

DOING WHAT MATTERS



93rd Annual Report 2020-21

DOING WHAT MATTERS

Over the last 10 years South Indian Bank has grown multifold in advances, deposits, CASA, NRI deposits and operating profits. The Bank also advanced in digital banking and increased its customer base across many banking verticals.

In FY21, for Doing What Matters the management of the Bank has drawn six key strategies in the areas of Capital, CASA Deposits, Cost to Income, Competency Building, Customer Focus and Compliance.

Stepping into FY22, by doing what matters, the Bank is progressing on its strategic intent to Increase Profitability Through Quality Credit.

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.

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ABOUT SOUTH INDIAN BANK

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. Over the last 10-years South Indian Bank has gone from strength-to-strength, growing by four to five times on parameters like Total Business, Advances, Deposits, NRI Deposits, and Operating Profits. The Bank has done well in Retail Banking, Mobile Banking and Digital.

FY21 Highlights

Customers

67,62,350+

Digital Transactions

89.8%

Total Business

₹ **1,42,129** Crore

Deposits

₹ **82,711** Crore

Advances

₹ **59,418** Crore

Total Income

₹ **8,491** Crore

Banking Outlets

935

Employees

8,314

Representative Office

Dubai

CORPORATE INFORMATION*

Board of Directors

Mr. Salim Gangadharan
Chairman

Mr. Murali Ramakrishnan
Managing Director & CEO

Mr. Francis Alapatt
Independent Director

Ms. Ranjana S Salgaocar
Independent Director

Mr. Parayil George John Tharakan
Independent Director

Mr. V J Kurian
Independent Director

Mr. M George Korah
Independent Director

Mr. Pradeep M Godbole
Non-Executive Director

Mr. Paul Antony
Non-Executive Director

Mr. R A Sankara Narayanan
Independent Director

Chief Financial Officer

Ms. Chithra H, FCA

Company Secretary

Mr. Jimmy Mathew, A.C.S, A.C.M.A

Senior Management

Mr. Thomas Joseph K
Executive Vice President

Mr. Raphael T.J
Chief General Manager & CIO

Mr. Anto George T
Senior General Manager-Ins & Vig

Mr. Reddy NJ
Senior General Manager-Recovery

Mr. Shelly Joseph
Senior General Manager-
Country Head - Business Development

Mr. Sanchary Kumar Sinha
Senior General Manager-
Country Head - Retail Banking

Mr. Doraivel Sambandam
Senior General Manager & Chief Credit Officer

Mr. Sony A
General Manager-Digital Banking

Ms. Minu Moonjely
General Manager-Credit

Ms. Biji S S
General Manager & Head-Corporate Business

Mr. Nandakumar G
General Manager & Head - MSME

Ms. Chithra H
General Manager & CFO

Mr. Thallam Sreekumar
General Manager-Personal Loan Group

Mr. Leelanand Kodaganti
General Manager & Head - Treasury

Mr. Krishnan R A
General Manager-Operations

Statutory Auditors

M/s Varma & Varma
Chartered Accountants
Sreeraghavam
Kerala Varma Tower Building No.53/2600
B, C, D & E
Off. Kunjanbava Road
Vytilla P.O, Kochi - 682019

Secretarial Auditors

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

Registrar and Share Transfer Agents

M/s. BTS Consultancy Services Pvt. Ltd
M S Complex , 1st floor, No: 8
Sastry Nagar, Near 200 Feet Road/RTO
Kolathur, Kolathur
Chennai, Tamil Nadu – 600099
Tel: 044-25565121
Fax: 044-25565131
Email: helpdesk@btsindia.co.in

Regd Office

The South Indian Bank Ltd.
SIB House, T.B Road, Mission Quarters,
Thrissur 680 001,
Kerala, India
Tel: +91-487 2420020
Fax: +91 487 2442021
www.southindianbank.com
Email: head@sib.co.in

ISIN: INE683A01023

CIN: L65191KL1929PLC001017

Stock Exchanges: BSE, NSE

Joint General Managers

Mr. Sivaraman K.	Mr. Joby M.C.	Ms. Lakshmi Prabha T M
Mr. Vinod Francis Tharail	Mr. Shibu. K. Thomas	Mr. Jose Sebastian E.
Mr. Saravanan M	Mr. Neelakantan Pillai	Mr. Biju E Punnachalil
Mr. Sreekumar Chengath	Mr. Jimmy Mathew	Mr. Vinod Francis
Mr. Mohan T M	Mr. Vijith S.	Mr. Jojo Antony
		Mr. Vinod G

Deputy General Managers

Mr. Shashidhar Y	Mr. Vinayak Jayawant Sawant	Mr. Davis Jose Thettayil
Mr. Joly Sebastian	Mr. Ananthasubramanian N.	Mr. Varghese P.G.
Mr. Sibi P M	Mr. Jeevandas N.B.	Mr. Alok Bajpai
Mr. Peter A.D.	Mr. Bala Naga Anjaneyulu G.	Mr. Baiju Karan
Mr. Madhu M	Mr. Francis P.J.	Mr. Easwaran S.
Mr. John C.A.	Mr. Krishna Kumar P.	Mr. Rajesh I R
Mr. Pradeep V.N	Mr. Ritesh Tulsidas Bhusari	Mr. Binoy R.K.
Mr. John C Lazar	Ms. Rekha V R	Mr. Vivek Krishnan

CHAIRMAN'S COMMUNIQUE



As we have completed 92 years of trust of the stakeholders, we are inspired to continue to build and maintain this trust, which is the driving force behind sustenance, growth, and ambition.

Salim Gangadharan
Chairman

Dear Shareholders,

I would like to wish all of you good health and happiness.

I have great pleasure in sketching before you the highlights of our Bank's performance during the financial year 2020-21. The year witnessed the full impacts of the Covid-19 pandemic across quarters. Many parts of the world were affected by a Second wave of the pandemic, even as vaccination drives and access being ramped up, bringing a lot of optimism and hope towards the close of 2020. India was well on its road to fast recovery around this time, with social and economic sentiments rising. However, by March 2021, India was hit hard by the devastating second wave. The second wave in India witnessed a higher rate of infections and deaths, as the healthcare infrastructure, society, and Governments struggled to support and help those impacted by the deadly virus.

As of mid-June, the infection rates have moderated, and the various measures undertaken by the Governments helped to contain the spread of virus and there is substantial reduction in the number of daily infections

and deaths. There is caution regarding a potential third wave of the virus, a better state of preparedness and continuing awareness on Covid appropriate behaviour. Our hearts go out to the victims' families, and we as a society and a nation need to do our best in helping them to rebuild their lives from here on.

Along with the global economy, India too experienced a significant contraction in GDP during 2020-21, due to the pandemic. Supply chain disruptions and increase in key food prices led to an elevated headline inflation, which was moderated in December 2020, with easing of food prices. Credit and monetary conditions were expansionary and financial markets eased amid the backdrop of ample liquidity. Things improved until India was hit hard by the second wave of the pandemic in March 2021.

India's economy grew by 1.6 percent in the fourth quarter of 2020-21, cushioning the full-year contraction to 7.3 percent. The contraction in GDP in FY21, as per the provisional estimates of the National Statistical Office (NSO), remains a matter of concern. Various

stimulus measures across the world have been helping countries perch their economies back on the growth track, and yet globally, the recovery remains uneven and uncertain.

Numerous measures were undertaken by the RBI to instill confidence in the financial markets and the economy. The total fiscal package announced by the Government during both waves of the pandemic was close to ₹17 lakh crores, primarily focused on the Atmanirbhar Abhiyan (1.0, 2.0 and 3.0), aimed at making India financially independent; and the Pradhan Mantri Garib Kalyan package aimed at protecting the lives of the marginalised, and tax relief measures.

Banks play a vital role in an economy, across business cycles. The pandemic was swift and far reaching in its impact, however, policy responses by Governments and central banks across the globe were instrumental in cushioning the pandemic. Fiscal spending, capital and debt infusion, easing of liquidity, and administration of stimulus packages were brought about substantial changes rapidly and efficiently. Banks were at the front foot of adapting to social change by refocusing and reallocating their capital, providing transparency, enhancing their risk management framework, and improving their reporting standards.

The banking industry accelerated their digital transformation, as a response to the pandemic. With contactless payments, online ecommerce and digitisation of sales and services accelerating, the Government of India, through RBI and its policies and guidelines, as well as the entire public and private banking system, went through numerous changes to adapt and serve the changing needs of the people during these testing times.

Some of the key adaptations are:

- Quick adoption of contactless technologies and digital front end experiences for customers.
- Virtualisation of workforces by enabling remote working for many employees.
- Showing corporate responsibility by prioritizing safety of employees and customers, while serving their needs with agility.
- Transmitting and executing on Government initiatives and stimulus programs brought about to mitigate the financial distress brought about by the pandemic.



Bank's focus in the digital advancement during the coming years *inter-alia* includes the strengthening of data analytics infrastructure, cloud adoption, improving loan management systems, enriching self-service features, digital on boarding of customer assets and liabilities, and Artificial Intelligence led customer experiences.

At South Indian Bank, we did move along with the banking industry during this previous year. Bank's focus in the digital advancement during the coming years *inter-alia* includes the strengthening of data analytics infrastructure, cloud adoption, improving loan management systems, enriching self-service features, digital on boarding of customer assets and liabilities, and Artificial Intelligence led customer experiences. The culture of "digital" is penetrating the DNA of each of our employees and customer points.

South Indian Bank had a good year in terms of performance. Our deposits, retail deposits and CASA grew, while our advances declined. This was a conscious decision by the Bank, as we want to grow by strengthening the quality of our loan book. Net Interest Income and non-Interest Income grew;

CASA Increase YOY

₹ **3,830** Crore

Banking Outlets

935

26 states, 4 UTs

30 (States+UTs)

however, our operating profits went down by 1.69% due to an increase in our operating expenses and loan loss provisions. While our short-term financials have been impacted due to asset quality concerns, we are confident that our long-term prospects will only improve, and the structural measures that we are now taking will lead to consistent quality growth and sustainable profits for the Bank in the years to come.

The Bank has reported the highest ever CASA ratio (Current Account Savings Account Ratio), with an absolute addition of INR 3,830 crores in FY 2021. Our multiple campaigns, focused drive especially for non-residents, and robust review processes helped in achieving this commendable milestone for the Bank. The Bank has been successful in widening its network across India with 935 banking outlets (884 Branches, 45 Extension Counters, 3 Satellite Branches and 3 Ultra Small Branches) and 1,315 ATMs/CRMs. The Bank had opened 8 new outlets (6 full time & 2 part time), closed and merged 8 banking outlets with nearby branches. Also, opened 31 ATMs/CRMs across the country during the financial year 2020-21 and closed 140 non-viable ATMs. The branch network now covers 26 States and 4 Union Territories.

Our brand loyalty and market value have been strengthened further by our legacy customer base, young workforce, expanding branch network and rapidly growing digital platforms. Our employees are young and professionals, enthused and trained to adapt to the changing landscape of the banking industry as it continues its digital transformation. As we have completed 92 years of trust of the stakeholders, we are inspired to continue to build and maintain this trust, which is the driving force behind sustenance, growth, and ambition.

I would like to express my gratitude to our shareholders, vendors, customers, for their continued support and trust and employees for their tireless efforts and hard work towards achieving our goals. I hope that better times are ahead for all of civilization, as we navigate our way out of this pandemic.



The Bank has reported the highest ever CASA ratio (Current Account Savings Account Ratio), with an absolute addition of INR 3,830 crores in FY 2021. Our multiple campaigns, focused drive especially for non-residents, and robust review processes helped in achieving this commendable milestone for the Bank.

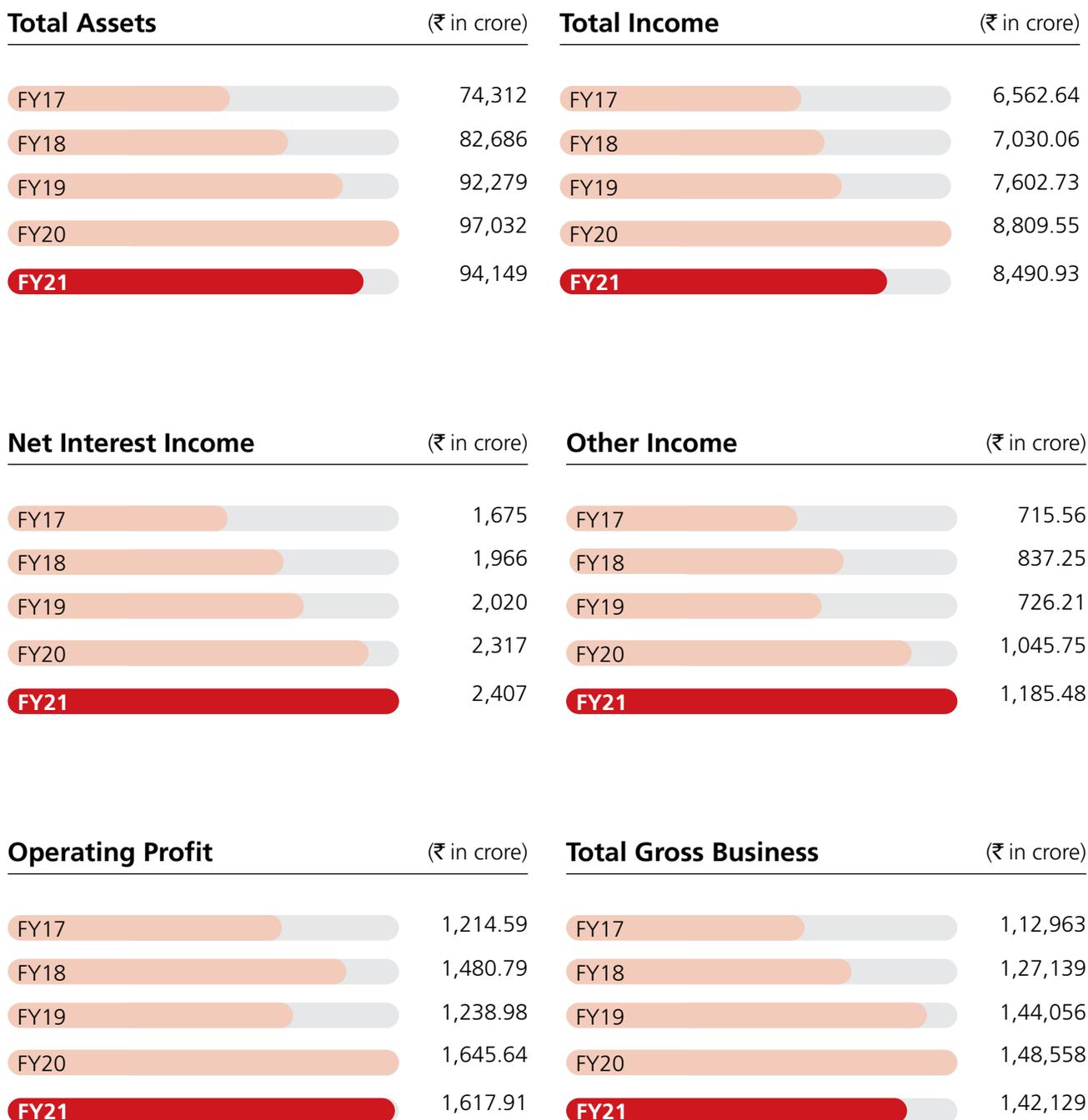
I am grateful for the RBI's guidance and support to the banks during the tough economic times, and to our Board for their leadership and contributions during these extraordinary times. We continually strive towards our vision of becoming the most preferred Bank in the areas of customer service, stakeholder value and corporate governance.

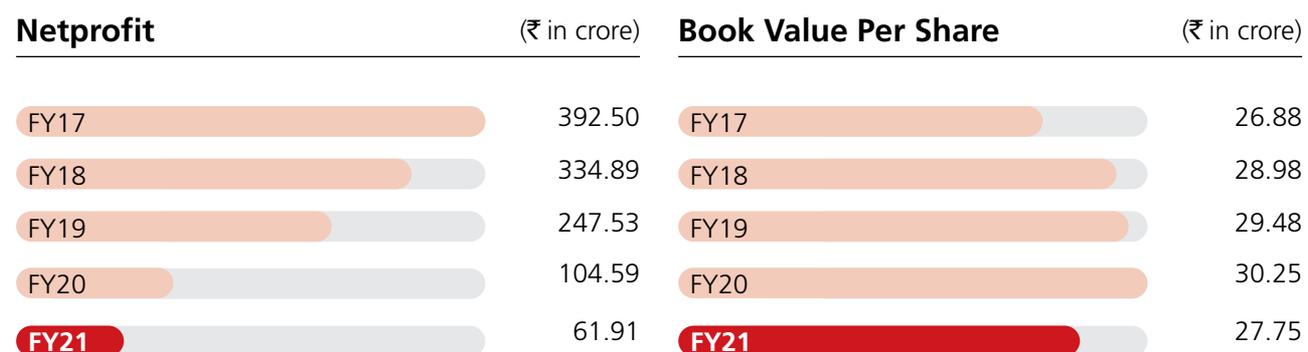
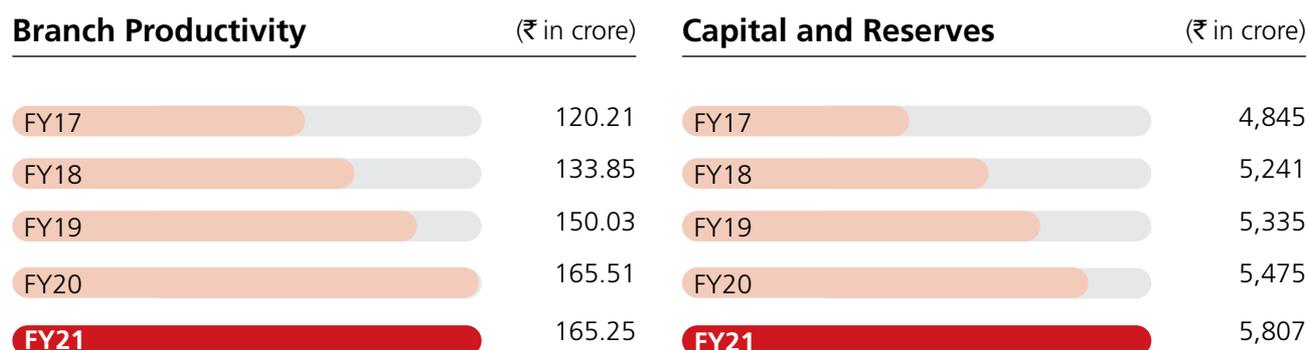
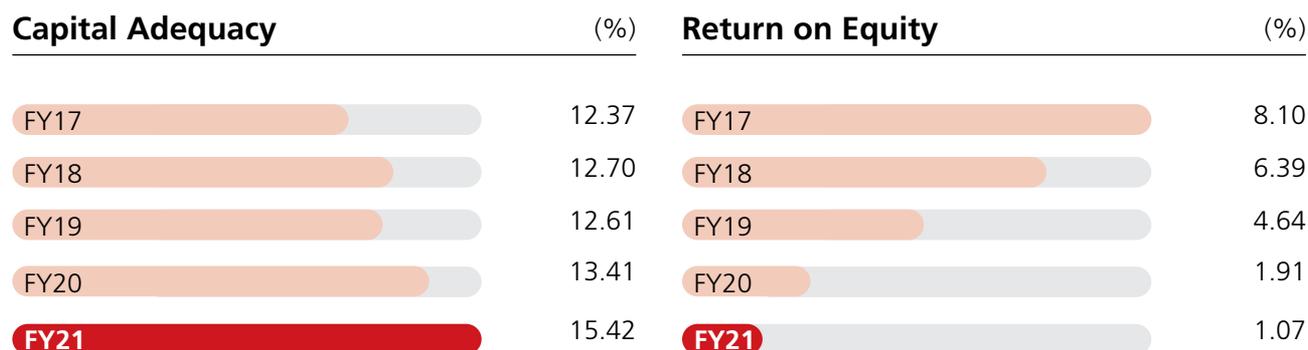
Looking back on blissful moments gives us comfort and looking forward to a new season brings us growth. Every success anecdote is tale of strong rudiments, continuous effort of adaption and response to changes. Our human and pecuniary capital base, robust growth aspects, wider network, new business strategy and leadership in technology, position us to leverage the growth opportunities across the economy. I look forward to your continued support in this journey. With the continued support and patronage of all, I am confident that our Bank will reach greater heights during the coming years. Thank you all for standing solidly together with us during these troubled times.

Best Wishes

Salim Gangadharan
Chairman

GROWTH INDICATORS





VISION 2024: PROFITABILITY THROUGH QUALITY CREDIT GROWTH

Through Vision 2024, we are articulating our medium-term strategy that helps us to achieve our mission - profitability through quality credit growth. It details 6 areas of focus which will play the key role in getting us to our milestones. We call this our '6C strategy'.

Improving profitability by focusing on 6Cs



Capital

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

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 optimizing the cost across the organisation.



Competency Building

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



Customer Focus

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



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".

MD AND CEO'S MESSAGE



The Bank has made significant strides in the digital journey, backed by robust technology infrastructure, Artificial Intelligence, data analytics and innovation. During the financial year, there is a substantial increase in the volume of internet and mobile-banking transactions.

Murali Ramakrishnan
Managing Director & CEO

Dear Shareholders,

I am extremely honored to make my first communique with the stakeholders of the Bank and it is my privilege to present the Bank's Annual Report for the Financial Year 2020-21. I hope to find you safe, healthy as the pandemic continues to be in the backdrop of our lives. The Covid-19 virus and its effects on our lives are inevitable for now, but not undefeatable.

With a second year into the pandemic, different nations of the world are at different stages of battle with the virus. As we saw, India was deeply impacted by the second wave in April and May 2021, and is seeing itself through the worst by June 2021, the Government of India is making all efforts to procure vaccines, promote vaccination and ensure strict compliance to Covid protocols to prevent further spread of the virus. We, The South Indian Bank Ltd are one with the nation in helping those in need by way of extending financial assistance and facilitating banking/financial service through our physical branches across India and virtually through our internet and mobile banking platforms globally. Bank's employees have shown immense resilience and willingness to serve customers, with almost all of the

branches being functional during the lockdown along with operational ATM network. We remain committed to ensuring their safety and well-being of our employees and customers. High safety and hygiene standards were implemented at our offices and branches and social distancing norms were strictly enforced. The Bank has formulated policies and promoted safety and social distancing at all our outlets to the extent possible to service the nation in this difficult time.

Over the last 92 years of our operations, it has been a priority for the South Indian Bank to stand as a trustworthy and supportive partner for our customers



The Bank had raised ₹240 crore during the FY 2020-21 through preferential allotment of equity shares and the capital issue was a great success and helped the Bank to have a better capital position.

and stakeholders, extending hands to help them to fulfill their financial needs. The Bank continues to be perceived as an approachable, caring, efficient and empathetic institution by our customers. During fiscal 2021, South Indian Bank continued to strengthen its banking franchise.

The Bank has made significant strides in digital journey, backed by Robust Technology Infrastructure, Artificial Intelligence, Data Analytics and innovation. During the financial year, there is substantial increase in the volume of internet and mobile-banking transaction. The Bank has introduced AI-driven chatbots, Video KYC for account opening, digital on-boarding and credit underwriting across all asset products. Our teams have deliberated, created and executed on new strategies and ways so that it will enable the Bank to get back to work on return to normalcy. The Bank further accelerated its digital delivery with an array of new offerings to ensure uninterrupted services to the customers. The Bank has been responsive to the ever changing situation. The Bank has proactively strengthened the operational and technological infrastructure needed, to ensure continuity of normal operations.

In a dynamic world where an individual defines the organization, Human Resource is the most valuable asset. Achievement of an organization's objectives depends on the individual and the collective efforts of its workforce. Every employee is a vital factor for the smooth functioning by bridging the gap between the customers and the organization. The Bank has a team of highly motivated, skilled, committed, young, loyal and empathetic staff members, who strive to meet customer aspirations and organisational goals. A strategic approach towards effective development and management of human resources is of paramount importance. To augment the workforce in tune with the Bank's sustained growth and expanding network, major initiatives towards training, talent acquisition, motivation and retention have been continued in the FY 2020-21 also.

I am privileged to present before you, our performance, strategic intents and how we are moving forward with Vision 2024:

The focus of the Bank in the past few years has been to prune the corporate portfolio, especially the large loans. The Bank has initiated various steps to reduce the risk due to concentration and the lumpiness in loan book. The Bank has formulated vertical teams

in retail segment and Bank is also in the process of introducing advanced technology and data analytics tools to increase the retail business portfolio by quality underwriting. In line with our strategy the corporate business has come down well below the target the Bank had set. The granularisation of the loan book has significantly improved its risk profile.

We are planning to improve Bank's profitability by focusing on '6Cs' namely, Capital, CASA, Cost and Income, Competency Building, Customer Focus, and Compliance. Bank's business structure is revamped for scaling up the sourcing capability through various channels by forming separate vertical structure for Asset business and creating value from existing and prospective customers of the Bank. Modifications are made in retail product suites of HL, LAP, PL, Credit Card and a bundle of retail products are launched with better delivery, pricing, and quality. The Bank has segregated credit function and sales function for better control and responsibility and also revamped branch structure to bring in efficiency and effective control. All these strategic planning will help the organization to be more competitive in the market.

The Bank had raised ₹240 crores during the FY 2020-21 through preferential allotment of equity shares and the capital issue was a great success and helped the Bank to have a better capital position. We thank our stakeholders for the faith that they have placed in us and look forward to their continued support.

I am pleased to report the highlights of Bank's performance during the last financial year:

- In spite of the challenging environment, the Bank has achieved a total business of ₹1,42,129 crore consisting of deposit of ₹82,711 crore and gross advance of ₹59,418 crore as on March 31,2021.
- During the year, the Bank has achieved an operating profit of ₹1,617.91 crores. The CRAR of the Bank has improved from 13.41% as on March 31, 2020 to 15.42% as on March 31, 2021 and the Net Interest Margin (NIM) also improved from 2.66 to 2.71 as compared to the previous year.
- The net interest income for the year grew by 4% to ₹2,407 crores and non-interest income grew by 13% to ₹1,185 crores. However, high operating expenses and high provisions and contingencies

have resulted in decline of net profit compared to previous year.

- The Bank has achieved the highest ever CASA ratio, which grew by 18% and constitute 29.73% of total deposits as on March 31, 2021.
- The Net NPA has increased from 3.34% to 4.71%. The Bank has been able to meet the targeted levels of recovery or upgrades which have helped in containing the NPA level despite higher slippages during the financial year on account of weak economic scenario and Covid-19 pandemic.
- As on March 31, 2021 the Book value per shares of the Bank stood at ₹27.75 (face value Re.1/-).

During the year, the Bank was honoured with significant institutional recognitions, awards and accolades for various initiatives undertaken:

- Infosys Finacle Client Innovation awards in Ecosystem Led Innovation and Customer Journey Reimagination.
- UiPath Automation Excellence Award for Excellence in Finance and Accounting Automation.
- Finnoviti Award 2021 by banking frontiers for Bank's fund management platform SIB FeeBook.
- IBA Awards in the following 4 categories (among small banks)
 - 1) Most Innovative Project –Winners Title
 - 2) Best use of IT & Data Analytics – Winners Title
 - 3) Best IT risk & cyber security initiatives –Winners Title
 - 4) Best technology Bank of the year - Runner up Title
- The Bank is Runner-up in the category of 'Digital Deposit in Private Sector Bank' instituted by ASSOCHAM National E-Summit & Awards Banking & Financial Lending Companies "Digital Financial Services: Response to Atmanirbhar Bharat".

It has been an exciting, challenging and rewarding year for me with the Bank. I am immensely grateful to the management team, Board and all the associates for standing together during these tough times. The regulatory authorities in India have been working at an unrelenting pace in addressing the economic needs and distress faced by the common man.



During the year, the Bank has achieved an operating profit of ₹1,617.91 crore. The CRAR of the Bank has improved from 13.41% as on March 31, 2020 to 15.42% as on March 31, 2021 and the Net Interest Margin (NIM) also improved from 2.66 to 2.71 as compared to the previous year.

Total Business

₹ **1,42,129** Crore

Capital Raised in FY21

₹ **240** Crore

CRAR

15.42%
(From 13.41% in FY20)

I would also like to thank the shareholders, investors, customers, vendors, Board members, employees, and every set of stakeholders who are vital to our operations, our sustainability and our performance. The commitment shown by everyone has been nothing short of incredible.

As we move forward with gratitude, hope and optimism, I continue to seek your support in achieving the mission the Bank has set out with: to be the most preferred bank in the areas of customer service, stakeholder value and corporate governance.

Best Wishes

Murali Ramakrishnan
Managing Director & CEO

BOARD OF DIRECTORS



Mr. Salim Gangadharan
Chairman



Mr. Murali Ramakrishnan
Managing Director & CEO



Mr. Francis Alapatt
Independent Director



Ms. Ranjana S. Salgaocar
Independent Director



Mr. Parayil George John Tharakan
Independent Director



Mr. V. J. Kurian
Independent Director



Mr. M. George Korah
Independent Director



Mr. Pradeep M. Godbole
Non-Executive Director



Mr Paul Antony
Non-Executive Director



Mr R A Sankara Narayanan
Independent Director

SENIOR MANAGEMENT*



Mr. Thomas Joseph K
Executive Vice President



Mr. Raphael T.J
CGM & CIO



Mr. Anto Geroje T
SGM-Ins & Vig



Mr. Reddy N J
SGM-Recovery



Mr. Shelly Joseph
SGM & Country Head -
Business Development



Mr. Sanchary Kumar Sinha
SGM & Country Head -
Retail Banking



Mr. Doraivel Sambandam
SGM & Chief Credit Officer



Mr. Sony A
GM - Digital Banking



Ms. Minu Moonjely
GM - Credit



Ms. Biji S S
GM & Head-Corporate Business



Mr. Nandakumar G
GM & Head-MSME



Ms. Chithra H
GM & CFO



Mr. Thallam Sreekumar
GM - Personal Loan Group



Mr. Leelanand Kodaganti
GM & Head - Treasury



Mr. Krishnan R A
GM - Operations

*As on March 31, 2021

HUMAN RESOURCE MANAGEMENT

At South Indian Bank, our employees are the key drivers of our success. Human Resources Management is ingrained in the Bank's strategy. Our Vision 2024 as defined by the 6Cs has inculcated people development under the strategic initiative i.e Competency building through augmenting the talent of young resources & revamping the organizational structure to build a pool of senior talent to deliver continued excellence.

Our HR Values

On 1st January 2021, the Bank formally identified Nine Core Values that shall form the essence of SIB's culture which are Sensitivity, Resilience, Ownership, Digital, Integrity, Passion, Speed, Boundaryless and Quality.

The 9 values were initially introduced to each employee through a customised letter from the MD & CEO. Employees who excel in displaying attitudes and behaviours in alignment with the core values are given a "Core Value Ambassador" title to encourage every member of the SIB family to fully align with the values.

Key HR priorities

- Skills and capability enhancement of employees.
- Gaining technical and Industry knowledge for the staff through partnering with renowned institutions.
- Best people management practices to attract, engage and retain talent.
- An agile organisation structure for improving people participation and performance.
- HRMS and "Do it yourself" modules for achieving HR service excellence.

Training & Leadership Development

Regular training programmes are conducted at South Indian Bank Staff Training College (SIBSTC), located at its HO in Thrissur. Trainings are also organised at the Bank's 7 Regional Training Centres (RTCs) for development of professional skills. SIBSTC and the RTCs identify skill gaps and provide support for qualitative improvement. Staff members are also nominated to external training centres to get trained in specialized areas as well as to have greater exposure in emerging

management methodologies. For enhancing leadership skills among senior managers, the Bank also facilitate their participation in skill and knowledge exposure programmes conducted by premier management institutes like Indian School of Business. The Bank also partners with behavioural consultants to enhance the interpersonal dynamics among the employees.

In addition, trainings have also been imparted to 106 Financial Literacy Centres / Business Correspondents for better rural banking services and as a measure of expanding financial inclusion initiatives of the Bank.

Number of employees

8,300+

HR Team Strength

75+

Total Training Programmes in FY21

240

Number of Staff trained in FY21

5,484

SIB's Top Down and Bottom-Up Approach

The Bank believes in having an empowered team. While the management and senior leadership drive knowledge and guidance as a top-down approach employees at all levels are given various opportunities to share their perspectives, experiences and seek professional options. A new dashboard called 'Exemplar' has been introduced where senior management team can share inspiring stories of their team members who have done exceedingly well in their roles. As a bottom-up approach the Bank has introduced the concept of 'Suggestion Box' wherein employee suggestions relating to customer experience, employee friendliness, methods of cost reduction etc. are captured. Further, a dedicated committee with representatives from various departments evaluate the suggestions received. Employees can track the status of his/her suggestions on a real time basis. This activity is aimed at generating more ideas, increase problem solving skills among employees and encourage seamless downward and upward communication in the organization.



Mr. Thomas Joseph K. Executive Vice President along with the staff in an interactive session at The Head Office, Thrissur.

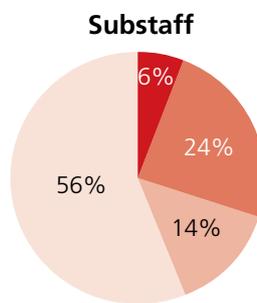
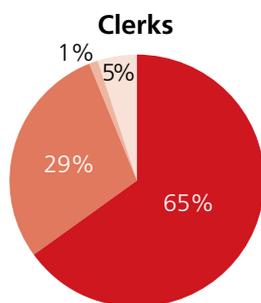
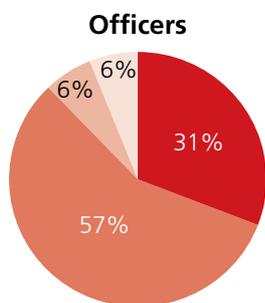
My Job Choice

The attrition rate at South Indian Bank is far lesser than that of peers in the industry. Nevertheless, as a proactive step to match the needs of the millennial generation, a the Bank started the concept titled 'My Job Choice' – A system wherein staff members can request for a functional domain of her/his interest. My Job Choice is provided to the seekers after evaluation by the senior management.



A vibrant group of SIBIANs in an induction programme at Manipal Global Education Services Pvt Ltd, Bangalore.

Diversity and Inclusion



■ Age 20-30 ■ Age 30-40 ■ Age 40-50 ■ Age 50+



SOUTH INDIAN Bank
Experience Next Generation Banking

Extraordinary times
Extra fast loan

AVAIL GOLD OVERDRAFT DIGITALLY

SIB SUPERFAST GOLD LOAN

You don't have to sell your favourite gold jewellery, when you can pledge it. With South Indian Bank's Superfast Gold Loan, you get the money to meet your different needs, really fast. It is a gold loan tailor-made for the uncertain times we are living in. Go ahead, encash your dreams with SIB Superfast Gold Loan.

- Easy processing
- Tenure up to 12 months
- Attractive interest rate

Wear masks in public spaces. Follow social distancing.

Toll Free (India): 1800-102-9408, 1800-425-1809 (BSNL), Email: customercare@sib.co.in, CIN: L65191KL1929PLC001017
www.southindianbank.com | [/thesouthindianbank](https://www.facebook.com/southindianbank)



SOUTH INDIAN Bank
Experience Next Generation Banking

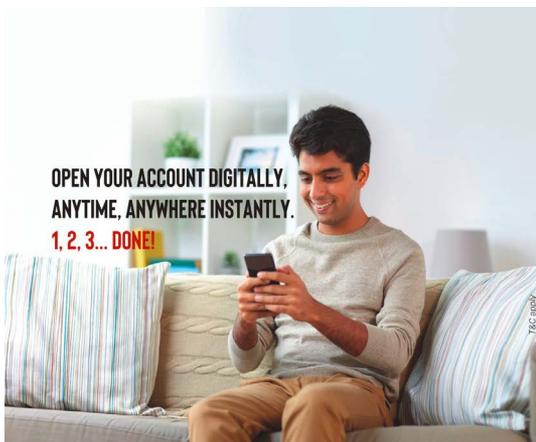
OPEN YOUR ACCOUNT DIGITALLY ANYWHERE

SIB introduces
Video KYC Account Opening.
Banking Simplified

Aadhaar + PAN Card + Video Call
to open your SIB Video KYC Account



Toll Free (India): 1800-102-9408, 1800-425-1809 (BSNL), Email: customercare@sib.co.in, CIN: L65191KL1929PLC001017
www.southindianbank.com | [/thesouthindianbank](https://www.facebook.com/southindianbank)



OPEN YOUR ACCOUNT DIGITALLY, ANYTIME, ANYWHERE INSTANTLY.
1, 2, 3... DONE!

SIB INSTA
No forms to fill. No queue.
Presenting SIB Insta - a savings account for those living life on the fast lane.

- Instant account opening
- No physical documentation
- No minimum balance commitment
- Get 200 reward points & a free personalised Debit Card on initial remittance of Rs.1000/-
- Option to select branch of your choice

Prerequisites:
Aadhaar and PAN Card.



To know more, scan the QR code

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How can I arrange finance to take my business to the next level?

Leave it to us

SIB MSME Loan

No matter whether your enterprise is micro, small or medium, we give wings to your entrepreneurial ambition.
Customised loan product | Competitive interest rates | Low processing fee | Hassle-free procedure | Quick disbursement

SOUTH INDIAN Bank
Experience Next Generation Banking

Toll Free (India): 1800-102-9408, 1800-425-1809 (BSNL), Email: customercare@sib.co.in, CIN: L65191KL1929PLC001017
www.southindianbank.com | [/thesouthindianbank](https://www.facebook.com/southindianbank)

DIRECTORS' REPORT

To the Members,

The Board of Directors is pleased to place before you, the 93rd Annual Report of the Bank along with the Audited Balance Sheet as at March 31, 2021, the Profit and Loss Account and the Cash Flow Statement for the year ended March 31, 2021.

PERFORMANCE OF THE BANK

The performance highlights of the Bank for the financial year ended March 31, 2021 are as follows:

Key Parameters

₹in crore

	2020-21	2019-20
Deposits	82,710.55	83,033.89
Gross Advances	59,418.40	65,524.02
Total Gross Business	1,42,128.95	1,48,557.91
Operating Profit	1,617.91	1,645.64
Net Profit	61.91	104.59
Capital & Reserves	5,807.16	5,474.80
Capital Adequacy (%) - Basel-III	15.42	13.41
Earnings Per Share (EPS):		
(a) Basic EPS (in ₹)		
[face value Re 1/-]	0.34	0.58
(b) Diluted EPS (in ₹)		
[face value Re 1/-]	0.34	0.58
Book Value per Share (in ₹)		
[face value Re 1/-]	27.75	30.25
Gross NPA as % of Gross Advances	6.97	4.98
Net NPA as % of Net Advances	4.71	3.34
Return on Average Assets (%)	0.06	0.11

BUSINESS ACHIEVEMENTS

The Bank has achieved a Total Business of ₹1,42,128.95 crore, consisting of Deposits of ₹82,710.55 crore and Gross Advances of ₹59,418.40 crore as on March 31, 2021.

DEPOSITS

The Total Deposits of the Bank as on 31.03.2020 was ₹83,033.89 Crore and reached ₹82,710.55 crore as on 31.03.2021 registering a de-growth of 0.39 %.

The break-up of the deposits as on March 31, 2021 is as under:

	Amount (in crore)	% to total Deposits
Current Deposits	4,321.09	5.22
Savings Deposits	20,268.71	24.51
Term Deposits	58,120.75	70.27
Total	82,710.55	100.00

The Bank during the year focused on Retail advances and CASA.

CASA has grown from ₹20,759.61 crore as on March 31, 2020 to ₹24,589.80 crore as on March 31, 2021, with a growth of 18.45%. The Savings bank deposits grew by 15.48 % on a year on year basis.

The Bank has accorded priority to meaningful financial inclusion during the period under reporting while opening new banking relationships.

Advances

As on March 31, 2021, the gross advance of the Bank is ₹59,418.40 crore. During the year the Bank took a conscious decision to rejig the existing portfolios, especially to reduce the concentration risk in Corporate book. As a result of this, composition of corporate loan has reduced to 25% in FY 20-21 from 29% in FY 2019-20. In addition to this, unprecedented fall in economic activities due to the Covid-19 pandemic and consequent lockdowns, also affected our loan book, which resulted in a negative growth of 9% from the previous year.

Even though there is a negative growth in total advances, Bank could achieve regulatory prescriptions with respect to major priority sector categorisation and agricultural lending. The Bank also got an opportunity to generate additional source of revenue of ₹83.61 crore during the year, by selling off PSLC.

	% of Target	% of Achievement
Overall PSL	40.00%	40.56%
Agriculture	18.00%	18.56%
Small & Marginal Farmers	8.00%	9.55%
Non-Corporate Farmers	12.1%	12.57%
Micro Enterprises	7.50%	8.63%
Weaker Sections	10.00%	14.12%

Break-up of exposure under Priority Sector as on March 31, 2021 is furnished below:

	Amount (₹ in crore)
Agriculture & Allied activities (Net of PSLC)	11,847.28
MSME (Net of PSLC)	21,101.87
Other Priority Sector	2,636.33
Total Priority Sector	35,585.49
PSLC (General PS)	9,700.00
Total PS (Net PSLC)	25,885.48

During the year, to ensure credit quality, the Bank has enforced higher standards for credit underwriting and has put in place enhanced administration standards. The Bank has initiated the process of migrating to an advance suite provided by 'M/s Nucleus Software Exports Ltd', which can handle all the procedures related to retail lending, from sourcing to account opening, including documentation.

FINANCIAL PERFORMANCE

Profit

The Net Operating Income (Net Interest Income and other income) of the Bank increased by ₹229.14 crore (6.81%) from ₹3,363.25 crore to ₹3,592.39 crore. The increase in Non-Interest Income was ₹139.73 crore (13.36%) during the year. The increase was on account of improved performance from Treasury operations.

The Operating Profit for the year under review was ₹1,617.91 crore (before taxes and provisions) as against ₹1,645.64 crore for the year 2019-20. The Net Profit for the year was ₹61.91 crore as compared to a net profit of ₹104.59 crore during the previous year and the profit available for appropriation is ₹187.86 crore as per details given below:

	(₹ in crore)
Profit before taxes and provisions	1,617.91
Less: Provision for NPI	168.46
Provisions for Non- Performing Assets	1446.44
Provision for FITL	51.44
Provision for Depreciation on Investments	(43.69)
Provision for Income Tax	24.75
Provision for Standard Assets	(84.11)
Provision for Restructured Assets	(3.77)
Provision for Other Impaired Assets	(5.28)
Provision for Un-hedged Forex Exposure	0.17
Provision for Non-Banking Asset Provision	64.59
Provision General-Others	(63.00)

Net profit	61.91
Brought forward from previous year	125.95
Profit available for appropriation	187.86
Appropriations:	
Transfer to Statutory Reserves	15.48
Transfer to Capital Reserves	167.75
Balance carried over to Balance Sheet	4.63
Total Appropriation	187.86

Dividend

The Reserve Bank of India (RBI), vide notification dated December 4, 2020, stated that in view of the ongoing stress and heightened uncertainty on account of COVID-19, banks should continue to conserve capital to support the economy and absorb losses. The notification also stated that in order to further strengthen the banks' balance sheets, while at the same time support lending to the real economy, banks shall not make any dividend payment on equity shares from the profits pertaining to the financial year ended March 31, 2020. The Bank did not declare final dividend for the Financial Year ended March 31, 2020.

Given that the current "second wave" has significantly increased the number of COVID-19 cases in India and uncertainty remains, the Board of Directors of the Bank, at its meeting held on May 21, 2021, has considered it prudent not to propose dividend for the Financial Year ended March 31, 2021.

CAPITAL & RESERVES

The Bank's issued and paid-up capital stood at ₹209.27 crore as on March 31, 2021.

During the Financial Year 2020-21, the Bank has allotted 28,30,18,867 (Twenty-eight crore thirty lakh eighteen thousand eight hundred and sixty-seven) equity shares ("Shares") of face value of ₹1 (Rupee One only) at a premium of ₹7.48/-each (Rupees Seven and Paise Forty-eight only) on preferential basis, aggregating to ₹239.99 crore.

The capital plus reserves of the Bank has moved up from ₹ 5,474.80 crore to ₹5,807.16 crore on account of infusion of Capital and ploughing back of profits 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 15.42 as on March 31, 2021 as against the statutory requirement of 10.875 (including Capital Conservation Buffer). Tier I CRAR constitutes 12.79 while Tier II CRAR works out to 2.63.

The Bank follows 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.

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 Bank confirms that it has paid the listing fees to all the Stock Exchanges for the year 2021-22.

EXPANSION PROGRAMME

The Bank has been successful in widening its network across India with 935 banking outlets (884 Branches, 45 Extension Counters, 3 satellite branches and 3 Ultra small branches) and 1,315 ATMs/CRMs. The Bank had opened 8 new outlets (6 full time & 2 part time), closed and merged 8 banking outlets with nearby branches. Also, opened 31 ATMs/CRMs across the country during the financial year 2020-21 and closed 140 non-viable ATMs. The branch network now covers 26 States and 4 Union Territories.

The Bank plans to open 10 outlets and 25 ATMs/CRMs during the financial year 2021-22. Bank has also initiated steps to open currency chests at Kakkannad & Kannur.

PRODUCTS

During the FY 2020-21, the Bank has introduced a bouquet of new loan products to provide focused thrust on Gold, MSME and Agricultural Sectors. SIB Start (which supports newly formed business enterprises), Agri Produce Loan (post-harvest funding to farmers against hypothecation of agricultural produce) are classic examples. The year opened with various proactive measures/guidelines/products to handhold the borrowers who were ailing because of the economic disruptions due to pandemic, which included additional working capital financing, reduction in margin and providing moratorium on repayments. We successfully implemented ECLGS 1.0 & 2.0. We have also launched "PM SVANidhi Loans" to support livelihoods of street vendors during COVID-19 pandemic.

INVESTMENT

The FY 2020-21 began with the global economy in near standstill due to lockdowns imposed to restrict the spread of Covid-19. Governments and central banks responded in war mode with several measures – both conventional and unconventional. In India too, the RBI undertook several measures to further improve liquidity, monetary transmission and credit flow to the economy and augmented the fiscal measures announced by the Government. Spurred by these measures, easing of lockdowns and successes in vaccine trials, economic activity rebound in Q3. However, the renewed jump in COVID-19 infections throughout the country and the associated localised lockdowns may restrain growth impulses and prolong the return to normalcy. Rising international

commodity prices, especially that of crude oil, poses upside risk to inflation. Despite the tumultuous economic conditions, the financial markets have remained buoyant, supported by easy monetary conditions and abundant liquidity.

The Bank's gross investment portfolio stood at ₹21,180.46 crore as on March 31, 2021 compared to ₹21,386.98 crore as on March 31, 2020, reported a decrease of 0.97%. Investment Deposit ratio moved to 25.70 as on March 31, 2021 from 25.80 as on March 31, 2020. Profit on sale of investment for FY 2020-21 stood at ₹419.54 crore. Total interest income from investment for the year was ₹1,309.01 crore. Yield on investments (profit + interest earned to average investments) during FY 2020-21 was 7.87%.

During the year, the fixed income instruments trading desk, the equity trading desk, and the forex trading desk 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 'operations twists' and open market operations (OMOs), besides managing 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 too. The forex trading desk too contributed actively to overall profits by taking gainful trading positions.

System liquidity remained in large surplus throughout the last year. The Fund Management and Money Markets Desks at Treasury Department successfully managed the liquidity risk by maintaining appropriate levels of surplus funds. The desk also ensured compliance with the regulatory requirements for 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 2020-21 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.

The Treasury Department was able to operate continuously and without interruptions during the year, even during the lockdown, which demonstrates the resilience of the risk management systems and processes in place.

NON-PERFORMING ASSETS (NPA)

During the FY 2020-21, as a result of focused and sustained efforts irrespective of COVID 19 barriers, through prompt and effective measures under the SARFAESI Act, follow up of recovery cases pending before DRTs and Civil Courts, one-time compromise settlements of accounts, the Bank could recover ₹689.52 crores in NPA accounts surpassing the annual recovery target of ₹600 Crores. Special thrust was given to selection and underwriting of credit, effective due diligence and improvement in credit administration to ensure improvement in the quality of assets.

During the financial year, the Gross NPA of the Bank has increased from ₹3,261.77 crores as on March 31, 2020 to ₹4,143.24 crores as on March 31, 2021 and Net NPA has increased from ₹2,150.78 crore as on March 31, 2020 to ₹ 2,734.52 crore as on March 31, 2021. In terms of percentages, the GNPA has increased from 4.98% as on March 31, 2020 to 6.97% as on March 31, 2021 and Net NPA has increased from 3.34% as on March 31, 2020 to 4.71% as on March 31, 2021. In spite of prompt and effective credit risk management and recovery measures, the fresh slippages of accounts from the corporate sector and retail sector due to the wide spread of COVID 19 Pandemic, consequent lock downs, Government moratorium and court restrictions over recovery proceedings resulted in the increase of gross NPAs and net NPAs. As a result of Bank's strong focus on recovery as well as the initiatives taken in underwriting credit and tracking early warning signals, the future NPA level is expected to be moderate.

DIGITAL AND INFORMATION TECHNOLOGY ENABLED SERVICES

Digital and Technological innovations in the banking sector have changed the way business needs to be conducted. It has introduced new business paradigms and is increasingly playing a significant role in improving the services in the banking industry. With the use of technology there is an increased penetration, productivity and efficiency. Digitalization and innovative technologies are creating unprecedented disruption in the banking sector, and the rate of change is accelerating. The digitization has been driven primarily by the growing use of smart phones and emerging technologies like Artificial Intelligence (AI) and Machine Learning (ML). Moreover, the increased comfort of accessing services online in other areas has paved the way for banking solutions to offer digital-only propositions not burdened by traditional methods of providing financial services. The role of banking is redefined from a mere intermediary to service provider of various financial services under one roof acting like a financial supermarket.

The Bank has grown with the effective use of the technology by realigning technology and business to ensure better growth in present competitive environment. A great deal of emphasis is being placed by the Bank on digitizing core business processes, reassessing organizational structures and harnessing internal talent for digital journey. The Bank has streamlined its Information Technology organization structure by setting up Digital Banking Department and IT Operations Department. Digital Banking Department has been focusing on the innovation, improvement and implementation of major customer facing/business oriented projects on the digital platforms viz., ATM, Net Banking, Mobile Banking and other emerging technologies such as Block chain, AI etc. IT Operations Department ensures highest level of service & integrity of internal applications and infrastructural support for a seamless growth of business operations. There is significant growth in the share of digital transaction undertaken by

customers to 89.85% during FY 2020-21. Adoption of new technologies and embracing innovations has been one of the forefront policies of the Bank and its technology teams. Today, the Bank has a robust technology framework which caters to all customer requirements and provides a quick turnaround time. The Bank is enriching its digital channels with lot of innovative and value-added services for better customer experience.

Retail Customers:

The Bank offers the best in class technology services to cater the diverse requirements of retail clientele. The technology stack includes well designed customer touch points, and robust back end systems...

- Full Fledged enterprise level systems
- Internet Banking - Sibernet
- Mobile Banking – Mirror +
- All variants of VISA, Mastercard & Rupay Debit Cards are offered
- ATM, Cash Recyclers (CRM) other Value added services
- Call Centre Solution catering to customers 24/7
- CRM solution providing 360 degree view of customers
- Business Process Management (BPM) to enable centralization
- Technology backed Branch Infrastructure
- Latest version of Core Banking Solution (CBS) from Infosys, viz. Finacle 10
- Enterprise Risk Management Solution
- ATM network that spread across the country, which supports Mastercard, VISA and Rupay cards allowing customers quick access to money. All ATMs are interoperable.
- Mobile Banking (with support for other bank money transfer through IMPS, P2A, P2M (issuer), USSD, UPI and Bharat QR.
- Missed call services for retrieving balance through SMS etc.
- Online investment in primary and secondary markets offered to customers through ASBA, e-trade and e-mutual fund modes.
- Portfolio Investment Scheme for NRIs, allowing them to invest in Indian equity market
- IMPS Facility to Exchange Houses for Foreign Remittance - For our international client exchange houses/banks we have introduced IMPS based fund transfer on a 24*7 basis in addition to NEFT.

- Fraud Risk Management (FRM) Solution for channel transactions
- 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/MSME directly through Bank's website
- Instant QR code payments at merchant locations using Bharat QR, where Customers can use debit card (VISA/ Mastercard/Rupay) as virtual card inside Mirror+
- Introduction of Interoperable Cash Deposit (ICD) Machines to facilitate remittance through our recyclers to other bank accounts and vice versa
- Enhancement in Security Operation Centre Operations
- Data Centre and DR Enhancement/ initiatives [DR Management, Disk based Backup solution at DC, Net backup Migration at DC and DR, Solaris OS Migration at DC & DR and Data Centre certification]
- Automation of procurement and payments
- Robotic Process Automation
- Application Program Interface (API) banking
- Artificial Intelligence based banking services such as Chatbots.
- Central Plan Scheme Monitoring System (CPSMS), which links to the DBT (direct beneficiary transfer) for instant receipt of Govt. subsidies to the beneficiaries of various Govt. schemes
- Tab based Aadhaar e-KYC 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.

Corporate Customers

- 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
- 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*24*7 and the clients can securely access the system from anywhere

Supply Chain Management Solution caters to the dealer/ vendor financing requirement of corporates

- Bank has started offering business debit cards to the business customers
- On the business acquiring capabilities, we have full suite of payment acquiring including POS terminals, Bharat QR, UPI QR 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.

Digital/Technology initiatives/solutions embarked during the year

Services/ solutions that the Bank has launched during the year,

- New Mirror+ application has been launched with new UI/ UX and new features.
- Internet Banking Integration with Bill desk for Bharat Bill Payment System
- Online option for Sovereign Gold Bond application and payment
- Fastag reloading using Mirror+
- Loan Credit through Mirror+
- Limit Enhancement in Internet Banking for Retail Customers
- Cheque book request through Internet banking
- ATM card request through Internet banking
- E-mandate authentication of NACH payments
- Adding Email channel in Call Centre
- To share passwords to Corporate SIBernet customers in PDF format
- Debit Cards Cross Border Authorization Optimization and Activation
- Tie-up with M/s Arihant Capital Markets Ltd for share Trading
- New POS vendor Bijlipay added to our POS list
- UI/UX Enhancement -The internet banking page is being redesigned to offer better customer experience, while transacting online.
- FSLD Opening in Mirror+
- Money bloom in Mirror+
- E Academia and Fee payment integration in Mirror+

- Enhancing security of Card transactions
 - NETC Missed call balance enquiry
 - Chatbot-Migration of Public Chatbot to new NLP platform
 - SIB Namaste-To introduce Virtual Booking System for branch visit appointment booking
 - Android POS added into our POS machine base
 - Our Banks POS machines are now enabled for NCMC card acceptance.
 - Recertification/Enabling ICD in CRM+ EMV enabling
 - MasterCard Tokenization SIB has enabled tokenized transaction processing for MasterCard transactions with JioPay.
 - Automation of UPI POS email through RPA.
 - PC & FBP Statement to be available on Net Banking
 - Axiom SMS routing -Multiple vendors can be added for routing SMS, thereby improving SMS/OTP delivery process
 - Online FATCA update through Mirror +
 - RD Closure in Mirror+
 - Online Dispute Resolution (ODR) System for Digital Payments
 - Gold Loan renewal through channels
 - Outward remittance of funds in the form of foreign exchange by a person from India, to a beneficiary outside India using Internet banking.
 - Integrated POS - POS machines now enabled with additional payment options including Bharat QR and UPI
 - Master card online refund
 - Sourcing Gold Loan to a customer by Nearest Branch through Centralised Call Centre
 - Video-CIP – On board customers remotely by establishing the customer's identity.
 - CTS Positive Payment System implemented in CBS, Internet Banking & Mirror +
 - Implemented RTGS 24*7 facility through digital channels.
 - Loan Moratorium & Exgratia payment of interest on interest to customers
 - Implemented Basic tracker module for handling newly introduced payment confirmation message in SWIFT
 - Implemented Treasury CCIL FX RETAIL application
 - New modules for Gold Loan Renewal/ Topup/ Enhancement/Takeover
 - CBS - Database up gradation
 - Aadhaar Encryption in CBS
 - Hunter - Fraud Risk Management Solution
 - Accelerator LOS Products 1. SME 0-2 cores 2. LOS-Agri Module
 - Introduced on-line tracking of inward remittances originated from exchange houses
 - Enhancement in INDAS
 - RAP Application and DB Migration
 - SIB Affection-New deposit product targeting senior citizens with add-on features
 - API Integration for GroFarms
 - Online FATCA upload
 - Automation of the COVENANT TRACKER for CS
 - Furnishing of TCS Certificate in Information Bank
 - Automated pay outs through ESB banking for LIC HFL
 - AEPS Tab Banking
 - DC Higher End switches
 - Network -Revamping of copper/fiber cabling with intelligent enabled solution at DC (server & network room)
 - Mobile Device Management
 - Work from Home
 - Centralized AMC Renewal
 - IT Service Management
 - Litigation Management system- Software for Credit Recovery Dept to monitor legal proceedings once account turned NPA
 - Ethic- IS Audit Module
 - Early Warning Signal - Software for monitoring the health of accounts
 - Enhancement in INDAS
- Major initiatives/solutions embarked during the year**
- New Mirror+ application has been launched with new UI/ UX and new features.
 - Online option for Sovereign Gold Bond application and payment
 - Limit Enhancement in Internet Banking for Retail Customers
 - Adding Email channel in Call Centre
 - UI/UX Enhancement -The internet banking page is being redesigned to offer better customer experience, while transacting online.

- Money bloom in Mirror+
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- Implemented RTGS 24*7 facility through digital channels.
- CBS - Database up gradation
- CTS Positive Payment System implemented in CBS, Internet Banking & Mirror +
- Litigation Management system- Software for Credit Recovery Dept to monitor legal proceedings once account turned NPA
- Implemented Treasury CCIL FX RETAIL application

Awards and Certifications received on Technology front

The Bank has won various awards and accolades in the Financial Year 2020-21 also. These awards are a testimony of Bank’s strategy, commitment and execution of various digital initiatives and has brought in an acclaim from both Customers and stakeholders.

- IBA’s 16th Banking Technology Awards, 2021 (among Small Banks) for the below categories:
 - a) Most innovative project - Winner
 - b) Best Use of IT & Data Analytics for business outcome - Winner
 - c) Best IT Risk Management & Cyber Security Initiatives - Winner
 - d) Best Technology Bank of the Year - Runner Up
- The Bank is the winner of ‘Best Innovation in Banking Technology’ at Finnoviti Awards 2021 - by Banking Frontiers (in association with Deloitte)

- The Bank is Runner-up in the category of ‘Digital Deposit in Private Sector Bank’ instituted by ASSOCHAM National E-Summit & Awards Banking & Financial Lending Companies “Digital Financial Services: Response to Atmanirbhar Bharat”

IT Training

During the year many training programmes had been attended by the Bank’s officers in premier institutions such as IDRBT, NIBM, IBA, UIDAI to keep themselves abreast with the advancements in IT, Information Security, CRM, Databases, Operating Systems, Virtualization, Network, Mobile banking, ITIL (IT Infrastructure Library) Foundation Training etc.

Business Continuity planning

As per BCP Policy, the Bank has already setup a full-fledged BCP location and DR site at Bangalore which is ISO 27001:2003 certified. Also Bank has set up necessary infrastructure at Kalamaserry, Ernakulam as a secondary BCP site. Planned BCP drills are conducted on regular basis from both the locations to ensure connectivity and functionality test of critical applications. The necessary infrastructure, technology are 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, with the support of the primary IT team. Considering the pandemic situation arising due to Covid-19, various measures were implemented including usage of laptops and arranging work from home for critical personnel with necessary security policies. Meetings and conferences were changed to online mode by ensuring uninterrupted customer services round the clock. As per recommendations from BCP committee, zero data loss replication methods are used for primary to DR synchronization. We have implemented 3 way replication also for most critical applications, to achieve zero RPO and better RTO. A testimony of Bank’s robust BCP program and preparation is that, during the forecasted flood situation in 2019, the BCP operations were invoked, and all critical systems were switched to DR in a time bound manner without any hindrance to customers. 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.

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 risk management systems and processes are strengthened 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 separate 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 being 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 Security Information and Event Management (SIEM) monitoring tool 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. As part of advanced security solutions, the Bank has implemented Anti-Advanced Persistent Threat (APT) Solution, Server Protection Solution, Network Protection Solution, other advanced security solution/services etc. to handle a variety of threats and malicious attacks.
- 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.
- 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.

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, IT Strategy Committee of Board and Board of Directors on a quarterly basis.

BUSINESS OPERATIONS GROUP (BOG)

The Business Operations Group (BOG) is set up to centralize 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/branches to focus and garner more business improving the top line as well as bottom line of the Bank. BOG undertakes the following functional operations in a centralized environment with a view to bring standardization 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. To ensure business continuity, BOG is operational from three locations, Ernakulam-Kerala, Chennai-Tamilnadu & Bangalore-Karnataka. The operational activity is a hybrid of in house and outsource and multiple vendors are employed for outsourced operations to avoid single point of failure, wherever applicable.

The operations are governed by underlining SLA and TAT through vivid dissemination of Job role and Job description for operating/supervising staff. Productivity and FTR (First Time Right) are the metrics used to measure the efficacy of daily operations. Training is done on continuous manner for improvement in the operation in tandem with change management both in resources and processes.

a) ASSET OPERATIONS

The operational activities include relationship and servicing, which covers the following:

1. Loan Login Acceptance and Data Entry (Retail)
2. Pre Sanction Mandatory Checking of all specified conditions (Retail)
3. Post Sanction Documentation (Retail)
4. Post Sanction Compliance (Retail)
5. Loan Opening (All loans)
6. Loan Disbursement (All loans)
7. Post Disbursement Compliance (Retail)
8. Document/Record Preservation (All loans)

b) LIABILITY OPERATIONS

The operational activities include relationship and servicing, which covers the following:

1. Centralized CASA Opening:
 - a. SB & CD – Individual and Legal Entity
 - b. NRI – NRO/NRE (SB, CD)
 - c. PIS (Portfolio Investment Service) & Accounts Customer Modifications
 - d. Accounts Customer Modifications including Dormant Activation and Unfreezing Central KYC (C-KYC)
 - e. Central Periodic KYC Up-dations
 - f. Central KYC (C-KYC)
 - g. Digital Account Openings (Diya, Insta, Tab) and recently Video KYC.
2. Payment & Settlement Operations
 - a. RTGS/NEFT
 - b. CTS Operations
 - c. PFMS - Aadhar Mapping, WPS & DBT
 - d. NACH Operations
3. Aadhar Enrolment Operations

c) TRADE FINANCE CENTRAL PROCESSING CENTER (TFPC)

The operational activities presently centralized at TFPC covers the following areas:

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 (Forex and Domestic)
6. Other Forex Operations (Foreign Cheques, Vostro, Money Transfer Services, FCNR Deposits etc)
7. Supply Chain Finance and TReDS

d) RECONCILIATION AND DIGITAL CHANNEL SUPPORT OPERATIONS

Reconciliation and digital channel support operations covers the following areas:

1. Debit Card, Internet Banking & Mobile Banking (IMPS) operations
2. Post Open Welcome Kit (POWK)
3. Reconciliation – Debit Card (ATM/POS), Internet Banking & E Commerce, Mobile Banking (IMPS), UPI, BBPS, NETC, Prepaid Card Reconciliation – ICD

4. Customer Dispute Management Function, Harmonization of TAT (Failed Transaction), Managing Unauthorized Electronic Transactions

5. Managed Service – ATM Cash

COMPLIANCE DEPARTMENT

The Bank has institutionalized a strong compliance culture and mechanism across the organization 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, 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.

STRATEGIES OF THE BANK

Strategic planning is an organizational 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. 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 organizational structure and latest digital technology. The brief action plans & strategies to be implemented in the major focus areas are as follows:

- **Improving profitability by focusing on 6Cs**

- a) **Capital:** Beefing up the capital to strengthen financials, expand market share and to explore future growth opportunities.
- b) **CASA:** Improving CASA through focused drive on building a sustainable CASA book through Pan India Presence.
- c) **Cost to Income:** 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 optimizing the cost across the organisation.

- d) **Competency Building:** Augmenting the talent of young resources & revamping the organizational structure to build a pool of senior talent to deliver continued excellence.
- e) **Customer Focus:** Customer experience is critical for the success of any organization as the same is a competitive differentiator. Adoption of a “phygital” approach at branches with personalized services for legacy loyal customers and end to end digital experience for next-gen customers with a “Fair to customer, Fair to Bank” approach.
- f) **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 Strong and Resilient Loan Book by focusing on:**
 - a) **Revamping Business Structure:** Scaling up the sourcing capability through various channels by forming separate vertical Structure for Asset business and creating value from existing and prospective customers of the bank.
 - b) **Strengthening the Team:** (i) Product experts to head each business and support verticals, (ii) Competency building & instilling sense of ownership and sensitivity, (iii) Data analytics team to play a critical role in business and collections.
 - c) **Building Robust Infrastructure:** Strengthening underwriting models and collection system along with setting up of lending platform and leveraging technology to ramp up business.
 - d) **Launching new products:** Revamp existing retail product suites of HL, LAP, PL, Credit Card and adding multiple retail products like LAS, IPO Funding, Dealer Funding etc. with better delivery, pricing, and quality.
- **Building Robust Retail Liability Franchise by focusing on:**
 - a) **Revamping Branch Structure:** Bringing in efficiency and effective control by concentrating more on retail business with realignment of branch and regional network.
 - b) **NRI Business:** Building up a strong NRI deposit base by leveraging our Kerala franchise and exploring other parts of the country.
 - c) **Higher Share of Customer Wallet:** Focused drive to be the primary bank for all asset and liability customers

with the help of data analytics for deeper customer penetration with multiple product offerings.

- d) **Customer Segments :** Diversifying the retail liability portfolio through segments like trust, co-operative society, Govt. business etc.

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, optimizing 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. 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 for the bank. We have also implemented 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, Optimizing cash at ATMs, etc. Data Science Department is also in the process of setting up a data warehouse system for the bank after collating data from various source systems so that Bank, this single centralized data repository shall be the single source of truth for the bank.

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 the risk awareness culture across all tiers of the organization’s hierarchy and continuing to do so. In 2020-21, the Bank has leveraged on the earlier initiatives to further strengthen its existing policy framework and to realign them to the changing market dynamics. 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 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 during this pandemic time. New Risk Management initiatives such as automation of Risk Assessment Model for Retail, MSME, and Corporate are under implementation.

Risk Management underscores the fact that the survival of an organization 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 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 utilization of capital in line with the business objectives

Risk Appetite

Risk appetite of the Bank refers to the level of risk that the banking organization 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. The details of risk management practices are provided in Management Discussion and Analysis Report annexed to the Director's Report.

Covid-19: Operational Resilience and Business Impact.

An operationally resilient Bank is less prone to incur untimely lapses in its operations and losses from disruptions, thus lessening incident impact on critical operations and related services, functions and systems. While it may not be possible to avoid certain operational risks, such as the ongoing pandemic, Bank had taken various proactive measures to absorb the impact of the major operational disruptions and continued to maintain uninterrupted services during the period. As the pandemic progressed, Our Bank rapidly adapted to the operational posture in response to both foreseen and unforeseen disruptions across the locations and functions. Bank had taken pragmatic, flexible approach to operational resilience and enhanced the ability to withstand, adapt and recover from situation and thereby attempted to mitigate severe adverse impacts across functions. Few of the key initiatives taken as measure to improve our resilience are listed below.

- Dynamic Quick Response Team (QRT) at Head office & Regional offices to take proactive steps to ensure seamless operations.
- Invoked Business Continuity Plans (BCP) across critical functions and business units.
- Work-From-Home facilitated with adequate IT infrastructure and enhanced cyber security measures.
- Various HR related initiatives for ensuring safe and convenient working environment.
- Contemporary Digital/ Technical initiatives for ensuring both customer and employee convenience.

Impact on Human Capital: Even through the pandemic is creating significant disruptions to the economy, businesses and the banking industry, measures taken by Bank, regulators, and government agencies are subduing the impact on the business. However, the impact on human resources couldn't be evaded. As on 31.03.2021, 1039 staff members were impacted with COVID which is 12.50 % of the total employees.

Keys measures taken: Bank has duly adhered to all COVID related protocols and guidelines issued by government agencies and other competent authorities for ensuring the safety and wellness of staff members. Additionally, following key initiatives/measures were also taken to reduce the impact on human capital.

- Special leave for COVID affected staff and for quarantine purposes.
- Special COVID Allowance.
- Vaccination Allowance for staff and family members.
- Webinars on wellness and health by qualified consultants.
- Continuous and quick support on medical insurance claims.
- Special advance offered to needy employees for hospitalized COVID treatment.
- Flexibility in the working hours.
- Private transportation facilities in certain locations.
- Limited staff transfers
- Work flexibility offered to pregnant and employees with critical ailments.
- Campaigns encouraging digital transactions to reduce walk-in customers
- Improved technical infra-structure to reduce physical meetings.

During the lockdown, the whole business community was under stress on business side and financial condition. Being a bank which stood with customers during their need without diluting compliance, the Bank is a front runner in implementing the schemes announced by Govt. of India and various State Governments. The Bank is among the first few banks to reschedule the repayment of term loans and to modify the working capital limits in accordance with the moratorium announced by the RBI. The Bank has also implemented various schemes for different sectors - Emergency Credit Line Guarantee Scheme to support MSME and other business community (ECLGS 1.0 & ECLGS 2.0), and PM SVANidhi to help street vendors.

Loan on-boarding norms have been re-looked, and steps are taken to ensure credit quality. Scenario-based stress testing of the portfolio is undertaken and mitigation measures are put in place to improve the resilience of the portfolio.

In the light of COVID-19 outbreak, based on the discussions in various forums including Strategic Planning Committee (SPC), various committees of executives were constituted to ensure smooth running of business, asset quality and cost control. Based on the suggestions from the committees, various action points were formulated and conveyed to departments of the Bank for necessary implementation. As part of cost reduction necessitated by changed economic scenario due to Covid-19 pandemic, all the Board members suo-moto decided to reduce the sitting fees for attending Board / committee meetings by 20%, till March 31, 2021. The Chairman of the Bank has given up 100% of his sitting fees, since lock down from March, 2020 to July 2020 and 100% of honorarium from August 2020.

Bank has a fully equipped Treasury Dept to handle liquidity/ fund management of the Bank, which is overseen from a risk angle by Integrated Risk Management Dept. of the Bank as per RBI guidelines. With the present financial position and liquidity, Bank is not foreseeing any liquidity crisis. Profitability is expected to improve in the current financial year subject to restoration of normal economic activity and recovery from Covid-19 Pandemic.

Bank has exhibited its self-resilient nature by early identification of potential threats, failures and strategized recovery through adequate learnings from prior disruptive events in order to minimise the overall impact on the business. Bank has always ensured to stand committed to the customers and the larger community without any significant compromise to health and well-being of the Staff members. Far-sighted measures and timely implementation of various HR and digital initiatives during this pandemic has taken the organization one more step closer to the vision of being the most preferred Bank.

Compliance with Basel III and Basel II Framework

In compliance with regulatory guidelines on Pillar I of Basel III norms, 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 the issues of Pillar II, 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 market discipline norms of Basel II and 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.

INTERNATIONAL BANKING

The total forex business turnover for the year ended March 31, 2021 was ₹3,94,350.31 crore (comprising Merchant Turnover ₹15,693.27crore and Interbank Turnover ₹3,78,657.04 crore). The Bank has earned an exchange profit of ₹46.63 crore for the FY 2020-21, recording an increase of 11.05% as compared to the previous financial year.

At present the Bank is having rupee inward remittance arrangement with 3 banks and 35 Exchange Houses and the turnover for the year ended March 31, 2021 was Rs. 8,540.16 crore. The Bank has concluded speed remittance arrangement during the FY 2020-21 with the following Exchange Houses:

- GCC Exchange UK Ltd
- Al Sadd Exchange, Qatar

The Bank has continued to provide 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 9 officers to UAE with UAE Exchange Centre, Al Ansari Exchange, Al Ahalia Money Exchange Bureau, Hadi Express Exchange and Al Fardan Exchange, 3 officers to Qatar with City Exchange, Doha, Qatar, Al Dar for Exchange Works and M/s AlFardan Exchange LLC, Doha Qatar.

The Bank has introduced a new feature in our Website "Exchange House Remittance Tracking System" wherein beneficiary/remitter can track the status of funds remitted through Exchange Houses.

Bank has rolled out the new product "Online Foreign Outward remittance" in the Net Banking platform (SIBERNET) for Resident SB & NRE SB clients. This will enable the customers to initiate outward remittances via Online without visiting the branches.

The Bank has rolled out the CCIL FX Retail platform for its customers enabling them to access the market directly and book the Forex Deals thereof.

NRI PORTFOLIO

NRI segment plays a pivotal role in the total business of the Bank. NRI deposits of the Bank constitute 31.4% of the Bank's total deposits. The NRI customer base of the Bank is of 3.87 lakhs. In the current competitive banking scenario, it is particularly important to give individual attention towards the banking and investment needs of NRI customers by considering their geographical limitations.

The Bank is offering a host of banking products and services for its NRI clientele. The Bank offers exclusive Priority Banking Services with benefits and offerings- Prime and Prime Platinum to our Priority Banking customers who make their relationship, mutually rewarding. In addition to Savings Accounts under NRE, NRO category, the Bank also offers high return deposit schemes, in Indian Rupees (NRE/NRO) and Foreign Currency (FCNR/RFC). Bank's Representative office in Dubai is operational since April 25, 2018 which is serving as a single point of contact for customers based at UAE. There are 12 NR Relationship Managers deputed in three different countries supporting our NRI clientele in UAE and Qatar. The Bank is giving Managerial Support to M/s. Hadi Express Exchange House in UAE which is having 9 branches across various emirates in UAE.

The Bank also provides Portfolio Investment Scheme for its NRI customers. The Bank is authorized by the RBI to administer the Portfolio Investment Scheme for NRIs for which the Bank has an exclusive PIS Cell under Retail Banking Department. The Bank has tie-up with M/s Geojit Financial Services Ltd. For enabling NRIs to invest in shares and bonds of companies listed on the stock exchanges.

The Bank provides a wide array of Third-party products like Mutual Fund, Life insurance, Health Insurance, National Pension Scheme and Demat facility to the NRI Clientele. Customers can avail the online banking facility, e-invest to open/invest/redeem in Mutual Funds. PFRDA, a statutory body established by Govt. of India, has designated the Bank as POP agent, authorized to collect and invest in National Pension Scheme.

Technology enabled hand held devices are the future of banking. In this age of digital banking, the Bank has a great focus in pushing technology products such as mobile banking application 'SIB Mirror +' to the NRI customers. This Mobile App offers the most convenient and secure options for banking and non-banking needs. The e-lock facility keeps the account locked from fraudulent online transactions. This Mobile app brings banking to the finger tips and allows to transfer funds, invest, make bill payments, do online payments and apply for additional services like opening of Fixed Deposit and Recurring Deposit through online. Loans against Fixed Deposit can be availed online through this platform.

The Bank has 18 Dedicated Relationship Managers at all Regional Offices under the role NR RM's. These officers render support and assistance to NRI and Priority customers at the branch as well as at the regional levels. The Branch level NRI Desk is managed by specific NR Relationship Officers who give special care and attention to NRI clientele in major NRI Business Branches.

Bank is targeting to increase NRI business by three times in next five years. The strategy has already started taking shape with the NR RMs and NR RSMs being put in place. Special thrust is being given to outside Kerala regions to garner more business. Already two new exchange houses have been added this year and others are in pipeline. Global presence will be ensured with revival of existing tie-ups and new additions of exchange houses across the globe.

TRAINING

The Bank accords utmost importance to enhancement of skills of staff members. Training Programmes are conducted at SIB Staff Training College (SIBSTC), Thrissur and at 7 Regional Training Centres (RTCs) for development of professional skills. Training programmes are designed to develop competency of operating personnel while imbibing the SIBIAN's spirit and culture through an effective learning process. The success of these programmes reflects on the enhanced organizational productivity. SIBSTC and the RTCs identify skill gaps in the personnel and provide support for qualitative improvement. Staff members are also nominated to external training centres for being trained in specialized areas as well as to have higher exposure. During the financial year 2020-21, the Bank has imparted training to 3,834 officers and 1640 clerks in various aspects of banking operations. A total of 5,484 staff members were trained during the FY 2020-21, which is about 66% of total staff strength of 8,314 as on March 31, 2021. This

is in consonance with the Bank's priority of continuous up-gradation of skills to ensure that the staff members meet the rising expectations of customers and discharge services professionally covering the entire gamut of banking operations. In addition to this, trainings have also been imparted to 106 Financial Literacy Centres/ Business Correspondents for better rural banking services and as a measure of expanding financial inclusion initiatives of the bank.

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 the 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 digital channels every day, Digital technology is revolutionizing traditional banking. Introduction of UPI has boosted the payment ecosystem by simplifying contact less and real time payments. The Bank is a frontrunner in adapting the changes in 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 customers. Technology services like Contactless Debit cards, Internet banking, Mobile banking with UPI, QR based payment acceptance and API 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

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 your smartphone.

Now do much more with SIB Mirror+

- Single App for Domestic & NRI customers available in 8 Regional Language apart from English
- SIB NAMASTE Appointment Booking channel
- 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. Customers can avail banking services and e-commerce transactions 24/7 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
- Foreign Outward Remittance
- Online Demat Account Opening
- Gold Loan Renewal
- Positive Pay System
- Password on Email for Corporates
- Personalized 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 Available
- Deposit Management Module is available

Debit Cards

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 EMV CHIP 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 our own 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 EMV CHIP and PIN enabled debit cards are offered in VISA/MasterCard/RuPay platform with enhanced transaction limits at ATM/Online/POS as given below:

SIB Rewardz

South Indian Bank presents SIB Rewardz, a loyalty program for all our 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.

Travel Card

Launched in association with Thomas Cook is specifically designed for customers who travel abroad. It eliminates the need of carrying multiple currencies and makes the journey hassle-free and convenient while abroad. Travel Card is available in two variants – (1) Borderless prepaid card enables the travellers to load 10 different currencies in a single card (USD, GBP, EUR, AUD, CHF, JPY, CAD, SGD, THB and AED) (2) One currency card can be loaded in USD and can be used without cross conversion fee to make payments while travelling to multiple countries.

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 for 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/E-commerce 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 upto ₹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/-

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. We have introduced Missed Call Balance Enquiry Mechanism to know the FASTag balance and also FASTag Recharge facility through SIB Mirror+ for SIB customers.

Point of Sale (POS)

The Bank is offering three types of POS terminals - PSTN (wired terminal), GPRS (wireless) and GPRS Paperless terminal (wireless) in association with M/s. Atos Worldline India Pvt. Ltd., the market leader in India in this segment. We also introduced Android POS terminal by December 2020 and have also entered into tie up with M/s Skilworth Technologies (Bijlipay) for POS sourcing under referral model from June 2020.

SiberMart :The Bank has introduced an online shopping portal that enables customer to compare prices between different market places like Amazon, Flipkart, Tatacliq etc. This gives an added advantage to the customer in ensuring the Best Buy. Flight booking was also added to SiberMart which compares the prices of flight tickets in travel portals like clear trip and yatra.

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 we are 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)

- **Feebook:** FeeBook is an event based fund management/ collection portal, which can be customized by the organization/ merchant according to the collection requirements. FeeBook, comes with the tagline, 'YOU DECIDE, YOU COLLECT'. In Fee Book, the organization has the flexibility of deciding & customizing 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. Feebook is backed by banks payment gateway services and can be offered to different merchant categories to handle the online collection requirements.
- **e-Academia:** e-academia is an 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 institution. E-academia is a backed by our payment gateway solution.

Hi – Hi Banking :South Indian Bank is offering a Host-to-Host channel for seamless and secure bulk payment facility to our corporate, institutions, enterprises. It is aimed at providing a highly secure platform for paying employee salary, vendor / supplier payments or any payments from your 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 your convenience.

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.

Third Party Products

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

Life Insurance

- LIC of India
- SBI Life Insurance Co. Ltd.
- Kotak Mahindra Life Insurance Co. Ltd.

Health Insurance

- Max Bupa Health Insurance Co. Ltd.
- Manipal Cigna Health Insurance Co. Ltd.

General Insurance

- Bajaj Allianz General Insurance Co. Ltd.
- New India Assurance Co. Ltd.
- Bharti AXA General Insurance Co. Ltd.

The bank had a very fruitful year with respect to Insurance. We were able to grow significantly in spite of the adverse market condition that prevailed secondary to the pandemic.

The Income from Life, General and Health Insurances stood at 1956.13 lacs, 380.52 lacs and 228.88 lacs respectively. The performance propelled the YOY growth to 24%.

The total premium generated grew by 29% (life & non-life combined) YOY, which is commendable considering the fact the market on the whole only grew by 4%. (life & non-life combined)

The Contribution of Income from insurance towards the total TPP income stood at 90% as well.

The Insurance cell in association with the mobile banking team has also incorporated lead generation touch points on the mobile banking platform as well for the benefit of our customers.

We gave also Gone live with an end to end integrated online pitching module for Health Insurance. (Manipal Cigna)

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 17 leading Mutual Fund companies, thereby offering a variety of mutual fund products to the customers. Asset Under Management (AUM) of the bank is ₹210 crore as on March 31, 2021. 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 SIBer Net, which made Mutual Fund investments of our customers very easy. With the launch of app version of Mutual Fund platform last FY (in Mirror +), the transaction volume has tripled and this will boost our mutual Fund business going forward. The platform is also live in Branches, where a branch can initiate mutual fund investment online after getting customers authorisation.

We have also conducted Webinars for our customers on "Wealth Management" and "Investment During Uncertain Times", which helped many of our customers to make a better investment decision during the pandemic period.

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). For e-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 Securities Ltd. & M/s IIFL Securities 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 us 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. We have participated in 81 issues (including IPO/FPO/NCD/Rights Issue) in FY 20-21.

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. We have participated in all the 12 Tranches of SGB 2020-21 series and collected 925 applications of a total investment of 13.39cr.

(PIS) – An extensive share trading facility for our NRI customers through tie-up with M/s. Geojit. Under PIS, NRI customers can directly invest in the Indian securities market through recognized stock exchanges under repatriable/non-repatriable basis.

Achievement (Nos) as on 31.03.2021

Cumulative PIS accounts No:	2000
PIS opened as on 31/03/2021	310
Income generated as on 31/03/2021	Rs. 20.78 L

The National Pension System (NPS): The Government of India has introduced the National Pension System (NPS) on 01.01.2004 (except for armed forces). NPS was made available to All Citizens of India from 01.05. 2009. Our Bank is appointed as a Point of Presence (POP) since then and all our branches are authorized to extend the product and services of NPS. Recently, 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, our 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 31.03.2021

NPS – All Citizen Model	11,011
NPS Corporate (Including Staff)	7,662
APY	31,327
Total	50,000

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.

Cash Management service (Premium Collection): The Bank is offering Cash Management Service (Premium Collection) to customers in association with Exide Life Insurance Co. Ltd (formerly known as ING Vysya) and ICICI Prudential Life Insurance Co. Ltd. Under this arrangement, Bank's customers as well as walk-in customers can remit life insurance premium through branch counters. This facility is offered free of cost to customers.

Centralized Direct Debit service: Centralized 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 Centralized 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)

Subsequent to the setup of Customer Experience Group in the Bank, all leads generated from various sources provided were being engaged and followed up by CEG team till the end of lead life cycle. Mirror+ activation conversion of new accounts and debit card usage activation and lead generation are the major activities undertaken by the CEG team.

Customer Experience Group has three sections namely Inbound, Outbound call centre and Digital Quick Support Team (DQST). DQST working on customer mails and Branch support on digital products.

CEG inbound team is the touch point for customers on all banking needs via call. Inbound call centre provides 24x7 customer service on calls whereby customers call us and state the nature of their problem. The front line analyst uses call centre software to identify the customer and after collecting the required details responds to the problem. The goal of the CEG is to solve the problem to customer's satisfaction. CEG inbound team is required to follow procedures to facilitate moving problems to more advanced and experienced back office teams when initial help levels cannot resolve them. DQST team is the touch point for customers via mail, Chat and Social Media. There are dedicated resource to handle Ibanking and Mirror + service and complaints. DQST team manages CEG's Complaint handling processes through various channels like Customer care mails, Ibanking Mails, Mobile Banking Emails, IVR cases, Ibanking grievances lodged through Mirror Plus app and Mobile banking grievances lodged through Mirror Plus app.

Further, outbound team major responsibility is to onboard the customers with first point of service and sales of the bank's products. Leads are created and managed in CRM for the interested customers and same is forwarded to concern team for fulfillment. The ultimate vision of the team is to become a sales powerhouse of the Bank and develop the channel as a cost neutral unit in the coming years.

Highlights

- Mirror+ activation conversion of new accounts is at 60% for FY 20-21.
- Debit card usage activation of new accounts 67% for FY 20-21.
- 16,981 Leads generated through CEG in FY 20-21.

Liability

CASA Initiatives

- The bank has launched SIB Video KYC account opening hassle-free mode of account opening which enables customers to open their account fully online, completing all KYC procedures, in a matter of minutes. KYC documents are verified, signature and photograph are captured in the process, ensuring a full-fledged account.
- The Bank has launched SIB Insta Paperless digital account opening platform for savings account customers. The number is delivered to the customers within five minutes. On remittance of ₹1,000/-, debit cards are issued without issuance fee.
- As a part of better customer engagement and deepening the CASA relationship, portfolio's has been mapped to individual staffs for contacting and increasing the product holding of the customer and thereby ensuring value build up.
- Branch level welcome calling process of NTB customers has been put in place to ensure, the customer has received

the deliverables like ATM card, net banking activation and mobile banking so as to ensure customer activation.

- IP value validation process has been implemented to ensure that the customer opens the account with required IP as per the product requirement so as to ensure quality liability accounts are getting sourced.
- DIYA (Do it yourself with Aadhar) savings account opening process has been implemented to smoothen the customer onboarding process at branch level and migration of such accounts from the traditional account opening methods.
- Corporate Salary Account product has been revamped by offering four variants of the product namely Premium, Executive, Smart and Basic product variants basis the net takes home salary of the customer.

Government Business Division

Government Business Division (GBD) was institutionalised in the FY 2018-19, headed by a DGM, to cater to the banking requirements of Central Government /State Governments/ PSUs/ Boards/other Govt affiliates, with a focus on canvassing and liasoning with various Government institutions pan India. GBD aims at driving the Government Business portfolio of our Bank, with special emphasis to boost up CASA. Branches, ROs, Cluster Heads & RSMs are the major acquisition channels to augment Govt Business segment.

Achievements and Milestones

- In the backdrop of the lifting of embargo on the grant of Government Business, including Govt Agency business, to private sector Banks by Gol, request letter has been submitted to Head- Treasuries Dept & to Finance Dept of all States in India, for the integration of our Bank CBS with the e-Treasury operations of GoK& our Bank is in the process of getting integrated with State Treasury &Gol
- Tie up with Chief Ministers Office (CMO) - Kerala for Chief Minister's Distress Relief Fund (CMDRF), by providing a PG link in official website of M/s CMO & M/s CMDRF. Proposals submitted to M/s PMNRF, M/s PMCARES and to CM Relief Fund of all States in India.
- Selected by Govt. of Kerala as the Sole Banker for the Collection of Profession Tax across all Municipalities in Kerala State, by integrating our Payment Gateway. 2 Municipal corporations (viz. Trivandrum and Thrissur Corporation) & 84 Municipalities (out of 87 Municipalities) are onboarded by our Bank for the Profession Tax Collection
- Banker to Kerala Forest & Wildlife Dept, Government of Kerala for the installation of 100 POS machines for accepting collections from Eco tourism centers, Vanasree Shops, Mobile Vanasree Units, Eco- Shops etc. 100 POS machines to be installed at various locations under 36 Forest Development agencies (FDAs).

- Major Banker to the Kerala State Govt owned MNBC- M/s The Kerala State Financial Enterprises Ltd (KSFE) & selected as one of the official Bankers for KSFE- KIIFB Pravasi Chit Project.
- Banker to M/s KSEB, M/s Kerala Motor Transport Workers Welfare Fund Board, M/s Matsyafed, M/s Kerala Financial Corporation, M/s KMSCL, M/s Regional Cancer Centre (RCC) & M/s Kerala State Backward Class Development Corporation (KSBCDC), M/s Kerala State Pharmacy Council (KSPC), Kerala Head Load Workers Welfare Board(KHLWWB), M/s Kerala Non Resident Keralites Welfare Board, M/s Kerala Toddy Workers Welfare Fund Board(KTWWFB), M/s Kerala Agricultural Workers Welfare Fund Board (KAWWFB) & M/s The Pharmaceutical Corporation IM Kerala Ltd – Oushadhi for various collection & payment arrangements
- Banker to Travancore Devaswom Board & Guruvayoor Devaswom Board in the State of Kerala
- Official Banker to M/s IRCTC for online booking of Railway tickets
- Official Banker to Rajasthan Payment Portal (RPP)- Government of Rajasthan for Payment Gateway & Disbursement arrangements
- Banker to Rajasthan Para Medical Council(RPMC) for various Collection arrangements
- Empanelled by M/s Delhi Jal Board for API based VAN collection arrangement of water/sewer bills in Delhi
- Banker to M/s Karnataka Urban Water Supply & Drainage Board, M/s Karnataka Neeravari Nigam Limited, M/s Bangalore Water Supply & Sewerage Board, M/s Karnataka State Minerals Corporation Ltd(KSMCL), M/s Centre for e-Governance & M/s Karnataka State Beverages Corporation Ltd (KSBCL)
- Official Banker of MP Online - Govt of Madhya Pradesh for collection arrangement through Payment Gateway

Other Initiatives

- Pan India drive to onboard accounts of CM Relief Fund of all States
- Pan India drive for opening the accounts of LSGDs for receiving 15th Finance Commission funds through PFMS.
- Pan India drive for onboarding the SNA account all the States in India, for receiving Central Government grants of Central Sponsored Schemes (CSS) to receive Central Government grants by offering Budget Management Solution
- Pan India drive to onboard all Electricity Boards and Water Authorities in India by offering API based VAN

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 the customers have got the privilege of enjoying customized benefits with the Bank to suit their individual needs.

Customer in priority banking program enjoys red carpet treatment in all the branches across the country. We are envisaging to create a comprehensive Personal Economy Management Solution to maintain and diversify the customers' wealth.

Presently we have 2 Lacs customers under the program with total saving account book size of ₹9,900 crore and total term deposit of Rs. 23,640 crore.

During 2020-21, the following initiatives were added to make the program more lucrative;

- Appealing webpage on Priority Banking Program in SIB website
- Recognition of priority customers on mobile platform Mirror Plus
- Attractive personalized cheque book for priority customers
- E-statement for priority customers
- Continuous e-meet via webinars for priority customers in collaboration with various channel partners

Total 35,000 customers joined the program during year 20-21 with an overall SB growth of ₹750 crore in the year.

Earnest efforts are being taken for ring fencing the customers by offering various banking products and attractive life style offerings.

Visibility Enhancement Initiatives during FY 2020-21

The Bank had undertaken promotions in various media like Newspaper, Television, Radio, Outdoor and digital media. However, due to pandemic mass media promotions were lesser. Most campaigns focused on Digital and Social Media promotions that proved economical as well as target delivered to the customers across the geography.

- Through effective PR strategy, major events and financial results pertaining to the Bank were promoted globally across all the media platforms. Exclusive interviews with National print and visual media was arranged during the joining of new MD and CEO to positively engage the Market.
- Regular social media post of digital products, SME loans and CASA products were promoted through the official Social Media of SIB. Special days were also promoted to engage the customers with the brand. Digital platforms were best utilized during the pandemic period which

encouraged contactless banking. 'SIB Namasthe', a facility for branch visit appointment was also promoted in digital platforms including website for offering safe banking in branches.

- Press conference was organized in connection with the inauguration of Thrissur Vadakkechira Bus Hub, a prestigious CSR initiative by the Bank. Press releases were also made on the launch of products like SIB Insta, raising of capital and other major developments.
- Product promotions were made in Kochi-Kaloor, where Bank had undertaken semi-naming branding project with Kochi Metro Rail Ltd (KMRL).
- Corporate advertisement 'Bank on Us' was promoted in national financial channels during union budget presentation.
- The Bank had promoted super-fast Gold Loan through FM stations in the main business centres across India in various phases
- The Bank had undertaken Online Portal Campaign with leading news sites in Kerala during local body elections for promoting the Gold loan. This was also synchronized with Print Media campaigns in major vernacular dailies
- The Bank had also associated in major cultural events outside its home state, Tamilnadu SS International Live - Fusion Music Show, "The Great Man'dolin Tribute Show" etc. Also SIB partnered for Southern India Regional Council of the Institute of Chartered Accountants of India (ICAI) - One Day CPE Seminar on Bank Audit and for a seminar conducted by Xavier Institute of Management & Entrepreneurship.
- With a view to make our Bank's presence felt in Middle East, Bank had associated with Thrissur Association of Kuwait (TRASSK) Souvenir Launch of ATHIJEVANAM 2020.

HUMAN RESOURCE

In a dynamic world where an individual defines the organization, Human Resource (HR) is the most valuable asset. Achievement of an organization's objectives depends on the individual and the collective efforts of its workforce. Every employee is a vital factor for the smooth functioning by bridging the gap between the customers and the organization. The Bank has team of highly motivated, skilled, committed, loyal and empathetic staff members, who strive to meet customer aspirations and organizational goals. A strategic approach towards effective development and management of human resources is of paramount importance. In order to augment the workforce in tune with the Bank's sustained growth and expanding network, major initiatives towards talent acquisition and retention have been continued in the FY 2020-21 also.

MANPOWER

As on March 31, 2021, the Bank had 8,314 personnel on its rolls. Cadre wise break up is as under:

CADRE	GENDER		TOTAL
	MALE	FEMALE	
OFFICERS	3,210	1,714	4,924
CLERK	1,262	1,629	2,891
PEON	262	20	282
PTS	53	164	217
GRAND TOTAL	4,787	3,527	8,314

With the infusion of young personnel, Bank was able to maintain the average age of employees as 33 years as on March 31, 2021.

Staff Members having professional Qualification as on 31.03.2021 are as under:

EDUCATIONAL STREAM	NUMBER OF STAFF
Management	1,418
Post-Graduation	1,267
CA	58
CS	5
ICWA/CMA	36
Engineering	1,997
PHD	2
Legal	60
Total	4,843
Total Staff as on March 31, 2021	8,314

MAINTENANCE OF PERSONNEL DATA

Maintenance of staff records was streamlined under "HRMS" (Human Resources Management System). The data can be accessed by all controlling offices and various reports based on the data can be generated for the quick disposal of staff related matters. To make HRMS more comprehensive and contemporary, the User Interface of HRMS was revamped and more modules such as Deputation, Staff Compliance, Staff Welfare, etc. were added and facility for availing Transfer Discomfort loan, pension application collection, new HR Assistant "MITHRA", FAQ section etc. were introduced. In addition, the revamping of the Performance Appraisal System, SIB Recruitment portal was also completed. These enhancements were in addition to the modules already available in the system such as Transfers, Promotion Maintenance, HRA, Leave & LFC, Training, Service Record, Pension Maintenance, Marketing Excellence, Staff Medical Insurance, TA, Staff Allowances, Provident Fund, Staff Attendance, Audit Compliance, Staff Advances, Increment Maintenance, NPS, etc.

In the FY 2020-21, HRMS was upgraded with the addition of new workflows such as automation of rent advance payment, automation of LFC payment with subsequent reporting in salary, automation of promotion designation change and automation of increment fitment, digitisation of legal POA of officers, NOC approval for other bank deposits and loans, automation of salary provision computation, two punch attendance system as an alternative to biometric fingerprint attendance, automated personalised greetings from MD & CEO to staff members on their birthdays etc. In addition, new features such as daily quiz feature, new payslip format with IT projection sheet, option registration facility for retirees medical insurance, memo module, a dedicated allowance master facility for contract staff members, registration facility for SIBINAR, facility for Award staff to claim HRA, customised bulk mail sending facility and value deck that introduces to staff members the core values of the Bank were also introduced. In addition, system security was improved by way of introducing https, separation of application and database layers and integration of parameter changes, staff status changes of HRMS with Bank's Security Operations Centre SIEM tool.

Motivation Initiatives

Some of the initiatives undertaken by the Bank in order to boost the morale of the Bank employees are as under:

- a) Promotions: The Bank is offering ample opportunities to its employees for their growth and progression. During this financial year, 212 clerical staff were promoted to Scale I, 150 Scale I officers to Scale II and 121 Scale II & above Officers to various senior cadres.
- b) 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 scheme has proved to be effective in its implementation with the aim of encouraging the children of staff members to soar greater heights.
- c) This year 167 staff members availed the benefit of 'The South Indian Bank Staff Welfare Scheme' introduced in December 2008 for availing long leave with reason of child care after maternity, higher education, medical treatment and so on. The scheme ensures the Bank's employee friendly approach towards its employees and the concern for their family members.
- d) PLIS – Performance Linked Incentive Scheme is continued in this financial year also to ensure enhanced productivity and efficiency in all areas of operations and instill motivation among all SIBians to achieve long term growth and profitability.
- e) Employee Engagement Programme – SIBINAR was introduced where in webinars were conducted on topics related to employee wellbeing, motivation, etc. It hosted eminent speakers.
- f) 9 core values were identified for the Bank and introduced value cards for employees depicting the same.
- g) Wellness Leave was introduced as a staff welfare measure and with a view to achieving proper 'Work life balance' to improve the productivity of staff members.
- h) With a view to provide support to our dedicated work force who are committed to provide uninterrupted banking service across the country, amidst severe challenges and risks, Bank has taken several initiatives, including payment of an Additional allowance for attendance in office, reimbursement of COVID test expense, a monetary benefit (one-time measure) in the form of a Special Allowance of ₹6000/- to all staff members up to the cadre of Scale IV officers, Vaccination allowance of ₹500/- each to staff and dependents, etc.
- i) Our Bank had implemented the Group Loan Insurance Scheme (GLIS). GLIS covers the life of the staff members and also ensure the closure of loan outstanding in the name of the staff member on death while in service, so that the burden will not pass over to the family member. Policy has been renewed further for a period of one year from 01.11.2020 to 31.10.2021 in tie up with SBI Life Insurance Co.

Industrial Relations

Industrial relations in the Bank has been cordial and harmonious. The representatives of Workmen Union, Officers Association and Management have been working collectively with a sense of ownership for all-round growth and prosperity of the Bank and its employees. On account of the cordial industrial relations with both the associations, Bank has achieved considerable growth over the years.

A jovial and employee friendly approach by the Bank is the only reason to have a very minimal attrition rate of 2.90%.

EMPLOYEE STOCK OPTION SCHEME (ESOS)

During the financial year 2008-09, the Bank instituted an Employee Stock Option Scheme to enable its employees to be a partner in the future growth and financial success of the Bank. The Bank's shareholders approved the plan on August 18, 2008 for the issuance of stock options to the employees.

Till March 31, 2021, 5,59,75,774 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 Re.1/- each have been allotted to the concerned employees/legal heirs.

A Certificate of Auditors pursuant to Regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2014 will be placed to the AGM for the scrutiny of Shareholders. The total options granted under ten phases of SIB ESOS 2008 works out to 2.94% of the paid-up share capital of the Bank as at March

31, 2021. The scheme has generated intended motivation amongst the staff.

There is no material change in the scheme during the FY 2020-21 and the scheme is in compliance with the applicable regulations. The scheme was modified at the AGM held on September 29, 2020 in line with the new regulations.

Statutory disclosures regarding details of the stock options granted, vested, exercised and 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/investor-desk-annual-reports/911>.

SIB- Executive Brief

“SIB-Executive Brief” - a daily news update on Banking, Finance, Economy, Industry, Sports, Market Rates etc. is compiled by SIBSTC. It is mailed on a daily basis to members of the Board, Executives and is also made available at SIB-Insight for access by the staff members. We have 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, US 10-year yield and Forex reserves.

E-Learning Tests

The Bank has conducted 12 tests each for Clerks, Scale I and Scale II Officers, 4 tests each for the Scale III and Scale IV Officers and 2 online tests for the Scale V Officers during the last FY. There is active participation from the branches and offices for the tests. Names of the monthly toppers and Photographs of consistent toppers (3 e-learning tests) are published in Insight. The marks scored in these e-learning tests are considered for the annual promotion process and for the calculation of incentives.

Continuous Assessment Test for Prob. Officers

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

E-Circular

The Bank has since migrated to issuance of e-circulars in place of manual circulars. All the circulars of the Bank are uploaded using the ‘e-circular software’. In e-circular, Bank’s policies, Guidelines and Forms are also uploaded so as to empower the branches with readily accessible pool of information/guidelines.

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, 2021, 352 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. The themes discussed during FY 2020-21 (Apr 2020 – March 2021)

include RBI & The Liquidity Tap, Atmanirbhar Bharat Abhiyan, Gold – The Yellow Metal, Current Account Balance, Cyber Frauds: Types of Threats & Attacks, Cyber Security: Overview & Online Safe Guards, Faceless Assessment – A New Era of Tax Assessment, AT1 Bonds, KYC – The Journey to Digitalization, Crude Oil & Economy, Union Budget 2021 and Bond Yields. 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. The expense of the Publication is accounted under CSR activity of the bank.

Awards & Accolades

The Bank has received the following awards during the Financial Year 2020-21: -

- Infosys Finacle Client Innovation Award in the following 2 Categories
 - 1) Ecosystem led innovation
 - 2) Customer Journey Reimagination
- UiPath Automation Excellence Award for Excellence in finance and accounting Automation.
- Finnoviti Award 2021 by banking frontiers for Bank’s fund management platform SIB FeeBook
- IBA Awards in 4 categories (among small banks)
 - 1) Most Innovative Project –Winners Title
 - 2) Best use of IT & Data Analytics – Winners Title
 - 3) Best IT risk & cyber security initiatives –Winners Title
 - 4) Best technology Bank of the year - Runner up Title
- The Bank is Runner-up in the category of ‘Digital Deposit in Private Sector Bank’ instituted by ASSOCHAM National E-Summit & Awards Banking & Financial Lending Companies “Digital Financial Services: Response to Atmanirbhar Bharat”

ISO 270001:2013 certification

The Bank has been awarded ISO 270001:2013 certification for its Information Security Management System (ISMS).

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.

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. Further, the Bank has used information technology extensively in its operation and is consistently pursuing its goal of technological up-gradation in a cost-effective manner for delivering quality customer service. As a next generation Bank, the Bank has deployed 'Technology' as a Strategic Business enabler – to build a distinct competitive advantage and to achieve superior standards of Customer Service. The Bank, being a banking company and an authorized dealer in Foreign Exchange, has taken all possible steps to encourage export credit.

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 approach 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 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 – One *

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

*The complaint has been closed after due enquiry, finding that same is devoid of any merits.

Particulars of Employees

The Bank had 8,314 employees as on March 31, 2021. Only MD & CEO (Mr. V.G Mathew from 01.04.2020 to 30.09.2020 and Mr. Murali Ramakrishnan from 01.10.2020 to 31.03.2021) was in receipt of aggregate remuneration of more than ₹1.02 crore per annum/₹8.50 lakhs per month and no other employees employed for a part of the year was in receipt of remuneration of ₹1 crore and above during the FY 20-21. The details of top 10 employees 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 employee's remuneration and other details in terms of subsection 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

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 customers, shareholders and the society. 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, Bank undertook various activities during FY 2020-21, which had significant impact on the society. These activities 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 vocation 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.
- Contribution to Prime Minister's National Relief Fund.
- Rural development projects.
- Promoting Financial Literacy.

CSR Expenditure

South Indian Bank has always given top priority to fulfilling its obligations under 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. In the Financial Year 2020-21, the Bank spent ₹8.05 crore (71.94 % of the budget) towards CSR activities against ₹12.01 crore in the Year 2019-20.

The amount to be spent by the Bank towards CSR for FY 2020-21 as per Section 135 of the Companies Act, 2013, comes to ₹11.19 crore. Amount spent by the Bank this year towards CSR was ₹8.05 crore. The unspent CSR amount of ₹3.14 crore was transferred to 'Unspent CSR Account' on March 31, 2021 in compliance with Companies (Amendment) Act, 2021. 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 FY 2020-21 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 aims to ensure the availability of formal and basic banking services to all Indian households, including those in the un-banked and under-banked areas. South Indian Bank has adopted several financial inclusion initiatives, including Kiosk banking. The Bank has successfully migrated to Aadhaar Enabled Payment System (AePS) in the existing KIOSK Model of Banking, from the earlier mode of customer ID payment service. Now AePS is the only mode by which transactions are taking place in Kiosk Banking solution.

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 are controlling AePS operations. AePS offers basic banking services such as Cash Withdrawal, Cash Deposit, Balance Enquiry, Aadhaar to Aadhaar Fund Transfer, MiniStatement, and Best Finger Detection. The Bank has implemented Kiosk Banking Model in the state of Kerala through 8 Individual Business Correspondents and in Tamilnadu through 60 Individual Business Correspondents.

Financial Literacy Centres

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. Bank has engaged 13 FLCs in different Blocks of Kerala to disseminate financial literacy to the people and it is functional through retired bank employees and educated youth. In addition to this Bank has voluntarily appointed 7 FLCs in eight different Districts in Tamilnadu to emphasize the objectives of Financial Literacy.

Our FLCs are now branded under the name "SIB JYOTHIS". Efforts are on to make them more efficient, responsive to the needs of the people. A Board approved policy covering all aspects of Financial Literacy Centres has been formulated, giving due consideration to the revised guidelines on FLCs circulated by RBI. During the FY 2020-21, FLCs have conducted 425 camps covering 11,685 participants.

Government of India Scheme - PMJDY

Pradhan Mantri Jan DhanYojana (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 August 18, 2014.

The Bank has opened 2,08,294 BSBD accounts as on March 31,2021 with an outstanding balance of ₹70.97 Crore. Social Security schemes in insurance (PMJJBY and PMSBY), were also given high priority by the Bank.

AADHAAR ENROLMENT STATION

Department of Financial Services (DFS) under Ministry of Finance, had directed banks to become Enrolment Registrars with UIDAI so as to set up AADHAAR enrolment stations at branch premises. As on March 31, 2021, 86 Aadhaar Enrolment Stations across various states are functional.

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. Due to the outbreak of Covid-19 and in compliance with MCA guidelines, the notice of 93rd Annual general Meeting and the Annual Report 2020-21 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 93rd Annual General Meeting, Annual Report of the Bank for the financial year 2020-21 including Audited Financial Statements, Directors' Report, Auditors' Report etc., for the year ended March 31, 2021, 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 the 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 there under and the Listing Regulations. Member 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.

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 to paperless compliances. The Bank seeks your support to the said green initiatives, as it is designed to protect the fragile environment.

Further, as a part of green initiative by the Bank, all relevant agenda papers pertaining to the Board/Committee are being circulated well in advance to the Board of Directors through electronic mode to facilitate easy access of agenda on iPad 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 has set up 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 10 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, small scale industry, agriculture, and information technology.

Excluding the MD & CEO, all other members of the Board are Non-Executive Directors and six Directors out of the total ten 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 2020-21 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 DataBank in compliance with the same.

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.

During the 92nd Annual General Meeting held on September 29,2020 as recommended by the Bank the shareholders accorded their approval for :

- Appointment of Sri. Murali Ramakrishnan (DIN: 01028298), as Managing Director and Chief Executive Officer of the Bank .w.e.f October 1,2020.
- Appointment of Sri. Paul Antony (DIN: 02239492) as Director of the Bank, liable to retire by rotation w.e.f September 29,2020 in place of Mr. Achal Kumar Gupta (DIN: 02192183) who retires by rotation and did not offer himself for re-appointment and ceased to be a director of the Bank w.e.f September 29,2020.
- Re-appointment of Sri.Salim Gangadharan (DIN: 06796232) as Non-Executive – Part time Chairman of the Bank and his remuneration.

Dr. John Joseph Alapatt (DIN : 00021735), Non-executive Independent Director of the Bank, retired from the Board of Directors w.e.f. 24th September 2020 upon completion of his eight year term, as per Section 10A(2A) of the Banking Regulation Act 1949.

Mr. Pradeep M Godbole (DIN: 08259944) has been appointed as the Additional Director of the Bank w.e.f. 26th March, 2019 pursuant to Section 161(1) of the Companies Act, 2013 and appointed as a director liable to retire by rotation the 91st AGM held on July 17, 2019. He will be appointed as a Non-Executive Director of the Bank liable to retire by rotation and been eligible, offers himself for re-appointment.

Sri. R A Sankara Narayanan (DIN: 05230407) has been appointed as the Additional Independent Director of the Bank representing majority sector w.e.f. October 15, 2020 pursuant to section 161(1) of the Companies Act, 2013 and shall hold the office up to the ensuing Annual General Meeting of the Bank. He will be appointed as a Non-Executive Independent Director of the Bank in majority sector (i.e. Banking), not liable to retire by rotation.

CHANGE IN KEY MANAGERIAL PERSONNEL

The following changes in Key Managerial Personnel taken place during the financial year ended March 31, 2021.

- Sri V G Mathew (DIN: 05332797) ceased to be the MD&CEO of the Bank w.e.f 30.09.2020 after business hours on completion of his tenure.
- Sri. Murali Ramakrishnan (DIN:01028298) appointed as MD&CEO of the Bank w.e.f 01.10.2020
- Sri. Joby M.C, Joint General Manager has been appointed as Head of Inspection and Vigilance Department and Head of Internal Audit and Chief of Internal Vigilance of the Bank w.e.f 01.04.2021 and he was classified as Key Managerial Personnel pursuant to Section 2(51)(v) of the Companies Act, 2013.
- Mr. Anto George T who was the Head of Inspection and Vigilance Department and Head of Internal Audit and Chief of Internal Vigilance ceased to be a Key Managerial Personnel pursuant to Section 2(51)(v) of the Companies Act, 2013 w.e.f 01.04.2021

Composition of Audit Committee

The Audit Committee of the Board is chaired by Sri M George Korah, who is a Chartered Accountant. The other members of the committee are Sri V J Kurian (Non-Executive Independent Director), Sri Francis Alapatt (Non-Executive Independent Director), Sri. Pradeep M Godbole (Non-Executive Director) and Sri. R A Sankara Narayanan (Non-Executive Independent Director). The constitution of the Committee is in compliance with the regulatory requirements. The terms of reference of the Audit Committee, incorporated in the Bank's Code of Corporate Governance, are in accordance with the SEBI (LODR) Regulations, 2015 entered into by the Bank with Stock Exchanges where the Bank's shares are listed under 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 Francis Alapatt (DIN: 01419486)
2. Smt. Ranjana S Salgaocar (DIN: 00120120)
3. Sri Parayil George John Tharakan (DIN: 07018289)
4. Sri V J Kurian (DIN: 01806859)
5. Sri M George Korah (DIN: 08207827)
6. Sri. R A Sankara Narayanan (DIN: 05230407)

Woman Director

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. Ranjana S Salgaocar (DIN: 00120120) 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 provide under sub-section (3) of Section 178

Criteria for appointment as a Director of the Bank

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/reappointed 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:

Remuneration Policy for Employees of the Bank:

The Bank has a Board approved Compensation Policy which deals with the Compensation & Benefits of the Employees of the Bank and Whole-time Directors.

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 POLICY OF DIRECTORS:

Remuneration of MD & CEO and Other Employees (including Key Managerial Personnel):

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 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.

For the other employees (including Key Managerial Personnel and Compliance staff), 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 functionaries is based on the Performance Linked Incentive Scheme, which has been formulated on the basis of performance parameters set in Performance Management System.

Remuneration of Chairman:

The NRC recommends the remuneration of the non-executive 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 on 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 boardroom. 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 informing 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).

Board Level Performance Evaluation

The Companies Act, 2013 and SEBI (LODR) Regulations, 2015 stipulates the performance evaluation of the Directors including 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 including 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 evaluate the performance of Board level committees.
- Nomination & Remuneration Committee evaluates/ reviews the performance of each Director recommends the appointment / reappointment / continuation of Directors to the Board. Based on the recommendation of Nomination & Remuneration Committee, Board will take the appropriate action.

The criteria for performance evaluation are as under:

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 2021 as per the aforesaid process and the report on the evaluation were presented at the meeting of the N & RC 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:

- Conduct customer surveys to assess the quality of customer service
- Greater emphasis should be given to complaints on digital products
- Update the Board periodically on the revised strategies for addressing various issues in the light of outbreak of Covid-19.

AUDITORS:

a) Statutory Auditors:

The shareholders at its 91st Annual General Meeting held on July 17, 2019, appointed M/s Varma & Varma, Chartered Accountants, Kochi (Firm Registration Number 004532S), as Statutory Central Auditors of the Bank to hold office for a period of 2 years until conclusion of 93rd Annual General Meeting. Further at the 92nd AGM held on September 29, 2020, the appointment of Statutory Central Auditors was ratified.

For the year ended March 31, 2021, fees paid/payable to the Statutory Auditor M/s Varma & Varma, Chartered Accountants, is as follows:

Fee paid/payable#	Amount (in lakhs)
Statutory audit/Limited review	35.00
Certification and other attestation charges	16.50
Non-Audit services	0.00
Total	51.50

Excluding the branch audit fee and 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 Act.

The Reserve Bank of India vide circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dtd April 27, 2021 stipulated that "For Entities with asset size of ₹15,000 crore and above as at the end of previous year, the statutory audit should be conducted under joint audit of a minimum of two audit firms [Partnership firms/Limited Liability Partnerships (LLPs)].

Further in compliance with the RBI circular we sought the approval of the RBI for appointment of auditors and the RBI vide letter No DOS.ARG.No. PS-90 /08.21.005/2021-2022 dated July 9, 2021, has approved the re-appointment of M/s. Varma & Varma, Chartered Accountants, (Firm Registration Number 004532S), as Joint Statutory Central Auditors of the Bank for the Financial Year 2021-22 and this will be their third Year. And to appoint M/s. CNK & Associates LLP, Chartered Accountants, Mumbai (Firm Registration Number: 101961 WW-100036) as new Joint statutory Central auditors for the Financial Year 2021-22 and this will be their first Year.

b) Secretarial Auditors and Secretarial Audit Report:

Pursuant to Section 204 of the Companies Act, 2013, the Bank had appointed M/s SVJS & Associates, Company Secretaries, Practicing Company Secretaries, Kochi as its Secretarial Auditors to conduct the secretarial audit of the Bank for the FY 2020-21. The Bank provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for the FY 2020-21 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 09, 2019, issued by SEBI, 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 same 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, day end checks to monitor critical issues involving timely renewal of credit reports, closure of the Bank Guarantees, timely obtaining of loan documents, EM creation and CERSAI registration, etc.

Various Preventive controls viz., Dual custody for cash, gold and other security items, maintenance of daily control registers for security items, introduction of 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 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 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 (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, entire specialized Branches such as 'B' Category Branches, Corporate Branches etc., and almost all isolated / remote branches irrespective of its business volume.

The Bank has introduced a conservative selection of branches which has resulted in a higher frequency of audit.

The Bank has also introduced special audit from April 2019 (a limited Concurrent Audit), where audit is conducted by qualified Chartered Accountants/retired officers, in branches where concurrent audit does not exist, covering critical areas of Branch business.

In addition to the concurrent and risk based internal audits, the branches are subjected to Surprise Inspection, Flash Inspection, Special Audit, 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 conducts in the branches. Continuous improvements are made to the application to automate several activities at HO and digitize the records in 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, and Credit Department and Centralized Processing Centres, etc., are subjected to concurrent audit by independent Chartered Accountant firms. All these reports are reviewed by Audit committee of Executives 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 and 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 AUDITORS' COMMENT IN THE REPORT

The Statutory Auditors Report for the year 2020-21 does not contain any qualification.

CORPORATE GOVERNANCE

A separate report profiling 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 sub-section (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, 2021 in Form No. MGT-7 and the extracts of the Annual Return as at March 31, 2021 in form no. MGT-9 is hosted on the website of the Bank and can be viewed <https://www.southindianbank.com/content/annual-report-financial-year-2020-to-2021/3853>.

Business Responsibility Report

As stipulated in Listing Regulations, the Business Responsibility 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. The policy was amended by the Board of Directors at their meeting held on March 30, 2021 to make it in line with the latest income tax provision on TDS for dividend. (<https://www.southindianbank.com/content/viewContentLv11.aspx?linkIdLv2=215&LinkIdLv13=2672&linkId=2672>)

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/content/viewContentLv11.aspx?linkIdLv2=215&LinkIdLv3=782&linkId=782>). Since the related party transactions are in the ordinary course of business and on an arm's length basis and not material hence 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, 2021 and the date of the Directors' report i.e. July 22, 2021.

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 and any of the stock exchanges and/or any other statutory authorities on matters relating to capital market.

In terms of the powers conferred under Section 47 A(l)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949, the Reserve Bank of India (RBI) by an order dated July 06, 2021, has imposed a penalty of ₹1crore (Rupees One Crore Only) on the Bank, on account of contravention of directions contained in Circulars on 'Lending to Non-Banking Financial Companies (NBFCs)' and 'Bank Finance to Non-Banking Financial Companies (NBFCs)'.

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, 2021, 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 2020-21 and of the profit of the Bank for that period;
- 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 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, 2021, 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 shares 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 shareholders 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 Bank acknowledges this fact and thanks 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 22, 2021

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 (59 years)	MD & CEO	86,85,081	49,11,387	33	01.07.2020	Whole-Time	ICICI Bank, SGM
V. G. Mathew, M.Sc. CAIIB (67 years)	Former MD & CEO	77,93,442.00@	44,85,848	42	02.01.2014	Whole-Time	Chief General Manager, SBI
Thomas Joseph K, B.Sc., (Mechanical Engg.), Diploma in Management, CAIIB (62 years)	Executive Vice President	49,82,158	36,28,606	37	01.06.2019	Contractual	EVP, SIB (Retired on 31.05.2019)
Sanchay Kumar Sinha, PG Diploma in Management (53 years)	Country Head - Retail Banking-SGM	48,51,140	36,73,764	28	02.09.2017	Contractual	SVP- Head Liabilities and Client Engagement for Consumer Banking - IndusInd Bank
Vinayak Jayawant Sawant, B.Com, Master of Human Resources Development Management (56 Years)	Deputy General Manager	39,15,880	31,25,331	32	06.08.2018	Contractual	Deputy Vice President, Axis Bank
Reghunathan K. N., B.Com., CAIIB (63 years)	Executive Vice President (Treasury)	36,31,988@	23,76,361	42	14.12.2015	Contractual	GM, Union Bank of India
Chetan Girdhar Parmar, CA (34 years)	Assistant General Manager	35,09,050	27,65,682	12	01.06.2020	Contractual	AVP-Reliance Capital Ltd
Vinod Francis Tharail (Master of Financial Management) (47 years)	Joint General Manager	33,37,000	25,08,025	25	01.08.2018	Contractual	VP-IndusInd Bank

Name, Qualification and Age (in years)	Designation	Remuneration		Experience (in years)	Date of Employment	Nature of employment (Contractual/ otherwise)	Last Employment
		Gross (₹)#	Net (₹)##				
Raphael T J, B.Com, CAIB, Master of Export & Import Management (60 Years)	Chief General Manager	33,27,210	26,32,829	37	16.11.1983	Whole-Time	-
Mohan T M, B.com, LLB, CAIB (53 years)	Joint General Manager	32,95,750	25,92,981	25	10.09.1995	Whole-Time	-

#Gross salary means total salary as per the Form 16 issued for the FY 2020-21.

##Net salary means Gross Salary less TDS.

@ Superannuation/retirement benefits are excluded

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

(SALIM GANGADHARAN)

CHAIRMAN
DIN : 06796232

(MURALI RAMAKRISHNAN)

MANAGING DIRECTOR & CEO
DIN : 01028298

Place : Thrissur

Date : July 22, 2021

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 ¹ of the employees for the financial year	<p>Chairman Mr. Salim Gangadharan 1.13x</p> <p>MD & CEO Mr. Murali Ramakrishnan 5.80x (from 01.10.2020 to 31.03.2021)</p> <p>Mr. V G Mathew* 4.16x (from 01.04.2020 to 30.09.2020)</p> <p>For this purpose, sitting fees paid to the Directors (except Sitting fee paid to Chairman as approved by RBI) have not been considered as remuneration.</p>
II	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	<p>Chairman Mr. Salim Gangadharan 0%</p> <p>MD & CEO Mr. Murali Ramakrishnan N.A Mr. V G Mathew* Nil Ms. Chithra H (CFO)** 24.90% Mr. Jimmy Mathew** 30.03%</p> <p>(Company Secretary)</p>
III	The percentage increase in the median remuneration of employees in the financial year	10.55%
IV	The number of permanent employees on the rolls of the Bank	There were 8314 employees as on March 31, 2021
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;	<p>The average percentage increase made in the median salaries of employees other than the managerial personnel is 33.49%</p> <p>Increase in the median remuneration of managerial personnel is 10.78%</p> <p>These increase in salary was due to the 11th bipartite settlement and arrears received during the year.</p>
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.

1. The median salary of the staff members is arrived by taking 12 months' actual salary paid during the FY 2020-21.

2. Remuneration of Chairman and MD & CEO is regulated by RBI guidelines.

* ceased to be the MD&CEO of the Bank w.e.f 30.09.2020 after business hours.

** These increase in salary was due to the 11th bipartite settlement and arrears received during the year.

(SALIM GANGADHARAN)

Place : Thrissur
Date : July 22, 2021

CHAIRMAN
DIN : 06796232

(MURALI RAMAKRISHNAN)

MANAGING DIRECTOR & CEO
DIN : 01028298

Annexure - C

Annual Report on Corporate Social Responsibility Activities

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

1. Brief outline on CSR Policy of the Company:

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, its commitment to reach out to marginalized communities through its 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 tenure	Number of meetings of CSR committee attended
1	Sri. Parayil George John Tharakan	Chairman	4	4
2	Sri. V G Mathew*	Managing Director &CEO	2	2
3	Sri. Murali Ramakrishnan#	Managing Director &CEO	2	2
4	Sri.V J Kurian	Director	4	4
5	Smt. Ranjana S Salgaocar##	Director	2	2
6	Dr.John Joseph Alapatt**	Director	2	2

*Ceased to be a member w.e.f. 30th September 2020 (after business hours)

**Ceased to be a member w.e.f. 24th September 2020

Inducted in to the Committee w.e.f. 1st October 2020

##Inducted in to the Committee w.e.f. 16th October 2020

3. Provide 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/content/viewContentLvl1.aspx?linkIdLvl2=215&LinkIdLvl3=778&linkId=778>

4. Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule (8) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

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 2021.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl No	Financial Year	Amount available for set off from preceding financial years (in ₹)	Amount required to be set off for the financial year, if any (in ₹)
1	2018-19	Nil	Nil
2	2019-20	Nil	Nil
3	2020-21	Nil	Nil
-	Total	Nil	Nil

6. Average net profit of the company as per section 135(5) : ₹559.67 Crore
7. (a) Two percent of average net profit of the company as per section 135(5) : ₹11.19 crore
- (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years : Nil
- (c) Amount required to be set off for the financial year, if any : Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c) : ₹11.19 Crore
8. CSR amount spent or unspent for the financial year:
- CSR amount spent for the financial year : ₹ 8,54,03,426.85*
- CSR amount unspent for the financial year : ₹ 3,13,96,573.15
- * Including unspent CSR amount ₹ 49.00 Lakhs of FY 2019-20, which was spent in FY2020-21
- (a) Details of CSR amounts spent against ongoing projects for the financial year:

Total Amount spent for the Financial Year. 2020-21(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
2,18,81,635.00	3,13,96,573.15	31.03.2021	NA	Nil	NA

(b) Details of CSR amounts spent against 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) Project duration (Months)	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial year (in ₹)	(9) Amount transferred to unspent CSR account for the project as per section 135(6) (in ₹)	(10) Mode of implementation Direct (Yes/No)	(11) Mode of implementation through implementing agency	
				State	District						Name	Registration No
1	Pullu Village, Thrissur Dt	Sanitation	Yes	Kerala	Thrissur	36	50,00,000	15,00,000	15,00,000	Yes	-	-
2	Snehatheeram, Punalur	Gender equality	No	Kerala	Kollam	36	25,00,000	2,00,000	20,00,000	Yes	-	-
3	Vadakkechira Renovation works	Sanitation	Yes	Kerala	Thrissur	36	33,00,000	3,00,000	30,00,000	Yes	-	-
4	Scholar	Education	No	Kerala	All districts	48	8,20,00,000	1,35,51,152	1,72,68,373.15	Yes	-	-
5	Financial Literacy Council	Education	No	Kerala and Tamilnadu	Kasaragod, Kannur, Kozhikode, Malappuram, Palakkad, Thrissur, Ernakulam, Alappuzha, Kottayam, Idukki, Pathanamthitta, Kollam, Thiruvananthapuram, Coimbatore, Trichy, Madurai, Dindigul, Nagarcoil, Nilgiris	12	41,22,000	37,98,000	3,24,000	Yes	-	-
6	Don Bosco Snehabhavan, Palluruthy	Sanitation	No	Kerala	Ernakulam	24	4,56,000	1,50,000	1,56,000	Yes	-	-
7	Santhwanam Apostolate, Thrissur	Gender equality	Yes	Kerala	Thrissur	36	18,54,000	14,00,000	4,54,000	Yes	-	-
8	Thykatthusery Grama Panchayat	Sanitation	No	Kerala	Alappuzha	36	12,20,000	2,49,000	7,51,000	Yes	-	-
9	KAWWFB-I	Eradicating hunger	Yes	Kerala	Thrissur	12	7,55,156	5,16,483	2,29,000	Yes	-	-
10	Baldwin Methodist School	Sports	No	Karnataka	Bengaluru	24	10,00,000	0	10,00,000	Yes	-	-
11	Little flower College, Guruvayoor	Sports	Yes	Kerala	Thrissur	12	4,00,000	2,17,000	1,83,000	Yes	-	-

(1) (2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
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	Project duration (Months)	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to unspent CSR account for the project as per section 135(6) (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation through implementing agency	
			State	District					Yes	Name	
									No	Registration No	
12	Loyola Institute of Business Management	Environmental sustainability	No	Tamilnadu	Chennai	36	10,00,000	0	10,00,000	Yes	-
13	Angela Old-age Home, Taliparamba	Healthcare	No	Kerala	Kannur	12	24,200	0	24,200	Yes	-
14	St. Joseph's Hospital, Kammaguda	Healthcare	No	Andhrapradesh	Rengareddy	12	5,00,000	0	5,00,000	Yes	-
15	Spash Round Table School	Education	No	Kerala	Kottayam	12	5,00,000	0	5,00,000	Yes	-
16	Dabbawala Community, Mumbai	Eradicating hunger	No	Maharashtra	Mumbai	12	5,00,000	0	5,00,000	Yes	-
17	District Suchitwa Mission, Kottayam	Healthcare	No	Kerala	Kottayam	12	70,000	0	70,000	Yes	-
18	KAWWFB-II	Eradicating hunger	Yes	Kerala	Thrissur	24	9,36,882	0	9,36,882	Yes	-
19	Christ University, Bengaluru	Education	No	Karnataka	Bengaluru	12	10,00,000	0	10,00,000	Yes	-
-	Total	-	-	-	-	-	10,71,38,238	2,18,81,635	3,13,96,573.15	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Total Amount spent for the Financial Year. 2020-21 (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 proviso to section 135(5)
	Amount (in ₹)	Date of transfer
6,35,21,791.85*	-	-
	Name of the fund	Date of transfer
	-	-
	Amount	Date of transfer
	-	-

* Including unspent CSR amount ₹49.00 Lakhs for the FY 2019-20.

(d) 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 spent 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	Vadakkechira Bus Hub, Thrissur	Sanitation	Yes	Kerala	Thrissur	87,37,889.31	Yes	NA	-
2	PSET-Long Term	Sports	Yes	Kerala	Thrissur	19,93,492.00	Yes	NA	-
3	SIB Staff Training College	Education	Yes	All states	All districts	2,91,235.04	Yes	NA	-
4	SIB Foundation	Others	Yes	Kerala	Thrissur	1,84,500.00	Yes	NA	-
5	Catholic Centre, Irinjalakuda	Sports	Yes	Kerala	Thrissur	1,00,000.00	Yes	NA	-
6	Devamatha College, Kuravilangad	Education	No	Kerala	Kottayam	3,50,000.00	Yes	NA	-
7	All Kerala Branches-supply of cloth bags	Environmental sustainability	No	Kerala	All districts	7,87,500.00	Yes	NA	-
8	Charity World Trust, Changanacherry	Education	No	Kerala	Kottayam	8,00,000.00	Yes	NA	-
9	JyothirVikasa, Mandya, Karnataka	Rural development	No		Mandya	2,00,000.00	Yes	NA	-
10	St. Joseph's Congregation, Kottayam	Healthcare	No	Kerala	Kottayam	2,03,180.00	Yes	NA	-
11	LLM Hospital, Kidangoor	Healthcare	No	Kerala	Kottayam	5,16,194.00	Yes	NA	-
12	Chamber of Municipal Chairmen, Kerala	Education	No	Kerala	Thiruvananthapuram	7,00,000.00	Yes	NA	-
13	Pullu Water KIOSK	Safe Drinking water	Yes	Kerala	Thrissur	6,52,100.00	Yes	NA	-
14	RO Palakkad	Healthcare	No	Kerala	Palakkad	1,50,000.00	Yes	NA	-
15	Perumbavoor Municipality	Eradication of hunger	No	Kerala	Ernakulam	90,610.00	Yes	NA	-
16	PM CARES Fund	National Relief Fund	No	All states	All districts	3,00,00,000.00	Yes	NA	-
17	Lead Bank Allahabad	Healthcare	No	All states	All districts	28,200.00	Yes	NA	-
18	Thiruvananthapuram Corporation	Eradication of hunger	No	Kerala	Thiruvananthapuram	2,00,000.00	Yes	NA	-
19	Kanhangad Municipality	Eradication of hunger	No	Kerala	Kasaragod	20,000.00	Yes	NA	-
20	Thrissur Press Club	Healthcare	Yes	Kerala	Thrissur	25,000.00	Yes	NA	-
21	Lead Bank Panchkula	Eradication of hunger	No	Haryana	Panchkula	5,000.00	Yes	NA	-

(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 spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation-through implementing agency	
				State	District			Name	CSR Registration No
22	Muvattupuzha Main	Eradication of hunger	No	Kerala	Ernakulam	15,000.00	Yes	NA	-
23	Panoor Municipality	Eradication of hunger	No	Kerala	Kannur	24,400.00	Yes	NA	-
24	Thiruvalla RO	Eradication of hunger	No	Kerala	Pathanamthitta	99,997.00	Yes	NA	-
25	St. Thomas Capuchin Provincialate, Aluva	Eradication of hunger	No	Kerala	Ernakulam	50,000.00	Yes	NA	-
26	Piravam	Eradication of hunger	No	Kerala	Ernakulam	1,50,000.00	Yes	NA	-
27	Irinjalakuda RO	Eradication of hunger	Yes	Kerala	Thrissur	4,26,001.00	Yes	NA	-
28	Pune RO	Healthcare	No	Maharashtra	Pune	31,500.00	Yes	NA	-
29	Arch Diocese of Bangalore	Eradication of hunger	No	Karnataka	Bengaluru	1,00,000.00	Yes	NA	-
30	Kunnankulam Municipality	Eradication of hunger	Yes	Kerala	Thrissur	25,000.00	Yes	NA	-
31	Changanacherry Social Service Society	Healthcare	No	Kerala	Kottayam	3,40,000.00	Yes	NA	-
32	Kottayam Social Service Society	Eradication of hunger	No	Kerala	Kottayam	2,00,000.00	Yes	NA	-
33	Kothamangalam Municipality	Eradication of hunger	No	Kerala	Ernakulam	25,000.00	Yes	NA	-
34	Thodupuzha Municipality	Eradication of hunger	No	Kerala	Idukki	20,000.00	Yes	NA	-
35	Hyderabad RO	Eradication of hunger	No	Telangana	Hyderabad	50,000.00	Yes	NA	-
36	Telangana Sikh Society, Hyderabad	Healthcare	No	Telangana	Hyderabad	50,000.00	Yes	NA	-
37	Rotary International District-3201	Healthcare	No	Kerala and Tamilnadu	Thrissur, Palakkad and Coimbatore	5,00,000.00	Yes	NA	-
38	Salem Don Bosco Anbullam	Eradication of hunger	No	Tamilnadu	Salem	33,358.00	Yes	NA	-
39	Thrissur Regional Office	Healthcare	Yes	Kerala	Thrissur	5,00,000.00	Yes	NA	-
40	Mananthavady Municipality	Safe drinking water	No	Kerala	Wayanad	30,000.00	Yes	NA	-
41	Holy Spirit Hospital, Andheri (East), Mumbai	Healthcare	No	Maharashtra	Mumbai	5,00,000.00	Yes	NA	-

(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 spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation-through implementing agency	
				State	District			Name	CSR Registration No
42	Changanacherry Municipality	Eradication of hunger	No	Kerala	Kottayam	10,000.00	Yes	NA	-
43	Pala Municipality	Eradication of hunger	No	Kerala	Kottayam	10,000.00	Yes	NA	-
44	Thalayolaparambu Grama Panchayat	Eradication of hunger	No	Kerala	Kottayam	10,000.00	Yes	NA	-
45	Ayarkunnam Grama Panchayat	Eradication of hunger	No	Kerala	Kottayam	7,000.00	Yes	NA	-
46	Nedumangad Municipality	Eradication of hunger	No	Kerala	Thiruvananthapuram	10,000.00	Yes	NA	-
47	Chinnakanal Grama Panchayat	Eradication of hunger	No	Kerala	Idukki	10,000.00	Yes	NA	-
48	Varandarapilly Grama Panchayat	Eradication of hunger	No	Kerala	Thrissur	10,000.00	Yes	NA	-
49	Home for Aged & Infirm, Chunangamvely, Aluva	Eradication of hunger	No	Kerala	Ernakulam	25,000.00	Yes	NA	-
50	Pallikkutam National Award for startups in Education	Education	No	Kerala	Ernakulam	3,50,000.00	Yes	NA	-
51	Greater Warangal Municipal Corporation, Telangana	Healthcare	No	Telangana	Warangal	10,000.00	Yes	NA	-
52	Holy Cross Hospital, Kalyan	Healthcare	No	Mumbai	Thane	9,000.00	Yes	NA	-
53	Chetana College of Media & Performing Arts, Chiyaram, Thrissur	Education	Yes	Kerala	Thrissur	5,00,000.00	Yes	NA	-
54	Jubilee Memorial Private ITI, Veli, Kochi	Education	No	Kerala	Ernakulam	5,00,000.00	Yes	NA	-
55	Ashanilayam Special school, Ponkunnam	Healthcare	No	Kerala	Kottayam	9,62,027.00	Yes	NA	-
56	Quilon Social Service Society, Kollam	Healthcare	No	Kerala	Kollam	4,00,000.00	Yes	NA	-
57	Holy Ghost Mission Hospital, Muttuchira	Healthcare	No	Kerala	Kottayam	9,00,000.00	Yes	NA	-
58	Sri Mamani kundu Mahadevi Temple, Irikkur, Kannur	Environmental sustainability	No	Kerala	Kannur	2,85,000.00	Yes	NA	-

(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 spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation-through implementing agency	
				State	District			Name	CSR Registration No
59	Maria Theresa Hospital, Kuzhikkattussery	Healthcare	Yes	Kerala	Thrissur	5,00,000.00	Yes	NA	-
60	Sai Baba Vidhyalayam, Coimbatore	Education	No	Tamilnadu	Coimbatore	44,300.00	Yes	NA	-
61	Holy Angels School, Mandya	Education	No	Karnataka	Mandya	5,00,000.00	Yes	NA	-
62	Manarcad Grama Panchayat, Kottayam	Eradication of hunger	No	Kerala	Kottayam	10,000.00	Yes	NA	-
63	Mannarkkad Municipality, Palakkad	Eradication of hunger	No	Kerala	Palakkad	10,000.00	Yes	NA	-
64	Mount Carmel HSS for Girls, Kanjkuzhy, Kottayam	Education	No	Kerala	Kottayam	13,332.00	Yes	NA	-
65	St Joseph's Hospital, Ghaziabad	Healthcare	No	Uttarpradesh	NCR of Delhi	2,52,000.00	Yes	NA	-
66	Police Department, Chennai	Healthcare	No	Tamilnadu	Chennai	64,000.00	Yes	NA	-
67	Malabar Social, Service Society, Kannur	Education	No	Kerala	Kannur	65,000.00	Yes	NA	-
68	Indian Bank's Association	Education	No	All states	All districts	18,47,457.50	Yes	NA	-
69	Corona First Line Treatment Centre, Malappuram	Healthcare	No	Kerala	Malappuram	3,00,000.00	Yes	NA	-
70	Corona First Line Treatment Centre, Thrissur	Healthcare	Yes	Kerala	Thrissur	6,00,000.00	Yes	NA	-
71	Nileshwaram Municipality, kasaragod	Rural development	No	Kerala	Kasaragod	60,000.00	Yes	NA	-
72	Katharina Kasper Social Service Society, Bangalore	Healthcare	No	Karnataka	Bengaluru	50,000.00	Yes	NA	-
73	Government Dental College, Thrissur	Healthcare	Yes	Kerala	Thrissur	1,07,440.00	Yes	NA	-
74	St.Teresa's College (autonomous) Ernakulam	Education	No	Kerala	Ernakulam	5,00,000.00	Yes	NA	-

(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 spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation-through implementing agency	
				State	District			Name	CSR Registration No
75	Holy Angel's Higher Secondary School, Ollur	Education	Yes	Kerala	Thrissur	4,80,000.00	Yes	NA	-
76	Society of The Order of Sacred Transfiguration, Pathanapuram	Education	No	Kerala	Kollam	18,900.00	Yes	NA	-
77	St. Joseph's Vidyabhavan, Edappally, Kochi	Education	No	Kerala	Ernakulam	82,000.00	Yes	NA	-
78	St. Mary's Medical Care Charitable Association, Alphonsa Hospital, Karukutty, Ernakulam	Healthcare	No	Kerala	Ernakulam	41,900.00	Yes	NA	-
79	Bruhat Bengaluru Mahanagara Palike	Environmental sustainability	No	Karnataka	Bengaluru	86,700.00	Yes	NA	-
80	Thiruvananthapuram Corporation	Education	No	Kerala	Thiruvananthapuram	14,000.00	Yes	NA	-
81	Thrikkakara Municipality	Healthcare	No	Kerala	Ernakulam	4,90,056.00	Yes	NA	-
82	St.Philomena's hospital, Bangalore	Healthcare	No		Bengaluru	5,00,000.00	Yes	NA	-
83	Nirmala Medical Centre Muvattupuzha	Healthcare	No	Kerala	Ernakulam	4,75,000.00	Yes	NA	-
84	AbhayaBhavan, Porathissery	Environmental sustainability	Yes	Kerala	Thrissur	80,000.00	Yes	NA	-
85	PHC Kuzhur	Healthcare	Yes	Kerala	Thrissur	50,000.00	Yes	NA	-
86	Alappuzha Municipality	Eradication of hunger	No	Kerala	Alappuzha	1,00,000.00	Yes	NA	-
87	Maher Vadu Office, Pune	Gender equality	No	Maharashtra	Pune	1,14,000.00	Yes	NA	-
88	Assumpta Society, Wagholi, Pune	Healthcare	No	Maharashtra	Pune	86,000.00	Yes	NA	-
89	Mundakkayam Medical Trust Hospital	Healthcare	No	Kerala	Kottayam	5,00,000.00	Yes	NA	-
90	St.Joseph's School for mentally challenged Cheroor	Education	Yes	Kerala	Thrissur	8,65,000.00	Yes	NA	-
91	Hrudaya Palliative Care & Hospice, Vellikulangara, Irinjalakuda	Healthcare	Yes	Kerala	Thrissur	8,01,523.00	Yes	NA	-

(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 spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation-through implementing agency	
				State	District			Name	CSR Registration No
92	Bishop Alappat Mission Hospital, Karanchira	Healthcare	Yes	Kerala	Thrissur	5,00,000.00	Yes	NA	-
93	Bishop Devadass Ambrose CBSE Vidyalaya, Thanjavur	Education	No	Tamilnadu	Thanjavur	1,00,000.00	Yes	NA	-
-	Total	-	-	-	-	6,35,21,791.85	-	-	-

- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : NA
- (f) Total amount spent for the Financial Year(8b+8c+8d+8e) : 8,54,03,426.85
- (g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	11,19,00,000.00
(ii)	Total amount spent for the financial year	11,19,00,000.00*
(iii)	Excess amount spent for the financial year[(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

*CSR amount spent for the financial year - ₹8,54,03,426.85 (Including unspent CSR amount ₹49.00 Lakhs of FY 2019-20, which was spent in FY2020-21) and the amount transferred to unspent CSR account as per section 135(6) is ₹3,13,96,573.15

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to unspent CSR account under section 135(6) (in ₹)	Amount spent in the reporting financial year(in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2018-19	Nil	Nil	NA	Nil	Nil	Nil
2	2019-20	49,00,000.00	49,00,000.00	Unspent CSR	49,00,000.00	30.04.2020	0.00
3	2020-21	3,13,96,573.15	0.00	Unspent CSR	3,13,96,573.15	31.03.2021	3,13,96,573.15
	TOTAL	3,62,96,573.15	49,00,000.00	-	3,62,96,573.15	-	3,13,96,573.15

(b) 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	OGP1	Pullu Village, Thrissur Dt	2019-20	36	50,00,000.00	15,00,000.00	35,00,000.00	Ongoing
2	OGP2	Snehatheeram, Punalur	2018-19	36	25,00,000.00	2,00,000.00	4,50,000.00	Ongoing
3	OGP3	Vadakkechira Bus Hub Renovation works	2018-19	36	7,32,82,000.00	87,37,889.31	7,21,35,762.94	Ongoing
4	OGP4	Scholar	2019-20	48	8,20,00,000.00	1,35,51,152.00	4,75,81,541.05	Ongoing
5	OGP5	Financial Literacy Council	2020-21	12	41,22,000.00	37,98,000.00	37,98,000.00	Ongoing
6	OGP6	Don Bosco Snehabhavan, Palluruthy	2019-20	24	4,56,000.00	1,50,000.00	3,00,000.00	Ongoing
7	OGP7	Santhwanam Apostolate, Thrissur	2019-20	36	18,54,000.00	14,00,000.00	14,00,000.00	Ongoing
8	OGP8	Thykattuserry Grama Panchayat	2019-20	36	12,20,000.00	2,49,000.00	4,69,000.00	Ongoing
-	Total		-	-	17,04,34,000.00	2,95,86,041.31	12,96,34,303.99	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details) : Capital Asset not created/acquired.

(a) Date of creation or acquisition of the capital assets (s) : NA

(b) Amount of CSR spent for creation or acquisition of capital asset : NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : NA

(d) Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset) : NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : Due to Covid.19 restrictions, beneficiaries are unable to avail the CSR assistance. So the related amounts were transferred to Unspent CSR account on 31.03.2021, which can be disbursed in FY2021-22.

Sd/-

Murali Ramakrishnan
 MD&CEO
 DIN:01028298

Place: Thrissur
 Date: July 22,2021

Sd/-

Parayil George John Tharakan
 Chairperson-CSR Committee
 DIN: 07018289

Annexure - D

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[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 31.03.2021 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 31.03.2021 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) Regulations 2014
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- (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.

As informed, the Company has responded appropriately to notices received from various statutory/ regulatory authorities including initiating actions for corrective measures, payment of penalties etc., wherever necessary.

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

During the period, the following issues have taken place:

Sl. No.	Method of Issue	Mode of Approval	Date of Approval	Number of shares issued/Amount
1.	Private Placement	Shareholders' approval by way of special resolution in the Extra-ordinary General Meeting	23.03.2021	Pursuant to Sections 23, 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and other relevant statutory provisions, Shareholders' approval obtained to create, offer, issue and allot 28,30,18,867 equity shares of ₹1/- by way of Preferential Allotment on a Private Placement basis. 28,30,18,867 Equity shares of face value ₹1/- at a premium of ₹ 7.48/- aggregating to ₹ 239,99,99,992.16/- were allotted on 25.03.2021.

The Bank has also paid principal along with interest to eligible bond holders in connection with redemption of 9.75% Unsecured Redeemable Non Convertible Subordinated Tier II Bonds (SIB Bonds 2009) bearing ISIN - INE683A09091 which reached maturity on 20.04.2020.

The Bank has taken Shareholders' approval at the Annual General Meeting held on 29.09.2020, among others, for the following:

- Pursuant to Sections 13, 14, 61 and other applicable provisions of the Companies Act, 2013, and other relevant statutory provisions, to increase the Authorised Capital of the Bank from ₹250 Crores to ₹350 Crores.
- 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 ₹750 Crores.

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, issue of sweat equity 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.

- 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 bonds/ debentures/ securities on private placement basis for an amount not exceeding ₹500 Crores.
- Pursuant to the provisions of the Foreign Exchange Management Act, 1999, for increasing foreign investment limit under NRI/PIO category
- Pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014, to vary and amend Employees Stock Option Scheme- SIB ESOS-2008
- Pursuant to Section 13 and other applicable provisions of the Companies Act, 2013, to amend the Object Clause of the Memorandum of Association of the Bank.
- Pursuant to Section 14 and other applicable provisions of the Companies Act, 2013, to amend and alter the Articles of Association of the Bank.

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

For SVJS & Associates

Company Secretaries

CS Vincent P.D.

Managing Partner

CP No.: 7940, FCS: 3067

UDIN: F003067C000666213

Kochi
21.07.2021

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 2021 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.

For SVJS & Associates

Company Secretaries

CS Vincent P.D.

Managing Partner

CP No.: 7940, FCS: 3067

UDIN: F003067C000666213

Kochi

21.07.2021

Annexure - E

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L65191KL1929PLC001017
2.	Name of the Company	The South Indian Bank Limited
3.	Registered address	SIB House, TB Road, Mission Quarters, Thrissur 680001, Kerala, India.
4.	Website:	www.southindianbank.com
5.	E-mail id:	sibcorporate@sib.co.in
6.	Financial Year reported:	2020-2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	Banking Services NIC Code of the Service 64191
8.	List three key products/services that the Company manufactures/provides:	South Indian Bank is a publicly held banking company engaged in providing a wide range of banking and financial services including retail banking, corporate banking and treasury operations.
9.	Total number of locations where business activity is undertaken by the Company	
	Number of International Locations :	As on March 31st 2021, the bank has one representative office in Dubai
	Number of National Locations :	As on March 31st 2021, The Bank had a network of 935 banking outlets (884 Branches, 45 Extension Counters, 3 satellite branches & 3 Ultra small branches), 1315 ATM/CRM (1201 ATMs and 114 CRMs) spanning in 26 states and 4 union territories
10.	Markets served by the Company Local/State/National/International	National / International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR):	₹209.27 crores
2.	Total Turnover (INR):	₹8,490.93 crores Total turnover represents the sum of "Interest earned" (Schedule 13 of the financial statements) and "Other income" (Schedule 14 of the financial statements).
3.	Total profit after taxes (INR):	₹61.91 crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	13.79%
5.	List of activities in which expenditure in 4 above has been incurred:	<ul style="list-style-type: none"> • 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 vocation 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.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art.
- Training to promote nationally recognized sports.
- Rural development projects.
- Promoting Financial Literacy.
- Contribution to PM CARES Fund

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/Companies?	NO*
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	NA
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	NA

*The Wholly owned non-financial subsidiary viz. SIB Operations and Services Ltd has been incorporated on 28.05.2021.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR	
a) Details of the Director/Directors responsible for implementation of the BR policy/policies	
DIN Number	01028298
Name	Mr. Murali Ramakrishnan
Designation	Managing Director & CEO
b) Details of the BR head	
DIN Number (if applicable)	NA
Name	Mr. Thomas Joseph K
Designation	Executive Vice President
Telephone number	+91-487-2420020
E-mail id	evp.op@sib.co.in

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

NVGs on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles (detailed below) as P1-P9 to be followed:

P1- Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3- Businesses should promote the wellbeing of all employees

P4- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5- Businesses should respect and promote human rights

P6 - Business should respect, protect, and make efforts to restore the environment

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 - Businesses should support inclusive growth and equitable development

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

The principle wise responses are mentioned below.

No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y
4.	Has the policy been approved by the Board?*	Y	Y	Y	Y	Y	Y	-	Y	Y
	If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy	Y	Y	Y	Y	Y	Y	-	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	-	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8.	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	-	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	Y

2a. If answer to S.No. 1 against any principle, is 'No', the reasons for the same have also been mentioned therein.

P1 Sr No 3 - The Bank is committed to acting professionally, fairly and with integrity in all its dealings. 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 code of conduct conforms to the Corporate Governance requirements prescribes under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. 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. The HRM policy of the Bank mandates not to accept any gifts by the officers or permit any family member or any other person acting on his behalf. The Whistle Blower Policy broadly conforms to the standards set by the Protected Disclosure Scheme of Reserve Bank of India. The Whistle Blower Policy also confirms to the requirements as stipulated by the Companies Act, 2013 and its rules. Sr. No. 6 - Code of Conduct for its Board and Senior Managerial Personnel is available on the website of

the Bank (www.southindianbank.com). The other policies are internal documents and accessible only to employees of the organization.

P2 The Bank complies with regulations governing its products and services and has taken initiatives to promote inclusive growth and environmental sustainability. Sr. No. 3 - The Bank offers wide range of banking products and services to cater needs of different segments of customers through an nationwide Branch and ATM network, mobile, phone, internet and doorstep banking. The products include personal loans, home loans, loans for asset purchases / loans for business purpose and a wide range of savings/business deposit products. The Bank also provides a selection of cards and technology products for convenient usage and to facilitate the distinct needs of customers. Bank also promotes conservation of environment by reducing usage of paper by promoting green pin for debit cards and digitalising documents. The list of Products and services offered by the Bank are available at <https://www.southindianbank.com/Default.aspx>

P3 Sr No 3 - In line with the general laws and regulations and sound ethical practices followed nationally, the Bank has adopted a policy against sexual harassment and a formal process for dealing with complaints of harassment or

discrimination. The Bank is an equal opportunity employer and treats all employees at par. In order to ensure well being of the employees the Bank has South Indian Bank Employees Association & South Indian Bank Officers Association recognized by the Management. The Whistle Blower Policy broadly conforms to the standards set by the Protected Disclosure Scheme of Reserve Bank of India and provides an option to the employees to report any malpractices. Sr. No. 6 - These policies can be viewed online at <https://www.southindianbank.com/content/viewContentLvl1.aspx?linkIdLvl2=215&LinkIdLvl3=789&linkId=789>

P4 . Sr No 3 - As per the extant directions of Reserve Bank of India on Financial Inclusion, lending to weaker section and priority sector lending etc. the Bank is identifying its disadvantaged, vulnerable and marginalised stakeholders. Bank's CSR Cell initiates number of programmes aiming at the improved living condition of the under-privileged and marginalised sections of the society. Sr No 6 - Bank has charted out elaborate action plans for the effective economic development of disadvantaged, vulnerable and marginalised stakeholders. For details please refer "CSR report" section of the Annual Report. The Bank has a Corporate Social Responsibility Policy which can be viewed on the web link: https://www.southindianbank.com/UserFiles/file/CSR_Policy.pdf

P5 Sr. No. 3 - The Code of Conduct which has been adopted by the Bank addresses the requirements of this principle. The Code emphasizes fair employment practices & diversity, fair competition, prohibition of harassment & intimidation and safety at the workplace. The Bank follows the Code of Commitment based on the standards issued by The Banking Codes and Standards Board of India which covers aspects like good and fair banking practices, transparency in services and products, high operating standards and cordial relationship with customers. The Bank is an equal opportunity employer and believes in providing a safe workplace and an enabling work environment to its employees. Sr. No. 6 – The Code of Conduct and Code of Commitment is available on the website of the Bank at <https://www.southindianbank.com/content/viewContentLvl1.aspx?linkIdLvl2=215&Link&linkId=422>.

P6 The aspects outlined under this principle are not substantially relevant to the Bank given the nature of business. The Bank complies with applicable environmental regulations in respect of its premises and operations. As a part of CSR initiatives the Bank has provided various assistance towards Environmental Sustainability. SI No 6 – Bank's CSR Policy is available in the website of the Bank at https://www.southindianbank.com/UserFiles/file/CSR_Policy.pdf.

P7 While there is no specific policy outlined for this principle, the Bank, through associations and other bodies had put forward a number of suggestions with respect to overall Indian economy and specifically about reforms in banking sector. The Bank, directly, through its CSR cell involved in promoting education, conservation of natural resources, training to

promote sports, setting up old age homes, protection of art and culture, promoting health care etc.

P8 Sr No 3 – The Bank has charted out elaborate action plans for the effective economic development of disadvantaged, vulnerable and marginalised stakeholders, through its CSR activities and Financial Inclusion activities. SI No 6 – Bank's CSR Policy is available in the website of the Bank at https://www.southindianbank.com/UserFiles/file/CSR_Policy.pdf.

P9 Sr No 3 - The Bank has a Customer Grievance Redressal Policy and a Customer Compensation Policy which conform to the guidelines issued by Reserve Bank of India. Further, in compliance with RBI directives, Bank adopted Citizen Charter for customers which explains our commitments and responsibilities along with the redressal methods and also specifies the obligation on the part of customers for healthy practices in customer-banker relationships. Sr No 6 – This policy can be viewed online at https://www.southindianbank.com/UserFiles/file/Greivance_Redressal_Policy.pdf

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Annually

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Bank publishes the BR Report annually. The hyperlink for viewing the report is <https://www.southindianbank.com/content/annual-report-financial-year-2020-to-2021/3853>.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?

The Bank is committed to acting professionally, fairly and with integrity in all its dealings. The Bank, has adopted a Code of Conduct for its Board and Senior Managerial Personnel and adhere 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. The HRM policy of the Bank mandates not to accept any gifts by the officers or permit any family member or any other person acting on his behalf.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

The number of complaints received from shareholders in FY2020-21 was 117 and all complaints have been resolved. One case is pending since 2018-19.

With respect to employees, the Bank has a mechanism as provided under the Whistle Blower Policy whereby employees can raise their concerns. A report on the concerns received and the manner in which they are dealt with is periodically reported to the Audit Committee.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:

The Bank offers wide range of banking products and services to cater needs of different segments of customers through a nationwide Branch and ATM network, mobile, phone, internet and doorstep banking. The products include personal loans, home loans, loans for asset purchases / loans for business purpose and a wide range of savings/business deposit products. The Bank also provides a selection of cards and technology products for convenient usage and to facilitate the distinct needs of customers. Bank also promotes conservation of environment by reducing usage of paper by promoting green pin for debit cards and digitalising documents.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Considering the nature of the business and other initiatives, the below details are not applicable to us

- i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

NA

- ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

NA

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

NA

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

NA

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of

products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

NA

Principle 3

1. Please indicate the total number of employees:

The Bank had 8,314 employees as on March 31, 2021.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis:

The Bank had 24 employees as on March 31, 2021 on fixed term contract and 3132 outsourced employees.

3. Please indicate the number of permanent women employees:

The Bank had 3,527 women employees as on March 31, 2021, which constitutes 41% of the total employees.

4. Please indicate the number of permanent employees with disabilities:

The Bank does not specifically track the number of disabled employees. The Bank is an equal opportunity employer and treats all employees at par. Based on the income tax declarations which enable claiming income tax deduction for self-disability, the Bank has 9 such employees.

5. Do you have an employee association that is recognized by management:

Yes – South Indian Bank Employees Association for Clerical staff & South Indian Bank Officers Association for Officers.

6. What percentage of your permanent employees are members of this recognised employee association?

South Indian Bank Employees Association for Clerical staff – 92.62%

South Indian Bank Officers Association for Officers - 89.13%

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No complaints relating to child labour, forced labour, involuntary labour, received during the FY 2020-21. The Bank does not engage in any form of child labour/forced labour/involuntary labour and does not adopt any discriminatory employment practices. The Bank has a policy against sexual harassment and a formal process for dealing with complaints of harassment or discrimination. The said policy is in line with relevant Act passed by the Parliament in 2013. During the FY 2020-21, 1 (one) complaint has been received for the consideration of the Committee. Due enquiry has been conducted on the complaint, giving adequate opportunity to both the

sides to present/defend their case and the complaint was closed, finding that same is devoid of any merits. The Bank, through the policy ensures that all such complaints are resolved within defined timelines.

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

- Permanent employees
- Permanent women employees
- Casual/temporary/contractual employees
- Employees with disabilities

Employee health and safety is of prime importance to the Bank. The Bank conducts robust and periodic trainings like advanced & basic fire safety training and evacuation related training for floor marshals and all, irrespective of casual/temporary/contractual employees across offices. Periodic fire evacuation drills are conducted at various office locations, to sensitise employees and casual/temporary/contractual labourers about fire safety norms and regulations.

During the financial year 2020-21, the Bank has imparted training to 3,834 officers and 1640 clerks in various aspects of banking operations. A total of 5,484 staff members were trained during the FY 2020-21, which is about 66% of total staff strength of 8,314 as on March 31, 2021.

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders

As per the extant directions of Reserve Bank of India on Financial Inclusion and lending to weaker sections and priority sector, the Bank is identifying its disadvantaged, vulnerable and marginalised stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so

Bank's CSR Cell initiates number of programmes with the intention to improve the living conditions of the under-privileged and marginalised sections of the society. Our financial inclusion initiatives include KIOSK Banking facilities in unbanked rural areas of Kerala and Tamil Nadu and Financial Literacy Centres in 13 Blocks in Kerala and 7 centres in Tamil Nadu. Bank has charted out elaborate action plans for the effective economic development of

disadvantaged, vulnerable and marginalised stakeholders. For details please refer "CSR report" section of the Annual Report.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

The Bank ensures that there is no discrimination in selection of staff, suppliers and vendors

2. How many customer complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The number of complaints outstanding at the beginning of the FY 2020-21 was 928. In addition to this, 36,023 complaints were received during the financial year and 35,776 complaints have been resolved. 96.82% of complaints were satisfactorily resolved.

Principle 6:

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others?

The Bank complies with applicable environmental regulations in respect of its premises and operations.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

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, bank gives priority for the installation of energy-efficient products that reduces the consumption of energy. The new branches/offices have been designed and equipped with energy efficient air conditioners, LED lights, timers. Additionally, paper conservation measures such as e-statements to customers by email / mobile application, Green PIN facility" for ATM card holders etc. are other environment friendly initiatives taken by the Bank.

3. Does the company identify and assess potential environmental risks? Y/N

The Bank complies with applicable environmental regulations in respect of its premises and operations. The Bank is aware of the potential environmental risks and participates in initiatives to address the environmental concerns.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No. (it is not applicable as it is not a manufacturing company, however, the Bank assist to the extent possible the projects that promotes such activities).

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

During the year 2018-19, the Bank installed a solar power plant at its corporate office, which is capable of producing 50KW of electricity. Another solar plant of 100 KW capacity is also installed at its administrative building at Kakkannad.

Further, the Bank has provided assistance for Installation/ purchase of solar plants, waste management measures, procurement and supply of eco-friendly cloth bags to various beneficiaries as a part of Bank's CSR initiatives.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, The Bank complies with applicable environmental regulations in respect of its premises and operations.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year

NIL

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Bank is a member of various governing bodies and associations such as the Indian Banks' Association and Confederation of Indian Industry in India, Federation of Indian chambers of commerce and industry, Banking codes and standards board of India. Senior management of the Bank are members of various committees constituted by regulators and industry bodies.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

The Bank, through associations and other bodies had put forward a number of suggestions with respect to overall Indian economy and specifically about reforms in banking sector. The Bank, directly, through its CSR cell involved in promoting education, conservation of natural resources, training to promote sports, setting up old age homes, protection of art and culture, preventing health care etc...

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Bank's Financial Inclusion activities and plan are detailed in the Financial Literacy Centre (Individual Counsellor) Policy and Business Correspondents Policy (Financial Inclusion), which covers the following aspects.

- Quantitative and qualitative plans for delivery of relevant suite of products and services
- Coverage of Sub Service Areas (SSA) through Business Correspondents (BC)
- Leveraging technology and identity solutions of UIDAI and NPCI.
- Monitoring and review mechanisms for implementation of FIP.
- To take up any other such activities that promotes financial literacy, awareness about banking services, financial planning and amelioration of debt related distress of an individual.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Programmes /projects are undertaken through in- house teams.

3. Have you done any impact assessment of your initiative?

The Bank through its financial inclusion initiatives for serving the rural, unbanked and below poverty line customers is providing access to banking and financial services to a significant number of customers, providing them access to savings and credit products. The results of these initiatives are reviewed periodically.

4. What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken

The Bank has spent ₹ 8.54 Crore on Corporate Social Responsibility activities during the FY 2020-21. The above expenditure has been undertaken primarily on promoting healthcare including preventive healthcare, sanitation and making available safe drinking water, promoting education, training to promote nationally recognized sports, ensuring environmental sustainability and contribution to PM CARES Fund.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so

The bank through effective monitoring of its CSR and Financial Inclusion activities ensures that community

development initiatives are reaching the target groups and it is being adopted and utilised by the beneficiaries. Periodic visits to Financial Literacy Centres and BC points, project sites of CSR assistance are measures taken to ensure the above objectives

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year

Only 3.18% of customer care complaints are pending as on the end of the FY 2020-21.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

This aspect is not applicable as the Bank is not a manufacturing company. The Bank complies with disclosure requirements relating to its products and services.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so

In the ordinary course of banking business, several customers and borrowers have disputes with the Bank

which could result in their filing complaints, alleging deficiency of services. The Bank always strives to have a cordial relationship with its customers/ borrowers and tries to reach an amicable settlement of the dispute, but in some cases may have to pursue legal recourse to resolve the same.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

The bank conducts online customer satisfaction survey and the result of the survey is being continuously monitored. Bank also conducts Customer Level Service Committee at all branches on 15th of every month. During these meetings customer feedback, suggestions etc about various products are directly collected and consolidated. Feasible suggestions for improvements on service/products are implemented and are monitored at various forums including Standing Committee on Customer Service headed by MD&CEO and Customer Service Committee of the Board headed by the chairman of Board of directors.

(SALIM GANGADHARAN)
CHAIRMAN
DIN : 06796232

(MURALI RAMAKRISHNAN)
MANAGING DIRECTOR & CEO
DIN : 01028298

Place : Thrissur,
Date : July 22, 2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Scenario

Global

The pandemic remains the most significant challenge for the world at large, as we are midway through a second year of outbreak. The second wave swept across the globe at different points of time, even as vaccinations have now been available for more than six months, and the world population is slowly getting vaccinated.

The year 2020 saw a 3.3% fall in economic growth, from a high of U\$D 87.55 trillion in 2019. The world economic outlook forecasts global growth at 6% for 2021, in its outlook published in April 2021. The additional fiscal support and vaccine aided recovery are the key factors for increasing the growth forecast of 4.4% made previously in October 2020. While the forecast is optimistic, it is surrounded by high uncertainty. There are several variables such as impact of recession, impacted population, rate of infection, number of deaths, fiscal policies, extent of vaccination, population demographics, unemployment levels and so on. The divergence in speed of recovery both across and within countries will continue to challenge the globe as it finds its way out of this pandemic.

Across most Emerging Markets and Developing Economies, however, the recoveries taking place will not be sufficient to erase the damage from the pandemic, whose legacies are expected to weigh on global activity for a protracted period. Many countries will take a prolonged period to regain their pre-COVID-19 levels of activity, and a return to pre-pandemic output trends may become unattainable in the absence of major reform efforts. The erosion of skills from lost education and employment are likely to reduce productivity, as the smaller stock of physical capital resulting from last year's sharp decline in investment. Debt burdens and financial vulnerabilities have risen in many parts of the global economy, which will make the recovery susceptible to financial market stress. This is expected to be accompanied by a gradual withdrawal of macroeconomic policy support over the forecast horizon.

The global economy is recovering and is expected to expand by 6 percent in 2021 and moderating to 4.4 percent in 2022. The strength of the near term recovery is, to a large extent, attributable to a few major economies, such as the United States and China. In many other economies, the pickup is projected to be less robust than previously envisioned, partly due to the continued spread of the virus and slow vaccine distribution. On aggregate, the global forecast has been upgraded as a result of the diminishing economic impact of subsequent waves of COVID-19, faster-than-expected pace of vaccination in many advanced economies, and additional fiscal relief in the United States.

Forecasts of the pace of the global recovery are subject to considerable uncertainty, especially given the volatile nature of the pandemic. Positive surprises to growth since the January 2021 forecast suggest that risks to the outlook have become more balanced; however, downside risks to the near-term outlook continue to predominate.

On the downside, the pandemic could prove more persistent than expected, a wave of corporate bankruptcies or financial market stress could derail the recovery, and an unequal pickup in growth could exacerbate social unrest in various parts of the world. On the upside, more rapid vaccine production along with more equitable distribution could lead to faster than expected control of the pandemic; moreover, the current upturn in growth, currently concentrated in some major economies, could lead to sizable spillovers and trigger a broader and stronger global economic recovery.

India

India is almost headed towards a V shaped recovery, as confirmed by the GDP estimates available for Jan-Mar 2021. The estimated GDP projections are 0.5% for Oct-Dec 2020 quarter, and 1.6% for Jan-Mar 2021 quarter. For the FY 2020-21, the revised growth estimate is a contraction of 7.3%. India is one of the few economies with consecutive positive growth for two successive quarters. India's economic recovery has been aided by strong growth in agriculture, infrastructure spend by the Government, and growth in private consumption. However, the momentum of recovery got impacted by the second wave of Covid, with India recording very high cases of infections and deaths from the virus. The continuous seven day decline in daily average Covid cases was reported from May 8th to 13th 2021, officially marking the receding phase of the second wave of Covid.

Key indicators such as e-way bills, power consumption and foreign portfolio investments showed an uptick during the second half of May 2021. The agricultural sector, MGNREGA employment and food procurement and distribution worked smoothly and seamlessly. However, core industrial output, showed slack due to the second wave of Covid-19. Exports grew, imports declined, foreign investments increased, and the Indian rupee strengthened by May 2021.

Money supply increased by growth in aggregate deposits. Bank credit growth year on year continued to be muted at 6%. Financial conditions for economic recovery were conducive with liquidity surplus and additional developmental and regulatory measures issued by the RBI.

The RBI, through its use of conventional and unconventional instruments helped the Central and State Governments to meet financial needs at a low cost and low risk to tide through

the pandemic. The Centre's fiscal deficit stood at 9.3% of the GDP for 2020-21. Capex expenditure increased in April 2021 compared to April 2020.

Recording its worst ever performance in over four decades, India clocked a negative growth of 7.3 per cent for 2020-21 while the fourth quarter of the fiscal showed a moderate rise of 1.6 per cent. The GDP numbers released by the National Statistical Office (NSO), reflect the delicate state of the nation's economy and is all the more glaring since the Centre had begun the 'Unlock' process from July 2020 onwards after imposing a nation-wide lockdown in March 2020, which had lasted till June 2020.

As the country is recovering from the second wave of Covid-19, vaccinating the population remains the top priority of the country, along with the five pronged approach of Covid appropriate behaviour, test, trace, treat and vaccinate to contain the impacts of the pandemic. More than 30 crore doses of the vaccine have been administered by June 24th, 2021. A population of 70 crore (approximately 80% of the eligible population) needs to be vaccinated with two doses of the vaccine, for herd immunity to kick in. Most of India's public and private infrastructure is gearing up to make this happen.

After the 2020 huge GDP contraction, economic growth is projected to bounce back in 2021, driven by pent up demand for consumer and investment goods, before declining in 2022. The dramatic infections upsurge since February 2021 has weakened the nascent recovery and may compound financial woes of households, corporates and banks. As public anxiety over the virus spreads and lockdowns multiply, high-frequency indicators suggest that a marked slowdown may have taken place in the April-June quarter, although the overall annual impact is likely to be muted. Wholesale and retail inflation rates remain elevated, but within the target range of the central bank.

Indian Banking Industry

There have been some significant developments in the banking industry since the pandemic began:

- The digital lender's association issued a revised code of conduct for digital lending in December 2020
- The Government's financial inclusion drive of Pradhan Mantri Jan Dhan Yojana successfully opened more than 41 crore bank accounts.
- In March 2020, the State Bank of India raised \$100 million in private placement.

Emerging areas such as mobile and digital banking, digital lending, addition of POS machines and huge increase in number of FinTech startups are all new developments that are closely linked to the banking sector. Several new startups are looking to disrupt services received by customers, and also helping banks accelerate their digital journey through tie ups with the banks.

On the monetary policy side, the RBI also took several steps to provide liquidity and enhance credit flow in the system. The RBI delivered a total rate cut (repo) of 115 basis points (bps) since February 2020, taking the repo rate down to 4.0 per cent. The central bank also took a slew of measures to address liquidity constraints such as the announcement of the moratorium, liquidity infusion through TLTRO (Targeted Long Term Repo Operations) for NBFCs (Rs.500 billion), liquidity facility of ₹500 billion for mutual funds, liquidity support of ₹500 billion for all India financial institutions and a cut in the CRR (Cash Reserve Ratio) by 100 bps to 3 per cent. These measures helped anchor borrowing costs in the economy, support credit growth and cushioned the impact of the disruptions in the financial market.

Economic and Banking Outlook

On May 5, 2021, the RBI released a slew of measures after India got hit by the second wave of the Covid-19 pandemic. Banks have been encouraged to strengthen their balance sheets. However, with disruption in the lives of people and businesses, collection efficiency is being impacted, and the RBI allowed for loans under INR 25 crores to be recast.

A few highlights of some of the measures and guidelines by the RBI are:

- On-tap liquidity window of INR 15,000 crore until March 2022 for high contact sectors like hotel, travel and tourism, beauty parlours and spas.
- Special liquidity of INR 16,000 crore extended to SIDBI to support the MSME sector
- Expanded the threshold for coverage of borrowers from INR 25 crores to INR 50 crores for several small businesses and MSMEs.
- Extended the functioning of the National Automated Clearing House (NACH) throughout the week instead of only on weekdays, to benefit the Direct Benefit Transfer facility

As per Fitch, India's real GDP growth is estimated at 12.8% for FY21-22. This is after considering the impact on Q1 FY2021-22 which was dampened by the second wave of Covid-19. About 80% of the infections in the second wave are in six states, that account for 45% of the total banking sector loans. With partial lockdowns and business disruptions, the impact on businesses is moderate to severe, and can potentially impact the loan repayment capacity of many retail and MSME loanees. The MSME sector benefitted from the refinancing schemes offered by the Government last year, and it avoided their stressed exposures from souring. Private banks have more exposure to retail loans whereas State banks have more exposure to MSME loans, especially depending on the asset quality and after the short-term impact of refinancing this sector fades away. Overall the impact of the second wave could be milder than that of the first wave, on the banking sector. Fitch has lowered its operating environment ratings for

the banking sector to 'BB' based on all of these data points and observations.

A detailed look into the impact of Covid on NPAs reveals that poor asset quality will continue into FY 21 and FY 22 as well. In fact the NPAs are expected to increase, estimated at 9.6-9.7% by March 2021 and 9.9-10.2% by March 2022, as compared to 8.6% at March 2020. The various Governmental interventions and measures such as refinancing, moratoriums and relief measures have given the banks a benefit, as they have not taken a huge hit at once. Provisions on legacy loans have been made, and headline restructuring numbers look good. Both state and private banks have raised a lot of fresh capital from the markets, and the Government infused capital into public banks in FY 20-21. A combination of all these indicates that the overall stress to the banking industry may not be too bad, although it does depend on the extent of impact of second wave on the different economic strata of the society.

Going forward, the inflation trajectory is likely to be shaped by uncertainties impinging on the upside and the downside. The rising trajectory of international commodity prices, especially of crude, together with logistics costs, pose upside risks to the inflation outlook. Excise duties, cess and taxes imposed by the Centre and States need to be adjusted in a coordinated manner to contain input cost pressures emanating from petrol and diesel prices. A normal south-west monsoon along with comfortable buffer stocks should help to keep cereal price pressures in check. Recent supply side interventions are expected to ameliorate the tightness in the pulses market. Further supply side measures are needed to soften pressures on pulses and edible oil prices. With declining infections, restrictions and localised lockdowns across States could ease gradually and mitigate disruptions to supply chains, reducing cost pressures. Weak demand conditions may also temper the pass-through to core inflation.

Turning to the growth outlook, rural demand remains strong, and the expected normal monsoon bodes well for sustaining its buoyancy, going forward. The increased spread of COVID-19 infections in rural areas, however, poses downside risks. Urban demand has been dented by the second wave, but adoption of new COVID-compatible occupational models by businesses for an appropriate working environment may cushion the hit to economic activity, especially in manufacturing and services sectors that are not contact intensive. On the other hand, the strengthening global recovery should support the export sector. Domestic monetary and financial conditions remain highly accommodative and supportive of economic activity. Moreover, the vaccination process is expected to gather steam in the coming months and should help to normalise economic activity quickly.

Opportunities and Threats

In the second year of the Covid pandemic, banks have continued to see huge changes on all fronts -from stressed

assets due to impacted businesses, to consumer behaviour and digitization of as many transactions as possible. The RBI has brought on a slew of reforms, actions and initiatives to maintain liquidity in the economy, give relief to distressed segments, and aid the banks in helping businesses and individuals tide through the tough times.

Technology is playing a bigger role than ever in banking, and all banks, including our Bank are learning and participating in the digitizing of all aspects of banking. Every form of traditional banking is exploring digitization and significant headways have been made in payments, mobile banking, online banking, digital lending, e KYC, remote customer servicing etc. Data security is, however a critical component in this revolution, and it is a key risk to manage. The financial regulators in India are working towards building a fundamentally strong system that can manage such risks and have been very successful at it.

Some of the key challenges that the banks have to face in the coming years to maintain the momentum of growth are as follows:

Covid-19 impact: as we have seen the impact of the pandemic will be seen over a couple of years. Regulatory and Governmental support has ensured that the entire impact is not taken on the banking sector at once, hence full impact will get realized over the next 1-2 years. The extent remains to be seen and initial estimates suggest the NPAs will increase. The high liquidity causes some amount of inflationary pressure. A resumption of individual consumption and business recovery will aid the banking sector immensely. Future focus of the banks will remain digital services, collection efficiency, risk-adjusted credit expansion and recovery.

Frauds: banking frauds are increasing, and banks have to carefully watch out for borrowers trying to defraud them. This is happening in increasing volume and value, and banks are working to ensure they have a strongly functioning credit risk -assessment system, Vigilance department and Information technology department for enhanced cyber security.

Bad debts: the number of bad debts is increasing, and a large volume of cases under the Insolvency and Bankruptcy Code (IBC) are pending in front of the National Company Law Tribunal (NCLT). As resolution of these take time, banks see a staggered impact on their books, as they await resolution.

Profitability: for commercial private banks, being profitable in the current times is a key challenge. With higher than normal NPA levels due to Covid, the ability to create credit demand in the market and raise equity capital, as well as be sustainably profitable is a big challenge.

Customer service: while digitizing key services, banks have to continue to be customer centric in their approach and find innovative ways to service as well as buy the loyalty of their customers.

Regulations and competition: the RBI has issued new guidelines and regulations allowing fintech companies to

enter the space of traditional banking services such as small finance, digital lending etc. As fintech disrupts the customer experience, and improves financial inclusion, banks have to keep up to compete with these disruptive services.

Cyber security: a key concern in the digital world of banking is the safety of customer information. The IT departments of banks have a key role and a big challenge to address in terms of protecting the information, making the online banking systems safe and fortified.

Financial Performance Vs Operational Performance

During the FY 2020-21, the total gross business of the Bank decreased from ₹1,48,557.91 crores to ₹1,42,128.95 crore; deposits decreased from ₹83,033.89 crore to ₹82,710.55 crore and gross advances decreased from ₹65,524.02 crore to ₹59,418.40 crore. Operating profit of the Bank had decreased from ₹1,645.64 crore to ₹1,617.91 crore. The performance of the bank was impacted mainly on account of the pandemic situation prevailing in the country. The Net Profit decreased to ₹61.91 crore as against ₹104.59 crore reported in last year due to higher NPA provisioning. The Provision Coverage Ratio (PCR) has improved to 58.73% from previous level of 54.22%.

The Reserve Bank of India (RBI), vide notification dated December 4, 2020, stated that in view of the ongoing stress and heightened uncertainty on account of COVID-19, banks should continue to conserve capital to support the economy and absorb losses. The notification also stated that in order to further strengthen the banks' balance sheets, while at the same time support lending to the real economy, banks shall not make any dividend payment on equity shares from the profits pertaining to the financial year ended March 31, 2020. The Bank did not declare final dividend for the Financial Year ended March 31, 2020.

Given that the current "second wave" has significantly increased the number of COVID-19 cases in India and uncertainty remains, the Board of Directors of the Bank, at its meeting held on May 21, 2021, has considered it prudent not to propose dividend for the Financial Year ended March 31, 2021.

The percentage of Gross NPA to Gross Advances stood at 6.97 and the Net NPA to Net Advances at 4.71 as on March 31, 2021. The Capital Adequacy Ratio of the Bank was 15.42 under Basel III norms as on March 31, 2021 as against the RBI mandated level of 10.875. Book value per share decreased from ₹30.25 to ₹27.75 during the year 2020-21. The gross revenue from Treasury Operations segment decreased from ₹1846.00 crore to ₹1804.05 crore, Corporate/Wholesale Banking segment decreased from ₹3380.69 crore to ₹2809.42 crore, Retail Banking segment increased from ₹3273.14 crore to ₹3568.74 crore and Other Banking Operations segment decreased from ₹309.72 crore to ₹308.72 crore.

Segment results net of allocated/apportioned cost and provisions from Treasury segment increased from (₹81.66) crore to ₹57.29 crore, Retail Banking segment increased from

₹409.39 crore to ₹543.60 crore whereas Corporate/wholesale Banking segment decreased from (₹427.51) crore to (₹814.16) crore other banking operations decreased from ₹249.33 crore to ₹236.3 crore.

KEY BUSINESS RATIOS

Interest income as a percentage to the Working Funds for the FY 2020-21 was decreased from 8.05% to 7.41% mainly on account of decrease in advances and decline in interest rates.

Non-interest income as a percentage to the Working Funds for the FY 2020-21 was increased from 1.08% to 1.20% mainly on account of increase in recovery income from written off accounts and income received from sale of Priority Sector Lending Certificates

The operating profit as a percentage to the Working Funds for the FY 2020-21 was decreased from 1.71% to 1.64% mainly on account of lower growth in Net Interest Income due to the pandemic situation and increase in employee cost due to higher superannuation provisions, expenses on account of wage revision and the provisions for DA increase. The return on Assets (based on working fund) for the FY 2020-21 was down from 0.11% to 0.06% and Return on Equity for the FY 2020-21 was down from 1.91% to 1.07% due to substantially higher NPA provisions and higher staff cost. Further GNPA during the FY 2020-21 has increased from 4.98% to 6.97% due to higher slippages. The net NPA also increased from 3.34% to 4.71% during the FY 2020-21.

UPDATE ON IND-AS IMPLEMENTATION

The Institute of Chartered Accountants of India has issued Ind-AS (a revised set of accounting standards) which largely converges the Indian accounting standards with International Financial Reporting Standards (IFRS). The Ministry of Corporate Affairs (MCA) has notified these accounting standards (Ind-AS) for adoption. The Reserve Bank of India (RBI) vide notification DBR. BPBC.No.29/21.07.001/2018-19 dated March 22, 2019, has deferred the implementation of Indian Accounting Standards (Ind-AS) till further notice.

The Bank has a well-planned strategy for the implementation of Ind-AS and has made good progress in this financial year. As per RBI directions, the Bank has taken following steps so far:

- In line with the guidance issued by the Reserve Bank of India in August 2016, the Bank has set up a Steering Committee headed by the Executive Vice President that monitors the progress of implementation.
- Submitted Proforma Ind-AS financial statements to the RBI for all quarters of FY 2020-21 as per extant regulatory guidelines.
- Bank has selected a vendor for implementing the Ind-AS Solution and the platform has gone live now. Even though the regulator has extended the effective date of implementation, the Bank will continue its preparedness towards migration, seamlessly to Ind-AS.

Accounting Policy

The significant accounting policy of the Bank is mentioned in Schedule 17 of the financial statements. There is no change in the accounting policy having financial impact during the FY 2020-21

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 maximizing shareholder value.

The Bank has put in place independent risk management architecture and practices that is 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. EWIRM solution will facilitate suitable alignment of risk and capital to the overall business strategy.

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/specialized 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 Centralized Processing Centers. 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 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, unit visits etc. A dedicated Market Intelligence Unit (MIU) attached to Risk Management Department has been set up and has started functioning. It 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 analyze the changes in credit risk profile of the borrowers and to provide input for policy and strategic decisions. 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. Extensive analysis has been conducted, and will continue to be carried out on an ongoing basis, to estimate the impact of COVID-19 pandemic and the associated lockdown on different industry sectors to which the Bank has exposure. Suitable changes that reflect the findings of the aforementioned analysis have been made to Bank's rating models. The Bank has commenced to calculate the risk components (PD, LGD and EAD) in line with the Board approved methods, which also serves as an input for prudent pricing of its advances. 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 optimize resources not only to protect the interests of the Bank but also to ensure returns 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. 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 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.

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 our 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).

e) **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. The Cyber Security governance is a part of banks 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 and 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, 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.

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.

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. A core team called Quick Response Team (QRT) is also in place to act immediately upon a crisis and for supervision of recovery under alternative operations arrangements during a disaster. The team ensures that the business functions are back to normalcy with minimum delay. 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. During this pandemic, Quick Response Team (QRT) continues to take immediate counter action and regularly updates the top management on significant developments and act as a single point of contact with regulators/outside institutions/agencies. The minutes of QRT meetings are periodically reviewed by BCP Apex Committee. The Bank has taken multiple steps including enabling alternate locations, work from home facilities etc. to ensure Business continuity. Branches and offices were functional adhering to the mandated COVID-19 protocols amidst the prevailing pandemic situations thereby testing the effectiveness of BCP in live environments.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Internal Financial Controls:

The Bank has put in place adequate internal control measures and processes with respect to its financial record keeping procedure to provide reasonable assurance regarding the reliability of financial reporting and the preparation and presentation of financial statements. These controls and processes are driven through various policies, procedures and certifications. The processes and controls are reviewed periodically and strengthened wherever considered necessary. The Bank also ensures that internal controls are operating effectively, through the robust internal inspection and vigilance system.

The Bank has full-fledged Inspection and Vigilance Department, which ensures adherence to the set rules and regulations by the Branches / Regional Offices / Departments at the Administrative Office. Internal inspectors conduct inspection at regular intervals to ensure that the internal control systems put in place are working effectively. The reports of internal inspections are placed to Sub Committee of ACE (SACE)/Audit Committee of Executives (ACE)/Audit Committee of Board (ACB) as the case may be. SACE/ACE/ACB reviews the reports and ensures that corrective steps are taken to rectify the shortcomings in the report and recommends for strengthening the internal control over various processes.

VIGILANCE MECHANISM/WHISTLE BLOWER POLICY IN THE BANK

Vigilance Mechanism of the Bank is functioning as a separate vertical, Vigilance Division is reporting directly to the MD & CEO of the Bank. Vigilance Division headed by Chief of Internal Vigilance in Senior Management Cadre (who is also the Head of Inspection function) has twin roles to play namely, investigation of frauds and putting in place a dynamic mechanism for detection of fraud, along with recommending risk mitigation measures against recurrences of incidence of frauds.

The Bank has in place a vibrant Whistle Blower Policy (WBP) and a Protected Disclosure Scheme (PDS), which are part of our Vigilance & Fraud Risk Management policy and are reviewed from time to time. Whistle Blower Policy and the Protected Disclosure Scheme of the Bank are published on the website of the Bank and thereby awareness is given to all the stakeholders about the same so as to make the said Policy and the Scheme an effective tool in the reporting and prevention of frauds. The policy is communicated to every employee at the time of joining the Bank and the importance of the whistle blower policy is emphasised in all training programmes thereby creating awareness about the same among staff members and also educating them to inform any unethical or improper practices prevailing in branches/offices to the authorities concerned.

As a part of the preventive mechanism to reduce the instances of frauds, especially on cyber front various customer awareness measures are undertaken by the Bank on a continuous basis through advertisements in the media, publications in Bank's website and through SMS messages to the customers. The Bank's exclusive digital application "SIB Mirror Plus" with e-Lock facility, is popularised among the public through the branches and through periodic advertisements. Staff at branches are regularly updated through internal circulars with the modus operandi adopted by fraudsters at various banks so as to be more vigilant and cautious while dealing with similar situations. The various mitigation steps suggested to prevent the recurrences of fraud incidents are intimated to the departments concerned for implementation.

The Bank has a separate centralised Transaction Monitoring Team working to monitor transactions using alerts generated from software against pre-set rules. Transaction monitoring software is capable of generating near real time alerts and other features which assists effective monitoring of transactions. Based on the alerts, clarifications are called for from the business units wherever necessary and the alerts are closed on a daily basis.

Fraud Risk Monitoring Cell (FRM Cell) is established to prevent fraudulent activity in the customer accounts through all the channel transaction such as debit cards, internet banking and mobile banking activities, by generating rule-based alerts. FRM cell is effectively monitoring transaction alerts 24 X 7, 365 days. A dedicated call centre management solution is also in use in FRM cell for managing out bound calls.

HUMAN RESOURCE DEVELOPMENT/ INDUSTRIAL RELATIONS

As on March 31, 2021, the Bank had 8,314 personnel on its rolls. Human Resources policies and practices of the Bank focus on attracting, motivating and retaining qualified and skilled manpower. Concurrent with these objectives, steps are taken to improve manpower efficiency. Given the market challenges, there has been considerable focus on optimising the existing resources - through internal job postings, transfers and skill development initiatives. Our Human Resources Department has been awarded with the ISO 9001:2008 Certification in the year 2015 and this certification has been upgraded to ISO 9001:2015 on 27.03.2018. Training has assumed significant importance in the present banking scenario. The Bank's Staff Training College identifies the gaps in capability of the personnel and trains them for qualitative improvement. The development of employees is essential for the future strength of our business. The Bank has implemented a systematic approach for identifying, developing and deploying talented employees through a new initiative 'Talent pool' in HRMS System. This will further motivate the employees by providing opportunities according to their skills and area of interest.

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 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 on 2020-21. In order to ensure the 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 Financial Year 2007-08 onwards. PLIS calculation is based on the score obtained by each employee in respective scorecard. The Bank implemented scorecard based performance evaluation system in our Bank from FY 18-19. Scorecards are used for performance appraisal, incentive, promotion etc.

By Order of the Board

(SALIM GANGADHARAN)
CHAIRMAN
DIN : 06796232

(MURALI RAMAKRISHNAN)
MANAGING DIRECTOR & CEO
DIN : 01028298

Place : Thrissur
Date : July 22, 2021

REPORT ON CORPORATE GOVERNANCE

In terms of Regulation 34(3) read with Part C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a Report on Corporate Governance for the year ended March 31, 2021 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 and more than fifty per cent of the Board of Directors comprises of Non-Executive Independent Directors. The Chairperson of the Board is a Non-Executive 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 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 10 Directors as on March 31, 2021, 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, 2021 are given below:

Sl. No.	Name of Director	Category of Director	No. of Board Meetings		Attendance of Last AGM held on 29-09-2020	No. of Shares held	% of holding
			Held during the tenure	Attended			
1	Sri. Salim Gangadharan	NE (Chairman)	12	12	Present	20,000	0.001%
2	Sri. V G Mathew*	Managing Director (Executive)	7	7	Present	NA	NA
3	Sri. Murali Ramakrishnan #	Managing Director (Executive)	5	5	NA	Nil	Nil

Sl. No.	Name of Director	Category of Director	No. of Board Meetings		Attendance of Last AGM held on 29-09-2020	No. of Shares held	% of holding
			Held during the tenure	Attended			
4	Dr. John Joseph Alapatt**	INE	6	6	NA	NA	NA
5	Sri. Francis Alapatt	INE	12	12	Present	2,20,000	0.012%
6	Smt. Ranjana S Salgaocar	INE	12	12	Present	83,666	0.005%
7	Sri. Parayil George John Tharakan	INE	12	12	Present	21,874	0.001%
8	Sri. Achal Kumar Gupta***	NE	7	7	Present	Nil	Nil
9	Sri. V J Kurian	INE	12	12	Present	Nil	Nil
10	Sri. M George Korah	INE	12	12	Present	Nil	Nil
11	Sri. Pradeep M Godbole	NE	12	12	Present	Nil	Nil
12	Sri. Paul Antony##	NE	5	5	NA	10,470	0.001%
13	Sri. R A Sankara Narayanan###	INE	5	5	NA	Nil	Nil

NE – Non-Executive Director

INE – Independent Non-Executive Director

* Sri V G Mathew (DIN : 05332797) ceased to be the MD&CEO of the Bank w.e.f 30.09.2020 after business hours.

Sri. Murali Ramakrishnan (DIN:01028298) appointed as MD&CEO of the Bank w.e.f 01.10.2020

** Dr. John Joseph Alapatt(DIN : 00021735) retired from the directorship of the Bank on 23.09.2020.

*** Sri Achal Kumar Gupta (DIN : 02192183) retired from the directorship of the Bank on 29.09.2020

Sri. Paul Antony (DIN 02239492) was appointed as Director of the Bank w.e.f.29.09.2020

Sri. R A Sankara Narayanan (DIN: 05230407) was appointed as Additional Independent Director of the Bank w.e.f. 15.10.2020.

During the year under review, the Board and its committees were re-constituted three times on 05.05.2020, 01.10.2020 and 16.10.2020.

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
2	Sri Murali Ramakrishnan	Banking
3	Sri Francis Alapatt	Business Management
4	Smt. Ranjana S Salgaocar	Human Resource, Marketing and Business Management
5	Sri Parayil George John Tharakan	Agriculture & Rural Economy and Law

Sl. No.	Name	Special Knowledge / Practical Experience
6	Sri V J Kurian	Economics and Business Management
7	Sri M George Korah	Accountancy
8	Sri Pradeep M Godbole	IT and Payment & Settlement systems
9	Sri. Paul Antony	SSI/Cooperation/Economic And Business Management
10	Sri. R A Sankara Narayanan	Banking, Risk and Treasury

PROFILE OF BOARD OF DIRECTORS

The profile of the Directors of the Bank as on March 31, 2021 is as under:

Sri Salim Gangadharan, aged 67 years is the Chairman and Non-Executive 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 Board since January, 2014. He is also a Director in NSE Clearing Limited. 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, 2021.

Sri Murali Ramakrishnan aged 59 years, is the MD&CEO of the Bank. He retired from ICICI Bank as a Senior General Manager. During his tenure at ICICI Bank, in the last assignment he was heading a business transformation project of SME business. Mr. 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 Capitalfund and Spic Ltd. He is not a director in any other company. Mr. Murali holds no shares of the Bank as on March 31, 2021.

Sri Francis Alapatt, aged 69 years is a Non-Executive Independent Director of the Bank. He holds a Bachelor's degree in Science. He is a Director of M/s CII Guardian International Ltd. and an established businessman. He is not a Director in any other Public Limited Company. Sri Francis Alapatt holds 2,20,000 shares of the Bank as on March 31, 2021.

Smt. Ranjana S Salgaocar aged 67 years is a Non-Executive

Independent Director of the Bank. Ms. Salgaocar holds a Bachelor's degree in Social Work from University of Bombay and MBA from the prestigious Jamnalal Bajaj Institute of Management. Smt. Salgaocar has been on the Board of the Bank since October 1, 2014. She is not a Director in any Public Limited Company. Smt. Ranjana S Salgaocar holds 83,666 shares of the Bank as on March 31, 2021.

Sri Parayil George John Tharakan, aged 60 years is a Non-Executive Independent Director of the Bank. Sri Tharakan holds a bachelor's degree in commerce from the University of Kerala and LLB degree from Bangalore University. Sri Tharakan has over 30 years of experience in the field of agriculture. He is not a Director in any Public Limited Company. Sri Parayil George John Tharakan holds 21,874 shares of the Bank as on March 31, 2021.

Sri V J Kurian, aged 64 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 22 years. As on March 2021, Sri Kurian is the Managing director of Cochin International Airport Ltd. and 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 is not a director in any other Public Limited Company. Sri V J Kurian holds no shares of the Bank as on March 31, 2021.

Sri M George Korah, aged 61 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. He is not a Director in any Public Limited Company. Sri M George Korah holds no shares of the Bank as on March 31, 2021.

Sri Pradeep M Godbole, aged 56 years is a Non-Executive 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 in firms like Ernst & Young; IT organizations like Oracle Financial Services Software (OFSS) & Wipro and Banks like Deutsche Bank. 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. He is not a Director in any Public Limited Company. Sri Pradeep

M Godbole holds no shares of the Bank as on March 31, 2021.

Sri Paul Antony aged 62 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 like the Industries Department and the Commercial Taxes Department. Sri Paul Antony holds 10,47,063 shares of the Bank as on March 31, 2021.

Sri R A Sankara Narayanan, aged 61 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 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. Mr. R A Sankara Narayanan holds no shares of the Bank as on March 31, 2021. He became a Director in Centrum Capital Limited in April, 2021 and Centrum Broking Limited in June, 2021.

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, 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/content/directors-trainingregister/875>)

Information supplied to the Board

The Board is regularly presented with all information under the following heads whenever 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.
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 Independent Directors if so decided by the Independent Directors
 22. Review/Approval of new tie up with exchange houses/ MTSS arrangements.
 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 to by the listed entity and non-compliance of any regulatory, statutory or listing requirements.
 25. Review of Employee grievance redressal systems/ disciplinary proceedings against Officers/employees.
 26. 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 as may be prescribed SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and by Reserve Bank of India.

Board Meetings

A total of 12 Board Meetings were held during the period April 1,2020 to March 31, 2021 and the dates are as under:

16.04.2020	29.04.2020	06.06.2020	26.06.2020
08.07.2020	04.09.2020	28.09.2020	15.10.2020
26.11.2020	21.01.2021	25.02.2021	30.03.2021

Committee position of Directors in the Bank as on March 31, 2021:

The name of each Committee with the name of its respective Chairman as on 31.03.2021 is furnished below:

1	Management Committee	- Sri Salim Gangadharan
2.	Audit Committee	- Sri M George Korah
3.	N P A Review Committee	- Sri R A Sankara Narayanan
4.	Nomination & Remuneration Committee	- Sri V J Kurian
5.	Customer Service Committee	- Smt. Ranjana S Salgaocar
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. Paul Antony
9.	Risk Management Committee	- Sri R ASankara Narayanan
10.	Information Technology Strategy Committee	- Sri Pradeep M Godbole
11.	Corporate Social Responsibility Committee	- Sri Parayil George John Tharakan
12.	Capital Planning & Infusion Committee	- Sri Salim Gangadharan
13.	Committee of Independent Directors	

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015:

- a. 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 he is a director.

- b. None of the Independent Directors of the Bank held directorship in more than seven Listed Companies.
- c. Whole Time Director of the Bank is not serving as an Independent Director in any other Listed Companies.
- d. None of the Directors of the Bank is related to any Director of the Bank.
- e. 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, 2021

Name of the Director	Name of the Company (Directorship in other Indian Public Limited Companies)	Name of Committees in other Indian Public Limited Companies*	Chairman/ Member in other Indian Public Limited Companies
Sri Salim Gangadharan	NSE Clearing Corporation Ltd. (Unlisted)	1. Risk Management Committee	Chairman
		2. Standing Committee on Technology	Chairman
		3. Audit Committee	Member
		4. Regulatory Oversight Committee	Member
		5. Public Independent Directors Committee	Member
Sri Francis Alapatt	CII Guardian International Limited (Unlisted)	CSR Committee	Chairman
Sri V J Kurian	Cochin International Airport Limited (Unlisted)	CSR Committee	Member
	CIAL Infrastructures Limited (Unlisted)	-	-
	CIAL Duty free And Retail Services Limited (Unlisted)	-	-
	Kerala waterways And Infrastructures Limited (Unlisted)	-	-
	Air Kerala International Services Limited (Unlisted)	-	-
	Kerala Infrastructure Fund Management Limited (Unlisted)	-	-

- a) No other Director holds Directorship in any other Public Limited Company.
- b) None of the Directors hold directorship in any other listed company as on March 31, 2021
- c) For the purpose of considering the limit of the directorships, all Public Limited Companies, whether listed or not, are included. Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 are excluded.

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 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 and all other operational matters permitted by the Board from time to time. The members of the Committee as on March 31,

2021 are Sri Salim Gangadharan - Chairman, Sri Mr. Murali Ramakrishnan, Sri Pradeep M Godbole, Sri Paul Antony and Sri.R A Sankara Narayanan

The terms of reference of the Management Committee

1. Consider all credit proposals, beyond the powers of Managing Director and Credit Committees constituted by the Board.
2. OTS proposals within the powers of the Board.
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. NPA recovery (Monthly).
8. Compromise proposals sanctioned by MD (Quarterly).
9. Review of the order of Committee for identification of Wilful Defaulters.
10. Review of the order of Committee for identification of noncooperative borrowers of the Bank.
11. Review of Top 100 NPA accounts below 5 crores (SS/ Doubtful/Loss) (25 in each quarter) – Quarterly.
12. Write off/remission allowed by the Bank for the previous Quarter (Quarterly).
13. Status report on OTS sanctioned by MCB during last one year (Quarterly).
14. 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).
15. Documents time barred/getting time barred (Quarterly).
16. Concessions given by MD & CEO in MC Sanctions and review of MD & CEO sanctions by MC (Quarterly).
17. Overdue Credit Proposal over 3 months, falling within the power of MC (Quarterly).
18. Review of Performance under Annual Credit Plan (ACP) (Half yearly).
19. Review of Advances granted to SC/ST under Priority Sector (Half yearly).
20. Legal action waiver allowed by MD (Quarterly).
21. Sanction to bid the property in court auction above the decretal dues.
22. Enhancement of the prudential individual exposure limit.
23. Miscellaneous items not requiring the approval of the Board.
24. Periodically review the large corporate loans and advances appearing in SMA lists.
25. Review of all reports as per the calendar of reviews stipulated by the RBI from time to time.
26. Any other items which may be permitted by the Board from time to time.
27. Payment of compensation in consumer cases (above ₹1,00,000/-).
28. Review of all reports as per the calendar of reviews stipulated by the RBI from time to time;
29. Any other items which may be permitted by the Board from time to time.
30. Acquisition of Fixed Assets. (Non-IT related)
31. Awarding of Contracts/Appointment of Architects and Engineers for building construction/renovation etc. where the expenditure exceeds the delegated powers.
32. For incurring any Revenue or Capital Expenditure pertaining to the dept. in excess of the delegated powers.
33. Ratification Note for exceeding of various limits fixed as per Forex Policy.
34. Bidding for Equity shares through Book building process and subscription to Equity shares in primary market.
35. Subscription, purchase and sale/offer for repurchase of units of debt oriented mutual funds as well as increasing the exposure to the debt oriented mutual funds including liquid and floating rate funds.
36. Equity Trading (Monthly).
37. Investment in Equity shares in the secondary market.
38. Statement of Structural Liquidity (Fortnightly).
39. Statement of Interest Rate Sensitivity (Monthly).
40. Prob. Impact of rise in yields on market value of Central Government Securities & Trading Book Investments (Monthly).
41. Report on Country Risk (Monthly).
42. Report of VaR of Central Government Securities in AFS & HFT category (Trading Book) & of Currencies (Monthly).
43. Exposure Monitoring (Monthly).
44. Monitoring of excess CRR (Quarterly).
45. Review of Debit/Credit/Travel Cards (Half yearly).
46. Review of performance of MasterCard debit card operations (Quarterly).
47. Fresh purchases, AMC (Annual Maintenance Contract) and other IT related expenses – beyond the delegated powers of HO Executives.

48. Opening and operation of Bank Accounts.
49. Region-wise fund Position (Fortnightly).
50. Issue of duplicate share certificates in Lieu of original Share Certificates Lost/Misplaced.
51. Miscellaneous items not requiring the approval of the Board.
52. Review of all reports as per the calendar of reviews stipulated by the RBI from time to time;
53. 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.

A total of 9 meetings were held during the period. The dates of meetings were

28.04.2020	25.06.2020	20.08.2020
28.09.2020	06.11.2020	10.12.2020
05.01.2021	18.02.2021	29.03.2021

The details of the meetings of the Management Committee of Directors attended by the Members during the year 2020-21, are given below:

Name of Director	No. of Meetings	
	Held during the tenure	Attended
Sri Salim Gangadharan	9	9
Sri V G Mathew*	4	4
Sri. Murali Ramakrishnan#	5	5
Sri Achal Kumar Gupta**	4	4
Sri Pradeep M Godbole	9	9
Sri Parayil George John Tharakan***	4	4
Sri. Paul Antony##	5	5
Sri. R A Sankara Narayanan###	5	5

*Ceased to be a member w.e.f. 30th September 2020 (after business hours).

** Ceased to be a member w.e.f. 29th September, 2020.

***Ceased to be a member w.e.f 16th October 2020

#Inducted into the committee w.e.f. 1st October, 2020.

Inducted into the committee w.e.f. 1st October, 2020.

Inducted into the committee w.e.f. 16th October, 2020.

(B) AUDIT COMMITTEE

The Audit Committee of the Board is chaired by Sri M George Korah, who is a Chartered Accountant. The other members of the committee as on March 31, 2021 are, Sri V J Kurian, Sri Francis Alapatt, Sri. Pradeep M Godbole and Sri. R A Sankara

Narayan. The Company Secretary shall act as the secretary to the audit committee.

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. 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. The appointment, removal and terms of remuneration of the chief internal auditor
22. Review Ind AS Pro-forma Financial Statements.
23. Opening of internal office accounts/GL opened during the quarter.
24. 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.
25. Management discussion and analysis of financial condition and results of operations.
26. Scrutiny of inter-corporate loans and investments.
27. Appointment of Chief Financial Officer, Chief Risk Officer and Chief Internal and Vigilance Officer, after assessing the qualifications, experience and background etc. of the candidate.
28. Review of report on annual compliance risk assessment.
29. Risk Assessment Report (RAR) and its periodic compliance status reviews.
30. Review of all reports as per the calendar of reviews stipulated by the RBI from time to time.
31. Any show cause, demand and prosecution notice and penalty notices issued by any Govt./Quasi Govt./regulatory authority with its implication and action taken.
32. 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.
33. 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.
34. Monitoring the Concurrent Audit function and internal audit of all outsourced activities.
35. 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.

The Committee met 9 times during the period. The dates of meetings were

28.04.2020	25.06.2020	07.07.2020
03.09.2020	14.10.2020	12.11.2020
20.01.2021	24.02.2021	23.03.2021

The details of the meetings of the Audit Committee of Directors attended by the Members during the year 2020-21, are given below:

Name of Director	No. of Meetings	
	Held during the tenure	Attended
Sri M George Korah	9	9
Sri Achal Kumar Gupta*	4	4
Sri V J Kurian	9	9
Sri Francis Alapatt	9	8
Dr. John Joseph Alapatt**	4	4
Sri Pradeep M Godbole#	8	8
Sri. R A Sankara Narayana##	4	4

* Ceased to be a member w.e.f. 29th September, 2020.

**Ceased to be a member w.e.f. 24th September, 2020.

Inducted into the committee w.e.f. 16th October, 2020.

##Inducted into the committee w.e.f. 16th October, 2020.

@Leave of absence was granted to the Member concerned who had expressed his inability to attend the respective meetings

(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 (The criteria for performance evaluation has been detailed in the directors' report) etc., 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. Other Members of the Committee as on March 31, 2021 are Sri Salim Gangadharan, Smt. Ranjana S Salgaocar, Sri Parayil George John Tharakan 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 on Fit & Proper Criteria of the Banks.
2. To devise a Succession Planning Policy for the Board and Senior Management.
3. To formulate a Nomination policy of the Board to guide the Board in relation to appointment/re-appointment/removal of Directors.
4. 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.
5. To formulate the criteria for evaluation of Independent Directors and the Board/Committees.
6. To devise a policy on Board diversity.
7. 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.
8. To perform such other functions as may be necessary or appropriate for the performance of its duties.
9. 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.
10. 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.
11. With respect to the 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-à-vis the business parameters laid down by the Board and Audit Committee and effect such improvements in the scheme as considered necessary;
 - d. On completion of the year, finalize the criteria of allotment of marks to ensure objectivity/equity.
12. 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.

13. 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.
14. 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.
15. 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.
16. Any other matters regarding remuneration to WTDs/MD & CEO and other staffs of the Bank as and when permitted by the Board.
17. To conduct the annual review of the Compensation Policy.
18. To fulfill such other powers and duties as may be delegated to it by the Board.
19. To review HR Strategy aligning with business strategy of the Bank.
20. To review the skill gaps and talent pool creation.

The Nomination and Remuneration Committee met 13 times during the period. The dates of meetings were:

15.04.2020	19.05.2020	30.05.2020	06.06.2020
26.06.2020	07.07.2020	03.09.2020	14.10.2020
23.10.2020	26.11.2020	20.01.2021	24.02.2021
29.03.2021			

The details of the meetings of Nomination & Remuneration Committee of Directors attended by the Members during the year 2020-21, are given below:

Name of Director	No. of Meetings	
	Held during the tenure	Attended
Sri V J Kurian	13	13
Sri Salim Gangadharan	13	13
Smt. Ranjana S Salgaocar	13	13
Sri Achal Kumar Gupta*	7	7
Sri Parayil George John Tharakan	13	13
Sri M George Korah#	5	5

* Ceased to be a member w.e.f. 29th September, 2020.

Inducted into the committee w.e.f. 16th October, 2020.

D) N P A REVIEW COMMITTEE

This Committee has been constituted to review all NPA Accounts above ₹500.00 lakhs. The Committee meets once in a quarter. The members of the Committee as on March 31, 2021 are Sri.R A Sankara Narayanan - Chairman, Sri.Murali Ramakrishnan, Sri. Paul Antony and Sri. M George Korah. The Committee met 4 times during the period. The dates of meetings were:

30.06.2020	21.08.2020	19.11.2020	16.02.2021
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This Committee has been constituted to review:

1. All NPA Accounts above ₹500.00 lakhs. The Committee meets once in a quarter.
2. 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.
3. Review report on the recovery in technically written off accounts with balance outstanding of ₹5.00 crore and above.

The details of the meetings of NPA Review Committee of Directors attended by the Members during the year 2020-21, are given below:

Name of Director	No. of Meetings	
	Held during the tenure	Attended
Sri Achal Kumar Gupta*	2	2
Sri V G Mathew**	2	2
Dr. John Joseph Alapatt***	2	2
Sri M George Korah	4	4
Sri. R A Sankara Narayanan#	2	2
Sri. Paul Antony##	2	2
Sri. Murali Ramakrishnan###	2	2

* Ceased to be a member w.e.f. 29th September, 2020.

**Ceased to be a member w.e.f. 30th September 2020 (after business hours).

*** Ceased to be a member w.e.f. 24th September, 2020.

Inducted into the committee w.e.f. 16th October, 2020

##Inducted into the committee w.e.f. 1st October, 2020

###Inducted into the committee w.e.f. 1st October, 2020

(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. Ranjana S Salgaocar and consists of Sri Murali Ramakrishnan, Sri.Paul Antony and Sri Pradeep M Godbole as members as on March 31, 2021.

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. Terms of reference of Customer Service Committee:

1. Review & recommend to the Board various policies which inter-alia includes:
 - i) Any new policy formulated with regard to customer service as and when directed by the Board.
 - ii) Bank's policies on Deposits, Grievance Redressal, Cheque Collection, Dishonour of cheques, Customer Education, Rights, Compensation & Protection.
 - iii) In addition, Bank's policy on New Product & Service approval process and Policy on Inoperative accounts & unclaimed deposits are also reviewed annually by the committee.
2. Review & Recommend Bank's policy on New Product & Service approval process.
3. To review performance of Branch Level Customer Service Committee (BLCSC).
4. Reviewing the metrics and indicators that provide information on the state of customer services in the Bank;
5. Reviewing the action taken/being taken by the Bank to standardize the delivery of customer experience across all branches.
6. Providing inputs on the products introduced by the Bank with a view to ensure suitability and appropriateness.
7. Monitoring the implementation of the Banking Ombudsman Scheme with particular reference to:
 - i) 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.
 - ii) 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.
8. Review, on an overall basis, the customer service aspects in the Bank on the basis of the detailed memorandum

submitted in this regard and report to the Board of Directors thereafter; this is done once every six months and based on the review, the Committee will direct the Bank to initiate prompt corrective action wherever service quality/skills gaps have been noticed.

9. Monitoring the activities of the Standing Committee on Customer Service (executive level committee) on a quarterly basis.
10. To review the business transacted through E-commerce/M commerce aggregators.
11. To review of ATM down time for the quarter.
12. To ensure implementation of the directives issued by the RBI, from time to time, with respect to rendering services to customers of the Bank.
13. Status/action taken report on the observations of the earlier Committee meetings.

The Committee met 4 times during the period. The dates of meetings were:

28.04.2020	23.09.2020	09.12.2020	18.03.2021
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The details of the meetings of Customer Service Committee of Directors attended by the Members during the year 2020-21, are given below:

Name of Director	No. of Meetings	
	Held during the tenure	Attended
Smt. Ranjana S Salgaocar	4	4
Sri V G Mathew*	2	2
Dr. John Joseph Alapatt**	2	2
Sri Pradeep M Godbole	4	4
Sri Murali Ramakrishnan#	2	2

*Ceased to be a member w.e.f. 30th September 2020 (after business hours)

**Ceased to be a member w.e.f. 24th September 2020

#Inducted in to the Committee w.e.f. 1st October 2020

(F) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee looks into redressal 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. Mr. Jimmy Mathew, Joint General Manager and Company Secretary is designated as the Compliance Officer. The members of the Committee consist of Sri. V J Kurian as Chairman, Mr. Parayil George John Tharakan, Sri.Murali Ramakrishnan and Sri.Francis Alapatt as members as on March 31, 2021.

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 are:

- Review, the complaints received from shareholders or others 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.
- 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.
- 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.
- To review the changes in Top 100 shareholders of the Bank.
- To review the report on reconciliation of Share Capital and Compliance certificate issued under Regulation 40 of SEBI Regulations, 2015 by Practising Company Secretary.
- Review of measures taken for effective exercise of voting rights by the shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/Annual Reports/statutory notices by the shareholders of the company.
- Review of measures taken for effective exercise of voting rights by the shareholders.
- Any other agenda items as may be included from time to time in compliance with SEBI (LODR) Regulations, 2015/Companies Act, 2013.

The Committee met 4 times during the period on:

29.04.2020	23.09.2020	09.12.2020	18.03.2021
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Status of Shareholder Complaints as on March 31, 2021

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
1	Non-receipt of Refund Order/ Allotment credit	0	0	0	0
2	Non-receipt of Dividend Warrants	0	69	69	0
3	Request for issue of duplicate share certificates	0	43	43	0
4	Complaints received from BSE/NSE/SEBI/ ROC	0	1	1	0
5	Other miscellaneous complaints (Including non-receipt of split share certificate)	1	4	4	1
6	Non-receipt of share certificate after transfer	0	0	0	0
TOTAL		1	117	117	1

The details of the meetings of Stakeholders Relationship Committee of Directors attended by the Members during the year 2020-21, are given below:

Name of Director	No. of Meetings	
	Held during the tenure	Attended
Smt. Ranjana S Salgaocar*	1	1
Sri. V J Kurian	4	4
Dr. John Joseph Alapatt*	2	2
Sri. V G Mathew***	2	2
Sri. Murali Ramakrishnan#	2	2
Sri. Parayil George John Tharakan##	2	2
Sri. Francis Alapatt	2	2

* Ceased to be a member w.e.f. 05th May 2020

**Ceased to be a member w.e.f. 24th September 2020

*** Ceased to be a member w.e.f. 30th September 2020 (after business hours)

Inducted in to the Committee w.e.f. 1st October 2020

Inducted in to the Committee w.e.f. 16th October 2020

(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. In order to be in line with the RBI master directions, the Board of Directors of the Bank at their meeting held on July 17, 2019 has changed the name of the special committee of Board for monitoring frauds from 'Committee to Prevent and Review frauds in the Bank' to 'Special Committee of Board for monitoring and follow up of Frauds'.

The Committee is chaired by Sri Murali Ramakrishnan and consists of Sri Salim Gangadharan, Sri M George Korah, Sri Francis Alapatt and Sri Parayil George John Tharakan as members of the Committee as on March 31, 2021.

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 Committee met 6 times during the period. The dates of meetings were:

28.04.2020	25.06.2020	07.07.2020
17.09.2020	12.11.2020	19.01.2021

The details of the meetings of Committee to Prevent and Review Frauds in the Bank attended by the Members during the year 2020-21, are given below:

Name of Director	No. of Meetings	
	Held during the tenure	Attended
Sri V G Mathew*	4	4
Sri Salim Gangadharan	6	6
Sri M George Korah	6	6
Sri Parayil George John Tharakan	6	6
Sri Francis Alapatt	6	6
Sri. Murali Ramakrishnan#	2	2

* Ceased to be a member w.e.f. 30th September 2020 (after business hours)

Inducted into the Committee w.e.f. 1st October 2020

(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. Paul Antony as Chairman, Sri. Murali Ramakrishnan, and Sri. Francis Alapatt as members as on March 31, 2021.

The terms of reference of Premises Committee are:

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.

The Committee met 4 times during the year. The dates of meetings were:

23.06.2020	23.09.2020	09.12.2020	18.03.2021
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The details of the meetings of Premises Committee of Directors attended by the Members during the year 2020-21, are given below:

Name of Director	No. of Meetings	
	Held during the tenure	Attended
Dr. John Joseph Alapatt*	2	2
Sri V G Mathew**	2	2
Sri. V J Kurian***	2	2
Sri Pradeep M Godbole****	2	2
Sri. Murali Ramakrishnan#	2	2
Sri. Paul Antony##	2	2
Sri. Francis Alapatt###	2	2

* Ceased to be a member w.e.f. 24th September 2020

** Ceased to be a member w.e.f. 30th September 2020 (after business hours)

*** Ceased to be a member w.e.f. 16th October 2020.

**** Ceased to be a member w.e.f. 16th October 2020.

#Inducted into the committee w.e.f. 1st October 2020

Inducted into the committee w.e.f. 1st October 2020

Inducted into the committee w.e.f. 16th October 2020

(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, 2021 are Sri R A Sankara Narayanan- Chairman, Sri Salim Gangadharan, Sri Murali Ramakrishnan, Sri M George Korah and Sri Pradeep M Godbole. 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:

- Review and recommend on a regular basis the risk management policies recommended by RMCs, ALCO, including policies concerning credit risk, market risk, and operational risk and also the Business Continuity policy.
- Recommend risk management governance structure of the Bank and deciding the allocation of resources.
- Define the risk appetite of the Bank.
- Approve the vendors for risk data warehouse and other risk management software requirements.
- Approve revisions in existing systems and policies to address risk management requirements and good practices.
- 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.
- Oversee and monitor the Bank's compliance with regulatory requirements.
- Approve delegation of risk limits to management and approve any transactions exceeding those delegated authorities.
- Review risk mitigation plans on significant risks, which affects policy or procedure level changes for effective implementation.
- To review the direction of various risks attributable to the Bank based on an analytical model articulated by RBI.
- Oversee functions of Credit Risk Management Committee (CRMC), Market Risk Management Committee (MRMC), Asset Liability Management Committee (ALCO) and Operational Risk Management Committee (ORMC).
- Reviewing and approving the Internal Capital Adequacy Assessment Process.
- 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.
- Status/action taken report on the observations of the earlier Committee meeting.
- All other agenda items required to be placed to RMCB in compliance with the policies of the Bank and as directed by the Board/RMC from time to time
- Risk associated with outsourced activities of the Bank.
- Review of Cyber Risk
- Monitoring of Liquidity Risk Parameters
- Review of Stress Testing.
- Discussion with CRO for ensuring independence of risk functions.

The Committee met 5 times during the period. The dates of meetings were:

23.06.2020	20.08.2020	06.11.2020	05.01.2021	29.03.2021
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The details of the meetings of Risk Management Committee of Directors attended by the Members during the year 2020-21, are given below:

Name of Director	No. of Meetings	
	Held during the tenure	Attended
Sri Achal Kumar Gupta*	2	2
Sri Salim Gangadharan	5	5
Sri V G Mathew**	2	2
Sri M George Korah	5	5
Sri Pradeep M Godbole	5	5
Sri. Sankara Narayanan#	3	3
Sri. Murali Ramakrishnan##	3	3

* Ceased to be a member w.e.f. 29th September 2020

** Ceased to be a member w.e.f. 30th September 2020 (after business hours)

Inducted into the committee w.e.f. 16th October 2020

##Inducted into the committee w.e.f. 1st October 2020

(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" and the scope, terms of reference of the Committee has been amended w.e.f. 28.11.2012. The Committee is chaired by Sri Pradeep M Godbole and consist of, Sri Salim Gangadharan, Sri Murali Ramakrishnan, Sri M George Korah and Sri Paul Antony as members as on March 31, 2021.

The revised terms of reference of the IT Strategy Committee, inter-alia, include the following:

- Suggest improvement and monitor the implementation of modern technology in the Bank;
- Approving IT strategy and policy documents;
- Ensuring that the management has put an effective strategic planning process in place;
- Ensuring that the IT strategy is indeed aligned with business strategy;
- Ensuring that the IT organizational structure complements the business model and its direction;
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- 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;
- Ensuring proper balance of IT investments for sustaining Bank's growth;
- Make aware about exposure towards IT risks and controls, and evaluating effectiveness of management's monitoring of IT risks;
- Assessing Senior Management's performance in implementing IT strategies;
- Issuing high-level policy guidance (e.g.: related to risk, funding, or sourcing tasks);
- Confirming whether IT or business architecture is to be designed, so as to derive the maximum business value from IT;
- 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;
- Reviewing IT performance measurement and contribution of IT to businesses (i.e. delivering the promised value);
- Any other terms of reference as may be included from time to time by the Board or in compliance with RBI Guidelines.

The Committee met 4 times during the year. The dates of meetings are:

23.06.2020	23.09.2020	19.11.2020	16.02.2021
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The details of the meetings of Information Technology Strategy Committee of Directors attended by the Members during the year 2020-21, are given below:

Name of Director	No. of Meetings	
	Held during the tenure	Attended
Sri Pradeep M Godbole	4	4
Sri Salim Gangadharan	4	4
Sri V G Mathew*	2	2
Sri M George Korah	4	4
Sri Francis Alapatt**	2	2
Sri. Murali Ramakrishnan#	2	2
Sri. Paul Antony##	2	2

* Ceased to be a member w.e.f. 30th September 2020 (after business hours)

** Ceased to be a member w.e.f. 16th October 2020

Inducted in to the Committee w.e.f. 1st October 2020

Inducted in to the Committee w.e.f. 16th October 2020

(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 of the Board, with Sri Parayil George John Tharakan as Chairman of the Committee, Sri Murali Ramakrishnan, Sri V J Kurian and Smt. Ranjana Salgaocar as its members as at March 31, 2021.

The terms of reference of the Committee, inter-alia, includes 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 preventive healthcare and sanitation, including contribution to 'Swachh Bharat Khosh' set up by Central Govt. and making available safe drinking water;
 - ii. promoting of 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 centers 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, agro forestry, conservation of natural resources and maintaining quality 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 arts and handicrafts;
 - vi. measures for the benefit of armed forces veterans, war widows and their dependents;
 - vii. training to promote rural sports, nationally recognised sports, Paraolympics 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 Government for socioeconomic development, relief and welfare of SC/ ST/ OBC, minorities and women;
 - ix. contributions or funds provided to technology incubators located within academic institutions which approved by the Central Government;
 - x. rural development projects;
 - xi. slum area development.
2. a)Sanction CSR proposals from ₹10.00 lakhs to ₹25.00 lakhs which are evaluated by SIB Foundation
 - b) To evaluate and recommend to the Board for sanctioning CSR proposals above ₹25.00 lakhs which are evaluated and forwarded by SIB Foundation.
 - c) To review the CSR sanctions up to ₹10 lakh
 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 recommended by the regulatory authorities from time to time.

The Committee met 4 times during the year. The dates of meetings were:

23.06.2020	23.09.2020	09.12.2020	18.03.2021
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The details of the meetings of Corporate Social Responsibility Committee of Directors attended by the Members during the year 2020-21, are given below:

Name of Director	No. of Meetings	
	Held during the tenure	Attended
Sri Parayil George John Tharakan	4	4
Sri V G Mathew*	2	2
Sri V J Kurian	4	4
Dr. John Joseph Alapatt**	2	2
Sri Murali Ramakrishnan#	2	2
Smt. Ranjana Salgaocar##	2	2

*Ceased to be a member w.e.f. 30th September 2020 (after business hours)

**Ceased to be a member w.e.f. 23rd September 2020

Inducted in to the Committee w.e.f. 1st October 2020

##Inducted in to the Committee w.e.f. 16th October 2020

(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 members of the Committee as on March 31, 2021 are Sri Salim Gangadharan - Chairman, Sri Murali Ramakrishnan, Sri.V J Kurian, Smt. Ranjana S Salgaocar and Sri R A Sankara Narayanan.

The Committee met 3 times during the period. The dates of meetings were:

29.04.2020	04.09.2020	25.02.2021
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The details of the meetings of Capital Planning & Infusion Committee of Directors attended by the Members during the year 2020-21, are given below:

Name of Director	No. of Meetings	
	Held during the tenure	Attended
Sri Salim Gangadharan	3	3
Sri V G Mathew*	2	2
Sri Francis Alapatt**	2	2
Smt. Ranjana Salgaocar	3	3
Sri M George Korah***	2	2
Sri. Murali Ramakrishnan#	1	1

Name of Director	No. of Meetings	
	Held during the tenure	Attended
Sri. Sankara Narayanan##	1	1
Sri. V J Kurian###	1	1

*Ceased to be a member w.e.f. 1st October 2020

** Ceased to be a member w.e.f. 16th October 2020

***Ceased to be a member w.e.f. 16th October 2020

#Inducted in to the Committee w.e.f. 1st October 2020

Inducted in to the Committee w.e.f. 16th October 2020

Inducted in to the Committee w.e.f. 16th October 2020

(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 members of the Committee as on the date of meeting are, Sri Francis Alapatt, Smt. Ranjana S Salgaocar, Sri Parayil George John Tharakan, Sri V J Kurian, Sri M George Korah and Sri.R A Sankara Narayanan. The terms of reference of the Committee inter-alia, includes:

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.

The recommendations of Committee of Independent Directors are placed to the Nomination and Remuneration Committee for timely follow-up and necessary actions.

The Committee met once during the year on 30.03.2020. All the Independent Directors of the Bank attended the meeting.

(N) INTERVIEW COMMITTEE

The Interview Committee met 16 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:

18.04.2020	21.04.2020	23.04.2020	24.04.2020
27.04.2020	13.05.2020	04.08.2020	02.11.2020
03.11.2020	17.11.2020	11.12.2020	14.12.2020
15.12.2020	04.01.2021	06.02.2021	17.02.2021

The details of the meetings of Interview Committee of Directors attended by the Members during the year 2020-21, are given below:

Name of Director	No. of Meetings	
	Held during the tenure	Attended
Sri Salim Gangadharan	16	16
Sri V G Mathew*	7	7
Sri Achal Kumar Gupta**	1	1
Sri V J Kurian	12	12
Sri. Murali Ramakrishnan#	9	9
Sri. M George Korah	10	10
Sri. Sankara Narayanan	9	9

*Ceased to be a member w.e.f. 30th September 2020 (after business hours)

** Ceased to be a member w.e.f. 29th September 2020

Inducted in to the Committee w.e.f. 1st October 2020

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, 2020 TO MARCH 31, 2021

The Bank paid a gross remuneration of ₹77,93,442.00 to Sri V G Mathew, (former MD &CEO) from 01.04.2020 to 30.09.2020 and ₹86,85,081.00 to Mr. Murali Ramakrishnan, Managing Director & Chief Executive Officer (Joined on 01.10.2020) from 01.10.2020 to 31.03.2021 in accordance with the terms and conditions approved by Reserve Bank of India and the Shareholders.

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 year as per law. The Independent Directors of the Bank also had no pecuniary relationship with the Bank, or their promoters or directors.

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-fordirectors/877>.

A) Details of Remuneration to MD & CEO

The details of remuneration paid to Sri V G Mathew, (former MD &CEO) from 01.04.2020 to 30.09.2020.

PARTICULARS	AMOUNT (₹)
Basic Pay	62,20,800.00
Variable Pay	7,77,600.00
Other Perquisites (Accommodation, Hard and Soft Furnishings, Car)	7,95,042.00
Gross Income upto (March 2021)	77,93,442.00
No. of Employee Stock Options granted during the year (2020-21)*	NIL

* 1,50,000 options have been granted to Sri. V G Mathew @ ₹ 7.25 per option. However the RBI has not considered the same favourably.

The details of remuneration paid to Sri Murali Ramakrishnan from 01.10.2020 to 31.03.2021.

PARTICULARS	AMOUNT (₹)
Basic Pay	68,10,000.00
Variable Pay	0
HRA	4,50,000.00
Other Perquisites (Hard and Soft Furnishings, Car)	7,44,081.00
PF Bank Contribution	6,81,000.00
Gross Income upto (March 2021)	86,85,081.00
No. of Employee Stock Options granted during the year (2020-21)	NIL

B) Details of honorarium/sitting fee paid to Part-time non-executive Chairman:

The Bank has paid ₹2,00,000/- to Sri Salim Gangadharan, Part-time Chairman, as honorarium from April 01, 2020 to March 31, 2021 and ₹14,88,000/- as sitting fees during the period April 01, 2020 to March 31, 2021.

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 there under. The Board of Directors have approved the payment of ₹60,000 as sitting fee for each Meeting of the Board and ₹40,000 as sitting fee for each Meeting of the Committee attended. Accordingly, the Bank paid sitting fees during the period 01.04.2020 to 31.03.2021 as under:

Dr. John Joseph Alapatt – ₹8,60,000/-, Sri Francis Alapatt – ₹14,68,000/-, Smt. Ranjana S Salgaocar – ₹15,08,000/-, Sri Parayil George John Tharakan – ₹17,24,000/-, Sri Achal Kumar Gupta – ₹13,00,000/-, Sri V J Kurian – ₹ 22,68,000/-, Sri M George Korah – ₹23,64,000/-, Sri Pradeep M Godbole – ₹17,24,000/-, Sri. Paul Antony- ₹6,56,000, Sri. R A Sankara Narayanan- ₹10,72,000/-

Total sitting fee paid ₹1,64,32,000/-.

3. BRIEF RESUME OF DIRECTORS SEEKING REAPPOINTMENT/ RATIFICATION

Resume of Directors seeking Appointment at the 93rd Annual General Meeting is given below:

1. Sri Pradeep M Godbole

Name of the Director	Sri Pradeep M Godbole (DIN: 08259944)
Date of Birth and age	04.10.1964 (56 years)
Date of first appointment on Board	26.03.2019
Qualifications	B.com, CA
Brief Resume including Experience	<p>Mr. Pradeep M Godbole is a Chartered Accountant with 30 + years of Banking, Technology, Consulting, Auditing, Accounting and Management experience.</p> <p>He has held senior management positions at reputed organizations - Big 4 consulting firms like Ernst & Young; IT organizations like Oracle Financial Services Software (OFSS)& Wipro; and Banks like Deutsche Bank. Mr. Godbole is currently working on capability building initiatives and is a guest faculty at The Institute of Chartered Accountants of India (ICAI). Mr. Godbole is also a speaker at professional events & seminars.</p>
Nature of his expertise in specific functional area	Accounting, IT and Payment & Settlement Systems
Directorship in other Companies	<p>Listed: Nil</p> <p>Unlisted:</p> <ol style="list-style-type: none"> 1. Riskintellect Solutions Private Limited 2. Risk and Compliance Professional Association 3. Belief Impex Private Limited
Membership of Committees in Public Limited Companies	NIL
Shareholding in the Bank as on 31st March, 2021	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	NIL
Details of the remuneration last drawn	Sitting fee – ₹17,24,000 for attending Board and committee meetings
Number of Meetings of the Board attended during the year	12 meetings
Chairman/member of the Committee of the Board of Directors of this Company (as on March 31, 2021)	<p>IT Strategy Committee – Chairman</p> <p>Audit Committee – Member</p> <p>Management Committee – Member</p> <p>Risk Management Committee – Member</p> <p>Customer Service Committee – Member</p>
Terms and conditions of appointment/reappointment including remuneration	Appointed as Non-Executive Director liable to retire at the AGM. 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

2. Sri. R A Sankara Narayanan

Name of the Director	Sri. R A Sankara Narayanan (DIN: 05230407)
Date of Birth and age	23.01.1960, 61 years
Date of first appointment on Board	15.10.2020
Qualifications	Post-graduate degree in Public Administration, MBA in Finance, CAIIB, PGDPM, PGDFM, DTIRM, DCP and BRM.
Brief Resume including Experience	<p>Mr. R A Sankara Narayanan, holds a post-graduate degree in Public Administration and has also done MBA in Finance, CAIIB, PGDPM, PGDFM, DTIRM, DCP and BRM. He started his banking career as a joint recruit officer of 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. 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. Mr. R A Sankara Narayanan represented BOI at various platforms such as PT Bank of India Indonesia Tbk, Bank of India - Tanzania, Commonwealth Finance Corporation Ltd (CFCL-Hongkong), BOI New Zealand Ltd, BOI Shareholding and SUD Life Insurance.</p> <p>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</p>
Nature of his expertise in specific functional area	He has exposure and sufficient expertise in areas like treasury, retail, international banking, recovery, corporate credit, risk management, compliance, retail, marketing, recovery and human resources, overseas assignments
Directorship in other Companies	Centrum Capital Limited (Listed) Centrum Broking Limited (Unlisted)
Membership of Committees in Public Limited Companies	Nil
Shareholding in the Bank as on 31st March, 2021	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	NIL
Details of the remuneration last drawn	Sitting fee – ₹10,72,000 for attending Board and committee meetings
Number of Meetings of the Board attended during the year	5 meetings
Chairman/member of the Committee of the Board of Directors of this Company (as on March 31, 2021)	NPA Review Committee- Chairman Risk Management Committee – Chairman Audit Committee - Member Management Committee - Member Capital planning and infusion Committee - Member
Terms and conditions of appointment/ reappointment including remuneration	Appointed as Additional Independent Director (Non-Executive) holding office upto the date of this Annual General Meeting of the Bank. 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

4. DETAILS OF GENERAL BODY MEETINGS HELD IN THE LAST 3 YEARS

Name of the Meeting	Day, Date and time	Venue	Whether any special resolutions passed
90th Annual General Meeting	Wednesday, July 11, 2018 at 10.00 a.m.	Casino Cultural Auditorium Ltd., T.B. Road, Thrissur	Yes. <ol style="list-style-type: none"> To appoint Dr. John Joseph Alapatt (DIN: 00021735) as an Independent Director To appoint Mr. Francis Alapatt (DIN: 01419486) as an Independent Director To pass a special resolution for exercising the borrowing powers of the Bank pursuant to Section 180(1)(c) of the Companies Act, 2013 To Augment the Paid-up Capital of the Bank by further issue of shares To Approve the borrowing/raising funds in Indian/foreign currency by issue of debt securities upto `500 crore on private placement basis
91st Annual General Meeting	Wednesday, July 17, 2019 at 10.00 a.m.	Casino Cultural Auditorium Ltd., T.B. Road, Thrissur	Yes. <ol style="list-style-type: none"> To appoint Ms. Ranjana S Salgaocar (DIN: 00120120) as an Independent Director To appoint Mr. Parayil George John Tharakan (DIN: 07018289) as an Independent Director To Augment the Paid-up Capital of the Bank by further issue of Shares To Approve the borrowing/raising funds in Indian/foreign currency by issue of debt securities upto ₹500 crore on private placement basis Amendments in the Object Clause of the Memorandum of Association of the Bank
92 nd Annual General Meeting	Tuesday, 29th September, 2020 at 11.00 am	Via VC/OAVM	Yes. <ol style="list-style-type: none"> Raising of Tier I capital of the Bank through issuance of Securities Raising of funds by issue of bonds/ debentures/ securities on private placement basis For increasing foreign investment limit under NRI/PIO category Amendments in Employees Stock Option Scheme Ratification for amendment of Object clause of Memorandum of Association Amendment of Articles of Association
Extra Ordinary General Meeting	Tuesday, 23rd March, 2021 at 10.00 am	Via VC/OAVM	Yes. <ol style="list-style-type: none"> To approve the offer or invitation to subscribe to equity shares by way of preferential allotment on a 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 92nd Annual General Meeting notice and extraordinary 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.

Subsidiary Companies/Joint Ventures or Associate Companies

There are no companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year. The Bank has incorporated its wholly owned non-financial subsidiary viz. SIB Operations and Services Limited on 28-05-2021.

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/viewContentLvl1.aspx?linkIdLvl2=215&LinkIdLvl3=781&linkId=781>).

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) 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 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 Senior 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 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/content/viewContentLvl1.aspx?LinkIdLvl2=215&LinkIdLvl3=250&linkId=250>).

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 shares 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/viewContentLvl1.aspx?linkIdLvl2=215&LinkIdLvl3=784&linkId=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

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: www.southindianbank.com/content/viewContentLvl1.aspx?linkIdLvl2=215&LinkIdLvl3=789&linkId=789

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

In order to have smooth trading operations within the risk appetite of the Bank, Investment, Forex and Derivative policies are in place and various risk limits are monitored based on the same. To monitor Foreign Exchange risk, NOOP limit, Forex VaR and AGL are monitored on daily basis by Risk Management department. Treasury 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. 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, www.southindianbank.com.

K) Utilization of funds raised through Preferential Allotment or Qualified Institutions Placement

During the year under review, 28,30,18,867 equity shares were issued through preferential allotment on a placement basis and there was no deviation in the utilisation of funds. The proceeds of the issue was primarily used to meet the needs of the growing business of the Bank, including long term capital requirements for pursuing growth plans, to increase the capacity of the Bank to lend, and for general corporate purposes.

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 have 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 2020-21.

O) Credit Ratings and Change/Revisions in Credit Ratings for Debt Instruments

Instrument Type	Amount outstanding (₹ in crores)	CARE Ratings	India Ratings & Research (A Fitch group company) Ratings/Outlook
Tier II Bonds (Basel III Compliant)	300	CARE A; Negative (Single A; Outlook: Negative)	IND A/Negative
Tier II Bonds (Basel III Compliant)	490	CARE A; Negative (Single A; Outlook: Negative)	IND A/Negative
Tier II Bonds (Basel III Compliant)	250	CARE A; Negative (Single A; Outlook: Negative)	IND A/Negative
Tier I Bonds (Basel III Compliant)	500	-	IND A-/Negative

Short Term Ratings

Instrument Type	Ratings
Certificate of Deposits	CARE A1+ (A One Plus)
Short Term Fixed Deposits	CRISIL A1+ (A One Plus)

On October 01, 2020, CARE Ratings Ltd. has revised the rating from CARE A+ ; Negative (Single A plus, Outlook: Negative) to CARE A; Negative (Single A, Outlook: Negative).

Further on August 21, 2020, India ratings and Research Pvt. Ltd. has revised the long term issuer rating of the Bank from IND A+/ Negative to IND A/Negative. The rating of Basel III Tier 2 debt has been revised from IND A+/Negative to IND A/Negative and Basel III AT1 perpetual bonds from IND A / Negative to IND A- / Negative.

P) Fees paid to Statutory Auditors

The total fees incurred by the Bank on services rendered by the Statutory Auditor M/s Varma and Varma, is given below

Fee paid/payable#	Amount (in lakhs)
Statutory audit/Limited review	35.00
Certification and other attestation charges	16.50
Non-Audit services	0.00
Total	51.50

#Excluding the branch audit fee and out of pocket expenses

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 Annual Report for FY 2019-20, 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 dividends warrants for dividends declared upto the financial year ended 31.03.2020, 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.

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/ Company/ 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 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 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.

6. GENERAL SHAREHOLDER INFORMATION

93rd Annual General Meeting	Date	August 18,2021
	Day	Wednesday
	Time	11.00 am
	Venue	Via VC/OAVM
Financial year		2020-21
Book closure date		Thursday, the 12 th day of August, 2021 to Wednesday, the 18 th day of August, 2021 (both days inclusive)
Dividend Payment		No dividend has been recommended by the Board for the FY 2020-21
Name & designation of Compliance Officer		JIMMY MATHEW Company Secretary
Address for correspondence		The South Indian Bank Ltd. Secretarial Dept., Head Office T.B Road, Mission Quarters, Thrissur 680 001, Kerala Landline: 0487-2429333 Email: ho2006@sib.co.in
Share Transfer Agents		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. : 044-25565121
Corporate Identity Number (CIN)		L65191KL1929PLC001017
E-Mail address		ho2006@sib.co.in
Bank's Website		http://www.southindianbank.com

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) 26598120
2. The BSE Ltd. (Stock Code: 532218)
PhirozeJeejeebhoy 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 2021-22 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 for the year 2021-22.

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 2 Bonds in the nature of Debentures issued on 30.09.2015 (Stock Code: 952810).
2. Unsecured Redeemable Non-Convertible Basel III Compliant Tier 2 Bonds in the nature of Debentures issued on 28.11.2017 (Stock Code: 957189).

3. Unsecured Redeemable Non-Convertible Basel III Compliant Tier 2 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 1 Bonds in the nature of debentures (Stock Code: 959209)

Debenture Trustee Details

IDBI Trusteeship Services Ltd.

Asian Building, Ground Floor, 17, R. Kamani Marg,

Ballard Estate, Mumbai - 400 001.

Tel.No.: 022-40807000, E-mail: itsl@idbitrustee.com

Equity Evolution during the year

As at March 31, 2021, the paid-up share capital of the Bank was ₹209,27,41,018/- consisting of 209,27,41,018 equity shares of ₹1/- each. During the year under review, the Bank has issued 28,30,18,867 shares through preferential allotment on a private placement basis.

The Market Price Data of Bank's Shares

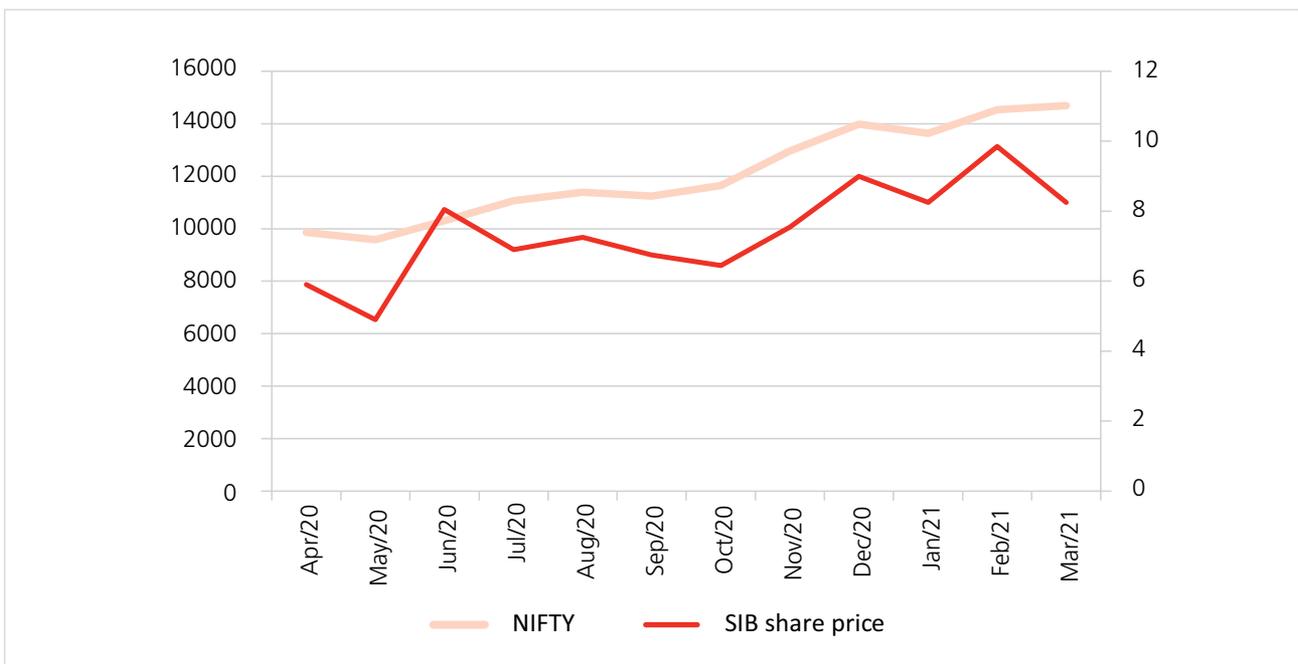
The monthly high and low prices of the Bank's shares traded on the National Stock Exchange of India Ltd. (NSE), Mumbai and BSE Ltd. (BSE), Mumbai during the period April 2020 to March 2021 are as under:

MONTH	NSE		BSE	
	High	Low	High	Low
Apr-20	6.55	5.5	6.51	5.52
May-20	5.9	4.85	5.89	4.85
Jun-20	9.25	4.9	9.32	4.95
Jul-20	8.45	7.3	8.55	6.65
Aug-20	7.9	6.75	7.89	6.76
Sep-20	7.5	6.4	7.47	6.37
Oct-20	7.05	6.25	7.04	6.12
Nov-20	7.7	6.35	7.69	6.34
Dec-20	10.65	7.6	10.61	7
Jan-21	10.15	7.6	10.12	7.64
Feb-21	10.25	8	10.25	8.02
Mar-21	10.85	8.1	10.8	8.06

Performance of the South Indian Bank Equity Shares relative to S&P BSE SENSEX during FY 2020-21



Performance of the South Indian Bank Equity Shares relative to NSE Nifty during FY 2020-21.



DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2021

CATEGORY (NO OF SHARES)	PHYSICAL			DEMAT		
	NO. OF HOLDERS	SHARES	% OF SHARE HOLDING	NO OF HOLDERS	SHARES	% OF SHARE HOLDING
UP TO --- 100	2772	42527	0.00	173934	7406826	0.35
101 --- 200	1937	251329	0.01	53298	9080755	0.43
201 --- 500	2299	824039	0.04	84101	32561051	1.56
501 --- 1000	2544	1763984	0.08	71078	61227404	2.93
1001 --- 5000	19709	37216710	1.78	100238	243897435	11.65
5001 --- 10000	1205	8847349	0.42	19923	152281545	7.28
10001 --- 50000	734	13677589	0.65	16561	351642471	16.80
50001 & ABOVE	85	11230483	0.54	3139	1160789521	55.47
TOTAL	31285	73854010	3.53	522272	2018887008	96.47

Total number of shareholders both physical and electronic put together is 553557

MEMBERS' PROFILE AS ON MARCH 31, 2021 IS AS UNDER

S.NO	CATEGORY	SHARES		TOTAL	% OF SHARE HOLDING
		PHYSICAL	DEMAT	SHARES	
1	RESIDENT INDIVIDUALS	61446180	1201635140	1263081320	60.36
2	INDIAN FINANCIAL INSTITUTIONS	0	0	0	0.00
3	FOREIGN INSTITUTIONAL INVESTOR	0	0	0	0.00
4	NON-RESIDENT INDIANS	9139599	148756929	157896528	7.54
5	BODIES CORPORATES	2792485	68900967	71693452	3.43
6	DIRECTORS & RELATIVES	475280	957715	1432995	0.07
7	MUTUAL FUNDS	0	15493909	15493909	0.74
8	TRUSTS	0	39641	39641	0.00
9	BANKS	0	3149334	3149334	0.15
10	CLEARING MEMBERS	0	18155571	18155571	0.87
11	HUF	466	42440820	42441286	2.03
12	FOREIGN PORTFOLIO INVESTOR (CORP)	0	152060396	152060396	7.27
13	FOREIGN PORTFOLIO INVESTOR (INDV)	0	3548	3548	0.00
14	FOREIGN NATIONALS	0	262100	262100	0.01
15	ALTERNATIVE INVEST FUND	0	941105	941105	0.04
16	IEPF AUTHORITY MCA	0	8018176	8018176	0.38
17	QIB	0	358071657	358071657	17.11
	GRAND TOTAL	73854010	2018887008	2092741018	100.00

Shareholders holding more than 1% as on March 31, 2021

SI No	Name of the shareholder/s	Shares As On 31-03-2021	%
1	Yusuffali Musaliyam Veettill Abdul Kader	90359249	4.32
2	Kotak Mahindra Life Insurance Company Ltd.	88443396	4.23
3	SBI Life Insurance Co. Ltd	88443396	4.23
4	HDFC Life Insurance Company Limited	88443396	4.23
5	Life Insurance Corporation of India	58319232	2.79
6	Acacia Banyan Partners	31210267	1.49
7	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 who is in charge of administration, 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, half 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 half 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. : 044-25565121
Fax : 044-25565131
E-mail : ramesh@btsindia.co.in
helpdesk@btsindia.co.in

DEMATERIALISATION 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 2021, 201,88,87,008 (96.47%) shares of the Bank have been converted into dematerialized form and 73,854,010 (3.53%) 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, BharathMatha 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 ₹1,33,25,362.00 for the financial year 2012-13 has already transferred to the fund on 29.07.2020. 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, 2013 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 alongwith 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 to Investors Education and Protection Fund (IEPF)

Pursuant to Section 124 of the Companies Act, 2013, final dividend for the financial year 2012-13 amounting to ₹1,33,25,362.00 pertaining to the financial year 2012-13, 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 29.07.2020.

The dividend for following years (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	2013-14	Final	80	16.07.2014	15.08.2021
2	2014-15	Final	60	15.07.2015	15.08.2022
3	2015-16	Final	50	08.07.2016	07.08.2023
4	2016-17	Final	40	11.07.2017	10.08.2024
5	2017-18	Final	40	11.07.2018	11.08.2025
6	2018-19	Final	25	17.07.2019	15.08.2026
7	2019-20		No dividend		

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 2012-13 has been transferred by the Bank to the DEMAT Account of the authority on 29th July 2020.

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. 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.

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 2020-21.

7.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 2020-21. 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 2021 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.

8. 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)
MANAGING DIRECTOR & CEO
DIN: 01028298

Place: Thrissur
Date: July 22,2021

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, 2021 and that to the best of our knowledge and belief:
 - i. 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 21,2021

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, 2021.

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:

- Reading and understanding of the information prepared by the Bank and included in its Corporate Governance Report;
- 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;
- Obtained and read the Directors' Register as on March 31, 2021 and verified that at least one Independent woman director was on the Board during the year;
- Obtained and read the minutes of the annual general meeting held on September 29, 2020;
- Obtained and read the minutes of the Board of Directors and the committees of the Board of Directors, held April 1, 2020 to March 31, 2021 viz.,

Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee.

- Obtained necessary representations and declarations from directors of the Bank including the independent directors; and
- 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, 2021.

Other matters and Restriction on Use

- 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.
- 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.

We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

**For SVJS & Associates
Company Secretaries**

CS Vincent P. D.
Managing Partner

FCS: 3067

CP No: 7940

UDIN: F003067C000669986

Kochi
22.07.2021

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, 2021** 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. V.G.Mathew*	05332797	01/10/2014
3	Sri.Murali Ramakrishnan	01028298	01/10/2020
4	Dr. John Joseph Alapatt#	00021735	24/09/2012
5	Sri. Francis Alapatt	01419486	01/11/2013
6	Smt. Ranjana S. Salgaocar	00120120	01/10/2014
7	Sri. Parayil George John Tharakan	07018289	25/11/2014
8	Sri. Achal Kumar Gupta^	02192183	11/01/2017
9	Sri. V.J.Kurian	01806859	23/03/2018
10	Sri. M. George Korah	08207827	31/08/2018
11	Sri. Pradeep M. Godbole	08259944	26/03/2019
12	Sri. Paul Antony	02239492	29/09/2020
13	Sri. R A Sankara Narayanan	05230407	15/10/2020

*Sri. V.G.Mathew's term of office expired at the close of working hours on 30.09.2020.

#Dr. John Joseph Alapatt's term of office expired on 23.09.2020.

^Sri. Achal Kumar Gupta's term of office expired on 29.09.2020.

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.

**For SVJS & Associates
Company Secretaries**

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

Kochi
22.07.2021

UDIN: F003067C000669997

INDEPENDENT AUDITOR'S REPORT

To the Members of The South Indian Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The South Indian Bank Limited ('the Bank'), which comprise the Balance Sheet as at March 31, 2021, the Profit and Loss Account, the Cash Flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Bank's branches located across India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') in the manner so required for banking Companies and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2021, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 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 financial statements.

Emphasis of Matter

We draw attention to Note No. A.12.1 of Schedule 18 to the financial statements regarding the impact of COVID-19 pandemic and the adjustments made in the accounts for the year ended 31st March 2021 on account of the same. As stated therein, in view of continuing uncertainties, the extent of impact of the pandemic on the Bank's operations and financial position would depend on several factors including the steps taken by the Governments, Reserve Bank of India (RBI) and the Bank to mitigate the same.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Description of Key Audit Matters

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Classification of Advances, identification of non-performing advances, income recognition, and provisioning on Advances (Refer Note 3 of Schedule 17 and Note A 9 of Schedule 18 to the financial statements)</p>	<p>Classification of Advances, identification of non-performing advances, income recognition, and provisioning on Advances (Refer Note 3 of Schedule 17 and Note A 9 of Schedule 18 to the financial statements)</p>
<p>(i) Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These were further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances. The Reserve Bank of India ('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>Our audit approach / procedures towards advances with reference to the prudential norms for classification of advances, identification of non-performing advances, income recognition, and provisioning on advances (IRACP norms) and other related circulars/directives issued by the Reserve Bank of India (RBI) and also internal policies and procedures of the Bank includes 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 considering the current uncertain economic environment arising out of COVID 19 pandemic.

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>The identification of performing and non-performing advances involves establishment of proper 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.</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>Since the identification of NPAs and provisioning of advances (including additional provisions considering the current situation arising out of COVID-19 pandemic) requires proper mechanism and significant level of estimation and given its significance to the overall audit, we have ascertained identification of NPAs and provisioning of advances as a key audit matter.</p>	<ul style="list-style-type: none"> - Understanding, evaluation and testing the design and operating effectiveness of key controls (including application controls) for identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI. - Performing other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included: <ul style="list-style-type: none"> (a) Considering testing of the exception reports generated from the application 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 and other related information of the 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 audit reports and memorandum of changes issued by statutory branch auditors. (f) Considering Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank. (g) 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. (h) Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines. <p>For Non- performing advances identified, we, based on our sample on 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 prepared by management.</p>

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 (Schedule 8 read with Note 2 of Schedule 17 to the 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, non recognition of income and provisioning against non-performing investments.</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. 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. Accordingly, our audit was focused on valuation of investments, classification, identification of non-performing investments and provisioning related to investments.</p>	<p>Our audit approach/procedures towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs) and provisioning/depreciation related to Investments. In particular,</p> <p>a. 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;</p> <p>b. We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments;</p> <p>c. 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;</p> <p>d. We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</p> <p>e. 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;</p> <p>f. 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.</p>
<p>(iii) Pension valuation, retirement benefit obligations and provision for wage revisions</p> <p>The Bank operates defined benefit schemes like gratuity, pension and leave benefits for its employees which in total are significant in the context of the overall balance sheet. The valuations of the employee benefit liabilities are calculated with reference to multiple actuarial assumptions and inputs including discount rate, rate of inflation and mortality rates. The net defined benefit asset is sensitive to changes in the assumptions. Considering the significant level of judgements and estimates and the materiality involved, we have included this as a Key Audit Matter.</p>	<ul style="list-style-type: none"> - We tested the design and operating effectiveness of key controls over the completeness and accuracy of data extracted and supplied to the Bank's actuaries, which is used to calculate the defined benefit schemes' surplus or deficit. - We also tested the controls associated with the actuarial assumptions setting process and the measurement of the fair value of the schemes' assets.

Key Audit Matters	How our audit addressed the Key Audit Matters
	<ul style="list-style-type: none"> - We understood the judgements made in determining the assumptions used by management to value the retirement benefit liabilities and we examined whether these assumptions met the requirements of the applicable accounting standards, the specific circumstances of the schemes and their participants, and were in line with market practice. - Our audit procedures included an assessment of the assumptions used by the actuary by comparing life expectancy assumptions with relevant mortality tables, benchmarking inflation and discount rates against external market data. We have also evaluated the independence, qualifications and results of work performed the actuaries involved in the valuation process - We verified the value of plan assets to the statements provided by asset management companies managing the plan assets. - Verified the disclosures provided by the Bank in accordance with AS 15(R) Employee Benefits
<p>(iv) Information Technology ('IT') Systems and Controls for financial reporting</p> <p>Our audit procedures have a focus on those IT systems and controls which 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. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensure that IT dependent and application-based controls are operating effectively. Due to the pervasive nature and complexity of the IT environment we have ascertained IT systems and controls as a Key Audit Matter.</p>	<ul style="list-style-type: none"> - 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 reviewed and authorised. We tested the Bank's periodic review of access rights. We inspected requests of changes to systems for approval and authorisation. 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 controls over financial reporting. - Where deficiencies 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.
<p>(v) Provisions and Contingent Liabilities (Refer note 14 of Schedule 17 to the financial statements)</p> <p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 to the financial statements)</p>	<p>Our audit approach / procedures involved:</p> <ul style="list-style-type: none"> - Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances; - Understanding the current status of the litigations/tax assessments;

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered 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 judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.</p>	<ul style="list-style-type: none"> - Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon; - Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of our internal tax experts; - Review and analysis of evaluation of the contentions of the Bank through discussions, collection 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 taxation matters.
<p>(vi) Modified Audit Procedures carried out in light of COVID-19 outbreak:</p>	
<p>Due to the various COVID-19 pandemic restrictions imposed by the Government / Local Authorities during the period of our audit, audit could not be conducted by physically visiting the premises of certain Branches of the Bank. Accordingly, our audit procedures were required to be modified to carry out the audit remotely.</p> <p>As we could not fully gather audit evidence in person/ physically/ through discussions and personal interactions with the officials at the Branches, we have identified such modified audit procedures as a Key Audit Matter.</p>	<p>Due to the outbreak of COVID-19 pandemic that caused lockdown and other travel restrictions imposed by the Governments/local administration during the period of our audit, we could not travel to certain Branches of the Bank to carry out the audit processes physically at the respective offices. Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium, emails and remote access to CBS and other relevant application software. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures as follows:</p> <ul style="list-style-type: none"> - Conducted verification of necessary records/ documents/ CBS and other Application software electronically through remote access/emails in respect of some of the Branches of the Bank wherever physical access was not possible. - Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails and remote access over secure network of the Bank. - Making enquiries and gathering necessary audit evidence through Video Conferencing and discussions over phone calls/conference calls, emails and similar communication channels.

Information other than the Financial Statements and Auditor's Report Thereon

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these 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 the Reserve Bank of India ('RBI') from time to time. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 either intends to liquidate

the Bank or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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.
- Conclude on the appropriateness of management's 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 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 financial statements, including the disclosures, and whether the 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 financial statements for the financial year ended March 31, 2021, 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 Matters

We did not audit the financial statements of 824 branches included in the financial statements of the Bank whose financial statements reflect total assets of ₹84639.61 Crores as at March 31, 2021 and total revenue of ₹5091.16 Crores for the year ended on that date, as considered in the financial statements. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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.

As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:

- (a) we have 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 returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- (c) The reports on the accounts of the branch offices of the Bank audited under section 143(8) of the Act by branch auditors of the Bank have been sent to us and have been properly dealt with by us in preparing this report;
- (d) The Balance Sheet, the Profit and Loss Account, the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
- (e) In our opinion, the aforesaid 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;
- (f) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Bank with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;

- h) In our opinion, the entity being a banking company, the remuneration to its directors during the year ended March 31, 2021, has been paid/provided by the Bank in accordance with the provisions of section 35B (1) of the Banking Regulation Act, 1949, and;
- i) 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 financial statements - Refer Schedule 12.I and Sl.no 1 of Note 9 under Schedule 18.B to the financial statements;
- ii. The Bank 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 - Refer Note 10 under Schedule 18.B to the 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.

For **Varma & Varma**
Chartered Accountants
ICAI Firm Registration No.004532S

V Sathyanarayanan
Partner
Membership No.021941
ICAI UDIN: 21021941AAAACF4549

Kochi
May 21, 2021

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
FINANCIAL STATEMENTS OF THE SOUTH INDIAN BANK LIMITED
REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO 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 financial statements of The South Indian Bank Limited ('the Bank') as at March 31, 2021, in conjunction with our audit of the 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 is 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A bank's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability

of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A bank's internal financial control over financial reporting 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 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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.

Other Matters

Our aforesaid report in so far as it relates to the operating effectiveness of internal financial controls over financial reporting of 824 branches is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter.

For **Varma & Varma**
Chartered Accountants
ICAI Firm Registration No.004532S

V Sathyanarayanan
Partner

Kochi
May 21, 2021

Membership No.021941
ICAI UDIN: 21021941AAAACF4549

BALANCE SHEET AS AT MARCH 31, 2021

		Schedule No.	As at March 31, 2021 ₹ ('000)	As at March 31, 2020 ₹ ('000)
पूँजी और देयताएं	CAPITAL AND LIABILITIES			
पूँजी	Capital	1	2,092,741	1,809,722
कर्मचारी स्टोक विकल्प (अनुदान) बकाया	Employees' Stock Options Outstanding		20,824	25,472
आरक्षित निधियाँ और अधिशेष	Reserves and Surplus	2	55,978,867	52,938,283
निक्षेप	Deposits	3	827,105,490	830,338,881
उधार	Borrowings	4	41,082,731	68,932,347
अन्य ऋण तथा प्रावधान	Other Liabilities and Provisions	5	15,211,081	16,284,301
जोड़	TOTAL		941,491,734	970,329,006
संपत्तियाँ	ASSETS			
भारतीय रिज़र्व बैंक में नकदी अधिशेष	Cash and Balances with Reserve Bank of India	6	33,047,093	28,059,835
बैंको में अधिशेष और मांग पर तथा अल्प सूचना पर प्राप्त धन	Balances with banks and money at call & short notice	7	54,631,688	13,837,782
विनिधान	Investments	8	203,210,845	206,252,745
अग्रिम	Advances	9	580,564,761	644,394,729
स्थिर आस्तियाँ	Fixed Assets	10	7,951,667	8,000,419
अन्य आस्तियाँ	Other Assets	11	62,085,680	69,783,496
जोड़	TOTAL		941,491,734	970,329,006
आकस्मिक ऋण	Contingent Liabilities	12	108,751,312	107,527,644
संग्रहण के लिए बिल	Bills for Collection		17,581,919	17,800,924
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

In terms of our report attached

For **Varma & Varma**
Chartered Accountants
ICAI Firm Registration No. 004532 S

V Sathyanarayanan
Partner
Membership No. 021941

Kochi
May 21, 2021

For and on behalf of Board of Directors

Thomas Joseph K
Executive Vice President

Doraivel Sambandam
Chief Credit Officer

Chithra H
Chief Financial Officer

Jimmy Mathew
Company Secretary

Vijith S
Joint General Manager

Thrissur
May 21, 2021

Salim Gangadharan
Chairman
(DIN : 06796232)

Francis Alapatt
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Director
(DIN : 07018289)

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Director
(DIN : 01806859)

Pradeep M Godbole
Director
(DIN : 08259944)

R A Sankara Narayanan
Director
(DIN : 05230407)

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2021

		Schedule No.	Year ended March 31, 2021 ₹('000)	Year ended March 31, 2020 ₹('000)
I. आय	I. INCOME			
अर्जित ब्याज	Interest Earned	13	73,054,447	77,637,981
अन्य आय	Other Income	14	11,854,777	10,457,503
जोड़	TOTAL		84,909,224	88,095,484
II. व्यय	II. EXPENDITURE			
व्यय किया गया ब्याज	Interest Expended	15	48,985,370	54,462,991
परिचालन व्यय	Operating Expenses	16	19,744,732	17,176,138
उपबंध और आकस्मिक व्यय	Provisions & Contingencies	18.A.31	15,560,016	15,410,459
जोड़	TOTAL		84,290,118	87,049,588
III. लाभ/हानि	III. PROFIT/LOSS			
वर्ष के शुद्ध लाभ	Net Profit for the year		619,106	1,045,896
पिछले वर्ष के अग्रणीत लाभ	Profit brought forward from previous year		1,259,535	2,767,313
विनियोग के लिये उपलब्ध लाभ	Profit available for Appropriation		1,878,641	3,813,209
IV. विनियोग	IV. APPROPRIATIONS			
कानूनी आरक्षितियों को अंतरण	Transfer to Statutory Reserve		154,800	261,500
पूँजीगत आरक्षितियों को अंतरण	Transfer to Capital Reserve		1,677,563	1,746,756
प्रस्तावित लाभांश	Dividend Paid for FY 18-19		-	452,421
प्रस्तावित लाभांश पर कर	Tax on Dividend Paid for FY 18-19		-	92,996
अतिशेष जो आगे तुलन पत्र में ले जाया गया है।	Balance carried over to Balance Sheet		46,278	1,259,535
जोड़	TOTAL		1,878,641	3,813,208
प्रति शेयर अर्जन (₹)	Earnings per share (Face value of ₹1 per share)			
आधार ईपीएस (₹)	Basic (in ₹)	18.B.2	0.34	0.58
तनुकृत ईपीएस (₹)	Diluted (in ₹)	18.B.2	0.34	0.58
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

In terms of our report attached

For **Varma & Varma**
Chartered Accountants
ICAI Firm Registration No. 004532 S

V Sathyanarayanan
Partner
Membership No. 021941

Kochi
May 21, 2021

For and on behalf of Board of Directors

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Director
(DIN : 05230407)

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

		Year Ended March 31, 2021 ₹('000)	Year Ended March 31, 2020 ₹('000)
Cash flow from operating activities			
Net Profit as per Profit and Loss Account		619,106	1,045,896
Adjustments for:			
Provision for taxes (Net)		247,500	449,650
Depreciation		826,506	777,015
Amortisation of Premium on HTM Investments		1,148,470	590,381
Provision for Depreciation / Non Performing Investments		1,247,723	3,181,052
General Provisions against Standard Assets		(841,100)	1,143,600
Provision/write off for Non Performing Assets		14,464,398	9,959,663
Other Provisions		441,495	676,494
Employee Stock Options expense		(4,647)	9,783
Interest on Subordinated bonds		1,760,762	1,392,079
(Profit)/Loss on sale of land, buildings and other assets		(3,081)	(4,160)
Deferred Employee Benefits		-	-
Operating profit before working capital changes	(A)	19,907,132	19,221,453
Changes in working capital:			
Increase / (Decrease) in Deposits		(3,233,391)	26,137,700
Increase / (Decrease) in Borrowings		(25,849,616)	14,900,314
Increase / (Decrease) in Other liabilities		259,187	(1,198,796)
(Increase) / Decrease in Investments		10,811,263	(4,245,300)
(Increase) / Decrease in Advances		49,707,831	(27,721,626)
(Increase) / Decrease in Other Assets		5,502,643	(19,248,754)
	(B)	37,197,917	(11,376,462)
Cash flow from operating activities before taxes	(A+B)	57,105,049	7,844,991
Direct Taxes paid		979,006	(1,285,039)
Net cash flow from operating activities	(C)	58,084,055	6,559,952
Cash flow from investing activities:			
Purchase of Fixed Assets/Capital Work-in-Progress		(812,710)	(836,126)
Sale of Fixed/Non Banking Assets		56,314	26,301
(Purchase)/Sale of Investments (Held To Maturity)		(10,165,556)	(14,965,089)
Net cash flow from/(used in) investing activities	(D)	(10,921,952)	(15,774,914)

		Year Ended March 31, 2021 ₹('000)	Year Ended March 31, 2020 ₹('000)
Cash flow from financing activities:			
Proceeds from issue of share capital (Including Share Premium)		2,400,000	866
Dividend paid including Corporate Dividend Tax		-	(545,417)
Interest on Subordinated bonds		(1,780,939)	(1,570,418)
Issue/(Repayment) of Subordinate bonds		(2,000,000)	5,000,000
Net cash flow from financing activities	(E)	(1,380,939)	2,885,031
Net increase/(decrease) in cash and cash equivalents	(C+D+E)	45,781,164	(6,329,931)
Cash and cash equivalents as at beginning of the year		41,897,617	48,227,548
(Refer note below)			
Cash and cash equivalents as at the end of the year		87,678,781	41,897,617
(Refer note below)			

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)

In terms of our report attached

For **Varma & Varma**
Chartered Accountants
ICAI Firm Registration No. 004532 S

V Sathyanarayanan
Partner
Membership No. 021941

Kochi
May 21, 2021

For and on behalf of Board of Directors

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SCHEDULE TO BALANCE SHEET AS AT MARCH 31, 2021

	As at March 31, 2021 ₹('000)	As at March 31, 2020 ₹('000)
SCHEDULE 1 - CAPITAL		
Authorised Capital	3,500,000	2,500,000
350,00,00,000 Equity shares of ₹1/- each (Previous year 250,00,00,000 equity shares of ₹1/- each)		
Issued, Subscribed and Paid up Capital	2,092,741	1,809,722
209,27,41,018 Equity shares of ₹1/- each (Previous year 180,97,22,151 equity shares of ₹1/- each) (Refer Note No. A.2 of Schedule 18)		
TOTAL	2,092,741	1,809,722
Employees' Stock Options Outstanding		
Employees' Stock Options Outstanding	23,056	33,314
Less: Deferred Employee Compensation Expense (unamortised)	(2,232)	(7,842)
TOTAL	20,824	25,472
SCHEDULE 2 - RESERVES AND SURPLUS		
I. Statutory Reserve		
Opening Balance	11,413,139	11,151,639
Additions during the year	154,800	261,500
Sub Total	11,567,939	11,413,139
II. Capital Reserve		
Opening Balance	3,529,561	1,782,805
Additions during the year*	1,677,563	1,746,756
Sub Total	5,207,124	3,529,561
III. Asset Revaluation Reserve		
Opening Balance	3,210,934	2,385,853
Additions - Due to Revaluation of premises	-	866,108
	3,210,934	3,251,961
Deductions during the year:		
Deduction from revaluation reserve to the extent of depreciation on revalued amount	(41,027)	(41,027)
Sub Total	3,169,907	3,210,934
IV. Share Premium		
Opening Balance	15,551,985	15,551,063
Additions during the year	2,116,981	922
Sub Total	17,668,966	15,551,985
V. Revenue and Other Reserves		
Opening Balance	13,757,775	13,689,543
Additions during the year :		
a) lapse of vested options	1	1,701

	As at March 31, 2021 ₹('000)	As at March 31, 2020 ₹('000)
b) transfer of depreciation on revaluation	41,027	41,027
c) reversal/(debit) deferred provision for fraud accounts (Refer Note no.A 29 (b) of Schedule 18)	304,496	-
d) reversal/(debit) deferred provision for Non Banking Assets (Refer Note no.A 29 (c) of Schedule 18)	-	330,000
Deduction during the year:		
a) deferred provision for fraud accounts (Refer Note no.A 29 (a) of Schedule 18)	-	(304,496)
Sub Total	14,103,299	13,757,775
VI. Investment Fluctuation Reserve (Refer Note no. A 3.1 (c) of Schedule 18)		
Opening Balance	221,454	221,454
Additions during the year	-	-
Sub Total	221,454	221,454
VII. Special Reserve u/s 36(1)(viii) of Income Tax Act		
Opening Balance	3,993,900	3,993,900
Sub Total	3,993,900	3,993,900
VIII. Balance in Profit and Loss Account	46,278	1,259,535
TOTAL	55,978,867	52,938,283
[i+ii+iii+iv+v+vi+vii+viii]		

* 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 ₹167.58 Crore (Previous Year ₹174.44 Crore)

b) Profit on sale of Fixed Assets ₹0.17 Crore (Previous Year ₹0.23 Crore)

SCHEDULE 3 - DEPOSITS

A.	I. Demand Deposits		
	(i) From Banks	135,269	98,205
	(ii) From Others	43,075,591	31,981,053
	II. Savings Bank Deposits	202,687,064	175,516,803
	III. Term Deposits		
	(i) From Banks	15,501,659	33,599,925
	(ii) From Others	565,705,907	589,142,895
	TOTAL	827,105,490	830,338,881
B.	(i) Deposits of branches in India	827,105,490	830,338,881
	(ii) Deposits of branches outside India	Nil	Nil
	TOTAL	827,105,490	830,338,881

	As at March 31, 2021 ₹('000)	As at March 31, 2020 ₹('000)
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
(i) Reserve Bank of India	-	5,520,000
(ii) Other Banks*	2,078,800	2,428,800
(iii) Other Institutions and Agencies#	36,044,000	38,533,790
II. Borrowings outside India - from other banks	2,959,931	22,449,757
TOTAL	41,082,731	68,932,347
Secured borrowings under Collateralised Borrowing and Lending Obligation, triparty repo, market repurchase transactions with banks and financial institutions and transactions under Liquidity Adjustment Facility and Marginal Standing Facility included above.	-	12,936,090

*Borrowings from other banks include Subordinated Debt of ₹48.36 crores (Previous year ₹83.36 crores) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹159.52 Crore (Previous year ₹159.52 Crore) [Refer Note no. 18.A.1]

#Borrowings from other institutions & agencies include Subordinated Debt of ₹991.64 Crores (Previous year ₹1,156.64 Crores) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹340.48 Crores (Previous year ₹340.48 Crores) [Refer Note no. 18.A.1]

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

I. Bills Payable	1,054,889	933,046
II. Inter-Office adjustments (Net)	6,544	-
III. Interest Accrued	1,864,137	2,027,138
IV. Others (including provisions)*	12,285,511	13,324,117
TOTAL	15,211,081	16,284,301

*Includes :

Provision for standard assets ₹290.03 Crore (Previous year ₹373.97 Crore) (Refer Note no. A. 12 of Schedule 18)

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

I. Cash in hand (including foreign currency notes)	4,229,122	4,621,363
II. Balances with Reserve Bank of India In Current Account	28,817,971	23,438,472
TOTAL	33,047,093	28,059,835

	As at March 31, 2021 ₹('000)	As at March 31, 2020 ₹('000)
SCHEDULE 7 - BALANCES WITH BANKS AND		
MONEY AT CALL AND SHORT NOTICE		
I. In India		
i) Balances with Banks		
(a) In Current Accounts	653,368	378,410
(b) In Other Deposit Accounts	33,639	241,967
ii) Money at call & short notice		
(a) With Banks	3,000,000	-
(b) With other Institutions	-	-
(c) Lending under Reverse Repo (RBI and Banks)	31,643,518	9,500,000
Sub total	35,330,525	10,120,377
II. Outside India		
(a) In Current Accounts	2,379,122	1,532,956
(b) In Other Deposit Accounts	14,256,450	-
(c) Money at call & short notice - with banks	2,665,591	2,184,449
Sub total	19,301,163	3,717,405
TOTAL	54,631,688	13,837,782
SCHEDULE 8 - INVESTMENTS (net of provisions)		
I. Investments in India in:		
(i) Government Securities*	191,486,589	191,835,931
(ii) Other Approved Securities	-	-
(iii) Shares	961,285	820,429
(iv) Debentures and Bonds	1,626,433	5,934,599
(v) Subsidiaries and/or Joint Ventures	-	-
(vi) Others#	9,134,559	7,659,856
Sub total	203,208,866	206,250,815
II. Investments outside India - Shares	1,979	1,930
TOTAL (I+II)	203,210,845	206,252,745
A. Gross Investments		
(i) In India	211,802,669	213,867,869
(ii) Outside India	1,979	1,979
Sub total (A)	211,804,648	213,869,848
B. Depreciation/Provision for investments		
(i) In India	8,593,803	7,617,054
(ii) Outside India	-	49
Sub total (B)	8,593,803	7,617,103
C. Net Investments		
(i) In India	203,208,866	206,250,815
(ii) Outside India	1,979	1,930
total (A - B)	203,210,845	206,252,745
* Including Non SLR State Government bonds with Book Value ₹197.71 Crore (Previous Year: ₹227.78 Crore).		
# includes		
Security Receipts	4,884,559	7,645,912
Mutual Fund	4,250,000	13,944
TOTAL	9,134,559	7,659,856

	As at March 31, 2021 ₹('000)	As at March 31, 2020 ₹('000)
SCHEDULE 9 - ADVANCES (net of provisions)		
A. (i) Bills Purchased and Discounted	30,026,099	45,874,046
(ii) Cash Credits, Overdrafts and Loans repayable on demand	285,503,304	297,828,474
(iii) Term Loans	265,035,358	300,692,209
TOTAL	580,564,761	644,394,729
B. (i) Secured by tangible assets (including advances against book debts)	516,562,808	596,888,419
(ii) Covered by Bank/Government Guarantees	46,879,515	21,666,505
(iii) Unsecured	17,122,438	25,839,805
TOTAL	580,564,761	644,394,729
C. I. Advances in India		
(i) Priority Sectors	313,017,919	272,984,839
(ii) Public Sector	1,859,072	5,860,881
(iii) Banks	-	-
(iv) Others	265,687,770	365,549,009
TOTAL	580,564,761	644,394,729
II. Advances outside India	Nil	Nil
TOTAL	580,564,761	644,394,729
SCHEDULE 10 - FIXED ASSETS		
I. Premises (including Land)		
Gross Block		
At cost as on March 31, of the preceding year	5,946,968	5,080,860
Additions during the year		
Due to Revaluation of premises (Net)	-	866,108
Due to purchases/acquisitions	-	-
	5,946,968	5,946,968
Deductions during the year	26	-
Closing Balance	5,946,942	5,946,968
Depreciation		
As at beginning of the year	601,637	534,253
Charge of the year	67,384	67,384
Depreciation to date	669,021	601,637
Net Block Sub total	5,277,921	5,345,331
II. Capital Work in Progress		
At cost as on March 31, of the preceding year	242,360	318,686
Additions during the year	688,786	809,963
	931,146	1,128,649
Capitalisations during the year	526,100	886,289
	405,046	242,360
Depreciation to date	-	-
Sub total	405,046	242,360

	As at March 31, 2021 ₹('000)	As at March 31, 2020 ₹('000)
III. Other Fixed Assets (Including furnitures and fixtures and Software)		
Gross Block		
At cost as on March 31, of the preceding year	7,239,505	6,438,429
Additions during the year	650,024	912,452
	7,889,529	7,350,881
Deductions/adjustments during the year	313,675	111,376
	7,575,854	7,239,505
Depreciation		
As at beginning of the year	4,826,777	4,217,093
Charge of the year	759,103	709,619
Deductions during the year	278,726	99,935
Depreciation/adjustments to date	5,307,154	4,826,777
Net Block	2,268,700	2,412,728
Sub total	2,268,700	2,412,728
TOTAL (I+II+III)	7,951,667	8,000,419

SCHEDULE 11 - OTHER ASSETS

I. Inter-Office adjustments (Net)	-	104,186
II. Interest Accrued	8,298,136	9,053,703
III. Tax Paid in Advance/Tax Deducted at Source (Net)	2,672,209	4,317,815
IV. Deferred tax asset (net) (Refer Note No. B.4 of Schedule 18)	980,354	561,254
V. Deferred provision for fraud accounts (Refer Note No. A.29(a) of Schedule 18)	-	304,496
VI. Stationery and Stamps	30,971	38,177
VII. Non-Banking Assets acquired in satisfaction of claims	-	664,171
VIII. Others*	50,104,010	54,739,694
TOTAL	62,085,680	69,783,496

* Includes Priority Sector Shortfall Deposits amounting to ₹4,404.14 Crore (Previous year ₹4,827.00 Crore)

SCHEDULE 12 - CONTINGENT LIABILITIES (Refer Note no. 14 of Schedule 17)

I. Claims against the Bank not acknowledged as debts:		
(i) Direct Tax disputes	397,276	485,324
(ii) Indirect Tax disputes	226,713	241,740
(iii) Others	239,904	129,793
II. Liability on account of outstanding Forward Exchange Contracts ¹	78,265,378	76,758,016
III. Guarantees given on behalf of constituents in India	17,356,865	18,579,779
IV. Acceptances, endorsements and other obligations	10,643,474	9,848,091
V. Other items for which the Bank is contingently liable:		
(i) Capital Commitments	123,211	243,807
(ii) Transfers to Depositor Education and Awareness Fund (DEAF)	1,498,491	1,241,094
TOTAL	108,751,312	107,527,644

¹ Represents notional amount

	As at March 31, 2021 ₹('000)	As at March 31, 2020 ₹('000)
SCHEDULE 13 - INTEREST EARNED		
I. Interest/Discount on Advances/Bills	57,676,290	61,591,660
II. Income on Investments	13,090,027	13,910,588
III. Interest on balances with Reserve Bank of India and Other Inter-Bank funds	478,465	399,702
IV. Others	1,809,665	1,736,031
TOTAL	73,054,447	77,637,981

SCHEDULE 14 - OTHER INCOME

I. Commission, Exchange and Brokerage		500,184		527,291
II. Profit on sale of Investments	5,086,049		4,076,334	
Loss on sale of Investments	(890,648)	4,195,401	(174,842)	3,901,492
III. Profit on sale of land, buildings and other assets	12,466		7,983	
Loss on sale of land, buildings and other assets	(9,385)	3,081	(3,823)	4,160
IV. Profit/(Loss) on Exchange transactions (net)		480,902		447,488
V. Miscellaneous Income*		6,675,209		5,577,072
TOTAL		11,854,777		10,457,503

* Includes Amount written off since Recovered (₹66.64 Crore (Previous Year ₹18.48 Crore))

SCHEDULE 15 - INTEREST EXPENDED

I. Interest on Deposits	44,662,611	50,524,137
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	1,203,977	947,578
III. Others	3,118,782	2,991,276
TOTAL	48,985,370	54,462,991

SCHEDULE 16 - OPERATING EXPENSES

I. Payments to and Provisions for Employees	12,283,578	9,413,519
II. Rent, Taxes and Lighting	1,235,528	1,242,482
III. Printing and Stationery	103,686	133,839
IV. Advertisement and Publicity	30,480	121,089
V. Depreciation on Bank's Property	826,506	777,015
VI. Directors fees, allowances and expenses	17,911	15,674
VII. Auditors' fees and expenses (incl. branch auditors)	40,157	39,575
VIII. Law charges	138,507	123,922
IX. Postage, telegrams, telephones, etc.	441,112	408,300
X. Repairs and Maintenance	516,560	522,149
XI. Insurance	1,130,094	935,208
XII. Other Expenditure*	2,980,613	3,443,366
TOTAL	19,744,732	17,176,138

* Includes expenditure towards Corporate Social Responsibility ₹11.68 Crore (Previous year : ₹12.01 Crore) [Refer Note no. B.11 of Schedule 18]

SCHEDULE – 17 SIGNIFICANT ACCOUNTING POLICIES APPENDED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

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 904 branches/offices 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 recognised 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 recognised 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 recognised only on realisation.
- 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 first towards unrealized interest/income debited to borrower's accounts, then expenditure/ out of pocket expenses incurred and lastly towards principal dues.
- 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.

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 five groups, viz. Government Securities, Other Approved Securities, Shares, Debentures & Bonds and Other Investments for the purposes of disclosure in the Balance Sheet.
- 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, SGL account transactions, pricelist of RBI or prices declared by Financial Benchmark India Private Limited, periodically. Net depreciation, if any, within each category of investment classification is recognised 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.

- 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 amortised over the remaining maturity of the security on straight line basis. Any diminution, other than temporary, in the value of such securities is provided for.

- c. Treasury Bills, commercial paper and Certificate of Deposits being discounted instruments, are valued at carrying cost.

- 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 categories and credit ratings along with residual maturity issued by FBIL 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;
- 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 investments in security receipts on or after April 1, 2017 which are backed by more than 50 percent of the stressed assets sold by the Bank, 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')/ Securitisation 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. All other investments in security receipts are valued as per the NAV obtained from the issuing RC/SCs.

- Non- Performing Investments are identified and valued based on RBI guidelines.

f. The Bank follows 'Settlement Date' accounting for recording purchase and sale transactions in securities.

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 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

- Investments classified as HFT and AFS – Profit or loss on sale / redemption is included in the Profit and Loss account.
- 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.

3. Advances

A) Valuation / Measurement

- 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 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.
- 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".
- 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.

- 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.
- 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.

- 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.

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.

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.

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. 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 Bank has formulated Employee Stock Option Scheme (ESOS) in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme) Guidelines, 1999. The Scheme provides for grant of options to Employees of the Bank to acquire

Equity Shares of the Bank that vest in a graded manner and are to be exercised within a specified period. The Bank follows the intrinsic value method to account for its stock-based employee compensation plans. In accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and the guidance note on "Accounting for Employee Share based payments" issued by the ICAI, the excess of the market price of the share preceding the date of grant of the option under ESOS over the exercise price of the option is amortized on a straight-line basis over the vesting period.

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

10. Segment Reporting

The disclosure relating to segment information is in accordance with the guidelines issued by RBI.

11. 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.

12. 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. 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.

13. Taxes on income

Income tax expense is the aggregate amount of current tax and deferred tax charge.

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 and other applicable tax laws.

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.

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.

14. 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.

15. 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.

16. 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).

17. Share issue expenses

Share issue expenses are adjusted from Securities Premium Account as permitted by Section 52 of the Companies Act, 2013.

18. Accounting of 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'.

19. Proposed 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.

20. 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.

**SCHEDULE - 18 NOTES ON ACCOUNTS FORMING PART OF THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

A: Disclosures as per RBI's Master Circular on Disclosure in Financial Statements

Amounts in Notes forming part of the financial statements for the year ended March 31, 2021 are denominated in Rupees Crore (unless specified otherwise) to conform to extant RBI guidelines.

1. Capital Adequacy Ratio

The Bank computes Capital Adequacy Ratio as per RBI guidelines. As per Basel III guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% {11.50% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier I (CET1) of 5.50% (8% including CCB) as on October 01, 2021. These guidelines on Basel III have been implemented on April 1, 2013 in a phased manner. The minimum capital required to be maintained by the bank for the year ended March 31, 2021 is 10.875% with minimum common equity Tier -I (CET I) of 7.375% (including CCB of 1.875%). The Capital Adequacy Ratio of the Bank calculated as per Basel III Capital Regulations is set out below.

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
Common Equity Tier I Capital	5,530.52	5,194.75
Tier I Capital - A	6,030.52	5,694.75
Tier II Capital - B	1,242.85	1,380.76
Total Capital - (A+B)	7,273.37	7,075.51
Total Risk Weighted Assets	47,167.54	52,771.05
Capital Ratios		
I Common Equity Tier I Capital Ratio (%)	11.73	9.84
II Tier I Capital Ratio (%)	12.79	10.79
III Tier II Capital Ratio (%)	2.63	2.62
IV Total Capital Ratio (CRAR) (%)	15.42	13.41
V Percentage of the shareholding of the Government of India in public sector banks (%)	NA	NA
VI Amount of Equity Capital raised (Including share premium) through:	239.99	Nil
1. Preferential Issue	0.00	0.00
2. Employees Stock Options Scheme		
VII Amount of Additional Tier I capital raised; of which		
Perpetual Non- Cumulative Preference Shares (PNCPS)	Nil	Nil
Perpetual Debt Instruments (PDI)	Nil	500
VIII Amount of Tier II capital raised; of which		
Debt Capital instrument	Nil	Nil
Preference Share Capital Instruments	Nil	Nil

Amount reckoned for Tier II capital as per RBI guidelines is ₹980.00 crore (Previous year ₹1040.00 crore).

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.

Additional Tier I Bonds:

Additional Tier I Bonds outstanding and included under borrowings is as follows:

[₹ in Crore]

Borrowings in India	March 31, 2021	March 31, 2020
From Banks	159.52	159.52
From Others	340.48	340.48
Total	500.00	500.00

Tier II Bonds:

Subordinated Tier II Bonds outstanding and included under borrowings is as follows:

[₹ in Crore]

Borrowings in India	March 31, 2021	March 31, 2020
From Banks	48.36	83.36
From Others	991.64	1156.64
Total	1040.00	1240.00

Total Subordinated debt of ₹980.00 Crore (Previous Year: ₹1,040 Crore) is reckoned for Tier II capital as per RBI guidelines.

2. Capital Infusion:

During the year ended March 31, 2021, the Bank has allotted 28,30,18,867 (Twenty-eight crore thirty lakh eighteen thousand eight hundred and sixty-seven) equity shares ("Shares") of face value of ₹1 (Indian Rupees One only) at a premium of ₹7.48/- each (Indian Rupees Seven and Paise Forty-eight only) on preferential basis, aggregating to ₹239.99 Crore.

During the year ended March 31, 2020, the Bank allotted 40,000 Equity Shares aggregating to face value ₹0.40 Lakhs in respect of stock options exercised.

Accordingly, share capital increased by ₹28.30 Crore (Previous year: ₹0.40 Lakhs) and share premium increased by ₹211.70 Crore (Previous year: ₹0.09 Crore).

Details of movement in the paid-up equity share capital of the Bank are given below:

[₹ in Crore]

Particulars	March 31, 2021		March 31, 2020	
	No of shares	Amount	No of shares	Amount
Opening Balance	180,97,22,151	180.97	180,96,82,151	180.97
Additions pursuant to Stock Options exercised/preferential issue	28,30,18,867	28.30	40,000	0.00
Closing balance	209,27,41,018	209.27	180,97,22,151	180.97

3. Investments

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
a. Value of Investments		
(i) Gross Value of Investments		
(a) In India	21,180.26	21,386.79
(b) Outside India	0.20	0.20
(ii) Provisions for Depreciation		
(a) In India	634.82	678.51
(b) Outside India	0.00	0.01
(iii) Provisions for Non- Performing Investments (NPI)		
(a) In India	224.56	83.20
(b) Outside India	0.00	-
(iv) Net Value of Investments		
(a) In India	20,320.88	20,625.08
(b) Outside India	0.20	0.19
b. Movement of provisions held towards depreciation on investments		
(i) Opening Balance	678.51	395.33
(ii) Provisions made during the year	95.26	334.58
(iii) Less: Write-off/ (write back) of excess provisions during the year	138.95	51.40
(iv) Closing Balance	634.82	678.51
c. Movement of provisions held towards NPIs		
(i) Opening Balance	83.20	48.28
(ii) Provisions made during the year	141.36	51.56
(iii) Less: Write-off/ (write back) of excess provisions during the year	0.00	16.64
(iv) Closing Balance*	224.56	83.20

Movements in provisions held towards depreciation on investments have been reckoned on a yearly basis.

*Includes investment write down of ₹27.10 crores (Previous year 'Nil')

- 3.1. a) In respect of securities held under HTM category premium of ₹114.85 Crore (Previous Year ₹59.04 Crore) has been amortised during the year and debited under interest received on Government securities.
- b) Profit on sale of securities from HTM category amounting to ₹298.59 Crore (Previous Year: ₹310.81 Crore) has been taken to Profit and Loss Account. During the year, the Bank had appropriated ₹167.58 Crore (Previous Year ₹174.44 Crore), net of taxes and transfer to statutory reserve, to the Capital Reserve, being the gain on sale of HTM Investments in accordance with RBI guidelines.
- c) During the year, the Bank had appropriated ₹ Nil (Previous Year : ₹ Nil), to Investment Fluctuation Reserve, being an amount of net profit on sale of investments (net of taxes and transfer to Statutory Reserve) to protect against future increase in yield.

4. Repo Transactions:

a) Transacted during the year ended March 31, 2021:

[₹ in Crore]

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As on March 31, 2021
A) Securities sold under RBI Repos				
i) Government Securities	320.00	552.00	252.80	-
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under RBI Reverse Repos				
i) Government Securities	40.00	5375.00	1070.27	1500
ii) Corporate Debt Securities	-	-	-	-
B) Securities sold under Market Repos				
i) Government Securities	5.52	1583.73	98.70	-
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Reverse Market Repos				
i) Government Securities	4.84	433.50	56.53	169.29
ii) Corporate Debt Securities	-	-	-	-
C) Securities sold under Tri Party Repos				
i) Government Securities	20.00	4549.68	449.56	-
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Tri Party Reverse Repo				
i) Government Securities	51.04	1495.06	4.38	1495.06
ii) Corporate Debt Securities	-	-	-	-

b) Transacted during the previous year ended March 31, 2020:

[₹ in Crore]

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As on March 31, 2020
A) Securities sold under RBI Repos				
i) Government Securities	50.00	552.00	61.04	552.00
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under RBI Reverse Repos				
i) Government Securities	10.00	2,450.00	345.37	950.00
ii) Corporate Debt Securities	-	-	-	-
B) Securities sold under Market Repos				
i) Government Securities-	10.15	1501.14	527.01	741.60
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Reverse Market Repos				
i) Government Securities	4.96	327.69	4.52	-
ii) Corporate Debt Securities	-	-	-	-
C) Securities sold under Tri Party Repo				
i) Government Securities-	18.00	1873.14	406.63	-
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Tri Party Reverse Repo				
i) Government Securities	3.40	149.93	1.85	-
ii) Corporate Debt Securities	-	-	-	-

5. Disclosure in respect of Non-SLR investments:

(i) Issuer composition of Non-SLR investments as at March 31, 2021:

[₹ 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] ^{1,3}
(i)	PSUs	135.36	124.73	57.96	57.96	57.96
(ii)	FIs	96.17	16.80	69.35	-	-
(iii)	Banks	11.31	4.65	4.65	-	-
(iv)	Private Corporate	226.75	199.63	20.00	20.00	5.00
(v)	Subsidiaries/ Joint Ventures	-	-	-	-	-
(vi)	Others ⁴	1759.93	1334.92	-	-	-
(vii)	Total Book Value of investments	2229.52				
(viii)	Less: Provision for NPI	(224.56)				
(ix)	Less: Provision held towards depreciation	(634.82)				
	Total	1370.14	1680.73	151.96	77.96	62.96

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.

³Excludes 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.

⁴Includes Non SLR State Government special bonds with Book Value ₹197.71 Crore and Mutual Fund of ₹425 Crore

(ii) Issuer composition of non-SLR investments as at March 31, 2020:

[₹ 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] 1,3
(i)	PSUs	234.84	201.13	-	-	-
(ii)	FIs	334.64	156.80	69.35	-	-
(iii)	Banks	21.59	4.65	4.65	-	-
(iv)	Private Corporate	282.36	234.80	89.99	20.00	74.99
(v)	Subsidiaries/ Joint Ventures	-	-	-	-	-
(vi)	Others ⁴	1,557.74	1,555.81	-	-	-
(vii)	Total Book Value of investments	2,431.17				
(viii)	Less: Provision for NPI	(83.20)				
(ix)	Less: Provision held towards depreciation	(678.51)				
	Total	1,669.45	2,153.19	163.99	20.00	74.99

¹ Amounts reported under Columns 4, 5, 6 and 7 above are not mutually exclusive.

² Excludes 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.

³ Excludes 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.

⁴ Includes Non SLR State Government special bonds with Book Value ₹227.78Crore.

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
A Shares	96.33	82.24
B Debentures & Bonds ¹	360.35	821.23
C Subsidiaries/ joint ventures	-	-
D Others	913.46	765.99
E Total	1370.14	1,669.46

¹ Including Non SLR State Government special bonds with Book Value ₹197.71 Crore (Previous Year: ₹227.78 Crore).

(iii) Non- Performing Non-SLR investments

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
Opening Balance	122.06	65.41
Additions during the year	172.78	73.30
Reductions during the year	27.10	16.65
Closing balance	267.74	122.06
Total provisions held	224.56	83.20

6. Investments held under the 3 categories viz. "Held for Trading (HFT)", "Available for Sale (AFS)" and "Held to Maturity (HTM)" are as under:

[₹ in Crore]

Particulars	March 31, 2021				March 31, 2020			
	HFT	AFS	HTM	Total	HFT	AFS	HTM	Total
Govt. Securities#*	-	1356.99	17791.66	19148.65	-	2,293.63	16,889.96	19,183.59
Other Approved	-	-	-	-	-	-	-	-
Shares	16.29	80.04	-	96.33	-	82.24	-	82.24
Debentures & Bonds	-	162.64	-	162.64	-	593.45	-	593.45
Others	-	913.46	-	913.46	-	765.99	-	765.99
Total	16.29	2513.13	17791.66	20321.08	-	3,735.32	16,889.96	20,625.27

Includes Non SLR State Government Special Bonds with Book Value ₹177.41 Crores (Previous Year ₹207.48 Crores) under HTM and Non SLR State Government Special Bonds with Book Value ₹20.30 Crores (Previous Year: ₹20.30 Crores) under AFS.

*Details of Securities Pledged/Earmarked as Margin:

[₹ in Crore]

Particulars	March 31, 2021 (Face Value)	March 31, 2020 (Face Value)
Margin towards RBI LAF Repo Transactions	3875.39	3875.39
Margin towards Intraday liquidity	540.00	180.00
Margin for clearing of securities	267.00	267.00
Margin for Triparty Repo	3990.00	2400.75
Margin for Forex forward segment default fund	10.75	9.25
Margin for Forex settlement segment default fund	3.05	3.05
Margin for Securities segment default fund	2.55	5.00
Margin for Triparty segment default fund	3.00	3.00
Margin for Rupee derivative segment default fund	0.95	0.00
Margin towards currency futures	21.60	21.60
Lien against Market Repo Borrowing	0.00	700.00
Grand Total	8714.29	7465.04

7. Sale and transfers to/from HTM Category

During the year ended March 31, 2021, the aggregate book value of sales and transfer of securities to/from HTM category exceeded 5% of the book value of investments held in HTM category at the beginning of the year.

a. The 5% threshold limit referred to above is excluding the following:

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,

- 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,
- Sales to Reserve Bank of India under pre-announced open market auctions and
- Repurchase of Government Securities by Government of India from banks.

Disclosure in terms of extant RBI guidelines: -

[₹ in Crore]

Sl. No.	Particulars	Book value of securities held in HTM category	Market value of securities held in HTM category	Excess of book value over Market value of securities
1	Central Government Securities	10077.31	10161.82	0.00
2	State Government Securities	6853.55	6993.57	0.00
3	State Government – Non SLR	177.41	191.20	0.00
4	Treasury Bill	683.39	683.39	0.00
5	Sponsored Institutions	0.00	0.00	0.00
	Total	17791.66	18029.98	0.00

The market value of investments held in HTM category was ₹18,029.98 Crores whereas book value is ₹17791.66 Crores as on March 31, 2021. The book value of investments being lower than market value, no provision is required to be made.

8. Derivatives:
Forward Rate Agreement / Interest Rate Swap.

[₹ in Crore]

Particulars	Current year	Previous year
i) The notional principal of swap agreements		
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		Nil
iii) Collateral required by the bank upon entering into swaps	Nil	
iv) Concentration of credit risk arising from the swaps		
v) The fair value of the swap book		

Exchange Traded Interest Rate Derivatives.

Sr.No.	Particulars	Current Year	Previous Year
(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, 2021 (instrument wise)	Nil	Nil
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)		
(iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)		

Disclosures on Risk Exposure in Derivatives.
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.

Quantitative Disclosures:

Sl. No	Particulars	Current Year		Previous Year	
		Currency Derivatives*	Interest rate derivatives	Currency Derivatives*	Interest rate derivatives
1	Derivatives (Notional Principal Amount)	-	-	-	-
	a) For hedging	-	-	-	-
	b) For trading	-	-	-	-
2	Marked to Market Positions	-	-	-	-
	a) Asset (+)	-	-	-	-
	b) Liability (-)	-	-	-	-
3	Credit Exposure	-	-	-	-
4	Likely impact of one percentage change in interest rate (100*PV01)	-	-	-	-
	a) on hedging derivatives	-	-	-	-
	b) on trading derivatives	-	-	-	-
5	Maximum and Minimum of 100*PV01 observed during the year	-	-	-	-
	a) on hedging	-	-	-	-
	b) on trading	-	-	-	-

*Only Currency futures are reported in currency derivatives. There were nil contracts outstanding as on 31-03-2021.

The bank uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. Bank does not have any Forward Rate Agreement or Interest Rate Swaps. The notional principal amount of foreign exchange contracts classified as trading on March 31, 2021 amounted to ₹2059.32 Crore (Previous Year ₹3,077.08 Crore). For these trading contracts, on March 31, 2021, marked to market position was asset of ₹13.51 Crore (Previous Year ₹67.94 Crore) and liability of ₹42.65 Crore (Previous Year ₹49.01 Crore). The notional principal amount of foreign exchange contracts classified as hedging on March 31, 2021 amounted to ₹2,200.72 Crore (Previous Year ₹2,828.56 Crore).

9. Movements in non-performing advances

Particulars	March 31, 2021	March 31, 2020
(i) Net NPAs to Net Advances [%]	4.71	3.34
(ii) Movement of NPAs (Gross)		
a) Gross NPAs as at the beginning of the year	3261.77	3131.66
b) Additions (Fresh NPAs during the Year)	2339.99	1369.59
Sub- total (A)	5601.76	4501.25
c) Less:		
i. Upgradations	144.56	159.99
ii. Recoveries (excluding recoveries made from upgraded accounts)	179.28	188.27
iii. Technical/Prudential Write-offs	1130.34	838.19
iv. Write- offs other than those under (iii) above	4.34	29.32
v. Reduction by sale of Assets to ARCs	0.00	23.71
Sub-total (B)	1458.52	1239.48
d) Gross NPAs as at the end of the year ¹	4143.24	3261.77

Particulars	March 31, 2021	March 31, 2020
(iii) Movement of NPAs (Net) ²		
a) Opening Balance	2150.78	2163.62
b) Additions during the year	1903.06	1115.88
c) Reductions during the year	1319.32	1128.72
d) Closing Balance	2734.52	2150.78
(iv) Movement of provisions for NPAs ³ (excluding provisions on Standard Assets)		
a) Opening Balance	1080.18	937.84
b) Provisions made during the year	1539.52	1091.37
c) Write off / write back of Excess provisions	1258.37	949.03
d) Closing Balance	1361.33	1080.18

¹ After considering technical/ Prudential Write – Offs. Closing Gross NPAs before technical/ Prudential Write – Offs is ₹6625.36 Crore (Previous Year ₹4698.57 Crore).

² Net NPA is after considering ECGC/DICGC/Insurance claim amount pending for adjustment of ₹47.38 Crore (Previous Year ₹30.80 Crore).

³ Includes sacrifice provision on accounts classified as NPA, amounting to ₹ Nil (Previous Year ₹ Nil.).

10. Particulars of Accounts Restructured as on March 31, 2021

Sl. No	Type of Restructuring Asset Classification Details	Under CDR Mechanism (A)			Under SME Debt Restructuring Mechanism (B)								
		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total		
1	Restructured Accounts as on April 1, 2020												
	No. of borrowers	-	-	-	-	-	320	44	7	-	-	-	371
	Amount outstanding	-	-	-	-	-	728.53	52.51	3.78	-	-	-	784.82
	Provision thereon	-	-	-	-	-	0.37	-	-	-	-	-	0.37
2	Fresh restructuring during the year 2020-21¹												
	No. of borrowers	-	-	-	-	-	82	4	-	-	-	-	86
	Amount outstanding	-	-	-	-	-	662.37	39.21	0.34	-	-	-	701.92
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the year 2020-21												
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY (2021-22)												
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
5	Down gradations of restructured accounts during the year 2020-21												
	No. of borrowers	-	-	-	-	-	(101)	70	31	-	-	-	-
	Amount outstanding	-	-	-	-	-	(278.69)	229.81	48.88	-	-	-	-
	Provision thereon	-	-	-	-	-	(0.23)	0.23	-	-	-	-	-
6	Write offs of restructured accounts during the year 2020-21²												
	No. of borrowers	-	-	-	-	-	25	7	-	-	-	-	32
	Amount outstanding	-	-	-	-	-	37.86	2.04	-	-	-	-	39.90
	Provision written back	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31, 2021³												
	No. of borrowers	-	-	-	-	-	276	111	38	-	-	-	425
	Amount outstanding	-	-	-	-	-	1,074.35	319.49	53.00	-	-	-	1,446.84
	Provision thereon	-	-	-	-	-	0.14	0.23	-	-	-	-	0.37

(Contd...)

Sl. No	Type of Restructuring Asset Classification Details	Standard			Others (C)			Total (D = A+B+C)			
		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2020										
	No. of borrowers	1,633	147	10	2	1,792	1,953	191	17	2	2,163
	Amount outstanding	119.00	2.49	129.00	33.47	283.96	847.53	55.00	132.77	33.47	1,068.77
	Provision thereon	-	-	-	-	-	0.37	-	-	-	0.37
2	Fresh restructuring during the year 2020-21¹										
	No. of borrowers	43	2	-	-	45	125	6	-	-	131
	Amount outstanding	140.14	9.78	0.01	-	149.93	802.51	48.98	0.35	-	851.85
	Provision thereon	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the year 2020-2¹										
	No. of borrowers										
	Amount outstanding										
	Provision thereon										
4	Restructured standard advances which cease to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY (2021-22)										
	No. of borrowers										
	Amount outstanding										
	Provision thereon										
5	Downgradations of restructured accounts during the year 2020-21										
	No. of borrowers	(268)	174	94	-	-	(369)	244	125	-	-
	Amount outstanding	(40.73)	38.46	2.27	-	-	(319.42)	268.27	51.15	-	-
	Provision thereon	-	-	-	-	-	(0.23)	0.23	-	-	-
6	Write offs of restructured accounts during the year 2020-21²										
	No. of borrowers	305	38	3	2	348	330	45	3	2	380
	Amount outstanding	15.90	0.31	0.00	33.46	49.67	53.75	2.35	0.00	33.47	89.57
	Provision written back	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31, 2021³										
	No. of borrowers	1,103	285	101	-	1,489	1,379	396	139	-	1,914
	Amount outstanding	202.51	50.43	131.28	-	384.22	1,276.86	369.92	184.28	-	1,831.06
	Provision thereon	-	-	-	-	-	0.14	0.23	-	-	0.37

Asterisk denotes figure below ₹1,00,000/-

1. Fresh Restructuring includes fresh sanction / increase in existing accounts: Bank has undertaken restructuring during the FY 2020-21 the One Time Restructuring Schemes of RBI for MSMEs, Resolution framework for MSMEs and Other accounts due to COVID 19 related stress and Extension of DCCO of project loans and the increase of ₹851.85 Cr is on account of Fresh Restructuring and increase in advances in those accounts restructured in the past.

2. Write off of restructured accounts includes recoveries / closure/Sale in existing accounts: Bank has written off restructured asset of ₹89.57 Cr (Provision ₹ Nil).

3. The bank maintains a provision for diminution in fair value of assets amounting to ₹0.59 Crore (PY ₹4.37 Crore), of which assets holding ₹0.22 Crore (PY ₹4.00 Crore) of such provision, have shown satisfactory performance as per RBI guidelines are not disclosed above.

Particulars of Accounts Restructured as on March 31, 2020

[₹ in Crore]

Sl. No	Type of Restructuring Asset Classification Details	Under CDR Mechanism (A)			Under SME Debt Restructuring Mechanism (B)								
		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total		
1	Restructured Accounts as on April 1, 2019												
	No. of borrowers	1	-	1	1	3	288	4	-	1	293		
	Amount outstanding	21.45	-	19.57	-	41.02	139.01	0.21	-	-	139.22		
	Provision thereon	-	-	-	-	-	0.40	-	-	-	0.40		
2	Fresh restructuring during the year 2019-201												
	No. of borrowers	-	-	-	-	-	98	4	-	-	102		
	Amount outstanding	-	-	-	-	-	618.44	41.00	-	-	659.44		
	Provision thereon	-	-	-	-	-	-	-	-	-	-		
3	Upgradations to restructured standard category during the year 2019-20												
	No. of borrowers	-	-	-	-	-	-	-	-	-	-		
	Amount outstanding	-	-	-	-	-	-	-	-	-	-		
	Provision thereon	-	-	-	-	-	-	-	-	-	-		
4	Restructured standard advances which cease to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY (2020-21)												
	No. of borrowers	1	-	-	-	1	23	-	-	-	23		
	Amount outstanding	21.45	-	-	-	21.45	3.93	-	-	-	3.93		
	Provision thereon	-	-	-	-	-	0.03	-	-	-	0.03		
5	Down gradations of restructured accounts during the year 2019-20												
	No. of borrowers	-	-	-	-	-	(43)	36	7	-	-		
	Amount outstanding	-	-	-	-	-	(15.09)	11.31	3.78	-	-		
	Provision thereon	-	-	-	-	-	-	-	-	-	-		
6	Write offs of restructured accounts during the year 2019-20²												
	No. of borrowers	-	-	1	1	2	-	-	-	1	1		
	Amount outstanding	-	-	19.57	-	19.57	9.90	0.01	-	-	9.91		
	Provision written back	-	-	-	-	-	-	-	-	-	-		
7	Restructured Accounts as on March 31, 2020³												
	No. of borrowers	-	-	-	-	-	320	44	7	-	371		
	Amount outstanding	-	-	-	-	-	728.53	52.52	3.78	-	784.82		
	Provision thereon	-	-	-	-	-	0.37	-	-	-	0.37		

Contd...)
 [₹ in Crore]

Sl. No	Type of Restructuring Asset Classification Details	Others (C)			Total (D = A+B+C)					
		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2019									
	No. of borrowers	1,316	16	4	3	1,339	1,605	20	5	1,635
	Amount outstanding	53.31	188.54	15.44	0.01	257.30	213.77	188.75	35.01	437.54
	Provision thereon	-	-	-	-	-	0.40	-	-	0.40
2	Fresh restructuring during the year 2019-20¹									
	No. of borrowers	630	12	-	-	642	728	16	-	744
	Amount outstanding	72.04	0.06	-	-	72.10	690.48	41.06	-	731.54
	Provision thereon	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the year 2019-20									
	No. of borrowers	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY (2020-21)									
	No. of borrowers	180	-	-	-	180	204	-	-	204
	Amount outstanding	2.25	-	-	-	2.25	27.63	-	-	27.63
	Provision thereon	-	-	-	-	-	0.03	-	-	0.03
5	Downgradations of restructured accounts during the year 2019-20									
	No. of borrowers	(132)	121	10	1	-	(175)	157	17	1
	Amount outstanding	(2.41)	(160.06)	129.01	33.47	-	(17.50)	(148.75)	132.79	33
	Provision thereon	-	-	-	-	-	-	-	-	-
6	Write offs of restructured accounts during the year 2019-20²									
	No. of borrowers	1	2	4	2	9	1	2	5	12
	Amount outstanding	1.66	26.00	15.44	0.01	43.15	11.56	26.05	35.02	72.63
	Provision written back	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31, 2020³									
	No. of borrowers	1,633	147	10	2	1,792	1,953	191	17	2,163
	Amount outstanding	119.00	2.49	129.00	33.47	283.96	847.53	55.01	132.78	1,068.78
	Provision thereon	-	-	-	-	-	0.37	-	-	0.37

Asterisk denotes figure below ₹1,00,000/-

¹ Fresh Restructuring includes fresh sanction / increase in existing accounts: Bank has undertaken restructuring during the FY 2019-20 under the natural calamity restructuring scheme and One Time Restructuring Schemes of RBI for MSMEs and the increase of ₹731.54 Cr is on account of Fresh Restructuring and increase in advances in those accounts restructured in the past.

² Write off of restructured accounts includes recoveries / closure/Sale in existing accounts: Bank has written off restructured asset of ₹72.63 Cr (Provision ₹ Nil).

³ The bank maintains a provision for diminution in fair value of assets amounting to ₹4.37 Crore (PY ₹4.35Crore), of which assets holding ₹4.00Crore (PY ₹3.95Crore) of such provision, have shown satisfactory performance as per RBI guidelines are not disclosed above.

11. A. Details of Financial Assets sold to Securitization / Reconstruction company for asset reconstruction

Particulars		March 31, 2021	March 31, 2020
(i)	No. of Accounts ¹	-	2
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC	-	85.78
(iii)	Aggregate Consideration	-	73.40
(iv)	Additional consideration realised in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain/ (loss) over net book value	-	(12.38)

¹Represents number of customers.

B. 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Book value of investments in security receipts	1105.80	1296.61	-	-	1105.80	1296.61

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). During the year Bank has received an amount of ₹127.20 Crores from the ARC towards partial redemption of the said Security Receipts.

The redemption was based on the successful recovery made by the ARC in a Corporate Debtor account under the corporate insolvency resolution process under the IBC. The Resolution process approved under the IBC is challenged by Enforcement Directorate (ED) & certain persons and the matter is now pending before the Hon'ble Supreme Court of India (SC). ARC and Bank is of the view that the appeals filed by ED and other persons is non judice and hence there is no chance for quashing the order by the SC.

C. Details of ageing of Investments held as Security Receipts:**(i) As at March 31, 2021:**

[₹ 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	1032.42	73.37	-
Provision held against (i)	603.03	14.48	-
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)	1032.42	73.37	-

Note: In addition to the above, Bank maintains a provision of ₹16.58 Crore (Previous Year ₹15.91 Crore) against Security Receipts which are backed up by standard asset sold by the Bank.

(ii) As at March 31, 2020:

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	1,238.12	58.50	-
Provision held against (i)	518.24	14.62	-
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)	1,238.12	58.50	

D. Details of Non-Performing financial assets purchased/ sold

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
Non performing financial assets purchased/ sold (from/to banks)	Nil	Nil

12. Provisions on Standard Assets

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
Provisions towards Standard Assets (including provision towards stressed sector)	201.14	238.32
General Provision for COVID-19 (Refer note 12.1)	-	76.45
Provision for Unhedged Foreign Currency Exposure of Borrowers	13.12	12.95
Standard Restructured Accounts under MSME - Restructuring Scheme ¹	54.99	35.08
Provision for accounts restructured under natural calamity ²	4.34	9.89
Provision for Specific Standard Assets on Stressed Sectors	3.12	1.28
Standard Restructured Accounts under other Restructuring schemes ³	3.85	-
Standard Restructured Accounts under COVID 19 restructuring scheme ⁴	9.47	
Grand Total (Refer 5. IV - Other liabilities and provisions)	290.03	373.97

¹ As permitted by RBI vide its Circular DBR.No.BP.BC.18/21.04.045/2018-19 dated January 1, 2019 DOR.No.BP. BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP. BC/4/21.04.048/2020-21 dated August 06, 2020 the bank restructured 92 eligible MSME accounts with outstanding of ₹596.03 crore during the year. Out of which accounts amounting to ₹557.11 crore have been retained as Standard. Additional Standard Asset provision of ₹54.99 crore (Previous year ₹35.08 crore) is maintained in the books towards such accounts.

² The bank has restructured an amount of ₹197 Crore for eligible borrowers who were affected by floods in the state of Kerala during the financial year 2018-19 based on RBI Master Direction FIDD.CO.FSD.BC No.8/05.10.001/2017-18 dated July 03, 2017 and as per the scheme formulated by SLBC Kerala.

³ Bank has restructured certain accounts by extending the DCCO in line with the Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated July 01, 2015 and Prudential Framework for Resolution of Stressed Assets dated June 7, 2019. As per the aforesaid guidelines, accounts to be retained as Standard Restructured by extending DCCO subject to compliance of certain conditions which has been complied.

⁴ As permitted by RBI vide its Circular DOR.No.BP. BC/3/21.04.048/2020-21 dated August 06, 2020 the bank has granted restructuring in 40 accounts with an outstanding of ₹95.05 crore during the year. Out of which accounts amounting to ₹94.72 crore have been retained as Standard. Additional Standard Asset provision of ₹9.47 crore (Previous year Nil) is maintained in the books towards such accounts.

12.1 COVID-19 Regulatory Packages

Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The extent to which the COVID-19 pandemic, including the current “second wave” that has significantly increased the number of cases in India, continue to impact the Bank’s results will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

As per the ‘COVID-19 Regulatory Packages’ announced by the RBI (‘the RBI guidelines’), with regard to providing relief to borrowers’, whose accounts were standard as on February 29, 2020, the Bank, in accordance with the Board approved policy had offered moratorium on repayment of loan instalments and/or deferment of interest due between March 1, 2020 and August 31, 2020, including relaxation in certain parameters to all eligible borrowers, without considering the same as restructuring. In respect of such accounts that were granted moratorium, the asset classification remained standstill during the moratorium period. The Honourable Supreme Court in a writ petition by Gajendra Sharma Vs Union of India & Anr vide its interim order dated September 3, 2020 had directed Banks that the accounts which were not declared as Non-Performing asset (NPA) till August 31, 2020 shall not be declared as NPA till further orders, pending disposal of the case by Supreme Court. Pursuant to the order, the Bank had not declared any account as NPA, which was not declared as NPA till August 31, 2020 as per the RBI Prudential norms on Income Recognition, Asset classification, and provisioning pertaining to advances, although the Bank held sufficient provisions in respect of these advances and as a prudent measure, did not recognize the unrealized interest on these accounts as income. Pending final decision in this regard, the Bank had created adequate provisions to cover any likely impact arising therefrom, which was carried under Other liabilities and Provisions’ in the Balance sheet of the Bank as at December 31, 2020. The interim order to not declare accounts as NPA has been vacated by the Honourable Supreme Court on March 23, 2021 vide judgement in the matter of Small-Scale Industrial Manufacturers Association vs. UOI & Ors and RBI has issued a circular dated April 07, 2021 thereon, in accordance with which the Bank has made the asset classification of borrower accounts which were granted moratorium as above, as per the applicable extant IRAC norms with effect from September 1, 2020.

During the year, bank has utilised provision of ₹275.74 Crores created against likely impact of Covid -19, towards creation of RBI mandated provision in respect of advances restructured under “ Resolution framework for Covid -19 related stress ₹9.67 Crores and provision required as per extant IRAC norms ₹266.07 Crores.

13. Business ratios

Particulars	March 31, 2021	March 31, 2020
(i) Interest Income as a percentage to Working Funds ¹	7.41%	8.05%
(ii) Non-interest income as a percentage to Working Funds ¹	1.20%	1.08%
(iii) Operating Profit as a percentage to Working Funds ^{1,2}	1.64%	1.71%
(iv) Return on Assets [Based on Working Fund] ¹	0.06%	0.11%
(v) Business (Customer Deposits plus Advances) per employee ^{3,4} (₹ in Crore)	17.36	17.38
(vi) Profit per employee ³ (₹ In Crore)	0.01	0.01

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 this ratio, operating profit is net profit for the year before provisions and contingencies.

³ For the purpose of computing the ratios number of employees (excluding Part time employees) as on Balance Sheet date is considered.

⁴ For the purpose of this ratio, business per employee has been recorded as gross advance plus deposits (excluding interbank deposits).

14. Lending to sensitive sectors:
A. Exposures to Real Estate Sector

[₹ in Crore]

Category	March 31, 2021	March 31, 2020
a) Direct Exposure		
(i) Residential Mortgages -	4791.86	4668.96
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; of which Individual housing loans eligible for inclusion in priority sector advances	1656.24	1707.21
(ii) Commercial Real Estate -	942.90	1260.96
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		
(iii) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures -		
a. Residential	Nil	Nil
b. Commercial Real Estate	Nil	Nil
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	327.76	946.21
Total Exposure to Real Estate Sector	6062.52	6876.13

B. Exposure to Capital Market sectors

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
(i) Direct Investments in equity shares*	48.18	113.84
(ii) Investments in convertible bonds/ convertible debentures	0.00	5.00
(iii) Investments in units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	0.00	1.93
(iv) 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	-	-
(v) 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;	-	-
(vi) 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;	-	-

Particulars	March 31, 2021	March 31, 2020
(vii) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers:	-	4.38
(viii) 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;	-	-
(ix) Bridge loans to companies against expected equity flows/ issues	-	-
(x) 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;	-	-
(xi) Financing to stockbrokers for margin trading	-	-
(xii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	48.18	125.15

* Shares acquired by banks as a result of Conversion of debt under CDR mechanism for ₹108.11 Crores (Previous Year ₹120.50 Crores) is excluded in line with extant RBI guidelines.

C Risk category wise country exposure:

Country Risk exposure has been classified on the following basis:

[₹ in Crore]

Risk Category*	Exposure (net) as at March 31, 2021	Provision held as at March 31, 2021	Exposure (net) as at March 31, 2020	Provision held as at March 31, 2020
Insignificant	1695.17	-	790.07	-
Low	1089.65	-	491.01	-
Moderate	129.84	-	3.15	-
High	6.94	-	5.61	-
Very High	-	-	0.62	-
Restricted	-	-	-	-
Off Credit	-	-	-	-
TOTAL	2921.60	-	1290.46	-

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.

15. Floating Provision

[₹ in Crore]

Particulars	2020-21	2019-20
(a) Opening balance in the floating provisions account	Nil	Nil
(b) The quantum of floating provisions made in the accounting year	Nil	Nil
(c) Amount of draw down made during the accounting year	Nil	Nil
(d) Closing balance in the floating provisions account	Nil	Nil

16. Maturity Pattern of key assets and liabilities:

i) As at March 31, 2021:

[₹ in Crore]

Particulars	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 years	Over 1 year and up to 3 years	Over 3 year and up to 5 years	Over 5 years	Total
Deposits	496.83	1,072.15	716.43	1,356.48	2,535.49	1,749.91	3,866.27	5,843.71	4,492.10	5,756.67	54,824.51	82,710.55
Advances	1,434.43	543.49	534.35	1,501.75	2,566.21	2,838.42	6,387.01	8,267.08	7,953.67	3,610.63	22,419.44	58,056.48
Investments	4,153.76	165.86	270.26	466.87	351.85	350.43	805.10	1,257.24	826.58	1,340.78	10,332.35	20,321.08
Borrowings	295.99	-	145.41	-	355.42	1,025.41	104.75	180.99	346.30	914.00	740.00	4,108.27
Foreign Currency-Assets	716.81	653.60	56.25	177.35	888.27	288.85	100.64	367.88	57.84	17.68	-	3,325.17
Foreign Currency-Liabilities	122.83	19.19	29.14	44.50	208.09	108.92	172.37	576.88	521.13	216.86	-	2,019.91

ii) As at March 31, 2020:

[₹ in Crore]

Particulars	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 years	Over 1 year and up to 3 years	Over 3 year and up to 5 years	Over 5 years	Total
Deposits	527.30	519.24	500.60	952.51	3,911.38	3,145.26	4,535.59	6,530.13	3,730.40	5,432.50	53,248.97	83,033.89
Advances	430.12	547.00	521.54	818.40	1,515.36	2,864.84	6,437.98	9,587.05	10,164.49	4,278.04	27,274.64	64,439.47
Investments	2,430.01	170.09	110.14	195.01	627.32	491.38	964.77	998.39	789.91	1,302.08	12,546.18	20,625.27
Borrowings	277.69	742.00	6.07	200.00	6.07	706.07	18.21	2,403.71	993.42	500.00	1,040.00	6,893.23
Foreign Currency-Assets	354.76	37.94	53.74	77.10	193.50	87.63	254.68	643.77	391.32	16.09	5.81	2,116.33
Foreign Currency-Liabilities	455.24	22.21	20.69	36.12	178.37	110.51	169.06	2,677.63	588.84	345.65	-	4,604.31

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.

17. Details of Single Borrower Limit (SGL), Group Borrower Limit (GBL) exceeded by the Bank

As on March 31, 2021, the bank has not exceeded the credit exposure to single borrower and group borrowers limit as per prudential exposure limit prescribed by RBI.

During the years ended March 31, 2020, March 31, 2019, March 31, 2018 and March 31, 2017, the bank has exceeded the credit exposure to single borrower and group borrowers limit as per prudential exposure limit prescribed by RBI w.r.t investment of ₹1,040.99 Crore in security receipt issued by M/s. Phoenix ARC. The regulator has instructed the Bank not to take any further exposure to the ARC till the exposure is brought within the prudential limit prescribed under large exposure's framework. Subsequently due to redemption in Security Receipts, the exposure in the said ARC has reduced to ₹895.62 crores which is within the prudential exposure limit prescribed by RBI.

18. Unsecured Advances

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
Total Advances for which intangible securities such as charge over the rights, licenses, authority etc has been taken as collateral	108.61	117.60

Estimated value of intangible collateral securities available are sufficient to cover the outstanding balance of advances.

19. Penalties levied by the Reserve Bank of India

The penalty imposed by RBI during the year ended March 31, 2021 was ₹19,950.00 (Previous year ₹10,71,250.00)

20. Asset quality ratios

Particulars	March 31, 2021	March 31, 2020
Percentage of net NPAs to net advances	4.71	3.34
Provision Coverage Ratio (%)	58.73	54.22

21. Concentration of Deposits, Advances, Exposures and NPAs**(i) Concentration of Deposits**

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
Total Deposits of twenty largest depositors	4076.61	9,435.13
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	4.93%	11.36%

Note: Excludes holders of certificate of deposits

(ii) Concentration of Advances*

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
Total Advances to twenty largest borrowers	3291.64	5,303.34
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	4.21%	6.70%

*Advance is computed as per definition of Credit Exposure including derivatives furnished in RBI's Master Circular on Exposure Norms

(iii) Concentration of Exposures*

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
Total Exposure to twenty largest borrowers/customers	4024.19	6,230.18
Percentage of Exposures to twenty largest borrowers/ customers to Total Exposure of the bank on borrowers/ customers	4.05%	6.17%

* Exposure is computed based on credit and investment exposure as prescribed in RBI's Master Circular on Exposure Norms

The bank has compiled the data for the purpose of disclosure in note 21.(i) to note 21.(iii) from its internal MIS system and has been furnished by the management, which has been relied upon by the auditors.

(iv) Concentration of NPAs*

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
Total Exposure to top four NPA accounts	504.88	794.12

*Represents funded balance

The bank has compiled the data for the purpose of this disclosure from its internal MIS system and has been furnished by the management.

22. Sector-wise Advances

Sl. No.	Sector*	2020-21			2019-20		
		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	11369.26	624.84	5.50%	9908.67	344.33	3.48%
2	Advances to industries sector eligible as priority sector	7491.30	564.46	7.53%	6014.53	446.05	7.42%
2.a	Textile	1879.53	148.5	7.90%	1520.88	98.15	6.45%
2.b	Basic Metal	844.32	17.37	2.06%	728.79	65.02	8.92%
2.c	Infra	143.28	2.58	1.80%	63.72	1.22	1.91%
3	Services	11250.66	1108.87	9.86%	9940.14	428.63	4.31%
3.a	Professional	2133.97	91.23	4.28%	1164.54	35.53	3.05%
3.b	Trade	6875.76	859.87	12.51%	6719.50	320.54	4.77%
3.c	NBFC	51.77	-	0.00%	98.80	-	0.00%
4	Personal loans	1970.13	75.53	3.83%	1884.75	52.49	2.78%
4.a	Housing Loan	1620.54	49.21	3.04%	1707.21	33.45	1.96%
4.b	Other Personal loans incl. Gold Loan	349.59	26.32	7.53%	177.54	19.04	10.72%
	Sub-total (A)	32081.35	2373.70	7.40%	27748.09	1271.51	4.58%
B	Non Priority Sector						
1	Agriculture and allied activities	411.78	18.04	4.38%	800.65	17.92	2.24%
2	Industry	6461.55	813.71	12.59%	10470.72	976.85	9.33%
2.a	Textile	935.74	175.85	18.79%	1563.41	72.78	4.66%
2.b	Basic Metal	1011.78	36.90	3.65%	1847.22	19.43	1.05%
2.c	Infra	1256.56	342.98	27.30%	1628.53	257.98	15.84%
3	Services	9891.36	588.12	5.95%	14627.20	860.94	5.89%
3.a	Professional	2347.58	259.93	11.07%	3377.19	357.37	10.58%
3.b	Trade	1646.07	206.90	12.57%	2296.49	60.07	2.62%
3.c	NBFC	2690.30	0.26	0.01%	4214.96	365.58	8.67%

Sl. No.	Sector*	2020-21			2019-20		
		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
4	Personal loans	10572.36	349.67	3.31%	11877.39	134.54	1.13%
4.a	Housing Loan	3004.69	139.25	4.63%	2961.74	52.76	1.78%
4.b	Other Personal loans incl. Gold	7567.67	210.42	2.78%	8915.65	81.78	0.92%
	Sub-total (B)	27337.05	1769.54	6.47%	37775.96	1990.25	5.27%
	Total (A+B)	59418.40	4143.24	6.97%	65524.05	3261.76	4.98%

Asterisk denotes figure below ₹1,00,000 Percentage below 0.01

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system and has been furnished by the management, which has been relied upon by the auditors.

23. Disclosure on Divergence in Asset Classification and Provisioning for NPAs:

As per RBI Circular vide DBR.BP.BC.No.63/21.04.018/2016-17 dated 18th April, 2017 and DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019 banks are required to disclose the divergence in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statement if such divergence exceed the threshold prescribed by the RBI. RBI Annual Supervision process is in progress for the financial year ended 31 March 2020 and hence no disclosure is made in this regard.

24. Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances:

Particulars	During FY 2020-21		During FY 2019-20	
	No of accounts	Amount	No of Accounts	Amount
MSME Restructured Accounts	92	596.03	131	663.48

As permitted by RBI vide its Circular DBR.No.BP.BC.18/21.04.045/2018-19 dated January 1, 2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 the bank restructured 92 eligible MSME accounts with outstanding of ₹596.03 crore during the year. Out of which accounts amounting to ₹557.11 crore have been retained as Standard. Additional Standard Asset provision of ₹30.08 crore (Previous year ₹35.08 crore) is maintained in the books towards such accounts.

25. Movement in technical/prudential written off accounts:

Particulars	March 31, 2021	March 31, 2020
Opening balance of Technical/ Prudential written-off accounts as at April 1	1436.81	628.82
Add: Technical/ Prudential write-offs during the year	1130.34	838.19
Sub-total (A)	2567.15	1,467.01
Less: Reduction due to recovery made from previously technical/prudential written-off accounts during the year	65.60	17.13
Less: Reduction due to sale of NPAs to ARCs from previously technical/prudential written-off accounts during the year	-	-
Less: Sacrifice made from previously technical/prudential written-off accounts during the year	19.43	13.07
Sub-total (B)	85.04	30.20
Closing balance as at March 31 (A-B)	2482.12	1,436.81

26. Overseas Assets, NPAs and Revenue - Nil
27. Off-balance Sheet SPVs sponsored - Nil
28. Bancassurance Business
Income from Bancassurance Business

[₹ in Crore]

Sl. No.	Nature of Income	12 months ended 31.03.2021	12 months ended 31.03.2020
1	From Selling Life Insurance Policies	19.42	15.66
	i.Traditional/Regular	16.90	13.65
	ii.Single	1.40	1.18
	iii.ULIP Regular	1.12	0.83
2	From Selling Non-Life Insurance Policies	6.07	4.84
	i.General Insurance	3.78	3.33
	ii.Stand-alone Health Insurance	2.29	1.51
3	From Selling Govt. Security Schemes (PMJJBY & PMSBY)	0.18	0.18
4	Others	Nil	Nil
5	Total	25.67	20.68

29. Drawn Down from Reserves

The Bank has not undertaken any drawdown from reserves during the years ended March 31, 2021 and March 31, 2020, except:

- a. ₹ Nil (Previous year ₹30.44 Crore) is drawn down from revenue and other reserves being unamortized amount of three fraud cases as permitted by the RBI in accordance with DBR No.BP.BC.92/21.04.048/2015-16 dated April 18, 2016. (Refer note B.13 of Schedule 18).

Credit to Reserve

- b. Bank credited back ₹30.44Crore (Previous year ₹ Nil) drawn down from revenue and other reserves relating to unamortized amount of three fraud cases as permitted by the RBI in accordance with DBR No.BP.BC.92/21.04.048/2015-16 dated April 18, 2016. (Refer note B.13 of Schedule 18).
- c. Bank credited back ₹ Nil (Previous year: ₹33.00 Crore) drawn down from revenue and other reserves relating to unamortized balance of additional provision on Debt Asset Swap transaction, as permitted by RBI vide letter: DBS (T). No./424/02.02.006/2018-19 dated May 2, 2019.

30. Provision for taxes during the year:

Particulars	March 31, 2021	March 31, 2020
Current Tax	66.66	86.14
Deferred Tax (net)	(41.91)	(41.18)
Total	24.75	44.96

In accordance with the Taxation Laws (Amendment) Ordinance 2019 promulgated on September 20, 2019, the bank has opted to pay tax at the lower rate prescribed therein with effect from the previous financial year. Consequently, tax expenses for the year ended March 31, 2021 comprising current and deferred tax as per Accounting Standard-22 (Accounting for Taxes on income) has been recognised using the reduced tax rates applicable.

31. Provisions and Contingencies

a) Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account:

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
Provision for NPAs (including write off, excluding technical write off) ¹	1446.44	995.97
Provision for NPLs	168.46	34.91
Provision for taxes (Net)	66.66	86.14
Deferred Tax (net)	(41.91)	(41.18)
Provision for Standard Assets	(84.11)	114.36
Provision for Restructured Advances	(3.77)	0.02
Provision for depreciation in the value of investments	(43.69)	283.19
Provision General-Others ²	(63.00)	0.00
Provision for FITL	51.44	36.95
Provision for unhedged foreign currency exposures	0.17	(0.11)
Provision for Non-Banking Asset ³	64.59	32.12
Provision for Fraud / Other impaired assets	(5.28)	(1.32)
TOTAL	1556.00	1,541.05

¹ The bank has exercised the option to make provision in respect of three Non – Performing Advances identified as fraud during the quarter ended December 31, 2019, over a period of four quarters as permitted by the RBI in circular DBR No. BP. BC.92/21.04.048/2015-16 dated April 18, 2016. Accordingly, the Bank has debited ₹30.46 Crore to Profit and Loss Account during the FY 2019-2020, being 50% of the outstanding net book value of the said advances and the remaining un provided amount of ₹30.44 Crore was debited against other reserves. During the FY 2020-2021 ₹30.44 Crore was debited in the profit and loss account by proportionately reversing the debit to other reserves.

² Hon'ble Appellate Tribunal for SAFEMA/FEMA/PMLA/NDPS, PBPT Act, vide order dated January 25, 2021 has set aside the penalty order issued in an earlier year by The Directorate of Enforcement, Mumbai towards imposition of penalty and remanded the case to the Adjudicating Authority for deciding it afresh in accordance with law. Consequent to the appellate order and based on legal opinion obtained by the Bank, there is no monetary penalty payable by the bank as of today until determined to the contrary by the Adjudicating Authority pursuant to the fresh adjudication. Accordingly, the bank has written back the provision created in earlier years towards such penalty amounting to ₹63 Crores during the current financial year.

³ 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 up to March 31, 2018. The Reserve Bank of India vide their letter dated May 2, 2019 ref DBS (T) No/424/02.02.006/2018-19 to the bank prescribed provisioning norms for DAS transactions in respect of assets acquired under DAS from a particular borrower pursuant to which the Bank has provided an amount of ₹11 Crores for the year ended March 31, 2019 and the balance of ₹33.00 Crores was debited against other reserves during March 31, 2019. ₹33.00 Crore being the amount drawn down from Revenue and other reserves during the year ended March 31, 2019 has been credited back to the said reserve during the FY 2019-2020 by debiting Profit and Loss account. During the Current FY Bank had provided ₹64.59 Crore and made full provision towards the Non Banking Assets of the bank.

b) Movement in provision for debit card reward points:

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
Opening provision at the beginning of the year	0.90	0.90
Provision made during the year	1.45	2.47
Reductions during the year	1.64	2.47
Closing provision at the end of the year	0.71	0.90

c) Movement in provision for other contingencies:

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
Opening provision at the beginning of the year	23.00	24.43
Incremental expense during the year	1.41	7.78
Redemption during the year	7.03	9.21
Closing provision at the end of the year	17.38	23.00

32. 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 five members of which two members from Risk Management committee of the Board facilitate effective governance of compensation.

The roles and responsibilities of the Nomination & Remuneration Committee inter-alia includes the following:

- 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.
- To devise a Succession Planning Policy for the Board and Senior Management.
- To formulate a Nomination policy of the Board to guide the Board in relation to appointment/re-appointment/removal of Directors.
- 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.
- To formulate the criteria for evaluation of Independent Directors and the Board/Committees.
- To devise a policy on Board diversity.
- 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.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.
- 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.
- 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.
- With respect to the Performance Linked Incentive Schemes, the Committee is empowered to:
 - 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-à-vis the business parameters laid down by the Board and Audit Committee and effect such improvements in the scheme as considered necessary;
 - On completion of the year, finalize the criteria of allotment of marks to ensure objectivity/equity.

- 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.
 - 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.
 - 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.
 - 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.
 - Any other matters regarding remuneration to WTDs/MD & CEO and other staffs of the Bank as and when permitted by the Board.
 - To conduct the annual review of the Compensation Policy.
 - To fulfill such other powers and duties as may be delegated to it by the Board.
 - To review HR Strategy aligning with business strategy of the Bank.
 - To review the skill gaps and talent pool creation.
- 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 MRTs:

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 should also be consistent with the general risk management and corporate governance framework.
3. The methodologies for adjusting remuneration to risk and performance will also be consistent with the general risk management and corporate governance framework.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.

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))).

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 MRTs

- a) **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.

			2020-21	2019-20
Quantitative disclosures	(a)	Number of meetings held by the Remuneration Committee during the financial year	13	6
		Remuneration paid to its members (₹ in Lakhs)	21.68	10.80
	(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.		
		Number		
		Total amount		
		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.		
		(ii) Total amount of deferred remuneration paid out in the financial year.		
	(d)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred. (₹ in Lakhs)	149.06	114.05
		• Fixed	7.78	25.92
		• Variable		
		• Deferred		
		• Non Deferred		
	(e)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.		
		(ii) Total amount of reductions during the financial year due to ex-post explicit adjustments.		
		(iii) Total amount of reductions during the financial year due to ex-post implicit adjustments.		
	(f)	Number of MRTs identified.	2#	1
	(g)	Number of cases where malus has been exercised.		
		• Number of cases where clawback has been exercised.		
		• Number of cases where both malus and clawback have been exercised.		
General Quantitative Disclosure	(h)	(₹ in lakhs)		
		The mean pay for the bank as a whole (excluding sub-staff) and	10.90	8.74
		The deviation of the pay of each of its WTDs* from the mean pay.		
		*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.	153.89	145.98

Sri. V G Mathew, Managing Director & Chief Executive Officer. (Retired on 30.09.2020) and Mr. Murali Ramakrishnan, Managing Director & Chief Executive Officer (appointed as MD&CEO w.e.f 01.10.2020)

33. Securitisation Transactions

The Bank has not undertaken any securitisation transactions during the year ended March 31, 2021 and March 31, 2020.

34. Credit Default Swaps

The bank has not undertaken any transactions in credit default swaps during the year ended March 31, 2021 and March 31, 2020.

35. Status of Complaints

A. Shareholder complaints:

		March 31, 2021	March 31, 2020
(a)	No. of complaints pending at the beginning of the year	1	1
(b)	No. of complaints received during the year	117	261
(c)	No. of complaints redressed during the year	117	261
(d)	No. of complaints pending at the end of the year	1	1

B. Customer complaints:

		March 31, 2021	March 31, 2020
(a)	No. of complaints pending at the beginning of the year	928	1842
(b)	No. of complaints received during the year	36023	56773
(c)	No. of complaints redressed during the year	35776	57687
(d)	No. of complaints pending at the end of the year	1175	928

Complaints on ATM transactions (Included in B above):

Complaints against banks own ATM's

		March 31, 2021	March 31, 2020
(a)	No. of complaints pending at the beginning of the year	12	106
(b)	No. of complaints received during the year	3375	9996
(c)	No. of complaints redressed during the year	3375	10090
(d)	No. of complaints pending at the end of the year	12	12

Complaints against other bank ATM's

		March 31, 2021	March 31, 2020
(a)	No. of complaints pending at the beginning of the year	53	432
(b)	No. of complaints received during the year	11744	22544
(c)	No. of complaints redressed during the year	11700	22923
(d)	No. of complaints pending at the end of the year	97	53

C. Status of Awards passed by the Banking Ombudsman:

		March 31, 2021	March 31, 2020
(a)	No. of unimplemented Awards at the beginning of the year	-	-
(b)	No. of awards passed by the Banking Ombudsman during the year	-	-
(c)	No. of Awards implemented during the year	-	-
(d)	No. of unimplemented Awards at the end of the year	-	-

The above details are as certified by the Management and relied upon by the auditors.

36. 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, 2021 and March 31, 2020 respectively.

37. 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 ₹13.12 Crore and additional capital of ₹12.07 Crores on account of Unhedged Foreign Currency Exposure of its borrowers as at March 31, 2021.

38. Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 are given below.

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan (in lacs)	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	37	1783.15	0	0	178.32
Corporate persons	2	4515.19	0	0	451.52
Of which, MSMEs	1	4011.02	0	0	401.10
Others	1	3173.54	0	0	317.35
Total	40	9471.88	0	0	947.19

39. Liquidity Coverage Ratio (LCR)

Particulars	Quarter ended March 31, 2021		Quarter ended December 31, 2020		Quarter ended September 30, 2020		Quarter ended June 30, 2020	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)		21093.13		20774.05		18497.99		19028.79
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	63368.77	6136.70	62404.45	6044.22	61355.68	5941.34	60203.45	5830.02
(i) Stable deposits	4003.60	200.18	3924.54	196.23	3884.45	194.22	3806.46	190.32
(ii) Less stable deposits	59365.18	5936.52	58479.91	5847.99	57471.23	5747.12	56396.99	5639.70
3 Unsecured wholesale funding, of which:	3571.54	3449.26	3023.56	2953.25	3059.84	2798.56	3887.15	3065.21

Particulars	Quarter ended March 31, 2021		Quarter ended December 31, 2020		Quarter ended September 30, 2020		Quarter ended June 30, 2020	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
(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)	3570.07	3447.79	3023.56	2953.25	3059.84	2798.56	3172.87	2779.50
(iii) Unsecured debt	1.47	1.47	0.00	0.00	0.00	0.00	714.28	285.71
4 Secured wholesale funding		0.00		0.00		0.00		0.00
5 Additional requirements, of which	5.45	5.45	1.78	1.78	0.05	0.05	3.36	3.36
(i) Outflows related to derivative exposures and other collateral requirements	5.45	5.45	1.78	1.78	0.05	0.05	3.36	3.36
(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	768.27	768.27	829.86	829.86	725.67	725.67	623.59	623.59
7 Other contingent funding obligations	2454.05	690.74	2784.67	1066.89	2209.73	470.62	1922.91	277.46
8 TOTAL CASH OUTFLOWS		11050.42		10896.02		9936.24		9799.64
Cash Inflows								
9 Secured lending (e.g. reverse repos)								
10 Inflows from fully performing exposures	4059.52	2029.76	4609.83	2304.90	3260.87	1630.44	2414.03	1207.02
11 Other cash inflows	2163.15	2044.01	1267.07	1186.20	1165.29	1035.16	1208.83	1080.29
12 TOTAL CASH INFLOWS	6222.67	4073.77	5876.90	3491.12	4426.16	2665.60	3622.86	2287.31
13 TOTAL HQLA		21093.13		20774.05		18,497.99		19028.79

Particulars	Quarter ended March 31, 2021		Quarter ended December 31, 2020		Quarter ended September 30, 2020		Quarter ended June 30, 2020	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
14 TOTAL NET CASH OUTFLOWS		6976.65		7404.90		7,270.64		7512.33
15 LIQUIDITY COVERAGE RATIO (%)		302.34%		280.54%		254.42%		253.30%

Note: The LCR for each quarter is calculated taking daily average.

Particulars	Quarter ended March 31, 2020		Quarter ended December 31, 2019		Quarter ended September 30, 2019		Quarter ended June 30, 2019	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)		16,530.74		15,741.44		15,576.38		14,158.17
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	58,523.21	5,694.29	57,833.20	5,630.02	56,532.89	5,501.56	55,061.29	5,357.11
(i) Stable deposits	3,160.53	158.03	3,065.95	153.30	3,034.66	151.73	2,980.35	149.02
(ii) Less stable deposits	55,362.68	5,536.27	54,767.25	5,476.73	53,498.23	5,349.82	52,080.94	5,208.09
3 Unsecured wholesale funding, of which:	3,876.31	2,939.30	3,866.16	3,110.87	4,143.55	3,032.25	5,266.16	3,367.39
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	2,517.61	2,377.49	2,812.06	2,685.49	2,557.68	2,360.94	2,647.83	2,317.08
(iii) Unsecured debt	1,358.70	561.81	1,054.11	425.38	1,585.87	671.30	2,618.33	1,050.30
4 Secured wholesale funding		-		-		-		-
5 Additional requirements, of which	0.18	0.18	1.20	1.20	5.31	5.31	1.35	1.35

Particulars	Quarter ended March 31, 2020		Quarter ended December 31, 2019		Quarter ended September 30, 2019		Quarter ended June 30, 2019	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
(i) <i>Outflows related to derivative exposures and other collateral requirements</i>	0.18	0.18	1.20	1.20	5.31	5.31	1.35	1.35
(ii) <i>Outflows related to loss of funding on debt products</i>	-	-	-	-	-	-	-	-
(iii) <i>Credit and liquidity facilities</i>	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	473.75	473.75	362.45	362.45	261.59	261.59	214.09	214.09
7 Other contingent funding obligations	2,517.30	696.87	2,983.61	1,156.30	2,840.20	1,011.12	2,653.85	714.92
8 TOTAL CASH OUTFLOWS		9,804.39		10,260.83		9,811.83		9,654.86
Cash Inflows								
9 Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	4,434.06	2,217.03	4,786.56	2,393.28	4,805.67	2,402.84	5,231.14	2,615.57
11 Other cash inflows	947.23	837.04	1,107.81	1,028.41	750.38	659.86	1,382.26	1,331.75
12 TOTAL CASH INFLOWS	5,381.30	3,054.07	5,894.37	3,421.69	5,556.05	3,062.70	6,613.40	3,947.33
13 TOTAL HQLA		16,530.74		15,741.44		15,576.38		14,158.17
14 TOTAL NET CASH OUTFLOWS		6,750.32		6,839.14		6,749.13		5,707.53
15 LIQUIDITY COVERAGE RATIO (%)		244.89%		230.17%		230.79%		248.06%

40. 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. However due to the pandemic, banks were required to maintain an LCR of 80% till 30th September 2020 and 90% from October 01 2020 to March 31, 2021. The daily average LCR of the bank for the quarter ended March 2021 is 302.34%.

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, 2021, FALLCR stands at 15.00%. On account of COVID-19 pandemic, RBI has also increased MSF from 2% to 3% w.e.f March 27, 2020 to September 30, 2021.

The principal components of the estimated cash out flows which could arise in next 30 days are retail deposits (55.53%) and unsecured wholesale funding (31.21%) which are maturing in the period. 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.

41. Transfers to Depositor Education and Awareness Fund (DEAF):

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 DEAF.

Details of amounts transferred to DEAF are set out below:

[₹ in Crore]

Particulars	March 31,2021	March 31,2020
Opening balance of amounts transferred to DEAF	124.11	99.92
Add : Amounts transferred to DEAF during the year	28.40	26.06
Less : Amounts reimbursed by DEAF towards claims	2.66	1.87
Closing balance of amounts transferred to DEAF	149.85	124.11

42. Intra-Group Exposure - Nil.

43. 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, 2021 was ₹ Nil (Previous Year: ₹191.36 Crore).

44. Priority sector lending certificates

Sl No.	Type of PSLCs	March 31, 2021		March 31, 2020	
		Purchase	Sale	Purchase	Sale
1	PSLC – Agriculture		600.00		1350.00
2	PSLC – SF/MF		1300.00		150.00
3	PSLC – Micro Enterprises	2000.00	1000.00	1500.00	
4	PSLC – General	600.00	10300.00		6737.50
	Total	2600.00	13200.00	1500.00	8237.50

45. Disclosures on Flexible Structuring of Existing Loans [₹ in Crore]

Period	No. of borrowers taken up for flexibly structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
During the FY 2019-20	Nil	Nil	Nil	Nil	Nil
During the FY 2020-21	Nil	Nil	Nil	Nil	Nil

46. Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

There are no accounts under SDR Scheme and which are currently under stand-still period (Previous Year: Nil).

47. Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period)

There are no accounts where the bank has decided to affect the change of ownership outside SDR Scheme and which are currently under stand-still period (Previous Year: Nil).

48. Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period)

There are no accounts where the bank has decided to effect the change of ownership of projects under implementation (Previous Year: Nil).

49. Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A), as on March 31, 2021

There were no accounts during the year where S4A has been applied.

50. Disclosures with relation of COVID19 Regulatory Package - Asset Classification and Provisioning

Respective amounts in each category, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of circular number RBI/2019-20/220DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 and after considering the payments in such accounts till May 31, 2020 as per RBI letter no VVBPS/8124/21.04.048/2019-20 dated May 6, 2020 is as below;

[₹ in crore]

i	Respective amounts in SMA / overdue categories, where the moratorium / deferment was extended in terms of RBI circular	2,821.76
ii	Respective amount where asset classification benefits is extended as on June 30, 2020*	713.72
iii	Provisions made on such accounts	71.37
iv	Provisions adjusted against slippages in terms of paragraph 6 of the circular	47.75
v	Residual provision utilised for other accounts in terms of paragraph 6 of the circular	23.62

In accordance with the COVID 19 Regulatory Package announced by RBI vide Notifications dated March 27, 2020, April 17, 2020 and May 23, 2020 the bank has offered an optional moratorium on repayments falling due between March 1, 2020 and August 31, 2020 in respect of accounts classified as standard on February 29, 2020. As per RBI guidelines, the bank is required to make an additional provision of 10% in respect of such accounts which would have been classified as non-performing as at March 31, 2020, but for the aforesaid concessions (other than accounts in which dues have been remitted on or before May 31, 2020 as permitted by RBI vide letter dated May 06, 2020). Further, the above provisions may be adjusted against the actual provisioning requirements for slippages from the accounts reckoned for such provisions. The residual provisions at the end of the financial year can be written back or adjusted against the provisions required for all other accounts. Accordingly an amount of ₹47.75 crores has been adjusted against the actual provisioning requirements for slippages from the accounts reckoned for such provisions and an amount of ₹23.62 crores is adjusted against the provisions required for all other accounts

51. COVID 19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework for Resolution of Stressed Assets.

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
No of accounts in which Resolution Period was extended	1	-
Amount involved	291.50	-

52. Resolution Plans Implemented in terms of Prudential Framework for Resolution of Stressed Assets. (₹ in crore)

Particulars	March 31, 2021	March 31, 2020
No of accounts where Resolution Plan was Implemented	1	-
Amount involved	291.50	-

53. Ex-gratia payment

In accordance with the scheme announced by the Government of India on October 23, 2020 for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (March 01, 2020 to August 31, 2020), the Bank had submitted the requisite claim amounting to ₹13.56 Crores and credited the accounts of the eligible borrowers. Further, in accordance with the decision of the Honourable Supreme Court on March 23, 2021 in the matter of Small-Scale Industrial Manufacturers Association vs. UOI & Ors instructions, the aforesaid RBI circular dated April 07, 2021 and the methodology for calculation of the amount as notified by the Indian Banks Association (IBA), the Bank created a provision of ₹17.40 Crores towards estimated refund/adjustment of compound interest/interest on interest/penal interest charged to the borrowers not covered under the above ex-gratia scheme during the moratorium period i.e. March 1, 2020 to August 31, 2020 and reduced the same from interest income.

B: Other Disclosures

1. Fixed Assets

- a) Fixed Assets as per Schedule 10 include Intangible Assets relating to Software and System Development Expenditure which are as follows:

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
Gross Block		
At the beginning of the year	157.00	110.26
Additions during the year	18.90	46.74
Deductions during the year	-	-
Closing Balance	175.90	157.00
Depreciation / Amortisation		
At the beginning of the year	79.80	55.71
Charge for the year	26.80	24.09
Deductions during the year	-	-
Depreciation to date	106.60	79.80
Net Block	69.30	77.20

2. Earnings Per Share

The Bank reports basic and diluted EPS in accordance with the Accounting Standard - 20 on "Earnings per Share"

Particulars	March 31, 2021	March 31, 2020
Weighted average number of equity shares used in computation of basic earnings per share	180,55,50,830.55	180,97,08,162
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	180,55,50,830.55	180,97,08,162
Earnings used in the computation of basic earnings per share (₹ in Crore)	61.91	104.59
Earnings used in the computation of diluted earnings per share (₹ in Crore)	61.91	104.59
Nominal Value of share (in ₹)	1.00	1.00
Basic earnings per share (in ₹)	0.34	0.58
Effect of potential equity shares for ESOS	-	-
Diluted earnings per share (in ₹)	0.34	0.58

3. Accounting for Employee Share Based Payments.

The company has provided various share based payment schemes to its employees. As on March 31, 2021, the following schemes were in operation;

	Tranche 8
Date of grant	06.12.2017
Date of Board approval	06.12.2017
Date of Shareholders approval	18.08.2008
Number of options granted	43,04,710
Method of settlement	Equity
Vesting period	06.12.2019 to 06.12.2021
Exercise period (for all Tranches)	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)	In a graded manner over a 4 year period with 30%, 30% and 40% of the grants vesting in each year commencing from the end of 24 months from the grant date.

The Bank had elected to use intrinsic value method to account the compensation cost of ESOS. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option.

Activity in the options outstanding under the ESOS

Particulars	March 31, 2021		March 31, 2020	
	Options	Weighted average exercise price (₹)	Options	Weighted average exercise price (₹)
Options outstanding at the beginning of the year	25,97,030	18.72	33,95,836	19.36
Options granted during the year	-	-	-	-
Options exercised during the year	-	-	40,000	21.65
Forfeited / lapsed during the year	800,011	18.72	7,58,806	21.46
Options outstanding at the end of the year	1,797,019	18.72	25,97,030	18.72
Options Exercisable	1,797,019	18.72	25,97,030	18.72

The weighted average share price at the date of exercise of the options was ₹12.60 during FY 2019-2020.

Details of exercise price for stock options outstanding as at March 31, 2021

Particulars	Exercise price per share	Number of options outstanding	Remaining contractual life of options
Tranche 8	18.72	1,797,019	1.26

Details of exercise price for stock options outstanding as at March 31, 2020

Particulars	Exercise price per share	Number of options outstanding	Remaining contractual life of options
Tranche 7	21.65	600	0.41
Tranche 8	18.72	25,96,430	2.49

Fair Value methodology

The fair value of the options is estimated on the date of grant using Black Scholes options pricing model with following inputs

	Year ended March 31, 2021		Year ended March 31, 2020
Tranches	8	7	8
Exercise Price per share (₹)	18.72	21.65	18.72
Weighted Average Share Price per share (₹)	25.91	27.56	25.91
Expected Volatility (%)	33.09	34.59	33.09
Historical Volatility (%)	33.09	34.83	33.09
Life of the options granted (Vesting and Exercise period in years)	3.00 to 5.00	3.10 to 5.10	3.00 to 5.00
Average Risk Free Interest rate (%)	7.10 to 7.44	8.15 to 8.19	7.10 to 7.44
Expected Dividend Yield (%)	1.54	2.90	1.54

Effect of the ESOS on the profit and loss account and on its financial position:

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Opening of ESOS Liability	3.33	3.57
Liability on account of ESOS issued	0.00	0.00
Reversal on account of Exercise	0.00	(0.01)
Reversal on account of lapsed/forfeiture	(1.02)	(0.23)
Total Employee compensation cost pertaining to ESOS	2.31	3.33
Opening Deferred Compensation Cost	0.78	1.83
Deferred compensation cost on ESOS issued	0.00	0.00
Compensation Cost pertaining to ESOS amortized during the year	(0.55)	(1.02)
Reversal on account of lapse/ forfeiture	(0.01)	(0.03)
Deferred compensation cost	0.22	0.78

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	March 31, 2021	March 31, 2020
Net Profit as reported(₹ in Crore)	61.91	104.59
Proforma Net profit based on fair value approach (₹ in Crore)	60.98	104.38
Basic EPS as reported (₹)	0.34	0.58
Basic EPS (Proforma)(₹)	0.34	0.58
Diluted EPS as reported(₹)	0.34	0.58
Diluted EPS (Proforma)(₹)	0.34	0.58

In computing the above information, certain estimates and assumptions have been made by the management which has been relied upon by the auditors.

4. Deferred Tax Assets (net)

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
Deferred Tax Asset (A)		
Provisions for Loans/Investments/ others	198.26	157.97
Fixed Assets: on differences between book balances and tax balance of fixed asset	0.30	(1.32)
Total (A)	198.56	156.65
Deferred Tax Liabilities (B)		
Special Reserve created u/s 36(1)(viii) of Income Tax Act	100.52	100.52
Total (B)	100.52	100.52
Deferred Tax Asset (net) (A-B)	98.04	56.13

In accordance with the Taxation Laws (Amendment) Ordinance 2019 promulgated on September 20, 2019, the bank has opted to pay tax at the lower rate prescribed therein with effect from the previous financial year. Consequently, tax expenses for the year ended March 31, 2021 comprising current and deferred tax as per Accounting Standard-22 (Accounting for Taxes on income) has been recognised using the reduced tax rates applicable.

5. Related party disclosure:

(i) Key Management Personnel

Sri. V G Mathew, Managing Director & Chief Executive Officer. (Retired on 30.09.2020)

Mr. Murali Ramakrishnan, Managing Director & Chief Executive Officer (appointed as MD&CEO w.e.f 01.10.2020)

(ii) Gross Remuneration paid.

[₹ in Crore]

Name	Designation	2020-21	2019-20
Sri. V G Mathew	Managing Director& CEO	0.78	1.55
Mr. Murali Ramakrishnan	Managing Director& CEO	0.80	-

Note: - The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the bank as a whole.

[₹ in Crore]

Items/Related Party	Key Management Personnel (Sri. V G Mathew)		Relatives of Key Management Personnel		Total	
	2020-21*	2019-20	2020-21*	2019-20	2020-21*	2019-20
Deposits:						
Balance outstanding	1.45	1.54	0.63	0.67	2.08	2.21
Peak Balance	1.67	1.54	0.67	0.67	2.34	2.21
Interest paid	0.005	0.11	0.001	0.04	0.006	0.15

*as at and for 6 months ended 30.09.2020

[₹ in Crore]

Items/Related Party	Key Management Personnel (Mr. Murali Ramakrishnan)		Relatives of Key Management Personnel		Total	
	2020-21*	2019-20	2020-21*	2019-20	2020-21*	2019-20
Deposits:						
Balance outstanding	3.95	-	0.002	-	3.95	-
Peak Balance	3.95	-	0.002	-	3.95	-
Interest paid	0.04	-	0	-	0.04	-

*for 6 months from 01.10.2020 to 31.03.2021

6. 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 ₹0.26 Crore (Previous Year: ₹0.19 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 matching contribution. There is no separate Provident Fund for employees joining on or after April 1, 2010.

The Bank recognized ₹31.50 Crore (Previous Year: ₹25.52 Crore) for DCPS contribution in the Profit and Loss Account.

c) Retirement Benefits.

The bank has recognized the following amounts in the Profit and loss account towards employee benefits as under:

[₹ in Crore]

Particulars	March 31, 2021	March 31, 2020
Pension Fund	312.56	204.36
Gratuity Fund	33.28	34.40
Compensation for absence on privilege/sick/casual leave	83.29	17.26

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.

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, 2021.

d) Changes in the defined benefit obligations

[₹ in Crore]

	Gratuity Plan		Pension Plan	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Projected defined benefit obligation, beginning of the year	232.65	216.44	801.56	700.22
Current Service Cost	18.34	16.73	186.81	162.65
Past Service Cost	-	-	-	-
Interest Cost	14.25	15.48	45.07	48.50
Actuarial (gain)/ loss	16.89	18.30	138.80	42.33
Benefits paid	(36.71)	(34.30)	(251.62)	(152.13)
Projected defined benefit obligation, end of the year	245.42	232.65	920.62	801.56
Liability (net) of fair value of plan asset at the end of the year	1.92	4.90	26.47	54.05

e) Changes in the fair value of plan assets

[₹ in Crore]

	Gratuity Plan		Pension Plan	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Fair value of plan assets, beginning of the year	227.75	210.30	747.52	674.56
Expected return on plan assets	15.13	16.40	53.40	54.92
Employer's contributions	36.34	35.92	340.09	176.03
Actuarial gain/ (loss)	0.97	(0.58)	4.77	(5.86)
Benefits paid	(36.71)	(34.29)	(251.62)	(152.13)
Fair value of plan assets, end of the year	243.48	227.75	894.16	747.52

The Company expects to contribute ₹1.93 Crore (Previous Year ₹4.90 Crore) towards gratuity and ₹26.47 Crore (Previous Year ₹54.05 Crore) towards pension in the next year.

f) Net Employee benefit expense (recognized in payments to and provisions for employees)

[₹ in Crore]

	Gratuity Plan		Pension Plan	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Current Service Cost	18.33	16.73	186.81	162.65
Past Service Cost	-	-	-	-
Interest Cost	14.25	15.48	45.07	48.50
Expected return on plan assets	(15.13)	(16.40)	(53.40)	(54.92)
Net actuarial (gain)/ loss recognised in the year	15.91	18.87	134.03	48.19
Employee cost	33.36	34.68	312.51	204.42
Unamortized cost	-	-	-	-
Total	33.36	34.68	312.51	204.42
Actual return on plan assets	16.11	15.83	58.17	49.06

g) Categories of plan assets as a percentage of the fair value of total plan assets

	Gratuity Plan		Pension Plan	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
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, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
Defined Benefit Obligations	245.41	232.65	216.44	211.50	177.33
Plan Assets	243.49	227.75	210.30	179.53	172.30
(Surplus)/Deficit	1.92	4.90	6.14	31.97	5.02
Unamortized	-	-	-	20.45	-
Net benefit expenses	1.92	4.90	6.14	11.52	5.03
Experience adjustments on Plan Liabilities	32.70	(7.48)	5.25	(2.75)	3.88
Experience Adjustments on Plan Assets	(0.97)	0.58	(1.49)	(1.94)	(2.39)

(ii) Pension

[₹ in Crore]

	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
Defined Benefit Obligations	920.62	801.56	700.22	650.13	620.99
Plan Assets	894.15	747.52	674.56	620.98	574.78
(Surplus)/Deficit	26.47	54.05	25.66	29.14	46.21
Experience adjustments on Plan Liabilities	138.80	42.33	(1.98)	(28.78)	(10.99)
Experience Adjustments on Plan Assets	(4.77)	5.86	(1.20)	(1.48)	(6.97)

i) Assumptions used by the actuary in accounting for Gratuity/ Pension/Compensation for absence

	Gratuity Plan		Pension Plan		Compensation for absence	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount rate	7.21%	6.65%	7.11%	6.67%	7.21%	6.65%
Expected rate of return on plan assets	6.65%	7.77%	6.67%	8.00%	*	*
Increase in compensation cost	6.00%	6.00%	5.50%	5.50%	6.00%	6.00%

*Not applicable

Notes:

- (i) Discount rate is based on the prevailing market yields of Indian Government 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 ₹83.29 Crore (Previous year ₹17.26 Crore) has been debited to Profit and Loss account.

The above information is as certified by actuary and relied upon by the auditor.

7. Micro Small and Medium Industries

Under the Micro, Small and Medium enterprises development Act 2006, which came into force from 2/10/2006, 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.

8. 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 vide notification dated April 18, 2007. 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.

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.

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.

d) Other Banking Operations:

This segment includes income from para banking activities such as debit cards, third party product distribution and associated costs.

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	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Particulars										
Revenue	1,804.05	1,846.00	2,809.42	3,380.69	3,568.74	3,273.14	308.72	309.72	8,490.93	8,809.55
Result	57.29	(81.66)	(814.16)	(427.51)	543.60	409.39	236.93	249.33	23.66	149.55
Unallocated (Expenses)/ Income									63.00	-
Operating profit									86.66	149.55
Income Taxes									24.75	44.96
Net Profit									61.91	104.59
Other Information:										
Segment Assets	22,473.40	21,586.60	31,890.60	38,262.23	37,185.58	34,232.68	10.27	10.86	91,559.85	94,092.37
Unallocated Assets									2,589.32	2,940.53
Total Assets									94,149.17	97,032.90
Segment Liabilities	21,312.11	20,633.39	30,505.40	36,898.77	35,570.38	33,012.82	-	-	87,387.89	90,544.98
Unallocated Liabilities									954.12	1,013.12
Total Liabilities									88,342.01	91,558.10

Since the Bank operates only in domestic segment, disclosure regarding geographical segment is not applicable.

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.

9. 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, 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 Unsecured these cases is possible but not probable and hence no provision is required in these cases. However, a contingent liability has been disclosed with respect to these cases.

10. 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.

11. Corporate social responsibility

Operating expenses include ₹11.68 Crore (Previous Year ₹12.01 Crore) for the year ended March 31, 2021 towards Corporate Social Responsibility (CSR), in accordance with the Companies Act, 2013.

The Bank has spent 2.09% of its average net profit for the last three financial years as part of its CSR for the year ended March 31, 2021. 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, 2021

[₹ in Crore]

	Paid	Yet to be paid	Total
i) Construction/ Acquisition of any assets	3.88	-	3.88
ii) For purposes other than (i) above	7.80	-	7.80

For the year ended March 31, 2020

	Paid	Yet to be paid	Total
i) Construction/ Acquisition of any assets	8.76	-	8.76
ii) For purposes other than (i) above	3.25	-	3.25

12. 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.

13. Provisioning pertaining to fraud accounts

The Bank has reported 478 cases as fraud during the Financial Year ended March 31, 2021 amounting to ₹1193.46 Crore and has provided for the same in full.

The bank has exercised the option to make provision in respect of three Non – Performing Advances identified as fraud during the quarter ended December 31, 2019, over a period of four quarters as permitted by the RBI in circular DBR No. BP. BC.92/21.04.048/2015-16 dated April 18, 2016. Accordingly, the Bank has debited ₹30.46 Crore to Profit and Loss Account during the FY 2019-2020, being 50% of the outstanding net book value of the said advances and the remaining un provided amount of ₹30.44 Crore was debited against other reserves. During the FY 2020-2021 ₹30.44 Crore was debited in the profit and loss account by proportionately reversing the debit to other reserves.

14. Proposed Dividend:

The Reserve Bank of India (RBI), vide notification dated December 4, 2020, stated that in view of the ongoing stress and heightened uncertainty on account of COVID-19, banks should continue to conserve capital to support the economy and absorb losses. The notification also stated that in order to further strengthen the banks' balance sheets, while at the same time support lending to the real economy, banks shall not make any dividend payment on equity shares from the profits pertaining to the financial year ended March 31, 2020. The Bank did not declare final dividend for the Financial Year ended March 31, 2020.

Given that the current "second wave" has significantly increased the number of COVID-19 cases in India and uncertainty remains, the Board of Directors of the Bank, at its meeting held on May 21, 2021, has considered it prudent not to propose dividend for the Financial Year ended March 31, 2021.

15. Figures of the previous year have been regrouped to conform to the current year presentation wherever necessary.

In terms of our report attached

For **Varma & Varma**
Chartered Accountants
ICAI Firm Registration No. 004532 S

V Sathyanarayanan
Partner
Membership No. 021941

Kochi
May 21, 2021

For and on behalf of Board of Directors

Thomas Joseph K
Executive Vice President

Doraivel Sambandam
Chief Credit Officer

Chithra H
Chief Financial Officer

Jimmy Mathew
Company Secretary

Vijith S
Joint General Manager

Thrissur
May 21, 2021

Salim Gangadharan
Chairman
(DIN : 06796232)

Francis Alapatt
Director
(DIN : 01419486)

Parayil George John Tharakan
Director
(DIN : 07018289)

M George Korah
Director
(DIN : 08207827)

Paul Antony
Director
(DIN : 02239492)

Murali Ramakrishnan
MD & CEO
(DIN : 01028298)

Ranjana S. Salgaocar
Director
(DIN : 00120120)

V J Kurian
Director
(DIN : 01806859)

Pradeep M Godbole
Director
(DIN : 08259944)

R A Sankara Narayanan
Director
(DIN : 05230407)

DISCLOSURE UNDER BASEL III NORMS AS ON MARCH 31, 2021

1. Scope of Application

The South Indian Bank Limited is a commercial bank, which was incorporated on January 25, 1929 in Thrissur, Kerala. The Bank does not have any subsidiary/Associate companies under its Management.

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)}, with minimum Common Equity Tier I (CET1) of 5.5% (8% including CCB) as on 01st October 2021. These guidelines on Basel III have been implemented on 1st April 2013 in a phased manner. The minimum capital required to be maintained by the Bank for the year ended 31st March 2021 is 10.875 % with minimum Common Equity Tier 1 (CET1) of 7.375% (including CCB of 1.875%).

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	43,608.49
	Portfolios subject to standardized approach	43,608.49
	Securitization exposures	0.00
(b)	Capital requirements for Market Risk (Standardised duration approach)	1,986.29
	Interest Rate Risk	1,112.59
	Foreign Exchange Risk (including gold)	48.94
	Equity Risk	824.76
(c)	Capital requirements for Operational Risk (Basic Indicator Approach)	5,699.92
	Total Capital Requirement at 10.875%{ (a)+ (b)+(c) }	51,294.7
	Total Capital Fund	72,733.71
	Common Equity Tier- I CRAR %	11.73 %
	Total Tier- I CRAR %	12.79%
	Tier- II CRAR %	2.63 %
	Total CRAR %	15.42 %

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 officers in all Regional Offices/ branches and dedicated mid office at Treasury Department 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.

- An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank.
- A non performing asset (NPA) is a loan or an advance where;

- Interest and / or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan,
- 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".)
- 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.)
- 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.)
- 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.)
- Any amount to be received remains overdue for a period of more than 90 days in respect of other accounts.
- 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.
- 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.
- In accordance with the 'COVID-19 Regulatory Packages' announced by the RBI on March 27, 2020 and April 17, 2020 ('the RBI guidelines'), with regard to providing relief to borrowers' on account of COVID-19 pandemic whose accounts were standard as on February 29, 2020, the Bank, in accordance with the Board approved policy had offered moratorium on repayment of loan instalments and/or deferment of interest due

between March 1, 2020 and August 31, 2020 to eligible borrowers, without considering the same as restructuring.

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 2021

(₹ in Million)

Category	Exposure
Fund Based 1	7,42,839.12
Non Fund Based 2	41,494.62
Total	7,84,333.74

Note :

1. Fund based credit exposure excludes Cash in hand, Balance with RBI, SLR investments, shares, deposits placed NABARD, SIDBI & NHB, Fixed and Other assets.
2. 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 2021

Particulars	(₹ in Million)
Domestic	7,84,333.74
Overseas	0.00
Total	7,84,333.74

c) Industry wise Distribution of gross advances and NPAs as on 31st March 2021

(₹ in Million)

Industry Name	Total Funded Exposure	Total Non-Funded Exposure	Total Credit Exposure
A. Mining and Quarrying	2,079.95	9.86	2,089.81
A.1 Coal	269.63	2.5	272.13
A.2 Others	1,810.31	7.36	1,817.68
B. Food Processing	5,566.47	111.29	5,677.77
B.1 Sugar	11.14	-	11.14
B.2 Edible Oils and Vanaspati	272.58	-	272.58
B.3 Tea	182.41	3.00	185.41
B.4 Coffee	24.35	-	24.35
B.5 Others	5,075.96	108.29	5,184.26
C. Beverages (excluding Tea & Coffee) and Tobacco	2,433.14	16.00	2,449.14
C.1 Tobacco and tobacco products	614.65	-	614.65
C.2 Others	1,818.48	16.00	1,834.48
D. Textiles	28,152.76	1,262.66	44,062.31
D.1 Cotton	11,680.62	860.72	12,541.34
D.2 Jute	252.41	5.00	257.41
D.3 Man-made	300.28	20.54	320.82
D.4 Others	15,919.44	376.39	16,295.84
Out of D (i.e., Total Textiles) to Spinning Mills	13,750.32	896.56	14,646.88
E. Leather and Leather products	1,884.22	72.02	1,956.24
F. Wood and Wood Products	1,036.84	321.97	1,358.82
G. Paper and Paper Products	5,084.29	698.39	5,782.69
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	4,331.94	349.04	4,680.99
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	9,825.35	1,037.28	10,862.63
I.1 Fertilizers	112.03	-	112.03
I.2 Drugs and Pharmaceuticals	3,772.32	66.47	3,838.79
I.3 Petro-chemicals (excluding under Infrastructure)	-	-	-
I.4 Others	5,940.99	970.80	6,911.80
J. Rubber, Plastic and their Products	10,070.98	1,355.82	11,426.80
K. Glass & Glassware	925.49	0.84	926.33
L. Cement and Cement Products	2,457.25	628.95	3,086.20
M. Basic Metal and Metal Products	18,561.00	3,363.99	21,924.99
M.1 Iron and Steel	9,591.02	1,175.33	10,766.35
M.2 Other Metal and Metal Products	8,969.98	2,188.66	11,158.64
N. All Engineering	11,409.32	2,720.17	14,129.49
N.1 Electronics	45.46	-	45.46
N.2 Others	11,363.85	2,720.17	14,084.02
O. Vehicles, Vehicle Parts and Transport Equipment	2,741.07	426.19	3,167.26
P. Gems and Jewellery	5,167.37	9.50	5,176.87
Q. Construction	5,711.51	1,037.83	6,749.35
R. Infrastructure	13,998.40	1,218.85	27,355.20
<i>R.a Transport (a.1 to a.8)</i>	6,066.99	43.13	6,110.13
R.a.1 Roads and Bridges	4,893.31	43.13	4,936.45
R.a.2 Ports	-	-	-
R.a.3 Inland Waterways	-	-	-
R.a.4 Airport	1,173.67	-	1,173.67
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	-	-	-

Industry Name	Total Funded Exposure	Total Non-Funded Exposure	Total Credit Exposure
R.b. Energy (b.1 to b.6)	4,820.46	220.78	5,041.25
R.b.1 Electricity Generation	4,245.3	220.78	4,466.08
R.b.1.1 Central Govt PSUs	-	-	-
R.b.1.2 State Govt PSUs (incl. SEBs)	328.40	-	328.40
R.b.1.3 Private Sector	3,916.89	220.78	4,137.67
R.b.2 Electricity Transmission	537.49	-	537.49
R.b.2.1 Central Govt PSUs	-	-	-
R.b.2.2 State Govt PSUs (incl. SEBs)	216.76	-	216.76
R.b.2.3 Private Sector	320.72	-	320.72
R.b.3 Electricity Distribution	37.67	-	37.67
R.b.3.1 Central Govt PSUs	-	-	-
R.b.3.2 State Govt PSUs (incl. SEBs)	-	-	-
R.b.3.3 Private Sector	37.67	-	37.67
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)	-	-	-
R.c.1 Solid Waste Management	-	-	-
R.c.2 Water supply pipelines	-	-	-
R.c.3 Water treatment plants	-	-	-
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)	0.59	5	5.59
R.d.1 Telecommunication (Fixed network)	-	-	-
R.d.2 Telecommunication towers	-	-	-
R.d.3 Telecommunication and Telecom Services	0.59	5.00	5.59
R.e. Social and Commercial Infrastructure (e.1 to e.12)	-	-	-
R.e.1 Education Institutions (capital stock)	-	-	-
R.e.2 Hospitals (capital stock)	-	-	-
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	3,110.34	949.93	4,060.27
Social Infrastructure	3,110.34	949.93	4,060.27
S. Other Industries, pl. specify	8,091.18	390.26	8,481.44
Other industries	8,091.18	390.26	8,481.44
All Industries (A to S)	1,39,528.58	15,031.00	1,54,559.58
Residuary other exposure (to tally with gross exposure)	4,54,655.38	13,254.96	4,67,910.34
Total	5,94,183.96	28,285.97	6,22,469.93

d) Major Industry breakup of NPA

₹ in Million

Industry	Gross NPA	Specific Provision
Top 5 Industries	38,715.30	12,855.34

e) Residual Contractual Maturity breakdown of Assets as on 31st March 2021
(₹ in Million)

Time band	Cash and Balance with RBI	Balance with Banks	Investments	Loans & Advances	Fixed Asset	Other Assets
Next Day	4,229.12	20,701.72	41,537.64	14,344.34	-	62.24
2 - 7 Day	-	25,867.87	1,658.56	5,434.93	-	144.48
8 - 14 Day	-	-	2,702.57	5,343.45	-	145.22
15 - 30 Day	961.40	-	4,668.71	15,017.52	-	1,241.79
31 - 2 Months	920.20	5,503.25	3,518.54	25,662.10	-	1,333.88
29 - 3 Months	924.68	2,558.85	3,504.34	28,384.23	-	518.63
3 - 6 Months	1,545.23	-	8,050.96	63,870.10	-	3,980.37
6 - 12 Months	2,049.59	-	12,572.41	82,670.77	-	7,851.19
1 - 3 Year	1,728.21	-	8,265.85	79,536.65	-	23,679.99
3 - 5 Year	2,202.55	-	13,407.82	36,106.28	-	7,276.74
Over 5 Year	18,486.12	-	103,323.45	224,194.38	7,951.67	15,851.15
Total	33,047.10	54,631.69	203,210.85	580,564.75	7,951.67	62,085.68

f) The composition of Gross NPAs and NPIs, Net NPAs, NPA ratios and provision for GNPA and GNPIs as on 31st March 2021 and movement of gross NPAs and provisions during the year ended 31st March 2021 are given in following table.
(₹ in Million)

1	Amount of Gross NPAs	41,432.42
	Substandard	22,453.76
	Doubtful-1	4,170.73
	Doubtful-2	13,662.28
	Doubtful-3	828.54
	Loss	317.11
2	Net NPA	27,345.24
3	NPA Ratios	
	Gross NPA to Gross Advance (%)	6.97
	Net NPA to Net Advance (%)	4.71
	Movement of N PA (Gross)	
	Opening Gross NPA (balance as on 01.04.2020)	32,617.66
	Additions to Gross NPA	23,399.89
	Reductions to Gross NPA	14,585.13
	Up gradations	1,445.59
	Recoveries (excluding recoveries made from upgraded accounts)	1,792.68
	Technical/prudential write offs	11,346.86
	Reduction by sale of assets to ARCs	0.0
	Closing Balance of Gross NPA	41,432.42

Movement of Specific & General Provision – Position as on 31st March 2021*(₹ in Million)*

Movement of Provision	Specific Provision	General Provision
• Opening Balance as on 01.04.2020	10,801.81	
• Provision made in 2020-21	15,395.15	
• Write off/ Write back of excess provision	12,583.67	
• Closing Balance as on 31.03.2021	13,613.29	

NPIs and Movement of Provision for Depreciation on Investments – Position as on 31st March 2021*(₹ in Million)*

1	Amount of Non Performing Investments (Gross)	2,677.47
2	Amount of Provisions held Non Performing Investments	2,245.58
3	Movement of Provisions for Depreciation on Investments	
	• Opening Balance (as on 01.04.2020)	6,785.13
	• Provision made in 2020-21	952.61
	• Write-offs / Write-back of excess provisions during the period	1,389.52
	• Closing Balance (as on 31.03.2021)	6,348.22

Geographical Distribution of NPA and Provision Position as on 31st March 2021*(₹ in Million)*

Geography	Gross NPA	Specific Provision	General Provision
Domestic	41,432.42	13,613.29	
Overseas	0.00	0.00	
Total	41,432.42	13,613.29	

Details of write-offs and recoveries that have been booked directly to the income statement- for the year ending 31st March 2021*(₹ in Million)*

Write-offs that have been booked directly to the income statement	349.48
Recoveries that have been booked directly to the income statement	666.36

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 borrowal 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. Brickwork Ratings India Pvt. Ltd
6. Acuite Ratings and Research Ltd

7. Infomerics 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.

b. Process used to transfer public issue ratings onto comparable assets in the banking book

- 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.
- 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 2021 under major three risk buckets

(₹ in Million)

Description of risk bucket	
Below 100% Risk Weight	5,75,913.69
Risk Weight at 100%	1,86,959.68
More than 100% Risk Weight	44,296.45
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, Indira 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 /Brickwork A3 / Acuite 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/Brickwork 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/Brickwork 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 2021 is given in table below

(₹ in Million)

Sl. No.	Nature of Exposure	Exposure	Amount of Risk Mitigants	Risk Weighted Assets
1	Exposure covered by Gold	89,817.41	1,15,516.38	1,788.33
2	Exposure covered by deposits	15,807.98	17564.43	0.00
3	Loan against KVP / IVP/NSC/LIC	88.55	118.07	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)

Sl. No.	Particulars	Capital Requirement
1	Interest rate risk	1,112.59
2	Foreign Exchange Risk	48.94
3	Equity Position Risk	824.76

8. 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

(₹ in Million)

Particulars	As on 31 st March 2021
Change in NII	
Probable impact on Net Interest income for 100 Bps downward movement in interest rate	438.44
Change in MVE	
Probable impact on Market Value of equity (MVE) for a 200 Bps movement in interest rates.	3,020.30

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 for forward contract as on 31st March 2021 is as follows:

(₹ in Million)

Particulars	
Forward Contracts valued based on CEM	1,028.30
Total	1,028.30

Table DF 11. Composition of capital as on 31st March 2021

(₹ in Million)

Basel III common disclosure template		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	32,815.44
3	Accumulated other comprehensive income (and other reserves)	3,529.56
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</i>	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	56,106.70
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)	791.88
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
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	9.55
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

Basel III common disclosure template			Ref No
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)	0.00	
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>	0.00	
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	801.44	
29	Common Equity Tier 1 capital (CET1)	55,305.25	
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	50,00.00	
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>	50,00.00	
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	0.00	
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	50,00.00	
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	

Basel III common disclosure template			Ref No
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)	60,305.25	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	9,800	
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	2,628.45	
51	Tier 2 capital before regulatory adjustments	12,428.45	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments		
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	
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)	12,428.45	
59	Total capital (TC = T1 + T2) (45 + 58)	72,733.71	
60	Total risk weighted assets (60a + 60b + 60c)	4,71,675.43	
60a	<i>of which: total credit risk weighted assets</i>	4,00,997.57	
60b	<i>of which: total market risk weighted assets</i>	18,264.75	
60c	<i>of which: total operational risk weighted assets</i>	52,413.11	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	11.73%	
62	Tier 1 (as a percentage of risk weighted assets)	12.79%	
63	Total capital (as a percentage of risk weighted assets)	15.42%	
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>	1.875%	

Basel III common disclosure template		Ref No
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)	4.35%
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)	2,406.99
77	Cap on inclusion of provisions in Tier 2 under standardized approach	5,012.50
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	<i>Current cap on CET1 instruments subject to phase out arrangements</i>	0.00
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	0.00
82	<i>Current cap on AT1 instruments subject to phase out arrangements</i>	0.00
83	<i>Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>	0.00
84	<i>Current cap on T2 instruments subject to phase out arrangements</i>	0.00
85	<i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>	0.00

Notes to the Template

Row No of the Template	Particular	(₹ in Million)
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	2,406.99
	Eligible Investment Fluctuation Reserve included in Tier 2 capital	221.45
	Total of row 50	2,628.44

Table DF-12 Composition of Capital- Reconciliation Requirements

Step I

As on the reporting date there is 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	
A Capital & Liabilities			
i. 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	55,978.87		(b)
of which : Amount eligible for CET1			
Statutory Reserve	11,567.94		(b)(i)
Share Premium	17,668.96		(b)(ii)
General Reserve	14,103.30		(b) (iii)
Capital Reserve	5,207.12		(b)(iv)
Special reserve under Section 36(i) (viii) of Income Tax Act	3,993.90		(b)(v)
Balance in P/L a/c. at the end of the previous financial year			(b)(vi)
Current Financial Year carry forward Profit	46.28		(b)(vii)
Investment Fluctuation Reserve Account (part of Tier 2 Capital)	221.45		(b)(viii)
Revaluation Reserve (part of Tier I Capital, at a discount of 55 per cent is `1444.92.)	3,169.91		(b)(ix)
Minority Interest			
Total Capital	58,071.61		(a)+(b)

	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Ref No.
	As on reporting date	As on reporting date	
ii Deposits	8,27,105.49		(c)
of which: Deposits from banks	15,636.93		(c)(i)
of which: Customer deposits	8,11,468.56		(c)(ii)
of which: Other deposits (pl. specify) CD			
iii Borrowings	41,082.73		(d)
of which: From RBI	-		(d)(i)
of which: From banks	2,078.80		(d)(ii)
of which: From other institutions & agencies	36,044.00		(d)(iii)
of which: Others (pl. specify) Borrowings from outside India	2,959.93		(d)(iv)
of which: Capital instruments			(d)(v)
iv. Other liabilities & provisions & ESOP	15,231.91		(e)
of which: Standard Asset provision included under Tier 2 Capital	2,769.12		(e)(i)
of which : DTLs related to goodwill			(e)(ii)
of which : Details related to intangible assets			
Total	9,41,491.73		(a)+(b)+(c)+(d)+ (e)
B Assets			
i Cash and balances with Reserve Bank of India	33,047.09		(f)
Balance with banks and money at call and short notice	54,631.69		(g)
ii Investments:	2,03,210.85		(h)
of which: Government securities	1,22,951.12		(h)(i)
of which: Other approved securities			(h)(ii)
of which: Shares	2,332.73		(h)(iii)
of which: Debentures & Bonds	2,427.27		(h)(iv)
of which: Subsidiaries / Joint Ventures /Associates			
of which: Others (Commercial Papers, Mutual Funds etc.)	75,499.73		(h)(v)
iii Loans and advances	5,80,564.76		(i)
of which: Loans and advances to banks			
of which: Loans and advances to customers	5,80,564.76		(i)(i)
iv Fixed assets	7,951.67		(j)
v Other assets	62,085.68		(k)
of which: Goodwill and intangible assets			
Out of which :			
Goodwill			(k)(i)
Other Intangibles (excluding MSRs)	980.35		(k)(ii)
Deferred tax assets			(k)(iii)
vi Good will on consolidation			(l)
vii Debit balance in Profit & Loss account			(m)
Total Assets	9,41,491.73		(f)+(g)+(h)+(i)+ (j)+(k)+(l)+(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)	₹ 2400 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	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 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	28-11-2018
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	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 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	NA
30	<i>Write-down feature</i>	
31	If write-down, write-down trigger(s)	Trigger event is earlier of the trigger event: Write off is necessary without which the firm would become non-viable as determined by RBI Decision to make public sector injection of capital without which firm would become non-viable. 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	₹4900 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	₹2500 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 : N.A 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**Remuneration****Qualitative disclosures****(a) Information relating to the composition and mandate of the Nomination and Remuneration Committee.****Composition:**

The Nomination & Remuneration committee of the Board consists of five members of which two members from Risk Management committee of the Board facilitate effective governance of compensation.

The roles and responsibilities of the Nomination & Remuneration Committee inter-alia includes the following:

- 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.
- To devise a Succession Planning Policy for the Board and Senior Management.
- To formulate a Nomination policy of the Board to guide the Board in relation to appointment/re-appointment/removal of Directors.
- 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.
- To formulate the criteria for evaluation of Independent Directors and the Board/Committees.
- To devise a policy on Board diversity.
- 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.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.
- 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.
- 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.
- With respect to the 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 considered necessary;
 - d) On completion of the year, finalize the criteria of allotment of marks to ensure objectivity/equity.
- 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.
- 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.
- 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.
- 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;
- Any other matters regarding remuneration to WTDs/ MD & CEO and other staffs of the Bank as and when permitted by the Board.

- To conduct the annual review of the Compensation Policy.
- To fulfil such other powers and duties as may be delegated to it by the Board.
- To review HR Strategy aligning with business strategy of the Bank.
- To review the skill gaps and talent pool creation.

(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 dtd 04.11.2019 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 MRTs:

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 should also be consistent with the general risk management and corporate governance framework.
3. The methodologies for adjusting remuneration to risk and performance will also be consistent with the general risk management and corporate governance framework.
4. 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.
5. 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.
6. 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.

7. 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.
8. 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.
9. 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 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. 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.

- 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.

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))).

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 MRTs

- a) 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.

Quantitative disclosures

		As on 31.03.2021	As on 31.03.2020
(g)	<ul style="list-style-type: none"> • Number of meetings held by the Remuneration Committee during the period ended 31.03.2021, ie, (01.04.20 to 31.03.2021) • remuneration paid to its members (₹ in Lakhs) 	13 21.68	6 10.80
(h)	<ul style="list-style-type: none"> • Number of employees having received a variable remuneration award during the financial year. • Number and total amount of sign-on awards made during the period. <ul style="list-style-type: none"> o Number o Total amount • Details of severance pay, in addition to accrued benefits, if any. 	1	1
(i)	<ul style="list-style-type: none"> (i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. (ii) Total amount of deferred remuneration paid out during the period. 		
(j)	<ul style="list-style-type: none"> Breakdown of amount of remuneration awards for the period to show fixed and variable, deferred and non-deferred. (₹ in Lakhs) <ul style="list-style-type: none"> • Fixed • Variable • Deferred • Non Deferred 	130.31 7.78	114.05 25.92

		As on 31.03.2021	As on 31.03.2020
(k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments		
	(ii) Total amount of reductions during the financial year due to ex-post explicit adjustments.		
	(iii) Total amount of reductions during the financial year due to ex-post implicit adjustments.		
(l)	Number of MRTs identified.	2#	1
(m)	Number of cases where malus has been exercised. <ul style="list-style-type: none"> Number of cases where clawback has been exercised. Number of cases where both malus and clawback have been exercised. 		
(n)	(₹ in lakhs) The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs* from the mean pay. * 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.	10.90 147.08	8.74 145.98

Sri. V G Mathew, Managing Director & Chief Executive Officer. (Retired on 30.09.2020) and Mr. Murali Ramakrishnan, Managing Director & Chief Executive Officer (appointed as MD&CEO w.e.f 01.10.2020)

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 = $\frac{\text{Capital Measure (Tier I Capital)}}{\text{Exposure Measure}}$

Exposure Measure

Summary comparison of accounting assets vs. leverage ratio exposure measure		
Sl. No.	Item	(₹ in Million)
1	Total consolidated assets as per published financial statements	9,41,491.73
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	(801.44)
4	Adjustments for derivative financial instruments	2,097.13
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	(0)
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	32,487.93
7	Other adjustments	0.00
8	Leverage ratio exposure	9,75,275.36

Leverage ratio common disclosure template

Sl. No.	Item	Leverage ratio framework (₹ in million)
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	9,41,491.73
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(801.44)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	9,40,690.29
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	782.94
5	Add-on amounts for PFE associated with all derivatives transactions	1,314.18
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)	2,097.13
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	1,94,628.27
18	(Adjustments for conversion to credit equivalent amounts)	(1,62,140.33)
19	Off-balance sheet items (sum of lines 17 and 18)	32,487.93
Capital and total exposures		
20	Tier 1 capital	60,305.25
21	Total exposures (sum of lines 3, 11, 16 and 19)	9,75,275.36
Leverage ratio		
22	Basel III leverage ratio	6.18 %

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 be filled in duplicate)

To
The South Indian Bank Limited Regd. Office, SIB House
PB No. 28, Thrissur Kerala – 680001.

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 —

Name:	
Date of Birth:	
Father's/Mother's/Spouse's name:	
Occupation:	
Nationality:	
Address:	
E-mail id:	
Relationship with the security holder:	

(3) IN CASE NOMINEE IS A MINOR—

Date of birth:	
Date of attaining majority	
Name of guardian:	
Address of guardian:	

(4) SHARE HOLDERS INFORMATION

HOLDER 1	Signature	
	Name	
	Address	
	Date	
HOLDER 2	Signature	
	Name	
	Address	
	Date	
HOLDER 3	Signature	
	Name	
	Address	
	Date	

(5) Name, Address and Signature of two Witnesses

Name and Address

Signature with Date

1.

2.

Encl: Photo ID Proofs of share holder(s) : Please mark and [] and write ID registration No.(s)

Driving Licence	Electoral Voter ID	PAN Card	Passport	Bank Pass book (With photo)	Bank/Govt. employee ID card	Others (specify)

(For instructions, please see overleaf)

INSTRUCTIONS:

1. Please read the instructions given below very carefully and follow the same. If the form is not filed as per instructions, the same will be rejected.
2. The Nomination can be made by Individuals holding shares on their own behalf singly or jointly.
Non-individuals including Society, Trust, Body Corporate, Partnership Firm, Karta or Hindu Undivided Family, Holders of Power of Attorney cannot nominate. If the shares are held jointly, all joint holders shall sign (as per the specimen registered with the Company) the nomination form.
3. A Minor can be nominated by a holder of shares and in that event, the name and address of the Guardian should be provided.
4. The Nominee shall not be a Trust, Society, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family or a Power of Attorney Holder; A Non-Resident Indian can be a nominee on re-patriable basis.
5. Nomination stands rescinded upon transfer of shares.
6. Transfer of shares in favour of Nominee shall be valid discharge by the Company against the Legal heir.
7. Only one person can be nominated to a given folio.
8. Details of all holders in a folio need to be filled. Else the request will be rejected.
9. The nomination will be registered only when it is complete in all respects including the signature of all registered holders (as per the specimen lodged with the company).
10. Whenever the shares in the given folio are entirely transferred, transpositioned or dematerialized with some other folio, then this nomination shall stand rescinded.
11. The Nomination form shall be filed in duplicate with the Share Transfer Agents M/s. BTS Consultancy Services Pvt. Ltd. Unit: SIB, No.4, Ramakrishna Nagar, Near Kumaran Matriculation School, Villivakkam, Chennai – 600049, Tamilnadu who will return one copy thereof to the Shareholders.
12. Upon receipt of a duly executed nomination form, the Company/Share Transfer Agent of the Company will register the form and allot a registration number. The registration number and Folio No. should be quoted by the nominee in all future correspondence.
13. The nomination can be varied or cancelled by giving a notice to the Company in Form No. SH-
14. The cancellation/variation shall take effect from the date on which the notice of such variation or cancellation is received by the company.
14. This form is meant for shareholders holding shares in physical mode.
15. Shareholders holding shares in dematerialized mode, nomination is required to be filled with the Depository Participants (DPs) in their prescribed form.

FOR OFFICE USE ONLY

Nomination Registration Number and Date

Share Registrar/Company Seal

ECS MANDATE FORM

To
 BTS Consultancy Services Pvt. Ltd.
 Unit: The South Indian Bank Ltd.
 M S Complex 1st Floor
 No.8, Sastri Nagar
 Near 200 feet road / RTO Kolathur
 Kolathur, Chennai – 600099
 Phone No.:044- 2556 5121
 Fax No. : 044-2556 5131
 Email id: helpdesk@btsindia.co.in

FOR SHARES HELD IN PHYSICAL MODE

Please complete this form and send it to
 M/s. BTS Consultancy Services Pvt. Ltd., Chennai

SHAREHOLDERS HOLDING SHARES IN DEMAT MODE

Should inform their DPs directly

I hereby consent to have the amount of dividend on my equity shares credited through the Electronic Clearing Service (Credit Clearing) – (ECS).The particulars are:

- 1) Folio No. : _____
- 2) Name of the First registered Holder : _____
- 3) Bank Details:_____
- Name of the Bank : _____
 - Full Address of the Branch : _____
 - Complete Account Number : _____
 - Account Type : (Please tick the relevant box for Savings Bank A/c, Current A/c or Cash Credit A/c)

<input type="checkbox"/> 10-Savings	<input type="checkbox"/> 11-Current	<input type="checkbox"/> 12-Cash Credit
-------------------------------------	-------------------------------------	---

- 9 Digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank (Please attach a photocopy of a cheque for verifying the accuracy of the code number).

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I hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I will not hold the company responsible.

 Signature of the 1st Registered Holder as per the
 specimen signature with the Company

Name: _____

Date: ___/___/2021

Address: _____

Note:

1. This form should be submitted to our Share Transfer Agents at the address given above.
2. This form is meant for shareholders holding shares in physical mode.
3. Shareholders holding shares in Demat mode should register their ECS particulars with their Depository Participants (DPs).

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Hon.Chief Minister of Kerala, Sri. Pinarayi Vijayan virtually inaugurated the Vadakkechira Bus Hub, a CSR initiative of the Bank. Mr. V G Mathew, MD & CEO of the Bank, Mr. V S Sunil Kumar, Minister of Agriculture and Mr. A C Moideen, Minister of LS GD are seen in the picture.



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The South Indian Bank Ltd., Regd. Office, SIB House

T.B. Road, Mission Quarters, Thrissur-680 001, Kerala, India, Telephone Nos: +91-487-2420020, 2420058, 2420113

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