranks pari passu or senior to the specific rated debt in all respects and the maturity of the un-assessed claim is not later than the maturity of the rated claim, except where the rated claim is a short term obligation. If not, the rating applicable to the specific debt cannot be used and

the un-assessed claim will receive the risk weight for unrated claims.

- (ii) If either the issuer or single issue has been assigned a rating which maps into a risk weight equal to or higher than that which applies to unrated claims, a claim on the same counterparty, which is unrated by any chosen credit rating agency, will be assigned the same risk weight as is applicable to the rated exposure, if this claim ranks pari-passu or junior to the rated exposure in all respects.

II. Quantitative Disclosures

Amount of exposure (after risk mitigation) outstanding as on 31st March 2023 under major three risk buckets

₹ in Million	
Description of risk bucket	
Below 100% Risk Weight	6,76,534.42
Risk Weight at 100%	1,52,427.32
More than 100% Risk Weight	46,765.36
Deducted if any	0.00

(Amount of exposures includes cash in hand, balance with RBI, investments, loans and advances, Fixed and other assets, off balance sheet items and forward contracts)

5: CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

I. Qualitative Disclosure

Policies and processes for collateral valuation and management

Bank has put in place a comprehensive policy on Credit Risk Mitigants and Collaterals for recognizing the eligible collaterals and guarantors for netting the exposures and reducing the credit risk of obligors. Basic procedures and descriptions of controls as well as types of standard/acceptable collaterals, guarantees necessary in granting credit, evaluation methods for different types of credit and collateral, applicable "haircuts" to collateral, frequency of revaluation and release of collateral are stipulated in the bank's credit policy, policy on collateral management and credit risk mitigant policy. The bank uses net

exposure for capital calculations after taking cognizance of eligible financial collaterals. All collaterals and guarantees are recorded and the details are linked to individual accounts.

Collateral valuation

As stipulated by the RBI guidelines, the Bank uses the comprehensive approach for collateral valuation. Under this approach, the Bank reduces its credit exposure to counterparty when calculating its capital requirements to the extent of risk mitigation provided by the eligible collateral as specified in the Basel III guidelines.

The Bank adjusts the value of any collateral received to adjust for possible future fluctuations in the value of the collateral in line with the requirements specified by RBI guidelines. These adjustments also referred to as 'haircuts', to produce volatility-adjusted amounts for collateral, are reduced from the exposure to compute the capital charge based on the applicable risk weights.

Types of collateral taken by the Bank

The Bank determines the appropriate collateral for each facility based on the type of product and risk profile of the counterparty. In case of corporate and small and medium enterprises financing, fixed assets are generally taken as security for long tenor loans and current assets for working capital finance. For project finance, security of the assets of the borrower and assignment of the underlying project contracts is generally taken. In addition, in some cases, additional security such as pledge of shares, cash collateral, charge on receivables with an escrow arrangement and guarantees is also taken.

For retail products, the security to be taken is defined in the product policy for the respective products. Housing loans and automobile loans are secured by the security of the property/ automobile being financed. The valuation of the properties is carried out by an empanelled valuer at the time of sanctioning the loan.

The Bank also offers products which are primarily based on collateral such as shares, specified securities, warehoused commodities and gold jewellery. These products are offered in line with the approved product policies,

which include types of collateral, valuation and margining.

The Bank extends unsecured facilities to clients for certain products such as derivatives, credit cards and personal loans. The decision on the type and quantum of collateral for each transaction is taken by the credit approving committees as per the credit approval authorisation approved by the Board of Directors. For facilities provided as per approved product policies, collateral is taken in line with the policy.

Credit Risk Mitigation techniques

The RBI guidelines on Basel III allow the following credit risk mitigants to be recognised for regulatory capital purposes:

A. Eligible Financial Collaterals

- Cash and fixed deposit receipts, issued by our bank.
- Gold: Gold would include both bullion and jewellery. However, the value of the collateralized jewellery should be arrived at after notionally converting these to 99.99% purity.
- Kisan Vikas Patra and National Savings Certificates provided no lock-in period is operational and if they can be encashed within the holding period.
- Life Insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator.
- Securities issued by Central and State Governments.
- Debt securities rated by a chosen Credit Rating Agency in respect of which banks should be sufficiently confident about the market liquidity where these are either:
 - a. Attracting 100 per cent or lesser risk weight i.e., rated at least BBB(-) when issued by public sector entities and other entities (including banks and Primary Dealers); or
 - b. Attracting 100 per cent or lesser risk weight i.e., rated at least CARE A3 / CRISIL A3 / India Ratings and Research Private Limited (India Ratings) A3 /

- ICRA A3 / Acuite A3/ Infomerics A3 for short-term debt instruments.
- Debt Securities not rated by a chosen Credit Rating Agency in respect of which banks should be sufficiently confident about the market liquidity where these are:
 - a. issued by a bank; and
 - b. listed on a recognised exchange; and
 - c. classified as senior debt; and
 - d. all rated issues of the same seniority by the issuing bank are rated at least BBB(-) or CARE A3/ CRISIL A3/ India Ratings and Research Private Limited (India Ratings) A3/ICRA A3/Acuite A3/Infomerics A3 by a chosen Credit Rating Agency; and
 - e. The bank holding the securities as collateral has no information to suggest that the issue justifies a rating below BBB(-) or CARE A3/ CRISIL A3/ India Ratings and Research Private Limited (India Ratings) A3/ICRA A3/ Acuite A3 (as applicable) and;
 - f. Banks should be sufficiently confident about the market liquidity of the security.
 - Units of Mutual Funds regulated by the securities regulator of the jurisdiction of the banks operation mutual funds where:
 - a. A price for the units is publicly quoted daily i.e., where the daily NAV is available in public domain; and
 - b. Mutual fund is limited to investing in the instruments listed in this paragraph.
 - B. **On-balance sheet netting**, which is confined to loans/advances and deposits, where banks have legally enforceable netting arrangements, involving specific lien with proof of documentation.
 - C. **Guarantees**, where these are direct, explicit, irrevocable and unconditional. Further, the eligible guarantors would comprise:
 - a. Sovereigns, sovereign entities (including Bank for International Settlements, the International Monetary Fund, European Central Bank and European Community as well as those Multilateral Development Banks, Export Credit Guarantee Corporation of India and Credit Guarantee Fund Trust for Small Industries, Credit Risk Guarantee Fund Trust for Low Income Housing), banks and primary dealers with a lower risk weight than the counterparty;
 - b. Other entities that are externally rated except when credit protection is provided to a securitisation exposure. This would include credit protection provided by parent, subsidiary and affiliate companies when they have a lower risk weight than the obligor.

II. Quantitative Disclosure

- a. Details of exposure covered by eligible financial collateral and information about (credit or market) concentration within the mitigation taken as on 31st March 2023 is given in table below:

₹ in Million				
S No	Nature of Exposure	Exposure	Amount of Risk Mitigants	Risk Weighted Assets
1	Exposure covered by Gold	1,37,980.07	2,02,316.76	0.04
2	Exposure covered by deposits	18,282.75	20,314.16	0.00
3	Loan against KVP /NSC/ LIC	89.28	99.20	0.00

6: SECURITISATION EXPOSURES: DISCLOSURE FOR STANDARDISED APPROACH

Not applicable since the bank does not undertake securitisation activity.

7: MARKET RISK IN TRADING BOOK

I. Qualitative disclosures

Market Risk Management Policy

Market risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices. The market risk for the Bank is managed in accordance with the Market Risk Management policy, Investment Policy and ALM Policy which are approved by the Board. The policies ensure that operations in securities, foreign exchange etc are conducted in accordance with sound and acceptable business practices and are as per the extant regulatory guidelines, laws governing transactions in financial securities and the financial environment. The policies contain the limit structure that governs transactions in financial instruments. The policies are reviewed periodically to incorporate changed business requirements, economic environment and changes in regulations.

Structure and organisation of the market risk management function

The Market Risk Management Committee (MRMC), which is an independent function, reports to the Risk Management Committee. MRMC exercises independent control over the process of market risk management and recommends changes in risk policies, controls, processes and methodologies for quantifying and assessing market risk. There is clear functional separation of:

- Trading i.e. front office; and
- Monitoring, control, settlements and accounting i.e. Treasury back office.

Strategies and processes

- The Bank has put in place a comprehensive Market risk management Framework to address the Market risks (bank wide) including that of the Trading Book.
- Within the above Framework, various policies of the Bank prescribes Limits like Value at Risk (VaR) for Central Government

securities & Currencies, maximum holding period, duration, minimum holding level for liquid assets, defeasance period, exposure limits, Forex open position limits (day light/overnight), stop-loss limits etc .

- Risk profiles are analyzed and the effectiveness of risk mitigants is regularly monitored.
- The Bank's Board/ Market Risk Management Committee (MRMC)/ Investment Management Committee (IMC) approves the volume composition holding/ defeasance period etc. of the trading book.

The scope and nature of risk reporting and / or measurement system risk reporting:

Adherence to limits are being monitored by dedicated mid office, reporting exceptions to chief risk officer (CRO), independent of Treasury operational units.

Risk Measurement

- Values at Risk (VaR) numbers are arrived for Trading book Central Government securities, T Bills and Currencies.
- The positions are marked to market at stipulated intervals. The Duration/Modified Duration is computed and its adherence to the prescribed duration limits is ensured.
- The bank is computing capital charge on "Held for Trading" and "Available for Sale" categories using Standardized Duration Approach as required under RBI guidelines for Basel III.
- Stress testing analyses are done by applying rate shocks for parallel shift in the yield curve under current economic and political scenario.

II. Quantitative disclosures

Capital requirements for different categories of Market Risks

₹ in Million		
S No	Particulars	Capital Requirement
1	Interest rate risk	1,598.81
2	Foreign Exchange Risk	97.03
3	Equity Position Risk	655.54

7. OPERATIONAL RISK

Operational risk management framework

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. Operational risk includes legal risk but excludes strategic and reputation risk. Operational risk is inherent in the Bank's business activities in both domestic as well as overseas operations and covers a wide spectrum of issues.

Objectives

The objective of the Bank's operational risk management is to manage and control operational risks in a cost effective manner within targeted levels of operational risk consistent with the Bank's risk appetite as specified in the Operational Risk Management Policy (the Policy) approved by the Board of Directors. The Policy aims to:

- Define Bank level operational risk appetite;
- Establish clear ownership and accountability for management and mitigation of operational risk;
- Help business and operations to improve internal controls, reduce likelihood of occurrence of operational risk incidents and minimise potential impact of losses;
- Minimise losses and customer dissatisfaction due to failure in processes;
- Develop comprehensive operational risk loss database for effective mitigation;
- Meet regulatory requirements as set out in the guidance note on management of operational risk issued by the RBI; and
- Compute capital charge for operational risk as per the guidelines issued by the RBI.

9: INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

I. Qualitative disclosures

IRRBB refers to the risk arising on account of adverse interest rate fluctuations on interest rate sensitive assets and interest rate sensitive

liabilities, which are held in banking book. In short term perspective -Traditional Gap Analysis (TGA) approach- it is the risk of an adverse impact on net interest income arising from timing differences in re-pricing of various items of assets liabilities. In long term perspective -Duration Gap Analysis (DGA) approach - it is the risk arising from adverse impact on the Bank's economic value of equity, due to duration gap between assets and liabilities.

Interest rate risk on banking book assumes the form of basis risk, yield curve risk, re-pricing risk or embedded options risk. For purposes of measuring the impact of these risks on net interest income under TGA approaches, the risk position is identified as the gap between rate sensitive assets and liabilities in different maturity buckets. For purposes of measuring the impact of these risks on economic value of net worth under DGA approach, the risk position is defined as the modified duration of equity which is derived from the modified duration gap, which in turn requires computation of the weighted average modified duration of assets and weighted average modified duration of liabilities.

The bank calculates the impact on the earnings by gap analysis with the assumed change in yield over one year. Bank has put in place prudential limits for probable reduction in Net Interest Income (NII) for buckets below one year due to adverse change in interest rates. Earnings at Risk (EaR) are being calculated using Traditional Gap Analysis as per ALM guidelines of RBI.

The bank calculates the impact on the Market value of equity by Duration Gap Analysis and the impact is calculated by applying a notional interest rate shock of 200 basis points as per ALM guidelines of RBI.

Risk evaluation and adherence to risk limits are reported to Market Risk Management Committee/ALCO through Chief Risk Officer.

II. Quantitative Disclosures

Particulars	₹ in Million
	As on 31 st March 2023
Change in NII	
Probable impact on Net Interest income for 100 Bps downward movement in interest rate	1,740.09
Change in MVE	
Probable impact on Market Value of equity (MVE) for a 200 Bps movement in interest rates.	3,589.48

10: GENERAL DISCLOSURE FOR EXPOSURES RELATED TO COUNTERPARTY CREDIT RISK

I. Qualitative disclosures

Bank has put in place Counterparty Credit Risk limits for banks as counterparty, based on internal rating considering a number of financial parameters like net worth, capital adequacy

ratio, rating etc of the counterparty bank and with the approval of the Board. Counterparty exposures for other entities are subject to comprehensive exposure ceilings fixed by the Board. Capital for Counterparty Credit Risk is assessed based on the Standardized Approach.

II. Quantitative Disclosures

The credit equivalent amounts of derivatives that are subjected to risk weighting are calculated as per the Current Exposure Method (CEM). The balance outstanding and the current exposure thereof are as follows:

Particulars	Notional value	₹ in Million
		Current exposure
Foreign exchange contracts	2,28,555.59	6,631.63
Interest rate derivative contracts	1,500.00	7.50
Total	2,30,055.59	6,639.13

TABLE DF 11. COMPOSITION OF CAPITAL AS ON 31ST MARCH 2023:

Basel III common disclosure template		₹ in Million	Ref No
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	19,761.70	
2	Retained earnings	38,227.73	
3	Accumulated other comprehensive income (and other reserves)	5,969.40	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	0.00	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	0.00	
6	Common Equity Tier 1 capital before regulatory adjustments	63,958.83	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	0.00	
8	Goodwill (net of related tax liability)	0.00	
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	701.73	
10	Deferred tax assets	0.00	
11	Cash-flow hedge reserve	0.00	
12	Shortfall of provisions to expected losses	0.00	
13	Securitization gain on sale	0.00	

Basel III common disclosure template		₹ in Million
		Ref No
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0.00
15	Defined-benefit pension fund net assets	0.00
16	Investments in own shares (if not already netted off paid- in capital on reported balance sheet)	0.00
17	Reciprocal cross-holdings in common equity	95.81
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	0.00
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	0.00
20	Mortgage servicing rights (amount above 10% threshold)	0.00
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0.00
22	Amount exceeding the 15% threshold	0.00
23	<i>of which: significant investments in the common stock of financial entities</i>	0.00
24	<i>of which: mortgage servicing rights</i>	0.00
25	<i>of which: deferred tax assets arising from temporary differences</i>	0.00
26	National specific regulatory adjustments (26a+26b+26c+26d)	5.00
26a	<i>of which: Investments in the equity capital of the unconsolidated insurance subsidiaries</i>	0.00
26b	<i>of which: Investments in the equity capital of unconsolidated non-financial subsidiaries</i>	5.00
26c	<i>of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank</i>	0.00
26d	<i>of which: Unamortized pension funds expenditures</i>	0.00
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	0.00
28	Total regulatory adjustments to Common equity Tier 1	802.54
29	Common Equity Tier 1 capital (CET1)	63,156.29
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	5,000.00
31	<i>of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)</i>	0.00
32	<i>of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)</i>	5,000.00
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	0.00

₹ in Million

Basel III common disclosure template		Ref No
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	0.00
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	0.00
36	Additional Tier 1 capital before regulatory adjustments	5,000.00
Additional Tier 1 capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	0.00
38	Reciprocal cross-holdings in Additional Tier 1 instruments	0.00
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	0.00
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0.00
41	National specific regulatory adjustments (41a+41b)	0.00
41a	<i>of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries</i>	0.00
41b	<i>of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank</i>	0.00
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	0.00
43	Total regulatory adjustments to Additional Tier 1 capital	0.00
44	Additional Tier 1 capital (AT 1)	5,000.00
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44)	68,156.62
Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	8,600.00
47	Directly issued capital instruments subject to phase out from Tier 2	0.00
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	0.00
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	0.00
50	Provisions	3,013.74
51	Tier 2 capital before regulatory adjustments	11,613.74
Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	0.00
53	Reciprocal cross-holdings in Tier 2 instruments	0.00
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	0.00

Basel III common disclosure template		₹ in Million
		Ref No
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0.00
56	National specific regulatory adjustments (56a+56b)	0.00
56a	<i>of which: Investments in the Tier 2 capital of unconsolidated subsidiaries</i>	0.00
56b	<i>of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank</i>	0.00
57	Total regulatory adjustments to Tier 2 capital	0.00
58	Tier 2 capital (T2)	11,613.74
59	Total capital (TC = T1 + T2) (45 + 58)	79,770.03
60	Total risk weighted assets (60a + 60b + 60c)	4,62,248.25
60a	<i>of which: total credit risk weighted assets</i>	3,82,192.42
60b	<i>of which: total market risk weighted assets</i>	20,446.79
60c	<i>of which: total operational risk weighted assets</i>	59,609.04
Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	13.66%
62	Tier 1 (as a percentage of risk weighted assets)	14.74%
63	Total capital (as a percentage of risk weighted assets)	17.25%
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirement plus G-SIB buffer requirement , expressed as a percentage of risk weighted assets)	0.00
65	<i>of which: capital conservation buffer requirement</i>	2.50%
66	<i>of which: bank specific countercyclical buffer requirement</i>	0.00
67	<i>of which: G-SIB buffer requirement</i>	0.00
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	8.16%
National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%
Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial entities	0.00
73	Significant investments in the common stock of financial entities	0.00
74	Mortgage servicing rights (net of related tax liability)	0.00
75	Deferred tax assets arising from temporary differences (net of related tax liability)	0.00
Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	2,792.29

₹ in Million

Basel III common disclosure template		Ref No
77	Cap on inclusion of provisions in Tier 2 under standardized approach	4,777.40
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	0.00
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	0.00
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	0.00
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0.00
82	Current cap on AT1 instruments subject to phase out arrangements	0.00
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	0.00
84	Current cap on T2 instruments subject to phase out arrangements	0.00
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	0.00

Notes to the Template

₹ in Million

Row No of the Template	Notional value	Current exposure
10	Deferred tax assets associated with accumulated losses	0.00
	Deferred tax assets (excluding those associated with accumulated losses) net off deferred tax liability	0.00
	Total as indicated in row 10	
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	0.00
	of which: Increase in Common Equity Tier 1 capital	0.00
	of which: Increase in Additional Tier 1 capital	0.00
	of which: Increase in Tier 2 capital	0.00
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	0.00
	(i) Increase in Common Equity Tier 1 capital	0.00
	(ii) Increase in risk weighted assets	0.00
50	Eligible Provisions included in Tier 2 capital	2,792.29
	Eligible Investment Fluctuation Reserve included in Tier 2 capital	221.45
	Total of row 50	3,013.74

TABLE DF-12 COMPOSITION OF CAPITAL- RECONCILIATION REQUIREMENTS

Step I

As on the reporting date there is no consolidation and hence the bank is not required to disclose the reported balance sheet under the regulatory scope of consolidation.

Step II

₹ in Million			
	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Ref No.
	As on reporting date	As on reporting date	
Capital & Liabilities			
Paid-up Capital	2,092.74		(a)
of which : Amount eligible for CET1	2,092.74		(a) (i)
of which : Amount eligible for AT1			
Reserves & Surplus	64,653.06		(b)
of which : Amount eligible for CET1			
Statutory Reserve	13,618.24		(b)(i)
Share Premium	17,668.96		(b)(ii)
General Reserve	15,523.63		(b) (iii)
Capital Reserve	6,015.07		(b)(iv)
Special reserve under Section 36(i) (viii) of Income Tax Act	4,793.90		(b)(v)
Balance in P/L a/c. at the end of the previous financial year	(378.68)		(b)(vi)
Current Financial Year carry forward Profit	2,623.55		(b)(vii)
Investment Fluctuation Reserve Account (part of Tier 2 Capital)	1,265.32		(b)(viii)
Revaluation Reserve (part of Tier I Capital, at a discount of 55 per cent is Rs1444.92.)	3,523.07		(b)(ix)
Minority Interest			
Total Capital	66,745.80		(a)+(b)
Deposits	9,16,513.53		(c)
of which: Deposits from banks	3,415.85		(c)(i)
of which: Customer deposits	9,13,097.68		(c)(ii)
of which: Other deposits (pl. specify) CD	-		
Borrowings	69,938.51		(d)
of which: From RBI	2,750.00		(d)(i)
of which: From banks	1,202.30		(d)(ii)
of which: From other institutions & agencies	64,193.05		(d)(iii)
of which: Others (pl. specify) Borrowings from outside India	1,793.16		(d)(iv)
of which: Capital instruments	-		(d)(v)
Other liabilities & provisions & ESOP	23,783.97		(e)
of which: Standard Asset provision included under Tier 2 Capital	3,938.72		(e)(i)

₹ in Million

	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Ref No.
	As on reporting date	As on reporting date	
of which : DTLs related to goodwill	-		(e)(ii)
of which : Details related to intangible assets	-		
Total	10,76,981.81		(a)+(b)+(c)+(d)+(e)
Assets			
Cash and balances with Reserve Bank of India	46,392.20		(f)
Balance with banks and money at call and short notice	24,412.68		(g)
Investments:	2,46,418.04		(h)
of which: Government securities	2,23,766.11		(h)(i)
of which: Other approved securities			(h)(ii)
of which: Shares	2,183.35		(h)(iii)
of which: Debentures & Bonds	12,979.50		(h)(iv)
of which: Subsidiaries / Joint Ventures /Associates	5.00		
of which: Others (Commercial Papers, Mutual Funds etc.)	7,484.08		(h)(v)
Loans and advances	6,98,044.44		(i)
of which: Loans and advances to banks	450.00		
of which: Loans and advances to customers	6,97,594.44		(i)(i)
Fixed assets	8,779.16		(j)
Other assets	52,935.29		(k)
of which: Goodwill and intangible assets	-		
Out of which :	-		
Goodwill	-		(k)(i)
Other Intangibles (excluding MSRs)	-		(k)(ii)
Deferred tax assets	214.12		(k)(iii)
Good will on consolidation	-		(l)
Debit balance in Profit & Loss account	-		(m)

TABLE DF 13: MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS
Series II

1	Issuer	The South Indian Bank Ltd.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE683A08028
3	Governing law(s) of the instrument	Indian Law
	<i>Regulatory treatment</i>	
4	Transitional Basel III rules	Sub-ordinated Tier 2 Bonds
5	Post-transitional Basel III rules	Eligible
6	Eligible at solo/group/ group & solo	Solo

7	Instrument type	Unsecured Redeemable Non-Convertible Subordinated Tier II Lower Bonds
8	Amount recognised in regulatory capital (₹ in million, as of most recent reporting date)	₹ 1200 Million
9	Par value of instrument	₹ 10,00,000
10	Accounting classification	Liability
11	Original date of issuance	30-09-2015
12	Perpetual or dated	Dated
13	Original maturity date	31-10-2025
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	10.25%
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	NA
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	Non-Cumulative
23	<i>Convertible or non-convertible</i>	Non-Convertible
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	<i>Write-down feature</i>	Yes
31	If write-down, write-down trigger(s)	PONV
32	If write-down, full or partial	Full
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All depositors and other creditors
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

Series III

1	Issuer	The South Indian Bank Ltd.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE683A08036
3	Governing law(s) of the instrument	Indian Law

<i>Regulatory treatment</i>		
4	Transitional Basel III rules	Sub-ordinated Tier 2 Bonds
5	Post-transitional Basel III rules	Eligible
6	Eligible at solo/group/ group & solo	Solo
7	Instrument type	Non-convertible, Redeemable, Fully Paid-Up, Unsecured, Basel III compliant Tier 2 Bonds in the nature of debentures for augmenting Tier 2 capital of the Issuer with face value of ₹ 1,00,000 each .
8	Amount recognised in regulatory capital (₹ in million, as of most recent reporting date)	₹ 4,900 Million
9	Par value of instrument	₹ 1,00,000
10	Accounting classification	Liability
11	Original date of issuance	28-11-2017
12	Perpetual or dated	Dated
13	Original maturity date	28-05-2028
14	Issuer call subject to prior supervisory approval	YES
15	Optional call date, contingent call dates and redemption amount	On the fifth anniversary from the Date of Allotment i.e. November 28, 2022
16	Subsequent call dates, if applicable	On every anniversary of coupon payment date after first call option due date
<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	9.50 % p.a
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	NA
21	Existence of step up or other incentive to redeem	NA
22	Non-cumulative or cumulative	Non-cumulative
23	<i>Convertible or non-convertible</i>	Non-convertible
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	<i>Write-down feature</i>	Yes
31	If write-down, write-down trigger(s)	PONV
32	If write-down, full or partial	Full
33	If write-down, permanent or temporary	Permanent

34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All depositors and other creditors
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

Series IV

1	Issuer	The South Indian Bank Ltd.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE683A08044
3	Governing law(s) of the instrument	Indian Law
<i>Regulatory treatment</i>		
4	Transitional Basel III rules	Sub-ordinated Tier 2 Bonds
5	Post-transitional Basel III rules	Eligible
6	Eligible at solo/group/ group & solo	Solo
7	Instrument type	Non-convertible, Redeemable, Fully Paid-Up, Unsecured, Basel III compliant Tier 2 Bonds with face value of ₹ 1,00,000 each
8	Amount recognised in regulatory capital (₹ in million, as of most recent reporting date)	₹ 2500 million
9	Par value of instrument	₹ 1,00,000
10	Accounting classification	Liability
11	Original date of issuance	26-03-2019
12	Perpetual or dated	Dated
13	Original maturity date	26-06-2029
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	Only after a minimum period of 5 years and 3 months post allotment of the Bonds with the approval of RBI. i.e June 26, 2024
16	Subsequent call dates, if applicable	On every anniversary of Coupon Payment Date after First Call Option Due Date
<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	11.75% p.a
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	NA
21	Existence of step up or other incentive to redeem	NA
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible

24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	Yes
31	If write-down, write-down trigger(s)	PONV
32	If write-down, full or partial	Full
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All depositors and general creditors of the Bank.
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

Series V Additional Tier I Bonds

1	Issuer	The South Indian Bank Ltd.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE683A08051
3	Governing law(s) of the instrument <i>Regulatory treatment</i>	Indian law
4	Transitional Basel III rules	Non-convertible, Fully Paid-Up, Unsecured, Perpetual, Basel III compliant Tier 1 Bond
5	Post-transitional Basel III rules	Eligible
6	Eligible at solo/group/ group & solo	Solo
7	Instrument type	Non-convertible, Fully Paid-Up, Unsecured, Perpetual, Basel III compliant Tier 1 Bonds in the nature of debentures for augmenting Tier 1 capital of the issuer with face value of ₹ 1,00,000 each.
8	Amount recognised in Regulatory capital (₹ in million, as of most recent reporting date)	₹ 5,000 million
9	Par value of instrument	₹ 1,00,000/- per bond
10	Accounting classification	Liability
11	Original date of issuance	24-01-2020
12	Perpetual or dated	Perpetual
13	Original maturity date	N.A

14	Issuer call subject to prior supervisory approval	Call option: On fifth anniversary from the deemed date of allotment or any anniversary date thereafter with prior approval of RBI, subject to tax call/regulatory call. In case of tax call or regulatory call, the date may be specified in the notice to trustees.
15	Optional call date, contingent call dates and redemption amount	On fifth anniversary from the deemed date of allotment or any anniversary date thereafter with prior approval of RBI, subject to tax call/regulatory call. In case of tax call or regulatory call, the date may be specified in the notice to trustees.
16	Subsequent call dates, if applicable <i>Coupons / dividends</i>	NA
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	13.75% p.a
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	NA
22	Non-cumulative or cumulative	Non-cumulative
23	<i>Convertible or non-convertible</i>	Non-convertible
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	
30	<i>Write-down feature</i>	
31	If write-down, write-down trigger(s)	Trigger event is earlier of the following events: a. Write off is necessary without which the firm would become non-viable as determined by RBI b. Decision to make public sector injection of capital without which firm would become non-viable. c. The pre-specified trigger for loss absorption through conversion /write-down of Additional Tier I instruments must be at least CET 1 capital level as specified in the RBI notification DOR.BP.BC.No.15/21.06.201/2020-21 dated September 29,2020.
32	If write-down, full or partial	Full
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	

35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to the claims of depositors general creditors and subordinated debts of the bank
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	

TABLE DF- 14: FULL TERMS AND CONDITIONS OF REGULATORY CAPITAL INSTRUMENTS

Series II

Nature Of Instrument	10.25% Unsecured Redeemable Non-Convertible Basel III Compliant Tier 2 Bonds in the nature of Debentures
Amount Subscribed	₹ 3,000 Million
Face Value	₹ 10,00,000/-
Date of allotment	30-09-2015
Date of Redemption	31-10-2025
Coupon Rate	10.25% p.a
Put and call option	Nil
Issuance, Trading & Listing	Listed in BSE

Series III

Nature Of Instrument	Non-convertible, Redeemable, Fully Paid-Up, Unsecured, Basel III compliant Tier 2 Bonds in the nature of debentures for augmenting Tier 2 capital of the Issuer with face value of ₹ 1,00,000 each .
Amount Subscribed	₹ 4,900 Million
Face Value	₹ 1,00,000
Date of allotment	28-11-2017
Date of Redemption	28-05-2028
Coupon Rate	9.50% p.a
Put and call option	Put option: NA Call option: Applicable
Issuance, Trading & Listing	Listed in BSE

Series IV

Nature Of Instrument	Non-convertible, Redeemable, Fully Paid-Up, Unsecured, Basel III compliant Tier 2 Bonds in the nature of debentures for augmenting Tier 2 capital of the Issuer with face value of ₹ 1,00,000 each .
Amount Subscribed	₹ 2,500 million
Face Value	₹ 1,00,000/-

Date of allotment	26-03-2019
Date of Redemption	26-06-2029
Coupon Rate	11.75% p.a
Put and call option	Put option: NA Call option : Applicable
Issuance, Trading & Listing	Listed in BSE

Series V

Nature Of Instrument	Non-convertible, Fully Paid-Up, Unsecured, Perpetual, Basel III compliant Tier 1 Bonds in the nature of debentures for augmenting Tier 1 capital of the Issuer with face value of ₹ 1,00,000 each ("Bonds")
Amount Subscribed	₹ 5,000 million
Face Value	₹ 1,00,000/- per bond
Date of allotment	24-01-2020
Date of Redemption	N.A
Coupon Rate	13.75% p.a
Put and call option	Put option: NA Call option : Applicable
Issuance, Trading & Listing	Listed in BSE

TABLE DF 15: DISCLOSURES ON REMUNERATION

a) Information relating to the composition and mandate of the Nomination & Remuneration Committee.

Composition:

The Nomination & Remuneration committee of the Board consists of three members and all three members are members of Risk Management committee of the Board to facilitate effective governance of compensation.

The roles and responsibilities of the Nomination & Remuneration Committee inter-alia includes the following:

Sl. No.	Name of Agenda item
1	Scrutinizing the declarations received from persons to be appointed as Directors as well as from the existing Directors seeking re-appointment and to decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors. and make references to the appropriate authority/persons to ensure compliance with the requirements indicated by Reserve Bank of India vide their directive dated May 23, 2011 on Fit & Proper Criteria of the Banks.
2	Recommend to the Board for its consideration and approval on the size and composition of the Board taking into account the available and needed diversity and balance in terms of experience, knowledge, skills, and judgment of the Directors
3	To devise a Succession Planning Policy for the Board and Senior Management.
4	To formulate a Nomination policy of the Board to guide the Board in relation to appointment/re-appointment/removal of Directors.
5	To identify persons who are qualified to become Directors/ KMPs and who may be appointed in senior management as defined in the Succession Policy in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
6	To formulate the criteria for evaluation of Independent Directors and the Board/Committees.
7	To devise a policy on Board diversity.

Sl. No.	Name of Agenda item
8	To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
9	To perform such other functions as may be necessary or appropriate for the performance of its duties.
10	To oversee the framing, review and implementation of Bank's overall compensation structure and related policies on remuneration packages payable to the WTDs/MD & CEO and other staff including performance linked incentives, perquisites, Stock option scheme etc. with a view to attracting, motivating and retaining employees and review compensation levels vis-a-vis other Banks and the industry in general.
11	The Committee shall work in close coordination with the Risk Management Committee of the Bank, in order to achieve effective alignment between remuneration and risks. The Committee will also ensure that the cost/income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.
12	With respect to the variable pay, both cash and non-cash Performance Linked Incentive Schemes, the Committee is empowered to: <ul style="list-style-type: none"> a) Draw up terms and conditions and approve the changes, if any, to the Performance Linked Incentive schemes; b) Moderate the scheme on an ongoing basis depending upon the circumstances and link the same with the recommendations of Audit Committee; c) Coordinate the progress of growth of business vis -a- vis the business parameters laid down by the Board and Audit Committee and effect such improvements in the scheme as are considered necessary; d) On completion of the year, finalize the criteria of allotment of marks to ensure objectivity/ equity. e) To identify Material Risk Takers (MRTs) as per the recommendations made by MD & CEO and to fix variable pay and other terms of payment including component (Cash and non-cash), deferment and divergence clause in line with compensation policy and other RBI guidelines and other policies and guidelines of the bank.
13	The Committee shall also function as the Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits) Regulations, 2014 and is empowered to formulate detailed terms and conditions of the Scheme, administer, supervise the same and to allot shares in compliance with the guidelines and other applicable laws.
14	To obtain necessary clearances and approvals from regulatory authorities, appoint Merchant Bankers and do such other things as may be necessary in respect of the Employees Stock Option Scheme.
15	To oversee the administration of Employee benefits, such as Provident Fund, Pension Fund, Gratuity, Compensation for absence on Privilege/Sick/Casual Leave etc., which are recognized in accordance with Accounting Standard-15 (revised) specified in the Companies (Accounting Standards) Rules, 2006.
16	The Committee may suggest amendments to any stock option plans or incentive plans, provided that all amendments to such plans shall be subject to consideration and approval of the Board.
17	Any other matters regarding remuneration to WTDs/MD & CEO and other staffs of the Bank as and when permitted by the Board.
18	To conduct the annual review of the Compensation Policy.
19	To fulfil such other powers and duties as may be delegated to it by the Board.
20	To review HR Strategy aligning with business strategy of the Bank.

Sl. No.	Name of Agenda item
21	To review the skill gaps and talent pool creation.
22	To do any other matters regarding remuneration to whole-time directors/ non-executive directors /part-time chairman, Chief Executive Officers / Material Risk Takers (MRTs) and employees (risk control and compliance staff and all other categories of staff) of the Bank including signing/ joining bonus occurring in the context of hiring new staff and be limited to first year, in the form of share-linked instruments only, as and when permitted by the Board. Such bonus will neither be considered part of fixed pay nor part of variable pay.

b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.

- The Bank has formed the compensation policy based on the Reserve Bank of India guidelines vide its Circular No. DBOD. No.BC.72/29.67.001/2011-12 dated January 13, 2012.
- The fixed remuneration and other allowances including retirement benefits of all subordinate, clerical and officers up to the rank of General Manager (Scale VII) is governed by the industry level wage settlement under Indian Banks Association (IBA) pattern. In respect of officers above the cadre of General Manager, the remuneration is fixed by Board / Committee.
- Further, the compensation structure for the Whole Time Directors (WTDs) / Managing Director & Chief Executive Officer (MD & CEO) of the bank are subject to approval of Reserve Bank of India in terms of Section 35 B of the Banking Regulation Act, 1949. The payment of compensation also requires approval of the shareholders of the Bank in the General Meeting pursuant to clause 95 of Articles of Association of the Bank read with Section 197 of the Companies Act, 2013 and Section 35B (1) of Banking Regulation Act 1949.
- The Reserve Bank of India vide circular DOR. Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019 issued a detailed revised Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff. Accordingly, the Compensation Policy has been modified by incorporating the revised provisions of the RBI circular.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It will include the nature and type of the key measures used to take account of these risks.

The Board of Directors through the NRC shall exercise oversight and effective governance over the framing and implementation of the Compensation Policy. Human Resource Management under the guidance of MD & CEO shall administer the Compensation and Benefit structure in line with the best suited practices and statutory requirements as applicable.

For Material Risk Takers:

The Bank will refer to the Basel Committee on Banking Supervision (BCBS) report entitled Range of Methodologies for Risk and Performance Alignment of Remuneration published in May 2011 for guidance wherever required. It intends to enhance the banks' and supervisors' understanding of risk-adjusted remuneration. This report, by providing some clarification on design of risk-adjusted remuneration schemes, will support and facilitate the greater adoption of sound practices in the banking sector. Some of the key stipulations of the report are as under:

1. In order for incentive-based remuneration to work, the variable part of remuneration will be truly and effectively variable and can even be reduced to zero in line with the symmetry principle defined by the FSB. A key element that supervisors expect is the ability for banks to demonstrate that the methodologies they developed to adjust variable remuneration to risk and performance are appropriate to their specific circumstances.
2. The methodologies for adjusting remuneration to risk and performance will also be consistent with the general risk management and corporate governance framework.

3. Performance measures and their relation to remuneration packages will be clearly defined at the beginning of the performance measurement period to ensure that the employees perceive the incentives mechanism. The usual annual determination of bonuses will be based on rules, processes and objectives known in advance, recognizing that some discretion will always be needed.
4. Bank will use a combination of financial and non-financial measures to assess employee performance and adapt the measurement to each employee's specific situation. Qualitative factors (like knowledge, skills or abilities), might play an important role when it comes to judging and rewarding some activities- particularly when these serve to reinforce the bank's risk management goals.
5. The nature and extent to which risk adjustments are needed depends first on the extent to which performance measures capture risks, but in all cases, some form of risk adjustment is needed as remuneration is often awarded before the final outcome of an activity is known. Risks taken need to be estimated (ex ante), risk outcomes observed (ex post) and both ex ante estimates and ex post outcomes will affect payoffs.
6. Risk adjustments need to take into account the nature of the risks involved and the time horizons over which they could emerge. The impact of remuneration adjustments will be linked to actions taken by employees and/or business units, and their impact on the level of risk taken on by the bank.
7. The nature of the award process, which links the variable remuneration of each individual employee with bonus pools and the total amount of variable remuneration at a bank's level, is also an area that will be carefully considered by banks and supervisors, as it directly influences how and when performance and risk adjustment are or can be used.
8. Considering the above parameters, the Board may approve suitable methodologies for fixing of risk adjusted remuneration, as appropriate, based on the recommendations of Risk Management committee and review/approval of

the Nomination and Remuneration Committee on the same.

The compensation structure for the Whole-Time Directors/ Chief Executive Officers / Material Risk Takers (MRTs) of the bank shall be as under:

Fixed Pay and Perquisites

Based on the recommendations of the Nomination and Remuneration Committee, and subject to the approval of Reserve Bank of India (for MD & CEO and Executive Directors), Board shall fix the fixed portion of compensation payable which is reasonable, taking into account all relevant factors including adherence to statutory requirements and industry practice.

Variable Pay

In order to have a proper balance between the cash and share-linked components in the variable pay, the variable pay are to be structured in the form of share-linked instrument (including Cash-linked Stock Appreciation Rights (CSARs)), or a mix of cash and share-linked instruments. Only in cases where the compensation by way of share-linked instruments is not permitted by law/regulations, the entire variable pay can be in cash to be exercised.

d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.

- a) The factors taken in to account for the annual review and revision in the variable pay and performance bonus are:
 - The performance of the Bank
 - The performance of the business unit
 - Individual performance of the employee
 - Other risk perceptions and economic considerations.

The criteria for identification of MRTs are subject to the following:

The persons who satisfy the qualitative criteria and any one of the quantitative criteria as detailed below:

(I) Standard Qualitative Criteria:

- Relate to the role and decision-making power of staff members (e.g., General manager, member of management body) having jointly

or individually, the authority to commit significantly to risk exposures, etc.

and

(II) Standard Quantitative Criteria:

- Their total remuneration exceeds a certain threshold (to be recommended by MD & CEO to NRC for approval); the determination of which may be done prudently by the bank,

or

- They are included among the 0.3% of staff with the highest remuneration in the bank,

or

- Their remuneration is equal to or greater than the lowest total remuneration of senior management and other risk-takers.

MD & CEO is considered as Material Risk Taker, whose compensation will be guided by the provisions applicable to WTD/CEO as per the policy. However, the Board, on recommendation of NRC, will specify additional Material Risk Takers (MRTs) whose actions have a material impact on the risk exposure of the bank from time to time.

e) A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.

➤ **Variable Pay**

In order to have a proper balance between the cash and share-linked components in the variable pay, the variable pay are to be structured in the form of share-linked instrument (including Cash-linked Stock Appreciation Rights (CSARs)), or a mix of cash and share-linked instruments. Only in cases where the compensation by way of share-linked instruments is not permitted by law/regulations, the entire variable pay can be in cash to be exercised.

The assessment of the variable pay will be based on 'Key Performance Indicators' (KPI) achievement of respective whole-time directors/ Chief Executive Officers / Material Risk Takers (MRTs).

a. Limit on Variable Pay:

A. For Whole-Time Directors and Chief Executive Officers

- i. In compliance to the RBI Guidelines and other applicable rules and regulations at least 50%, should be variable and paid on the basis of individual, business-unit and firm-wide measures that adequately measure performance. The total variable pay shall be limited to a maximum of 300% of the fixed pay (for the relative performance measurement period).
- ii. In case variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay; and in case variable pay is above 200%, a minimum of 67% of the variable pay should be via non-cash instruments.
- iii. In the event that an executive is barred by statute or regulation from grant of share-linked instruments, his/her variable pay will be capped at 150% of the fixed pay, but shall not be less than 50% of the fixed pay.
- iv. The deterioration in the financial performance of the bank should generally lead to a contraction in the total amount of variable compensation, which can even be reduced to zero.

B. For Material Risk Takers (MRTs)

- i. In compliance to the RBI Guidelines and other applicable rules & regulations 50% of total pay for all MRTs is should be variable pay and paid on the basis of individual, business-unit and firm-wide measures that adequately measure performance.
- ii. 50% of the variable pay should be via non-cash instruments.
- iii. The deterioration in the financial performance of the bank should generally lead to a contraction in the total amount of variable compensation, which can even be reduced to zero.

The Board will from time to time specify the Material Risk Takers (MRTs).

b. Deferral of Variable Pay

- (i) For senior executives, including WTDs, and other employees who are MRTs, a minimum of 60% of the total variable pay must invariably

be under deferral arrangements. Further, if cash component is part of variable pay, at least 50% of the cash bonus should also be deferred.

- (ii) However, in cases where the cash component of variable pay is under ₹ 25 lakh, deferral requirements is not applicable.

c. Period of Deferral Arrangement

The deferral period should for a period three years. This would be applicable to both the cash and non-cash components of the variable pay arrangements.

d. Vesting:

Deferred remuneration should be spread out over the course of the deferral period on a pro rata basis as follows:

- not more than 33.33 % of the total deferred variable pay should vest at the end of first year.
- Further, not more than 33.33 % of total deferred variable pay should vest at the end of second year.

Additionally, vesting should not take place more frequently than on a yearly basis to ensure a proper assessment of risks before the application of ex post adjustments.

In case of employee's death or permanent disability, whole of the deferred variable pay (Cash component) shall immediately vest in the employee's legal heirs, or the employee, as the case maybe.

e. Share-linked Instruments

Such instruments shall be included as a component of variable pay. Norms for grant of share-linked instruments should be framed by banks in conformity with relevant statutory provisions and should form part of the bank's compensation policy. The details of share-linked instruments granted should also be disclosed in terms of the disclosure requirements stipulated in these Guidelines. Share-linked instruments should be fair valued on the date of grant by the bank using Black-Scholes model.

Malus / Clawback

- (a) The deferred compensation should be subject to malus/clawback arrangements in

the event of subdued or negative financial performance of the bank and/or the relevant line of business in any year.

- (b) A set of situations as detailed below are hereby identified, which require the invocation of the malus and clawback clauses that may be applicable as detailed below:

- i) Applying of Malus / Clawback arrangement on entire variable pay on occurrence of the following Situations:

- identified fraud / misconduct by the executive (whole-time directors, Chief Executive Officers / Material Risk Takers (MRTs)) pertaining to the corresponding period for which the clause to be applied.

- ii) Applying of Malus / Clawback arrangement on unvested portion of deferred variable pay on occurrence of the following situation:

- Reporting of operating loss or more than 50% fall in operating profit in any year

- iii) Applying of Malus clause on unvested portion of deferred variable pay on occurrence of the following situation:

- Wherever the assessed divergence in bank's provisioning for Non-Performing Assets (NPAs) or asset classification exceeds the prescribed threshold for public disclosure as detailed below: (As referred in RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019, as amended from time to time),

- a. the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period, and

- b. the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period

Further, in such situations, no proposal for increase in variable pay (for the assessment

year) shall be entertained. In case the bank's post assessment Gross NPAs are less than 2.0%, these restrictions will apply only if criteria for public disclosure are triggered either on account of divergence in provisioning (clause (a) or both provisioning (clause (a) and asset classification (Clause (b)).

Any other act detrimental to the interest of the Bank including and not restricted to violation of Code of Conduct, violation of Framework for dealing with Conflict of Interest, violation of rules and regulations of the Bank, failure to discharge fiduciary and regulatory duties – and in respect of which the Bank would reserve the right to institute appropriate civil, criminal or other proceedings at the risks, costs and consequences of such individual's,

As part of the criteria for the application of malus and claw back, the following period during which malus and/or clawback can be applied will be 36 months from application of the clause. covering at least deferral and retention periods (a period of time after the vesting of instruments which have been awarded as variable pay during which they cannot be sold or accessed)

Members of staff engaged in financial and risk control, including internal audit, should be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the bank. Effective independence and appropriate authority of such staff are necessary to preserve the integrity of financial and risk management's influence on incentive compensation. Back office and risk control employees play a key role in ensuring the integrity of risk measures. If their own compensation is significantly affected by short-term measures, their independence may be compromised. If their compensation is too low, the quality of such employees may be insufficient for their tasks and their authority may be undermined. The mix of fixed and variable compensation for control function personnel should be weighted in favour of fixed compensation. Therefore, the requirement of minimum 50% of total compensation to be paid in the form of variable pay will not be applicable for this category of staff. However, a reasonable proportion of compensation has to

be in the form of variable pay, so that exercising the options of malus and/or clawback, when warranted, is not rendered infructuous.

For calculating the Variable Pay of Risk Control and Compliance Staff the 'Key Performance Indicators' (KPI) will be totally different and the modalities of the same will be recommended by the Nomination and Remuneration Committee to the Board for approval.

- f) Description of the different forms of variable remuneration (i.e. cash and types of share linked instruments) that the bank utilizes and the rationale for using these different forms.

For Material Risk Takers

both cash and non-cash Performance Linked Incentive Schemes to those employees who are eligible for incentives.,

in this regard the Committee is empowered to:

- i) Draw up terms and conditions and approve the changes, if any, to the Performance Linked Incentive schemes;
- ii) Moderate the scheme on an ongoing basis depending upon the circumstances and link the same with the recommendations of Audit Committee;
- iii) Coordinate the progress of growth of business vis -a- vis the business parameters laid down by the Board and Audit Committee and effect such improvements in the scheme as are considered necessary;
- iv) On completion of the year, finalize the criteria of allotment of marks to ensure objectivity/equity.
- v) To identify Material Risk Takers (MRTs) as per the recommendations made by MD & CEO and to fix variable pay and other terms of payment including component (Cash and non-cash), deferment and divergence clause in line with compensation policy and other RBI guidelines and other policies and guidelines of the bank.

For Others

The Board will from time to time specify the Risk Control and Compliance Staff.

- a) Based on the recommendations of the Committee, Board may fix the variable pay

not exceeding 50% of the fixed pay in a year. Within this ceiling, at higher levels of responsibility, the proportion of variable pay will be higher. The variable pay may be in cash, or stock linked instruments or a mix of both.

- b) 'Variable pay' means the compensation as fixed by the Board on recommendation of the Committee, which is based on the performance appraisal of an employee in that role, that is, how well they accomplish their goals. It may be paid as:
- Performance Linked Incentives' to those employees who are eligible for incentives.
 - Ex-gratia for other employees who are not eligible for Performance linked Incentives.
 - Bonus for those staff members who are eligible for bonus under the Payment of Bonus Act, 1965
 - Any other incentives, by whatever name called having the features similar to the above.
- c) The Board may adopt principles similar to that enunciated for WTDs/CEOs, as appropriate, for variable pay-timing, Malus/Clawback, guaranteed bonus and hedging.

Employee Stock Option Scheme/Employee Stock Option Plan as may be framed by the Board from time to time in conformity with relevant statutory provisions and SEBI guidelines as applicable.

			₹ in crores	
			2022-23	2021-22
Quantitative disclosures	(a)	• Number of meetings held by the Remuneration Committee during the financial year	10	12
		• Remuneration paid to its members	0.15	0.21
	(b)	• Number of employees having received a variable remuneration award during the financial year.	1	1
		• Number and total amount of sign-on awards made during the financial year.		
		o Number		
		o Total amount	NIL	NIL
	(c)	• Details of guaranteed bonus if any		
		• Details of severance pay, in addition to accrued benefits, if any.		
	(c)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	ESOS:0.88 Cash:0.38	NIL
		(ii) Total amount of deferred remuneration paid out in the financial year.	NIL	NIL
	(d)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.		
		• Fixed	1.66	1.65
		• Variable	1.50	0.13
		• Deferred	1.12	Nil
• Non Deferred		0.38	0.13	

			₹ in crores	
			2022-23	2021-22
(e)	(i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	ESOS:0.88 Cash:0.38	NIL
	(ii)	Total amount of reductions during the financial year due to ex- post explicit adjustments.	Nil	Nil
	(iii)	Total amount of reductions during the financial year due to ex- post implicit adjustments.	Nil	Nil
(f)	Number of MRTs identified.		1*	1*
(g)	• Number of cases where malus has been exercised.		NIL	NIL
	• Number of cases where clawback has been exercised.		NIL	NIL
	• Number of cases where both malus and clawback have been exercised.		NIL	NIL
General Quantitative Disclosure	(h)	The mean pay for the bank as a whole (excluding sub-staff) and	0.10	0.09
		The deviation of the pay of each of its WTDs ^{\$} from the mean pay.	1.93	1.70
		^{\$} Gross remuneration paid to MD & CEO is considered for this purpose, which excludes the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Bank as a whole		

*Mr. Murali Ramakrishnan, Managing Director & Chief Executive Officer is identified as MRT

Disclosure of facilities granted to directors and their relatives

Bank has not extended any fund or non-fund (guarantees, Letter of Credit, etc) facilities to directors, their relatives, companies or firms in which they are interested for the Financial year 2022-23

TABLE DF-16 – EQUITIES – DISCLOSURE FOR BANKING BOOK POSITIONS

In accordance with RBI circular on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks, Investments are classified at the time of purchase into Held for Trade (HFT), Available for Sale (AFS) and Held to Maturity (HTM) categories. HTM means the category of investment portfolio maintained by the banks with intention to hold securities upto maturity and these investments are classified under banking book for capital adequacy purpose. Investments in equity of subsidiaries and joint ventures (a Joint Venture would be one in which the bank, along with its subsidiaries, holds more than 25 percent of the equity) are also to be classified under HTM category.

As per RBI guidelines, investments classified under HTM category are to be carried at their acquisition cost and not marked to market. Any diminution (other than temporary) in the value of the investments in subsidiaries / joint ventures, which are included under HTM, shall be recognised and provided individually for each investment. Profit on sale of investments in this category shall be first taken to the Profit & Loss Account, and thereafter shall be appropriated to the 'Capital Reserve Account'. The amount so appropriated shall be net of taxes and the amount required to be transferred to Statutory Reserves. Loss on sale shall be recognized in the Profit & Loss Account

The book value of Bank's equity investment HTM portfolio is ₹ 5 million as on March 31, 2023. There has been no sale or liquidation of this investment during the period ended March 31, 2023.

TABLE DF-17 SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE

Leverage Ratio:

Leverage ratio is a non-risk based measure of exposure over capital. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements.

The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage.

Leverage Ratio = $\frac{\text{Capital Measure (Tier I Capital)}}{\text{Exposure Measure}}$

Item	(₹ in Million)
1 Total consolidated assets as per published financial statements	10,76,971.63
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	0.00
3 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	(802.55)
4 Adjustments for derivative financial instruments	6,639.13
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0.00
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	43,914.83
7 Other adjustments	0.00
8 Leverage ratio exposure	11,26,723.04

TABLE DF-18 LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

Item	(₹ in Million)
On-balance sheet exposures	
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	10,76,971.63
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	(802.55)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	10,76,971.63
Derivative exposures	
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	1,493.54
5 Add-on amounts for PFE associated with all derivatives transactions	5,145.68
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0.00
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0.00
8 (Exempted CCP leg of client-cleared trade exposures)	0.00
9 Adjusted effective notional amount of written credit derivatives	0.00
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0.00
11 Total derivative exposures (sum of lines 4 to 10)	6,639.13

	Item	(₹ in Million)
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	0.00
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0.00
14	CCR exposure for SFT assets	0.00
15	Agent transaction exposures	0.00
16	Total securities financing transaction exposures (sum of lines 12 to 15)	0.00
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	2,74,738.67
18	(Adjustments for conversion to credit equivalent amounts)	(2,30,823.85)
19	Off-balance sheet items (sum of lines 17 and 18)	43,914.82
Capital and total exposures		
20	Tier 1 capital	68,156.29
21	Total exposures (sum of lines 3, 11, 16 and 19)	11,26,723.04
Leverage ratio		
22	Basel III leverage ratio	6.05 %

Leverage Ratio	March 2023	December 2022	September 2022	June 2022
	6.05%	5.62%	5.52%	5.81%

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Form No. SH-13**Nomination Form**

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To

Name of the company:

Address of the company:

I/We the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S —

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:

(g) E-mail id:

(h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR--

(a) Date of birth:

(b) Date of attaining majority

(c) Name of guardian:

(d) Address of guardian:

Name:

Address:

Name of the Security

Holder (s)

Signature

Witness with
name and address

Form No. SH-14**Cancellation or Variation of Nomination**

[Pursuant to sub-section (3) of section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014]

Name of the company:

I/We hereby cancel the nomination(s) made by me/us in favor of.....(name and address of the nominee) in respect of the below mentioned securities.

or

I/We hereby nominate the following person in place of as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled / varied)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) (a) PARTICULARS OF THE NEW NOMINEE:

- i. Name:
- ii. Date of Birth:
- iii. Father's/Mother's/Spouse's name:
- iv. Nationality:
- v. Address:
- vi. E-mail id:

vii. Relationship with the Security holder:

(b) IN CASE NEW NOMINEE IS A MINOR--

- i. Date of Birth:
- ii. Date of attaining majority
- iii. Name of guardian:
- iv. Address of guardian:

Signature

Name of the Security

Holder (s)

Witness with name and address

Form ISR – 1

(see SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

REQUEST FOR REGISTERING PAN, KYC DETAILS OR CHANGES / UPDATION THEREOF

[For Securities (Shares / Debentures / Bonds, etc.) of listed companies held in physical form]

Date: ___ / ___ / ___

A. I / We request you to Register / Change / Update the following (Tick · relevant box)

<input type="checkbox"/> PAN	<input type="checkbox"/> Bank details	<input type="checkbox"/> Signature
<input type="checkbox"/> Mobile number	<input type="checkbox"/> E-mail ID	<input type="checkbox"/> Address

B. Security Details:

Name of the Issuer Company		Folio No.:
Name(s) of the Security holder(s) as per the Certificate(s)	1. 2. 3.	
Number & Face value of securities		
Distinctive number of securities (Optional)	From	To

C. I / We are submitting documents as per Table below (tick · as relevant, refer to the instructions):

	Document / Information / Details	Instruction / Remark
1	PAN of (all) the (joint) holder(s)	
	PAN (No.)	
	Whether it is Valid (linked to Aadhaar): <input type="checkbox"/> Yes <input type="checkbox"/> No	1 st holder _____ 2 nd holder _____ 3 rd holder _____ PAN shall be valid only if it is linked to Aadhaar by March 31, 2022* For Exemptions / Clarifications on PAN, please refer to Objection Memo in page 4
2	Demat Account Number	_____ Also provide Client Master List (CML) of your Demat Account, provided by the Depository Participant.

3	Proof of Address of the first holder	<p>Any one of the documents, only if there is change in the address;</p> <p><input type="checkbox"/> Client Master List (CML) of your Demat Account, provided by DP.</p> <p><input type="checkbox"/> Valid Passport/ Registered Lease or Sale Agreement of Residence / Driving License / Flat Maintenance bill.</p> <p><input type="checkbox"/> Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.</p> <p><input type="checkbox"/> Identity card / document with address, issued by any of the following: Central/State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions.</p> <p><input type="checkbox"/> For FII / sub account, Power of Attorney given by FII / sub-account to the Custodians (which are duly notarized and / or apostilled or consularised) that gives the registered address should be taken.</p> <p><input type="checkbox"/> The proof of address in the name of the spouse</p>
4	Bank details	<p>Account Number: _____</p> <p>Bank Name: _____</p> <p>Branch Name: _____</p> <p>IFS Code: _____</p> <p>Provide the following:</p> <p><input type="checkbox"/> <u>original cancelled cheque</u> with name of security holder printed on it <i>or</i> <u>Bank Passbook</u> <i>or</i> <u>Bank Statement attested by the Bank #</u></p>
5	E-mail address	_____ #
6	Mobile	_____ #

* or any date as may be specified by the CBDT (DP: Depository Participant)
In case it is not provided, the details available in the CML will be updated in the folio

Authorization: I / We authorise you (RTA) to update the above PAN and KYC details in my /our folio (s) _____, _____, (use Separate Annexure if extra space is required) in which I / We are the holder(s) (strike off what is not applicable).

Declaration: All the above facts stated are true and correct.

		Holder 1	Holder 2	Holder 3
Signature	✓			
Name	✓			
Full address	✓			
PINcode	✓			

Mode of submission of documents to the RTA

Please use any one of the following mode;

1. In Person Verification (**IPV**): by producing the originals to the authorized person of the RTA, who will retain copy(ies) of the document(s)
2. In hard copy: by furnishing self-attested photocopy(ies) of the relevant document, with date
3. Through e-mail address already registered with the RTA, with e-sign of scanned copies of documents
4. Service portal of the RTA with e-sign with scanned copies of documents, if the RTA is providing such facility

Note

<ul style="list-style-type: none"> • It is mandatory for holders of physical securities in listed company to furnish PAN, full KYC details (address proof, bank details, e-mail address, mobile number) and Nomination (for all the eligible folios). 	
<ul style="list-style-type: none"> • Upon receipt or up-dation of bank details, the RTA will automatically, pay electronically, all the moneys of / payments to the holder that were previous unclaimed / unsuccessful. 	
<ul style="list-style-type: none"> • RTA shall update the folio with PAN, KYC details and Nominee, within seven working days of its receipt. However, cancellation of nomination, shall take effect from the date on which this intimation is received by the company / RTA. 	
<ul style="list-style-type: none"> • RTA shall not insist on Affidavits or Attestation / Notarization or indemnity for registering / up-dating / changing PAN, KYC details and Nomination. 	
<ul style="list-style-type: none"> • Specimen Signature 	<ul style="list-style-type: none"> • Provide banker's attestation of the signature of the holder(s) as per Form ISR – 2 in SEBI circular SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2021/655 dated November 03, 2021 and • <u>original cancelled cheque</u> with name of security holder printed on it <i>or</i> <u>Bank Passbook</u> <i>or</i> <u>Bank Statement attested by the Bank</u>
<ul style="list-style-type: none"> • Nomination** 	<ul style="list-style-type: none"> • Providing Nomination: Please submit the duly filled up Nomination Form (SH-13) or 'Declaration to Opt out of Nomination' as per Form ISR-3, in SEBI circular SEBI/HO/MIRSD/MIRSD RTAMB/P/ CIR/2021/655 dated November 03, 2021 • Change in Existing Nomination: Please use Form SH-14 in SEBI circular SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2021/655 • Cancellation of Existing Nomination: use Form SH-14 & Form ISR – 3

** Nomination (**Form SH-13 or SH-14**) / 'Declaration to Opt-Out of nomination' (**Form ISR – 3**), has to be furnished by the holder(s) separately for each listed company.

(Page 3 & 4 is for information to investors; print out of the same is not required)

Objection Memo that can be raised by the RTA

(only if the relevant document / details is / are not available in the folio or if there is a mismatch / discrepancy in the same or change thereof)

Note

RTAs shall raise all objections, if any / at all, in one instance only; the RTA shall not raise further objections on the same issue again and again, after the holder / claimant furnishes all the prescribed documents and details, unless there is any deficiency / discrepancy in the same.

No.	Item	Documents / Details to be provided to the RTA by the holder(s) / claimant(s)
1	PAN – Exceptions and Clarification	'Exemptions/clarifications to PAN', as provided in clause D to 'Instructions/Check List for Filing KYC Forms' in Annexure – 1 to SEBI circular No. MIRSD/SE/Cir-21/2011 dated October 05, 2011 on Uniform Know Your Client (KYC) Requirements for the Securities Market, shall also be applicable for holder(s) / claimant(s) of securities held in physical mode.
2	Minor mismatch in Signature – minor	The RTA shall intimate the holder at the existing address, seeking objection, if any, within 15 days
3	Major mismatch in Signature or its non-availability with the RTA	<ul style="list-style-type: none"> • Banker's attestation of the signature of the holder(s) as per Form ISR – 2 • <u>Original cancelled cheque</u> with name of security holder printed on it or <u>Bank Passbook</u> or <u>Bank Statement attested by the Bank</u>
4	Mismatch in Name	Furnish any one of the following documents, explaining the difference in names; <ul style="list-style-type: none"> • Unique Identification Number (UID) (Aadhaar) • Valid Passport • Driving license • PAN card with photograph • Identity card / document with applicant's Photo, issued by any of the following: Central / State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions • Marriage certificate • Divorce decree
5	Present address of the holder is not matching with the address available in the folio	RTA shall issue intimation to both the old and new addresses. <ul style="list-style-type: none"> • In case where the letter is undelivered at the old address, RTA shall not insist for any proof of the old address provided the current address proof is in the form of an address proof issued by a Government Authority. The above procedure will be applicable for request for change in address of the holder also

(Page 3 & 4 is for information to investors; print out of the same is not required)

Form ISR – 2

(see circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

Confirmation of Signature of securities holder by the Banker

1. Bank Name and Branch	
2. Bank contact details Postal Address Phone number E-mail address	
3. Bank Account number	
4. Account opening date	
5. Account holder(s) name(s)	1) 2) 3)
6. Latest photograph of the account holder(s)	
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 10px; text-align: center;">1st Holder</div> <div style="border: 1px solid black; padding: 10px; text-align: center;">2nd Holder</div> <div style="border: 1px solid black; padding: 10px; text-align: center;">3rd Holder</div> </div>	
7. Account holder(s) details as per Bank Records	
a) Address	
b) Phone number	
c) Email address	
d) Signature(s)	
1) <input style="width: 150px; height: 30px;" type="text"/>	2) <input style="width: 150px; height: 30px;" type="text"/>
	3) <input style="width: 150px; height: 30px;" type="text"/>
Seal of the Bank	Signature verified as recorded with the Bank
	(Signature)
Place:	Name of the Bank Manager
	Employee Code
Date:	E-mail address

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Form ISR - 3

Declaration Form for Opting-out of Nomination by holders of physical securities in Listed Companies

(see SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

[Under Section 72 r/w Section 24 (1) (a) of Companies Act, 2013 r/w Section 11(1) and 11B of SEBI Act, 1992 and Clause C in Schedule VII and Regulation 101 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]]

Name of the Company :
Registered Address of the Company:

I / we the holder(s) of the securities particulars of which are given hereunder, **do not wish to nominate** any person(s) in whom shall vest, all the rights in respect of such securities in the event of my /our death.

PARTICULARS OF THE SECURITIES (in respect of which nomination is being opted out)

Nature of Securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

I/ we understand the issues involved in non-appointment of nominee(s) and further are aware that in case of my / our death, my / our legal heir(s) / representative(s) are required to furnish the requisite documents / details, including, Will or documents issued by the Court like Decree or Succession Certificate or Letter of Administration / Probate of Will or any other document as may be prescribed by the competent authority, for claiming my / our aforesaid securities.

Name(s) and Address of Security holders(s)
Sole / First Holder Name

Signature(s)

Second Holder Name

Third Holder Name

Name and Address of Witness	Signature

Form ISR-4

(see circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 on Issuance of Securities in dematerialized form in case of Investor Service Requests)

Request for issue of Duplicate Certificate and other Service Requests

(for Securities - Shares / Debentures / Bonds, etc., held in physical form)

Date: ___/___/____

A. Mandatory Documents / details required for processing all service request:

I / We are submitting the following documents / details and undertake to request the Depository Participant to dematerialize my / our securities within 120 days from the date of issuance of Letter of Confirmation, received from the RTA/Issuer Company (tick ✓ as relevant, refer to the instructions):

- Demat Account No. (If available):
- Provide Client Master List (CML) of your Demat Account from the Depository Participant*
- Provide the following details, if they are not already available with the RTA (see [SEBI circular dated November 03, 2021](#) in this regard)

PAN	Specimen Signature
Nomination / Declaration to Opt-out	

* (Your address, e-mail address, mobile number and bank details shall be updated in your folio from the information available in your CML). You can authorize the RTA to update the above details for all your folios. In this regard, please refer to and use [Form ISR-1](#) in [SEBI circular dated November 03, 2021](#).

B. I / We request you for the following (tick ✓ relevant box)

Issue of Duplicate certificate	Claim from Unclaimed Suspense Account
Replacement/ Renewal / Exchange of securities certificate	Endorsement
Sub-division / Splitting of securities certificate	Consolidation of Folios
Consolidation of Securities certificate	Transmission
Transposition(<i>Mention the new order of holders here</i>)	

C. I / We are enclosing certificate(s) as detailed below:**

Name of the Issuer Company	
Folio Number	
Name(s) of the security holder(s) as per the certificate(s)	1. 2. 3.
Certificate numbers	
Distinctive numbers	
Number & Face value of securities	

**Wherever applicable / whichever details are available

D. Document / details required for specific service request:

- I. Duplicate securities certificate
- II. Claim from Unclaimed Suspense Account

Securities claimed	(in numbers) :
	(in words) :

- III. Replacement / Renewal / Exchange of securities certificate
(that is defaced, mutilated, torn, decrepit, worn out or where the page on the reverse is fully utilized)
- IV. Endorsement
- V. Sub-division / Splitting of securities certificate
- VI. Consolidation of securities certificate/Folios
- VII. Transmission
- VIII. Transposition

Provide / attach original securities certificate(s) for request for item numbers III to VIII above.

Declaration: All the above facts stated are true and correct to best of my / our knowledge and belief.

	Security Holder 1 / Claimant	Security Holder 2	Security Holder 3
Signature	✓	✓	✓
Name	✓	✓	✓
Full address	✓		
PIN	✓		

After processing the service request, the RTA shall issue a 'Letter of Confirmation' to the securities holder/claimant, which is valid only for 120 days. Using this 'Letter of Confirmation', the securities holder/claimant shall request the DP to dematerialize the securities, failing which the securities shall be credited to the Suspense Escrow Demat Account of the Company.

Request for Transmission of Securities by Nominee or Legal Heir
(For Transmission of securities on death of the Sole holder)

**Annexure C –
ISR 5**

To:

The Listed Issuer/RTA,
(Address)

(Name of the Listed Issuer/RTA)

Name of the Claimant(s) Mr./Ms
Name of the Guardian <i>in case the claimant is a minor</i> → Date of Birth of the minor* Mr./Ms
Relationship with Minor: <input type="checkbox"/> Father <input type="checkbox"/> Mother <input type="checkbox"/> Court Appointed Guardian*
[Multiple PAN may be entered] PAN (Claimant(s)/Guardian): <input type="text"/> KYC Acknowledgment attached <input type="checkbox"/> KYC form attached <input type="checkbox"/>
Tax Status: <input type="checkbox"/> Resident Individual <input type="checkbox"/> Resident Minor (through Guardian) <input type="checkbox"/> NRI <input type="checkbox"/> PIO <input type="checkbox"/> Others (please specify)

**Please attach relevant proof*

I/We, the claimant(s) named hereinabove, hereby inform you about the demise of the below mentioned Securities Holder(s) and request you to transmit the securities held by the deceased holder(s) in my/our favour in my/our capacity as –
 Nominee Legal Heir Successor to the Estate of the deceased Administrator of the Estate of the deceased

Name of the deceased holder(s)	Date of demise**
1)	DD / MM / YYYY
2)	DD / MM / YYYY
3)	DD / MM / YYYY

***Please attach certified copy of Death Certificate.*

Securities(s) & Folio(s) in respect of which Transmission of securities is being requested

Name of the Company	Folio No.	No. of Securities	% of Claim@
1)			
2)			
3)			
4)			

@As per Nomination OR as per the Will/Probate/Succession Certificate/Letter of Administration/ Legal Heirship Certificate (or its equivalent certificate)/ Court Decree, if applicable.

Contact details of the Claimant (s) [Provision for multiple entries may be made]

Mobile No. +91 <input type="text"/>	Tel. No. STD - <input type="text"/>
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Email Address

Address (Please note that address will be updated as per address on KYC form / KYC Registration Agency records)

Address Line 1	
Address Line 2	
City:	State
PIN	

Bank Account Details of the Claimant

Bank Name	
Account No.	11-digit IFSC
A/c. Type (✓) <input type="checkbox"/> SB <input type="checkbox"/> Current <input type="checkbox"/> NRO <input type="checkbox"/> NRE <input type="checkbox"/> FCNR	9-digit MICR No.
Name of bank branch	
City	
PIN	

Please attach & tick ✓ Cancelled cheque with claimant's name printed **OR** Claimant's Bank Statement/Passbook (duly attested by the Bank Manager)

I also request you to pay the UNCLAIMED amounts, if any, in respect of the deceased securities holder(s) by direct credit to the bank account mentioned above.

Additional KYC information (Please tick ✓ whichever is applicable)

Occupation <input type="checkbox"/> Private Sector Service <input type="checkbox"/> Public Sector Service <input type="checkbox"/> Government Service <input type="checkbox"/> Business <input type="checkbox"/> Professional <input type="checkbox"/> Agriculturist <input type="checkbox"/> Retired <input type="checkbox"/> Home Maker <input type="checkbox"/> Student <input type="checkbox"/> Forex Dealer <input type="checkbox"/> Others (Please specify)
The Claimant is <input type="checkbox"/> a Politically Exposed Person <input type="checkbox"/> Related to a Politically Exposed Person <input type="checkbox"/> Neither (Not applicable)
Gross Annual Income (₹) <input type="checkbox"/> Below 1 Lac <input type="checkbox"/> 1-5 Lacs <input type="checkbox"/> 5-10 Lacs <input type="checkbox"/> 10-25 Lacs <input type="checkbox"/> 25 Lacs-1crore <input type="checkbox"/> >1 crore

FATCA and CRS information

Country of Birth _____	Place of Birth _____	
Nationality _____		
Are you a tax resident of any country other than India? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If Yes, please mention all the countries in which you are resident for tax purposes and the associated Taxpayer Identification Number and its identification type in the column below		
Country	Tax-Payer Identification Number	Identification Type

Nomination@ (Please ✓ one of the options below)

<input type="checkbox"/> I/We DO NOT wish to make a nomination. <i>(Please tick ✓ if you do not wish to nominate anyone)</i>
<input type="checkbox"/> I/We wish to make a nomination and hereby nominate the person/s more particularly described in the attached Nomination Form to receive the securities held in my/our folio in the event of my / our death.

@ Guardian of a minor is not allowed to make a nomination on behalf of the minor

Declaration and Signature of the Claimant(s)

I/We have attached herewith all the relevant / required documents as indicated in the attached *Ready Reckoner as per Annexure A*.

I/We confirm that the information provided above is true and correct to the best of my knowledge and belief.

I/We _____ undertake _____ to _____ keep _____ (Name of the Company) / its RTA informed about any changes/modification to the above information in future and also undertake to provide any other additional information as may be required by the RTAs.

I/We _____ hereby _____ authorize _____ (Name of the Company) and its RTA to provide/ share any of the information provided by me/us including my holdings in the (Name of the Company) to any governmental or statutory or judicial authorities/agencies as required by law without any obligation of informing me/us of the same.

Place	Signature of Claimant(s)
Date	

Documents Attached

- Copy of Death Certificate of the deceased holder
- Copy of Birth Certificate (in case the Claimant is a minor)
- Copy of PAN Card of Claimant / Guardian
- KYC Acknowledgment OR
- KYC form of Claimant
- Cancelled cheque with claimant's name printed OR Claimant's Bank Statement/Passbook
- Nomination Form duly completed
- Annexure D - Individual Affidavits given EACH Legal Heir
- Original security certificate(s)
- Annexure E - Bond of Indemnity furnished by Legal Heirs
- Annexure F - NOC from other Legal Heirs

***Note:** For transmission service requests, Form ISR-4 as per SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 will not be required.



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