



**LED BY TRUST
POWERED BY TECHNOLOGY**

94th Annual Report 2021-22



LED BY TRUST POWERED BY TECHNOLOGY

“Led by Trust Powered by Technology” depicts South Indian Bank’s two pillars of strength – Trust & Technology.

It articulates the Bank’s strong intent for growth, relying on our customers’ unflinching trust on the 93 years old rich legacy of delivering seamless, exemplary banking services, backed by a technology par excellence in the Banking Industry. SIB has TRUST ingrained in its founding legacy and renewed business model and technology for bettering the customer experience and accelerating growth.

TABLE OF CONTENTS

Corporate Information	1	Cash Flow Statements	150
About South Indian Bank	2	Schedules to Balance Sheet	152
Awards and Recognitions	3	Significant Accounting Policies	159
About South Indian Bank	4	Notes on Accounts	166
Key Performance Indicators	6	Consolidated Financial Statements	
Board of Directors	8	Independent Auditor’s Report	222
Chairman’s Message	10	Balance Sheet	232
MD and CEO’s Message	13	Profit and Loss Account	233
Senior Management	17	Cash Flow Statements	234
Human Resource Management	18	Schedules to Balance Sheet	236
Directors’ Report	21	Significant Accounting Policies	244
Business Responsibility Report	74	Notes on Accounts	253
Management Discussion and Analysis Report	82	Disclosure Under Basel III Norms	268
Report on Corporate Governance	91	Nomination Form	304
Standalone Financial Statements		Cancellation or Variation of Nomination	306
Independent Auditor’s Report	139	Form ISR – 1	308
Balance Sheet	148	Form ISR – 2	312
Profit and Loss Account	149	Form ISR - 3	313
		Form ISR - 4	314

CORPORATE INFORMATION

Board of Directors

Mr. Salim Gangadharan
Chairman

Mr. Murali Ramakrishnan
Managing Director & CEO

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

Mrs. Radha Unni
Independent Director

Mr. Benny P. Thomas
Non-Executive Director

Chief Financial Officer

Ms. Chithra H, FCA

Company Secretary

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

Top Management

Mr. Thomas Joseph K
EVP & Group Business Head

Mr. Anto George T
Senior General Manager-
Human Resources Department & Admin

Mr. Sanchay Kumar Sinha
Senior General Manager -
Country Head-Liabilities and Branch Banking

Mr. Sony A
General Manager-CIO

Ms. Minu Moonjely
General Manager-Credit

Ms. Biji S S
General Manager-Corporate Business Group

Mr. Nandakumar G
General Manager-MSME

Ms. Chithra H
General Manager-CFO

Mr. Thallam Sreekumar
General Manager-Personal Loan Business Group

Mr. Harikumar L
General Manager-Retail Banking

Mr. Abey Abraham
General Manager-Housing Loan

Mr. Senthil Kumar
General Manager-Collections & Recovery

Mr. Sivaraman K
General Manager-Banking Operations Group

Joint 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

M/s CNK Associates LLP
Chartered Accountants
5th Floor, Narain Chambers,
Vile Parle - East
Mumbai – 400 057

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 Sreekumar Chengath
Mr Mohan T M
Mr Joby M.C.
Mr Shibu.K.thomas
Mr Jimmy Mathew
Mr Vijith S.

Ms Lakshmi Prabha T M
Mr Jose Sebastian E.
Mr Biju E Punnachalil
Mr Vinod Francis
Mr Jojo Antony
Mr Vinod G

Mr Anand Subramaniam
Ms Azmat Habibulla
Mr Madhu M
Mr Krishna Kumar P.
Ms Rekha V R

Deputy General Managers

Mr Shashidhar Y
Mr Joly Sebastian
Mr Peter A.D.
Mr John C.A.
Mr Pradeep V.N
Mr John C Lazar
Mr Jeevandas N.B.
Mr Bala Naga Anjaneyulu G.
Mr Ritesh Tulsidas Bhusari

Mr Davis Jose Thettayil
Mr Baiju Karan
Mr Easwaran S.
Mr Rajesh I R
Mr Binoy R.K.
Mr Vivek Krishnan
Mr Venugopal C
Mr Gurmeet Singh
Mr Ramesh U.

Mr Biby Augustine
Mr Viji Yuvaraj C
Mr Rayner.H.Ephraim
Mr Ragesh Kumar R.S.
Mr Dharendra Pratap Singh
Mr Sojan V.J.
Mr Jose K.A.
Mr Ram Mohan V

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.

Improving profitability by focusing on 6Cs



Capital

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



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.



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.



CASA

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



Competency Building

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



Compliance

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

AWARDS AND RECOGNITIONS

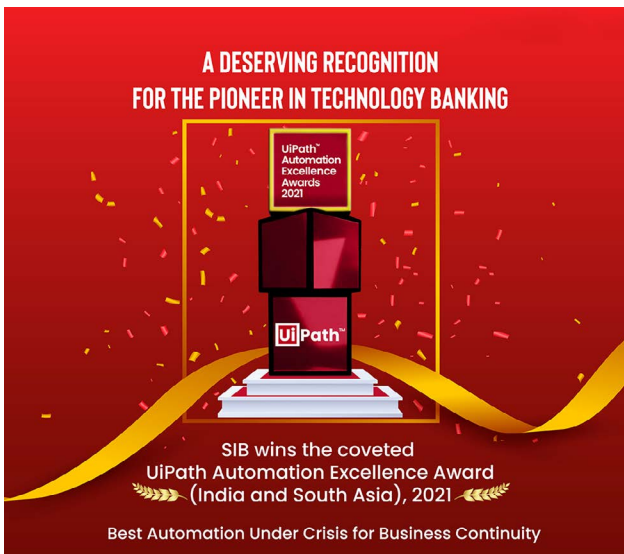
SIB won 6 awards at IBA's 17th Annual Banking Technology Awards



South Indian Bank's Managing Director and CEO Mr. Murali Ramakrishnan and Executive Vice President and Group Business Head Mr. Thomas Joseph K launch the SIB – OneCard Co-Branded Credit Card.



Mr. Anto George T, SGM HR & Admin and Ms. Rekha V R, JGM and Head, RO Bangalore with the 'South India Best Employer Brand Awards 2021' for 'Excellence in HR through Technology', for the mHRMS Mobile App of South Indian Bank



Mr. Sony A, GM & CIO and Mr. Jose Sebastian E, JGM and Head IT Operations receiving the Finnoviti Awards 2022 from Banking Frontiers for South Indian Bank

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, CASA, Mobile Banking and Digital.

FY22 Highlights

Customers

70,00,000+

Digital Transactions

93.3%

(up from 89.8% in FY21)

Total Business

₹ 1,50,958 Crore

+6% YoY

Deposits

₹ 89,142 Crore

+8% YoY

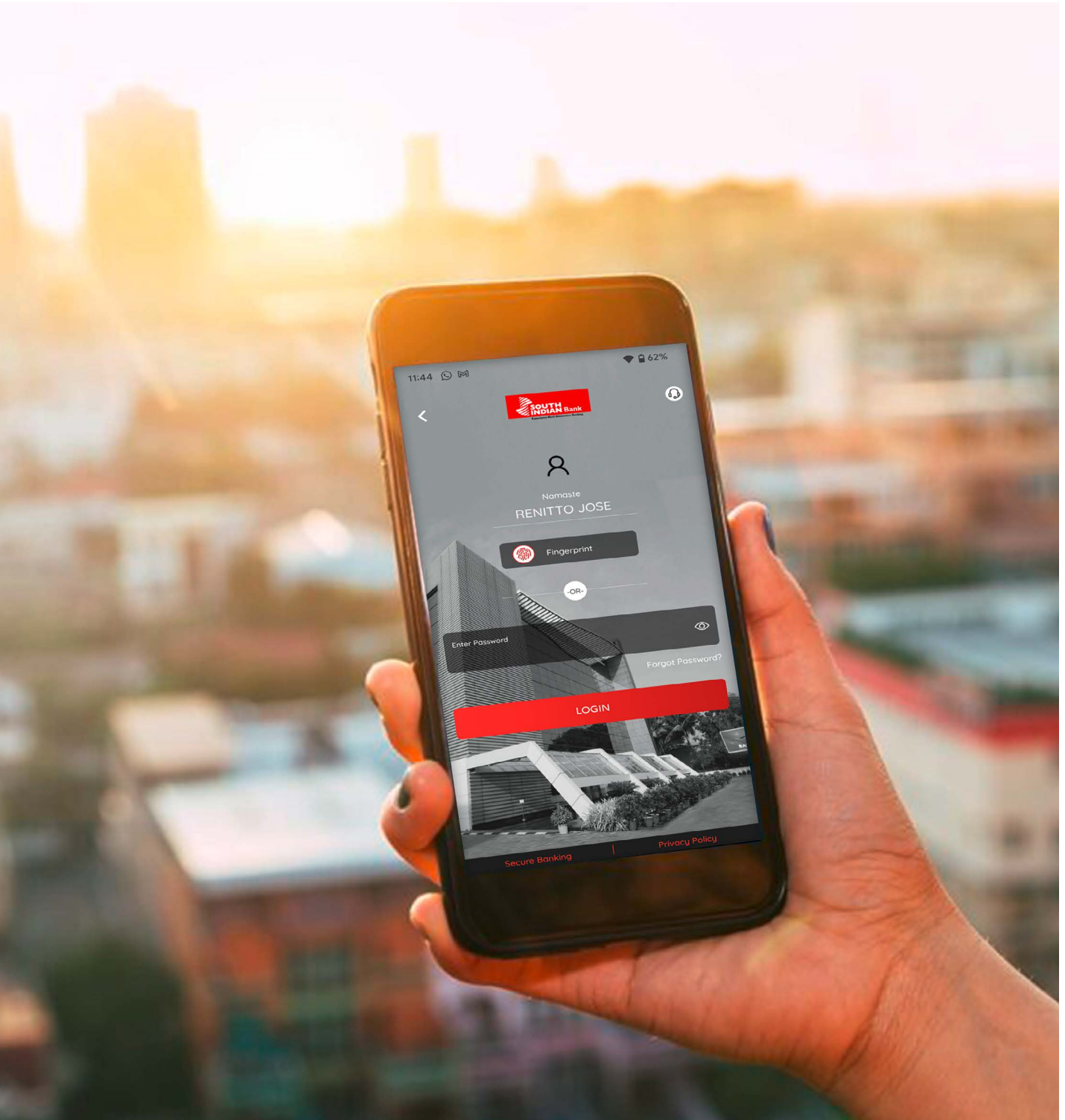
Advances

₹ 61,816 Crore

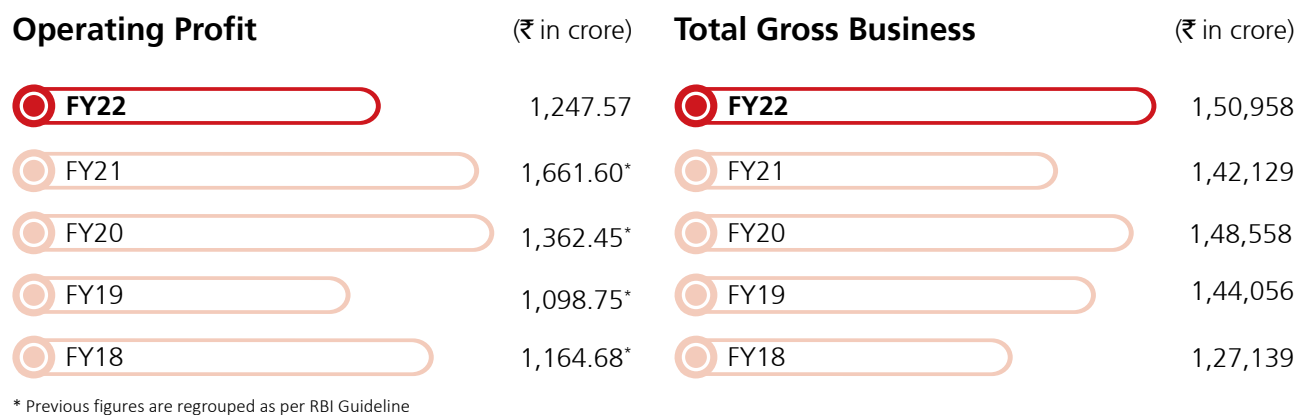
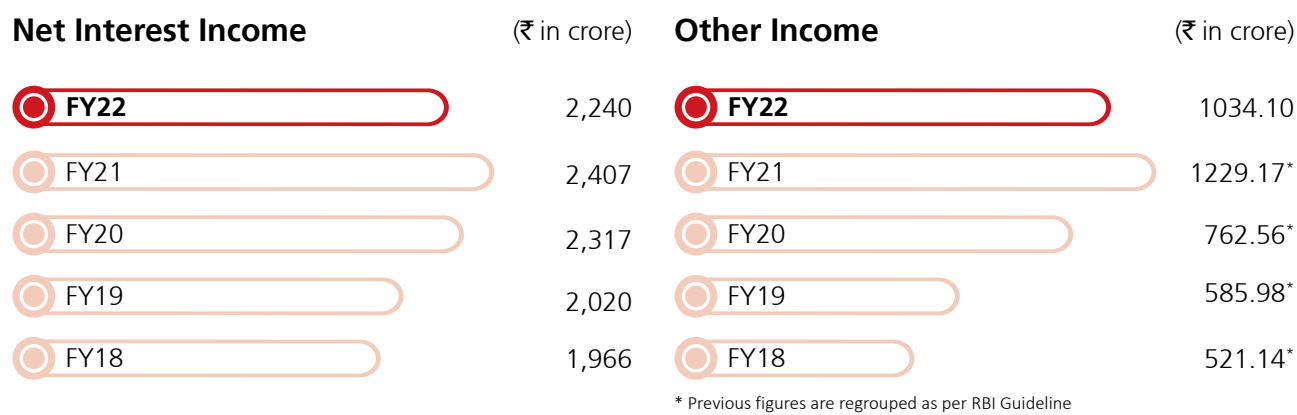
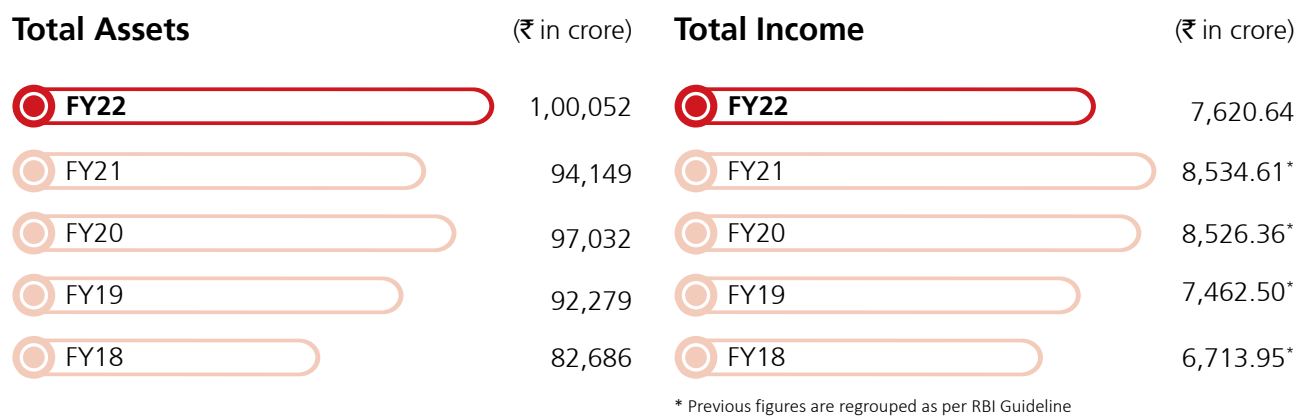
CASA

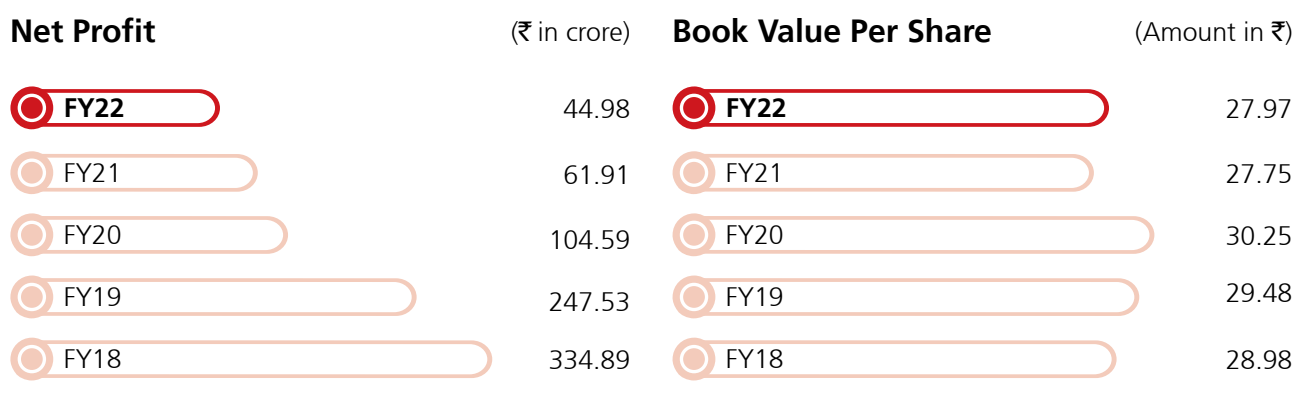
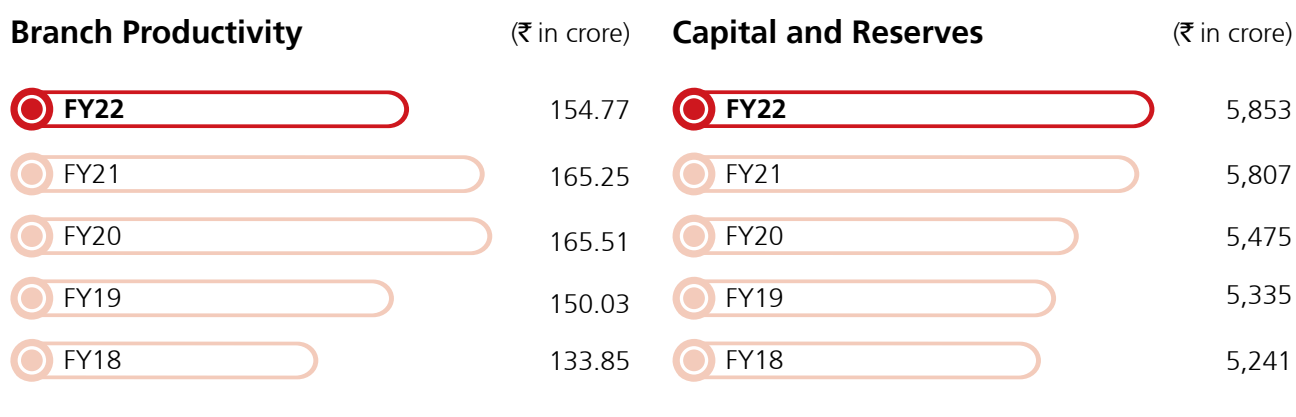
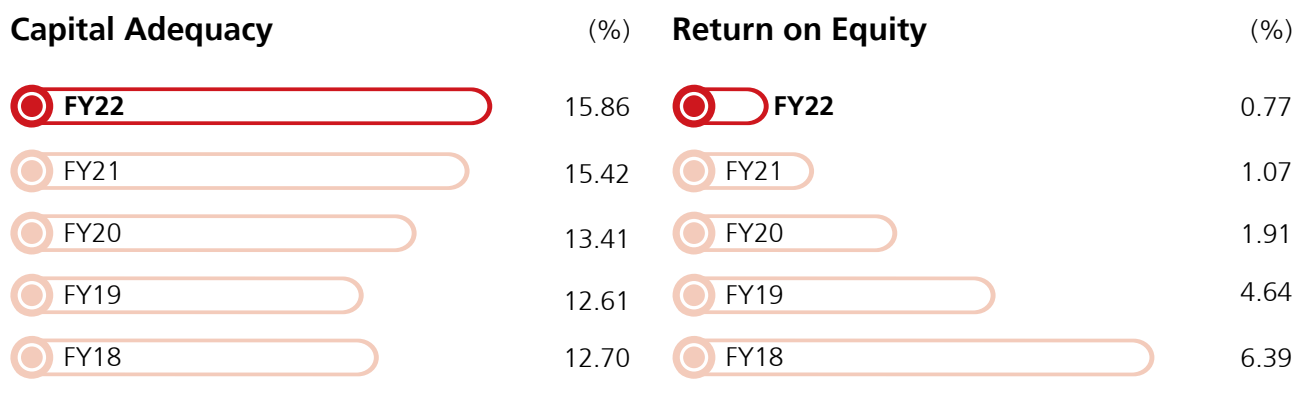
₹ 29,601 Crore

+20% YoY



KEY PERFORMANCE INDICATORS*





* Previous year figures have been regrouped/reclassified wherever necessary to conform to current year's classifications

BOARD OF DIRECTORS



Mr. Salim Gangadharan
Chairman



Mr. Murali Ramakrishnan
Managing Director & CEO



Mr. Parayil George John Tharakan
Independent Director



Mr. Pradeep M. Godbole
Non-Executive Director



Mr. Paul Antony
Non-Executive Director



Mr. R A Sankara Narayanan
Independent Director





Mr. V. J. Kurian
Independent Director



Mr. M. George Korah
Independent Director



Ms. Radha Unni
Independent Director



Mr. Benny P. Thomas
Non-Executive Director



Board Committee Indicators

- AC Audit Committee
- NRC Nomination & Remuneration Committee
- MC Management Committee
- NPARC NPA Review Committee
- RMC Risk Management Committee
- PC Premises Committee
- SCBF Special Committee for Monitoring and Follow Up of Frauds
- CSC Customer Service Committee
- SRC Stakeholders Relationship Committee
- ITSC IT Strategy Committee
- CSR Corporate Social Responsibility Committee
- CPIC Capital Planning & Infusion Committee

C Denotes Chair of the Committee

CHAIRMAN'S MESSAGE

Dear Shareholders,

The Bank steps into its 94th year of successful corporate journey with significant contributions to the Indian banking industry and at the outset, I extend my sincere gratitude to each one of you for the continued support and guidance.



Salim Gangadharan
Chairman

I am pleased to place before you, the highlights of the Bank's performance during the financial year 2021-22. The details of the performance indicators and the initiatives undertaken by the Bank have been laid down in the enclosed Annual Report. After being ravaged by the Covid-19 pandemic for over two years, the global economy is currently grappling with adverse implications from geo-political conflicts and ensuing sanctions. The ramifications of the war, layered on top of a pandemic, have heightened the socio-economic humanitarian crisis, and has already triggered profound ripple effects on global trade and commerce. The war or the 'special operation', as Russia put it, resulted in significant supply chain bottlenecks, which led to multi-decadal spike in inflation and slowing growth across the globe. The heightened volatility in the global financial markets and growing stagflation worries have led to tightening of financial conditions and have posed a tangible threat to global growth and financial stability.

Most Central Banks have been weighing the difficult decision on how quickly to raise the rates to quench the inflationary spiral. The US Fed has reversed the track of the monetary policy stance, and has started raising the policy rates, along with normalizing the excessive liquidity in the system, as has been done by other Central Banks in major economies. At the national level, RBI resorted to off-cycle hikes in policy rates to contain inflation. The increases in policy rates had a cascading effect on interest rates on deposits and advances, and other financial instruments and currency. High interest rates in the US and other developed countries have led to flight to safety of capital from equities to bonds and from emerging economies to advanced economies. Every economic phenomenon would have the consequences of a tussle between debt and equity, and a clash between safety and growth. One of the two dominates with varying lengths of time. Now, debt is preferred for safety. How quickly equity and growth bounce

back shall depend upon how soon the geo-political conflict would end and the lingering effects of Covid-19, supply chain bottlenecks and inflation would subside.

Keeping in view the current scenario, the International Monetary Fund (IMF) now expects the global economy to grow only by 3.6% in 2022 and 2023, down from its earlier estimate of 4.4% and 3.8%, respectively. It would be a steep decline compared to the 6.1% growth recorded in 2021.

On the domestic front, the inflation continues to be above the tolerance level of the RBI, posing a serious challenge to growth. The RBI also has trimmed India's economic growth forecast for 2022-23 from 7.8% estimated earlier to 7.2%. Revised growth is significantly lower than the 8.7% growth achieved in 2021-22. Despite the lower estimate, India's projected growth is still one of the highest in the world. India's optimism is based on certain promising factors like the Production Linked Incentives Scheme (PLIS), expected normal monsoon, push for domestic defence supplies, digitisation, infrastructure push, fiscal stimulus, etc. The inflation risk continues to persist, which is triggered by elevated crude oil, commodity and food prices. Given the supply chain constraints, and external events, the RBI has since revised the projected inflation from 5.7% to 6.7% in 2022-23.

As mentioned by the RBI, the banking sector has been provided with sufficient liquidity to cushion against disruptions caused by the Covid-19 pandemic. Public and private sector banks have bolstered their capital through retention of earnings and mobilising capital from the market. Further, public sector banks were recapitalised by the Government. Gross non-performing assets (GNPA) ratio of all scheduled commercial banks has been moderated to its lowest level in six years. Throughout FY 2022, RBI undertook a slew of measures to deal with exceptional situations and improve liquidity, monetary transmission, and credit flow in the economy. Overall, the financial sector has remained fully functional and has anchored the process of recovery. The future performance of the banking system hinges quite clearly on the recovery of the economic performance in the years ahead.

Newly introduced Financial Inclusion Index and Digital Payments Index are expected to usher in greater improvement in the quality of banking services and deepening of digital payments. With operationalisation of UPI123 Pay, about forty crore feature phones would be digitally enabled. This would help making the economy 'less cash' more quickly.

The Bank has been successful in widening its network across India. On the business side, total deposits of the Bank grew by 8% from ₹ 82,710.55 Crore a year ago to ₹ 89,142.10 Crore as on 31.03.2022. During the year, gross advances increased by 4% from ₹ 59,418.40 Crore to ₹ 61,815.76 Crore. With the improvement in asset quality and focus on booking better rated customers, net non-performing assets of the Bank has declined by 35% from ₹ 2,734.52 Crore to ₹ 1,777.77 Crore. There has been a substantial improvement of 1,082 bps in Provision Coverage Ratio (PCR) from 58.73% to 69.55%. Capital Adequacy Ratio of the Bank as on 31.3.2022 stood at 15.86%, well above the minimum regulatory requirement of 11.50%, supporting the business strategy of higher loan growth.

Asset Quality Improvements in FY22

Net NPA

₹ **1,778**

Declined 35% year on year

PCR Ratio

69.55%

From 58.73% in FY22

CAR

15.86%

As on March 31, 2022

The Bank has targeted double digit growth in its loan book by the end of FY2023. This is one of the steps in our aspiration to become a big Bank in the years to come.

The Board gives utmost importance to corporate governance practices at the Bank, and we have been meticulously following RBI guidelines, SEBI guidelines, corporate laws issued by MCA, banking regulations and all applicable laws.

The Bank is quite confident of emerging from the current economic slowdown. We have made good progress on our journey of transforming the Bank to be among the best in class and expect to achieve our aspirations, led by consistent focus on execution. The focus on strengthening the balance sheet with higher capital adequacy ratio, quality loan book, better NIM, strong CASA growth, higher PCR, digitisation, and efficient recovery and collection have bolstered the financial profile of the Bank and cushioned the balance sheet from potential risks arising out of uncertainties.

As we enter FY 2023, the Bank is better positioned in the industry, given our strong liability profile, diversified and secured nature of our lending portfolio and strong credit underwriting and risk management practices. Over the past decade, the Bank has built a strong Retail franchise with customer centricity and superlative customer experience at the core of our diverse products and service offerings.

The Bank has been focusing on building a quality loan book, especially to those having external credit rating of A and above. Gold loans is another promising area. Monthly disbursements in retail sector have been growing significantly, though we have adopted a cautious approach. We would be participating in funding some of the investments going into infrastructure sector. We have been investing in fintech to facilitate convenience in banking services. Further, our wholly owned subsidiary, SIB Operations and Services Ltd, is taking shape. Going forward, this non-financial subsidiary would enable us to streamline and optimize various operations and to improve the overall productivity, cost and efficiency of the Bank.

Keeping these factors in view, the Bank has targeted double digit growth in its loan book by the end of FY2023. This is one of the steps in our aspiration to become a big Bank in the years to come.

I would like to conclude by thanking all our customers, associates, partners, vendors, Auditors and other well-wishers for their continued support and trust. I wish to express my gratitude to RBI, SEBI, stock exchanges, and Central and State Governments for their guidance in statutory compliances. I also thank the employees at all levels, for their tireless effort and teamwork. Finally, I would like to thank all our shareholders and Board for their contribution in Bank's growth over the years. I am confident that the Bank's Retail franchise would continue to deliver sustainable profitable growth without compromising on the quality and profitability.

By staying true to our values, we are upholding the trust extended by all and continually investing in building newer digital, financial, and intellectual capabilities to equip the Bank to fly high in future. Strong corporate governance, supported by sound risk management systems make us future ready. The Bank is positioned well to become the Bank of choice for all. The challenges as well as opportunities ahead are huge, and we are committed to invest in our people and capabilities to connect, insights to decisions and processes to outcomes. On behalf of the Board of Directors of the Bank, I thank you for your continued trust, confidence, and support. Stay healthy, stay safe!

Best Wishes

Salim Gangadharan
Chairman

MD AND CEO'S MESSAGE

Dear Shareholders,

The Financial year 2022 was an eventful year in the banking industry wherein banks had to calibrate their strategies. SIB, with the efforts, we put in, for the organizational transformation and reengineering, had progressed positively on all our strategic objectives.



Murali Ramakrishnan
Managing Director & CEO

Though the external economic situations around us are cloudy, our suppleness, responsible business conduct and credence has facilitated us to navigate this volatile environment. Covid-19 pandemic could be the most serious challenge faced by the financial services industry in nearly a century. Going forward, I am sure the banking sector in India will continue to collaborate and assist various impacted sectors. However, the physical and financial well-being of all our stakeholders will continue to be dominant priority for the organization.

Stepping into FY23, the ongoing geopolitical discord between Russia and Ukraine is a matter of significant apprehension as the impacts are already being felt across the globe including India. Analysts conclude that the impact on Indian economy will be felt mostly through higher cost push inflation weighing in on all the economic agents-households, business and government. We are closely watching how various sectors are unfolding in order to diversify the risk through granular loan book. Quality growth will continue to be our priority to equip the bank to face any adverse external events.

Let me take you through the overview of our performance in FY22, initiatives and the way forward amidst the ongoing challenges. The key focus continues to be "profitability through quality credit growth" by continuing our '6C' strategy.

The Bank could register growth in CASA and retail deposits on liability side and could on-board highly rated accounts in corporate segment, increase in gold loan and personal loan book on asset side. Currently, the Bank has a gross NPA of 5.90% and net NPA of about 2.97%. The Bank is aiming to bring down the net NPA to sub 2% level and gross NPA to sub 4% level by end of FY24. The Team under me is working hard to reach this milestone as envisaged in our Vision 2024.

To remain resilient, we adopted multiple strategies with respect to restructuring of our assets and liabilities, product & segment innovations and digitalization. During the year, the Bank followed the principle - “profitability through quality credit growth” and enforced higher standards of credit underwriting with enhanced credit administration standards. The Bank through an efficient recovery & collection team could recover ₹ 1,464 Crore. The Bank is effectively addressing the quality issues of the past portfolio while creating a healthy new loan book. The Bank’s advances aggregated to ₹ 61,815.76 Crore as at March 31, 2022, registering a sustainable growth of 4% from March 31, 2021. While the focus is on retail and SME businesses, we did a lot of churning in the corporate portfolio and added a lot of ‘A’ rated corporate(s) i. e almost 85%-90% of new additions were from ‘A’ rated and above corporate(s).

Realigning technology and business, the Bank has effectively harnessed the technology disruption to our advantage, ensuring better growth in the present competitive environment. A great deal of emphasis is being placed on offering a better customer experience, through technology and product features thereby increasing customer base, improving other Income, reducing Operation Cost and preparing the business for the future. Technology and digital innovation have improved productivity, efficiency and competitiveness in the delivery of financial products and services. The Bank has made significant strides in digitalization

The Bank’s advances aggregated to ₹ 61,815.76 Crore as at March 31, 2022, registering a sustainable growth of 4% from March 31, 2021. While the focus is on retail and SME businesses, we did a lot of churning in the corporate portfolio and added a lot of ‘A’ rated corporate(s) i. e almost 85%-90% of new additions were from ‘A’ rated and above corporate(s).

During the financial year, there is a substantial increase in the volume of internet and mobile banking transactions. The Bank has successfully grown the share of digital transactions to 93.17% during March of FY 2021-22.

backed by robust Technology Infrastructure, Artificial Intelligence, Data Analytics and Innovation.

The Bank has been focusing on the innovation, improvement and implementation of projects on our digital platforms viz., ATM, Net Banking, Mobile Banking and other emerging technologies. During the financial year, there is a substantial increase in the volume of internet and mobile banking transactions. The Bank has successfully grown the share of digital transactions to 93.17% during March of FY 2021-22. We will continue to focus on quality lending while maximizing cross sell opportunities to the Bank’s existing customer base and leveraging the Bank’s wide geographical and digital infrastructure network for cost optimization. The Bank has introduced AI-driven chatbots, Video KYC for account opening, digital on-boarding and credit underwriting across all asset products. The Bank further accelerated its digital delivery with an array of new offerings to ensure uninterrupted services to the customers. During the year in association with OneCard, the Bank has launched the SIB – OneCard Credit Card by issuing 58,000+ Cards. The Bank is also exploring fintech association for gold and retail loans.

The Bank has been proactive in the ever-changing situation as it has strengthened the operational and technological infrastructure needed to ensure continuity of normal operations. In a dynamic world, where an individual defines the organization, Human resources are one of the most valuable assets. Achievement of an organization’s objectives depends on the individual and the collective efforts

The year 2021-22 saw the Bank being honored with the following significant Institutional recognitions, awards and accolades:

- South India Best Employer Brand Awards 2021 – Excellence in HR through Technology for mHRMS mobile app
- UiPath Automation Excellence Award for Best Automation under Crisis for Business Continuity
- Six awards at IBA's 17th Annual Banking Technology Awards:
 - Winner - Best Technology Bank of the Year (Small Banks)
 - Winner - Best IT Risk Management and Cyber Security Initiatives (Small Banks)
 - Winner - Best Fintech Collaboration (Small Banks)
 - Joint Winner - Best Use of AI/ML and Data Analytics (Small Banks)
 - Runner Up - Best Cloud Adoption (Small Banks)
 - Joint Runner Up - Best Payments Initiatives (among all Private Banks)
- The 11th Edition of UBS Forums' Data Center Summit and Awards 2022 for the below categories:
 - Winner – Physical Security (Security Design)
 - Recognition – Risk Management (Availability)
 - Recognition – Design Management (Infrastructure)
 - Recognition – Innovation – New Initiatives (Infrastructure)
- Finnoviti Awards 2022 from Banking Frontiers
- Business Leader of the Year Award, 2022 from CMO Asia for 'Workplace and People Development'.
- Most admirable BFSI Professional Award from World BFSI Congress to HR Team.
- Our Legal Team secured the Runners-Up position in the category - Best Banking & Finance Legal Team of the Year, at the 11th Annual Legal Era - Indian Legal Awards, 2022

of its workforce. Every employee is a vital factor for smooth functioning by bridging the gap between customer's expectations and the organization's delivery of the services. The Bank has a team of highly motivated, skilled, committed, vibrant and young staff members, who strive to meet customer aspirations and organizational goals. Learning & Development has assumed significant importance in the present banking scenario. The Bank's Learning & Development division continues to work on the gaps

in the capabilities of the personnel and trains them for qualitative improvement. The development of employees is essential for the strength of our Bank. A strategic approach toward 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 2021-22.

The Bank could post all time high net profit of ₹ 272 Crore in Q4, 2022. In spite of the challenging environment, the Bank had achieved a total business of ₹ 1,49,135 Crore with the deposit base of ₹ 89,142 Crore and gross advances of ₹ 61,816 Crore as at March 31, 2022. During the financial year, the Bank has achieved an operating profit of ₹ 1,248 Crore.

The Bank could post all time high net profit of ₹ 272 Crore in Q4, 2022. In spite of the challenging environment, the Bank had achieved a total business of ₹ 1,50,958 Crore with the deposit base of ₹ 89,142 Crore and gross advances of ₹ 61,816 Crore as at March 31, 2022. During the financial year, the Bank has achieved an operating profit of ₹ 1,248 Crore.

- The Capital to Risk Weighted Assets Ratio (CRAR) of the Bank according to Basel III guidelines is 15.86 as at March 31, 2022 as against the statutory requirement of 11.50 and the Net Interest Margin (NIM) also improved from 2.61 to 2.80 as compared to the previous year.
- The net interest income and non-interest income for the year stood at ₹ 2,240 Crore and ₹ 1229 Crore respectively. However, high operating expenses and high provision & contingencies have resulted in a decline in net profit to ₹ 44.98 Crore from ₹ 61.91 Crore as compared to the previous year.
- The Bank has made a remarkable growth in CASA deposits and achieved a CASA ratio of 33.2 % with a total CASA value of ₹ 29, 601 Crore as at March 31, 2022.
- 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 the weak economic scenario and the Covid-19 pandemic.

Hence, the Net NPA has decreased from 4.71% to 2.97% as at March 31, 2022.

- The Book value per share of the Bank has increased and stood at ₹ 27.97 (face value ₹ 1/-) as at March 31, 2022.

Over the last 93 years, the Bank has been a trustworthy and supportive financial partner for its customers and value creation has been our core purpose. During fiscal 2022, the Bank continued to strengthen its banking franchise.

We strongly believe that the Bank is agile as an organization and is alive to the challenges and opportunities in the environment. It is upon us to collectively take action to overcome the challenges and grab the opportunities. Our focus is on capitalizing on growth opportunities, while at the same time, taking fruitful steps to address challenges in the environment. Our strong customer support with staff's enduring commitment is sure to improve the Bank's performance during the current year.

With Technological capability combined with the young talented Human asset, the Bank is poised to use the mix of digital and traditional customer friendly products to build a strong, sustainable asset base in coming years. I want to thank and communicate to each one of you that our Bank is committed to enhance the value of each stakeholder. I strongly believe that the coming years will be the period for harvesting the value addition for the TRUST and support shown by all our stakeholders. I continue to seek your support in achieving the mission of our Bank to be the most preferred bank in the area of Customer service, Stakeholder value and Corporate governance.

Best Wishes

Murali Ramakrishnan
Managing Director & CEO

TOP MANAGEMENT



Mr. Thomas Joseph K
Executive Vice President



Mr. Anto Gerge T
SGM-HR & Admin



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



Mr. Sony A
GM & CIO



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. Harikumar L
GM - Retail Banking



Mr. Abey Abraham
GM - Housing Loan



Mr. Senthil Kumar
GM - Collection and Recovery



Mr. Sivaraman K
GM Banking Operations Group

HUMAN RESOURCE MANAGEMENT

Personalised service and close knit relation with customers have always been the USP of South Indian Bank. Time and again, the employees at South Indian Bank have proved to be the factor driving its success. They have acted as the corner stone in tiding away with the adversities that came with the pandemic as well as managing the business transformation successfully.



Empowering the transformation process

As Part of the transformation process new exclusive asset verticals and specialised operational groups were formed. The human capital required for these areas were met by providing experts in the relevant field. This was achieved through redeployment of internal resource as well as lateral recruitment of experts from the industry. Moreover, fresh candidates were extensively hired through general and campus recruitments, with a view to staff branches and other operation centres, adequately.

Core values

Essence of SIB's culture is the nine core values, ie Sensitivity, Resilience, Ownership, Digital, Integrity, Passion, Speed, Boundaryless and Quality, which constitutes the DNA and work culture at South Indian Bank.

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 these values.

In the revised performance management system, behavioural scoring of employees are arrived based on his or her alignment towards the core values of the Bank.

As a technology driven Bank, we have created "Exemplar portal", a news feed portal which capture the extraordinary performance stories of employees and maps their performance aligned with the core values of the Bank.

All the executive level employees were subjected to first ever 360 degree feedback process. The feedback process was designed in tie up with a prominent service provider based on the Bank's core values and common behaviour traits. The entire exercise gives feedback to executives from their superior, peers and subordinate employees.

Number of employees

9,200+

Average Age

32 years

HR Team

70+

Learning Contents created

100+ hours

Number of fresher recruitment FY21-22

1000+

Number of Staff trained in FY21-22

6,065

Number of experienced staff hired in FY21-22

400+**HR Service Delivery in the fingertip**

The Bank has launched m-HRMS, an app based mobile HRMS solution for employees of the Bank. The application is made available in android and iOS platform and has empowered staff members to avail various services through their mobile 24*7. The App also bagged the prestigious "South India Best Employer Brand Awards 2021 for excellence in HR through Technology" by Employee Branding Institute.

Employee engagement for process excellence

The Bank has introduced 'Suggestion Box' wherein the suggestions given by employees relating to customer experience, employee friendliness, methods of cost reduction, process improvement, etc. are captured. Further, a dedicated committee with representatives from various departments periodically evaluated 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.

Other engagement activities include 'Synergy' – an outreach program by Head of HR with field level staff members, Banks calendar 2022 showcasing employees artistic and photographic talents, SIB Pulse survey's for feedback and process improvements.

New age learning

Bank's new Learning management System (LMS) has enabled employees to adopt the new age learning methodologies. Learning & Development team has

created and acquired contents to cover most of the Functional and Behavioural (soft-skill) needs of the staff across grades for 100 + learning hours. New LMS system has the ability for competency building based on the roles undertaken by each staff member and gaps identified. Moreover, due weightage has been given to learning in the balance scorecard.

Specially curated long term leadership program based on individual assessment has been imparted to the top management. This program helps to increase the leadership dynamics as part of the transformation process in the Bank.

Performance Management system

The Bank has adopted new Balance scorecard based performance management system. This is done by identifying and finalising job roles in scientific way. Balanced score card framework has the ability to measure the performance using quantifiable parameters. The preparation of scorecard is done in a way that the bank's strategic plans breaks down to quantifiable parameters and allotted to top to the bottom of the pyramid to have common direction across the Bank.

All the performance reviews are moved to the scorecard, with a view to have common focus area. Introduction of the half year appraisal with feedback mechanism enables the employees to identify gaps and improve the performance. The balance score card is also linked to the Performance Linked Incentive Scheme, Promotions and Transfers to have a one parameter based transparent system in the Bank.



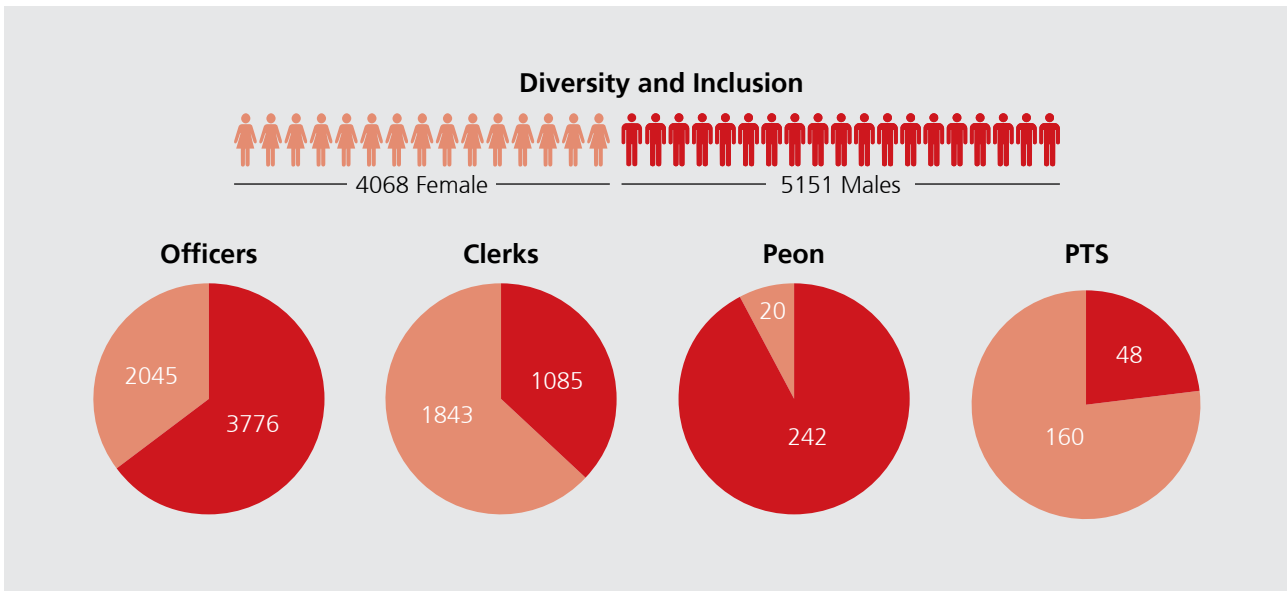
Business Leader of the year award –workplace and people development by CMO Asia



Most admired BFSI Professional award by World Leadership Congress



South India Best Employer Brand Awards 2021 for Excellence in HR through Technology by Employer Branding Institute: World HRD Congress



DIRECTORS' REPORT

To the Members,

The Board of Directors is pleased to place before you, the 94th Annual Report on the business and operations of the South Indian Bank Ltd. ("the Bank") along with the audited accounts for the Financial Year (FY) ended March 31, 2022.

PERFORMANCE OF THE BANK

The performance highlights of the Bank for the financial year ended March 31, 2022 are as follows:

Key Parameters	₹ in crore	
	2021-22	2020-21
Deposits	89,142.10	82,710.55
Gross Advances	61,815.76	59,418.40
Total Gross Business	1,50,957.86	1,42,128.95
Operating Profit	1,247.57	1,617.91
Net Profit	44.98	61.91
Capital & Reserves	5,853.13	5,807.16
Capital Adequacy (%) - Basel-III	15.86	15.42
Earnings Per Share (EPS)		
(a) Basic EPS (in ₹) [face value ₹ 1/-]	0.21	0.34
(b) Diluted EPS (in ₹) [face value ₹ 1/-]	0.21	0.34
Book Value per Share (in ₹) [face value ₹ 1/-]	27.97	27.75
Gross NPA as % of Gross Advances	5.90	6.97
Net NPA as % of Net Advances	2.97	4.71
Return on Average Assets (%)	0.04	0.06

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

BUSINESS ACHIEVEMENTS

The Bank has achieved a Total Business of ₹ 1,50,957.86 crore, consisting of Deposits of ₹ 89,142.10 crore and Gross Advances of ₹ 61,815.76 crore as on March 31, 2022.

DEPOSITS

The Total Deposits of the Bank as on March 31, 2021 was ₹ 82,710.55 crore and reached to ₹ 89,142.10 crore as on 31.03.2022 registering a growth of 8%.

The break-up of the deposits as on March 31, 2022 is as under:

	Amount (₹ in crore)	% to total Deposits
Current Deposits	4,861.52	5.45
Savings Deposits	24,739.85	27.75
Term Deposits	59,540.73	66.80
Total	89,142.10	100.00

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

CASA has grown from ₹ 24,589.80 crore as on March 31, 2021 to ₹ 29,601.37 crore as on March 31, 2022, with a growth of 20.38%. The Savings bank deposits grew by 22.06 % 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

The Bank's advances aggregated to ₹ 61,815.76 crore as on March 31, 2022, registering a growth of 4% from March 31, 2021. During the year, the Bank has followed the principle - "profitable credit growth through quality credit" and enforced higher standards for credit underwriting with enhanced administration standards. The Bank could also register a robust recovery and upgradation in GNPA amounting to ₹ 1307.00 crore, during the financial year 2021-22. The Gross and Net NPA levels of the Bank has improved to 5.90% and 2.97% respectively, as on March 31, 2022.

During this period of transformation and focus on quality loan book, the Bank could achieve a moderate growth in credit portfolio. However, certain portfolios viz. Personal Loan, Gold loan, low risk Large Corporate Advances etc. registered a substantial growth during the year. The Bank could achieve all the priority sector advance targets and also got an opportunity to generate additional source of revenue amounting to ₹ 118.27 crore during the year, through sale of PSLC.

	% of Target	% of Achievement
Overall PSL	40.00%	42.45%
Agriculture	18.00%	20.26%
Small & Marginal Farmers	9.00%	10.84%
Non-Corporate Farmers	12.73%	14.44%
Micro Enterprises	7.50%	8.78%
Weaker Sections	11.00%	13.47%

Break-up of exposure under Priority Sector as on March 31, 2022 is furnished below:

	Amount (₹ in crore)
(A) Agriculture & Allied activities (Net of PSLC)	10,820.66
(B) MSME (Net of PSLC)	18,143.67
(C) Other Priority Sector	2,503.02
(D) Total Priority Sector	31,467.35
(E) PSLC (General PS)	8,800.00
TOTAL PS (Net PSLC) = (D)-(E)	22,667.35

The Covid-19 pandemic and subsequent lockdowns adversely affected almost all the domestic demands. To ascertain the explicit market requirement and to offer specialised services & products that cater to and fulfill the necessities of that particular segment, the Bank reframed its business strategy in the year and different verticals were established namely Corporate business group, MSME business group, Jewel Loan business group, Agri business group, Housing Loan business group, Personal Loan business group etc. A separate unit has also been established to boost the portfolio under supply chain finance.

FINANCIAL PERFORMANCE

Profit

The Net Operating Income (Net Interest Income and other income) of the Bank decreased by ₹ 362.22 crore (9.96%) from ₹ 3636.08 crore to ₹ 3273.86 crore. The decrease in Non- Interest Income was ₹ 195.07 crore (15.87%) during the year, which was mainly on account of higher depreciation on investments charged during the FY 2021-2022. The Operating Profit for the year under review was ₹ 1247.57 crore (before taxes and provisions) as against ₹ 1,661.60 crore for the year 2020-21. The Net Profit for the year was ₹ 44.98 crore as compared to a net profit of ₹ 61.91 crore during the previous year and the profit available for appropriation are as per details given below:

	(₹ in crore)
Profit before taxes and provisions	1247.57
Less: Provision for NPI	(7.91)
Provisions for Non- Performing Assets	1161.40
Provision for FITL	69.67
Provision for Income Tax	(136.97)
Provision for Standard Assets	175.57
Provision for Restructured Assets	1.22
Provision for Other Impaired Assets	3.41
Provision for Un-hedged Forex Exposure	(1.06)
Provision for Non-Banking Asset Provision	(62.74)
Net profit	44.98

Brought forward from previous year	4.63
Profit available for appropriation	49.61
Appropriations:	
Transfer to Statutory Reserves	11.25
Transfer to Capital Reserves	76.22
Balance carried over to Balance Sheet	(37.86)
Total	49.61

Dividend

The Bank has not recommended any dividend for the financial year ended March 31, 2022.

CAPITAL & RESERVES

The Bank's issued and paid-up capital stood at ₹ 209.27 crore as on March 31, 2022. The Bank has not issued any securities during the financial year 2021-22.

The capital plus reserves of the Bank has moved up from ₹ 5,807.16 crore to ₹ 5,853.13 crore on account of plough 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 15.86 as on March 31, 2022 as against the statutory requirement of 11.50 (including Capital Conservation Buffer). Tier I CRAR constitutes 13.22 while Tier II CRAR works out to 2.64.

The Bank follows Standardized Approach, Standardized Duration Approach and Basic Indicator Approach for measurement of capital charges in respect of credit risk, market risk and operational risk, respectively.

LISTING AGREEMENT WITH STOCK EXCHANGES

The Bank's shares continue to be listed on BSE Ltd. and The National Stock Exchange of India Ltd. The Tier I/II Bonds issued by the Bank is continue to be listed on BSE Ltd. The Bank confirms that it has paid the listing fees to all the Stock Exchanges for the year 2022-23. The securities of the Bank are actively traded on NSE (Shares only) and BSE (Shares and Bonds) and have not been suspended from trading.

EXPANSION PROGRAMME

The Bank has been successful in widening its network across India with 935 banking outlets (928 Branches (including 1 Banking outlet), 1 EC, 3 Satellite branches and 3 Ultra small branches) and 1,270 ATMs/CRMs as on March 31, 2022. The Bank has opened 7 new outlets and closed 3 Branches and 4 Extension Counters. Also opened 22 new ATMs, 11 CRMs across the country during the financial year 2021-22 and closed 75 ATMs and 3 CRMs. The branch network now covers 26 States and 4 Union Territories.

The Bank plans to open 15 banking outlets (including 2 Digital Banking outlets) and 25 ATMs & 10 CRMs during the financial year 2022-23. Construction of currency chests at Kakkand & Kannur are in progress and completion of its construction is expected within this FY 2022-23, as per the time line permitted.

INVESTMENT

To curb the high inflation globally Central Banks, including RBI have started tightening the liquidity by hiking interest rates and normalising the balance sheet. Federal Reserve has hiked Fed fund rate by 75 bps and the central bank expects it to reach 2.8% by 2023. The RBI hiked repo rate by 90 bps to 4.9%, keeping the stance to "accommodative". RBI hiked CRR by 50 bps to 4.5% (estimated around ₹ 870 bn of liquidity withdrawal from the Banking system), SDF rate was increased to 4.65% and MSF rate increased to 5.15%. The RBI is expected to do additional repo rate hikes of 75-100 bps, pushing repo rate to more than 5% in FY2023.

The Bank's gross investment portfolio stood at ₹ 22,534.01 crore as on March 31, 2022 compared to ₹ 21,180.46 crore as on March 31, 2021, reported an increase of 6.39%. Investment Deposit ratio moved to 25.28 as on March 31, 2022 from 25.61 as on March 31, 2021. Profit on sale of investment for FY 2021-22 stood at ₹ 330.38 crore. Total interest income (Interest + Dividend) from investment for the year was ₹ 1,039.81 crore. Yield on investments (profit + interest earned to average investments) during FY 21-22 was 6.32%.

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 Government's Securities Market. The desk has successfully managed the held-to-maturity (HTM) book. The equity trading desk took well thought out positions in the secondary market and participated actively in the various primary market offerings 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 2021-22 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 2021-22, as a result of focused and sustained efforts inspite of COVID 19 barriers and subsequent lockdowns enforced, 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 and Sale of Secured Assets, the Bank could recover as much as ₹ 1,464.04 crore in NPA accounts surpassing the annual recovery target of ₹ 1,200.00 crore. It may be further noted that the total recovery during FY 2021-22 including ARC Sale and restructuring is ₹ 2417.61 crore. 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. Due to the efforts put-in, during the financial year, the Gross NPA of the Bank has decreased from ₹ 4143.24 crore as on March 31, 2021' to ₹ 3 648.09 crore as on March 31, 2022' and Net NPA decreased from ₹ 2,734.52 crore as on March 31, 2021' to ₹ 1,777.77 crore as on March 31, 2022'. In terms of percentages, the GNPA decreased from 6.97% as on March 31, 2021 to 5.90% as on March 31, 2022 and Net NPA has decreased from 4.71% as on March 31, 2021 to 2.97% as on March 31, 2022. 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 controlled.

PRODUCTS

During the FY 2021-22, the Bank has introduced new loan products to provide focused thrust on loans to Gold, MSME and Agricultural Sectors. The Bank entered into an agreement with M/s FPL Technologies for co-branded Credit Card and upto March, 2022 issued 58,000/- credit cards with outstanding book of ₹ 156 crore. The Bank proactively implemented all government schemes namely ECLGS, PM Svanidhi, Loan guarantee scheme to Covid affected sectors etc. to handhold the borrowers who were ailing because of the economic disruptions due to pandemic. In this financial year the Bank will introduce tailor made loan products to cater the requirements of various segments of the society.

DIGITAL AND INFORMATION TECHNOLOGY ENABLED SERVICES

The digital revolution of the past decade has disrupted all industries, with the Banking sector being no exception, changing the way the Bank do business. With the growing use of smart phones and emerging technologies like Artificial Intelligence (AI) and Machine Learning (ML), digitization has taken over the industry, resulting in new business paradigms and significantly fuelling the improvement of banking services.

With a plethora of digital tools at hand, market penetration, productivity and efficiency have soared. The Bank now has digital-only services unburdened by the brick-and-mortar method of providing banking services. Banks have now been redefined from a mere intermediary to a financial supermarket, providing an array of financial services under one roof.

Realigning technology and business, the Bank has effectively harnessed the technology disruption to our advantage, ensuring better growth in the present competitive environment. A great deal of emphasis is being placed on offering a better customer and staff experience, by increasing customer base, improving Other Income, reducing Operation Cost and preparing the business for the future. The Digital Banking Department has been focusing on the innovation, improvement and implementation of projects on our digital platforms viz., ATM, Net Banking, Mobile Banking, and other emerging technologies. The IT Operations Department ensures the highest level of service and integrity of our internal applications and infrastructural support to enable a seamless growth in the Bank's business operations. Enhancing self-service capability across channels, empowering branches with technology solutions to nudge the customers to go digital and automating manual processes at branches & back offices to improve customer TAT using AI & RPA, form the three pillars of the Bank's overall digital strategy. The Bank has successfully grown the share of our digital transactions to 93.17% during March of FY 2021-22.

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 providing 24/7 digital availability of the highest quality to our customers.

- Full Fledged enterprise level systems
- Internet Banking - Sibernet
- Mobile Banking – Mirror +
- All variants of VISA, Mastercard & Rupay Debit Cards are offered
- Credit Card – OneCard (in tieup with fintech)
- RuPay Prepaid Cards
- Student smart cards for Institutions- used for Identity cum financial transactions
- Debit card security controls on customer touch points - Mirror+, SiberNet, IVR and Branches
- 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) form 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.
- 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 the Bank has introduced IMPS based fund transfer on a 24*7 basis in addition to NEFT.
- Fraud Risk Management (FRM) Solution for channel transactions
- Acting as an issuer of FasTag for toll connection
- 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
- ISO 9001:2015 Certified Bank owned Data Center (DC)
- ISO Certified Disaster Recovery and BCP Setup
- Zero Data Loss high availability setup with DC, DR and Near line DR Setup

- Enhancements in DC, DR and NDR Setup
- Automation of procurement and payments
- Robotic Process Automation-30 processes has been automated in previous FY.
- Application Program Interface (API) banking-120 APIs has been made live on previous FY.
- Artificial Intelligence based banking services such as Chatbots like SAM and SONA.
- 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.
- Housing Loan Interest Certificate made available through SIBerNeT and Mirror+.
- KYC Update and communication address modification through SIB Mirror Plus /SIBERNET.
- Pre Approved Car Loan through Channels.
- Instant Demat account opening through SIBERNET

Corporate Customers

- The Bank has Internet Banking facility, from Infosys which provides all the workflow capabilities required for each corporate. Moreover, it offers the security of Digital certificate integration thereby balancing convenience with security.
- The Bank also offers Host to Host Integration facility ("Hi- Hi Banking") which will handle fund transfer in a seamless fashion by real time interface with ERP solutions of corporates. This facility is available for 365*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.
- The Bank is offering business debit cards to the business customers.
- On the business acquiring capabilities, the Bank has full suite of payment acquiring including POS terminals, Bharat QR, UPI QR, Payment Gateway etc. which gives the merchants a whole host of accepting payments instantly from their customers.
- Integration through APIs for full-fledged automation done with several corporate and Govt. agencies.
- Trade Finance Portal for Customers.
- SIB Merchant plus current account to cater the needs of business requiring POS as payment solution.
- Vayana Network for supply chain Finance

Digital/Technology initiatives/solutions embarked during the year

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

- Credit Card tie up with One Card.
- International Lounge Access facility for RuPay Debit cards.
- Tap & PIN for NFC transactions > INR 5,000
- Standardization of Electronic Journals in ATMs & CRMs
- Extending Voice Guidance facility in all ATMs
- Introduction of "Hyosung" ATMs and CRMs to Bank's machine base
- ATM & CRMs – Replacing aged machines (75% of machine base) with new machines.
- TLS encryption for ATM to ATM Switch communication to thwart the risk of Man-in-The-Middle (MiTM) attacks.
- Ecommerce transaction tokenization for RuPay Debit cards.
- Issuance of Visa Student Smart Cards
- Incorporating Merchant Name and Amount of Txn in OTP SMS message for RuPay CNP transactions.
- Enablement of Cash @ POS facility in Bank's POS devices
- Cash Tally Report using counter information available in EJs
- TDS/TCS certificate made available through SIBerNeT and Mirror +.
- Credit Card Against FD through Mirror+.
- Pre Approved Car Loan through Channels.
- Housing Loan Interest Certificate made available through SIBerNeT and Mirror +.
- Tie up with Delhi Jal Board for collection of payments against water/sewer bills.
- Trade Finance Portal for Customers.
- Inward/outward clearing cheque status is made available through Mirror+.
- Locker availability enquiry option is made available through SIBerNeT and Mirror+.

- Account Category Change can be done through SIBerNet.
- Email ID update can be done through SIBerNet and Mirror+.
- Automated customer upgrade to Priority Banking is made available through SIBerNet and Mirror+.
- UPI POS Admin Dashboard and issuance charge.
- Brokers Tie-Ups with Our DEMAT- Motilal Oswal Financial Services.
- Salary Account opening made available through Video KYC.
- Instant Beneficiary approval is made available in SIBerNet.
- APY registration is made available through SIBerNet/Mirror Plus.
- Multilingual option (added Eight Indian Languages) is made in SIB Mirror+.
- UPI facility made available in NRE accounts.
- Tie-up arrangement with M/s Star Health & Allied Insurance Co Ltd as our third health insurance partner for soliciting Health Insurance business.
- Digital Documentation by Leegality-HL&PL
- Notional Rate Revaluation
- RuPay Classic White Plastic Certification - MCT
- Enabling VAN remittance through UPI
- SWIFT 20-20 validations
- Requirement of purchasing "Income Tax Analyzer".
- Introduction of Other Bank ATM Decline Charges
- VAN Based remittance tie ups - Airtel Payments bank, Unimoni Financial Services Ltd.
- Requirement of creating a new product Loan guarantee scheme to MFIs
- Enabling Debit card in FCRA account.
- Bulk account opening, Video KYC and Co-branded card issuance for Christ University Students/Staffs account.
- New Gold Loan Variant -Special scheme for Onam
- New gold loan variant against specially Minted gold coins sold by banks
- To provide HiHi Banking for credits to loan account
- New Current Account Product - Merchant Plus Current Account.
- System level validations for Implementing Budgetary change-Sec 206 AB & Sec 206CCA.
- System level as part of extending the moratorium in KCC interest subvention accounts
- System level changes required for opening Top Up loan for HL borrower
- Housing loan Interest certificate and Provisional Certificate through Mobile Banking
- Snorkel registration RPA automation - Corporate
- Snorkel registration RPA automation -Retail
- Automation of address update in Internet Banking module
- Gold Loan takeover process -revision/modification
- Automated SIBerNet activation mailer to all retail NTB customers
- Snorkel self-registration and activation in SIBerNet
- UPI integration in Payment hub
- New Product "Agriculture Produce" under RLOSAGRI Module
- Instant Demat Account Opening through Branch, SIBerNet and Mirror Plus
- Enabling Form 60 generation through Internet Banking and Mirror Plus
- Introduction of new agri product 'Agriculture Infrastructure Fund'
- Rollout of new product: SIB Institutional Account
- IT Service Management solution
- OTC Locks in ATMS- Phase FY 2020-21 (Phase I & II)
- LC/BG Automation: RPA
- HL -In principle sanction for Property Not Identified Cases
- Automation of calculation in CBS for gold ornaments and jewellery with a purity of 18 carat & above.
- TOP UP loan for HL Borrowers.
- Request for the approval to fund insurance product SIB - Super Suraksha with Personal Loan.
- Requirement for simplified renewal process for Working Capital facilities <=25 Lakhs-TBR Model.
- Video-CIP – On board customers remotely by establishing the customer's identity.
- SIB Namaste-Virtual Booking system.
- Virtual Data Room (VDR) Setup for sharing documents securely
- SaaS model Cloud Adoption
- Cloud Adoption Strategy Framework

Major initiatives/solutions embarked during the year**Fintech tie-ups:**

- Launch of Bank's Credit Card SIB-ONE CARD tie up with M/S FPL Technologies PVT LTD.
- Digital Signing of Legal documents.
- Tie up with Vayana Network for supply chain Finance

Other initiatives:

- SIB TF ONLINE Trade Finance Portal for corporate Customers in SIBERNET.
- BPM Platform migration to IBPS version.
- Pre -Approved Car Loan through Channels.
- Instant Demat account opening through SIBERNET
- Introduction of transaction decline charges in other Bank ATMs due to insufficient funds.
- SIB Thejas Loan against sovereign Gold loans.
- KYC Update and communication address modification through SIB Mirror Plus SIBERNET.
- Launch of Multilingual functionality in SIB Mirror+
- Implementation of new CRM Application CRM-NXT
- LC/BG Automation: RPA
- Launch of RuPay Platinum explorer NCMC Contactless debit cards.
- IT Service Management solution
- OTC Locks in ATMS- Phase FY 2020-21
- Introduction of "Hyosung" ATMs and CRMs to Bank's machine base
- ATM & CRMs – Replacing aged machines (75% of machine base) with new machines.
- Compliance related to ATM – TLS, network concealing, Cassette swapping and Windows 10.
- Voice Guidance Enabling in NCR ATMs
- Notional Rate Revaluation
- SWIFT Version migration
- ICDMS Software revamping / Upgrade

Awards and Certifications received on Technology Front

The Bank has won various awards and accolades in the Financial Year 2021-22 also. These awards are a testimony of the Bank's strategy, commitment and execution of various digital / IT initiatives and has brought in an acclaim from both customers and stakeholders.

- The 17th edition of the IBA Banking Technology Awards, 2022, for the below categories.
 - a) Winner - Best Technology Bank of the Year (Small Banks)
 - b) Winner - Best IT Risk Management and Cyber Security Initiatives (Small Banks)
 - c) Winner - Best Fintech Collaboration (Small Banks)
 - d) Joint Winner - Best Use of AI/ML and Data Analytics (Small Banks)
 - e) Runner Up - Best Cloud Adoption (Small Banks)
 - f) Joint Runner Up - Best Payments Initiatives (among all Private Banks)
- The UiPath Automation Excellence Awards, 2021, for Best Automation under Crisis for Business Continuity.
- The 11th edition of UBS Forums' Data Center Summit and Awards, 2022, for the below categories.
 - a) Winner – Physical Security (Security Design)
 - b) Recognition – Risk Management (Availability)
 - c) Recognition – Design Management (Infrastructure)
 - d) Recognition – Innovation - New Initiatives (Infrastructure)

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. The Bank has also tied-up with leading online technology training platforms to offer all year-free technology training and certification programmes for its technology team.

Business Continuity planning

As per BCP Policy, the Bank has 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 and 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 WFH for critical personnel with necessary security policies. Meetings and conferences

were changed to online mode. Thus, 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. The Bank has 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 2020, 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.
- 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.
- 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)

Business Operations Group (BOG) has been 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 teams/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 different locations, Ernakulam-Kerala, Kottayam-Kerala, Chennai-Tamilnadu, Coimbatore-Tamilnadu, Hyderabad- Telangana & 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 given on continuous manner for improvement in the operation in tandem with changed management, both in resources and processes.

A) ASSET OPERATIONS

This broadly covers:

- 1) Loan Login Acceptance
- 2) Neo Score (Rating Model for Retail) Checking
- 3) Data Entry (Retail)
- 4) Pre Sanction Mandatory Checking of all specified conditions (Retail)
- 5) Post Sanction Document Verification (Retail)
- 6) Post Sanction Compliance (Retail)
- 7) Loan Opening (All loans)
- 8) Loan Disbursement (All loans)
- 9) Post Disbursement Compliance (Retail)
- 10) Document/Record Preservation (Retail Loans)

Bank has already commenced centralized storage of physical loan documents Pan India with partnership with a service provider. Bank is in the process of launching a new retail platform for onboarding and underwriting which has enhanced features including quite a lot of APIs for seamless flow of processes thereby reducing the TAT and increasing the efficiency, besides enabling digital onboarding.

B) LIABILITY OPERATIONS

The operational activities include relationship and servicing covering the following:

- 1) SB & CD – Individual and Legal Entity
- 2) NRI – NRO/NRE (SB, CD)
- 3) PIS (Portfolio Investment Service) & Accounts Customer Modifications
- 4) Accounts Customer Modifications including Dormant Activation and Unfreezing Central KYC (C-KYC)
- 5) Central Periodic KYC Updatons
- 6) Central KYC (C-KYC)
- 7) Digital Account Openings (Diya, Insta, Tab and Video KYC)

C) RECONCILIATION AND DIGITAL CHANNEL SUPPORT OPERATIONS

Reconciliation operations covers the following areas:

- 1) Post Open Welcome Kit (POWK)
- 2) Reconciliation – Debit Card (ATM/POS), Internet Banking & E Commerce, Mobile Banking (IMPS), UPI, BBPS, NETC, AePS, Prepaid Card Reconciliation – ICD
- 3) Customer Dispute Management Function, Harmonization of TAT (Failed Transaction), Managing Unauthorized Electronic Transactions
- 4) Managed Service – ATM Cash

D) RETAIL PRODUCT SUPPORT

Retail product support includes following:

- a) PFMS
- b) NPS
- c) WPS
- d) Internet Banking
- e) Debit Card
- f) Aadhaar Centre Management
- g) Direct Debits
- h) APY
- i) Domestic Welcome Kits

E) PAYMENT & SETTLEMENT OPERATIONS

Payment & settlement operations includes the following areas:

- a) RTGS/NEFT
- b) CTS Operations
- c) NACH Operations

F) 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 TRDS

G) BOG – RETAIL PRODUCTS SUPPORT SERVICES

As part of our transformation journey and with a view to bring all service operations under a single unified control unit, many operational functions which presently being carried out in other functional departments are getting migrated to BOG. These are,

- 1) POS
- 2) UPI POS
- 3) Travel Card
- 4) Payment Gateway
- 5) SIB Fee
- 6) E Academia
- 7) Fee Book
- 8) Virtual Account Number (VAN)
- 9) Reward Points/Loyalty
- 10) FASTag
- 11) Prepaid Card
- 12) Sovereign Gold Bond
- 13) ASBA
- 14) PIS
- 15) DEMAT

This would ease out the functioning of the Business Verticals/ Departments to concentrate more on designing product, marketing and sales aspects.

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, vetting of bank's policies and internal guidelines, imparting training to employees on compliance aspects among others. The Bank has a well-defined and structured mechanism to assess the compliance risk and monitor its mitigation measures, thereby ensuring the effectiveness of the compliance function in managing the compliance risk. Compliance officials have been designated in all business units and departments for monitoring and mitigation of compliance risk. All the

circulars of the Bank are made available in electronic form. Bank's policies, guidelines and forms are also uploaded in software platform so as to empower the branches with readily accessible pool of information/ guidelines.

DATA SCIENCE DEPARTMENT

The Bank has a full-fledged Data Science department, with the primary objective of accelerating and improving decision making with valuable insights, 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. This Department has already rolled out several Business Intelligent reports and descriptive analytical reports which gives meaningful insights to the top management for quicker and right decisions and thereby assisting in the total Business growth for the Bank. Data Science Department has also built an in-house regulatory reporting solution as per the specifications of the Reserve Bank of India so as to automate banks regulatory reports and its online submission.

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

RISK MANAGEMENT

Risk is an integral part of banking business. In the recent past, the Bank has exerted focused efforts in building a robust, and sustainable risk governance framework and to create the risk awareness culture across all tiers of the organization's hierarchy and continuing to do so. In 2021-22, 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 could not be avoided. As on 31.03.2022, 4750 staff members were impacted with COVID which is 51.52 % of the total employees.

Key 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, many key initiatives/measures were also taken to reduce the impact on human capital.

During the lockdown, the whole business community was under stress on their business side and impacting their financial condition. Being a bank which stood with customers during their need without diluting compliance, our 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, and PM SVANidhi to help street vendors.

Loan on-boarding norms have been re-looked, and steps are taken to ensure credit quality. Subsequent softening of stress conditions in specific sectors have also been taken into consideration. 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.

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 CAPITAL ADEQUACY FRAMEWORK

In compliance with regulatory guidelines on Pillar I of Basel III norms, the Bank has computed capital charge for credit risk as per the Standardized Approach, for market risk as per the Standardized Duration Method and for operational risk as per the Basic Indicator Approach. To address Pillar II risk, the Bank has implemented ICAAP (Internal Capital Adequacy Assessment Process), to integrate capital planning with budgetary planning and to capture residual risks which are not addressed in Pillar I, like credit concentration risk, interest rate risk in the banking book, liquidity risk, earnings risk, strategic risk, reputation risk, pension obligation risk etc. The Bank has adopted a common framework for additional disclosures under Pillar III for adhering to 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, 2022 was ₹ 7,29,393.71 crore (comprising Merchant Turnover of ₹ 19,430.39 crore and Interbank Turnover of ₹ 7,09,963.32 crore). The Bank has earned an exchange profit of ₹ 58.37 crore for the FY 2021-22, recording an increase of 25.18 % as compared to the previous financial year.

At present the Bank is having rupee inward remittance arrangement with 3 banks and 40 Exchange Houses and the turnover for the year ended March 31, 2022 was ₹ 12,419.46 crore. The Bank has concluded speed remittance arrangement during the FY 2021-22 with the following Exchange Houses:

- Direct Remit Limited, UK
- Wall Street exchange Co WLL, Kuwait
- Muthoot Finserve USA Inc, USA
- Raji Exchange Ltd, Seychelles
- Send Exchange, Abu Dhabi, UAE

As a technology improvement UPI payment option has also been added as a new feature in our Payment Hub application and the same is being offered to all Exchange Houses. This facilitates our partner Exchange Houses to route remittances of Non Resident Indians (NRIs) to India with more ease and convenience, simply by using UPI ID of the beneficiary in India.

The Bank has continued providing managerial support to M/s Hadi Express Exchange, UAE. The Bank has presently deputed 10 officers of the Bank to manage the operations of Hadi Express Exchange. Considering the scope in improving the remittance business through arrangements with exchange houses, the Bank has deputed six officers to UAE with Al Ansari Exchange and Hadi Express Exchange and Al Fardan

Exchange, three officers to Qatar with City Exchange, Doha, Qatar, Al Dar for Exchange Works and M/s AlFardan Exchange LLC, Doha Qatar and one officer to Oman with Hamdan Exchange

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 in more than 100 currencies across the globe via Online without visiting the branches. Customers can initiate outward remittance request in Online 24x7 including Holidays in USD Currency, while remittances in all other currencies can be initiated during Market hours.

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 customers constitute a pivotal role in the total business of the Bank. As of March 31, 2022, the Bank has over 4.15 lakhs NRI customers and NRI deposits of ₹ 27,441 crore, which constitutes almost 31% of the Bank's total deposits.

The Bank offers a gamut of NRI banking products and services such as NRE & NRO Operative accounts, NRE, NRO, FCNR & RFC deposits, Portfolio Investment Scheme, a wide array of Third-party products like Mutual Fund, Life insurance, Health Insurance, National Pension Scheme and Demat facility to the NRI customers. 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 and is authorized to collect and invest in National Pension Scheme.

With a Representative office in Dubai, which is operational since April 25, 2018, the Bank has also been able to service the large Indian diaspora population in UAE & the gulf countries. The Bank also has correspondent banks in key markets and tie-ups with leading Exchange Houses across the globe to service NRI customers.

To enhance the service offering and also to accelerate its NRI business growth, the Bank is working on the following key initiatives :

1. **Technology :** 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. Customers can do outward remittance online by using our SIBernet facility.

The Bank also proposes to put more focus & efforts in the Digital space to enhance its online branding & visibility, which will also enable sourcing of more NRI customers through digital means from markets where the Bank has limited or no presence.

2. **Business Vertical :** To provide dedicated focus & services, a business vertical with dedicated NRI Regional Sales Managers (RSMs) have been appointed at the 18 Regional offices across the country. Dedicated Sales Managers have also been posted at 50 branches across India for servicing NR customers. Special thrust is being given to regions such as Gujarat, Goa, Punjab etc to cater to the large NRI business opportunity in these markets and thereby diversify and enlarge the Bank's NRI book. A larger global presence is also being planned with the renewed focus on existing tie-ups and addition of new exchange house partnerships across the globe.
3. **Customer Service :** A dedicated, trained and focused NRI Service Centre has been set up to exclusively service Bank's NRI customers and also support the staff in branches and Representative office. With a clear focus on service levels and accuracy by a trained and dedicated team to handle NRI customers, the Bank propose to enhance its customer service level to new heights.
4. **On-boarding process :** To provide ease of services and ensuring 100% compliance with all regulatory norms, a dedicated and trained team has been provided to support and facilitate the entire originations process from leads handling, accounts opening and post-account opening process such as welcome kit dispatch & tracking etc. This is also being implemented to enhance our service levels.
5. **Customer connect initiatives :** The NRI business team is also putting in efforts to enhance the brand visibility and awareness of the Bank's NRI products & services across all branches by in-branch visibility, digital visibility and other micro-marketing activities as well as part of branding initiatives, to sponsor diaspora related cultural programs both in India as well as select overseas markets. Such customer connect initiatives will further enhance the Bank's corporate image and reputation with the Indian diaspora in key global markets.

The Bank hopes to increase its NRI business by three times in next five years through the above strategy and initiatives.

TRAINING

The Bank accords utmost importance to Capability Building of its employees. Regular up skilling of the staff members is a

stated Goal of the L & D unit. To meet this objective, the Bank has divided the Competency Building activity in 2 mutually collaborative units:

Learning and Development:

The Learning and Development Unit focuses primarily on developing e-learning and other digital learning modules for the use of all the staff members. The Team has successfully created and acquired contents to cover most of the Functional and Behavioural (soft-skill) needs of the staff across grades. These are self-service learning units that have been rolled out to the employees via the newly acquired Learning Management System (LMS) named iLearn.

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

Training Programmes are conducted at SIB Staff Training College (SIBSTC), Thrissur 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 SIBL&D identify skill gaps in the personnel and provide support for quality 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 2021-22, the Bank has imparted training to a total of 6,065 staff members across grades, including new joiners' Induction for 1,296 persons.

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 onboarding to digital channels every day, Digital technology is revolutionizing traditional banking. Introduction of UPI has boosted the payment ecosystem by simplifying contactless and real time payments. The Bank is a frontrunner in adapting the changes in 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 developments.

SIB Mirror+

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

Now do much more with SIB Mirror+

- Single App for Domestic & NRI customers available in 8 Regional Languages apart from English
- KYC update
- APY, Secure Credit Card apply
- DEMAT account opening
- 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
- KYC Update
- DEMAT account opening
- 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
- KSFENRE 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

NETCFASTag 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 cruise through the Toll gates without making any cash payments. NETCFASTags 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. The Bank has 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. The Bank has 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 the Bank is having tie up with 2 vendors to provide the Payment Gateway services. M/s Worldline India Pvt Ltd. (Banks own PG Cards acquiring in hosted model) and M/s Razorpay Software Pvt Ltd. (In referral Model)

- **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 bank's payment gateway services and can be offered to different merchant categories to handle the online collection requirements.
- **e-Academia:** e-academia is a customised FEE collection portal which can be offered to educational institutions. The portal is customised so as to handle the complex Fee collection requirements of educational institutions and

will act as a total fee collection solution to institution. E-academia is 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.

Credit Card: South Indian Bank - OneCard is a premium metal based Visa Credit Card with a 100% digital, app based onboarding experience. A truly 'Next Generation Banking' product which offers instant virtual card issuance, attractive reward points and zero joining fees or annual fees. SIB-OneCard can be fully controlled through the OneCard app which serves an irresistible blend of convenience & security. SIB-OneCard is offered to pre-approved customers, existing customers, new to bank customers & also as secured card against eligible fixed deposits.

Third Party Products

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

Life Insurance

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

Health Insurance

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

General Insurance

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

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

The income from Insurance (Life Health & General) for the FY was 35 crore, and managed to grow by 36% over the previous FY

The total premium generated grew by 40% (life & non-life combined) YOY, which is commendable. The Branch, Regional & Central teams collectively managed to achieve 100% of the allotted Life Insurance target.

The insurance cell is also working with Last decimal Pvt Ltd, Fin-tech for procuring a business management middleware which will facilitate Online and off line end to end insurance sales. The platform will also be capable of generating business MISs, Managing Complaints and ensuring regulatory compliance by adhering to stipulations laid down by IRDAI. (both Sales & Operational)

The Cell along with DBD and partners have jointly worked on digitizing multiple product procurement processes through mirror + & internet banking

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 18 leading Mutual Fund companies, thereby offering a variety of mutual fund products to the customers. Asset Under Management (AUM) of the Bank is ₹ 350 crore and income generated from mutual fund business is ₹ 1.94 crore as on March 31, 2022. 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. The platform is also live in Branches, where a branch can initiate mutual fund investment online after getting customers authorisation. Now this online channel contributes about 90% of our bank's mutual fund business.

The Bank has organised Webinars for our customers and staff members on "Wealth Management", "Financial Planning" etc., which helped many of our customers to make a better investment decision during the volatile phase of market.

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

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

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

ASBA: SEBI has also registered the Bank as Self Certified Syndicate Bank (SCSB) for accepting application under Application Supported by Blocked Amount (ASBA) through all the branches of the Bank. ASBA enables the Bank's customers to apply for IPO/FPO, Rights issue etc. by marking a lien on the account instead of actual debit at the time of applying, which is more beneficial for the customers. The Bank has participated in 147 issues (including IPO/FPO/NCD/Rights Issue) in FY 21-22.

SGB: Sovereign Gold Bond is expected to provide an alternative and attractive investment option to retail individuals. Investors can apply Sovereign Gold Bond sponsored by Govt. of India through SIB Digital and Offline platform. Digital platform for applying SGB is introduced in the year 2020. The Bank has participated in all the 10 Tranches of SGB 2021-22 series and collected 1828 applications of a total investment of ₹ 22.69 cr.

(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 31.03.2022

Cumulative PIS accounts No:	2,489
PIS opened as on 31/03/2022	473
Income generated as on 31/03/2022	₹ 44.31 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 31.03.2022

NPS – All Citizen Model	13,493
NPS Corporate (Including Staff)	9,139
APY	56,568
Total	79,200

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 INGVysya). 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)

After the setting up 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 resources to handle Ibanking and Mirror + service and complaints. DQST team manages CEG's Complaint handling processes through various channels like Customer care mails, I banking Mails, Mobile Banking Emails, IVRcases, I banking grievances lodged through Mirror Plus app and Mobile banking grievances lodged through Mirror Plus app.

Further, outbound team's 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 concerned 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:

- Debit card activations of new accounts is 73% for FY 21-22.
- 26,616 Leads generated through CEG in FY 21-22.
- Pre-approved Personal Loan conversion for FY 21-22 is ₹ 49.42 crore with 1,804 accounts.

Liability

CASA Initiatives

- CASA Enablers – As part of improving customer engagement and for deepening the existing base, different enablers have been shared to branches at periodic intervals. (Presently the Bank is providing enablers like Probable Customers for Priority banking, Imputed Income base, Priority Customer Outflow data & Current Accounts without any linked Payment solutions)
- Channel Migration for Customer Onboarding – Account opening through VKYC has been launched to ease the onboarding experience and has opened around 15.22% SB accounts through this mode. Account opening through digital channels like DIYA, TAB, INSTA and VKYC has contributed to 59 % which the Bank propose to take it to 100%
- Point Based Number System - This will help to increase the sourcing of high value accounts with focus on higher NAV. The monthly number targets are allocated into points. In the point system, accounts from 5k variant to 1 million IP and above are allocated with differential points. Accounts maintaining required product balance only will be considered for number achievement and point targets are achieved only with a higher product mix.

- In Corporate Salary segment the Bank is offering tailor – made salary product propositions to Corporates and Institutions based on the requirements.
 - Staff Mapped Portfolio – All high value & high transacting CASA accounts are mapped to branch staff for improving customer connect, multiproduct penetration and for enhanced customer experience. The end to end process of portfolio creation, transfer and maintenance has been automated.
 - New Product Launches – NHA beneficiary Savings account has been launched to receive the compensation amount from National Highway Authority of India Land Acquisition. New Merchant plus current account product has been launched to support acquisition.
 - One Million IP value drive – Campaign on One Million IP value drive (IPL) has been initiated to bring focus in potential CASA acquisition and has opened 2,173 Accounts as part of this initiative.
- Arrangement with KSEB for bill collection through API based RTGS/NEFT Payments using VAN.
 - Association with Government e-Market Place (GeM).
 - Associated with North Delhi Municipal Corporation (NDMC) for collection of various Taxes.
 - Started relationship with Jabalpur Municipal Corporation, MP.
 - Started relationship with Smart Cities Jabalpur (MP), Tumkur and Shimavoga (Karnataka).
 - 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. 4 Municipal corporations & all the 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-KIFBPravasi Chit Project
 - Banker 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

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 & liaisoning 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.

Milestones

- Our Bank is authorized by RBI as an agency Bank vide RBI letter (DGBA.GBD.No.S365/42.01.033/2021-22) dated 20-07-2021 and in pursuant to this, the Bank has executed the agreement with RBI for appointing our bank as an agency bank of RBI on 27/07/2021 at DGBA central office RBI-Mumbai.
- In the backdrop of this, 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.
- Our Bank is accredited and authorized for collection of Direct Taxes on behalf of Central Board of Direct Taxes & for the collection of Indirect Taxes on behalf of Central Board of Indirect Taxes & Customs in November 2021.
- Accredited to NTRP (Gol Non-Tax Portal-Bharatkosh) by CGA for collection of Non Tax revenues of Gol Ministries/ Departments.
- Opened Five SNA accounts for receiving Central Government grants of Central Sponsored Schemes (CSS).

- 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 on boarding 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 can enjoy exclusive priority benefits that suit their individual needs.

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

Presently the Bank has ₹ 2.24 Lacs customers under the program with total saving account book size of ₹ 11,228 Cr. and total term deposit of ₹ 25,287 Cr.

During 2021-22, the following initiatives were added to make the program more lucrative:

- Automated the customer enrolment for eligible customers through SIB Mirror+ & SIBerNet platforms.
- 136 Liability Relationship Managers were assigned to branches to engage Priority Customers.
- Priority Customers can connect with their RM/BM through SIB Mirror+ (Only for Priority Customers)
- Continuous e-meet via webinars for priority customers in collaboration with various channel partners.

Total 49,818 customers joined the program during the financial year 2021-22 with an overall SB growth of ₹ 1,012 cr 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 2021-22

The Bank had executed various promotional campaigns in media like Newspaper, Television, Radio, Outdoor and digital media. However, due to pandemic, mass media promotions were lesser. The campaigns proved economical as well as ensured target delivery across the geography.

- Through effective PR strategy, major events and financial results pertaining to the Bank were promoted globally across all the digital and print media. Exclusive interviews of our MD & CEO with various print media like The Hindu Business Line, Financial Express, Mathrubhumi, Times of India were conducted across the year.
- Press Releases were done on occasions like empanelment of South Indian Bank as Agency Bank by RBI, partnership with Rupeek for online gold loan services to customers, launch of SIB OneCard Credit Card, authorization for SIB to collect direct and indirect taxes etc.
- Regular social media posts of digital products, asset and liability products were promoted through the official social media handles of SIB. Special days/ festive occasions were also promoted to engage the customers with the brand. Digital platforms were best utilized during the pandemic period which encouraged contactless banking.
- Corporate advertisement 'Bank On Us' was promoted in National Level Financial Channels during Union Budget presentation.
- Bank had promoted Gold Loan at 7% scheme through FM stations in the main business centers across India. This was also synchronized with Print Media campaigns in major vernacular dailies. The 7% Gold Loan was popularized among the entire fraternity by developing various marketing materials in the local vernacular which in turn created a major traction for the product. In parallel to this, a road show was also conducted within the state of Kerala to create a mass visibility for the product. This helped in generating a good amount of business from the state. A digital campaign was launched in Kerala Market through Manorama Online which created mass visibility for the product and in turn generated 148 leads and 76 lakhs disbursement.
- The Bank, for the first time implemented segmented campaigns during the month of November 2021. Applying various target filters, multiple campaigns were executed which generated good business for the Bank. A minimum

of 15 campaigns were executed M-o-M which helped in promoting products and generating business for the Bank. In this financial year, the Marketing Team plans to initiate Life Cycle Campaigns also for the customers.

- The Bank had also associated in major cultural events outside its home state, like SS International Live - Fusion Music Show, The Great Man'dolin Tribute Show, Kalyanamalai events across the state of Tamil Nadu. Also, SIB partnered with Southern India Regional Council of the Institute of Chartered Accountants of India (ICAI) for a One Day CPE Seminar on Bank Audit, Thrissur Management Association's Annual Management Convention and Award Night etc.

Awards & Recognitions

The Bank had received the following awards: -

- South India Best Employer Brand Awards 2021 – Excellence in HR through Technology for mHRMS mobile app
- UiPath Automation Excellence Award for Best Automation under Crisis for Business Continuity
- Six awards at IBA's 17th Annual Banking Technology Awards:
 - Winner - Best Technology Bank of the Year (Small Banks)
 - Winner - Best IT Risk Management and Cyber Security Initiatives (Small Banks)
 - Winner - Best Fintech Collaboration (Small Banks)
 - Joint Winner - Best Use of AI/ML and Data Analytics (Small Banks)
 - Runner Up - Best Cloud Adoption (Small Banks)
 - Joint Runner Up - Best Payments Initiatives (among all Private Banks)
- The 11th Edition of UBS Forums' Data Center Summit and Awards 2022 for the below categories:
 - Winner – Physical Security (Security Design)
 - Recognition – Risk Management (Availability)
 - Recognition – Design Management (Infrastructure)
 - Recognition – Innovation – New Initiatives (Infrastructure)
- Finnoviti Awards 2022 from Banking Frontiers
- Business Leader of the Year Award, 2022 from CMO Asia for 'Workplace and People Development'
- Most admirable BFSI Professional Award from World BFSI Congress to Mr. Anto George T. (SGM - HR and Admin, South Indian Bank)

- South Indian Bank's Legal Team secured the Runners-Up position in the category - Best Banking & Finance Legal Team of the Year, at the 11th Annual Legal Era - Indian Legal Awards, 2022

HUMAN RESOURCE

Over the years, Human Resources Department at South Indian Bank has transformed itself from being a centre for operational excellence to a strategic partner of the Bank. It plays a vital role in the actualization of the Bank's strategic vision – "The Vision 2024".

As part of the Organization wide transformation, HRD acted on the following four areas to drive change.

1. Talent Management:

HRD ensured that all newly formed asset verticals are manned with skilled workforce which has the calibre to drive the vertical and also handhold customers through the changing phase.

2. Recruitment:

The manning of new verticals involved redeployment of existing workforce and sourcing new talent, which was powered by record fast recruitment process.

3. Strategic and Operational HR:

To facilitate smooth transformation and also align the workforce to strategic objectives of the Bank, the team at HR was broadly classified as operational team and strategic team. While the operational team focused on service delivery excellence, the strategic team focused on driving strategic objectives through meaningful new initiatives.

4. Learning and Development:

Adopted new age learning practices and technology such as Learning Management System, e-learning, Micro Learning etc.

DISTRIBUTION OF MANPOWER (CADRE WISE)

As on March 31, 2022, the Bank had 9219 personnel on its payroll. The cadre wise break up is as follows:

CADRE	GENDER		TOTAL
	MALE	FEMALE	
OFFICERS	3,776	2,045	5,821
CLERK	1,085	1,843	2,928
PEON	242	20	262
PTS	48	160	208
GRAND TOTAL	5,151	4,068	9,219

The average age of employees is 32 as on March 31, 2022

As on 31.03.2022, Staff members having professional qualification constitute 52% of the overall workforce. The detailed breakup is as follows:

EDUCATIONAL STREAM	NUMBER OF STAFF
MANAGEMENT	1,479
POST GRADUATION	1,273
CA	56
CS	6
ICWA/CMA	27
ENGINEERING	1,974
PHD	1
LEGAL	63
TOTAL	4,879
TOTAL STAFF AS ON 31.03.2022	9,219

PERFORMANCE MANAGEMENT SYSTEM

HRD reworked the then existing job roles such that they are linked to performance. Thus a job role based performance management system was developed. The whole system is based on a Balance Score Card framework which is one of the most popular and well accepted framework.

Another major change was making the Score Card completely quantitative in nature. This ensures that every job role knows his / her key deliverables upfront and also on a day to day basis. Bank also introduced Half year performance appraisal for the first time where every employee is assessed based on his / her score card.

EMPLOYEE ENGAGEMENT

Various employee engagement initiatives to drive a sense of trust and recognition were launched. Some of the major activities are as detailed below:

1. Synergy (The HR Outreach Program):

In a virtual town hall like interaction, Head –HR interacted with all staff members of the Bank region by region and department by department. The program aimed at understanding the ground level issues and also foster a sense of trust and companionship among employees.

2. Bank Calendar 2022

The Bank gave an opportunity for all its employees to showcase their artistic and photographic talents by taking the twelve best photos / paintings submitted and using them as cover theme for the Bank's official calendar.

3. SIB Pulse Survey:

Periodical short surveys were conducted to get feedback on various Business and Non Business related issues. The tool has served as a source of data for decision makers.

4. Introduced Employee Recognition module and monthly recognition newsletter

EMPLOYEE WELL BEING

1. Introduced mandatory Wellness Leave for Scale II and above for better work life balance
2. Conducted Women inclusion survey by external agency and actions are planned as per the recommendations
3. SIBinar: Webinars focused of employee wellbeing and development, wherein expert speakers of the likes of Dr. Debashish Chatterjee (IIM-K Director) were hosted.
4. 146 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

TECHNOLOGY DRIVEN HRMS SYSTEM

HR has a dedicated IT team under it, which aims at leveraging on technology and mobility to drive service excellence and employee experience. Their marquee project - SIB mHRMS which is an ingenious mobile app, was launched during the year. The App also won the **"South India Best Employer Brand Awards 2021 for excellence in HR through Technology"** by Employee Branding Institute.

Other HR service delivery area also seen improvement is the employee lifecycle in the Bank from entry to exit. This includes:

- New application tracking for general recruitment through SIB website.
- Improved User Interface with functional efficient layout in HRMS.
- Hassle free and online staff benefit delivery to employees.
- Paper less staff loan opening through HRMS.
- Enhanced transfer request module with system generated queuing system based on various parameters.
- Resigned staff module
- Paperless and online staff settlement process
- Performance management system features in HRMS
- Revamped Performance Management System with the implementation of balanced scorecard across all cadres of employees and periodic updating of scores by linking with core banking.
- Pulse Surveys, Engagement Survey, automated work anniversary greetings, Employee Recognition Module
- Payroll Module in HRMS
- The migration of payroll has made the HRMS a complete HR package.

AWARDS AND RECOGNITION TO HUMAN RESOURCES DEPARTMENT

- Business Leader of the year award –workplace and people development by CMO Asia
- Most admired BFSI Professional award by World Leadership Congress to Mr. Anto George T, Head HR & admin
- South India Best Employer Brand Awards 2021 for Excellence in HR through Technology by Employer Branding Institute: World HRD Congress

INDUSTRIAL RELATIONS

Industrial relations in the Bank have 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 3.87%.

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 2022, 5,69,80,858 stock options were vested, out of which 2,89,49,199 stock options were exercised by eligible employees. The money realized due to exercise of the said options was ₹ 42,74,54,572.64 and consequently 2,89,49,199 shares of ₹ 1/- each have been allotted to the concerned employees/legal heirs.

A Certificate of Secretarial Auditors pursuant to Regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2021 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 2.92% of the paid-up share capital of the Bank as at March 31, 2022. The scheme has generated intended motivation amongst the staff. There is no material change in the scheme during the FY 2021-22 and the scheme is in compliance with the applicable regulations. The scheme was modified at the AGM held on 18.08.2021 in line with the new regulations.

Statutory disclosures regarding details of the stock options granted, vested, exercised 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/annual-report-financial-year-2021-to-2022/3896> <https://www.southindianbank.com/content/annual-report-financial-year-2021-to-2022/3896>

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. The Bank has also included more information like yields on 10-year G-Sec., AAA Corporate bond of 5 years, 3 months CD & CP, 3 months forward premium, US10-year yield and Forex reserves.

E-Learning Tests

The Bank has conducted 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 Probationary Officers

To facilitate updation of knowledge 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.

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, 2022, 363 themes have been published since the first publication in December 1991. The objective of this venture is to kindle interest in economic affairs among the younger generation and also to provide a learning platform for the student community. All contemporary topics relating to Economics and Finance are discussed in this publication. The publication is dispatched to offices of RBI, Banks, other Corporates and various educational institutions. It is a well-accepted & appreciated publication among students, professionals and the academic community.

SIBLINK

'SIBLINK' is our corporate family magazine in which achievements of our staff members, their wedding photos, contributions in the form of articles, campaign results etc. are published. During the last financial year, the Bank has published 4 SIBLINK issues

Daily Quiz

SIBSTC steadily endeavours to ensure that the learning and development curve of our staff members continues to grow all the time. The Daily Quiz is administered through the HRMS

which consists of 5 questions on content from Executive Brief and general topics like credit, forex, NRI business etc. To encourage participation, 3 Lucky winners are awarded every week with prize money of ₹ 100/- each.

ISO 27001:2013 certification

The Bank has been awarded ISO 27001:2013 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. Through its export-financing operations, the Bank supports and encourages the country's export efforts.

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

The Bank has zero tolerance 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 woman 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 – two *

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

* Both the complaints were closed after due process.

Particulars of Employees

The Bank had 9219 employees as on March 31, 2022. Only MD & CEO (employed throughout the year) was in receipt of aggregate remuneration of more than ₹ 1.02 crore per annum and no other employees was employed for a part of the year was in receipt of remuneration of 1 crore and above during the FY 21-22. 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. The Bank is committed to financing the economic and developmental activities of the nation with concern for human rights and environment.

In line with the CSR Policy and in accordance with Schedule VII, section 135 of Companies Act, Bank undertook various activities during FY 2021-22, 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.
- 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 2021-22, the Bank spent ₹ 5.71 crore towards CSR activities.

The amount to be spent by the Bank towards CSR for FY 2021-22 as per Section 135 of the Companies Act, 2013, comes to ₹ 6.04 crore. Amount spent by the Bank this year towards CSR was ₹ 5.71 crore. The unspent CSR amount of ₹ 0.34 crore pertaining to ongoing projects was transferred to 'Unspent CSR FY 2021-22' on March 31, 2022 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 2021-22 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, Mini Statement, and Best Finger Detection. The Bank has implemented Kiosk Banking Model in the state of Kerala through 9 Individual Business Correspondents and in Tamilnadu through 63 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 2021-22, FLCs have conducted 1,870 camps covering 76,731 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 2,09,039 BSBD accounts as on March 31, 2022 with an outstanding balance of ₹ 73.23 crore. Social Security schemes in insurance (PMJJBY, PMSBY and APY) 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, 2022, 87 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 94th Annual general Meeting and the Annual Report 2021-22 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 94th Annual General Meeting, Annual Report of the Bank for the financial year 2021-22 including Audited Financial Statements, Directors' Report, Auditors' Report etc., for the year ended March 31, 2022, sent to the e-mail address registered with their Depository Participant(DP)/Registrar/Company. The e-mail addresses indicated in respective DP accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be their registered e-mail address for serving notices/documents including those covered under Section 136 of the Companies Act, 2013. In case a Member, whose e-mail address has changed, fails to update this new e-mail address, the said documents will be sent to the existing e-mail address and the said documents will be deemed to have been delivered, in compliance with the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder and the Listing Regulations. 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. Security holders may please note that, as allowed by MCA and SEBI circulars, the Bank will not be sending physical copies of AGM Notice to shareholders and Annual Report to the security holders unless the same is specifically requested.

Please note that the said documents will also be uploaded on the Bank's website www.southindianbank.com and copies thereof will be made available for inspection at the Registered Office of the Bank during 10.00 a.m. to 3.00 p.m. on all working days except Saturdays, Sundays, Bank Holidays and Public Holidays up to the date of ensuing AGM.

Shareholders have been requested on several occasions to update their e-mail IDs in their folio/demat a/c to help accelerate the Bank's migration 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 already has a Centralized Processing Centre (CPC) for customer creation with the objective of full KYC compliance and to use KYC as a fraud prevention tool. The Bank has attached great importance for compliance of KYC/AML/CFT norms by the customers as per the Reserve Bank of India directive.

FATCA-CRS

The Bank has been registered as a reporting entity under FATCA, under GIIN No. I1K7HU.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, Risk Management, Treasury, Finance, Business Management, Small scale Industry, Agriculture, Law, Human Resources and Information Technology.

Excluding the MD & CEO, all other members of the Board are Non-Executive Directors and five 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 2021-22 are disclosed in Corporate Governance Report. Vide Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 an online data Bank for the independent directors ("Data Bank") has been rolled out by the Indian Institute of Corporate Affairs, all the independent directors of the Bank had registered themselves in the Data Bank in compliance with the same.

During the 93th Annual General Meeting held on August 18, 2021 as recommended by the Bank the shareholders accorded their approval for:

- Reappointment of Sri Pradeep M Godbole (DIN: 08259944) as Non-Executive Director of the Bank who retired by rotation being eligible for reappointment under Section 152 of Companies Act, 2013.
- Appointment of Sri. R A Sankara Narayanan (DIN: 05230407) as Independent Director of the Bank, not liable to retire by rotation.

Sri Francis Alapatt (DIN: 01419486), Non-executive Independent Director of the Bank, retired from the Board of Directors w.e.f. 31st October 2021 upon completion of his eight-year term, as per Section 10A(2A) of the Banking Regulation Act 1949.

Ms. Ranjana S Salgaocar (DIN 00120120) has submitted her resignation from the Office of Director of the Bank on September 30, 2021 on health ground. Accordingly, she ceased to be a Director of the Bank after the closure of office hours on 30th September, 2021. It is hereby confirmed that the Bank has received confirmation from Ms. Ranjana S Salgaocar that there are no material reasons for her resignation other than health issues as provided by the director in her resignation letter.

Smt. Radha Unni (DIN: 03242769) was appointed as an Additional Independent Director pursuant to Section 161(1) of the Companies Act, 2013 on 30th November, 2021 and who holds office up to the date of this Annual General Meeting.

Sri. Benny P Thomas (DIN: 09448424) was appointed as an Additional Director pursuant to Section 161(1) of the Companies Act, 2013 on 30th December, 2021 and who holds office up to the date of this Annual General Meeting.

The Board of Directors has recommended to members:

- To re-appoint Sri. Paul Antony (DIN: 02239492) as Director of the Bank, liable to retire by rotation at the 94th AGM, who retires by rotation under Section 152 of Companies Act, 2013 and being eligible, offers himself for re-appointment.
- To appoint Sri. Benny P Thomas (DIN: 09448424) as non-executive Director of the Bank, liable to retire by rotation, who was appointed as an Additional Director pursuant to Section 161(1) of the Companies Act, 2013 on 30th December, 2021 and who holds office up to the date of this Annual General Meeting and in respect of whom the Bank has received a notice in writing, proposing his candidature for the office of director.
- To revise the Remuneration Payable to Sri. Murali Ramakrishnan (DIN: 01028298), Managing Director and CEO of the Bank
- To re-appoint Sri Salim Gangadharan, (DIN: 06796232) as Independent Director of the Bank who was appointed as additional Non-executive Independent Director of the Bank on 16th January, 2014 and appointed as Independent Director for a term of five years on 86th Annual General Meeting of the Bank held on 16th day of July, 2014 and further reappointed and reclassified as non-executive director, by Shareholders at the 90th AGM held on July 11, 2018, liable to retire by rotation and in respect of whom the Bank has received a notice in writing, proposing his candidature for the office of director for a second term as an Independent Director of the Bank, for the purpose

of Section 149 of the Companies Act, 2013 for a period as may be approved by RBI up to November 1, 2023 in compliance with section 149 of the Companies Act, 2013, not liable to retire by rotation as Non-Executive – Part time Chairman of the Bank and approval of his remuneration. The reclassification of Sri Salim Gangadharan as Non-executive Independent Director is in line with the Reserve Bank of India circular No RBI/2021-22/24 DOR. GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 on Guidelines for Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board.

- To re-appoint Sri V.J. Kurian, (DIN: 01806859) as Independent Director of the Bank who was appointed by the Board of Directors on 23.03.2018 and appointed by Shareholders at the 90th AGM held on 11.07.2018 for a period of 5 years, and in respect of whom the Bank has received a notice in writing, proposing his candidature for the office of director of the Bank, for a second term as 'Non-Executive Independent Director' of the Bank, for the purpose of Section 149 of the Companies Act, 2013, to hold office for a period not exceeding five years with effect from 23rd March, 2023 not liable to retire by rotation
- To appoint Sri. Pradeep M Godbole (DIN: 08259944), who was appointed as additional Non-Executive Director of the Bank on 26th March, 2019 and appointed by Shareholders at the 91st AGM held on 17th July, 2019 liable to retire by rotation and in respect of whom the Bank has received a notice in writing, proposing his candidature for the office of director, as an Independent Director of the Bank, for the purpose of Section 149 of the Companies Act, 2013, to hold office for a period not exceeding five years, not liable to retire by rotation.
- To appoint Smt. Radha Unni (DIN: 03242769), who was appointed as an Additional Independent Director pursuant to Section 161(1) of the Companies Act, 2013 on 30th November, 2021 and who holds office up to the date of this Annual General Meeting and in respect of whom the Bank has received a notice in writing, proposing her candidature for the office of director, as an Independent Director of the Bank, for the purpose of Section 149 of the Companies Act, 2013 till 3rd December, 2023, not liable to retire by rotation as Independent Director of the Bank.

Necessary information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of directors to be appointed, re-appointed and change in terms of appointment at the ensuing Annual General Meeting are given in the Annexure to the Notice convening the Annual General Meeting scheduled to be held on July 12, 2022.

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

CHANGE IN KEY MANAGERIAL PERSONNEL

There was following change in Key Managerial Personnel during the financial year ended March 31, 2022.

Sri. Raphael. T.J, CGM & CIO has retired from the Bank on May 31, 2021 on attaining superannuation

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. Pradeep M Godbole (Non-Executive Director), Sri. R A Sankara Narayanan (Non-Executive Independent Director) and Smt. Radha Unni (Non-Executive Independent Director). The constitution of the Committee is in compliance with the regulatory requirements. The terms of reference of the Audit Committee, 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 Parayil George John Tharakan (DIN: 07018289)
2. Sri V J Kurian (DIN: 01806859)
3. Sri M George Korah (DIN: 08207827)
4. Sri. R A Sankara Narayanan (DIN: 05230407)
5. Smt. Radha Unni (DIN: 03242769)

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

The Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exists or may

be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are the persons of high integrity and repute. They fulfil the conditions specified in the Act and the Rules made thereunder and are independent of the Management.

Women Directors

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations 2015, the Bank has appointed Smt. Radha Unni (DIN: 03242769) as Woman Director on the Board of the Bank.

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

The nomination policy of the bank can be accessed at <https://www.southindianbank.com/content/viewContentLvl1.aspx?linkIdLvl2=215&LinkIdLvl3=3894&linkid=3894>.

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

Compensation Policy factors the guidelines issued by the RBI from time to time.

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

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

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

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

Risk, Control and Compliance Staff

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

Other Categories of the Staff:

For the other employees, the Board, based on the recommendation of the NRC may devise appropriate compensation structure. The compensation paid to other employees that include Award Staff, Officers coming under

Scale I to IV and executives coming under Scale V to VII is fixed based on the periodic industry level settlements with Indian Banks Association. The variable compensation paid to functionaries is based on the Performance Linked Incentive Scheme, which has been formulated on the basis of performance parameters set in Performance Management System.

Limit on Variable pay and Deferred Compensation:

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

Fixed Pay and Perquisites

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

Variable Pay

In order to have a proper balance between the cash and share-linked components in the variable pay, the variable pay 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).

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).

a. Deferral of Variable Pay

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

b. 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.

c. Vesting:

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

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

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

In case of employee's death or permanent disability, whole of the deferred variable pay (Cash component) shall immediately

vest in the employee's legal heirs, or the employee, as the case maybe.

Share-linked Instruments

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

The Variable pay assessment should be considering the following parameters

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

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

Malus / Clawback

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

- (a) A set of situations as detailed below are hereby identified, which require the invocation of the malus and clawback clauses that may be applicable as detailed below:
 - i) Applying of Malus / Clawback arrangement on entire variable pay on occurrence of the following Situations:
 - identified fraud / misconduct by the executive (whole-time directors, Chief Executive Officers / Material Risk Takers (MRTs)) pertaining to the corresponding period for which the clause to be applied.

- ii) Applying of Malus / Clawback arrangement on unvested portion of deferred variable pay on occurrence of the following situation:
 - Reporting of operating loss or more than 50% fall in operating profit in any year

- iii) Applying of Malus clause on unvested portion of deferred variable pay on occurrence of the following situation:
 - Wherever the assessed divergence in bank's provisioning for Non-Performing Assets (NPAs) or asset classification exceeds the prescribed threshold for public disclosure as detailed below: (As referred in RBI circular No. DBR.BP.BC. No.32/21.04.018/2018-19 dated April 1, 2019, as amended from time to time),

- a. the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period, and
- b. the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period

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

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

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

In case, the MRT(s) resigned, retired or taken early retirement or been terminated, the above provisions of clawback shall apply subject to the through due process for recovery of amounts adjudged.

Guaranteed Bonus

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

Hedging

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

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) Listing 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 board room. Diversity is ensured through consideration of a number of factors, including but not limited to skills, regional and industry experience, background and other qualities. In 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.

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).

Familiarization Programme

The Bank had conducted various sessions during the financial year to familiarize the Independent Directors of the Bank, including various topics on Banking Industry, business model, Corporate Law, risk management system and Cyber Security. Further, the Directors are encouraged to attend the training programmes being organized by various regulators/bodies/institutions on above matters. The details of such familiarization programmes are displayed on the weblink of the Bank. (<https://www.southindianbank.com/content/directors-trainingregister/875>)

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 NRC and the Board of Directors. The Directors expressed their satisfaction with the evaluation process.

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

- Bank should focus on the quality of loan book and collection.
 - Risk management to be strengthened.
 - Frequent review of progress in implementation of strategies to be made
 - The CSR Committee may focus on contemporary socially relevant projects

AUDITORS:

a) Statutory Auditors:

The shareholders at its 93rd Annual General Meeting held on July 18, 2021, appointed M/s Varma & Varma, Chartered Accountants, Kochi (Firm Registration Number 004532S) and M/s. CNK & Associates LLP, Chartered Accountants, Mumbai (Firm Registration Number: 101961 W/W-100036) as the Joint Central Statutory Auditors of the bank. Appointment of M/s Varma & Varma, Chartered Accountants will be until the conclusion of the 94th Annual General Meeting of the Bank and Appointment of M/s. CNK & Associates LLP, Chartered Accountants will be until the conclusion of the 96th Annual General Meeting.

For the year ended March 31, 2022, fees paid/payable to the Joint Statutory Central Auditors M/s Varma & Varma, Chartered Accountants and M/s. CNK & Associates LLP, Chartered Accountants, is as follows:

Fee paid#	Amount (in lakhs)
Statutory audit/Limited review/ Certification and other attestation charges	60.00
Centralised Branch Audit fee	120.00
Total	180.00

Excluding out of pocket expenses

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

As per the terms of appointment one of our Joint Statutory Central Auditors M/s. Varma & Varma Chartered Accountants is completing their term in the current AGM. Hence we had submitted shortlisted firms details to RBI for replacing M/s. Varma & Varma Chartered Accountants, based on which Reserve Bank of India, vide their letter No. DOS.CO.RPD.No.S 551/08.21.005/2012-13 dated

May 05, 2022 had approved the appointment of M/s K Venkatachalam Aiyer & Co., Chartered Accountants, (FRN 004610S) and M/s C N K & Associates, LLP, Chartered Accountants (FRN 101961W) as the Joint Statutory Auditors of the Bank for the year 2022-23, for their first year and second year respectively.

b) Secretarial Auditors and Secretarial Audit Report:

Pursuant to Section 204 of the Companies Act, 2013, the Bank had appointed M/s SVJS & Associates, Practicing Company Secretaries, Kochi as its Secretarial Auditors to conduct the secretarial audit of the Bank for the FY 2021-22. The Bank provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for the FY 2021-22 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 or deposit, entire specialized Branches such as 'B' Category Branches, Corporate Branches etc., and all poorly rated branches as per the latest rating awarded.

In addition to the concurrent and risk based internal audits, the branches are subjected to Surprise Inspection, Flash Inspection, 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 conducted 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 Centers, 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 2021-22 does not contain any qualification.

CONSOLIDATED FINANCIAL STATEMENTS

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

In accordance with third proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of the Bank, containing therein its Standalone and the Consolidated Financial Statements has been hosted on its website, www.southindianbank.com. Further, as per fourth proviso to the said Section, the Audited Annual Accounts of the said Subsidiary Company of the Bank, considered as part of the Consolidated Financial Statements have also been hosted on the Bank's website, www.southindianbank.com. The said documents have been hosted on the website of the Subsidiary Company of the Bank also, in compliance with the said Section. The documents/details available on the Bank's website (www.southindianbank.com) will also be available for inspection by any Member at its Registered Office. Further, pursuant to the provisions of Accounting Standard ('AS') 21, Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs, the Consolidated Financial Statements of the Bank along with its Subsidiary Company for the year ended March 31, 2022 forms part of the Annual Report.

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, 2022 in Form No. MGT-7 and the extracts of the Annual Return as at March 31, 2022 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-2021-to-2022/3896>.

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. (https://www.southindianbank.com/UserFiles/file/DIVIDEND%20DISTRIBUTION%20POLICY_17.pdf)

Subsidiary Companies/Joint Ventures or Associate Companies

As on March 31, 2022, the Bank has one unlisted wholly owned subsidiary - M/s. SIB Operations and Services Limited, which is incorporated on 28th May, 2021,

SIB Operations and Services Limited is a wholly owned Non-Financial Subsidiary Company of The South Indian Bank Ltd. RBI has accorded the final approval on 25th March, 2021 for setting up the Subsidiary Company and the Company was incorporated on 28th May 2021 to cater to the operational needs of The South Indian Bank Ltd. Its authorized Capital as on 31st March, 2022 is ₹ 2 crore and the Issued and Paid-up Capital is ₹ 50 lakh. The company is providing exclusive services to the Bank in the operational areas of Telecalling, Business Development, Data Entry Operations, I.T. Support and other services permitted by Reserve Bank of India. The Subsidiary Company is in its initial stage of operations and reported a loss of ₹ 17.39 lakhs during FY 2021-22

There are no companies which have ceased to be its subsidiaries, joint ventures or associate companies during the year.

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>).

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/viewContentLvl1.aspx?linkIdLvl2=215&LinkIdLvl3=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, 2022 and the date of the Directors' report i.e. June 7, 2022.

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.

Deposits

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

Confirmation with respect to Insolvency and Bankruptcy Code, 2016

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

Management Discussion and Analysis Report

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

Particulars of Loans, Guarantees or Investments

Pursuant to Section 186 (11) of the Companies Act, 2013, the provisions of section 186 of Companies Act, 2013, except subsection (1), do not apply to a loan made, guarantee

given or security provided or investment made by a banking company in the ordinary course of business.

Directors' Responsibility statement

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

- a) in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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 2021-22 and of the profit of the Bank for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 and other applicable laws for safe guarding the assets of the Bank and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts for the financial year ended on March 31, 2022, 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 thank all of them for their diligence and loyalty towards the Bank. The Board expresses its sincere appreciation for the dedicated services rendered by officers and employees of the Bank at all levels.

By Order of the Board

(SALIM GANGADHARAN)
CHAIRMAN
DIN : 06796232

(MURALIRAMAKRISHNAN)
MANAGING DIRECTOR & CEO
DIN : 05332797

Place : Thrissur
Date : June 7, 2022

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 (60 years)	MD & CEO	1,78,52,992.80	1,20,58,935.80	35	01-07-2020	Whole-Time	ICICI Bank – SGM
Thallam Sreekumar BA (54 Years)	General Manager Business Head Unsecured Loan	95,15,000.00	63,45,533.19	24	25-01-2021	Contractual	ICICI Securities Head - Asset Products & Business Partners-Retail
Leelanand Kodaganti B.Sc (54 Years)	General Manager Head Treasury	68,22,258.07	44,12,634.54	33	01-03-2021	Contractual	BANK DHOFAR Head of Sales FX and Structured Products
Sanchay Kumar Sinha, PG Diploma in Management (54 years)	Country Head - Liabilities And Branch Banking	52,64,352.00	35,86,941.87	29	02-09-2017	Contractual	IndusInd Bank SVP- Head Liabilities and Client Engagement for Consumer Banking -
Senthil Kumar MBA, BSC (51 Years)	General Manager Head Recovery & Collections	48,69,677.42	32,73,443.86	27	27-08-2021	Contractual	ICICI Bank Zonal Head
Vinod G MBA –Financial Mangement, M Com, BCom, Cost accounts (47 Years)	Joint General Manager & Head Data Science	46,80,000.00	31,00,608.40	26	04-03-2021	Contractual	Tata Motors Finance Ltd. Head Risk & Business Intelligent Unit
Abey Abraham Chartered Accountant B Com Taxation Law & Practice (45 Years)	General Manager Zonal Head Housing loan Business Group	46,32,000.00	32,28,793.16	19	02-06-2021	Contractual	ICICI Bank, Zonal Head

Thomas Joseph K, B.Sc., (Mechanical Engg.), Diploma in Management, CAIIB (63 years)	EVP & Group Business Head	44,18,358.80	29,21,801.99	38	01-06-2019	Contractual	EVP, SIB (Retired on 31.05.2019)
AlokBajpai ICWA, LLB, PGDM Finance, PGDBA, JAIIB (53 Years)	Deputy General Manager Head RBCPC	43,87,176.00	27,87,139.23	27	05-08-2020	Contractual	Standard Chartered Bank, Zonal Head Risk Operations
Chetan Girdhar Parmar CA (34 years)	Asst. General Manager HEAD INVESTOR RELATIONS	40,70,227.00	27,05,045.19	14	01-06-2020	Contractual	AVP-Reliance Capital Ltd

#Gross salary means total salary as per the Form 16 issued for the FY 2021-22.

##Net salary means Gross Salary less TDS.

- 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 : June 07, 2022

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</p> <p>Mr. Salim Gangadharan 1.68x</p> <p>MD & CEO</p> <p>Mr. Murali Ramakrishnan 9.60x</p> <p>For this purpose, sitting fees paid to the Directors (except Sitting fee paid to Chairman have not been considered as remuneration.</p>
II	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	<p>Mr. Salim Gangadharan, Chairman 84.83%*</p> <p>Mr. Murali Ramakrishnan MD & CEO 2.78%⁴</p> <p>Ms. Chithra H (CFO) (3.69%)</p> <p>Mr. Jimmy Mathew (Company Secretary) (10.07%)</p> <p>*Chairman has not drawn honorarium for the part of the financial year 2020-21, considering the Covid -19 financial situation. Further Directors had reduced 20% of the sitting fee during financial year 2020-21. This has resulted in showing a high percentage of increase during FY 2022.</p>
III	The percentage increase in the median remuneration of employees in the financial year	8.28%
IV	The number of permanent employees on the rolls of the Bank	There were 9,219 employees as on March 31, 2022
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 (11.94%)</p> <p>Increase in the median remuneration of managerial personnel is 6.38%</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.

- The median salary of the staff members is arrived by taking 12 months' actual salary paid during the FY 2021-22.
- Remuneration of Chairman and MD & CEO is regulated by RBI guidelines.
- The reduction in salary % and average median was due to the 11th bipartite settlement arrears received during previous financial year 2020-21.
- The salary of MD & CEO has annualised for the FY 2020-21.

Place : Thrissur
Date : June 7, 2022

(SALIM GANGADHARAN)
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 year	Number of meetings of CSR committee attended during the year
1	Sri. Parayil George John Tharakan	Chairman	4	4
2	Sri. Murali Ramakrishnan	Managing Director & CEO	4	4
3	Sri. V J Kurian	Director	4	4
4	Smt. Ranjana S Salgaocar *	Director	2	2
5	Sri. Benny P Thomas #	Director	1	1

*Ceased to be a member w.e.f. 1st October, 2021

Inducted in to the Committee w.e.f. 31st December 2021

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 2022.

Impact assessment is not carried out as there is no CSR project having outlays of ₹ 1 crore or more.

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) : ₹ 3,01,95,87,158.96
7. (a) Two percent of average net profit of the company as per section 135(5) : ₹ 6,03,91,743.18
- (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) : ₹ 6,03,91,743.18
8. CSR amount spent or unspent for the financial year:
- CSR amount spent for the financial year : ₹ 5,71,78,683.51*
- CSR amount unspent for the financial year : ₹ 32,13,059.67#

* Excluding unspent CSR amount ₹ 191.22 Lakhs spent on previous Financial Years.

Even though the balance allotted unspent amount required to be transferred to CSR Unspent Account is ₹ 32.13 Lakhs for the FY ended 31st March 2022, considering the project requirement for ongoing projects, the Bank has transferred an amount of ₹ 34.00 Lakhs to the unspent account.

(a) Details of CSR amounts spent against ongoing projects for the financial year:

Total Amount spent for the Financial Year. 2021-22 (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
15,00,000.00	34,00,000.00	31.03.2022	NA	Nil	NA

(b) Details of CSR amounts spent against ongoing projects for the financial year:

(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						Name	No
1	The Coastal Educational Society, Alappuzha	Gender equality	Yes	Kerala	Thrissur	36	15,00,000	7,50,000	7,50,000	No	SIB Foundation	CSR00015361
2	Thrikkakara Municipality	Gender equality	No	Kerala	Ernakulam	24	9,00,000	4,50,000	4,50,000	No	SIB Foundation	CSR00015361
3	Pullu Village, Thrissur Dt	Gender equality	Yes	Kerala	Thrissur	36	25,00,000	3,00,000	22,00,000	No	SIB Foundation	CSR00015361
-	Total	-	-	-	-	-	49,00,000	15,00,000	34,00,000	-	-	-

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

Total Amount spent for the Financial Year. 2021-22 (in ₹)	Amount Unspent (in Rs.)		
	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 Rs.)	Date of transfer	Name of the fund
5,55,33,683.51 *	-	-	-
		Amount	Date of transfer
		-	-

* Excluding unspent CSR amount ₹ 191.22 Lakhs spent on previous Financial Years and administrative expense.

(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	Don Bosco Tech Society	Education	No	Karnataka	Bengaluru	4,800,500.00	No	SIB Foundation	CSR00015361
2	ADC & SWS	Healthcare	No	Kerala	Alappuzha	360,083.00	No	SIB Foundation	CSR00015361
3	PSET	Sports	Yes	Kerala	Thrissur	8,910,993.00	No	SIB Foundation	CSR00015361
4	Mater Dei International School, Coimbatore	Healthcare	No	Tamil Nadu	Coimbatore	500,000.00	No	SIB Foundation	CSR00015361
5	Cocon-XIII	Education	No	Kerala	Ernakulam	100,000.00	No	SIB Foundation	CSR00015361
6	Financial Literacy Council FLC	Education	No	Kerala and Tamilnadu	Kasaragod, Kannur, Kozhikode, Malappuram, Palakkad, Thrissur, Ernakulam, Alappuzha, Kottayam, Idukki, Pathanamthitta, Kollam, Thiruvananthapuram, Coimbatore, Trichy, Madurai, Dindigul, Nagarcoil, Nilgiris	4,089,000.00	No	SIB Foundation	CSR00015361
7	Students' Economic Forum	Education	No	All states	All districts	352,183.51	No	SIB Foundation	CSR00015361
8	Attappady Block Panchayat	Healthcare	No	Kerala	Palakkad	50,000.00	No	SIB Foundation	CSR00015361
9	Christ College, Irinjilakuda	Healthcare	Yes	Kerala	Thrissur	500,000.00	No	SIB Foundation	CSR00015361
10	Cluny Matriculation Higher Secondary School, Salem	Education	No	Tamil Nadu	Salem	336,000.00	No	SIB Foundation	CSR00015361
11	Holy Cross Hospital, Ghaziabad	Healthcare	No	Uttar Pradesh	Ghaziabad	400,000.00	No	SIB Foundation	CSR00015361
12	Holy Cross Hospital, Kalyan	Healthcare	No	Maharashtra	Thane	495,000.00	No	SIB Foundation	CSR00015361
13	Karnataka Holy Cross Society, Bangalore	Healthcare	No	Karnataka	BBMP (North)	39,400.00	No	SIB Foundation	CSR00015361
14	Powai English Medium School, Powai Bangalore	Education	No	Maharashtra	Mumbai	150,000.00	No	SIB Foundation	CSR00015361
15	St.Thomas Forane Church, Bangalore	Healthcare	No	Karnataka	Bengaluru	500,000.00	No	SIB Foundation	CSR00015361
16	XIM University, Bhubaneswar	Education	No	Orissa	Khordha	360,000.00	No	SIB Foundation	CSR00015361
17	Medical Mission Sisters, Kottayam	Healthcare	No	Kerala	Kottayam	500,000.00	No	SIB Foundation	CSR00015361

(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
18	St.James Hospital, Chalakudy	Healthcare	Yes	Kerala	Thrissur	1,000,000.00	No	SIB Foundation	CSR00015361
19	Vijay Marie College of Nursing, Begumpet	Education	No	Telangana	Hyderabad	68,440.00	No	SIB Foundation	CSR00015361
20	Pallickal Gramapanchayat	Healthcare	No	Kerala	Trivandrum	10,000.00	No	SIB Foundation	CSR00015361
21	Mariampur Hospital, Kanpur	Healthcare	No	Uttar Pradesh	Kanpur	500,000.00	No	SIB Foundation	CSR00015361
22	St.Francis De Sales College, Electronic City, Bangalore	Education	No	Karnataka	Bangalore	500,000.00	No	SIB Foundation	CSR00015361
23	Little Flower Convent HS, Irinjalakuda	Education	Yes	Kerala	Thrissur	74,000.00	No	SIB Foundation	CSR00015361
24	Trivandrum Corporation	Healthcare	No	Kerala	Trivandrum	100,000.00	No	SIB Foundation	CSR00015361
25	Chelakkara Gramapanchayat	Healthcare	Yes	Kerala	Thrissur	10,000.00	No	SIB Foundation	CSR00015361
26	Thavanish, Socio-Charitable Association of Christ College, Irinjalakuda	Education	Yes	Kerala	Thrissur	50,000.00	No	SIB Foundation	CSR00015361
27	St. Francis English Medium school, Perambra	Education	No	Kerala	Kozhikode	75,000.00	No	SIB Foundation	CSR00015361
28	Catholic Diocese of Muvattupuzha	Healthcare	No	Kerala	Ernakulam	943,209.00	No	SIB Foundation	CSR00015361
29	Ernakulam District Panchayat	Healthcare	No	Kerala	Ernakulam	200,000.00	No	SIB Foundation	CSR00015361
30	MAGJ Hospital, Mookkannoor	Healthcare	No	Kerala	Ernakulam	500,000.00	No	SIB Foundation	CSR00015361
31	Soverdia Trust, Bandra, Mumbai	Gender equality	No	Maharashtra	Mumbai	826,500.00	No	SIB Foundation	CSR00015361
32	St.Thereas Hospital, Hyderabad	Healthcare	No	Telangana	Hyderabad	500,000.00	No	SIB Foundation	CSR00015361
33	St. Thomas Hospital, Chethipuzha	Healthcare	No	Kerala	Kottayam	500,000.00	No	SIB Foundation	CSR00015361
34	Rosary Senior Secondary School, Delhi	Education	No	Uttar Pradesh	North West Delhi	25,000.00	No	SIB Foundation	CSR00015361
35	Caritas Goa	Education	No	Maharashtra	North Goa	70,000.00	No	SIB Foundation	CSR00015361
36	Aayukt Nagar Nigam, Jabalpur	Healthcare	No	Madhya Pradesh	Jabalpur	1,000,000.00	No	SIB Foundation	CSR00015361
37	St. Joseph's Sevasadan Community College, Bhubaneswar	Education	No	Orissa	Khordha	85,000.00	No	SIB Foundation	CSR00015361
38	Nirmala Convent School, Rajkot, Gujarat	Gender equality	No	Gujarat	Rajkot	17,600.00	No	SIB Foundation	CSR00015361
39	Kurji Holy Family Hospital, Patna	Healthcare	No	Bihar	Patna	86,000.00	No	SIB Foundation	CSR00015361

(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
40	Assisi English Medium School, Kechery	Healthcare	Yes	Kerala	Thrissur	11,000.00	No	SIB Foundation	CSR00015361
41	Institute of the Franciscan Missionaries of Mary, Mylapore, Chennai	Gender equality	No	Tamil Nadu	Chennai	48,500.00	No	SIB Foundation	CSR00015361
42	Organisation for the Development of People, Bannimandap, Mysore	Healthcare	No	Karnataka	Mysore	45,000.00	No	SIB Foundation	CSR00015361
43	Jabalpur Smart City Limited	Healthcare	No	Madhya Pradesh	Jabalpur	229,500.00	No	SIB Foundation	CSR00015361
44	New Life Assembly of God Community, Little Mount, Chennai	Environmental sustainability	No	Tamil Nadu	Chennai	1,000,000.00	No	SIB Foundation	CSR00015361
45	Mary Queens Mission Hospital, Karjirapally	Healthcare	No	Kerala	Kottayam	500,000.00	No	SIB Foundation	CSR00015361
46	St. Isabel's Hospital, Mylapore, Chennai	Healthcare	No	Tamil Nadu	Chennai	500,000.00	No	SIB Foundation	CSR00015361
47	St. Joseph of Cluny HSS Pondicherry	Education	No	Tamil Nadu	Puducherry	440,000.00	No	SIB Foundation	CSR00015361
48	Nirmala Sadan, Edakkalathur	Healthcare	Yes	Kerala	Thrissur	180,000.00	No	SIB Foundation	CSR00015361
49	Kalpatharu Education Trust, Belthangady, Karnataka	Education	No	Karnataka	Mangalore	500,000.00	No	SIB Foundation	CSR00015361
50	Associates of Carmel, Chalakudy	Education	Yes	Kerala	Thrissur	500,000.00	No	SIB Foundation	CSR00015361
51	St. Joseph Hospital, Agartala, West Tripura	Healthcare	No	Tripura	West Tripura	112,690.00	No	SIB Foundation	CSR00015361
52	St. Marthas Hospital, Bangalore	Healthcare	No	Karnataka	Bangalore	50,000.00	No	SIB Foundation	CSR00015361
53	Notre Dame Academy, Bangalore	Healthcare	No	Karnataka	Bangalore	85,000.00	No	SIB Foundation	CSR00015361
54	Vimala College	Education	Yes	Kerala	Cheroor	95,934.00	No	SIB Foundation	CSR00015361
55	Nirmala Convent School, Rajkot	Gender equality	No	Gujarat	Rajkot	18,600.00	No	SIB Foundation	CSR00015361
56	Bharata Mata College, Thrikkakara	Environmental sustainability	No	Kerala	Ernakulam	80,000.00	No	SIB Foundation	CSR00015361
57	Surat Finance Association	Healthcare	No	Gujarat	Surat	25,000.00	No	SIB Foundation	CSR00015361
58	St. Joseph's Hospital, Kammaguda	Healthcare	No	Telangana	Rangareddy	1,250,000.00	No	SIB Foundation	CSR00015361
59	Caritas Hospital & Institute of Health Sciences, Thellakom, Kottayam	Healthcare	No	Kerala	Kottayam	1,200,000.00	No	SIB Foundation	CSR00015361

(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
60	Pope Paul Mercy Home, Peringandoor	Education	Yes	Kerala	Thrissur	1,500,000.00	No	SIB Foundation	CSR00015361
61	Augustin Ukken Revitalizing Agency (AURA)	Gender equality	Yes	Kerala	Thrissur	1,120,446.00	No	SIB Foundation	CSR00015361
62	St. Joseph Hospital, Dindigul	Healthcare	No	Tamil Nadu	Dindigul	24,000.00	No	SIB Foundation	CSR00015361
63	Sisters Of Charity Secunderabad	Gender equality	No	Telangana	Secunderabad	100,000.00	No	SIB Foundation	CSR00015361
64	St Joseph's Asylum Industrial Workshops, Mangalore	Education	No	Karnataka	Mangalore	100,000.00	No	SIB Foundation	CSR00015361
65	Maria Nikethan High School	Education	No	Karnataka	Mysore	500,000.00	No	SIB Foundation	CSR00015361
66	St. Josephs Convent, Thrissur	Healthcare	Yes	Kerala	Thrissur	295,000.00	No	SIB Foundation	CSR00015361
67	St. Josephs Home, Pullazhi	Gender equality	Yes	Kerala	Thrissur	500,000.00	Yes	Direct	-
68	St. Xaviers ITI	Education	No	Tamil Nadu	Thanjavur	100,000.00	No	SIB Foundation	CSR00015361
69	Paalana Institute of Medical Sciences	Healthcare	No	Kerala	Palakkad	675,000.00	No	SIB Foundation	CSR00015361
70	Sahrudaya Services and Charities	Gender equality	No	Kerala	Ernakulam	714,000.00	No	SIB Foundation	CSR00015361
71	Sacred Heart College, Thevara	Environmental sustainability	No	Kerala	Ernakulam	1,000,000.00	No	SIB Foundation	CSR00015361
72	Abhayabavan, Irinjialakuda	Gender equality	Yes	Kerala	Thrissur	78,800.00	No	SIB Foundation	CSR00015361
73	Cheraman Malik Manzil Orphanage Kodungallur	Gender equality	Yes	Kerala	Thrissur	83,200.00	No	SIB Foundation	CSR00015361
74	St Annes English Medium L P School, Kottayam	Education	No	Kerala	Kottayam	93,500.00	No	SIB Foundation	CSR00015361
75	St.Vincent Diabetes Research Centre Society, IJK	Healthcare	Yes	Kerala	Thrissur	100,000.00	No	SIB Foundation	CSR00015361
76	Bishop Peter Pereria Memorial pvt. ITI, Udayamkulangara	Healthcare	No	Kerala	Trivandrum	62,390.00	No	SIB Foundation	CSR00015361
77	Mary Mount Public School, Kattachira	Healthcare	No	Kerala	Kottayam	80,000.00	No	SIB Foundation	CSR00015361
78	Sevana Rehabilitation Centre for Women	Gender equality	No	Kerala	Ernakulam	98,800.00	No	SIB Foundation	CSR00015361
79	Snehasadan Special School, Kalady	Healthcare	No	Kerala	Ernakulam	129,800.00	No	SIB Foundation	CSR00015361
80	AMIMA Chalakudy	Gender equality	Yes	Kerala	Thrissur	280,000.00	No	SIB Foundation	CSR00015361
81	Providence Home Edathala	Gender equality	No	Kerala	Ernakulam	200,529.00	Yes	Direct	-

(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
82	Mar Timotheus Charitable Hospital, Kunnathumkara	Healthcare	Yes	Kerala	Thrissur	126,900.00	No	SIB Foundation	CSR00015361
83	Santhi Bhavan Social Centre for Physically Handicapped, Chalakudy	Education	Yes	Kerala	Thrissur	937,000.00	Yes	Direct	-
84	St. Mary's L P School, Velayanad	Healthcare	Yes	Kerala	Thrissur	500,000.00	No	SIB Foundation	CSR00015361
85	Association for Social Development Suvruth Sadan, Chumanangmvely	Gender equality	No	Kerala	Ernakulam	205,520.00	No	SIB Foundation	CSR00015361
86	Diwarakshaka Social And Charitable Society	Gender equality	No	Kerala	Idukki	950,000.00	Yes	Direct	-
87	Sevabharathi- Irinjalakuda	Gender equality	Yes	Kerala	Thrissur	148,566.00	Yes	Direct	-
88	Nirmala Matha Central School, Thrissur	Gender equality	Yes	Kerala	Thrissur	1,000,000.00	No	SIB Foundation	CSR00015361
89	Christ College, Mysuru	Education	No	Karnataka	Mysore	182,750.00	No	SIB Foundation	CSR00015361
90	Mar Theophilus Training college, Nalanchira	Education	No	Kerala	Trivandrum	1,000,000.00	Yes	Direct	-
91	Holy Cross Hospital, Kottiyam	Healthcare	No	Kerala	Kollam	490,000.00	Yes	Direct	-
92	JMP Hospital	Healthcare	No	Kerala	Ernakulam	700,000.00	No	SIB Foundation	CSR00015361
93	Government Tribal Specialty Hospital, Kottathara	Healthcare	No	Kerala	Palakkad	3,387,000.00	No	SIB Foundation	CSR00015361
94	Chavara Vidhya Bhavan, Coimbatore	Healthcare	No	Tamil Nadu	Coimbatore	85,550.00	No	SIB Foundation	CSR00015361
95	Chinnakanal Grama Panchayat	Healthcare	No	Kerala	Idukki	9,200.00	No	SIB Foundation	CSR00015361
96	Pottore Anganavdai	Education	Yes	Kerala	Thrissur	70,600.00	No	SIB Foundation	CSR00015361
97	St. Anns Charitable Institute	Environmental sustainability	Yes	Kerala	Thrissur	450,000.00	No	SIB Foundation	CSR00015361
98	Our Lady Queen of the Missions School	Education	No	West Bengal	Kolkata	1,000,000.00	No	SIB Foundation	CSR00015361
-	Total	-	-	-	-	5,55,33,683.51	-	-	-

- (d) Amount spent in Administrative Overheads : 1,45,000.00
(e) Amount spent on Impact Assessment, if applicable : NA
(f) Total amount spent for the Financial Year(8b+8c+8d+8e) : 6,05,78,683.51
(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)	6,03,91,743.18
(ii)	Total amount spent for the financial year	6,05,78,683.51*
(iii)	Excess amount spent for the financial year[(ii)-(i)]	1,86,940.33
(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 - ₹ 5,70,33,683.51, amount spent in administrative overhead for the FY 2021-22 – ₹ 1,45,000.00 and the amount transferred to unspent CSR account as per section 135(6) is ₹ 34,00,000.00

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	Nil	NA	Nil	Nil	Nil
3	2020-21	3,13,96,573.15	1,91,21,891.88				1,22,74,681.27
TOTAL		3,62,96,573.15	1,91,21,891.88	-	-	-	1,22,74,681.27

(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	CSR/65/20	Pullu Village, Thrissur Dt	2019-20	36	50,00,000.00	6,74,800.00	41,74,800.00	Ongoing
2	CSR/83/19	Snehatheeram, Punalur	2018-19	36	25,00,000.00	20,50,000.00	25,00,000.00	Completed
3	CSR/S211/21	Vadakkechira Renovation works	2020-21	36	33,00,000.00	34,339.88	3,34,339.88	Ongoing
4	CSR/04/20	Scholar	2019-20	48	8,20,00,000.00	1,12,31,880.00	5,88,13,421.05	Ongoing
5	CSR/01/21	Financial Literacy Council	2020-21	12	41,22,000.00	3,24,000.00	41,22,000.00	Completed
6	CSR/102/20	Don Bosco Snehabhavan, Palluruthy	2019-20	24	4,56,000.00	1,56,000.00	4,56,000.00	Completed
7	CSR/122/20	Santhwanam Apostolate, Thrissur	2019-20	36	18,54,000.00	4,54,000.00	18,54,000.00	Completed
8	CSR/117/20	Thykatassery Grama Panchayat	2019-20	36	12,20,000.00	7,51,000.00	12,20,000.00	Completed
9	CSR/26/21	KAWWFB-I	2020-21	12	7,55,156.00	2,38,672.00	7,55,156.00	Completed

(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
10	CSR/56/21	Baldwin Methodist School	2020-21	24	10,00,000.00	0.00	0.00	Ongoing
11	CSR/59/21	Little flower College, Guruvayoor	2020-21	12	4,00,000.00	183,000.00	4,00,000.00	Completed
12	CSR/95/21	Loyola Institute of Business Management	2020-21	36	10,00,000.00	10,00,000.00	10,00,000.00	Completed
13	CSR/96/21	Angela Old-age Home, Taliparamba	2020-21	12	24,200.00	24,200.00	24,200.00	Completed
14	CSR/100/21	St. Joseph's Hospital, Kammaguda	2020-21	12	5,00,000.00	0.00	0.00	Ongoing
15	CSR/103/21	Sparsh Round Table School	2020-21	12	5,00,000.00	500,000.00	5,00,000.00	Completed
16	CSR/102/21	Dabbawala Community, Mumbai	2020-21	12	5,00,000.00	500,000.00	5,00,000.00	Completed
17	CSR/104/21	District Suchitwa Mission, Kottayam	2020-21	12	70,000.00	0.00	0.00	Ongoing
18	CSR/105/21	KAWWFB-II	2020-21	24	9,36,882.00	0.00	0.00	Ongoing
19	CSR/98/21	Christ University, Bangaluru	2020-21	12	10,00,000.00	10,00,000.00	10,00,000.00	Completed
-	Total		-	-	10,71,38,238.00	1,91,21,891.88	7,69,79,116.93	-

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) : Three ongoing projects were sanctioned during the FY 2021-22 and the unspent amount of the ongoing projects were transferred to Unspent CSR account on 31.03.2022, which can be disbursed in FY2022-23.

Sd/-
Murali Ramakrishnan
MD&CEO
DIN:01028298

Sd/-
Parayil George John Tharakan
Chairman-CSR Committee
DIN: 07018289

Place: Thrissur
Date: June 07, 2022

Annexure - D

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

[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 31.03.2022 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 31.03.2022 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 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- (e) The Securities and Exchange Board of India (Issue and Listing of 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.

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

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

The Bank has taken Shareholders' approval at the Annual General Meeting held on 18.08.2021, among others, for the following:

- Pursuant to Sections 13, 61 and other applicable provisions of the Companies Act, 2013, and other relevant statutory provisions, to increase the Authorised Capital of the Bank from ₹ 350 Crores to ₹ 400 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 ₹ 2000 Crores.
- Pursuant to Sections 42, 71, 179 and other applicable provisions of the Companies Act, 2013, and other relevant statutory provisions, to raise funds by issue of bonds/ debentures/ securities on private placement basis for an amount not exceeding Rs.500 Crores.
- 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

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

UDIN: F003067D000468721
Peer Review Certificate No.648 /2019

For SVJS & Associates
Company Secretaries

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

Kochi
07.06.2022

Annexure A

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

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

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

1. Maintenance of the secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the audit practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2022 but before the issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.
8. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

UDIN: F003067D000468721
Peer Review Certificate No.648 /2019

For SVJS & Associates
Company Secretaries

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

Kochi
07.06.2022

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:	2021-2022
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 :	1 (Representative Office @ Dubai)
	Number of National Locations :	As on March 31 st 2022, the Bank had a network of 935 banking outlets (928 Branches, 1 Extension Counter, 3 Satellite branches and 3 Ultra small branches) and 1270 ATMs/CRMs (1149 ATMs and 121 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):	₹ 7,620.64 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):	₹ 44.98 crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	16.94%

5. List of activities in which expenditure in 4 above has been incurred:
- 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.
 - Training to promote nationally recognized sports.
 - Rural development projects.
 - Promoting Financial Literacy.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/Companies?	YES
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)	NO
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

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 of its employees at par. In order to ensure wellbeing 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 provide 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, 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
[https://www.southindianbank.com/UserFiles/file/Web-New/ Disclosures/Compensation%20Policy.pdf](https://www.southindianbank.com/UserFiles/file/Web-New/Disclosures/Compensation%20Policy.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-2021-to-2022/3896>

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 FY 2021-22 was 122 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 9219 employees as on March 31, 2022.

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

The Bank had 23 employees as on March 31, 2022 on fixed term contract. Further, 3681 personnel are engaged through outsourced agencies.

3. Please indicate the number of permanent women employees:

The Bank had 4068 women employees as on March 31, 2022, which constitutes 44% of the total employees.

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

The Bank is an equal opportunity employer and treats all employees at par. There are 9 employees with disabilities.

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

Yes – South Indian Bank Employees Association for Award staff & South Indian Bank Officers Association for Officers upto Scale IV.

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

South Indian Bank Employees Association for Award staff – 95.6%

South Indian Bank Officers Association for Officers upto Scale IV - 86.56%

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 2021-22. 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 2021-22, 2 (two) complaints has been received for the consideration of the Committee and the complaints has been closed after due process. 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 2021-22, the Bank has imparted training to a total of 6,065 staff members across grades, including new joiners' induction for 1,296 persons, which is about 66% of total staff strength of 9,219 as on March 31, 2022.

Fire & Security Officer conducted fire training for the following no of staff:

Staffs Trained	- 128 staffs
Security Guards	- 37 guards
Technicians & Support staffs	- 28 Tech support

Security officers conducted fire training for the following staff during branch visits (Total of 169 branches):

SIB staff trained : 845

Outsourced staff trained during branch visits: 71

Total - 1109 persons were trained during the financial year 2021-22

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 marginalised 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?

Yes. 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 2021-22 was 1175. In addition to this, 43,099 complaints were received during the financial year and 42,828 complaints have been resolved. 96.73% 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.

Electrical & Energy audit is conducted in our high tension buildings and energy saving measures as well as safety measures were taken based on the audit suggestions. A new initiative of energy saving through monitoring of energy consumption has been started in our branches with the UK based energy consultant company M/s. Racanaa Energy.

Further, the Bank has provided assistance for Installation/ purchase of solar plants, waste management measures 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 and Federation of Indian chambers of commerce and industry. 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, 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 ₹ 5.71 Crore* on Corporate Social Responsibility activities during the FY 2021-22. 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 and ensuring environmental sustainability.

* Excluding unspent CSR amount ₹ 191.22 Lakhs spent on previous Financial Years and ₹ 34.00 lakhs transferred to unspent CSR account on account of ongoing projects sanctioned during FY 2021-22.

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 3.27% of customer care complaints are pending as on the end of the FY 2021-22.

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?

Bank conducts Customer Level Service Committee meetings at all branches every month. During these meetings customer feedback, suggestions, customer satisfaction survey 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 : June 07, 2022

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Scenario

Global Economy

Path to recovery of the global economy faced repeated Covid-19 waves which acted as impediments for economic recovery. Highly hazardous second wave led to asynchronous growth and lockdowns, impacting global supply chains and pushing the normalcy far away.

The global macroeconomic scenario remained volatile in FY 2021-22 with sporadic resurgence of the pandemic in several parts of the world, spike in global commodity prices, supply bottlenecks, an upward trajectory for inflation expectations and challenging financial market conditions. Global growth was projected to slow from an estimated 6.1 per cent in 2021 to 3.6 per cent in 2022 and 2023 due to the economic damage caused by the war in Ukraine. The Ukraine war was an economic earthquake and its impact was global. The increases in prices of commodities that led to rising inflation across the globe.

Fitch Ratings has cut its world GDP growth forecast for 2022 by 0.7pp to 3.5%, with the eurozone cut by 1.5pp to 3.0% and the US by 0.2pp to 3.5%. This reflects the drag from higher energy prices and a faster pace of US interest rate hikes than anticipated.

Advanced and Developing economies seemed to be on an opposite trajectory of recovery in 2021 as the former started to come out of the pandemic on the back of good vaccination rates and fiscal support while the emerging and low-income countries faced public health challenges when the highly transmissible wave hit their economy partly because of low vaccination rate with about 96% of the population remain unvaccinated. While advanced economies are bound to bounce back to almost pre-pandemic levels of growth developing economy is expected to lag by around 5% than pre-pandemic forecast by the IMF.

The IMF's forward-looking projections for the year 2022 have been unchanged at 4.9%. Equitable vaccine distribution with the help of developed nations is seen as one of the priorities by the IMF to come out of the pandemic wrath. The potential downside to risks continued to be resurging pandemic shocks, ongoing war between countries which seems to further exacerbate supply chain disruptions and rising interest rates even when Covid-19 has started to recede.

However, the war in Ukraine has triggered a costly geo political crisis. The economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. The disruption of oil prices is leading to

cost escalation across constituents of the food chain. Since the beginning of the war fuel and food prices have increased rapidly, hitting the vulnerable populations in low-income countries hardest.

INDIAN ECONOMY

According to the provisional estimates released by the National Statistical Office (NSO) on May 31, 2022, India's real gross domestic product (GDP) growth in 2021-22 is estimated at 8.7 percent. The level of real GDP in 2021-22 has exceeded the pre-pandemic (2019-20) level. On the supply side, major categories also surpassed the 2019-20 levels. The recovery in domestic economic activity is expected to remain firm, with growth impulses getting increasingly broad based. Manufacturing and services purchasing managers' indices (PMIs) for May point towards further expansion of activity. Improvement in investment activity is also reflected in pick-up in demand for bank credit and persisting growth in imports of capital goods.

Vaccination has been picking pace with ₹ 157.94 crore doses of COVID-19 vaccines administered as of 16th January 2022; 91.39 crores first dose and 66.05 crores second dose. While mobility deviation from pre-pandemic levels of mobility has been exceeded before the arrival of the Omicron wave. Purchasing Managers' Index-Manufacturing, a widely used growth indicator has been in the expansionary zone since January 2021 with the exception of one month during the second wave.

In April, the International Monetary Fund had lowered India's growth projection to 8.2 per cent as compared to 9 per cent estimated in January. By 2023, the country is expected to grow at 6.9 per cent. The IMF may further revise India's GDP growth forecast for 2022 to below 8.2 per cent.

Agriculture is expected to grow by 3.9 percent in 2021-22 not wildly different than previous year growth of 3.6 percent. India's merchandise exports and imports rebounded strongly and surpassed pre-COVID levels during FY22. Services accounts for more than half of the Indian Economy was the highest impacted sector especially activities dependent on contact. Sub components such as Finance/Real Estate and the Public Administration segments surpassed pre-COVID levels while segments like Travel, Trade and Hotels are yet to fully recover.

In spite of that, the Purchasing Managers' Index-Services since August 2021 indicates strong recovery. This sector is estimated to grow by 8.2 per cent this financial year following last year's 8.4 percent contraction.

Fiscal stimulus and health response are the main reasons behind increased levels of fiscal deficit and government debt in 2020-21. However, Gross Tax Revenue registered strong performance compared to pre-pandemic levels of 2019-2020. In addition to this, gross monthly GST collections have crossed 1 lakh crore consistently since July 2021 which points that the Government will comfortably meet its targets for the year while maintaining the support and ramping up capital expenditure which can be seen as supply and demand enhancing initiative. Two years of BoP surplus has allowed RBI to accumulate US\$ 634 billion as on Dec'21 which is equivalent to 13.2 months of merchandise imports and is higher than the country's external debt. ₹ 89,066 crore was raised via 75 Initial Public Offering (IPO) issues in April-November 2021, which is much higher than in any year in the last decade.

Stepping into FY22 the proactive measures of the RBI and central governments came in as the most suitable fiscal measures to combat the challenging scenario. Amid soaring prices of food and fuel, with inflation at an 18-month high and higher global prices filtering through, RBI raised the benchmark interest rate for the first time in two years in an attempt to rein in high consumer prices by 40 basis points to 4.4%. The RBI also announced a 50 basis point increase in the cash reserve ratio to draw out excess liquidity from the system.

Further the central government reduced the central excise duty on Petrol by ₹ 8 per litre and on diesel by ₹ 6 per litre. The government also reduced the import duty on coal to 0% from 2.5%.

Going forward more such fiscal measures are expected from the RBI, Central and State governments to reduce the impact of adverse global impacts on Indian economy.

BANKING AND FINANCE – DOMESTIC

During FY21 banking sector was supported by the timely measures introduced by the RBI such as the moratorium period, freezing asset classification to keep a check on the slippages which was supposed to rise given the pandemic. But with the subsequent recovery in the first half of 2020-21, strengthened capital buffers, recapitalization of PSBs (Public sector banks), and raising capital from the market helped mitigate the impact of lockdowns. The future performance of the banking system hinges quite clearly on the recovery of the economic performance in the year ahead. There were a lot of important and notable initiatives introduced by Reserve Bank of India in the last year especially in the context of giving a push to a recovery economy which includes MPC voting unanimously to keep the repo rate unchanged at 4% and continue with the accommodative stance to support growth throughout FY21. Liquidity window of ₹ 15000 crore with tenor upto 3 years at repo was extended up till June end of 2022, announced for certain contact intensive sectors. To boost the digital economy Govt to propose RBI to launch digital rupee starting from 2022-23 using block chain and other tech.

In the Union Budget for 2021-22, the government has announced its intention for introduction of CBDC (Central Bank Digital Currency) and an appropriate amendment to the RBI Act, 1934 has been included in the Finance Bill, 2022. Further, the Government has proposed to set up 75 digital banking units (DBUs) in 75 districts across India through scheduled commercial banks.

ECONOMIC AND BANKING OUTLOOK

A few highlights of the measures and guidelines introduced by the RBI to cushion the Banking and Economy are:

- Resolution framework 2.0 announced for MSME and Non MSME small businesses and individuals where the maximum total exposure increased to ₹ 50 crore if not a part of restructuring earlier.
- Liquidity window of ₹ 15000 crore with tenor upto 3 years at repo was extended up till June end of 2022, announced for certain contact intensive sectors.
- In a way to boost the digital economy Govt to propose RBI to launch digital rupee starting 2022-23 using blockchain and other tech which would lead to efficient and cheaper currency management system.

RBI has decided with the discontinuation of LIBOR from now on any widely accepted interbank rate or alternative reference rate (ARR) applicable to the currency of borrowing may be used as a benchmark.

India's GDP is projected to grow in real terms by 8.0-8.5 percent in 2022-23 on the back of minimal economic disruption. This is comparable with ADB and World bank's projections of 8.7 percent and 7.5 percent respectively for 2022-23. IMF in its latest report projects India as the fastest-growing major economy in the world.

Financial Performance Vs Operational Performance

During the FY 2021-22, the total gross business of the Bank increased from ₹ 1,42,128.95 crore to ₹ 1,50,957.87 crore, deposits increased from ₹ 82,710.55 crore to ₹ 89,142.11 crore and gross advances increased from ₹ 59,418.40 crore to ₹ 61,815.76 crore. Operating profit of the Bank had decreased from ₹ 1,661.60 crore to ₹ 1,247.57 crore. The performance of the Bank affected mainly on account of the Covid pandemic. The Net Profit decreased to ₹ 44.98 crore as against ₹ 61.91 crore reported in last year due to lower net interest income and higher depreciation on investment on account of security receipts. The Provision Coverage Ratio (PCR) has improved to 69.55% from previous level of 58.73%.

The percentage of Gross NPA to Gross Advances stood at 5.90 and the Net NPA to Net Advances at 2.97 as on March 31, 2022. The Capital Adequacy Ratio of the Bank was 15.86 under Basel III norms as on March 31, 2022 as against the RBI mandated level of 11.50. Book value per share increased from ₹ 27.75 to ₹ 27.97 during the year 2021-22. The gross revenue from Treasury Operations segment decreased from

₹ 1,847.74 crore to ₹ 1,499.70 crore, Corporate/Wholesale Banking segment decreased from ₹ 2,809.42 crore to ₹ 2,065.04 crore. Retail Banking segment increased from ₹ 3,568.74 crore to ₹ 3,710.05 crore and Other Banking Operations segment increased from ₹ 308.72 crore to ₹ 345.85 crore.

Segment results net of allocated/apportioned cost and provisions from Treasury segment decreased from ₹ 49.33 crore to ₹ 18.51 crore, Retail Banking segment decreased from ₹ 547.85 crore to ₹ 291.65 crore whereas Corporate/wholesale Banking segment increased from (₹ 810.82) crore to (₹ 656.82) crore other banking operations increased from ₹ 237.30 crore to ₹ 254.67 crore.

KEY BUSINESS RATIOS

Interest income as a percentage to the Working Funds for the FY 2021-22 has decreased from 7.41% to 6.57% mainly on account of downward movement of yield and the effect of pandemic.

Non-interest income as a percentage to the Working Funds for the FY 2021-22 has decreased from 1.20% to 1.03% mainly on account of increase in provision for depreciation on investments and lower profit on sale of investments which was partially offset by higher recovery income from written off accounts and income received from sale of Priority Sector Lending Certificates.

On account of the above mentioned reasons the operating profit as a percentage to Working Funds for the FY 2021-22 has decreased from 1.64% to 1.24%, the return on Assets (based on working fund) for the FY 2021-22 was down from 0.06% to 0.04% and Return on Equity for the FY 2021-22 was down from 1.07% to 0.77%. Even during the pandemic period GNPA for the FY 2021-22 has improved from 6.97% to 5.90% due to higher recovery/upgrade.

UPDATE ON IND-AS IMPLEMENTATION

The Institute of Chartered Accountants of India had 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. BP.BC.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 a Steering Committee headed by the Executive Vice President that monitors the progress of implementation.
- Submitting Proforma Ind-AS financial statements to the RBI as per extant regulatory guidelines.
- Bank had implemented a solution for automating Ind-AS computations.
- 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. The Bank has consistently applied its significant accounting policies in the preparation of its financial results for the year ended March 31, 2022 as compared to those followed for the year ended March 31, 2021 except for its stock based employee compensation plans, as RBI, vide its clarification dated August 30, 2021 on guidelines on compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk takers and Control Function staffs, advised Banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after March 31, 2021. There is no impact in profit and loss account on account of the above change during the FY 2021-2022, as there is no grant during FY 2021-2022.

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. The Bank is committed to achieve its goals by focusing on the major areas such as profitability, asset quality, resilient loan book, robust retail liability portfolio, appropriate organizational structure and latest digital technology.

The Bank propose to continue its focus on profitability, asset quality, resilient loan book, robust retail liability portfolio, sharpening organizational structure and digital technology to achieve the business goals. The brief action plans & strategies initiated are as follows:

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

6 C's	Strategy
Capital	Churning of advance portfolio by increasing the share of A and above rated accounts and increase in gold loan portfolio which helps to conserve capital.
CASA	Improving CASA through focused drive on building a sustainable CASA book through our Pan India presence.
Cost to Income	Optimizing the cost across the organization. Continued efforts are taken to calibrate the CI ratio over a period of time.
Competency Building	Augmenting the talent of young resources & revamping the organizational structure to build a pool of talent to deliver continued excellence.
Customer Focus	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. Customer experience is critical for the success of any organization as the same is a competitive advantage.
Compliance	Compliance continues to be the core focus for the Bank and will be the axis across all domains of banking activities by adopting the motto "compliance with conscience".

- To Build Strong and Resilient Loan Book by focusing on:

- Strengthening Business Structure
- Strengthening the Team
- Building Robust Infrastructure
- Launching New Products

- To Build Robust Retail Liability Franchise by focusing on:

a) NRI Business:	- Re-organise structure with a new vertical focus on pan India basis - Expanding geographies by partnering with exchange houses, banks and remittance platforms
b) Higher Share of Customer Wallet:	- Use of data analytics for deeper customer penetration with multiple product offerings - Focused drive on making South Indian Bank as a primary bank for all asset and liability customers
c) Customer Segments	- Focus on segments like trust, co-operative society and Govt. banking - Digital mapping of customer life cycle management

- More emphasis on collection and recovery of stressed accounts

- Alignment of Recovery team with asset verticals to target each customer segments
- Strengthen collection team and implementation of new collection system with better management capabilities
- Dedicated focus on mitigating frauds

- Digital Technology

By leveraging the use of digital technology the Bank will be able to offer better experience to customer and staff, thereby increase the customer base, improve other income, reduce operation cost and prepare the business for the future. The Bank has initiated various digital initiatives for supporting various operational, underwriting and marketing areas and through further scaling up of

the same, The Bank is expected to reap more benefits in coming years:

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 & 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. The portfolio analysis of various products/industries, covering various credit quality indicators are being carried out on a periodic basis for identifying portfolio trends, and generating portfolio level MIS. 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 & mitigate operational risks and to optimize resources not only to protect the interests of the Bank but also to ensure return commensurate with the risk profile adopted. Identification and assessment of risk together with the assessment of control effectiveness are key to Operational risk management process. 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) and Net Stable Funding Ratio (NSFR).

e) Information Security and Cyber Risk Management

In order to provide guidelines for cyber security related initiatives, a Board approved Cyber Security policy is in place. Also, Cyber Crisis Management Plan (CCMP) is in place, to provide the requisite strategy, direction and roadmap towards cyber threat mitigation. IT Departments and CISO Office are ISO 27001 certified for the implementation of Information Security Management System (ISMS). As a part of ISMS implementation, the Bank has prepared IS Security Policy and related IT risk management procedures. The Cyber Security governance is a part of Bank's Information Security framework. In order to consider cyber security from the bank-wide perspective, a steering committee of executives known as Information Security Committee is formed with formal terms of reference. The Chief Information Security Officer (CISO) is the member secretary of the committee. The committee serves as an effective communication channel for management's cyber security aims and directions. The Committee also guides and monitors development 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. 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 and Bank has put in place a number of latest security solutions to manage cyber-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. Bank is also committed to Data Privacy of customers, employees, stakeholders, etc and is undertaking initiatives to further enhance and improve its Data Privacy posture.

f) Business Continuity Plan

The Bank has a comprehensive Business Continuity Plan (BCP) to ensure continuity of critical business operations of the Bank identified through criticality assessment using Business impact analysis (BIA), at times of disruptions. In line with the Business Continuity Plan, the Bank has constituted a BCP Committee incorporating the heads of all major departments, to exercise, maintain and invoke business continuity plan as needed. 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.

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).

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

Audit of Branches

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

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

In addition to the concurrent and risk based internal audits, the branches are subjected to Surprise Inspection, Flash Inspection, 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 conducted 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 Centers, 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.

Subsidiary Companies/Joint Ventures or Associate Companies

As on March 31, 2022, the Bank has one unlisted wholly owned subsidiary - M/s. SIB Operations and Services Limited, which is incorporated on 28th May, 2021, SIB Operations and Services Limited is a wholly owned Non-Financial Subsidiary Company of The South Indian Bank Ltd. RBI has accorded the final approval on 25th March, 2021 for setting up the Subsidiary Company and the Company was incorporated on 28th May 2021 to cater to the operational needs of The South Indian Bank Ltd. The authorized Capital as on 31st March, 2022 is ₹ 2 crore and the Issued and Paid-up Capital is ₹ 50 lakh. The company is providing exclusive services to the Bank in the operational areas of Telecalling, Business Development, Data Entry Operations, I.T. Support and other services permitted by Reserve Bank of India.

HUMAN RESOURCE DEVELOPMENT/ INDUSTRIAL RELATIONS

Human Resources Department has undergone rapid transformation to aid the Bank's vision 2024. The transformation was done focussing on following four pillars; Talent Management, Talent Acquisition, Strategic & Operational HR and Learning & Development.

The newly formed verticals are manned with right talent primarily through internal redeployment and through lateral recruitment from the market, when any gap is identified. Moreover recruitments has been resumed in large scale in line with the business plans for the upcoming years. The personnel on rolls have increased from 8,314 as on 31.03.2021 to 9,219 as on 31.03.2022. The lateral hiring was initiated to achieve

right person at right place and to adopt industry standards in a faster pace as per the strategic plan.

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

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

The Bank has also introduced various initiatives such as surveys, outreach programs of executives, bank calendar displaying artistic talents of employees, recognition module for employee engagement and employee wellbeing initiatives such as wellness leave, women inclusion survey and webinars by industry expert to have sense of ownership for all employees.

To have communication flow from top to bottom and bottom to top, HR department has initiated 'Synergy' an HR outreach program conducted by Head HR which is attended by all cadres of staff. In addition to this a suggestion Box has been created to capture the ideas/suggestions from ground level staff and concerned departments has implemented the same if found feasible.

Learning & Development has assumed significant importance in the present banking scenario. The Bank's Learning & Development division identifies the gaps in capability of the personnel and trains them for qualitative improvement. The development of employees is essential for the future strength of our business. Bank has moved towards the new age learning through the Introduction of LMS platform, where the employee has the opportunity to learn 24 x7. More over the proper weightage was given to every employee's scorecard

which has made learning their part of life. World class content of 100 + hours are added in the platform which was assigned to each employee based on their role.

Management is keeping cordial relationship with workmen and officer's union. The changes are implemented by taking both unions in to confidence, hence Bank is able to achieve the desired results in short span of time. This also helps the Bank to keep the attrition rate at 3.87% which is one of the lowest in the industry.

As an HR initiative, it is planned that going forward technology be used as a major tool in all HR related activities, with a view to deliver quality product / service in quick time. Further, on strategic part, best practices used worldwide is being adopted to cater to the needs and vision of the Bank, so that HR as a function will synergise the Bank to achieve great heights.

To motivate the employees further and to inculcate in them a sense of ownership, Employees' Stock Option Scheme (ESOS) was approved by the shareholders at the Annual General Meeting held on August 18, 2008. The Bank has introduced Tranche 1 of the scheme in 2009-10, Tranche 2 of the scheme in 2010-11, Tranche 3 of the scheme in 2011-12, Tranche 4 and Tranche 5 during 2012-13, Tranche 6 during 2013-14, Tranche 7 during 2014-15, Tranche 8 & Tranche 9 during 2017-18 and Tranche 10 on 2020-21. In order to ensure enhanced productivity and efficiency in all areas of operations and cultivate motivation among employees in all cadres, the Bank has implemented the Performance Linked Incentive Scheme (PLIS) from the Financial year 2007-08 onwards. PLIS calculation is based on the score obtained by each employee in respective balanced scorecard. From FY 2021-22 onwards the Bank has moved to balanced score card based appraisal process for all the job roles in the Bank. In which single score is considered for promotion, PLIS calculation, etc.

By order of the Board

(SALIM GANGADHARAN)
CHAIRMAN
DIN : 06796232

(MURALI RAMA KRISHNAN)
MANAGING DIRECTOR & CEO
DIN : 01028298

Place : Thrissur
Date : June 7, 2022

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, 2022 is presented below:

Bank's Philosophy on Code of Governance:

Corporate Governance ensures high standards of transparency, accountability, ethical operating practices, professional management thereby enhancing shareholders' value and protecting the interest of the stakeholders such as depositors, creditors, customers, suppliers and employees. The Bank is committed to uphold highest standards of Corporate Governance by ensuring integrity in financial reporting, disclosure of material information, continuous improvement of internal controls and sound investor relations.

The Bank's Corporate Governance framework ensures that it makes timely disclosures and share accurate information regarding our financials and performance as well as the leadership and governance of the Bank.

The required details on Corporate Governance are given hereunder: -

1. BOARD OF DIRECTORS

The Board of Directors of the Bank is broad based and varied in terms of experience of the members of the Board. The Board has been constituted in compliance with the Banking Regulation Act, 1949, the Companies Act, 2013, the relevant rules made There under, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), the guidelines issued by the Reserve Bank of India (RBI) in this regard, the Articles of Association of the Bank and in accordance with best practices in Corporate

Governance. The Board of Directors of the Bank has an optimum combination of Executive and Non-Executive Directors with one Woman Director. The Chairperson of the Board is a Non-Executive 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, 2022, 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, 2022 are given below:

Sl. No.	Name of Director	Category of Director	No. of Board Meetings		Attendance of Last AGM held on 18-08-2021	No. of Shares of held	% of holding
			Held during the tenure	Attended			
1	Sri Salim Gangadharan	NE (Chairman)	12	12	Present	20,000	0.001%
2	Sri. Murali Ramakrishnan	Managing Director (Executive)	12	12	Present	Nil	Nil
3	Sri Francis Alapatt *	INE	6	5	Absent@	NA (retired on 31.10.2021)	NA

Sl. No.	Name of Director	Category of Director	No. of Board Meetings		Attendance of Last AGM held on 18-08-2021	No. of Shares of held	% of holding
			Held during the tenure	Attended			
4	Smt. Ranjana S Salgaocar **	INE	5	5	Present	NA (resigned on 30.09.2021)	NA
5	Sri Parayil George John Tharakan	INE	12	12	Present	21,874	0.001%
6	Sri V J Kurian	INE	12	12	Present	Nil	Nil
7	Sri M George Korah	INE	12	12	Present	Nil	Nil
8	Sri Pradeep M Godbole	NE	12	12	Present	Nil	Nil
9	Sri. Paul Antony	NE	12	12	Present	10,470	0.001%
10	Sri. R A Sankara Narayanan	INE	12	12	Present	Nil	Nil
11	Smt.Radha Unni #	INE	5	5	NA	Nil	Nil
12	Sri. Benny P Thomas ##	NE	4	4	NA	2500	0.0001%

NE – Non-Executive Director

INE – Independent Non-Executive Director

@the director was granted leave as he was not well due to covid.

*Sri. Francis Alapatt (DIN: 01419486) retired from the directorship of the Bank on 31.10.2021

**Smt. Ranjana S Salgaocar (DIN:00120120) resigned from the directorship of the Bank on 30.09.2021

Smt Radha Unni (DIN: 03242769) was appointed as Independent Non-Executive Director of the Bank w.e.f.30.11.2021

##Sri. Benny P Thomas (DIN: 09448424) was appointed as Non- Executive Director of the Bank w.e.f.30.12.2021

During the year under review, the Board and its committees were re-constituted five times on 16.06.2021,01.10.2021,01.11.2021,01.12.2021 and 31.12.2021.

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. Parayil George John Tharakan	Agriculture & Rural Economy and Law
4	Sri. V J Kurian	Economics, Business Management and Agriculture & Rural Economy
5	Sri. M George Korah	Accountancy, Finance
6	Sri. Pradeep M Godbole	IT and Payment & Settlement systems
7	Sri. Paul Antony	SSI/Cooperation/ Economic And Business Management

Sl. No.	Name	Special Knowledge / Practical Experience
8	Sri. R A Sankara Narayanan	Banking, Treasury, Finance, Risk Management and Human Resource
9	Smt. Radha Unni	Finance, Banking and Human Resource
10	Sri. Benny P Thomas	Law

PROFILE OF BOARD OF DIRECTORS

The profile of the Directors of the Bank as on March 31, 2022 is as under:

Sri. Salim Gangadharan, aged 68 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, 2022.

Sri. Murali Ramakrishnan aged 60 years, is the MD & CEO of the Bank. He retired from ICICI Bank as a Senior General Manager in May, 2020. During his tenure at ICICI Bank, he was heading business transformation project of SME business. Sri. Murali Ramakrishnan was the Chief Executive Hong Kong and Regional Head - North Asia, Srilanka, Middle East and Africa. He has varied experience in the entire banking industry in many facets of banking businesses both in domestic and international markets viz. Retail, SME, Corporate, Project Finance, International Business, Risk, Policy, BIU etc. apart from handling 8 regulators across various markets in Asia, MENA and South Africa. He had represented the Bank in the board of CIBIL and also in the Risk advisory board of VISA for Asia Pacific. Before joining the ICICI Bank Ltd., he had worked for GE Capital TFS Ltd, SRF Finance Ltd, Spartek Emerging Fund, Canbank Venture Capital fund and Spic Ltd. Presently he is director of SIB Operations and Services Ltd (wholly owned subsidiary of the Bank) also. Sri. Murali holds no shares of the Bank as on March 31, 2022.

Sri. Parayil George John Tharakan, aged 61 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, 2022.

Sri. V J Kurian, aged 65 years is a Non-Executive Independent Director of the Bank. He retired from Indian Administrative Services (IAS) of 1983 batch in Kerala cadre as Additional Chief Secretary, Water Resources. During the tenure of services, Sri Kurian held positions of Managing director in various companies for a total period of 23 years.

Previously Sri Kurian served as the Managing Director of Cochin International Airport Ltd. and was Director of CIAL Infrastructure Limited, CIAL Duty free and Retail Services Limited, Air Kerala International Services Limited, Cochin International Aviation Services Limited, Kerala Waterways Infrastructures Limited and Kerala Infrastructure Fund Management Limited. He was also director of Kerala Irrigation Infrastructure Development Corporation Limited, Flavourit Spices Trading Limited, Kochi Metro Rail Limited, Kannur International Airport Limited, Cochin Smart Mission Limited.

Presently he is engaged in agricultural activity on a full time basis after his retirement from CIAL as Managing Director in June, 2021. During his service period also, he used to engage in farming, in about 10 acres of agricultural land inherited to him. His experience as Director of the Kerala Irrigation Infrastructure Development Corporation Limited and as Chairman of Spices Board, Ministry of Commerce & Industry, Government of India helped him to learn more about the agricultural activity. Presently he is not a director in any Public Limited Company. Sri V J Kurian holds no shares of the Bank as on March 31, 2022.

Sri. M George Korah, aged 62 years, is a Non-Executive Independent Director of the Bank. He is a fellow member of the Institute of Chartered Accountants of India. He is a qualified Information System Auditor and was a rank holder in the I.S. Examination conducted by the Institute of Chartered Accountants of India. He is a partner of M/s Korah & Korah, Chartered Accountants and has been in practice for over 30 years. Sri Korah is a trustee of Green Storm Foundation, Cochin (Not for Profit Public Registered Trust) and financial consultant to several business organizations including Information Technology Companies. Presently he is director of SIB Operations and Services Ltd (wholly owned subsidiary of the Bank) also He is not a Director in any other Public Limited Company. Sri M George Korah holds no shares of the Bank as on March 31, 2022.

Sri. Pradeep M Godbole, aged 57 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, 2022.

Sri. Paul Antony aged 63 years is a Non-Executive Director of the Bank. He retired as Chief Secretary, Kerala on 30th June 2018. He was a member of the Indian Administrative Service, 1983 Batch, Kerala cadre. Empanelled as Secretary to Government of India. In addition to the above he has worked with various govt undertakings. He had exposure to diverse sectors in the State and Central Governments, such as industries promotion, export promotion, infrastructure development including in the ports and power sector, taxation, public distribution system, and development of the weaker sections. He has worked in large organisations like SUPPLYCO, Cochin Port Trust and KSEB Ltd apart from heading major Government Departments and companies like the Industries Department and the Commercial Taxes Department. Presently he is also acting as Director (Chairman) of Kerala State Industrial Development Corporation Limited (KSIDC) and Kerala Lifesciences Industries Parks Private Limited further he is also Independent External Monitor of Goa Shipyard Ltd. Sri Paul Antony holds 10,470 shares of the Bank as on March 31, 2022.

Sri. R A Sankara Narayanan, aged 62 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. Presently he is a Director in Centrum Capital Limited and Centrum Broking Limited. Further he is acting as Independent Member- Fund Trustee and Advisory Commission (FTAC) of Kerala Infrastructure Investment Fund Board (KIIFB). Sri. R A Sankara Narayanan holds no shares of the Bank as on March 31, 2022.

Smt. Radha Unni, aged 73 years is a Non-Executive Independent Director of the Bank. She has started her career with State Bank of India, who has assigned in all aspects of the Banking with specialization in corporate Credit and project appraisal of Small and Medium Enterprises. Her other assignments include Risk Management at the Corporate centre of SBI, Mumbai, Non-performing Asset (NPA) management, Business process Re-engineering programme of SBI, Transformational change Management, Capital market operations with the SBI Capital Market Ltd, she has retired as the Chief General Manager from SBI and after retirement from the SBI, she was engaged by the Bank in Management Audit and recruitment of its officers. Her other professional engagement include Independent Director on the Board

of Sundaram Home Finance Ltd, Royal Sundaram General Insurance Co. Ltd, Nitta Gelatin India Ltd, V-Guard Industries Ltd., Western India Plywoods Ltd., Axles India Ltd., Wil Car India Ltd. She has also served as Independent Director on the Board of CSB bank Ltd and Muthoot Capital Services Ltd. Smt. Radha Unni holds no Shares of the Bank as on March 31, 2022

Sri. Benny P Thomas, aged 58 years is a Non-Executive Director of the Bank, who has started his career has a lawyer and enrolled at the Bar in the year 1988. He initiated his practice in the stream of Civil Law and later gained Substantial depth in Labour law providing professional legal services to companies including big corporates. He now heads M/s Thomas & Thomas, a promising and fast growing boutique Law Firm established in 2017 providing services in the streams of Labour Law, Civil Law, Cyber Law, Taxation Law, Alternate Dispute Resolution, Arbitration & Conciliation etc., Sri. Benny P Thomas holds 2500 Shares of the Bank as on March 31st, 2022

Familiarization Programme

The Bank had conducted various sessions during the financial year to familiarize the Independent Directors of the Bank, including various topics on Banking Industry, business model, Corporate Law, risk management system and Cyber Security. Further, the Directors are encouraged to attend the training programmes being organized by various regulators/bodies/institutions on above matters. The details of such familiarization programmes are displayed on the weblink of the Bank. (<https://www.southindianbank.com/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 including Board minutes of Subsidiary Company.
15. Information and updates as appropriate on Bank's products; development of new products and review of status of customer complaints/grievances.
16. Recruitment/Manpower assessment/succession planning aligning with business strategy of the Bank.
17. According sanction for related party transactions which are not in the ordinary course of business or which are not on arm's length basis.
18. Recommendation of Dividend
19. Issue of Securities/Bonds/Debentures.
20. Review corporate and management controls and systems including procedures;
21. Items arising out of separate meeting of the Independent Directors if so decided by the Independent Directors.
22. Review/Approval of new tie up with exchange houses/ MTSS arrangements.
23. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
24. Any material default in financial obligations by the Bank and non-compliance of any regulatory, statutory or listing requirements.
25. Review of Employee grievance redressal systems/ disciplinary proceedings against Officers/employees.
26. Staff accountability review in NPA accounts with GNPA of ₹ 25.00 crore and above (Quarterly).
27. Review of report on annual compliance risk assessment.
28. Review on quarterly certificate on compliance for RBI directions.
29. Show cause, demand, prosecution notices and penalty notices which are materially important. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Bank or taken an adverse view regarding another enterprise that can have negative implications on the Bank.
30. All agenda items required to be placed to the Board in compliance with Policies of the Bank and as directed by the Board from time to time.
31. Any other agenda items which are not specifically delegated by the Board to any other Committees/sub-Committees.
32. Review of all reports as per the Calendar of Reviews stipulated by the RBI from time to time.
33. Delegation/modification of authority/power entrusted to the Board and change in Organisational structure of the Bank.
34. All relevant information for taking informed decisions in respect of matters brought before the Board.
35. Any other items/information, including the operations/ other statements pertaining to the subsidiary Company, as may be prescribed under SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and by Reserve Bank of India.

Board Meetings

A total of 12 Board Meetings were held during the period April 1, 2021 to March 31, 2022 and the dates are as under:

20.04.2021	21.05.2021	15.06.2021	22.07.2021
18.08.2021	21.10.2021	20.11.2021	30.11.2021
30.12.2021	20.01.2022	21.02.2022	28.03.2022

Committee position of Directors in the Bank as on March 31, 2022:

The name of each Committee with the name of its respective Chairman/Chairperson as on 31.03.2022 is furnished below:

1.	Management Committee	- Sri Salim Gangadharan
2.	Audit Committee	- Sri M George Korah
3.	N P A Review Committee	- Sri Paul Antony
4.	Nomination & Remuneration Committee	- Sri V J Kurian
5.	Customer Service Committee	- Smt. Radha unni
6.	Stakeholders Relationship Committee	- Sri V J Kurian
7.	Special Committee of Board for Monitoring and follow-up of Frauds	- Sri Murali Ramakrishnan
8.	Premises Committee	- Sri. Benny P Thomas
9.	Risk Management Committee	- Sri R A Sankara Narayanan
10.	Information Technology Strategy Committee	- Sri Pradeep M Godbole

11.	Corporate Social Responsibility Committee	- Sri 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:

- None of the Directors of the Bank were members in more than ten committees or act as chairperson of more than five committees across all listed entities in which She/he is a director.
- None of the Independent Directors of the Bank held directorship in more than seven Listed Companies.
- Whole Time Director of the Bank is not serving as an Independent Director in any other Listed Companies.
- None of the Directors of the Bank is related to any Director of the Bank.
- The independent directors fulfil the conditions specified in these regulations and are independent of the management.

Directorship of Directors in other Public Limited Companies and Listed entities as on March 31, 2022

Name of the Director	Name of the Company (Directorship in other Indian Public Limited Companies)	Name of Committees in other listed entities	Chairman/ Member in other listed entities
Sri Salim Gangadharan	NSE Clearing Ltd.	1. Audit Committee	Member
Sri. Murali Ramakrishnan	SIB Operations and Services Limited	Nil	Nil
Sri. M George Korah	SIB Operation Services Limited	Nil	Nil
Sri. R A Sankaranarayanan	1. Centrum Broking Limited 2. Centrum Capital Limited	Audit Committee Nil	Chairman Nil
Sri Paul Antony	1. Kerala State Industrial Development Corporation Ltd	Nil	Nil
Smt Radha Unni	1. Western India Ply woods Limited 2. Nitta Gelatin India Limited 3. V Guard Industries Limited 4. Axles India Limited 5. Sundaram home finance limited 6. Royal Sundaram General Insurance Co. Limited 7. Wil car wheels Limited	1) Audit Committee 2) Audit Committee 3) Audit Committee 4) Nil 5) Audit Committee 6) Audit committee and Stakeholders Relationship committee 7) Nil	1) Member 2) Member 3) Member 4) Nil 5) Member 6) Member 7) Nil

- a) No other Director holds Directorship in any other Public Limited Company.
- b) chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee in listed entity alone are considered.

Directors and Officers Insurance:

The Bank had undertaken Directors and Officers insurance ('D and O Insurance') for all its Directors, including Independent Directors, for a quantum and risks as determined by the Board of Directors of the Bank.

2. BOARD COMMITTEES AND ITS TERMS OF REFERENCE

The Board has constituted various Committees of Directors to take informed decisions in the best interest of the Bank. These Committees monitor the activities falling within their terms of reference. Details on the role and composition of Board Committees, including the number of meeting held during the financial year and the related attendance are provided below.

(A) MANAGEMENT COMMITTEE

Management Committee of 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, 2022 are Sri Salim Gangadharan - Chairman, Sri Murali Ramakrishnan, Sri Pradeep M Godbole, Sri Paul Antony, Sri. R A Sankara Narayanan and Smt. Radha Unni

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 discretionary powers of MC.
3. Ratification proposals of sanction made by Credit Committees and MD beyond its powers.
4. Review of Sanctions made by Credit Committees.
5. Review of MD's sanctions.
6. Review of Food Credit – Monthly disbursement (Monthly).
7. Monthly recovery in NPA accounts.
8. Review of the order of Committee for identification of Wilful Defaulters.
9. Review of the order of Committee for identification of non-cooperative borrowers of the Bank.
10. Quarterly Review of top 100 NPA accounts below ₹ 1500 lakhs (SS/Doubtful/Loss) (25 each quarter)
11. Quarterly review of OTS/Write Off/Remission allowed by various functionaries of the Bank and status report of OTS sanctioned by MCB during the last 1 year.
12. Status report on OTS sanctioned by MCB during last one year (Quarterly).
13. Review of Quick Mortality account of ₹ 1.00 crore and above and Staff accountability review in NPA accounts with GNPA of 5.00 crore to less than 25.00 crore (Quarterly).
14. Documents time barred/getting time barred (Quarterly).
15. Concessions given by MD & CEO in MC Sanctions and review of MD & CEO sanctions by MC (Quarterly).
16. Overdue Credit Proposal over 3 months, falling within the power of MC (Quarterly).
17. Review of Performance under Annual Credit Plan (ACP) (Half yearly).
18. Review of Advances granted to SC/ST under Priority Sector (Half yearly).
19. Quarterly review of Legal action waiver sanctioned under MD & CEO's power
20. Sanction to bid the property in court auction above the decretal dues.
21. Enhancement of the prudential individual exposure limit.
22. Miscellaneous items not requiring the approval of the Board.
23. Periodically review the large corporate loans and advances appearing in SMA lists.
24. Review of all reports as per the calendar of reviews stipulated by the RBI from time to time.
25. Any other items which may be permitted by the Board from time to time.
26. Payment of compensation in consumer cases (above ₹ 1,00,000/-).
27. Acquisition of Fixed Assets. (Non-IT related)
28. Awarding of Contracts/Appointment of Architects and Engineers for building construction/renovation etc. where the expenditure exceeds the delegated powers.
29. For incurring any Revenue or Capital Expenditure pertaining to the dept. in excess of the delegated powers.

30. Ratification Note for exceeding of various limits fixed as per Forex Policy.
31. Review of Equity Trading (Monthly).
32. Review of Investment in Equity shares in the secondary market.
33. Review of Statement of Structural Liquidity (Fortnightly).
34. Review of Statement of Interest Rate Sensitivity (Monthly).
35. Probable Impact of rise in yields on market value of Central Government Securities & Trading Book Investments (Monthly).
36. Report on Country Risk (Monthly).
37. Report of VaR of Central Government Securities in AFS & HFT category (Trading Book) & of Currencies (Monthly).
38. Exposure Monitoring (Monthly).
39. Monitoring of excess CRR (Quarterly).
40. Review of Debit/Credit/Travel Cards (Half yearly).
41. Review of performance of MasterCard debit card operations (Quarterly).
42. Fresh purchases, AMC (Annual Maintenance Contract) and other IT related expenses – beyond the delegated powers of HO Executives.
43. Region-wise fund Position (Fortnightly).
44. Issue of duplicate share certificates in Lieu of original Share Certificates Lost/Misplaced.
45. Selection of centers for opening of new branches as part of branch expansion plan.
46. Miscellaneous items not requiring the approval of the Board.

A total of 11 meetings were held during the period. The dates of meetings were

31.05.2021	24.06.2021	30.07.2021
31.08.2021	23.09.2021	25.10.2021
26.11.2021	28.12.2021	25.01.2022
24.02.2022	25.03.2022	

The details of the meetings of the Management Committee of Directors attended by the Members during the financial year 2021-22, are given below:

Name of Director	Category	No. of Meetings	
		Held during the tenure	Attended
Sri Salim Gangadharan	Non-Executive Director	11	11
Sri. Murali Ramakrishnan	Executive Director	11	11
Sri Pradeep M Godbole	Non-Executive Director	11	11
Sri. Paul Antony	Non-Executive Director	11	11
Sri. R A Sankara Narayanan	Independent Non-Executive Director	11	11
Smt. Radha Unni*	Independent Non-Executive Director	4	4

*Inducted into the committee w.e.f. 1st December, 2021.

(B) AUDIT COMMITTEE

The Audit Committee of the Board is chaired by Sri M George korah, Independent Director, who is a Chartered Accountant. The other members of the committee as on March 31, 2022 are, Sri. Pradeep M Godbole, Sri. R A Sankara Narayan and Smt. Radha Unni.

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 of 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. Scrutiny of inter-corporate loans and investments.

26. 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.
27. Review of report on annual compliance risk assessment.
28. Risk Assessment Report (RAR) and its periodic compliance status reviews.
29. Review of all reports as per the calendar of reviews stipulated by the RBI from time to time.
30. Any show cause, demand and prosecution notice and penalty notices issued by any Govt./Quasi Govt./ regulatory authority with its implication and action taken.
31. 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.
32. 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.
33. Monitoring the Concurrent Audit function and internal audit of all outsourced activities.
34. 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.
35. Approval/review of the financial statements, investments and other information pertaining the Subsidiary Company as prescribed under SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and by Reserve Bank of India.
36. Valuation of undertakings or assets of the Bank, wherever it is necessary;
37. To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
38. To investigate into any matter in relation to the items specified in terms of reference or referred to it by the Board and for this purpose the Committee has power to obtain professional advice from external sources.

The Committee met 10 times during the period. The dates of meetings were

19.05.2021	14.06.2021	21.07.2021
16.09.2021	18.10.2021	10.11.2021
29.11.2021	20.01.2022	03.02.2022
22.03.2022		

The details of the meetings of the Audit Committee of Directors attended by the Members during the year 2021-22, are given below:

Name of Director	Category	No. of Meetings	
		Held during the tenure	Attended
Sri M George Korah	Independent Non- Executive Director	10	10
Sri Pradeep M Godbole	Non-Executive Director	10	10
Sri V J Kurian **	Independent Non- Executive Director	8	8
Sri Francis Alapatt*	Independent Non- Executive Director	5	5
Sri. R A Sankara Narayanan	Independent Non- Executive Director	10	10
Smt. Radha Unni #	Independent Non- Executive Director	3	3

*Ceased to be a member on w.e.f. 01st November, 2021.

** Ceased to be member w.e.f. 31st December 2021.

Inducted into the committee w.e.f. 1st December, 2021.

(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 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, Independent Director. Other Members of the Committee as on March 31, 2022 are Sri Salim Gangadharan, 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 and RBI/2019-20/204 DoR.Appt. No.58/29.67.001/2019-20 dated March 31, 2020 on Fit & Proper Criteria of the Banks.
2. Recommend to the Board for its consideration and approval on the size and composition of the Board taking into account the available and needed diversity and balance in terms of experience, knowledge, skills, and judgment of the Directors;
3. To devise a Succession Planning Policy for the Board and Senior Management.
4. To formulate a Nomination policy of the Board to guide the Board in relation to appointment/re-appointment/ removal of Directors.
5. To identify persons who are qualified to become Directors/ KMPs and who may be appointed in senior management as defined in the Succession Policy in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
6. To formulate the criteria for evaluation of Independent Directors and the Board/Committees.
7. To devise a policy on Board diversity.
8. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
9. To perform such other functions as may be necessary or appropriate for the performance of its duties.
10. To oversee the framing, review and implementation of Bank's overall compensation structure and related policies on remuneration packages payable to the WTDs/MD & CEO and other staff including performance linked incentives, perquisites, Stock option scheme etc. with a view to attracting, motivating and retaining employees and review compensation levels vis-a-vis other Banks and the industry in general.
11. The Committee shall work in close coordination with the Risk Management Committee of the Bank, in order to achieve effective alignment between remuneration and risks. The Committee will also ensure that the cost/ income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.
12. With respect to the variable pay, both cash and non-cash Performance Linked Incentive Schemes, the Committee is empowered to:
 - (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.
13. The Committee shall also function as the Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits) Regulations, 2014 and is empowered to formulate detailed terms and conditions of the Scheme, administer, supervise the same and to allot shares in compliance with the guidelines and other applicable laws.
14. To obtain necessary clearances and approvals from regulatory authorities, appoint Merchant Bankers and do such other things as may be necessary in respect of the Employees Stock Option Scheme.
15. To oversee the administration of Employee benefits, such as Provident Fund, Pension Fund, Gratuity,

Compensation for absence on Privilege/Sick/Casual Leave etc., which are recognized in accordance with Accounting Standard-15 (revised) specified in the Companies (Accounting Standards) Rules, 2006.

16. The Committee may suggest amendments to any stock option plans or incentive plans, provided that all amendments to such plans shall be subject to consideration and approval of the Board.
17. Any other matters regarding remuneration to WTDs/ MD & CEO and other staffs of the Bank as and when permitted by the Board.
18. To conduct the annual review of the Compensation Policy.
19. To fulfill such other powers and duties as may be delegated to it by the Board.
20. To review HR Strategy aligning with business strategy of the Bank.
21. To review the skill gaps and talent pool creation.
22. To do any other matters regarding remuneration to whole-time directors/ non-executive directors /part-time chairman, Chief Executive Officers / Material Risk Takers (MRTs) and employees (risk control and compliance staff and all other categories of staff) of the Bank including signing/ joining bonus occurring in the context of hiring new staff and be limited to first year as and when permitted by the Board.

The Nomination and Remuneration Committee met 12 times during the period. The dates of meetings were:

18.05.2021	14.06.2021	16.07.2021	13.08.2021
20.10.2021	18.11.2021	29.11.2021	15.12.2021
29.12.2021	16.02.2022	16.03.2022	25.03.2022

The details of the meetings of Nomination & Remuneration Committee of Directors attended by the Members during the financial year 2021-22, are given below:

Name of Director	Category	No. of Meetings	
		Held during the tenure	Attended
Sri V J Kurian	Independent Non- Executive Director	12	12
Sri Salim Gangadharan	Non-Executive Director	12	12
Smt. Ranjana S Salgaocar*	Independent Non- Executive Director	4	4
Sri Parayil George John Tharakan	Independent Non- Executive Director	12	12
Sri M George Korah	Independent Non- Executive Director	12	12

* Ceased to be a member w.e.f. 01st October, 2021.

D) NPA REVIEW COMMITTEE

This Committee has been constituted to review all NPA Accounts above ₹ 15.00 crore. The Committee meets once in a quarter. The members of the Committee as on March 31, 2022 are Sri. Paul Antony - Chairman, Sri. Murali Ramakrishnan, Sri. M George Korah, Sri. R A Sankara Narayanan and Smt. Radha Unni. The Committee met 4 times during the period. The dates of meetings were:

25.05.2021	06.09.2021	16.11.2021	19.02.2022
------------	------------	------------	------------

This Committee has been constituted to review:

1. Quarterly Review of NPA Position of the Bank.
2. Quarterly Review of NPA accounts with balance ₹ 15.00 crore and above and NPAs with balance ₹ 5.00 crore and above.
3. Status report on recovery Position/details of structured meeting held with ARC's in NPAs sold to Asset Reconstruction Company's (ARCs), where Bank had invested in Security Receipts (SRs) backed by the stressed assets sold on quarterly basis.
4. Recommending to Board of Directors for approving Loan Recovery Policy of the Bank.

The details of the meetings of NPA Review Committee of Directors attended by the Members during the financial year 2021-22, are given below:

Name of Director	Category	No. of Meetings	
		Held during the tenure	Attended
Sri. R A Sankara Narayanan	Independent Non- Executive Director	4	4
Sri. Murali Ramakrishnan	Executive Director	4	4
Sri. Paul Antony	Non-Executive Director	4	4
Sri M George Korah	Independent Non- Executive Director	4	4
Sri. Pradeep M Godbole*	Non-Executive Director	2	2
Smt. Radha Unni **	Independent Non- Executive Director	1	1
Sri Benny P Thomas@	Non-Executive Director	1	1

* Inducted into the committee w.e.f. 16th June, 2021 and ceased w.e.f. 31st December, 2021.

** Inducted into the committee w.e.f. 1st December, 2021

@ Inducted into the committee w.e.f. 30th December, 2021

(E) CUSTOMER SERVICE COMMITTEE

The Committee is entrusted with the responsibility of monitoring the quality of services rendered to the customers and also ensuring implementation of directives received from RBI in this regard. The terms of reference of the Committee inter-alia, are to formulate comprehensive deposit policy incorporating the issues arising out of death of a depositor for operations of his account, the product approval process and any other issues having a bearing on the quality of customer services rendered. The Committee is chaired by Smt. Radha Unni and consists of Sri Murali Ramakrishnan, Sri.Paul Antony and Sri Pradeep M Godbole as members as on March 31, 2022.

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:

- Review & recommend to the Board various policies which inter-alia includes:
 - Any new policy formulated with regard to customer service as and when directed by the Board.
 - Bank's policies on Deposits, Grievance Redressal, Cheque Collection, Dishonour of cheques, Customer Education, Rights, Compensation & Protection.
- To review performance of Branch Level Customer Service Committee (BLCSC).
- Reviewing the metrics and indicators that provide information on the state of customer services in the Bank;
- Reviewing the action taken/being taken by the Bank to standardize the delivery of customer experience across all branches.
- Providing inputs on the products introduced by the Bank with a view to ensure suitability and appropriateness.
- Monitoring the implementation of the Banking Ombudsman Scheme with particular reference to:
 - Reviewing all the awards against the Bank with a focus on identifying issues of systemic deficiencies and the Bank's plan to address these deficiencies.
 - Reviewing all awards that remain unimplemented after 3 months from the date of the award with the reasons thereof; to report to the Board such delays in implementation without valid reasons and for initiating remedial action.
- 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.
- Monitoring the activities of the Standing Committee on Customer Service (executive level committee) on a quarterly basis.
- To review the business transacted through E-commerce/M commerce aggregators.
- To review of ATM down time for the quarter.
- To ensure implementation of the directives issued by the RBI, from time to time, with respect to rendering services to customers of the Bank.

12. 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:

18.06.2021	07.09.2021	14.12.2021	19.03.2022
------------	------------	------------	------------

The details of the meetings of Customer Service Committee of Directors attended by the Members during the financial year 2021-22, are given below:

Name of Director	Category	No. of Meetings	
		Held during the tenure	Attended
Smt. Ranjana S Salgaocar*	Independent Non- Executive Director	2	2
Sri Pradeep M Godbole	Non-Executive Director	4	4
Sri Murali Ramakrishnan	Executive Director	4	4
Sri. Paul Antony	Non-Executive Director	4	4
Smt. Radha Unni **	Independent Non- Executive Director	2	2

*Ceased to be a member w.e.f. 01st October, 2021

**Inducted in to the Committee w.e.f. 1st December 2021

(F) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee looks into redressal of the complaints from shareholders and investors like transfer of Shares, non-receipt of Annual Reports, non-receipt of declared dividends etc. The Committee also ratifies share transfers/ transmission/name deletion cases etc. from time to time. Sri. Jimmy Mathew, Company Secretary is designated as the Compliance Officer. The members of the Committee consist of Sri. V J Kurian, Independent Director as Chairman, Sri. Parayil George John Tharakan, Sri. Murali Ramakrishnan and Sri. Benny P Thomas as members as on March 31, 2022.

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:

1. 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.
2. To ratify the Transfer/Transmission, Name Change/ Correction, Status change, Residential status change, Rematerialisation, Issue of Duplicate Share certificates, Nominations Registered, Splitting/Consolidation of Folios etc. from time to time.
3. To oversee and review all matters connected with transfers, transmissions, dematerialization, rematerialisation, splitting and consolidation of securities issued by the Bank and issue of duplicate share certificates.
4. To review the changes in Top 100 shareholders of the Bank.
5. To review the report on reconciliation of Share Capital and Compliance certificate issued under Regulation 40 of SEBI Regulations, 2015 by Practicing Company Secretary.
6. Review of measures taken for effective exercise of voting rights by the shareholders.
7. Review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent.
8. Review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ Annual Reports/statutory notices by the shareholders of the company.
9. 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:

18.06.2021	07.09.2021	16.11.2021	19.03.2022
------------	------------	------------	------------

Status of Shareholder Complaints as on March 31, 2022

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	74	74	0
3	Request for issue of duplicate share certificates	0	39	39	0
4	Complaints received from BSE/ NSE/SEBI/ ROC	0	0	0	0
5	Other miscellaneous complaints (Including non- receipt of split share certificate)	1	9	9	1
6	Non-receipt of share certificate after transfer	0	0	0	0
TOTAL		1	122	122	1

The details of the meetings of Stakeholders Relationship Committee of Directors attended by the Members during the Financial year 2021-22, are given below:

Name of Director	Category	No. of Meetings	
		Held during the tenure	Attended
Sri. V J Kurian	Independent Non- Executive Director	4	4

Sri. Murali Ramakrishnan	Executive Director	4	4
Sri. Parayil George John Tharakan	Independent Non- Executive Director	4	4
Sri. Francis Alapatt*	Independent Non- Executive Director	2	2
Sri. Benny P Thomas**	Non-Executive Director	1	1

*Ceased to be a member w.e.f. 01st November, 2021.

** Inducted in to the Committee w.e.f. 31st December 2021

(G) SPECIAL COMMITTEE FOR MONITORING AND FOLLOW UP OF FRAUDS

In terms of Reserve Bank of India guidelines, this committee has been constituted by the Bank with a view to provide focused attention on preventing and monitoring of frauds involving amounts of Rupees One crore and above.

The Committee is chaired by Sri Murali Ramakrishnan and consists of Sri Salim Gangadharan, Sri M George Korah, Sri Parayil George John Tharakan and Sri. R A Sankara Narayanan as members of the Committee as on March 31, 2022.

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

14.06.2021	16.09.2021	18.11.2021	22.03.2022
------------	------------	------------	------------

The details of the meetings of Special Committee for Monitoring and follow-up of Frauds in the Bank attended by the Members during the financial year 2021-22, are given below:

Name of Director	Category	No. of Meetings	
		Held during the tenure	Attended
Sri. Murali Ramakrishnan	Executive Director	4	4
Sri Salim Gangadharan	Non-Executive Director	4	4
Sri M George Korah	Independent Non-Executive Director	4	4
Sri Parayil George John Tharakan	Independent Non-Executive Director	4	4
Sri Francis Alapatt*	Independent Non-Executive Director	2	2
Sri. R A Sankara Narayanan**	Independent Non-Executive Director	2	2

* Ceased to be a member w.e.f. 01st November, 2021.

** Inducted into the Committee w.e.f. 1st November 2021

(H) PREMISES COMMITTEE

A Premises Committee was constituted by the Board of Directors at its meeting held on December 28, 2007 to oversee and monitor the improvements to the Head Office building and a new Data Centre Building at Rajagiri Valley, Kakkanad, Kochi and thereafter the scope of the committee has been revised from time to time. The Committee consists of Sri. Benny P Thomas as Chairman, Sri. Murali Ramakrishnan, Sri. V J Kurian and Sri. Paul Antony as members as on March 31, 2022.

The terms for reference of the 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.
5. Review of status on new building projects

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

18.06.2021	16.08.2021	14.12.2021	09.03.2022
------------	------------	------------	------------

The details of the meetings of Premises Committee of Directors attended by the Members during the financial year 2021-22, are given below:

Name of Director	Category	No. of Meetings	
		Held during the tenure	Attended
Sri. V J Kurian*	Independent Non-Executive Director	2	2
Sri. Murali Ramakrishnan	Executive Director	4	4
Sri. Paul Antony	Non-Executive Director	4	4
Sri. Francis Alapatt**	Independent Non-Executive Director	1	1
Sri. Benny P Thomas#	Non-Executive Director	1	1
Sri. Parayil George John Tharakan##	Independent Non-Executive Director	1	1

*Inducted into the committee w.e.f. 1st November 2021

**Ceased to be a member on 31st October, 2021.

Inducted into the committee w.e.f. 31st December 2021

Sri. Parayil George John Tharakan was Specially invited for the meeting held on 09.03.2022

(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, 2022 are Sri R A Sankara Narayanan Independent Director - Chairman, Sri Salim Gangadharan, Sri Murali Ramakrishnan, Sri M George Korah and Sri V J Kurian. The Risk Management Committee shall approve the policy, strategy and methods for risk management, by evaluating the overall risks faced by the Bank in determining the acceptable level of risks. The committee inter-alia looks into the following aspects:

1. Review and recommend on a regular basis the risk management policies including policies concerning credit risk, market risk, and operational risk and also the Business Continuity policy/plan and monitor & oversee implementation of the risk management framework, policy, including evaluating the adequacy of risk management systems, which shall include;
 - (a) A framework for identification of internal and external risks specifically faced by the Bank, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
2. Recommend risk management governance structure of the Bank and deciding the allocation of resources.
3. Define the risk appetite framework of the Bank and periodic review of the same.
4. Approve the vendors for risk data warehouse and other risk management software requirements.
5. Approve revisions in existing systems and policies to address risk management requirements and good practices.
6. Consider the effectiveness of overall risk management framework in meeting sound corporate governance principles and identifying, managing and monitoring the key risks of the Bank.
7. Oversee and monitor the Bank's compliance with regulatory requirements.
8. Approve delegation of risk limits to management and approve any transactions exceeding those delegated authorities.
9. Review risk mitigation plans on significant risks, which affects policy or procedure level changes for effective implementation.
10. To review the direction of various risks attributable to the Bank based on an analytical model articulated by RBI.
11. Oversee functions of Credit Risk Management Committee (CRMC), Market Risk Management Committee (MRMC), Asset Liability Management Committee (ALCO) and Operational Risk Management Committee (ORMC).
12. Reviewing and approving the Internal Capital Adequacy Assessment Process.
13. Reinforce the culture and awareness of risk management throughout the organization that would attach high priority on effective risk management and adherence to sound internal controls.
14. Status/action taken report on the observations of the earlier Committee meeting.
15. Risk associated with outsourced activities of the Bank.
16. Review of Cyber Risk
17. Monitoring of Liquidity Risk Parameters
18. Review of Stress Testing.
19. Discussion with CRO for ensuring independence of risk functions.
20. Ensure robustness and effectiveness of financial / rating models and their appraisal systems for assessing various risks faced by the Bank.
21. Decide/approve adoption of technology/appropriate and adequate MIS system needed for risk management.
22. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Bank;
23. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
24. The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee.
25. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.
26. Any other agenda items required to be placed to RMCB in compliance with the SEBI LODR, RBI Guidelines, policies of the Bank and as directed by the Board/RMC from time to time

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

02.06.2021	30.08.2021	12.11.2021	23.12.2021	04.03.2022
------------	------------	------------	------------	------------

The details of the meetings of Risk Management Committee of Directors attended by the Members during the financial year 2021-22, are given below:

Name of Director	Category	No. of Meetings	
		Held during the tenure	Attended
Sri. R A Sankara Narayanan	Independent Non-Executive Director	5	5
Sri Salim Gangadharan	Non-Executive Director	5	5
Sri. Murali Ramakrishnan	Executive Director	5	5
Sri M George Korah	Independent Non-Executive Director	5	5
Sri. Pradeep M Godbole*	Non-Executive Director	1	1
Sri. V J Kurian**	Independent Non-Executive Director	4	4

* Ceased to be a member w.e.f. 16th June 2021

**Inducted into the committee w.e.f. 16th June 2021

(J) INFORMATION TECHNOLOGY STRATEGY COMMITTEE

This committee has been constituted w.e.f. March 2, 2010 to suggest improvement and monitor the implementation of modern technology in the Bank. In compliance with Gopalakrishna Committee report contained in RBI circular RBI/2010-11/494 DBS:CO:ITC:BC. No.6/31.02.008/2010-11 dated 29.04.2011 the name of the Information Technology Committee has been changed as "Information Technology Strategy Committee" w.e.f. 28.11.2012. The Committee is chaired by Sri Pradeep M Godbole and consist of, Sri Salim Gangadharan, Sri Murali Ramakrishnan, Sri M George Korah and Sri Paul Antony as members as on March 31, 2022.

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

1. Suggest improvement and monitor the implementation of modern technology in the Bank;
2. Approving IT strategy and policy documents;
3. Ensuring that the management has put an effective strategic planning process in place;
4. Ensuring that the IT strategy is indeed aligned with business strategy;
5. Ensuring that the IT organizational structure complements the business model and its direction;
6. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
7. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
8. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
9. Ensuring proper balance of IT investments for sustaining Bank's growth;
10. Make aware about exposure towards IT risks and controls, and evaluating effectiveness of management's monitoring of IT risks;
11. Assessing Senior Management's performance in implementing IT strategies;
12. Issuing high-level policy guidance (e.g.: related to risk, funding, or sourcing tasks);
13. Confirming whether IT or business architecture is to be designed, so as to derive the maximum business value from IT;
14. Overseeing the aggregate funding of IT at a bank-level, and ascertaining if the management has resources to ensure the proper management of IT risks;
15. Reviewing IT performance measurement and contribution of IT to businesses (i.e. delivering the promised value);
16. Any other terms of reference as may be included from time to time by the Board or in compliance with RBI Guidelines.

The Committee met 5 times during the financial year. The dates of meetings are:

28.05.2021	14.07.2021	22.10.2021	17.12.2021
22.02.2022			

The details of the meetings of Information Technology Strategy Committee of Directors attended by the Members during the financial year 2021-22, are given below:

Name of Director	Category	No. of Meetings	
		Held during the tenure	Attended
Sri Pradeep M Godbole	Non-Executive Director	5	5
Sri Salim Gangadharan	Non-Executive Director	5	5
Sri. Murali Ramakrishnan	Executive Director	5	5
Sri M George Korah	Independent Non-Executive Director	5	5
Sri. Paul Antony	Non-Executive Director	5	5

(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 Sri. Benny P Thomas as its members as at March 31, 2022.

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 inter alia includes the following items:
 - (i) Eradicating hunger, poverty and malnutrition, ["promoting health care including preventive health care"] and sanitation "including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.
 - (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
 - (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
 - (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].
 - (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
 - (vi) measures for the benefit of armed forces veterans, war widows and their dependents, [Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];
 - (vii) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports
 - (viii) contribution to the prime minister's national relief fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PMCARES Fund)] or any other fund setup by the central govt. for socioeconomic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
 - (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and

Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

- (x) Rural development projects
- (xi) Slum area development.

Explanation. - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

- (xii) Disaster management, including relief, rehabilitation and reconstruction activities.

2. a) Sanction CSR proposals from ₹ 10.00 lakhs to ₹ 25.00 lakhs which are evaluated and recommended by SIB Foundation and vetted by CFO.
- b) To evaluate and recommend to the Board for sanctioning CSR proposals above ₹ 25.00 lakhs which are evaluated and forwarded by SIB Foundation and vetted by CFO.
- 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.
5. Ensure that the activities which are included in Corporate Social Responsibility Policy of the Bank are undertaken by the Bank
6. Provide inputs, on an ongoing basis, to the formulation of strategic objectives and tactical plans that would help to ensure the Bank is able to fulfil its corporate social responsibilities in a responsible and effective manner.
7. Overseeing Environmental, Social and Governance (ESG) Reporting and review of various activities of the Bank under the prescribed ESG Framework.
8. Review of Annual Action Plan and Fund utilization certificate issued by CFO.

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

18.06.2021	07.09.2021	14.12.2021	19.02.2022
------------	------------	------------	------------

The details of the meetings of Corporate Social Responsibility Committee of Directors attended by the Members during the financial year 2021-22, are given below:

Name of Director	Category	No. of Meetings	
		Held during the tenure	Attended
Sri Parayil George John Tharakan	Independent Non-Executive Director	4	4
Sri Murali Ramakrishnan	Executive Director	4	4
Sri V J Kurian	Independent Non-Executive Director	4	4
Smt. Ranjana Salgaocar*	Independent Non-Executive Director	2	2
Sri. Benny P Thomas**	Non-Executive Director	1	1

* Ceased to be a member w.e.f. 01st October, 2021

**Inducted in to the Committee w.e.f. 31st December 2021

(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, 2022 are Sri Salim Gangadharan - Chairman, Sri Murali Ramakrishnan, Sri. V J Kurian, Sri. R A Sankara Narayanan and Smt.Radha Unni.

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

11.06.2021	21.07.2021	03.03.2022
------------	------------	------------

The details of the meetings of Capital Planning & Infusion Committee of Directors attended by the Members during the financial year 2021-22, are given below:

Name of Director	Category	No. of Meetings	
		Held during the tenure	Attended
Sri Salim Gangadharan	Non-Executive Director	3	3
Sri. Murali Ramakrishnan	Executive Director	3	3
Sri. V J Kurian	Independent Non-Executive Director	3	3
Smt. Ranjana Salgaocar*	Independent Non-Executive Director	2	2
Sri. R A Sankara Narayanan	Independent Non-Executive Director	3	3
Smt. Radha Unni	Independent Non-Executive Director	1	1
Sri. M George Korah#	Independent Non-Executive Director	1	1
Sri. Pradeep M Godbole#	Non-Executive Director	1	1

* Ceased to be a member w.e.f. 01st October, 2021

**Inducted in to the Committee w.e.f. 31st December 2021

Sri. M George Korah and Sri. Pradeep M Godbole was specially invited for the meeting dated 11.06.2021

(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 Parayil George John Tharakan, Sri V J Kurian, Sri M George Korah Sri.R A Sankara Narayanan and Smt. Radha Unni. 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.
5. To give reasoned recommendation of any preferential issue after considering all the aspects relating to the preferential issue including pricing, which may result in a change in control of the Bank, and the voting pattern of the said committee's meeting shall be disclosed in the notice calling the general meeting of shareholders. The said meeting of the independent directors for giving reasoned recommendation of the preferential issue shall be attended by all the independent directors on the board.

The 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 financial year on March 30, 2022. All the Independent Directors of the Bank attended the meeting.

(N) INTERVIEW COMMITTEE

The Interview Committee met 5 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:

09.04.2021	23.10.2021
04.02.2022	23.03.2022
24.03.2022	

The details of the meetings of Interview Committee of Directors attended by the Members during the financial year 2021-22, are given below:

Name of Director	Category	No. of Meetings	
		Held during the tenure	Attended
Sri Salim Gangadharan	Non-Executive Director	5	5
Sri V J Kurian	Independent Non-Executive Director	5	5
Sri. Murali Ramakrishnan	Executive Director	5	5
Sri. M George Korah		3	3
Sri. Sankara Narayanan	Independent Non-Executive Director	5	5
Smt. Ranjana S Salgaocar*	Independent Non-Executive Director	1	1
	Independent Non-Executive Director		

* Ceased to be a member w.e.f. 01st October, 2021

RESIGNATION OF INDEPENDENT DIRECTOR:

Smt. Ranjana S Salgaocar (DIN 00120120) submitted her resignation from the Office of Director of the Bank on September 30, 2021. Accordingly, she ceased to be a director of the Bank after the closure of office hours on 30th September, 2021. It is hereby confirmed that the Bank has received confirmation from Smt. Ranjana S Salgaocar that there are no material reasons for her resignation other than health issues as provided by the director in her resignation letter.

SUBSIDIARY AND JOINT VENTURE COMPANY OF THE BANK

The Bank has a subsidiary company, SIB operations and services limited. The Bank has no material subsidiaries as per the conditions laid down in the listing Regulation; even though there is no Material Subsidiary as per the condition laid down in the SEBI listing Regulation the Bank has framed a Board Approved Policy for Determining the Material Subsidiary of the South Indian Bank Limited. The same is available at <https://www.southindianbank.com/content/viewContentLvl1.aspx?linkIdLvl2=215&LinkIdLvl3=781&linkId=781>.

The Directors/KMP / employees of the Bank who are also in

the subsidiary company on March 31, 2022 are as follows:

Sri. Murali Ramakrishnan Managing Director and Chief Executive Office (MD & CEO) of the Bank, Sri. George Korah – Independent Directors are Non-Executive Directors in SIB Operations and Services Limited, Sri. Thomas Joseph – Executive Vice President who is also a Non-Executive Director in SIB Operation and Services Limited.

Further Sri. John CA, DGM of the Bank is deputed as CEO and Director of the Wholly owned subsidiary company.

The Bank Monitors performance of its subsidiary company, inter-alia, by the following means:

- The Audit Committee reviews financial statements of the subsidiary company, along with investments made by it.
- The Board of Directors reviews the Board Meeting minutes and statements of all significant transactions and arrangements, if any, of subsidiary company. The Bank does not have a listed subsidiary.
- All activities of the subsidiary company fall within the ambit of Internal audit of the Bank.

COMPENSATION POLICY

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

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

The disclosure requirement of the remuneration is separately provided in "Disclosure under Basel III norms."

REMUNERATION PAID TO DIRECTORS DURING THE PERIOD APRIL 1, 2021 TO MARCH 31, 2022

The Bank has paid a gross remuneration of ₹ 1,78,52,993 to Sri. Murali Ramakrishnan, Managing Director & Chief Executive Officer from 01.04.2021 to 31.03.2022 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 financial year (for Non-Executive part time Chairman) as per law. The Independent Directors of the Bank also

had no pecuniary relationship with the Bank, or their promoters or directors during last immediately presiding 3 years. The Independent Directors are not eligible for Stock Option.

- 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-criteriafordirectors/877>

A) Details of Remuneration paid to MD & CEO

PARTICULARS	AMOUNT (₹)
Salary (Fixed Pay)	1,36,20,000/-
HRA	9,00,000/-
PF Bank Contribution	13,62,000/-
LFC (for 2 Years)	4,00,000/-
Entertainment Allowance	2,57,720/-
Total Fixed Pay (A)	1,65,39,720/-
Variable Pay (cash)	13,13,273/-
Non Cash Variable pay (ESOS) granted during the FY 2021-22	NIL*
Total Variable Pay (B)	13,13,273/-
Total Remuneration (A)+(B)	1,78,52,993/-

*The non-cash variable pay in the form of ESOS was granted to MD & CEO pertaining to six months in Financial year 2020-21, as approved by RBI, for an amount of ₹ 13, 13,273/-, in the form of fully paid 3,99,171 Equity Shares of ₹ 1/- each, which are deemed to have been granted with effect from 23.04.2022 at an exercise price of ₹ 8.35 (NSE Closing Price on 21-04-2022) being the closing price of stock exchange which recorded the highest trading volumes in equity shares of the Bank and trading day immediately preceding the date on which the grant of options was approved and recommended to Board by Nomination and Remuneration Committee of

Board on its meeting held on 22-04-2022). Number of options is calculated as per Black - Scholes option pricing model as per extant RBI guidelines. The same is not included in above as it was granted during April, 2022.

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

The Bank has paid ₹ 6,00,000/- to Sri Salim Gangadharan, Part-time Chairman, as honorarium from April 01, 2021 to March 31, 2022 and ₹ 25,20,000/- as sitting fees during the period April 01, 2021 to March 31, 2022.

- C) Details of Remuneration paid to other non-executive Directors:

As provided under Article 95A of the Articles of Association of the Bank, the sitting fees payable to a non-executive Director for attending a Meeting of the Board or Committee thereof are decided by the Board of Directors from time to time subject to the ceilings if any, prescribed under the Companies Act, 2013 and the rules made there under. The Board of Directors has 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 01.04.2021 to 31.03.2022 as under:

Sri Francis Alapatt – ₹ 7,00,000/-, Smt. Ranjana S Salgaocar – ₹ 7,40,000/-, Sri Parayil George John Tharakan – ₹ 17,60,000/-, Sri V J Kurian – ₹ 24,40,000/-, Sri M George Korah* – ₹ 25,20,000/-, Sri Pradeep M Godbole – ₹ 20,80,000/-, Sri. Paul Antony- ₹ 18,40,000/-, Sri. R A Sankara Narayan- ₹ 23,60,000/-, Smt Radha Unni – ₹ 7,80,000/-, Benny P Thomas -4,00,000/-

Total sitting fee paid ₹ 1,81,40,000/-.

* In addition to the same Sri M George Korah has received a sitting fee of ₹ 2,80,000/- from SIB Operations and Services Ltd (WOS of the Bank) towards attending Board and committee meeting during FY 2021-22.

3. BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT / CHANGE IN TERMS OF APPOINTMENT

Resume of Directors seeking Appointment/Re-appointment / change in terms of appointment at the 94th Annual General Meeting are given below:

1. Sri. Paul Antony

Name of the Director	Paul Antony (DIN 02239492)
Date of Birth and age	27/06/1958 Age: 63 years
Date of first appointment on Board	29.09.2020
Qualifications	B.A.(Economics) from Loyola College, Chennai M.A.(Economics) from Delhi School of Economics Masters in Public Economic Management from Birmingham University, UK. Indian Administrative Service (IAS)
Brief Resume including Experience	Sri. Paul Antony is a member of the Indian Administrative Service, 1983 Batch, Kerala cadre. Empanelled as Secretary to Government of India. In addition to the above he has worked with various govt undertakings. He had exposure to diverse sectors in the State and Central Governments, such as industries promotion, export promotion, infrastructure development including in the Ports and Power Sector, taxation, public distribution system, and development of the weaker sections. He has worked in large organisations like SUPPLYCO, Cochin Port Trust and KSEB Ltd apart from heading major Government Departments and companies like the Industries Department and the Commercial Taxes Department. Presently he is also acting as Director (Chairman) of Kerala State Industrial Development Corporation Limited(KSIDC) and Kerala Lifesciences Industries Parks Private Limited further he is also Independent External Monitor of Goa Shipyard Ltd.
Nature of his expertise in specific functional area	His area of expertise include industries promotion, export promotion, Infrastructure development including in the ports and power sector, taxation, public distribution system, and development t of the weaker sections.
Directorship in other Companies	1. Kerala State Industrial Development Corporation Ltd 2. Kerala Lifesciences Industries Parks Private Limited
Directorship in listed entities from which director has resigned in the past three years	Nil
Membership of Committees in Public Limited Companies	Nil
Shareholding in the Bank as on (cut-off date)	10,470
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil
Details of the remuneration last drawn	Sitting fee – ₹ 18,40,000/-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	Board- Member NPA Review Committee – Chairman Management Committee – Member Premises Committee – Member Customer Services Committee – Member IT Strategy Committee – Member
Details of the skills and capabilities required for the role and the manner in which the proposed person meets such requirements (for Independent Directors)	NA
Terms and conditions of appointment/ reappointment including remuneration	He is eligible for sitting fees for attending the Board and its Committee Meetings as approved by the Board subject to the provisions of the applicable laws

2. Sri. Benny P Thomas

Name of the Director	Sri. Benny P Thomas (DIN: 09448424)
Date of Birth and age	09-05-1964, Age: 58 years
Date of first appointment on Board	30.12.2021
Qualifications	B Com., LLB
Brief Resume including Experience	Sri. Benny P Thomas has started his career as a lawyer and enrolled at the Bar in the year 1988. He initiated his practice in the stream of Civil Law and later gained Substantial depth in Labour law providing professional legal services to companies including big corporates. He now heads M/s Thomas & Thomas, a promising and fast growing boutique Law Firm established in 2017 providing services in the streams of Labour Law, Civil Law, Cyber Law, Taxation Law, Alternate Dispute Resolution, Arbitration & Conciliation etc.,
Nature of his expertise in inspecific functional area	He is Expertise in Company Law, Insurance Law, Property Law, Labour Law, Civil Law, Cyber Law, Taxation Law, Alternate Dispute Resolution, Arbitration & Conciliation
Directorship in other Companies	NIL
Directorship in listed entities from which director has resigned in the past three years	Nil
Membership of Committees in Public Limited Companies	NIL
Shareholding in the Bank as on (cut-off date)	2,500 equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	NIL

Details of the remuneration last drawn	Sitting fee – ₹ 4,00,000/- for attending Board and committee meetings
Number of Meetings of the Board attended during the year	4 meetings
Chairman/member of the Committee of the Board of Directors of this Company	Premises Committee –Chairman Board- Member NPA Review Committee – Member Stake Holders Relationship Committee – Member Corporate Social Responsibility Committee – Member
Details of the skills and capabilities required for the role and the manner in which the proposed person meets such requirements (for Independent Directors)	NA
Terms and conditions of appointment/ reappointment including remuneration	He is eligible for sitting fees for attending the Board and its Committee Meetings as approved by the Board subject to the provisions of the applicable laws

3. Sri. Murali Ramakrishnan

Name of the Director	Sri. Murali Ramakrishnan (DIN: 01028298)
Date of Birth and age	19-05-1962 Age: 60 Years
Date of first appointment on Board	October 01, 2020
Qualifications	B. TECH (CHEMICAL ENGINEERING): PGDM (IIM BANGALORE) - FINANCE & MARKETING
Brief Resume including Experience	<p>Mr. Murali Ramakrishnan (DIN: 01028298), aged 60 years, is an Engineering Graduate (B.Tech-Chemical Engineering) and holds Post Graduate Diploma in Finance and Marketing from IIM – Bangalore. He has a work Experience of over 34 years. He retired from ICICI Bank as Senior General Manager at Strategic Project Group on May 30, 2020 and joined the Bank as an Advisor on July 1, 2020 and further appointed as MD & CEO w.e.f. October, 01, 2020 for a period of three years.</p> <p>During his tenure at ICICI Bank, in the last assignment he was heading a business transformation project of SME business. Sri. Murali Ramakrishnan was the Chief Executive Hong Kong and Regional Head - North Asia, Sri Lanka, Middle East and Africa. (March 2012 to August 2016) (Senior General Manager grade). As Head of the region, he was responsible for the entire operations of the Bank in the locations, managing a large balance sheet of around USD 20 Billion, contributing to more than 60% of profits of International Business group of ICICI Bank. Apart from being the Chief Executive of Hong Kong branch, he was also responsible for strategizing businesses and ensuring that the deliverables are met for the region, which included branches in China, Sri Lanka, Dubai, Bahrain, Qatar and South Africa. During May 2009 to March 2012, he was heading Credit Risk, managing Credit Risk for the domestic operations of the Bank (General Manager). During May 2006 to May 2009, he was Head Risk, Policy and BIU for Retail and SME businesses of the Bank. During April 2004 - Apr 2006, he was Group Business Head, heading three businesses viz. Construction Equipment Finance Business (CE), Professional Equipment Finance Business (PE) and Cluster Banking Group-SME. During April 2002 to April 2004, he was heading CE and Professional Equipment Finance Businesses. During Aug 1999 to April 2002, he had conceived, started Commercial Vehicle finance business and Construction Equipment (CE) Finance business for ICICI Bank Ltd.</p>

	<p>Sri. Murali Ramakrishnan had handled the entire banking operations, managing over USD 20 Billion in a complex International geography spreading across continents - akin to heading a medium sized bank in India. 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.</p> <p>He had taken part as Moderator, Speaker and Panel member in several International forums and domestic seminars and had taken special sessions in Credit Risk in reputed Management Institutes. He had attended various national and international level Leadership, Management and Risk Management programs.</p>
Nature of his expertise in specific functional area	<p>Sri. Murali Ramakrishnan has a work Experience of over 34 years and of which over 20 years varied experience in Banking Industry. He retired from ICICI Bank as Senior General Manager at Strategic Project Group on May 30, 2020</p> <p>Sri. Murali Ramakrishnan has handled the entire banking operations, managing over USD 20 Billion in a complex International geography spreading across continents - akin to heading a large sized bank in India. He has varied experience in the entire banking industry – almost all 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. He had represented the bank in the board of CIBIL, in the Risk advisory board of VISA for Asia Pacific. Before joining the ICICI Bank Ltd., he has also worked for GE Capital TFS Ltd., SRF Finance Ltd, Spartek Emerging Fund and Canbank Venture Capital fund and Spic Ltd.</p>
Directorship in other Companies	SIB Operations and Services Ltd
Directorship in listed entities from which director has resigned in the past three years	Nil
Membership of Committees in Public Limited Companies	Nil
Shareholding in the Bank as on (cut-off date)	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil

Details of the remuneration last drawn	PARTICULARS	AMOUNT (₹)
	Salary (Fixed Pay)	1,36,20,000/-
	HRA	9,00,000/-
	PF Bank Contribution	13,62,000/-
	LFC (for 2 Years)	4,00,000/-
	Entertainment Allowance	2,57,720/-
	Total Fixed Pay (A)	1,65,39,720/-
	Variable Pay (cash)	13,13,273/-
	Non Cash Variable pay (ESOS) granted during the FY 2021-22	Nil
	Total Variable Pay (B)	13,13,273/-
	Total Remuneration (A)+(B)	1,78,52,993/-
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	Special Committee for Monitoring and Follow up of Frauds – Chairman Board – member Management Committee – Member Capital Planning and Infusion Committee - Member Risk Management Committee- Member IT Strategy Committee – Member Stakeholders Relationship Committee – Chairman Corporate Social Responsibility Committee – Member Premises Committee –Member NPA Review Committee – Member Customer Services Committee – Member	
Details of the skills and capabilities required for the role and the manner in which the proposed person meets such requirements (for Independent Directors)	NA	
Terms and conditions of appointment/ reappointment including remuneration	As per terms of appointment as MD & CEO approved by members on 92 nd Annual General Meeting for a period of three years w.e.f. 01 st October, 2020. The Board of directors has proposed to revise the Remuneration Payable to Sri. Murali Ramakrishnan and the same is recommended and placed before members at this, the 94 th Annual General Meeting for approval.	

4. Sri. Salim Gangadharan

Name of the Director	Sri. Salim Gangadharan (DIN 06796232)
Date of Birth and age	13/10/1953 Age: 68 years
Date of first appointment on Board	16.01.2014

Qualifications	Master's degree in Arts and a certified associate of the Indian Institute of Banking and Finance, Executive Development Programme from Kellogg Business School, USA.
Brief Resume including Experience	Sri. Salim Gangadharan is an exemplary scholar holding a Master's Degree in Economics from The University of Kerala. He is also a certified associate of the Indian Institute of Bankers. He has several years of Experience in the Reserve Bank of India. He retired in October, 2013 as Principal Chief General Manager and Regional Director, RBI-Trivandrum. He is also a director in NSE Clearing Limited and Kerala Infrastructure Investment Fund Board.
Nature of his expertise in specific functional area	He has exposure and sufficient expertise in financial regulation and supervision of banks and external sector
Directorship in other Companies	NSE Clearing Limited
Directorship in listed entities from which director has resigned in the past three years	Nil
Membership of Committees in Public Limited Companies	NSE Clearing Ltd.- Audit Committee Member
Shareholding in the Bank as on (cut-off date)	20,000 equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	NIL
Details of the remuneration last drawn	₹ 6,00,000/- has been paid as honorarium from April 01, 2021 to March 31, 2022. Sitting fee – ₹ 25,20,000/- 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	Board – Chairman Management Committee – Chairman Capital Planning and Infusion Committee - Chairman Nomination and Remuneration Committee - Member Risk Management Committee- Member Special Committee for Monitoring and Follow up of Frauds – Member IT Strategy Committee – Member
Details of the skills and capabilities required for the role and the manner in which the proposed person meets such requirements (for Independent Directors)	skills and capabilities required: Banking He is proposed to be continued to be appointed as non-executive independent director (as part time chairman). 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
Terms and conditions of appointment/ reappointment including remuneration	He is eligible for an honorarium of ₹ 50,000 per month as approved by RBI. Further he is also 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

5. Sri. V J Kurian

Name of the Director	Sri. V J Kurian (DIN 01806859)
Date of Birth and age	23 rd February 1957Age: 65 years
Date of first appointment on Board	23.03.2018
Qualifications	MA (Economics), Indian Administrative Services (IAS)
Brief Resume including Experience	Sri. V J Kurian has retired from Indian Administrative Services (IAS) of 1983 batch in Kerala cadre as Additional Chief Secretary, Water Resources. During the tenure of services, Sri Kurian held positions of Managing director in various companies for a total period of 23 years.
Nature of his expertise in specific functional area	<p>Previously Sri Kurian served as the Managing director of Cochin International Airport Ltd. and was Director of CIAL Infrastructure Limited, CIAL Duty free and Retail Services Limited, Air Kerala International Services Limited, Cochin International Aviation Services Limited, Kerala Waterways Infrastructures Limited and Kerala Infrastructure Fund Management Limited. He was also director of Kerala Irrigation Infrastructure Development Corporation Limited, Flavourit Spices Trading Limited, Kochi Metro Rail Limited, Kannur International Airport Limited, Cochin Smart Mission Limited.</p> <p>Presently he is engaged in agricultural activity on a full time basis after his retirement from CIAL as Managing Director in June, 2021. During his service period also, he used to engage in farming, in about 10 acres of agricultural land inherited to him. His experience as Director of the Kerala Irrigation Infrastructure Development Corporation Limited and as Chairman of Spices Board, Ministry of Commerce & Industry, Government of India helped him to learn more about the agricultural activity.</p>
Directorship in other Companies	NIL
Directorship in listed entities from which director has resigned in the past three years	Nil
Membership of Committees in Public Limited Companies	NIL
Shareholding in the Bankas on (cut off date)	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	NIL
Details of the remuneration last drawn	Sitting fee – ₹ 24,40,000/- 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	Nomination and Remuneration Committee – Chairman Stake holders Relationship Committee – Chairman Board- Member Risk Management Committee – Member Premises Committee – Member Corporate Social Responsibility Committee – Member Capital Planning and Infusion Committee - Member
Details of the skills and capabilities required for the role and the manner in which the proposed person meets such requirements (for Independent Directors)	<p>skills and capabilities required: Economics Business Management, Agriculture and rural economy.</p> <p>He is proposed to be continued to be appointed as non-executive independent director</p> <p>He retired from Indian Administrative Services (IAS) of 1983 batch in Kerala cadre as Additional Chief Secretary, Water Resources. During the tenure of services, Sri Kurian held positions of Managing director in various companies for a total period of 23 years.</p> <p>Previously Sri Kurian served as the Managing director of Cochin International Airport Ltd. and was Director of CIAL Infrastructure Limited, CIAL Duty free and Retail Services Limited, Air Kerala International Services Limited, Cochin International Aviation Services Limited, Kerala Waterways Infrastructures Limited and Kerala Infrastructure Fund Management Limited. He was also director of Kerala Irrigation Infrastructure Development Corporation Limited, Flavourit Spices Trading Limited, Kochi Metro Rail Limited, Kannur International Airport Limited, Cochin Smart Mission Limited.</p> <p>Presently he is engaged in agricultural activity on a full time basis after his retirement from CIAL as Managing Director in June, 2021. During his service period also, he used to engage in farming, in about 10 acres of agricultural land inherited to him. His experience as Director of the Kerala Irrigation Infrastructure Development Corporation Limited and as Chairman of Spices Board, Ministry of Commerce & Industry, Government of India helped him to learn more about the agricultural activity.</p>
Terms and conditions of appointment/ reappointment including remuneration	He is eligible for sitting fees for attending the Board and its Committee Meetings as approved by the Board subject to the provisions of the applicable laws

6. Sri. Pradeep M Godbole

Name of the Director	Sri. Pradeep M Godbole (DIN: 08259944)
Date of Birth and age	04 /10/ 1964 Age: 57 years
Date of first appointment on Board	26.03.2019
Qualifications	B.Com., ACA
Brief Resume including Experience	Sri. Pradeep M Godbole is a Chartered Accountant with 30+ years of Banking, Technology, Consulting, Auditing and Management Experience. He has held senior Management positions at reputed Organization – Big 4 consulting firm like Ernst & Young: IT organization like Oracle Financial Services Software (OFSS) & Wipro. He is currently working on capability building initiatives and is a guest faculty at The Institute of Chartered Accountants of India (ICAI).
Nature of his expertise in specific functional area	Accounting, IT and Payment & Settlement System

Directorship in other Companies	<ol style="list-style-type: none"> 1. Belief Impex Private Limited 2. Riskintellect Solutions Private Limited 3. Risk and Compliance Professionals Association
Directorship in listed entities from which director has resigned in the past three years	Nil
Membership of Committees in Public Limited Companies	Nil
Shareholding in the Bank as on (cut-off date)	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil
Details of the remuneration last drawn	Sitting fee – ₹ 20,80,000/- 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	<p>IT Strategy Committee - Chairman</p> <p>Board- Member</p> <p>Audit Committee – Member</p> <p>Management Committee – Member</p> <p>Customer Services Committee – Member</p>
Details of the skills and capabilities required for the role and the manner in which the proposed person meets such requirements (for Independent Directors)	<p>skills and capabilities required: IT and Payment & Settlement systems</p> <p>He is proposed to be appointed as non-executive independent director</p> <p>He is a Chartered Accountant with 30+ years of Banking, Technology, Consulting, Auditing and Management Experience. He has held senior Management positions at reputed Organization – Big 4 consulting firm like Ernst & Young: IT organization like Oracle Financial Services Software (OFSS) & Wipro. He is currently working on capability building initiatives and is a guest faculty at The Institute of Chartered Accountants of India (ICAI).</p>
Terms and conditions of appointment/ reappointment including remuneration	<p>Appointed as Non-Executive Director liable to retire at the AGM. Proposed to be appointed as Independent Director</p> <p>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</p>

7. Smt. Radha Unni

Name of the Director	Smt. Radha Unni (DIN: 03242769)
Date of Birth and age	04/12/1948, Age 73 years
Date of first appointment on Board	30.11.2021
Qualifications	M.A., B.Ed., CAIIB

Brief Resume including Experience	<p>Smt. Radha Unni retired as the Chief General Manager, State Bank of India, Kerala Circle in December, 2008. During the tenure in the Bank, held assignments in all aspects of the Banking with specialization in corporate Credit and Project Appraisal of Small and Medium Enterprises. Her other Asset (NPA) Management, Business process Re-engineering Programme of SBI, Transformational Change Management, Capital market operations with the SBI Capital Markets Ltd.etc</p> <p>After retirement from the SBI, she was engaged by the Bank in Management Audit and recruitment of its officers. Her other professional engagements include Independent Director of the Board of Sundaram Home Finance Ltd., Royal Sundaram General Insurance Co. Ltd, Nitta Gelatin India Ltd., V-guard Industries Ltd., Western India Plywoods Ltd., Axles India Ltd., Wil Car India Ltd., she has also served as Independent Director on the Board of CSB Bank Ltd and Muthoot Capital Services Ltd.</p>		
Nature of her expertise in specific functional area	<p>Smt. Radha Unni's Career in Banking spanning over 36 years during which served all over India and she Retired as the Chief General Manager, State Bank of India, Kerala Circle in December, 2008</p> <p>During the tenure in the Bank, held assignments in all aspects of banking with specialization in Corporate Credit and Project Appraisal of Small and Medium Enterprises Other assignments include:</p> <ul style="list-style-type: none"> • Risk Management at the Corporate Centre of SBI, Mumbai • Non-Performing Asset (NPA) management • Business Process Re-engineering Programme of SBI • Transformational Change Management • Capital market operations with the SBI Capital Markets Ltd. <p>After retirement from the SBI, was engaged by the Bank in Management Audit and recruitment of its officers.</p>		
Directorship in other Companies	<ol style="list-style-type: none"> 1. Western India Plywoods Limited 2. Nitta Gelatin India Limited 3. V Guard Industries Limited 4. Axles India Limited 5. Sundaram Home Finance Limited 6. Royal Sundaram General Insurance Co. Limited 7. Wil Car Wheels Limited 		
Directorship in listed entities from which director has resigned in the past three years	Muthoot Capital Services Ltd. Resigned on 20.11.2021		
Membership of Committees in Public Limited Companies	<ol style="list-style-type: none"> 1. Western India Ply woods Limited 2. Nitta Gelatin India Limited 3. V Guard Industries Limited 4. Axles India Limited 5. Sundaram home finance limited 6. Royal Sundaram General Insurance Co. Limited 7. Wil car wheels Limited 	<ol style="list-style-type: none"> 1) Audit Committee 2) Audit Committee 3) Audit Committee 4)- 5) Audit Committee 6) Audit committee and Stakeholders Relationship committee =7)- 	<ol style="list-style-type: none"> 1) Member 2) Member 3) Member 4)- 5) Member 6) Member 7)-

Shareholding in the Bank as on (cut off date)	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	NIL
Details of the remuneration last drawn	Sitting fee – ₹ 7,80,000/- 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	Customer Services Committee – Chairperson Board- Member Audit Committee –Member Management Committee – Member NPA Review Committee – Member Capital Planning & Infusion Committee - Member
Details of the skills and capabilities required for the role and the manner in which the proposed person meets such requirements (for Independent Directors)	skills and capabilities required: Finance, Banking and Human Resource She is proposed to be appointed as non-executive independent director Smt. Radha Unni's Career in Banking spanning over 36 years during which she has served all over India and she Retired as the Chief General Manager, State Bank of India, Kerala Circle in December, 2008 During the tenure in SBI, she has held assignments in all aspects of banking with specialization in Corporate Credit and Project Appraisal of Small and Medium Enterprises Other assignments include: <ul style="list-style-type: none"> • Risk Management at the Corporate Centre of SBI, Mumbai • Non-Performing Asset (NPA) management • Business Process Re-engineering Programme of SBI • Transformational Change Management • Capital market operations with the SBI Capital Markets Ltd. After retirement from the SBI, she was engaged by the Bank in Management Audit and recruitment of its officers.
Terms and conditions of appointment/ reappointment including remuneration	She 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

For above 1 to 7 resume of Directors seeking Appointment/Re-appointment/ change in terms of appointment at the 94th Annual General Meeting details of chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee in listed companies alone is considered.

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

Name of Meeting	Day date and time	Venue	Whether any special resolution(s) passed
91 st Annual General Meeting	Wednesday, July 17, 2019 at 10.00 a.m.	Casino Cultural Auditorium Ltd., T.B. Road, Thrissur	Yes. 1. To appoint Smt. Ranjana S Salgaocar (DIN: 00120120) as an Independent Director 2. To appoint Sri. Parayil George John Tharakan (DIN: 07018289) as an Independent Director 3. To Augment the Paid-up Capital of the Bank by further issue of Shares 4. To Approve the borrowing/raising funds in Indian/foreign currency by issue of debt securities upto ₹ 500 crore on private placement basis 5. 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. 1. Raising of Tier I capital of the Bank through issuance of Securities 2. Raising of funds by issue of bonds/ debentures/ securities on private placement basis 3. For increasing foreign investment limit under NRI/PIO category 4. Amendments in Employees Stock Option Scheme 5. Ratification for amendment of Object clause of Memorandum of Association 6. Amendment of Articles of Association
EGM	Tuesday, 23rd March, 2021 at 10:00 AM	Via VC/OAVM	1. To Approve the issuance of equity shares on preference basis
93 rd Annual General Meeting	Wednesday, August 18, 2021 at 11:00 AM	Via VC/OAVM	Yes. 1. Raising of Tier I Capital of the Bank through issuance of Securities 2. Raising of Funds by issue of Bond/Debentures/Securities on private Placement basis 3. Amendment in Employees Stock Option Scheme

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 93rd Annual General Meeting notice.

Postal Ballot

During the year under review, no resolution was passed through postal ballot. Currently, no resolution is proposed to be passed through postal ballot. However, if required, the same shall be passed in compliance of provisions of Companies Act, 2013, Listing Regulations or any other applicable laws.

5. POLICIES, AFFIRMATION AND DISCLOSURES

A) MD & CEO/CFO Certification

The MD & CEO and the CFO have issued certificate pursuant to the provisions of Regulation 17 of the Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

B) Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Bank. Suitable disclosure as required by the Accounting Standards (AS18) and listing regulations has been made in the notes to the Financial Statements. The details of the transactions with related parties, if any, are placed before the Audit Committee from time to time. The Board of Directors at its Meeting held on October 30, 2014 has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and Listing Regulations. The policy was last reviewed by Board on 21st February, 2022 during last financial year. The same is displayed on the website of the Bank.

<https://www.southindianbank.com/content/viewContentLvl1.aspx?linkIdLvl2=215&LinkIdLvl3=782&linkId=782>

C) Code of Conduct

The Board of Directors has framed the Code of Conduct for the Board of Directors and Core Management Personnel of the Bank, as required under SEBI (LODR) Regulations, 2015 "on Corporate Governance." The confirmation from the Managing Director & CEO regarding compliance with the code by all the Directors 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 securities by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Bank and during the period when the Trading Window is closed. The code of conduct for prevention of insider trading are available on the website of the Bank. <https://www.southindianbank.com/content/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 / Vigil Mechanism

The Bank has formulated a Whistle Blower Policy with a view to provide a mechanism for employees of the Bank to approach the Chairman of the Audit Committee of the Bank/Ethics Counsellor (Chief of Internal Vigilance) in case they observe any unethical and improper practices or any other alleged wrongful conduct in the Bank and to prohibit Managerial functionaries from taking any adverse personal action against those employees. The vigil mechanism shall provide for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee and no personnel has been denied access to the Audit Committee. All protected disclosures reported under this policy will be thoroughly investigated by the Ethics Counsellor/Chairman of the Audit Committee of the Bank. The investigation is to be normally completed within 45 days of receipt of the protected disclosure. The identity of the whistle blower shall be kept confidential to the extent possible and permitted under law. The functioning of the Whistle Blower Policy mechanism is reviewed half yearly by the Audit Committee and the Policy is reviewed annually by the Board and no personnel was denied access to Audit Committee. The Details of whistle Blower Policy are available on the website of the Bank: 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

To monitor Foreign Exchange risk, the Bank has envisaged Forex VaR and AGL which are being monitored on daily basis by Risk Management department. The Bank also has Investment, Forex and Derivative Policies to define and regulate forex operations taken up by the Bank and different levels of limits are given in it. Treasury also monitors Foreign assets liabilities gap to hedge it in the market.

The Bank hedges its foreign currency position using derivatives including SWAPs and outright Forwards. The Bank is not involved in commodity trading and its hedging activities.

J) Dividend Distribution Policy

To bring transparency in the matter of declaration of dividend and to protect the interests of investors, the Bank has in place a Dividend Policy. The Dividend Distribution Policy of the Bank is in line with Regulation 43A of the Listing Regulations and the Companies Act, 2013 which has been displayed on the Bank's website, www.southindianbank.com, and is also available in the Directors Report which forms part of the Annual Report.

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

During the year under review, no funds were raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of listing Regulation.

L) Certificate from Company Secretary in Practice regarding disqualification of Directors

In terms of Clause 10(i) of Para C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Auditors of the Bank, M/s SVJS & Associates, Practicing Company Secretaries has issued a certificate that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The same is placed at the end of this report.

M) Recommendations of Committee(s) of the Board of Directors

During the year, all recommendations of Committee(s) of the Board of Directors, which are mandatorily required, were accepted by the Board.

N) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Kindly refer to relevant disclosures in the Directors' Report which forms part of the Annual Report 2021-22.

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

Instrument Type	Amount outstanding (₹ in crore)	CARE Ratings	India Ratings & Research (A Fitch group company) Ratings/ Outlook
Tier II Bonds (Basel III Compliant)	300	CARE A; 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)

P) Fees paid to Statutory Auditors

For the year ended March 31, 2022, fees paid/payable to the Joint Statutory Central Auditors M/s Varma & Varma, Chartered Accountants and M/s. CNK & Associates LLP, Chartered Accountants, is as follows:

Fee paid [#]	Amount (in lakhs)
Statutory audit/Limited review	47.00
Certification and other attestation charges	13.00
Non-Audit services	0.00
Branch audit fee	120.00
Total	180.00

Including branch audit fee but excluding out of pocket expenses

Q) Outstanding GDRS/ADRS/Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

The Bank has not issued any GDRS/ADRS/Warrants or any Convertible Instruments

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 2020-21, 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 up to the financial year ended 31.03.2021, to help shareholders to claim the same. In addition, various downloadable forms required to

be executed by the shareholders have also been provided on the website.

Annual Report of the Subsidiary company is also posted on the Website

D. Communication to Shareholders on e-mail

Documents like Notices, Annual Report etc. are sent to the shareholders at their email address, as registered with their Depository Participants/ 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 NSE Digital platform/NEAPS/ BSE Listing centre.

G. SCORES (SEBI complaints redressal system)

SEBI processes investor complaints in a centralized web based complaints redressal system i.e., SCORES. Through this system a shareholder can lodge complaint against a Company for his 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

94 th Annual General Meeting	Date	12-07-2022
	Day	Tuesday
	Time	11:00 A.M. (IST)
	Venue	Via VC/OAVM (head office of the Bank at Thrissur, Kerala is deemed to be the Venue of the Meeting)
Financial year		2021-22
Book closure date		06-07-2022 to 12-07-2022
Dividend Payment		Nil

Name & designation of Compliance Officer	JIMMY MATHEW Company Secretary
Share Transfer Agents	BTS Consultancy Services Pvt. Ltd. M S Complex, 1 st 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	https://www.southindianbank.com
Address for correspondence.	The South Indian Bank Ltd. Secretarial Department, Head Office, SIB House, T.B Road, Mission Quarters, Thrissur 680 001, Kerala, India

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)
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
Phones : (022) 22721233/4, Fax : (022) 22721919.
Bank's Stock Exchange Code
BSE Scrip Code : 532218
NSE Symbol : SOUTHBANK
ISIN Code : INE683A01023

The listing fees payable to the Stock Exchanges for the financial year 2022-23 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 financial year 2022-23.

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 issued on 24th January, 2020 (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

No equity shares has been issued during the financial year.

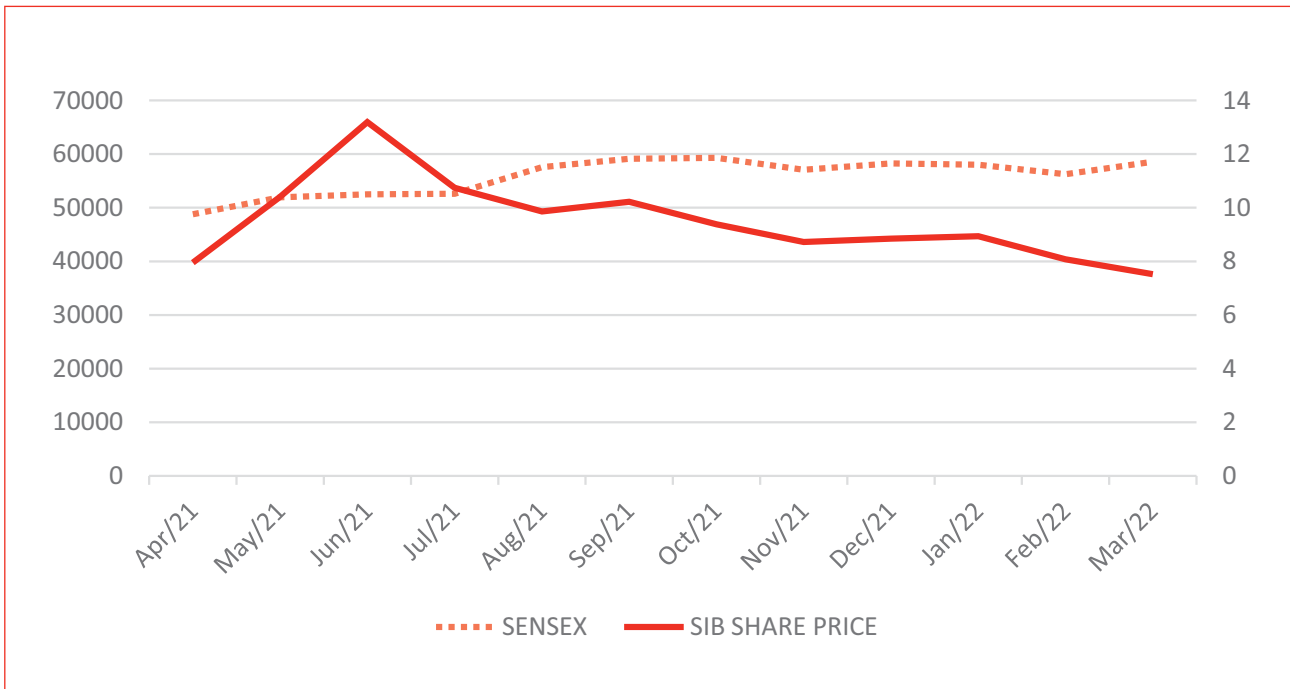
As at March 31, 2022, the paid-up share capital of the Bank was ₹ 209,27,41,018/- consisting of 209,27,41,018 equity shares of ₹ 1/- each.

The Market Price Data of Bank's Shares

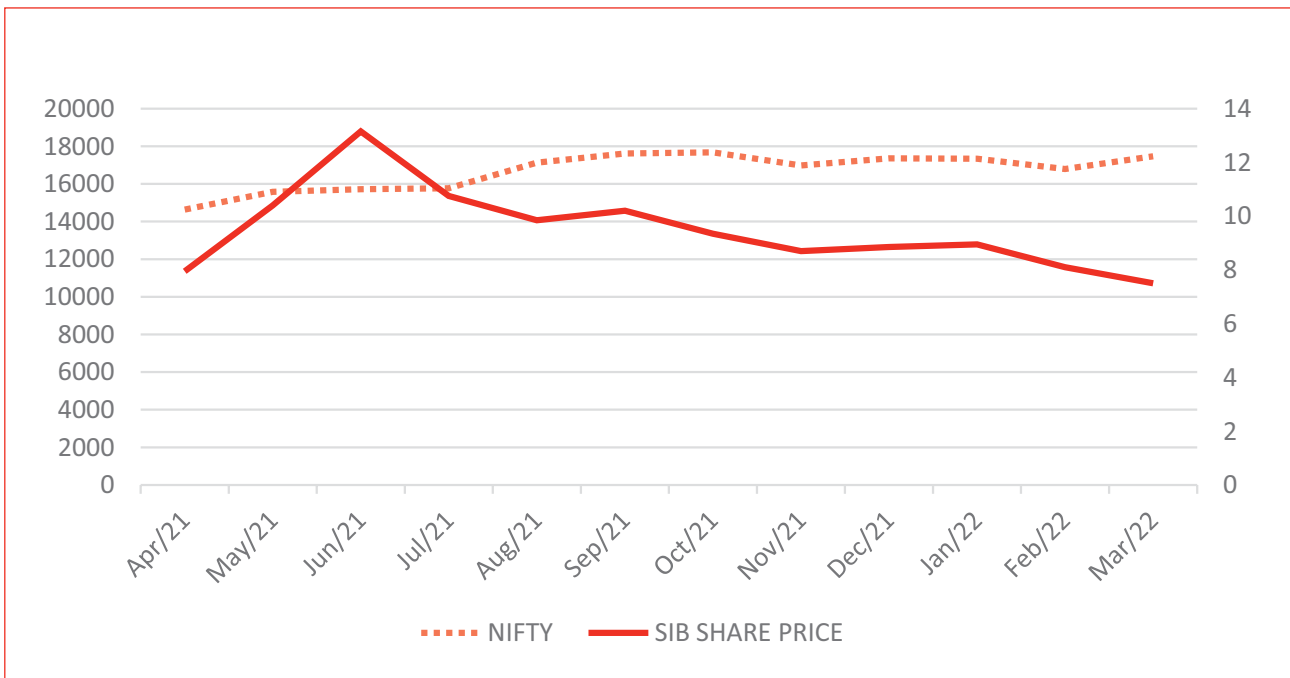
The monthly high and low prices of the Bank's shares traded on the National Stock Exchange of India Ltd. (NSE), Mumbai and BSE Ltd. (BSE), Mumbai during the period April 2021 to March 2022 are as under:

MONTH	NSE		BSE	
	High	Low	High	Low
Apr-21	8.10	7.90	8.08	7.91
May-21	10.60	10.35	10.56	10.35
Jun-21	13.55	13.10	13.54	13.12
Jul-21	10.85	10.65	10.84	10.65
Aug-21	10.05	9.85	10.09	9.85
Sep-21	10.45	10.15	10.40	10.10
Oct-21	9.50	9.25	9.48	9.27
Nov-21	8.85	8.50	8.82	8.55
Dec-21	8.90	8.75	8.90	8.76
Jan-22	9.10	8.85	9.09	8.82
Feb-22	8.15	7.90	8.13	7.90
Mar-22	7.65	7.50	7.64	7.51

Performance of the South Indian Bank Equity Shares relative to S&P BSE SENSEX during FY 2021-22



Performance of the South Indian Bank Equity Shares relative to NSE Nifty during FY 2021-22.



DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2022

CATEGORY (NO OF SHARES)	PHYSICAL			DEMAT		
	NO. OF HOLDERS	SHARES	% OF SHARE HOLDING	NO OF HOLDERS	SHARES	% OF SHARE HOLDING
UP TO --- 100	2609	40644	0.00	237131	9022250	0.43
101 --- 200	1799	233937	0.01	62303	10495316	0.50
201 --- 500	2180	781588	0.04	97001	37325518	1.78
501 --- 1000	2438	1692911	0.08	82006	70298530	3.36
1001 --- 5000	18886	35597180	1.70	113517	274665157	13.12
5001 --- 10000	1167	8562227	0.41	21814	165968099	7.93
10001 --- 50000	689	12707357	0.61	17528	367415120	17.56
50001 & ABOVE	79	10630490	0.51	3052	1087304694	51.96
TOTAL	29847	70246334	3.36	634352	2022494684	96.64
Total number of shareholders both physical and electronic put together is						664199

MEMBERS' PROFILE AS ON MARCH 31, 2022 IS AS UNDER**MEMBER'S PROFILE AS ON MARCH 31, 2022**

S.NO	CATEGORY	SHARES		TOTAL	% OF SHARE HOLDING
		PHYSICAL	DEMAT	SHARES	
1	RESIDENT INDIVIDUALS	58595845	1263697823	1322293668	63.18
2	INDIAN FINANCIAL INSTITUTIONS	0	0	0	0.00
3	FOREIGN INSTITUTIONAL INVESTOR	0	0	0	0.00
4	NON-RESIDENT INDIANS	8863848	151741347	160605195	7.67
5	BODIES CORPORATES	2786175	46647831	49434006	2.36
6	DIRECTORS & RELATIVES	0	65163	65163	0.00
7	MUTUAL FUNDS	0	0	0	0.00
8	TRUSTS	0	43892	43892	0.00
9	BANKS	0	1489900	1489900	0.07
10	CLEARING MEMBERS	0	10271925	10271925	0.49
11	HUF	466	40537910	40538376	1.94
12	FOREIGN PORTFOLIO INVESTOR (CORP)	0	154028390	154028390	7.36
13	FOREIGN PORTFOLIO INVESTOR (INDV)	0	3548	3548	0.00
14	FOREIGN NATIONALS	0	262000	262000	0.01
15	ALTERNATIVE INVEST FUND	0	941105	941105	0.04
16	IEPF AUTHORITY MCA	0	9362871	9362871	0.45
17	QIB	0	343400979	343400979	16.41
	GRAND TOTAL	70246334	2022494684	2092741018	100.00

Shareholders holding more than 1% as on March 31, 2022

SL NO	DP.CL.ID	NAME OF THE SHAREHOLDER/S	Shares as on 31-03-2022	%
1	1203280000374484	YUSUFFALI MUSALIAM VEETIL ABDUL KADER .	90359249	4.32
2	IN30081210489792	SBI LIFE INSURANCE CO. LTD	88443396	4.23
3	IN30152430026774	KOTAK MAHINDRA LIFE INSURANCE COMPANY LTD.	88443396	4.23
4	IN30016710142910	HDFC LIFE INSURANCE COMPANY LIMITED	88443396	4.23
5	IN30134820176093	LIFE INSURANCE CORPORATION OF INDIA	56369232	2.69
6	IN30005410024287	ACACIA BANYAN PARTNERS	25322346	1.21
7	IN30005410013042	ACACIA PARTNERS~LP	24985520	1.19

SHARE TRANSFER SYSTEM

The Bank has appointed M/s BTS Consultancy Services Private Limited, Chennai as its Share Transfer Agents and the share transfer/transmission; dividend payments and all other investor related matters are attended to and processed at the office of Share Transfer Agents of the Bank. The Share Transfer Agents, after processing the requests of investors, put up the same to the Bank's officers in the cadre of GM or above, wherever necessary, for his approval and thereafter all such cases are put up to the Stakeholders Relationship Committee of the Board of the Bank for its information. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 1, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository.

All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Bank obtains, from a company secretary in practice, yearly certificate of compliance with the share transfer/transmission or transposition of securities formalities as required under Regulation 40(9) of the Listing Regulations, and the Bank files a copy of the same with the Stock Exchanges.

An independent firm of practicing Company Secretaries carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on the reconciliation of total issued and listed Capital with that of total share capital admitted/held in dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges, where the Bank's shares are listed.

REGISTRARS AND SHARE TRANSFER AGENT

SEBI vide Regulation 7 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations), has mandated that where the total number of security holders of the Company exceeds one lakh, the Company shall register with SEBI as a Category II Share

Transfer Agent for all work related to share registry or appoint a Registrar to an Issue and Share Transfer Agent registered with SEBI. The Bank had appointed M/s BTS consultancy Services Private Limited as its RTA for both segments, physical and electronic, much before this was mandated by SEBI.

As required under Regulation 7(3) of the Listing Regulations, the Bank files, on yearly basis, certificate issued by RTA and compliance officer of the company certifying that all activities in relation to both physical and electronic share transfer facilities are maintained by RTA registered with SEBI i.e., M/s BTS consultancy Services Private Limited.

Address of the Share Transfer Agent:

BTS Consultancy Services Pvt. Ltd.
 M S Complex, 1st Floor,
 No.8, Sastri Nagar,
 Near 200 Feet Road/RTO Kolathur,
 Kolathur, CHENNAI – 600 099
 Tel. : 044-25565121
 Fax : 044-25565131
 E-mail : ramesh@btsindia.co.in
 helpdesk@btsindia.co.in

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Equity shares of the Bank have been allotted International Securities Identification Number (ISIN) INE683A01023. As at the end of March 2022, 202, 24, 94, 684 (96.64%) shares of the Bank have been converted into dematerialized form and 7,02,46,334 (3.36%) shares were being held in physical form.

The Shareholders of the Bank who have not dematerialized their shares so far may approach any of the Depository Participants of National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for dematerializing their shareholding.

UNCLAIMED/UNPAID DIVIDEND

All dividends remaining unclaimed or unpaid including the balance in Dividend Account upto and including financial year 1993-94 have been transferred to the General Revenue Account of the Central Government. Any claim in respect

of transferred amounts shall be made to the Registrar of Companies, Kerala, Company Law Bhavan, Bharath Matha College, Thrikkakara P.O., Kochi - 682 021.

In terms of the provisions of Section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Bank is statutorily required to transfer to the Investor Education & Protection Fund ('IEPF'), established by the Central Government, all dividends remaining unpaid/unclaimed for a period of 7 (Seven) years, thereon, from the date of transfer of such Dividend to the Unpaid Dividend Account. In compliance with above, the unpaid dividend of ₹ 1,44,87,758.00 for the financial year 2013-14 has already transferred to the fund on 24.08.2021. 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, 2014 have already been transferred to the IEPF.

The Ministry of Corporate Affairs on May 10, 2012 has notified Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, whereby companies are required to identify and upload information regarding unclaimed amounts due to be transferred to IEPF on the Ministry's website and also on Bank's website in the following link: <https://www.southindianbank.com/divident/Divident.aspx?id=1&linkId=672> Accordingly, the details of such unpaid/unclaimed amounts along with their respective due dates for transfer to IEPF are provided for the benefit of investors.

The Shareholders may please claim their unclaimed/unpaid amount due to them by making a request to the Company giving their particulars before the same are transferred to the IEPF.

Dates for Transfer of Unclaimed Dividend to Investors Education and Protection Fund (IEPF)

Pursuant to Section 124 of the Companies Act, 2013, final dividend for the financial year 2013-14 amounting to ₹ 1,44,87,758.00 pertaining to the financial year 2013-14, 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 24.08.2021.

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	2014-15	Final	60	15.07.2015	15.08.2022
2	2015-16	Final	50	08.07.2016	07.08.2023
3	2016-17	Final	40	11.07.2017	10.08.2024
4	2017-18	Final	40	11.07.2018	11.08.2025
5	2018-19	Final	25	17.07.2019	15.08.2026
6	2019-20	Final		No Dividend	
7	2020-21	Final		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 2013-14 has been transferred by the Bank to the DEMAT Account of the authority by

24th September 2021

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.

Disclosure with respect to demat suspense account/ unclaimed suspense account:

In compliance with schedule V Clause F of SEBI LODR Regulation, 2015 and further to SEBI Circular issued with respect to Issuance of Securities in dematerialized form in case of Investor Service Requests, the Bank has opened a suspense escrow account to transfer the non-dematerialised shares which are pending for dematerialisation by the securities holder/claimant within 120 days of the date of Letter of Confirmation issued by the Bank/ RTA. The details of shares in suspense account/ unclaimed suspense account are as follows:

Sl. No.	Particulars	Number of Shareholders	No. of shares
(a)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; (01.04.2021)	Nil	Nil
(b)	Aggregate Number of shareholders and the outstanding shares transferred during the financial year 2021-22 to Unclaimed Suspense Account	Nil	Nil
(c)	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year 2021-22;	NA	NA
(d)	Number of shareholders to whom shares were transferred from suspense account during the year 2021-22	Nil	Nil
(e)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (31.03.2022)	Nil	Nil

As shares are nil the clause w.r.t. “the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares” are not applicable.

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 2021-22.

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 2021-22. 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 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Bank is annexed.

COMPLIANCE WITH DISCRETIONARY REQUIREMENTS AS STIPULATED UNDER PART E OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

A. The Board

An office of the Non-Executive Chairman is maintained at the Bank’s expense and reimbursement of expenses incurred by the Chairman in performance of his duties is allowed.

B. Modified Opinion(s) in Audit Report

The auditors have expressed an unmodified opinion on the financial statements of the Bank.

C. Shareholder's Rights

The Bank publishes its results on its website at www.southindianbank.com which is accessible to the public at large. The same are also available on the websites of the Stock Exchanges on which the Bank's shares are listed. The Bank's results for each quarter are published in an English newspaper having a wide circulation and in a Malayalam newspaper having a wide circulation in Kerala.

D. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

The Bank has appointed separate persons in the post of the (1) Chairperson (as non-executive part time chairman) and (2) the Managing Director & Chief Executive Officer. Further Bank confirms that the Managing Director & Chief Executive Officer is not related to Chairperson of the Bank as per the definition of the term "relative" defined under the Companies Act, 2013.

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)
DIN:01028298

Place: Thrissur
Date: June 07, 2022

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, 2022 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 12, 2022

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, 2022.

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, 2022 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 August 18, 2021;
- Obtained and read the minutes of the Board of Directors and the committees of the Board of Directors, held April 1, 2021 to March 31, 2022 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, 2022.

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.

Peer Review Certificate No.648 /2019

UDIN: F003067D000468741

For SVJS & Associates
Company Secretaries

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

Kochi
07.06.2022

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, 2022** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
1	Sri. Salim Gangadharan	06796232	16/01/2014
2	Sri. Murali Ramakrishnan	01028298	01/10/2020
3	Sri. Francis Alapatt *	01419486	01/11/2013
4	Smt. Ranjana S. Salgaocar#	00120120	01/10/2014
5	Sri. Parayil George John Tharakan	07018289	25/11/2014
6	Sri. V.J.Kurian	01806859	23/03/2018
7	Sri. M. George Korah	08207827	31/08/2018
8	Sri. Pradeep M.Godbole	08259944	26/03/2019
9	Sri. Paul Antony	02239492	29/09/2020
10	Sri. R.A.Sankaranarayanan	05230407	15/10/2020
11	Smt. Radha Unni	03242769	30/11/2021
12	Sri. Benny Payyappilly Thomas	09448424	30/12/2021

* Sri. Francis Alapatt's term of office expired on 31/10/2021.

Smt. Ranjana S. Salgaocar resigned on 30/09/2021.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Peer Review Certificate No.648 /2019
UDIN: F003067D000468730

For SVJS & Associates
Company Secretaries

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

Kochi
07.06.2022

INDEPENDENT AUDITOR'S REPORT

To the Members of The South Indian Bank Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of The South Indian Bank Limited ('the Bank'), which comprise the Balance Sheet as at March 31, 2022, the Profit and Loss Account, the Cash Flow statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') 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, 2022, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Bank in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the

Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to **Note No.B.11.(ii) of schedule 18** of the accompanying statement of Audited standalone financial statements regarding amortization of the additional liability on account of revision in family pension to the extent of ₹ 43 crores over a period of seven quarters beginning with the quarter ended September 30, 2021, in accordance with the permission granted by Reserve Bank of India (RBI). As also stated in the said Note, an amount of ₹ 18.42 crores has been written off during the year ended March 31, 2022, and the balance amounting to ₹ 24.58 crores has been carried forward as unamortized expenditure. If the balance liability as above had been written off during the current year, the net profit for the year ended March 31, 2022, would have been lower by ₹ 24.58 crores.

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 standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements, 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
(i)	<p>Adoption of Centralized Statutory Branch Audit</p> <p>During the FY 2021 – 22, with an objective to reduce the time and effort involved in the financial statements closure process, the Bank discontinued the process of appointing Branch Statutory Auditors and has implemented verticalization of its processes and centralization of audits of its branch network.</p> <p>Accordingly, in FY 2021-22 the Joint Statutory Auditors have conducted a Centralized Statutory Branch Audit based on the bank regions allocated and agreed upon mutually.</p> <p>Centralization of audit generally leads to concentration of audit work at the Head Office for all departments like Corporate Financial Management (CFM), Credit Monitoring, Management Information System (MIS) cell in Data Science Department (which includes uploading of data on a cloud-based platform).</p> <p>Since the centralization of audit was adopted for the first time by the Bank, we considered this as a Key Audit Matter.</p>	<p>Our audit approach/procedures included the following:</p> <ul style="list-style-type: none"> - Understanding the implementation of the internal controls adopted by the bank w.r.t centralization of branch audits including the information / data to be uploaded on the VDR platform. - Selection of Branches for performing a detailed audit for selective branches The basis of sample branches selected by us include criteria's like: <ul style="list-style-type: none"> a. Top 20 branches in accordance with the RBI circular 'Norms on eligibility, empanelment and appointment of Statutory Branch Auditors in Public Sector Banks from the year 2020-21 and onwards; b. Branches with top Advances; c. Branches with Stressed Portfolios. - Review of selective branches' data through virtual environments - Verification of the Banking operations undertaken by the Branches and whether the same are in line with the Bank's policies and procedures; - Verification of advances based on its classification and NPA provisioning as per IRAC norms; - Review of Inspection/ Concurrent Audit / Credit Audit Reports related to the selected branches; - Analysis of Bank Level Data for Advances, Stressed Advances, Restructured Advances and Non Performing Advances. Reperformance of interest calculation of selective data. Also reviewed documentation for advances for samples selected at Bank Level ; - Analysis of Bank Level data for Deposits, Current Accounts and Saving Bank Accounts details and reperformance of interest calculation of selective data; - Analysis of Bank Level data for expenditure and other accounts; - Interaction with respective departments at head office and head of verticals related to Branch Operation; - Compliance with the RBI regulations

	Key Audit Matters	How our audit addressed the Key Audit Matters
(ii)	<p>Classification of Advances, identification of non-performing advances, Income Recognition, and provisioning on Advances (Refer Schedule 8 read with Note 2 of Schedule 17 to the standalone financial statements)</p>	
	<p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorized as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances;</p> <p>RBI prescribes the prudential norms for income recognition, asset classification and provisioning of non-performing assets (including circulars in relation to COVID-19 Regulatory Package – Asset Classification and Provisioning) (IRACP Norms) and prescribes the minimum provision required for such assets.</p> <p>The identification of performing and non-performing advances 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 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>	<p>Our audit approach / procedures included the following:</p> <ul style="list-style-type: none"> - Understanding and considering the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the prudential norms prescribed by the RBI (IRACP Norms) including the additional provisions made on advances. - 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 Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank; (f) Considering the RBI Annual Financial Inspection report on the Bank, the bank's response to the observations and other communication with RBI during the year; (g) Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines. <p>For NPAs 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
(iii)	<p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the standalone financial statements)</p>	
	<p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments (NPI), nonrecognition of income and provisioning against NPI.</p> <p>Investments are classified into 'Held for Trading' ('HFT'), 'Available for Sale' ('AFS') and 'Held to Maturity' ('HTM') categories at the time of purchase. Investments, which the Bank intends to hold till maturity are classified as HTM investments.</p> <p>Investments classified as HTM are carried at amortised cost. Where in the opinion of management, a diminution, other than temporary, in the value of investments has taken place, appropriate provisions are made.</p> <p>Investments classified as AFS and HFT are marked-to-market on a periodic basis as per the relevant RBI guidelines.</p> <p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FBIL /FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc.</p> <p>Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of NPI and provisioning related to investments.</p>	<p>Our audit approach/procedures included the following:</p> <ul style="list-style-type: none"> - We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs and provisioning/depreciation related to investments; - We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments; - For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample; - We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision; - We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs; and - We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.

	Key Audit Matters	How our audit addressed the Key Audit Matters
(iv)	<p>Assessment of Provisions and Contingent Liabilities (Refer Note 15 of Schedule 17 to the standalone 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.</p> <p>There is a high level of judgement required in estimating the level of provisioning for the above. The Bank's assessment is supported by the facts of matter, their own judgement, past experience, and advice from legal and independent tax consultants wherever necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgement in interpretation of law. Accordingly, our audit was focused on analyzing the facts of subject matter under consideration and judgements/ interpretation of law involved.</p>	<p>Our audit approach/procedures included the following:</p> <ul style="list-style-type: none"> - Obtaining an understanding of internal controls relevant to audit in order to design our audit procedures that are appropriate in the circumstances; - Understanding the current status of the litigations/ tax assessments; - Examining recent orders/ communications 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, collections of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and - Verification of disclosures related to significant litigations and taxation matters.
(v)	<p>Information Technology ('IT') Systems and Controls for financial reporting</p> <p>IT systems and controls followed by the bank are material from a financial reporting perspective, due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment.</p> <p>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 authorized. We tested the Bank's periodic review of access rights. We inspected requests of changes to systems for approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. - In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal 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.

Information other than the standalone 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 standalone financial statements, consolidated financial statements and our auditor's report thereon and the Pillar III disclosures under Basel III Capital Regulation, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. The other information as above is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and board of directors;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including

any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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) Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. However, during the course of our audit we have visited 35 branches to examine the records maintained at such branches for the purpose of our audit.
- (d) the profit and loss account shows a true balance of profit for the year then ended

Further, as required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our

examination of those books;

- c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
- e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Bank with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
- g) With respect to the matters to be included in the Auditor's Report under Section 197(16) of the Act:

The Bank is a banking company as defined under Banking Regulation, 1949. Accordingly, the requirements prescribed under Section 197 of the Companies Act, 2013 do not apply by virtue of Section 35B(2A) of the Banking Regulation Act, 1949, and;

- 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 standalone financial statements - Refer Schedule 12.I and Sl.no 1 of Note B.14 under Schedule 18 to the standalone 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 B.15 under Schedule 18 to the standalone financial statements; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank.
- iv.(a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note B. 20 of Schedule 18

to the accompanying statement of Audited standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) Further, the management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Bank from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, recorded in writing or otherwise, that the Bank shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and

(c) Based on such audit procedures that were considered reasonable and appropriate by us in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.

- v. During the financial year, the Bank has not declared/ paid any dividend and hence, the related reporting requirements under subclause (f) of Rule 11 of the Companies (Audit and Auditors) Rules 2014 is not applicable.

For **Varma and Varma**
Chartered Accountants
Firm Registration No. 004532S

For **CNK & Associates LLP**
Chartered Accountants
Firm Registration No.
101961W/W-100036

Vivek Krishna Govind
Partner
Membership No. 208259
UDIN: 22208259AIWMTQ1575

Hiren Shah
Partner
Membership No. 100052
UDIN: 22100052AIWOCM5631

Place: Kochi
Date: May 12, 2022

Place: Thrissur
Date: May 12, 2022

**Annexure A to the Independent Auditor's Report of even date on the
standalone 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 standalone financial statements of The South Indian Bank Limited ('the Bank') as at March 31, 2022, in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls over Financial Reporting

The Bank's Management 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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the 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, 2022, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Varma and Varma**
Chartered Accountants
Firm Registration No. 004532S

Vivek Krishna Govind
Partner
Membership No. 208259
UDIN: 22208259AIWMTQ1575

Place: Kochi
Date: May 12, 2022

For **CNK & Associates LLP**
Chartered Accountants
Firm Registration No.
101961WW-100036

Hiren Shah
Partner
Membership No. 100052
UDIN: 22100052AIWOCM5631

Place: Thrissur
Date: May 12, 2022

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

		Schedule No	As at March 31, 2022 ₹ ('000)	As at March 31, 2021 ₹ ('000)
पूँजी और देयताएं	CAPITAL AND LIABILITIES			
पूँजी	Capital	1	2,092,741	2,092,741
कर्मचारी स्टोक विकल्प (अनुदान) बकाया	Employees' Stock Options Outstanding		12,905	20,824
आरक्षित निधियाँ और अधिशेष	Reserves and Surplus	2	56,438,590	55,978,867
निक्षेप	Deposits	3	891,421,078	827,105,490
उधार	Borrowings	4	32,944,934	41,082,731
अन्य ऋण तथा प्रावधान	Other liabilities and provisions	5	17,613,967	15,211,081
जोड़	TOTAL		1,000,524,215	941,491,734
संपत्तियाँ	ASSETS			
भारतीय रिजर्व बैंक में नकदी अधिशेष	Cash and Balances with Reserve Bank of India	6	36,766,056	33,047,093
बैंको में अधिशेष और मांग पर तथा अल्प सूचना पर प्राप्य धन	Balances with banks and money at call and short notice	7	75,268,220	54,631,688
विनिधान	Investments	8	214,450,128	203,210,845
अग्रिम	Advances	9	599,933,907	580,564,761
स्थिर आस्तियाँ	Fixed Assets	10	8,110,541	7,951,667
अन्य आस्तियाँ	Other Assets	11	65,995,363	62,085,680
जोड़	TOTAL		1,000,524,215	941,491,734
आकस्मिक ऋण	Contingent Liabilities	12	337,647,010	108,751,312
संग्रहण के लिए बिल	Bills for collection		17,529,647	17,581,919
महत्वपूर्ण लेखांकन नीतियाँ	Significant Accounting Policies	17		
लेखा संबंधी टिप्पणियाँ	Notes on Accounts	18		

अनुसूचियाँ ऊपर तुलन पत्र का एक अभिन्न अंग के रूप में

Schedules referred to above form an integral part of the Balance Sheet

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Chithra.H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
(DIN : 01028298)

Jimmy Mathew
Company Secretary

Vinod Francis
Joint General Manager

Parayil George John Tharakan
Director
(DIN : 07018289)

V. J. Kurian
Director
(DIN : 01806859)

In terms of our report attached

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

For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101961W/
W-100036

M George Korah
Director
(DIN : 08207827)

Pradeep M Godbole
Director
(DIN : 08259944)

Vivek Krishna Govind
Partner
Membership No. 208259

Hiren Shah
Partner
Membership No. 100052

Paul Antony
Director
(DIN : 02239492)

R A Sankara Narayanan
Director
(DIN : 05230407)

Kochi
May 12, 2022

Thrissur
May 12, 2022

Radha Unni
Director
(DIN : 03242769)

Benny P Thomas
Director
(DIN : 09448424)

Thrissur
May 12, 2022

STANDALONE PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2022

	Schedule No	Year ended March 31, 2022 ₹ ('000)	Year ended March 31, 2021 ₹ ('000)
I. आय	I. INCOME		
अर्जित ब्याज	Interest Earned	13	65,865,375
अन्य आय	Other Income	14	10,341,031
जोड़	TOTAL		76,206,406
II. व्यय	II. EXPENDITURE		
व्यय किया गया ब्याज	Interest Expended	15	43,467,803
परिचालन व्यय	Operating Expenses	16	20,262,913
उपबंध और आकस्मिक व्यय	Provisions and Contingencies	18.A.14.e	12,025,870
जोड़	TOTAL		75,756,586
III. लाभ/हानि	III. PROFIT/LOSS		
वर्ष के शुद्ध लाभ	Net Profit(Loss) for the year		449,820
पिछले वर्ष के अग्रनीत लाभ	Profit brought forward from previous year		46,278
जोड़	Total		496,098
IV. विनियोग	IV. APPROPRIATIONS		
कानूनी आरक्षितियों को अंतरण	Transfer to Statutory Reserve		112,500
पूँजीगत आरक्षितियों को अंतरण	Transfer to Capital Reserve		762,281
अतिशेष जो आगे तुलन पत्र में ले जाया गया है।	Balance carried over to Balance Sheet		(378,683)
जोड़	TOTAL		496,098
प्रति शेयर अर्जन (₹)	Earnings per share (Face value of ₹ 1 per share)		
आधार ईपीएस (₹)	Basic (in ₹)	18.B.16	0.21
तनुकृत ईपीएस (₹)	Diluted (in ₹)	18.B.16	0.21
महत्वपूर्ण लेखांकन नीतियाँ	Significant Accounting Policies	17	
लेखा संबंधी टिप्पणियाँ	Notes on Accounts	18	

अनुसूचियों ऊपर लाभ और हानि खाता का एक अभिन्न अंग के रूप में
Schedules referred to above form an integral part of the Profit and Loss Account

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Chithra.H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
(DIN : 01028298)

Jimmy Mathew
Company Secretary

Vinod Francis
Joint General Manager

Parayil George John Tharakan
Director
(DIN : 07018289)

V. J. Kurian
Director
(DIN : 01806859)

In terms of our report attached

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

For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101961W/
W-100036

M George Korah
Director
(DIN : 08207827)

Pradeep M Godbole
Director
(DIN : 08259944)

Vivek Krishna Govind
Partner
Membership No. 208259

Hiren Shah
Partner
Membership No. 100052

Paul Antony
Director
(DIN : 02239492)

R A Sankara Narayanan
Director
(DIN : 05230407)

Kochi
May 12, 2022

Thrissur
May 12, 2022

Radha Unni
Director
(DIN : 03242769)

Benny P Thomas
Director
(DIN : 09448424)

Thrissur
May 12, 2022

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

		Year Ended March 31, 2022	Year Ended March 31, 2021
		₹ ('000)	₹ ('000)
Cash flow from operating activities			
Net Profit as per Profit and Loss Account		449,820	619,106
Adjustments for:			
Provision for taxes (Net)		(1,369,678)	247,500
Depreciation		840,171	826,506
Amortisation of Premium on HTM Investments		25,65,358	1,148,470
Provision for Depreciation / Non Performing Investments		2,562,987	1,247,723
General Provisions against Standard Assets		1,755,700	(841,100)
Provision/write off for Non Performing Assets		11,614,053	14,464,398
Other Provisions		104,921	441,495
Employee Stock Options expense		1,983	(4,647)
Interest on Subordinated bonds		1,754,250	1,760,762
(Profit)/Loss on sale of land, buildings and other assets		(1,476)	(3,081)
Operating profit before working capital changes	(A)	2,02,78,089	19,907,132
Changes in working capital:			
Increase / (Decrease) in Deposits		64,315,588	(3,233,391)
Increase / (Decrease) in Borrowings		(8,137,797)	(25,849,616)
Increase / (Decrease) in Other liabilities		(73,132)	259,187
(Increase) / Decrease in Investments		668,017	10,811,263
(Increase) / Decrease in Advances		(30,995,355)	49,707,831
(Increase) / Decrease in Other Assets		(2,144,329)	5,502,643
	(B)	23,632,992	37,197,917
Cash flow from operating activities before taxes	(A+B)	4,39,11,081	57,105,049
Direct Taxes paid		(395,676)	979,006
Net cash flow from operating activities	(C)	4,35,15,405	58,084,055
Cash flow from investing activities:			
Purchase of Fixed Assets/Capital Work-in-Progress		(1,018,674)	(812,710)
Sale of Fixed/Non Banking Assets		648,541	56,314
(Purchase)/Sale of Investments (Held To Maturity)		(17,035,646)	(10,165,556)
Net cash flow from/(used in) investing activities	(D)	(17,405,779)	(10,921,952)

		Year Ended March 31, 2022	Year Ended March 31, 2021
		₹ ('000)	₹ ('000)
Cash flow from financing activities:			
Proceeds from issue of share capital (Including Share Premium)		-	2,400,000
Interest on Subordinated bonds		(1,754,131)	(1,780,939)
Issue/(Repayment) of Subordinate bonds		-	(2,000,000)
Net cash flow from financing activities	(E)	(1,754,131)	(1,380,939)
Net increase/(decrease) in cash and cash equivalents	(C+D+E)	2,43,55,495	45,781,164
Cash and cash equivalents as at beginning of the year		87,678,781	41,897,617
<i>(Refer note below)</i>			
Cash and cash equivalents as at the end of the year		112,034,276	87,678,781
<i>(Refer note below)</i>			

Note :Cash and cash equivalents comprise of cash on hand (including foreign currency notes), Balances with Reserve Bank of India, Balance with Banks and money at call and short notice.(Refer schedules 6 and 7 of the Balance sheet)

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Chithra.H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
(DIN : 01028298)

Jimmy Mathew
Company Secretary

Vinod Francis
Joint General Manager

Parayil George John Tharakan
Director
(DIN : 07018289)

V. J. Kurian
Director
(DIN : 01806859)

In terms of our report attached

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

For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration No.
101961W/
W-100036

M George Korah
Director
(DIN : 08207827)

Pradeep M Godbole
Director
(DIN : 08259944)

Vivek Krishna Govind
Partner
Membership No. 208259

Hiren Shah
Partner
Membership No. 100052

Paul Antony
Director
(DIN :02239492)

R A Sankara Narayanan
Director
(DIN : 05230407)

Kochi
May 12, 2022

Thrissur
May 12, 2022

Radha Unni
Director
(DIN :03242769)

Benny P Thomas
Director
(DIN : 09448424)

Thrissur
May 12, 2022

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2022

	As at March 31, 2022 ₹('000)	As at March 31, 2021 ₹('000)
SCHEDULE 1 - CAPITAL		
Authorised Capital	4,000,000	3,500,000
400,00,00,000 Equity shares of ₹ 1/- each (Previous year 350,00,00,000 equity shares of ₹ 1/- each)		
Issued, Subscribed and Paid up Capital	2,092,741	2,092,741
209,27,41,018 Equity shares of ₹ 1/- each (Previous year 209,27,41,018 equity shares of ₹ 1/- each) (Refer Note no. A.1.e of Schedule 18)		
TOTAL	2,092,741	2,092,741
Employees' Stock Options Outstanding		
Employees' Stock Options Outstanding	12,905	23,056
Less: Deferred Employee Compensation Expense (unamortised)	-	(2,232)
TOTAL	12,905	20,824
SCHEDULE 2 - RESERVES AND SURPLUS		
I. Statutory Reserve		
Opening Balance	11,567,939	11,413,139
Additions during the year	112,500	154,800
Sub total	11,680,439	11,567,939
II. Capital Reserve [#]		
Opening Balance	8,377,031	6,740,495
Additions during the year*	762,281	1,677,563
	9,139,312	8,418,058
Deductions during the year:		
Deduction from reserve to the extent of depreciation on revalued amount	(41,027)	(41,027)
Sub total	9,098,285	8,377,031
III. Share Premium		
Opening Balance	17,668,966	15,551,985
Additions during the year	-	2,116,981
Sub total	17,668,966	17,668,966
IV. Revenue and Other Reserves [§]		
Opening Balance	18,318,653	17,973,129
	18,318,653	17,973,129
Additions during the year :		
a) lapse of vested options	9,903	1

	As at March 31, 2022 ₹('000)	As at March 31, 2021 ₹('000)
b) transfer of depreciation on revaluation	41,027	41,027
c) reversal/(debit) deferred provision for fraud accounts (Refer Note no. A.1.c of Schedule 18)	-	304,496
Sub total	18,369,583	18,318,653
V. Balance in Profit and Loss Account	(378,683)	46,278
TOTAL [i+ii+iii+iv+v]	56,438,590	55,978,867

* 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 ₹156.08 Crore (Previous Year ₹ 167.58 Crore)

b) Profit on sale of Fixed Assets ₹ 0.15 Crore (Previous Year ₹ 0.17 Crore)

#(Refer Note no. A.1.f (i & ii) of Schedule 18)

§(Refer Note no. A.1.f (iii, iv & v) of Schedule 18)

SCHEDULE 3 - DEPOSITS

A.	I. Demand Deposits		
	(i) From Banks	123,699	135,269
	(ii) From Others	48,491,545	43,075,591
	II. Savings Bank Deposits	247,398,532	202,687,064
	III. Term Deposits		
	(i) From Banks	22,287,247	15,501,659
	(ii) From Others	573,120,055	565,705,907
	TOTAL	891,421,078	827,105,490
B.	(i) Deposits of branches in India	891,421,078	827,105,490
	(ii) Deposits of branches outside India	Nil	Nil
	TOTAL	891,421,078	827,105,490

SCHEDULE 4 - BORROWINGS

I.	Borrowings in India		
	(i) Reserve Bank of India	-	-
	(ii) Other Banks*	2,078,800	2,078,800
	(iii) Other Institutions and Agencies#	28,738,169	36,044,000
II.	Borrowings outside India - from other banks	2,127,965	2,959,931
	TOTAL	32,944,934	41,082,731
	Secured borrowings under Triparty repo, market repurchase transactions with banks and financial institutions and transactions under Liquidity Adjustment Facility and Marginal Standing Facility included above.	9,995,969	-

*Borrowings from other banks include Subordinated Debt of ₹ 48.36 crores (Previous year ₹ 48.36 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.41.d]

#Borrowings from other institutions & agencies include Subordinated Debt of ₹ 991.64 Crores (Previous year ₹ 991.64 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.d]

	As at March 31, 2022 ₹('000)	As at March 31, 2021 ₹('000)
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	1,251,958	1,054,889
II. Inter -Office adjustments (Net)	25,656	6,544
III. Interest Accrued	1,801,206	1,864,137
IV. Others (including provisions)*	14,535,147	12,285,511
TOTAL	17,613,967	15,211,081

*Includes :-

Provision for standard assets ₹ 464.54 Crore (Previous year ₹ 290.03 Crore) (Refer Note no. A.4.a of Schedule 18)

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

I. Cash in hand (Including foreign currency notes)	5,723,146	4,229,122
II. Balances with Reserve Bank of India In Current Account	31,042,910	28,817,971
TOTAL	36,766,056	33,047,093

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

I. In India		
i) Balances with Banks		
(a) In Current Accounts	197,384	653,368
(b) In Other Deposit Accounts	289,417	33,639
ii) Money at call & short notice		
(a) With Banks	-	3,000,000
(b) With other Institutions	-	-
(c) Lending under Reverse Repo (RBI and Banks)	36,000,000	31,643,518
Sub total	36,486,801	35,330,525
II. Outside India		
(a) In Current Accounts	1,580,187	2,379,122
(b) In Other Deposit Accounts	35,243,512	14,256,450
(c) Money at call & short notice - with banks	1,957,720	2,665,591
Sub total	38,781,419	19,301,163
TOTAL	75,268,220	54,631,688

	As at March 31, 2022 ₹('000)	As at March 31, 2021 ₹('000)
SCHEDULE 8 - INVESTMENTS		
I. Investments in India in:		
(i) Government Securities*	194,655,253	191,486,589
(ii) Other Approved Securities	-	-
(iii) Shares	545,603	961,285
(iv) Debentures and Bonds	5,718,540	1,626,433
(v) Subsidiaries and/or Joint Venures	5,000	-
(vi) Others#	13,523,768	9,134,559
Sub total	214,448,164	203,208,866
II. Investments outside India - Shares	1,964	1,979
TOTAL (I+II)	214,450,128	203,210,845
A. Gross Investments		
(i) In India	225,338,150	211,802,669
(ii) Outside India	1,979	1,979
Sub total (A)	225,340,129	211,804,648
B. Depreciation/Provision for investments		
(i) In India	10,889,986	8,593,803
(ii) Outside India	15	-
Sub total (B)	10,890,001	8,593,803
C. Net Investments		
(i) In India	214,448,164	203,208,866
(ii) Outside India	1,964	1,979
TOTAL (A-B)	214,450,128	203,210,845
*Including Non SLR State Government bonds with Book Value ₹ 105.28 Crore (Previous Year: ₹ 197.71 Crore). (Refer Note No. A.3.d of Schedule 18)		
#includes		
Security Receipts	7,030,389	4,884,559
Mutual Fund	-	4,250,000
TOTAL	7,030,389	9,134,559

	As at March 31, 2022 ₹('000)	As at March 31, 2021 ₹('000)
SCHEDULE 9 - ADVANCES		
A. (i) Bills Purchased and Discounted	51,109,407	30,026,099
(ii) Cash Credits, Overdrafts and Loans repayable on demand	296,075,004	285,503,304
(iii) Term Loans	252,749,496	265,035,358
TOTAL	599,933,907	580,564,761
B. (i) Secured by tangible assets*	523,550,632	516,506,506
(ii) Covered by Bank/Government Guarantees	41,685,676	46,934,950
(iii) Unsecured	34,697,599	17,123,305
TOTAL	599,933,907	580,564,761
*includes advances against Book Debt: ₹ 8,577.11 Crore (Previous year: ₹ 9,573.80 Crore)		
C. I. Advances in India		
(i) Priority Sectors	294,932,182	313,017,919
(ii) Public Sector	3,135,817	1,859,072
(iii) Banks	-	-
(iv) Others	301,865,908	265,687,770
TOTAL	599,933,907	580,564,761
II. Advances outside India	Nil	Nil
TOTAL	599,933,907	580,564,761
SCHEDULE 10 - FIXED ASSETS		
I. Premises (including Land)		
Gross Block:		
At cost as on March 31, of the preceding year	5,946,942	5,946,968
Additions during the year		
Due to purchases/acquisitions	300	-
	5,947,242	5,946,968
Deductions during the year	-	26
Closing Balance	5,947,242	5,946,942
Depreciation		
As at beginning of the year	669,021	601,637
Charge of the year	67,384	67,384
Depreciation to date	736,405	669,021
Net Block	5,210,837	5,277,921
Sub total		
II. Capital Work in Progress		
At cost as on March 31, of the preceding year	405,046	242,360
Additions during the year	966,531	688,786
	1,371,577	931,146
Capitalisations during the year	781,107	526,100
Sub total	590,470	405,046

	As at March 31, 2022 ₹('000)	As at March 31, 2021 ₹('000)
III. Other Fixed Assets (Including furnitures and fixtures and Software)		
Gross Block:		
At cost as on March 31, of the preceding year	7,575,854	7,239,505
Additions during the year	832,950	650,024
	8,408,804	7,889,529
Deductions/adjustments during the year	186,443	313,675
	8,222,361	7,575,854
Depreciation		
As at beginning of the year	5,307,154	4,826,777
Charge of the year	772,772	759,103
Deductions during the year	166,799	278,726
Depreciation/adjustments to date	5,913,127	5,307,154
Net Block	2,309,234	2,268,700
Sub total	2,309,234	2,268,700
TOTAL [I+II+III]	8,110,541	7,951,667

SCHEDULE 11 - OTHER ASSETS

I. Inter -Office adjustments (Net)		-	-
II. Interest Accrued		10,087,447	8,298,136
III. Tax Paid in Advance/Tax Deducted at Source (Net of provision)		3,073,835	2,672,209
IV. Deferred tax asset (net) (Refer Note no. B.3.b of Schedule 18)		2,344,082	980,354
V. Deferred Employee Benefits (Refer Note no.B.11.c.ii of Schedule 18)		245,714	-
VI. Stationery and Stamps		25,383	30,971
VII. Non-Banking Asset acquired in satisfaction of claims	141,860		1,269,137
Less: provision held	(141,860)	-	(1,269,137)
VIII. Others*		50,218,902	50,104,010
TOTAL		65,995,363	62,085,680

*Includes Priority Sector Shortfall Deposits amounting to ₹ 3,790.89 Crore (Previous year ₹ 4,404.14 Crore)

SCHEDULE 12 - CONTINGENT LIABILITIES (Refer Note no. 15 of Schedule 17)

I. Claims against the Bank not acknowledged as debts:			
(i) Direct Tax disputes		205,023	397,276
(ii) Indirect Tax disputes		227,201	226,713
(iii) Others		269,928	239,904
II. Liability on account of outstanding Forward			
Exchange Contracts ¹		308,946,320	78,265,378
III. Guarantees given on behalf of constituents in India		17,413,699	17,356,865
IV. Acceptances, endorsements and other obligations		8,363,430	10,643,474
V. Other items for which the bank is contingently liable:			
(i) Capital Commitments		384,387	123,211
(ii) Transfers to Depositor Education and Awareness Fund (DEA Fund)*		1,837,022	1,498,491
TOTAL		337,647,010	108,751,312

¹Represents notional amount

*Refer Note No. A.10 of Schedule 18

	Year ended March 31, 2022 ₹ ('000)	Year ended March 31, 2021 ₹ ('000)
SCHEDULE 13 - INTEREST EARNED		
I. Interest/Discount on Advances/Bills	50,693,408	57,676,290
II. Income on Investments	10,398,050	13,090,027
III. Interest on balances with Reserve Bank of India and Other Inter - Bank funds	3,337,314	478,465
IV. Others	1,436,603	1,809,665
TOTAL	65,865,375	73,054,447

SCHEDULE 14 - OTHER INCOME

I. Commission, Exchange and Brokerage		471,836		500,184
II. Profit on sale of Investments	3,462,571		5,086,049	
Loss on sale of Investments	(158,813)		(890,648)	
Prov for Depn on Investments	(2,642,113)	661,645	436,910	4,632,311
III. Profit on sale of land, buildings and other assets	8,704		12,466	
Loss on sale of land, buildings and other assets	(7,228)	1,476	(9,385)	3,081
IV. Profit/(Loss) on Exchange transactions (net)		601,233		480,902
V. Miscellaneous Income*		8,604,841		6,675,209
TOTAL		10,341,031		12,291,687

* Includes Amount written off since recovered ₹ 104.75 Crore (Previous Year ₹ 66.64 Crore)

SCHEDULE 15 - INTEREST EXPENDED

I. Interest on Deposits	40,623,714	44,662,611
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	40,385	1,203,977
III. Others	2,803,704	3,118,782
TOTAL	43,467,803	48,985,370

SCHEDULE 16 - OPERATING EXPENSES

I. Payments to and Provisions for Employees	11,978,918	12,344,886
II. Rent, Taxes and Lighting	1,287,967	1,235,528
III. Printing and Stationery	126,082	103,686
IV. Advertisement and Publicity	27,803	30,480
V. Depreciation on Bank's Property	840,171	826,506
VI. Directors fees, allowances and expenses	19,773	17,911
VII. Auditors' fees and expenses#	21,276	40,157
VIII. Law charges	145,293	138,507
IX. Postage, telegrams, telephones, etc.	505,240	441,112
X. Repairs and Maintenance	507,892	516,560
XI. Insurance	1,159,449	1,130,094
XII. Other Expenditure*	3,643,049	2,919,305
TOTAL	20,262,913	19,744,732

*Includes expenditure towards Corporate Social Responsibility ₹ 6.06 Crore (Previous year : ₹ 11.68 Crore) [Refer Note no. B.17 of Schedule 18]

#Previous year includes fee to branch auditors.

**SCHEDULE – 17 SIGNIFICANT ACCOUNTING POLICIES APPENDED TO AND
FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022**

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 929 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 Standalone financial statements have been prepared in accordance with requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the bank used in the preparation of these financial statements conform in all material aspects to Generally Accepted Accounting Principles in India ("Indian GAAP"), the circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time and the Accounting Standards prescribed under Section 133 of the Companies Act, 2013(as amended) and the relevant provisions of the Companies Act, 2013 ("the Act")and current practices prevailing within the banking industry in India. The Bank follows the historical cost convention and accrual method of accounting in the preparation of the financial statements, except where otherwise stated. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognized prospectively in the current and future periods.

Significant Accounting Policies

1. Revenue recognition

- a) Interest / discount / other charges income from loans, advances and investments and deposits placed with banks and other institutions are 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 borrowers 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 six groups, viz. Government Securities, Other Approved Securities, Shares, Debentures & Bonds, Subsidiaries and / or joint ventures and Other (to be specified) Investments for the purposes of disclosure in the Balance Sheet.
- b) Investments which are held for sale within 90 days from the date of purchase are classified as "Held for Trading".
- c) Investments which the bank intends to hold till maturity are classified as "Held to Maturity".
- d) Investments which are not classified in either of the above two categories are classified as "Available for Sale".

B) Acquisition cost

The cost of investments is determined on the weighted average basis. Broken period interest on debt instruments and government securities is treated as a revenue item. The transaction cost including brokerage, commissions etc. paid at the time of acquisition of investments are charged to the Profit and Loss Account.

C) Valuation

The valuation of investments is performed in accordance with the RBI Guidelines:

- a. Investments classified as HFT or AFS – Investments classified under the AFS and HFT categories are marked-to-market. The market/fair value of quoted investments included in the 'AFS' and 'HFT' categories is measured with respect to the Market Price of the Scrip as available from the trades/ quotes on the stock exchanges, pricelist of RBI or prices declared by Financial Benchmark India Private Limited etc. periodically. Net depreciation, if any, within each category of investment classification is recognized in Profit and Loss Account. The net appreciation, if any, under each category of Investment is ignored. Except in cases where provision for diminution other than temporary is created, the Book value of individual securities is not changed consequent to the periodic valuation of Investments.

Net depreciation on each type of investments falling under the residual category of 'Others' (i.e. mutual funds, PTCs, security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category.

The depreciation on securities acquired by way of conversion of outstanding loan is provided in accordance with the RBI guidelines. Provision for depreciation on investments is classified under Schedule 14 "Other Income". The book value of individual securities is not changed consequent to the periodic valuation of investments.

- b. Held to Maturity – These are carried at their acquisition cost unless it is more than the face value, in which case premium on acquisition is amortized over the remaining maturity of the security on straight line basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under Schedule 13 in Profit and Loss account. As per RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity. Any diminution, other than temporary, in the value of such securities is provided for.
- c. Treasury Bills, commercial paper, Cash management bills and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount amortized over the period to maturity.
- d. Units of Mutual Funds are valued at the latest repurchase price/net asset value declared by Mutual Fund.
- e. Market value of investments where current quotations are not available, is determined as per the norms prescribed by the RBI as under:
 - in case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity (YTM) for Government Securities as published by Financial Benchmark India Pvt Limited (FBIL) and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA are adopted for this purpose;
 - in case of bonds and debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by RBI;

- Preference shares shall be valued on YTM basis. It shall be valued with appropriate mark-up over the YTM rates for Central Government Securities put out by the FBIL. The preference shares shall not be valued above its redemption value.
 - equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet. In case the latest Balance Sheet is not available, the shares are valued at ₹ 1/- per company;
 - Investments in Security Receipts (SR's) are valued as per the NAV declared by the issuing Asset Reconstruction company (ARC) or net book value of loans transferred or estimated recoverable value based on Bank's internal assessment on case to case basis, whichever is lower. In case of investments in SRs which are backed by more than 10 percent of the stressed assets sold by the Bank, the valuation of such SRs is additionally subject to a floor of face value of the SRs reduced by the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the Bank.
 - Non- Performing Investments are identified and valued based on RBI guidelines.
- f. The Bank follows 'Settlement Date' accounting for recording purchase and sale transactions in securities. The investments in equity shares, they are accounted for on settlement date.
- D) Repo and Reverse Repo transactions
- In accordance with the RBI guidelines repo and reverse repo transactions in government securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are reflected as collateralized borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted for as interest expense and revenue on reverse repo is accounted for as interest income.
- E) Short Sales
- The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is reflected as the amount received on sale and is classified under 'Other Liabilities'. The short position is marked to market and resultant mark-to-market gain/losses are accounted for as per the relevant RBI guidelines for valuation of investments.
- F) Transfer of securities between Categories
- Transfer of securities between categories is done at the lower of the acquisition cost / book value/ market value on the date of the transfer and the depreciation, if any, on such transfer is fully provided for in accordance with RBI guidelines.
- G) Disposal of Investments
- a. Investments classified as HFT and AFS – Profit or loss on sale / redemption is included in the Profit and Loss account.
 - b. Investments classified as HTM – Profit on sale of / redemption of investments is included in the Profit and Loss Account and is appropriated to capital Reserve after adjustments for tax and transfer to Statutory Reserve. Loss on sale/redemption is charged to the Profit and Loss Account.
- ### 3. Advances
- A) Valuation / Measurement
- a) Advances are classified into performing assets (Standard) and non-performing assets ('NPAs') as per the RBI guidelines and are stated net of specific provisions made towards NPAs, sacrifice provisions on restructured advances and unrealised interest on NPAs. Interest on Non- Performing advances is not recognised in profit and loss account and transferred to an unrealised interest account until receipt. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Provisions for NPAs are made as per the guidelines and circulars of the RBI on matters relating to prudential norms.
 - b) Non-performing advances are written-off in accordance with the Bank's policies. Amounts recovered against debts written off are recognised in the profit and loss account and included under "Other Income".
 - c) For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by the RBI, which requires the diminution in the fair value of the assets to be provided at the time of restructuring. In respect of loans and advances accounts subjected to restructuring, the account is upgraded to standard only after the specified period i.e. a period of one year after the date when first payment of interest or of principal, whichever is later, falls due, subject to satisfactory performance of the account during the period.

Additional provision for restructured accounts as per the relevant restructuring scheme announced by RBI for Micro, Small and Medium (MSME) sector, accounts affected by natural calamities and as per COVID 19 resolution framework are made as per extant RBI guidelines.

- d) For entities with Unhedged Foreign Currency Exposure(UFCE), provision is made in accordance with the guidelines issued by RBI, which requires to ascertain the amount of UFCE, estimate the extent of likely loss and estimate the riskiness of unhedged position. The Provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.
- e) The Bank maintains general provision for standard assets including credit exposures computed as per the current marked-to-market values of foreign exchange derivative contracts, in accordance with the guidelines and at levels stipulated by RBI from time to time.
- 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. This provision if any, is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

5. Fixed Assets (Property Plant & Equipment and Intangibles) and depreciation / amortization

- a) The Property Plant & Equipment and Intangibles (other than office premise, which are revalued) are stated at historical cost less accumulated depreciation/ amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on asset put to use is capitalised only when it increases the future benefit / functioning capability from/of such assets. Gain or losses arising from the retirement or disposal of a Property Plant and Equipment / Intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of assets and recognised as income or expense in the Profit and Loss Account. Profit on sale of premises after adjustments for tax and transfer to Statutory, if any, is transferred to Capital Reserve as per the RBI guidelines.
- b) Portfolio of immovable properties is revalued periodically by independent valuers to reflect current market valuation. All land and building owned by the bank and used as branches or offices or office quarters are grouped under "Office Premises" in the Property Plant & Equipment. Appreciation, if any, on revaluation is credited to Revaluation Reserve under Capital Reserve. Additional depreciation on revalued asset is charged to Profit and Loss Account and appropriated from Revaluation Reserve to Revenue and other Reserves.
- c) Depreciation /Amortisation: Depreciation is provided on a pro-rata basis on a straight-line method over the estimated useful life of the fixed assets at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013, except for Vehicles which

are depreciated over five years, based on technical estimates. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II of Companies Act, 2013. Computer software is amortized over its useful life not more than 5 years.

6. Impairment of Assets

The carrying values of assets at each balance sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Profit and Loss Account, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a reduction in revaluation to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Profit and Loss Account, to the extent the amount was previously charged to the Profit and Loss Account. In case of revalued assets such reversal is not recognised.

7. Non-Banking Assets

Non-banking assets (NBAs) acquired in satisfaction of claims is carried at lower of net book value and net realisable value. Specific provision is made on specific Non-banking assets acquired on debt asset swap arrangements as specified by RBI.

8. Transactions involving foreign exchange

- a) Foreign currency income and expenditure items are translated at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities outstanding at the Balance Sheet date are revalued at rates notified by Foreign Exchange Dealers Association of India [FEDAI] and resulting profits or losses are included in the Profit and Loss Account, as per the guidelines issued by RBI.
- b) Foreign exchange spot and forward Contracts outstanding as at the Balance Sheet date (except Forward Contracts taken to hedge FCNR Deposits/ Overseas Borrowings) are revalued at the closing Spot and Forward Rates respectively as notified by FEDAI and at interpolated rates for contracts of interim maturities. For valuation of contracts having longer maturities, the forward points (for rates/tenures not published by FEDAI) are obtained from Reuters for valuation of the FX Deals. As directed by FEDAI to consider profit or loss on present value basis, the

forward profit or loss on the deals are discounted till the valuation date using the discounting yields. The resulting profit or loss on valuation is recognised in the Profit and Loss Account in accordance with RBI/FEDAI Guidelines.

- c) Forward Contracts taken to hedge FCNR Deposits/ Overseas Borrowings are translated at the prevailing spot rate at the time of swap. The Premium/ Discount on the swap arising out of the difference in the exchange rate of the swap date and maturity date of the underlying forward exchange contract is amortised over the period of the swap and the same is recognized in the Profit and Loss Account.
- d) Contingent liabilities on account of foreign exchange contracts, guarantees, letters of credit, acceptances and endorsements are reported at closing rates of exchange notified by FEDAI as at the Balance Sheet date.

9. Derivative transactions

The Bank recognizes all derivative contracts at fair value, on the date on which the derivative contracts are entered into and are remeasured at fair value as at the Balance sheet or reporting dates. Derivatives are classified as assets when the fair value is positive (Positive marked-to-market) or as liabilities when the fair value is negative (negative marked-to-market). Changes in the fair value of derivatives other than those designated as hedges are recognised in the Profit and Loss Account.

10. Employee benefits

- a) Provident Fund:
The contribution made by the Bank to "The South Indian Bank Ltd Employees Provident Fund", administered by the trustees is charged to Profit and Loss account. The fund is a defined contribution fund and the Bank has no further liability beyond the contribution made to the fund.
- b) Pension Fund:
The contribution towards "The South Indian Bank Ltd Employees' Pension Fund Trust", managed by trustees, is determined on actuarial basis on projected unit credit method as on the Balance Sheet date and is recognised in the profit and loss account. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

Employees who had joined the services of the Bank with effect from April 1, 2010 are covered under Defined Contributory Pension Scheme (DCPS). In respect of such employees the bank contributes specified percentage of the Basic Pay plus Dearness Allowance and the expenditure thereof is charged to Profit and Loss account and the Bank has no further

liability beyond the contribution to the fund on this account.

c) Gratuity:

The bank makes contribution to “The South Indian Bank Ltd Employees’ Gratuity Trust” administered and managed by the trustees. The present value of the bank’s obligation towards the same is actuarially determined based on the projected unit credit method as at the balance sheet date. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

d) Compensated absence on Privilege / Sick / Casual Leave and Leave Travel Concession (LTC):

The employees of the Bank are entitled to compensated absence on account of privilege / sick / casual leave as per the leave rules. The bank measures the long term expected cost of compensated absence as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuation and such costs are recognised in the profit and loss account. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

The employees are also eligible for LTC as per the rules. The estimated cost of unused entitlement as on the Balance Sheet date based on actuarial valuation is provided for.

e) Employees Stock Option Scheme (ESOS):

The SIB ESOS 2008 Employee Stock Option Scheme (“the Scheme”) provides for grant of stock options on equity shares of the Bank to employees and Managing Director of the Bank. The Scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021. The Bank followed intrinsic value method to account for its stock based employee compensation plans as per the Guidelines for all the options granted till the accounting period ending 31 March, 2022.

RBI issued a clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers /Material Risk Takers and Control Function Staff on 30 August, 2021, advising banks that the share-linked instruments are required to be fair valued on the date of grant using the Black-Scholes model. Accordingly, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognized the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. Options are granted at an exercise price, which is equal to the fair market price of the underlying

equity shares at the date of the grant or at such a discount as may be approved by NRC/Board from time to time.

The fair market price being the closing price of stock exchange which recorded the highest trading volumes in equity shares of the Bank and trading day immediately preceding the date on which the grant of options was approved and recommended to Board by Nomination and Remuneration Committee of Board.

f) Other Employee Benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employee is recognised during the period when the employee renders the service. These benefits include performance incentives.

g) New Pension Scheme (‘NPS’)

In respect of employees who are covered under NPS, the Bank contributes certain percentage of the sum of basic salary and dearness allowance of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies and regulated by PFRDA. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue. The Bank has no liability other than its contribution, and recognises such contributions as an expense in the year incurred.

11. Segment Reporting

The disclosure relating to segment information is in accordance with the guidelines issued by RBI.

12. Debit Card Reward Points

The Bank runs a loyalty program which seeks to recognise and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. The Bank estimates the probable redemption of such loyalty/reward points using an actuarial method at the Balance Sheet date by employing independent actuary. Provision for said reward points is then made based on the actuarial valuation report as furnished by the said independent Actuary.

13. Earnings Per Share (EPS)

The Bank reports Basic and Diluted Earnings per Equity Share in accordance with Accounting Standard 20, prescribed under section 133 of the Companies Act, 2013. Basic EPS has been computed by dividing Net Profit for the year by the weighted average number of Equity Shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the

year. A diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end. Potential equity shares which are anti-dilutive in nature are ignored.

14. Taxes on income

Income tax expense is the aggregate amount of current tax and deferred tax charge.

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.

15. Accounting for Provisions, Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets prescribed under section 133 of the Companies Act, 2013, the Bank recognises provisions when it has a present obligation as a result of a past event and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate of the amount of the obligation can be made.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

16. Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account as per the lease terms.

17. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with Reserve Bank of India and balances with other banks/institutions and Money at Call and Short Notice (including the effect of changes in exchange rates on cash and cash equivalents in foreign currency).

18. Share issue expenses

Share issue expenses are adjusted from Securities Premium Account as permitted by Section 52 of the Companies Act, 2013.

19. Corporate Social Responsibility

Expenditure towards Corporate Social Responsibility is recognized in accordance with Companies Act 2013

20. Accounting of Priority Sector Lending Certificate (PSLC)

The Bank vide RBI circular FIDD.CO.Plan. BC.23/04.09.01/2015-16 dated April 7, 2016 trades in priority sector portfolio by selling or buying PSLC, without transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income'.

21. Accounting for Dividend

In terms of revised Accounting Standard (AS) 4 "Contingencies and Events occurring after the Balance sheet date" as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016, Proposed Dividend or Dividend declared after balance sheet date are not shown as liability in current year balance sheet. 22. Cash Flows

Cash flow Statement has been prepared under the Indirect Method.

22. Cash Flow

Cash flow statement has been prepared under the indirect method

**SCHEDULE - 18 NOTES ON ACCOUNTS FORMING PART OF THE
STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

A: Disclosures as per RBI's Master Directions on Disclosure in Financial Statements

Amounts in Notes forming part of the financial statements for the year ended March 31, 2022 are denominated in Rupees Crore (unless specified otherwise) to conform to extant RBI guidelines.

1. Regulatory Capital

a) Composition of regulatory Capital

The Bank is subject to the capital adequacy guidelines stipulated by RBI, which are based on the framework of the Basel Committee on Banking Supervision. As per Basel III and RBI guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% {11.5% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier I (CET1) of 5.5% (8% including CCB) from 01st October 2021. These guidelines on Basel III have been implemented on 1st April 2013 in a phased manner. The minimum CRAR required to be maintained by the Bank as on 31st March 2022 is 11.50 %. The Capital Adequacy Ratio of the Bank calculated as per Basel III Capital Regulations is set out below:

[₹.in Crore]

Particulars	March 31, 2022	March 31, 2021
i) Common Equity Tier I Capital(CET 1)/Paid up share capital and reserves (net of deductions, if any)	5,550.94	5,530.52
ii) Additional Tier 1 capital/Other Tier 1 capital	500.00	500.00
iii) Tier 1 Capital (i+ii)	6,050.94	6,030.52
iv) Tier 2 Capital	1,206.80	1,242.85
v) Total Capital (Tier 1 +Tier 2)	7,257.74	7,273.37
vi) Total Risk Weighted Assets (RWAs)	45,743.59	47,167.54
vii) CET 1 Ratio (CET 1 as a percentage of RWAs)/Paid-up share capital and reserves as percentage of RWAs	12.13%	11.73%
viii) Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	13.22%	12.79%
ix) Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.64%	2.63%
x) Capital to Risk Weighted Asset Ratio (CRAR)(Total Capital as a percentage of RWAs)	15.86%	15.42%
xi) Leverage Ratio	5.83%	6.18%
xii) Percentage of the shareholding of Government of India	-	-
xiii) Amount of paid up Equity Capital raised (Including share premium) through: Preferential Issue	-	239.99
xiv) Amount of Non Equity Tier 1 capital raised during the year	-	-
xv) Amount of Tier 2 capital raised;	-	-

In accordance with RBI Guidelines, banks are required to make Pillar 3 disclosures under Basel III Capital Regulations. The Bank has made these disclosures which are available on its website at the following link:

<http://www.southindianbank.com/content/viewContentLvl1.aspx?linkIdLvl2=854&LinkIdLvl3=880&linkId=880>

Pillar 3 disclosures have not been subjected to audit.

b) Draw Down from Reserves

The Bank has not undertaken any drawdown from reserves during the years ended March 31, 2022 and March 31, 2021.

c) Credit to Reserve

Bank credited back ₹ Nil (Previous year ₹ 30.45 Crore) 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.

d) Additional Tier I Bonds:

Additional Tier I Bonds outstanding and included under borrowings is as follows: [₹.in Crore]

Borrowings in India	March 31, 2022	March 31, 2021
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, 2022	March 31, 2021
From Banks	48.36	48.36
From Others	991.64	991.64
Total	1,040.00	1,040.00

Total Subordinated debt of ₹ 920.00 Crore (Previous Year: ₹ 980.00 Crore) is reckoned for Tier II capital as per RBI guidelines.

Particulars of Tier I and Tier II bonds [₹.in Crore]

Name of instrument	Amount	Date of Issue	ROI	Date of Maturity
Tier II Bonds	300	30.09.2015	10.25%	31.10.2025
Tier II Bonds	490	28.11.2017	9.50%	28.05.2028
Tier II Bonds	250	26.03.2019	11.75%	26.06.2029
Tier I Bonds	500	24.01.2020	13.75%	Perpetual

e) Capital Infusion:

During the year ended March 31, 2022 the Bank has not allotted any equity shares.

During the year ended March 31, 2021, the Bank has allotted 28,3018,867 (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 INR 7.48/- each (Indian Rupees Seven and Paise Forty-eight only) on preferential basis, aggregating to ₹ 239.99 Crore. Accordingly, share capital increased by ₹ 28.30 Crore and share premium increased by ₹ 211.70 Crore

Details of movement in the paid-up equity share capital of the Bank are given below: [₹.in Crore]

Particulars	March 31, 2022		March 31, 2021	
	No of shares	Amount	No of shares	Amount
Opening Balance	209,27,41,018	209.27	180,97,22,151	180.97
Additions pursuant to Stock Options exercised/preferential issue	-	-	28,30,18,867	28.30
Closing balance	209,27,41,018	209.27	209,27,41,018	209.27

f) Movement of Reserves clubbed under Capital Reserve, Revenue & Other Reserves
i) Movement of Capital Reserve

[₹.in Crore]

Particulars	March 31, 2022	March 31, 2021
Opening Balance	520.71	352.96
Additions during the year	76.23	167.75
Closing Balance	596.94	520.71

ii) Movement of Asset Revaluation Reserve

[₹.in Crore]

Particulars	March 31, 2022	March 31, 2021
Opening Balance	316.99	321.09
Deduction from revaluation reserve to the extent of depreciation on revalued amount	(4.10)	(4.10)
Closing Balance	312.89	316.99

iii) Movement of Revenue and other reserves

[₹.in Crore]

Particulars	March 31, 2022	March 31, 2021
Opening Balance	1,410.33	1,375.78
Addition during the year by way of lapse of vested option	0.99	0.00
Addition due to transfer of depreciation on revaluation	4.10	4.10
Addition on account of reversal of deferred provision for fraud accounts (refer Note No. A.1.c of Schedule 18)	0.00	30.45
Closing Balance	1,415.42	1,410.33

iv) Movement of Investment Fluctuation Reserve

[₹.in Crore]

Particulars	March 31, 2022	March 31, 2021
Opening Balance	22.15	22.15
Additions during the year	-	-
Closing Balance	22.15	22.15

v) Movement of Special Reserve

[₹.in Crore]

Particulars	March 31, 2022	March 31, 2021
Opening Balance	399.39	399.39
Additions during the year	-	-
Closing Balance	399.39	399.39

Note: As per RBI circular the above reserves are clubbed in the schedule 2 of Balancesheet

2. Asset Liability Management

a) Maturity Pattern of Certain items of assets and liabilities:

i) As at March 31, 2022:

[₹.in Crore]

Particulars	Day 1	2to 7 days	8 to 14 days	15 to 30 days	31 days and up to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 years	Over 1 year and up to 3 years	Over 3 year and up to 5 years	Over 5 years	Total
Deposits	549.85	788.01	621.24	1,570.56	3,410.67	1,965.52	3,623.26	3,472.50	5,004.88	6,449.91	61,685.71	89,142.11
Advances	1,413.20	642.08	593.34	2,590.33	2,970.91	5,006.89	9,297.72	6,263.01	7,633.83	3,732.93	19,849.15	59,993.39
Investments	3,322.92	167.02	168.81	495.86	418.49	868.98	913.76	1,053.88	1,109.00	1,588.09	11,338.20	21,445.01
Borrowings	212.80	999.60	28.06	-	28.05	28.05	112.71	124.10	664.12	357.00	740.00	3,294.49
Foreign Currency-Assets	582.45	526.14	57.55	2,666.38	741.03	377.73	480.20	58.01	5.20	2.39	-	5,497.08
Foreign Currency-Liabilities	112.09	13.14	23.35	31.04	116.48	100.76	140.84	381.26	606.62	331.46	-	1,857.04

ii) 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

Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the returns submitted to the RBI, which has been relied upon by the auditors.

Advances as on March 31, 2022 include ₹ 1300 Crore of Inter Bank Participation Certificate (IBPC), out of which ₹ 700 Crore is bucketed in 15-30 Days bucket and ₹ 600 Crore is bucketed in over 3 months and up to 6 months bucket.

Off balance sheet items are not considered in maturity pattern of assets and liabilities.

b) Liquidity Coverage Ratio (LCR)

i) Qualitative Disclosure around LCR

The Bank measures and monitors the LCR in line with the Reserve Bank of India's circular dated June 9, 2014 on "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards". The LCR guidelines aim to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken. Banks are required to maintain High Quality Liquid Assets of a minimum of 100% of its Net Cash Outflows from January 01, 2019. The daily average LCR of the bank for the quarter ended March 2022 is 319.50%.

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 recon 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 had increased MSF from 2% to 3% w.e.f March 27, 2020 to December 31, 2021. However, it was further reduced back to 2% from 3% of NDTL from January 01, 2022 onwards.

The principal components of the estimated cash out flows which could arise in next 30 days are retail deposits (63.75%) and unsecured wholesale funding (25.69%) 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.

ii) Quantitative Disclosure around LCR

[₹.in Crore]

Particulars	Quarter ended March 31, 2022			Quarter ended December 31, 2021			Quarter ended September 30, 2021			Quarter ended June 30, 2021		
	Unweighted Value (Average)	Weighted Value (Average)	Total	Unweighted Value (Average)	Weighted Value (Average)	Total	Unweighted Value (Average)	Weighted Value (Average)	Total	Unweighted Value (Average)	Weighted Value (Average)	Total
High Quality Liquid Assets												
1 Total High Quality Liquid Assets (HQLA)		21,566.17			24,532.80			22,523.78			21,556.39	
Cash Outflows												
2 Retail deposits and deposits from small business customers, of which:	69,819.71	6,774.68		68,578.96	6,653.54		67,364.81	6,533.44		66,041.48	6,399.83	
(i) Stable deposits	4,145.79	207.29		4,087.19	204.36		4,060.78	203.04		4,086.32	204.31	
(ii) Less stable deposits	65,673.92	6,567.39		64,491.78	6,449.18		63,304.03	6,330.40		61,955.15	6,195.51	
3 Unsecured wholesale funding, of which:	2,785.45	2,729.51		3,401.75	3,330.65		3,104.13	3,057.54		2,942.14	2,887.05	
(i) Operational deposits (all counterparties)			0.00		0.00	0.00		0.00	0.00		0.00	0.00
(ii) Non-operational deposits (all counterparties)	2,784.73	2,728.79	3,394.71	3,323.61	3,103.85	3,057.26	2,940.19	2,885.11				
(iii) Unsecured debt	0.71	0.71	0.00	7.04	7.04	0.28	1.94	1.94				
4 Secured wholesale funding			0.00		0.00	0.00		0.00			0.00	
5 Additional requirements, of which	0.23	0.23	0.23	1.25	1.25	0.00	5.85	5.85				
(i) Outflows related to derivative exposures and other collateral requirements	0.23	0.23	0.23	1.25	1.25	0.00	5.86	5.86				
(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			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			0.00	0.00
6 Other contractual funding obligations	613.15	613.15	602.17	602.17	602.17	596.90	599.31	599.31			599.31	599.31
7 Other contingent funding obligations	2,120.83	509.08	2,188.72	536.59	2,050.71	419.80	2,293.76	495.32				
8 TOTAL CASH OUTFLOWS		10,626.65			11,124.20			10,607.68			10,387.36	
Cash Inflows												
9 Secured lending (e.g. reverse repos)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00
10 Inflows from fully performing exposures	4,304.87	2,152.43	4,556.56	2,278.28	4,751.38	2,375.69	4,558.15	2,279.07				
11 Other cash inflows	1,826.47	1,724.14	2,938.40	2,827.18	3,363.19	3,271.05	2,784.49	2,752.08				
12 TOTAL CASH INFLOWS	6,131.34	3,876.57	7,494.96	5,105.46	8,114.57	5,646.74	7,342.64	5,031.15				
13 TOTAL HQLA		21,566.17			24,532.80			22,523.78			21,556.39	
14 TOTAL NET CASH OUTFLOWS		6,750.08			6,018.74			4,960.94			5,356.21	
15 LIQUIDITY COVERAGE RATIO (%)		319.50%			407.61%			454.02%			402.46%	

Note: The LCR for each quarter is calculated taking daily average.

[₹.in Crore]

Particulars	Quarter ended March 31, 2021			Quarter ended December 31, 2020			Quarter ended September 30, 2020			Quarter ended June 30, 2020		
	Total Unweighted Value (Average)	Weighted Value (Average)	Total Value (Average)	Total Unweighted Value (Average)	Weighted Value (Average)	Total Value (Average)	Total Unweighted Value (Average)	Weighted Value (Average)	Total Value (Average)	Total Unweighted Value (Average)	Weighted Value (Average)	Total Value (Average)
High Quality Liquid Assets			21093.13			20774.05			18497.99			19028.79
1 Total High Quality Liquid Assets (HQLA)												
Cash Outflows												
2 Retail deposits and deposits from small business customers, of which:	63,368.77	6,136.70		62,404.45	6,044.22		61,355.68	5,941.34		60,203.45	5,830.02	
(i) Stable deposits	4,003.60	200.18		3,924.54	196.23		3,884.45	194.22		3,806.46	190.32	
(ii) Less stable deposits	59,365.18	5,936.52		58,479.91	5,847.99		57,471.23	5,747.12		56,396.99	5,639.70	
3 Unsecured wholesale funding, of which:	3,571.54	3,449.26		3,023.56	2,953.25		3,059.84	2,798.56		3,887.15	3,065.21	
(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)	3,570.07	3,447.79		3,023.56	2,953.25		3,059.84	2,798.56		3,172.87	2,779.50	
(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	2,454.05	690.74		2,784.67	1,066.89		2,209.73	470.62		1,922.91	277.46	
8 TOTAL CASH OUTFLOWS		11,050.42			10,896.02			9,936.24			9,799.64	
Cash Inflows												
9 Secured lending (e.g. reverse repos)												
10 Inflows from fully performing exposures	4,059.52	2,029.76		4,609.83	2,304.90		3,260.87	1,630.44		2,414.03	1,207.02	
11 Other cash inflows	2,163.15	2,044.01		1,267.07	1,186.20		1,165.29	1,035.16		1,208.83	1,080.29	
12 TOTAL CASH INFLOWS	6,222.67	4,073.77		5,876.90	3,491.12		4,426.16	2,665.60		3,622.87	2,287.31	
13 TOTAL HQLA		21,093.13		20,774.05			18,497.99			19,028.79		
14 TOTAL NET CASH OUTFLOWS		6,976.64		7,404.90			7,270.65			7,512.33		
15 LIQUIDITY COVERAGE RATIO (%)		302.34%		280.54%			254.42%			253.30%		

c) Net Stable Funding Ratio (NSFR)

i) Qualitative Disclosure

The Basel Committee on Banking Supervision (BCBS) had introduced the Net Stable Funding Ratio (NSFR) in order to ensure that banks maintain a stable funding profile in relation to the composition of their assets, liabilities and off-balance sheet activities. NSFR ensures resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding

NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. "Available stable funding" is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of stable funding required ("Required stable funding") of the Bank is a function of the liquidity characteristics and residual maturities of the various assets as well as the off-balance sheet (OBS) exposures of the Bank. As per the RBI Guideline, Bank is required to maintain a minimum NSFR of 100% on an ongoing basis effective from October 1, 2021.

The NSFR of the Bank as on 31st March 2022 is at 153.92% as against the regulatory minimum of 100% and the table given below sets out the details of NSFR of the Bank as on the aforesaid date.

ii) NSFR Quantitative Disclosure Template

[₹. in Crore]

NSFR Disclosure Template						
		Unweighted value by residual maturity				Weighted value
		No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
Available Stable Funding Item (ASF)						
1	Capital: (2+3)	5,945.69	-	-	1540.00	7,485.69
2	Regulatory capital	5,945.69			1420.00	7,365.69
3	Other capital instruments				120.00	120.00
4	Retail deposits and deposits from small business customers: (5+6)	26,895.70	14,442.19	11,242.70	-	47,492.30
5	Stable deposits	1,670.58	910.51	814.40		3,225.72
6	Less stable deposits	25,225.12	13,531.68	10,428.30		44,266.58
7	Wholesale funding: (8+9)		475.88	3,106.69	-	1,791.29
8	Operational deposits					-
9	Other wholesale funding		475.88	3,106.69		1,791.29
10	Other liabilities: (11+12)	2165.58	1212.39	-	24,534.62	24,534.62
11	NSFR derivative liabilities					
12	All other liabilities and equity not included in the above categories	2165.58	1212.39		24,534.62	24,534.62
13	Total ASF (1+4+7+10)					81,303.90
Required Stable Funding Item(RSF)						
14	Total NSFR high-quality liquid assets (HQLA)					1,087.24
15	Deposits held at other financial institutions for operational purposes		392.68	-	-	1,963.41
16	Performing loans and securities: (17+18+19+21+23)	-	23,287.07	11,873.08	24,504.56	36,963.54
17	Performing loans to financial institutions secured by Level 1 HQLA					-

NSFR Disclosure Template						
		Unweighted value by residual maturity			Weighted value	
		No maturity*	< 6 months	6 months to < 1yr		≥ 1yr
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions		1,233.75	244.65	2,487.31	2,794.70
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:		21,389.29	11,475.50	17,018.98	30,136.04
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				3,812.43	2,478.08
21	Performing residential mortgages, of which:		0.95	3.98	3,866.93	2,665.15
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				3,121.03	2,028.67
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities		663.08	148.95	1,131.34	1367.65
24	Other assets: (sum of rows 25 to 29)	869.65	875.73	777.20	9,454.48	11,952.34
25	Physical traded commodities, including gold					
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				164.99	140.24
27	NSFR derivative assets				22.68	22.68
28	NSFR derivative liabilities before deduction of variation margin posted				7.47	7.47
29	All other assets not included in the above categories	869.65	875.73	777.20	9,259.35	11,781.95
30	Off-balance sheet items				18,401.13	854.91
31	Total RSF					52,821.44
32	Net Stable Funding Ratio (%)					153.92%

*Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities

3. Investments

a) Composition of Investment Portfolio

[₹. in Crore]

	Investments in India							Investments outside India			Total Investments	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Sub-sidiaries and/ or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Sub-sidiaries and/ or joint ventures	Others		Total Investments outside India
Held to Maturity												
Gross	19,364.95	0	0	0	0.5	0	19,365.45	0	0	0	0	19,365.45
Less: Provision for non-performing investments (NPI)	0	0	0	0	0	0	0	0	0	0	0	0
Net	19,364.95	-	-	-	0.5	-	19,365.45	-	-	-	-	19,365.45
Available for Sale												
Gross	16.1	0	211.81	588.32	0	2219.69	3,035.92	0	0	0.2	0.2	3,036.12
Less: Provision for depreciation and NPI	0	0	160.28	40.72	0	887.25	1,088.25	0	0	0	0	1,088.25
Net	16.1	0	51.53	547.59	0	1,332.45	1,947.67	0	0	0.2	0.2	1,947.87
Held for Trading												
Gross	84.48	0	3.03	25	0	19.93	132.44	0	0	0	0	132.44
Less: Provision for depreciation and NPI	0	0	0	0.75	0	0	0.75	-	-	-	0	0.75
Net	84.48	0	3.03	24.25	0	19.93	131.69	-	-	-	-	131.69
Total Investments	19,465.53	0	214.84	613.31	0.5	2,239.62	22,533.8	0	0	0.2	0.2	22,534.01
Less: Provision for non-performing investments	0	0	0	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	160.28	41.47	0	887.25	1089	0	0	0	0	1,089.00
Net	19,465.53	-	54.56	571.85	0.50	1,352.37	21,444.81	-	-	0.20	0.20	21,445.01

[₹. in Crore]

As at 31.03.2021

	Investments in India						Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Sub-sidiaries and/ or joint ventures	Others	Total invest-ments in India	Government securities (including local authorities)	Sub-sidiaries and/ or joint ventures	Others	Total Invest-ments outside India
Held to Maturity											
Gross	17,791.66	0	0	0	0	0	17,791.66	0	0	0	17,791.66
Less: Provision for non-performing investments (NPI)	0	0	0	0	0	0	0	0	0	0	-
Net	17,791.66	0	0	0	0	0	17,791.66	0	0	0	17,791.66
Available for Sale											
Gross	1,356.99	0.00	225.04	242.73	0.00	1,547.55	3,372.31	0.00	0.00	0.20	3,372.51
Less: Provision for depreciation and NPI	0.00	0.00	145.21	80.08	0.00	634.09	859.38	0.00	0.00	0.00	859.38
Net	1,356.99	0.00	79.84	162.64	0.00	913.46	2,512.93	0.00	0.00	0.20	2,513.13
Held for Trading											
Gross	0.00	0.00	16.29	0.00	0.00	0.00	16.29	0.00	0.00	0.00	16.29
Less: Provision for depreciation and NPI	0	0	0	0	0	0	0	0	0	0	0
Net	0.00	0.00	16.29	0.00	0.00	0.00	16.29	0.00	0.00	0.00	16.29
Total Investments	19,148.65	-	241.33	242.73	-	1,547.55	21,180.26	-	-	0.20	21,180.46
Less: Provision for non-performing investments	0	0	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation and NPI	0.00	0.00	145.21	80.08	0.00	634.09	859.38	0.00	0.00	0.00	859.38
Net	19,148.65	-	96.13	162.64	-	913.46	20,320.89	-	-	0.20	20,321.08

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

[₹. in Crore]

Particulars	March 31, 2022	March 31, 2021
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	634.82	678.51
b) Add: Provisions made during the year	267.33	95.26
c) Less: Write off / write back of excess provisions during the year	3.12	138.95
d) Closing balance	899.03	634.82
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	22.15	22.15
b) Add: Amount transferred during the year	0.00	0.00
c) Less: Drawdown	0.00	0.00
d) Closing balance	22.15	22.15
iii) Closing balance in IFR as a percentage of closing balance of investments* in AFS and HFT/Current category	1.98%	1.63%

* Carrying value less net depreciation

c) Sale and transfer to/from HTM category

During the year ended March 31, 2022, 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.

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 consequent to a downward revision in SLR requirement by RBI.
- 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	8,623.44	8,502.56	120.88
2	State Government Securities	10,652.32	10,640.80	11.5
3	State Government – Non SLR	89.18	94.83	0.00
4	Subsidiaries	0.50	0.50	0.00
	Total	19,365.44	19,238.69	132.38

The market value of investments held in HTM category was ₹ 19,238.69 Crores whereas book value is ₹ 19,365.44 Crores as on March 31, 2022.

- In respect of securities held under HTM category premium of ₹ 256.53 Crore (Previous Year ₹ 114.85 Crore) has been amortised during the year and debited under interest received on Government securities.
- Profit on sale of securities from HTM category amounting to ₹ 156.08 Crore (Previous Year: ₹ 298.59 Crore) has been taken to Profit and Loss Account. During the year, the Bank had appropriated ₹ 76.16 Crore (Previous Year ₹ 167.58 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.

d) Disclosure in respect of Non-SLR investments:

 i) Issuer composition of Non-SLR investments as at March 31, 2022: [₹. in Crore]

No	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
[1]	[2]	[3]	[4] ¹	[5] ^{1,2}	[6] ^{1,2}	[7] ^{1,2}
(i)	PSUs	40.34	35.34	-	-	-
(ii)	FIs	534.95	265.39	9.96	9.96	-
(iii)	Banks	502.94	500.91	-	-	-
(iv)	Private Corporate	384.80	383.76	20.00	20.00	5.00
(v)	Subsidiaries/ Joint Ventures	0.50	0.50	-	-	-
(vi)	Others ³	1,710.23	1,710.23	-	-	-
(vii)	Total Book Value of investments	3,173.77				
(viii)	Less: Provision for NPI	(189.97)				
(ix)	Less: Provision held towards depreciation	(899.03)				
	Total	2,084.77	2,896.13	29.96	29.96	5.00

¹Amounts reported under Columns 4, 5,6 and 7 above are not mutually exclusive.

²Excludes investments in equity shares, units of equity oriented mutual funds, Non SLR State Government securities, securities acquired by way of conversion of debt and security receipts in line with extant RBI guidelines.

³Includes Non SLR State Government special bonds with Book Value ₹ 105.28 Crore

 (ii) 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] ^{1,2}
(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 ³	1,759.93	1,334.92	-	-	-
(vii)	Total Book Value of investments	2229.52				
(viii)	Less: Provision for NPI	(224.56)				
(ix)	Less: Provision held towards depreciation	(634.82)				
	Total	1,370.14	1,680.73	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.

³Includes Non SLR State Government special bonds with Book Value ₹ 197.71 Crore and Mutual Fund of ₹ 425 Crore

Non-SLR investments as on 31.03.2022

[₹. in Crore]

Particulars	March 31, 2022	March 31, 2021
A Shares	54.76	96.33
B Debentures & Bonds ¹	677.14	360.35
C Subsidiaries/ joint ventures	0.50	-
D Others	1,352.37	913.46
E Total	2,084.77	1,370.14

¹ Including Non SLR State Government special bonds with Book Value ₹ 105.28 Crore (Previous Year: ₹ 197.71 Crore).

(i) Non- Performing Non-SLR investments

[₹. in Crore]

Particulars	March 31, 2022	March 31, 2021
Opening Balance	267.74	122.06
Additions during the year	-	172.78
Reductions during the year	49.39	27.10
Closing balance	218.35	267.74
Total provisions held	189.97	224.56

e) Repo Transactions:**a) Transacted during the Financial year 2021-22:**

[₹. in Crore]

Particulars [Book value]	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As on March 31, 2022
A) Securities sold under RBI Repos				
i) Government Securities	8.00	1,913.00	9.73	-
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under RBI Reverse Repos				
i) Government Securities	858	12,061.00	5,917.39	3,600.00
ii) Corporate Debt Securities	-	-	-	-
B) Securities sold under Market Repos				
i) Government Securities	107.69	107.69	0.29	-
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Reverse Market Repos				
i) Government Securities	4.95	169.29	22.30	-
ii) Corporate Debt Securities	-	-	-	-
C) Securities sold under Tri Party Repos				
i) Government Securities	29.99	4,999.58	1,797.59	999.59
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Tri Party Reverse Repo				
i) Government Securities	60.69	1,695.01	26.39	-
ii) Corporate Debt Securities	-	-	-	-

b) Transacted during the Financial year 2020-21:

[₹. in Crore]

Particulars [Book value]	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As on March 31, 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	5,375.00	1,070.27	1500
ii) Corporate Debt Securities	-	-	-	-
B) Securities sold under Market Repos				
i) Government Securities-	5.52	1,583.73	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 Repo				
i) Government Securities-	20.00	4,549.68	449.56	-
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Tri Party Reverse Repo				
i) Government Securities	51.04	1,495.06	4.38	1,495.06
ii) Corporate Debt Securities	-	-	-	-

f) Details of Book value of Investments in Security Receipts*

[₹. in Crore]

Particulars	Backed by NPAs sold by the bank as underlying		Backed by NPAs sold by other banks/ financial institutions/ non-banking financial companies as underlying		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Book value of investments in security receipts	1,573.54	1,105.80	-	-	1,573.54	1,105.80

Note- In addition to the above, Bank holds security receipt of ₹ 16.75 Crore (Previous Year ₹ 16.75 Crore) which are backed by Standard assets sold by the Bank. Bank was holding investments in the Security Receipts issued by a Trust managed by an Asset Reconstruction Company (ARC).

*Amount represents gross book value of Security Receipts held

g) Details of ageing of Investments held as Security Receipts:**(i) As at March 31, 2022:**

[₹. in Crore]

Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
i) Book value of SRs backed by NPAs sold by the bank as underlying	554.10	1,019.44	-
Provision held against (i)*	235.51	634.99	-
ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	-
Provision held against (ii)	-	-	-
Total (i) + (ii)	554.10	1,019.44	-

Note: In addition to the above, Bank maintains a provision of ₹ 16.75 Crore (Previous Year ₹ 16.58 Crore) against Security Receipts which are backed up by standard asset sold by the Bank.

*Provision amount represents Depreciation as per latest rating of SR/Provision as per RBI norms whichever is higher

(ii) 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	1,032.42	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)	1,032.42	73.37	-

Details of Non-Performing financial assets purchased/ sold

[₹. in Crore]

Particulars	March 31, 2022	March 31, 2021
Non performing financial assets purchased/ sold (from/to banks)	Nil	Nil

4. Asset Quality

a) Classification of advances and provisions held as on 31.03.2022

[₹. in Crore]

	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	55,275.16	2,245.38	18,66.15	31.71	4,143.24	59,418.40
Add: Additions during the year					2,159.23	
Less: Reductions during the year					2,654.38	
Closing balance	58,167.67	1,350.48	2,225.17	72.44	3,648.09	61,815.76
Reductions in Gross NPAs due to:					0.00	
i) Upgradation					801.66	
ii) Recoveries (excluding recoveries from upgraded accounts)					1,151.08	
iii) Technical/ Prudential Write-offs					101.35	
iv) Write-offs other than those under (iii) above					600.29	
Provisions (excluding Floating Provisions)					0.00	
Opening balance of provisions held	290.03*	405.36	936.93	19.04	1,361.33	1651.36
Add: Fresh provisions made during the year					1,586.68	
Less: Excess provision reversed/ Write-off loans					1,127.44	
Closing balance of provisions held	464.54*	485.44	1,274.88	60.24	1,820.57	2285.11
Net NPAs						
Opening Balance		1,840.02	894.51	0.00	2,734.52	
Add: Fresh additions during the year					1,636.34	
Less: Reductions during the year					2,593.09	
Closing Balance		865.04	912.73	0.00	1,777.77	
Floating Provisions						
Opening Balance						0.00
Add: Additional provisions made during the year						0.00
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						0.00
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						2,482.12
Add: Technical/ Prudential write-offs during the year						101.35
Less: Recoveries made from previously technical/ prudential written-off accounts during the year#						393.54
Closing balance						2,189.93

Classification of advances and provisions held as on 31.03.2021

[₹. in Crore]

	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	62,262.28	1,113.65	2,104.27	43.85	3,261.77	65,524.05
Add: Additions during the year					2,339.99	
Less: Reductions during the year					1,458.52	
Closing balance	55,275.16	2,245.38	1,866.15	31.71	4,143.24	59,418.40
Reductions in Gross NPAs due to:						
i) Upgradation					144.56	
ii) Recoveries (excluding recoveries from upgraded accounts)					179.28	
iii) Technical/ Prudential Write-offs					1,130.34	
iv) Write-offs other than those under (iii) above					4.34	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	373.97*	183.65	865.36	31.18	1,080.18	1,454.15
Add: Fresh provisions made during the year					1,539.52	
Less: Excess provision reversed/ Write-off loans					1,258.37	
Closing balance of provisions held	290.03*	405.36	936.93	19.04	1361.33	1,651.36
Net NPAs						
Opening Balance		930.00	1,220.78	0.00	2,150.78	
Add: Fresh additions during the year					1,903.06	
Less: Reductions during the year					1,319.32	
Closing Balance		1,840.02	894.51	0.00	2,734.52	
Floating Provisions						
Opening Balance						0.00
Add: Additional provisions made during the year						0.00
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						0.00
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						1,436.81
Add: Technical/ Prudential write-offs during the year						1,130.34
Less: Recoveries made from previously technical/ prudential written-off accounts during the year [#]						85.03
Closing balance						2,482.12

[#]includes Reduction due to sale of NPAs to ARCs from previously technical/prudential written-off accounts during the year and Sacrifice made from previously technical/prudential written-off accounts during the year

Ratios	March 31, 2022	March 31, 2021
Gross NPA to Gross Advances	5.90%	6.97%
Net NPA to Net Advances	2.97%	4.71%
Provision coverage ratio	69.55%	58.73%

***Provisions on Standard Assets**

[₹. in Crore]

Particulars	March 31, 2022	March 31, 2021
Provisions towards Standard Assets (including provision towards stressed sector)	208.72	201.14
General Provision for COVID-19	-	-
Provision for Unhedged Foreign Currency Exposure of Borrowers	12.06	13.12
Standard Restructured Accounts under MSME - Restructuring Scheme ¹	111.98	54.99
Provision for accounts restructured under natural calamity ²	0.00	4.34
Provision for Specific Standard Assets on Stressed Sectors	1.85	3.12
Standard Restructured Accounts under other Restructuring schemes ³	5.21	3.85
Standard Restructured Accounts under COVID 19 restructuring scheme ⁴	124.72	9.47
Grand Total (Refer Schedule 5.Point 4- Other liabilities and provisions)	464.54	290.03

¹As 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, DOR.No.BP. BC/4/21.04.048/2020-21 dated August 06, 2020 and DOR. STR.REC.12/21.04.048/2021-22 dated May 05, 2021 the bank restructured 177 eligible MSME accounts with outstanding of ₹ 657.74 crore during the year. Out of which accounts amounting to ₹ 646.95 crore have been retained as Standard. Additional Standard Asset provision of ₹ 111.98 crore (Previous year ₹ 54.99 crore) is maintained in the books towards such accounts.

²The 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. Such accounts were upgraded to Standard Accounts on completion of the period as stipulated by RBI making such accounts eligible for upgradation to standard accounts.

³Bank 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.

⁴As permitted by RBI vide its Circular DOR.No.BP. BC/3/21.04.048/2020-21 dated August 06, 2020 and DOR.STR. REC.11/21.04.048/2021-22 dated May 05, 2021 the bank has granted restructuring in 499 accounts with an outstanding of ₹ 899.88 crore during the year. Out of which accounts amounting to ₹ 895.58 crore have been retained as Standard. Additional Standard Asset provision of ₹ 124.92 crore (Previous year ₹ 9.47 crore) is maintained in the books towards such accounts.

b) Sector-wise Advances and Gross NPAs

[₹. in Crore]

S I. No.	Sector	2021-22			2020-21		
		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	12,709.12	654.44	5.15%	11,369.26	624.84	5.50%
2	Advances to industries sector eligible as priority sector lending	6,587.59	569.19	8.64%	7,491.30	564.46	7.53%
2.a	Textile	1,809.99	162.90	9.00%	1,879.53	148.50	7.90%
2.b	Basic Metal	715.35	46.17	6.45%	844.32	17.37	2.06%
2.c	Infra	68.36	0.43	0.63%	143.28	2.58	1.80%
3	Services	9,812.47	1,155.69	11.78%	11,250.66	1,108.87	9.86%
3.a	Professional	2,054.39	158.10	7.70%	2,133.97	91.23	4.28%
3.b	Trade	5,798.62	721.40	12.44%	6,875.76	859.87	12.51%
3.c	NBFC	170.51	-	0.00%	51.77	-	0.00%
4	Personal loans	1,722.28	84.73	4.92%	1,970.13	75.53	3.83%
4.a	Housing Loan	1,411.01	55.44	3.93%	1,620.54	49.21	3.04%
4.b	Other Personal loans incl. Gold Loans	311.27	29.29	9.41%	349.59	26.32	7.53%
	Sub-total (A)	30,831.46	2,464.05	7.99%	32,081.35	2,373.70	7.40%
B	Non Priority Sector						
1	Agriculture and allied activities	468.61	34.41	7.34%	411.78	18.04	4.38%
2	Industry	6,363.65	306.65	4.82%	6,461.55	813.71	12.59%
2.a	Textile	826.47	59.34	7.18%	935.74	175.85	18.79%
2.b	Basic Metal	1,042.87	28.69	2.75%	1,011.78	36.90	3.65%
2.c	Infra	1,840.35	132.35	7.19%	1,256.56	342.98	27.30%
3	Services	13,408.50	455.19	3.39%	9,891.36	588.12	5.95%
3.a	Professional	2,107.88	43.25	2.05%	2,347.58	259.93	11.07%
3.b	Trade	2,227.60	162.22	7.28%	1,646.07	206.90	12.57%
3.c	NBFC	5,444.04	60.49	1.11%	2,690.30	0.26	0.01%
4	Personal loans	10,743.54	387.79	3.61%	10,572.36	349.67	3.31%
4.a	Housing Loan	2,670.98	147.90	5.54%	3,004.69	139.25	4.63%
4.b	Other Personal loans incl. Gold Loan	8,072.56	239.89	2.97%	7,567.67	210.42	2.78%
	Sub-total (B)	30,984.30	1,184.04	3.82%	27,337.05	1,769.54	6.47%
	Total (A+B)	61,815.76	3,648.09	5.90%	59,418.40	4,143.24	6.97%

c) Overseas Assets, Branches, NPAs and Revenue – Nil
d) Particulars of resolution plan and restructuring

i) Particulars of resolution plan

[₹. in Crore]

SI No	Particulars	March 31, 2022	March 31, 2021
1.	No of Accounts where Resolution Plan was implemented	1	1
2.	Exposure to accounts as on date of Implementation of Resolution Plan.	8.38	291.50

ii) Details of accounts subjected to restructuring

[₹. in Crore]

		Agriculture and allied activities		Corporates Excluding MSMEs		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		Mar' 22	Mar' 21	Mar' 22	Mar' 21	Mar' 22	Mar' 21	Mar' 22	Mar' 21	Mar' 22	Mar' 21
Standard	Number of Borrowers	0	539	24	6	316	317	500	517	840	1,379
	Gross Amount	0	49.49	725.07	138.26	1,412.81	1,059.65	279.12	29.46	2,417.00	1,276.86
	Provision held	0	2.47	96.66	10.56	113.67	57.62	31.56	2.54	241.89	73.19
Sub Standard	Number of Borrowers	53	26	1	1	72	149	66	220	192	396
	Gross Amount	4.33	3.24	43.03	9.23	252.88	340.25	5.99	17.2	306.23	369.92
	Provision held	1.02	2.74	6.45	1.38	105.65	74.21	4.52	10.4	117.64	88.73
Doubtful	Number of Borrowers	35	10	4	1	134	23	188	105	361	139
	Gross Amount	3.27	0.11	187.6	128.96	224.98	52.75	14.45	2.46	430.30	184.28
	Provision held	1.21	0.11	148.24	56.79	136.9	43.07	14.45	2.46	300.80	102.43
Total	Number of Borrowers	88	575	29	8	522	489	754	842	1393	1914
	Gross Amount	7.6	52.84	955.7	276.45	1,890.67	1,452.65	299.56	49.12	3,153.53	1,831.06
	Provision held	2.23	5.32	251.35	68.73	356.22	174.9	50.53	15.4	660.33	264.35

e) Disclosure on Divergence in Asset Classification and Provisioning for NPAs:

There are no divergences observed by RBI for the financial year 2020-21 in respect of Bank's asset classification and provisioning under the extant prudential norms on income recognition asset classification and provisioning.

f) Disclosure of Transfer of Loan Exposures

Disclosures as per Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions 2021 dated September 24, 2021 for the loans transferred/acquired during the year ended March 31, 2022 are given below;

i. Details of loans not in default acquired through assignment are given below [₹. in Crore]

Aggregate amount of loans acquired	1,930.26
Weighted average residual maturity (in months)	22.14
Weighted average holding period by originator (in months)	6.76
Retention of beneficial economic interest by the originator	10%
Tangible security coverage	154.16%

The Loans acquired are not rated as these are of non-corporate borrowers.

ii. Details of Non-Performing Assets transferred are given below; [₹. in Crore]

Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	43	-	-
Aggregate principal outstanding of loans transferred	1,212.67	-	-
Weighted average residual tenor of the loans transferred in months	7.89	-	-
Net book value of loans transferred (at the time of transfer)	606.72	-	-
Aggregate consideration	646.41	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
Provision reversed to the profit and loss account on account of sale of stressed loans	-	-	-

iii. During the year ended March 31, 2022, the bank has not acquired any stressed loans and not transferred any loan not in default / Special Mention Accounts (SMA)

iv. Details of recovery ratings assigned to Security Receipts as at March 31, 2022 [₹. in Crore]

Recovery Ratings *	Anticipated Recovery as per Recovery Rating	Book value
NR1 / R1 +/RR1 +	> 150%	-
NR2/ R1 /RR1	100% - 150%	81.96
NR3/ R2 / RR2	75% - 100%	517.41
R3/ NR4 / RR3	50% - 75%	24.10
NR5 / RR4 / R4	25% - 50%	878.70
NR6 / RR5 / R5	0% - 25%	30.32
Yet to be rated #	-	57.80
Unrated	-	0
Total		1,590.29

* Recovery Rating is as assigned by various external rating agencies

Recent purchases whose statutory period not yet elapsed.

g) Fraud accounts

	March 31, 2022	March 31, 2021
Number of frauds reported	402	478
Amount involved in fraud (₹ Crore)	40.31	1,193.46
Amount of provision made for such frauds (₹ Crore)*	35.48	9.83
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ Crore)		NA

*Amount involved in credit related fraud is inclusive of Interest on NPA while the provision created is for Gross NPA Net of recovery and technical write off.

h) Disclosure under Resolution Framework for COVID-19-related Stress

Details of Resolution Plan implemented under Resolution Framework for COVID 19 related stress as per RBI circular dated August 06, 2020 (DOR.No.BP.BC/3/21.04.048/2020-21 – Resolution Framework 1.0) and May 05, 2021 (DOR.STR.REC.11/21.04.048/2021-22 - Resolution Framework 2.0).

[₹. In Crore]

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half year (A) ¹	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year ²	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year ³
Personal Loans	303.94	1.55	0.00	(2.68)	305.07
Corporate persons*	551.27	42.50	0.00	(7.63)	516.40
Of which, MSMEs	56.35	42.50	0.00	(0.53)	14.38
Others	116.21	0.00	0.00	3.76	112.46
Total	971.43	44.05	0.00	(6.55)	933.93

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

¹Includes restructuring done in respect of requests received as of September 30, 2021 processed subsequently.

²Amount paid by the borrower during the half year is net of additions in the borrower account including additions due to interest capitalization.

³Includes other facilities to the borrowers which have not been restructured.

Disclosure related to clause 28 of RBI circular dated May 05, 2021 where the number of borrowers accounts where modifications were sanctioned and implemented in terms of Clause 22 of the aforesaid circular.

Type of Borrower	No of Accounts	Aggregate exposure to such borrower (₹ in crore)
Personal Loans	8	4.27
Corporate Persons	0	0
Of which MSMEs	0	0
Others	0	0
Total	8	4.27

There were 8 borrowers having an aggregate exposure of ₹ 4.27 crore to the Bank, where Resolution Plan has been implemented under RBI's Resolution Framework 1.0 dated August 06, 2020 and now modified under RBI's Resolution Framework 2.0 dated May 05, 2021.

5. Exposures

a) Exposures to Real Estate Sector

[₹. In Crore]

Category	March 31, 2022	March 31, 2021
1) Direct Exposure		
(a) Residential Mortgages -	4,209.54	4,791.86
Lending fully secured by mortgages on residential property that is or will be occupied by the borrowers or that is rented; of which Individual housing loans eligible for inclusion in priority sector advances. Exposure would also include non-fund based(NFB) limits.	1,435.28	1,656.24
(b) Commercial Real Estate -	832.23	942.90
Lending secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure include Non-Fund Based (NFB) limits		
(c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures -		
a. Residential	Nil	Nil
b. Commercial Real Estate	Nil	Nil
2) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	1,008.49	327.76
Total Exposure to Real Estate Sector	6,050.26	6,062.52

B) Exposure to Capital Market sectors

[₹. In Crore]

Particulars	March 31, 2022	March 31, 2021
(i) Direct Investments in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;*	27.34	48.18
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds and convertible debentures and units of equity oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers:	4.25	4.72
(vi) Loans sanctioned to corporate against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-

Particulars	March 31, 2022	March 31, 2021
(vii) Bridge loans to companies against expected equity flows/ issues	-	-
(viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	31.59	52.90

*Shares acquired by banks as a result of Conversion of debt under CDR mechanism for ₹ 108.39 Crore (Previous Year ₹ 108.11 Crore) is excluded in line with extant RBI guidelines.

c) Risk category wise country exposure:

Country Risk exposure has been classified on the following basis:

[₹. In Crore]

Risk Category*	Exposure (net) as at March 31, 2022	Provision held as at March 31, 2022	Exposure (net) as at March 31, 2021	Provision held as at March 31, 2021
Insignificant	3,270.85	-	1,695.17	-
Low	1,478.33	-	1,089.65	-
Moderately Low	4.55	-	129.84	-
Moderate	0.02	-	6.94	-
Moderately High	5.2	-	-	-
High	-	-	-	-
Very High	-	-	-	-
TOTAL	4,758.94	-	2,921.60	-

As the Bank's net exposure with each country for the year in respect of foreign exchange transaction is less than 1% of the total assets of the Bank, no provision is required.

*The above figures include both funded as well as non-funded exposure.

d) Unsecured Advances

[₹. In Crore]

Particulars	March 31, 2022	March 31, 2021
Total unsecured advances of the bank	3,584.52	1,595.33
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	76.73	108.61
Estimated value of such intangible securities	76.73	108.61

e) Factoring Exposure- Nil.

f) Intra-Group Exposure - Nil.

g) Unhedged Foreign Currency Exposure

The Bank has in place a policy on managing credit risk arising out of unhedged foreign currency exposures of its borrowers. The objective of this policy is to maximize the hedging on foreign currency exposures of borrowers by reviewing their foreign currency product portfolio and encouraging them to hedge the unhedged portion. In line with the policy, assessment of unhedged foreign currency exposure is a part of assessment of borrowers and is undertaken while proposing limits or at the review stage.

Further, the Bank reviews the unhedged foreign currency exposure across its portfolio on a periodic basis. The Bank also maintains incremental provision towards the unhedged foreign currency exposures of its borrowers in line with the extant RBI guidelines. The Bank has maintained provision of ₹ 12.06 Crore and additional capital of ₹ 8.95 Crores on account of Unhedged Foreign Currency Exposure of its borrowers as at March 31, 2022.

Movement of Unhedged Foreign Currency Exposure

Date	Category	No. of accounts with provision for UFCE	Unhedged Foreign Currency Exposure [₹. in Crore]	Provision [₹. in Crore]
31.03.2021	Above ₹ 5.00Cr	46	4990.14	4.75
	Below ₹ 5.00Cr	17236	*	8.37
			Total	13.12
30.06.2021	Above ₹ 5.00Cr	55	5920.15	5.71
	Below ₹ 5.00Cr	16673	*	7.97
			Total	13.68
30.09.2021	Above ₹ 5.00Cr	54	5159.21	4.97
	Below ₹ 5.00Cr	16222	*	7.60
			Total	12.57
31.12.2021	Above ₹ 5.00Cr	48	6328.63	5.57
	Below ₹ 5.00Cr	16078	*	7.35
			Total	12.92
31.03.2022	Above ₹ 5.00Cr	42	6308.25	4.76
	Below ₹ 5.00Cr	15906		7.30
			Total	12.06

*As per RBI guideline, for exposures to smaller entities which are having unhedged foreign currency exposure, banks may have the option of following a standardised method which would require an incremental provisioning of 10 bps over and above extant standard asset provisioning. Banks following standardised method for smaller entities will not be required to get UFCE data from these entities. Smaller entities are entities on which total exposure from banking system is at ₹ 25.00 crore or less.

As our bank's Board approved policy, it was decided to collect UFCE data from all customers who are having exposure above ₹ 5.00 crore and below that we are not collecting UFCE data. However for such accounts we are maintaining an incremental provision of 10bps over and above extant standard asset provision on the outstanding balance.

6. Concentration of Deposits, Advances, Exposures and NPAs

a) Concentration of Deposits

[₹. In Crore]

Particulars	March 31, 2022	March 31, 2021
Total Deposits of twenty largest depositors	4,343.56	4,076.61
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	4.87%	4.93%

b) Concentration of Advances*

[₹. In Crore]

Particulars	March 31, 2022	March 31, 2021
Total Advances to twenty largest borrowers	6,261.62	3,291.64
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	7.50%	4.21%

*Advance is computed as per definition of Credit Exposure including derivatives furnished in RBI's Master Circular on Exposure Norms

c) Concentration of Exposures*

[₹. In Crore]

Particulars	March 31, 2022	March 31, 2021
Total Exposure to twenty largest borrowers/customers	6,361.19	4,024.19
Percentage of Exposures to twenty largest borrowers/ customers to Total Exposure of the bank on borrowers/ customers	6.00%	4.05%

*Exposure is computed based on credit and investment exposure as prescribed in RBI's Master Circular on Exposure Norms

d) Concentration of NPAs*

[₹. In Crore]

Particulars	March 31, 2022	March 31, 2021
Total Exposure to the top twenty NPA accounts	685.21	1367.21
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	18.78%	33.00%

*Represents funded balance

7. Derivatives:
a) Forward Rate Agreement / Interest Rate Swap.

Particulars	March 31, 2022	March 31, 2021
i) The notional principal of swap agreements		
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
iii) Collateral required by the bank upon entering into swaps		
iv) Concentration of credit risk arising from the swaps		
v) The fair value of the swap book		

b) Exchange Traded Interest Rate Derivatives.

Sr. No.	Particulars	March 31, 2022	March 31, 2021
(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, 2022 (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)		

c) Disclosures on Risk Exposure in Derivatives.
i) Qualitative Disclosure.

The Bank undertakes over the counter and exchange traded derivative transactions for Balance Sheet management and also for proprietary trading/ market making. Bank offers derivative products to the customers to enable them to hedge their exposure within the prevalent regulatory guidelines.

These transactions expose the Bank to various risks primarily credit, market, operational, legal, and reputation. There is functional separation between the Front Office, risk and Back Office for undertaking derivative transactions. The derivative transactions are governed by the Investment, forex and derivative policy and market risk management policy of the Bank as well as by the extant RBI guidelines. Various operational/risk limits are set up and actual exposures are monitored vis-à-vis the limits allocated. Risk Limits are in place for risk parameters viz. VaR, Stop Loss, Dealer Limit, Deal size limit. Actual positions are monitored against these limits on a daily basis and breaches, if any, are

Reported promptly. The MTM position of the derivative portfolio is monitored on a regular basis. The impact on derivative portfolio on account of the probable market movements are assessed on regular basis.

Bank deals in derivatives for hedging foreign currency assets/liabilities subject to the prevailing regulatory guidelines. Transactions for hedging and trading are recorded separately. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of the transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Transactions related to foreign exchange forwards, Currency futures etc. are marked to market (MTM) on the reporting dates and the MTM is accounted in the books. Collateral requirements for derivative transactions are determined based on usual credit appraisal process. For the purpose of credit risk mitigation, most of the deals have been contracted with Banks/ Major primary dealers and no default risk is anticipated on the deals with them.

ii) Quantitative Disclosures:

[₹. In Crore]

Sl. No	Particulars	March 31, 2022		March 31, 2021	
		Currency Derivatives*	Interest rate derivatives	Currency Derivatives*	Interest rate derivatives
	Derivatives (Notional Principal Amount)	-	-	-	-
1	a) For hedging	-	-	-	-
	b) For trading	-	-	-	-
	Marked to Market Positions	-	-	-	-
2	a) Asset (+)	-	-	-	-
	b) Liability (-)	-	-	-	-
3	Credit Exposure	-	-	-	-
	Likely impact of one percentage change in interest rate (100*PV01)	-	-	-	-
4	a) on hedging derivatives	-	-	-	-
	b) on trading derivatives	-	-	-	-
	Maximum and Minimum of 100*PV01 observed during the year	-	-	-	-
5	a) on hedging	-	-	-	-
	b) on trading	-	-	-	-
	Max (100*PV01)-Trading	-	1.38	-	-
	Min (100*PV01)-Trading	-	0	-	-

*Only Currency futures are reported in currency derivatives. There was nil contracts outstanding as on 31-03-2022.

Foreign exchange forward contracts have not been included in the above disclosure. The notional principal amount of foreign exchange contracts classified as Trading as on March 31, 2022 amounted to ₹ 24,286.43 Crore (Previous Year ₹ 3,829.45 Crore) and marked to market position was asset of ₹ 94.51Crore (Previous Year ₹ 54.33 Crore) and liability of ₹ 139.11Crore (Previous Year ₹ 68.65 Crore). The notional principal amount of foreign exchange contracts classified as hedging on March 31, 2022 amounted to ₹ 2865.58 Crore (Previous Year ₹ 430.59 Crore).

d) Credit Default Swaps

The bank has not undertaken any transactions in credit default swaps during the year ended March 31, 2022 and March 31, 2021.

8. Securitisation Transactions

The Bank has not undertaken any securitisation transactions during the year ended March 31, 2022 and March 31, 2021.

9. Off-balance Sheet SPVs sponsored – Nil

10. Transfers to Depositor Education and Awareness Fund (DEAFund):

In accordance with the guidelines issued by the RBI, the Bank transfers the amount to the credit of any account which has not been operated upon for a period of ten years or any deposits or any amount remaining unclaimed for more than ten years to DEAFund.

Details of amounts transferred to DEAFund are set out below:

[₹. In Crore]

Particulars	March 31,2022	March 31,2021
Opening balance of amounts transferred to DEAFund	149.85	124.11
Add : Amounts transferred to DEAFund during the year	37.25	28.40
Less : Amounts reimbursed by DEAFund towards claims	3.40	2.66
Closing balance of amounts transferred to DEAFund	183.70	149.85

11. Status of Complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sr. No	Particulars	March 31, 2022	March 31, 2021
Complaints received by the bank from its customers			
1.	Number of complaints pending at beginning of the year	1,175	928
2.	Number of complaints received during the year	43,099	36,023
3.	Number of complaints disposed during the year	42,828	35,776
3.1	Of which, number of complaints rejected by the bank	9,396	6,311
4.	Number of complaints pending at the end of the year	1,446	1,175
Maintainable complaints received by the bank from Office of Ombudsman			
5.	Number of maintainable complaints received by the bank from Office of Ombudsman*	251	295
5.1	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	246	284
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	5	11
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	0	0
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.

*87 non-maintainable complaints included among the 382 complaints reported during the FY 2020-21.

b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
ATM/Debit Card	122	20,817	35.25	409	-
Internet Banking/Mobile Banking/ Electronic Banking	389	8,635	15.70	430	-
Account Opening /difficulty in operation of accounts	64	1,928	83.61	9	-
Charges	36	639	18.11	61	-
Loans and Advances	23	617	-12.97	15	1
Others	541	10,463	-3.75	522	17
Total	1,175	43,099	19.64	1,446	18
Previous Year					
ATM/Debit Card	79	15,391	-53.73	122	1
Internet Banking/Mobile Banking/ Electronic Banking	375	7,463	-26.33	389	-
Account Opening /difficulty in operation of accounts	17	1050	-10.33	64	1
Charges	25	541	17.61	36	2
Loans and Advances	19	709	44.69	23	3
Others	413	10,869	-3.46	541	-
Total	928	36,023	-36.55	1,175	7

12. Penalties levied by the Reserve Bank of India

The penalty imposed by RBI during the year ended March 31, 2022 was ₹ 1,01,86,000.00 (Previous year ₹ 19,950.00)

Penalties Imposed By RBI In FY 2021-22

Sl No	Imposed date	Amount	Nature of Breach
1	06.07.2021	1,00,00,000	We were in receipt of a show case notice from RBI dated 22 nd January 2021 with respect to the account IL & FS Group companies with regards to non-adherence of RBI Circular IECD.No.29/08.12.01/98-99 dated May 25, 1999 on "Lending to Non-Banking Financial Companies (NBFCs)". Vide letter SIB/COMP/RBI/77/20-21 dated February 09, 2021 we gave our explanation to RBI .But RBI imposed a penalty of ₹ 1.00 crore for non-adherence to the RBI circular while lending to NBFC. Compliance Department had paid penalty of ₹ 1.00 crore on 20.07.2021 with Chq NO: 1077599 and UTR No: SIBLR52021072000401764
2	06.09.2021	35,000	We were in receipt of a Show Cause Notice on the following discrepancies observed during RBI Inspection in Coimbatore Currency Chest, 1. Non-Frisking of person entering/exiting the vault. 2. Non Maintenance of charge certificate 3. Delay in sorting of Soiled notes. 4. Grill Gate of strong room kept open during operation. We had submitted our response to RBI, however a penalty of ₹ 35,000/- was imposed on 06.09.2021
3	11.11.2021	200	Penalty on Detection of Mutilated Notes in Soiled Note remitted by Alappuzha Currency Chest on 11.11.2021
4	28.12.2021	1,00,000	On 22.12.21, Short Sale amounting to ₹ 45 crores was kept open for value 23.12.21. As per RBI regulation, security that are short sold are to be invariably delivered on settlement date. Entity shall meet their delivery obligation by borrowing securities in the repo market or through outright purchase. The securities that were short, had to be bought under reverse repo to negate security short sold commitment to CCIL. On 23.12.2021, inadvertently, purchase of Market Revere Repo was not communicated to Money Market Desk by SLR Desk & thus they did not strike reverse repo deal to cover the security short sold. Hence, reverse repo for ₹ 10 crores against the security short 6.67% GS 2035 was not taken. This lead to shortage of security balance by ₹ 10 crores in Subsidiary General Ledger (SGL).
5	18.01.2022	50	Penalty imposed on account of deficiencies during Inspection of Kozhikode CC- ₹ 50/- One Mutilated Note classified as Soiled/ Reissuable Notes in Chest Balance
6	18.01.2022	5,250	Penalty imposed on account of deficiencies during Inspection of Thrissur CC- ₹ 5250/- a)Penalty on Thrissur Currency Chest -₹ 50/- One Mutilated Note classified as Soiled/ Reissuable Notes in Chest Balance b) Penalty on Thrissur Currency Chest -₹ 200/- Detection of FICN in chest balance. c) Penalty on Thrissur Currency Chest -₹ 5000/- CCTV backup for the last 90 days was not available
7	10.03.2022	4,650	Penalties for Shortage in Soiled Note remitted by Kozhikode Currency Chest
8	10.03.2022	750	Penalty for Detection of Defective Notes in soiled note remitted by Kozhikode Currency Chest
9	10.03.2022	300	Penalty for Forged Notes in SNR by Thrissur Currency Chest
10	07.03.2022	15,050	Penalties for Discrepancies and Shortages in Soiled Note remitted by Kozhikode and Alappuzha CC

11	10.03.2022	1,100	Penalty for detection of Soiled Notes remitted by Thrissur Currency Chest
12	07.03.2022	900	Penalties for forged Notes in SNR by Kozhikode, Alappuzha and Thrissur Currency Chest
13	10.03.2022	150	Penalty for Detection of Defective Notes in SNR by Alappuzha CC
14	10.03.2022	2,600	Penalties for Shortage in Soiled Note remitted by Thrissur Currency Chest
15	14.03.2022	10,000	ATM cash out for more than 10 hours in OCT 2022 in Dimapur
16	17.03.2022	10,000	ATM cash out of more than 10 hours in Dec 2021 for Dimapur ATM
Total		1,01,86,000	

During the year, short sale of securities amounting to ₹ 45 Crore were kept open for value date 22.12. 2021. Market Reverse Repo for ₹ 35 Crore was taken against ₹ 45 Crore short sale and Purchase of Market Reverse Repo for ₹ 10 Crore against the securities short 6.67% GS 2035 was not taken which lead to shortage of security balance by ₹ 10 Crore in Subsidiary General Ledger (SGL). The same has been reported to the appropriate authority. There is no other such incidence incurred during the period. Further we also confirm that all investments and Forex transactions are in compliance with RBI directives and Banks Investment Policy.

Penalties Imposed By RBI In FY 2020-21

Sl. No.	Date imposed	Amount	Nature of Breach
1	19.03.2020	350	Penalty imposed for discrepancies in soiled note remittances by Thrissur and Alappuzha Currency Chest
2	04.09.2020	1,700	Penalty imposed on Detection of Defective Notes in Soiled Notes Remitted by Thrissur Currency Chest
3	10.09.2020	300	Penalty on Detection of Forged Notes in Soiled Note remitted by Currency Chests Thrissur (₹ 200) and Kozhikode (₹ 100)
4	15.09.2020	50	Penalty on account of Shortage in Soiled Notes Remitted by Thrissur Currency Chest
5	04.09.2020	2,850	Penalty imposed on detection of Defective Notes by Currency Chests Kozhikode [(₹ 1,500) and Thrissur (₹ 1,350)]
6	19.11.2020	5,050	Penalty for detection of shortage in soiled notes remitted on 06.08.2020 (₹ 1,000/-) Penalty for detection of mutilated notes in soiled notes remitted on 06.08.2020 (₹ 4,050/-)
7	26.02.2021	6,700	Penalty for Shortage in Soiled note remitted by Kozhikode Currency Chest on 06.08.2020 at RBI Trivandrum (₹ 6000/-) Penalty for Detection of Mutilated Notes in Soiled Note remitted by Kozhikode Currency Chest on 06.08.2020 in RBI Trivandrum (₹ 700/-)
8	31.03.2021	2,200	Penalty on detection of Counterfeit Notes in remittance made by Kozhikode Currency Chest (₹ 2,000/-), Penalty on detection of Counterfeit Notes in remittance made by Alappuzha Currency Chest (₹ 200/-)
9	19.03.2021	400	Penalty for detection of mutilated Notes in remittance made by Kozhikode Currency Chest (₹ 150/-) Penalty for detection of mutilated Notes in remittance made by Thrissur Currency Chest (₹ 100/-) Penalty for detection of mutilated Notes in remittance made by Alappuzha Currency Chest (₹ 150/-)
10	22.03.2021	350	SIB Coimbatore CC-Penalty on detection of Counterfeit Notes in remittance made by Coimbatore Currency Chest (₹ 200/-) Penalty for detection of mutilated Notes in remittance made by Coimbatore Currency Chest (₹ 150/-)
Total		19,950	

13. Disclosures on Remuneration

a) Information relating to the composition and mandate of the Nomination & Remuneration Committee.

Composition:

The Nomination & Remuneration committee of the Board consists of four members of which three 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:

1. Scrutinizing the declarations received from persons to be appointed as Directors as well as from the existing Directors seeking re-appointment and to decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors and make references to the appropriate authority/persons to ensure compliance with the requirements indicated by Reserve Bank of India vide their directive dated May 23, 2011 on Fit & Proper Criteria of the Banks.
2. Recommend to the Board for its consideration and approval on the size and composition of the Board taking into account the available and needed diversity and balance in terms of experience, knowledge, skills and judgment of the Directors.
3. To devise a Succession Planning Policy for the Board and Senior Management.
4. To formulate a Nomination policy of the Board to guide the Board in relation to appointment/re-appointment/removal of Directors.
5. To identify persons who are qualified to become Directors/ KMPs and who may be appointed in senior management as defined in the Succession Policy in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
6. To formulate the criteria for evaluation of Independent Directors and the Board/Committees.
7. To devise a policy on Board diversity.
8. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
9. To perform such other functions as may be necessary or appropriate for the performance of its duties.
10. To oversee the framing, review and implementation of Bank's overall compensation structure and related policies on remuneration packages payable to the WTDs/MD & CEO and other staff including performance linked incentives, perquisites, Stock option scheme etc. with a view to attracting, motivating and retaining employees and review compensation levels vis-a-vis other Banks and the industry in general.
11. The Committee shall work in close coordination with the Risk Management Committee of the Bank, in order to achieve effective alignment between remuneration and risks. The Committee will also ensure that the cost/income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.
12. With respect to the variable pay, both cash and non-cash Performance Linked Incentive Schemes, the Committee is empowered to:
 - a) Draw up terms and conditions and approve the changes, if any, to the Performance Linked Incentive schemes;
 - b) Moderate the scheme on an ongoing basis depending upon the circumstances and link the same with the recommendations of Audit Committee;
 - c) Coordinate the progress of growth of business vis -a- vis the business parameters laid down by the Board and Audit Committee and effect such improvements in the scheme as are considered necessary;
 - d) On completion of the year, finalize the criteria of allotment of marks to ensure objectivity/equity.
 - e) To identify Material Risk Takers (MRTs) as per the recommendations made by MD & CEO and to fix variable pay and other terms of payment including component (Cash and non-cash), deferment and divergence clause in line with compensation policy and other RBI guidelines and other policies and guidelines of the bank.
13. The Committee shall also function as the Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits) Regulations, 2014 and is empowered to formulate detailed terms and conditions of the Scheme, administer, supervise the same and to allot shares in compliance with the guidelines and other applicable laws.
14. To obtain necessary clearances and approvals from regulatory authorities, appoint Merchant Bankers and do such other things as may be necessary in respect of the Employees Stock Option Scheme.

15. To oversee the administration of Employee benefits, such as Provident Fund, Pension Fund, Gratuity, Compensation for absence on Privilege/Sick/Casual Leave etc., which are recognized in accordance with Accounting Standard-15 (revised) specified in the Companies (Accounting Standards) Rules, 2006.
16. The Committee may suggest amendments to any stock option plans or incentive plans, provided that all amendments to such plans shall be subject to consideration and approval of the Board.
17. Any other matters regarding remuneration to WTDs/ MD & CEO and other staffs of the Bank as and when permitted by the Board.
18. To conduct the annual review of the Compensation Policy.
19. To fulfill such other powers and duties as may be delegated to it by the Board.
20. To review HR Strategy aligning with business strategy of the Bank.
21. To review the skill gaps and talent pool creation.
22. To do any other matters regarding remuneration to whole-time directors/ non-executive directors /part-time chairman, Chief Executive Officers / Material Risk Takers (MRTs) and employees (risk control and compliance staff and all other categories of staff) of the Bank including signing/ joining bonus occurring in the context of hiring new staff and be limited to first year as and when permitted by the Board.

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.
- b) Description of the ways in which current and future risks are taken into account in the remuneration processes. It will include the nature and type of the key measures used to take account of these risks.**
- The Board of Directors through the NRC shall exercise oversight and effective governance over the framing and implementation of the Compensation Policy. Human Resource Management under the guidance of MD & CEO shall administer the Compensation and Benefit structure in line with the best suited practices and statutory requirements as applicable.
- For Material Risk Takers:**
- The Bank will refer to the Basel Committee on Banking Supervision (BCBS) report entitled Range of Methodologies for Risk and Performance Alignment of Remuneration published in May 2011 for guidance wherever required. It intends to enhance the banks' and supervisors' understanding of risk-adjusted remuneration. This report, by providing some clarification on design of risk-adjusted remuneration schemes, will support and facilitate the greater adoption of sound practices in the banking sector. Some of the key stipulations of the report are as under:
1. In order for incentive-based remuneration to work, the variable part of remuneration will be truly and effectively variable and can even be reduced to zero in line with the symmetry principle defined by the FSB. A key element that supervisors expect is the ability for banks to demonstrate that the methodologies they developed to adjust variable remuneration to risk and performance are appropriate to their specific circumstances.
 2. The methodologies for adjusting remuneration to risk and performance will also be consistent with the general risk management and corporate governance framework.
 3. Performance measures and their relation to remuneration packages will be clearly defined at the

beginning of the performance measurement period to ensure that the employees perceive the incentives mechanism. The usual annual determination of bonuses will be based on rules, processes and objectives known in advance, recognizing that some discretion will always be needed.

4. Bank will use a combination of financial and non-financial measures to assess employee performance and adapt the measurement to each employee's specific situation. Qualitative factors (like knowledge, skills or abilities), might play an important role when it comes to judging and rewarding some activities-particularly when these serve to reinforce the bank's risk management goals.
5. The nature and extent to which risk adjustments are needed depends first on the extent to which performance measures capture risks, but in all cases, some form of risk adjustment is needed as remuneration is often awarded before the final outcome of an activity is known. Risks taken need to be estimated (ex ante), risk outcomes observed (ex post) and both ex ante estimates and ex post outcomes will affect payoffs.
6. Risk adjustments need to take into account the nature of the risks involved and the time horizons over which they could emerge. The impact of remuneration adjustments will be linked to actions taken by employees and/or business units, and their impact on the level of risk taken on by the bank.
7. The nature of the award process, which links the variable remuneration of each individual employee with bonus pools and the total amount of variable remuneration at a bank's level, is also an area that will be carefully considered by banks and supervisors, as it directly influences how and when performance and risk adjustment are or can be used.
8. Considering the above parameters, the Board may approve suitable methodologies for fixing of risk adjusted remuneration, as appropriate, based on the recommendations of Risk Management committee and review/approval of the Nomination and Remuneration Committee on the same.

The compensation structure for the Whole-Time Directors/ Chief Executive Officers / Material Risk Takers (MRTs) of the bank shall be as under:

Fixed Pay and Perquisites

Based on the recommendations of the Nomination and Remuneration Committee, and subject to the approval of Reserve Bank of India (for MD & CEO and Executive Directors), Board shall fix the fixed portion of compensation payable which is reasonable, taking

into account all relevant factors including adherence to statutory requirements and industry practice.

Variable Pay

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

c) 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.

d) A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.

➤ Variable Pay

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

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

a. Limit on Variable Pay:

A. For Whole-Time Directors and Chief Executive Officers

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

iv. The deterioration in the financial performance of the bank should generally lead to a contraction in the total amount of variable compensation, which can even be reduced to zero.

B. For Material Risk Takers (MRTs)

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

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

b. Deferral of Variable Pay

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

c. Period of Deferral Arrangement

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

d. Vesting:

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

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

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

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

e. Share-linked Instruments

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

Malus / Clawback

(a) The deferred compensation should be subject to malus/clawback arrangements in the event of subdued or negative financial performance of the bank and/or the relevant line of business in any year.

(b) A set of situations as detailed below are hereby identified, which require the invocation of the malus and clawback clauses that may be applicable as detailed below:

i) Applying of Malus / Clawback arrangement on entire variable pay on occurrence of the following Situations:

- identified fraud / misconduct by the executive (whole-time directors, Chief Executive Officers / Material Risk Takers (MRTs)) pertaining to the corresponding period for which the clause to be applied.

ii) Applying of Malus / Clawback arrangement on unvested portion of deferred variable pay on occurrence of the following situation:

- Reporting of operating loss or more than 50% fall in operating profit in any year

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

- Wherever the assessed divergence in bank's provisioning for Non-Performing Assets (NPAs) or asset classification exceeds the prescribed threshold for public disclosure as detailed below: (As referred in RBI circular No. DBR. BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019, as amended from time to time),

a. the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported

profit before provisions and contingencies for the reference period, and

b. the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period

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

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

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

Members of staff engaged in financial and risk control, including internal audit, should be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the bank. Effective independence and appropriate authority of such staff are necessary to preserve the integrity of financial and risk management's influence on incentive compensation. Back office and risk control employees play a key role in ensuring the integrity of risk measures. If their own compensation is significantly affected by short-term measures, their independence may be compromised. If their compensation is too low, the quality of such employees may be insufficient for their tasks and their authority may be undermined. The mix of fixed and variable compensation for control function personnel should be weighted in favour of fixed compensation. Therefore, the requirement of minimum 50% of total compensation to be paid in the form of variable pay will not be applicable for this category of staff. However, a reasonable proportion of compensation has to be in the form of variable pay, so that exercising the options of malus and/or clawback, when warranted, is not rendered infructuous.

For calculating the Variable Pay of Risk Control and Compliance Staff the 'Key Performance Indicators' (KPI) will be totally different and the modalities of the same will be recommended by the Nomination and Remuneration Committee to the Board for approval.

e) Description of the different forms of variable remuneration (i.e. cash and types of share linked instruments) that the bank utilizes and the rationale for using these different forms.

For Material Risk Takers

both cash and non-cash Performance Linked Incentive Schemes to those employees who are eligible for incentives.,

in this regard the Committee is empowered to:

- i) Draw up terms and conditions and approve the changes, if any, to the Performance Linked Incentive schemes;
- ii) Moderate the scheme on an ongoing basis depending upon the circumstances and link the same with the recommendations of Audit Committee;
- iii) Coordinate the progress of growth of business vis -a- vis the business parameters laid down by the Board and Audit Committee and effect such improvements in the scheme as are considered necessary;
- iv) On completion of the year, finalize the criteria of allotment of marks to ensure objectivity/equity.
- v) To identify Material Risk Takers (MRTs) as per the recommendations made by MD & CEO and to fix variable pay and other terms of payment including component (Cash and non-cash), deferment and divergence clause in line with compensation policy and other RBI guidelines and other policies and guidelines of the bank.

For Others

The Board will from time to time specify the Risk Control and Compliance Staff.

- a) Based on the recommendations of the Committee, Board may fix the variable pay not exceeding 50% of the fixed pay in a year. Within this ceiling, at higher levels of responsibility, the proportion of variable pay will be higher. The variable pay may be in cash, or stock linked instruments or a mix of both.
- b) 'Variable pay' means the compensation as fixed by the Board on recommendation of the Committee, which is based on the performance appraisal of an employee in that role, that is, how well they accomplish their goals. It may be paid as:
 - i. Performance Linked Incentives' to those employees who are eligible for incentives.
 - ii. Ex-gratia for other employees who are not eligible for Performance linked Incentives.
 - iii. Bonus for those staff members who are eligible for bonus under the Payment of Bonus Act, 1965
 - iv. Any other incentives, by whatever name called having the features similar to the above.
- c) The Board may adopt principles similar to that enunciated for WTDs/CEOs, as appropriate, for variable pay-timing, Malus/Clawback, guaranteed bonus and hedging.
- d) Employee Stock Option Scheme/Employee Stock Option Plan as may be framed by the Board from time to time in conformity with relevant statutory provisions and SEBI guidelines as applicable.

[₹. in Crore]

		2021-22	2020-21	
Quantitative disclosures	(a) i.	Number of meetings held by the Remuneration Committee during the financial year	12	13
	ii.	Remuneration paid to its members	0.21	0.22
	(b) i.	Number of employees having received a variable remuneration award during the financial year.	1	1
	ii.	Number and total amount of sign-on awards made during the financial year.		
	o	Number	NIL	1
	o	Total amount	-	0.08
	iii.	Details of guaranteed bonus if any		
	iv.	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.	Nil	Nil
	(d)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.		
	i.	Fixed	1.65	1.49*
	ii.	Variable	0.13	0.08
	iii.	Deferred	Nil	Nil
iv.	Non Deferred	0.13	0.08	
(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.	Nil	Nil	
(iii)	Total amount of reductions during the financial year due to ex-post implicit adjustments.			
(f)	Number of MRTs identified.	1*	2#	
(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.	Nil	Nil	
General Quantitative Disclosure	(h)	The mean pay for the bank as a whole (excluding sub-staff) and	0.09	0.11
		The deviation of the pay of each of its WTDs ⁵ from the mean pay. ⁵ Gross remuneration paid to MD & CEO is considered for this purpose, which excludes the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Bank as a whole	1.70	1.54

*Mr. Murali Ramakrishnan, Managing Director & Chief Executive Officer is identified as MRT

#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)

14. Other Disclosures

a) Business ratios

Particulars	March 31, 2022	March 31, 2021
(i) Interest Income as a percentage to Working Funds ¹	6.57%	7.41%
(ii) Non-interest income as a percentage to Working Funds ¹	1.03%	1.20%
(iii) Cost of Deposits	4.75%	5.43%
(iv) Net Interest Margin	2.62%	2.71%
(v) Operating Profit as a percentage to Working Funds ¹	1.24%	1.64%
(vi) Return on Assets [Based on Working Fund] ¹	0.04%	0.06%
(vii) Business (Customer Deposits plus Advances) per employee ^{2, 3} (₹ in Crore)	16.48	17.36
(viii) Profit per employee ² (₹ In Crore)	0.005	0.008

¹. For the purpose of computing the ratio, Working Fund represents the average of total assets as reported in Form X to RBI under Section 27 of the Banking Regulation Act, 1949.

². For the purpose of computing the ratios number of employees (excluding Part time employees) as on Balance Sheet date is considered.

³. For the purpose of this ratio, business per employee has been recorded as gross advance plus deposits (excluding interbank deposits).

b) Bancassurance Business

Income from Bancassurance Business

[₹. in Crore]

Sl. No.	Nature of Income	March 31, 2022	March 31, 2021
1	From Selling Life Insurance Policies	27.89	19.42
	i.Traditional/Regular	25.12	16.90
	ii.Single	1.16	1.40
	iii.ULIP Regular	1.61	1.12
2	From Selling Non-Life Insurance Policies	6.49	6.07
	i.General Insurance	3.36	3.78
	ii.Stand-alone Health Insurance	3.13	2.29
3	From Selling Govt. Security Schemes (PMJJBY & PMSBY)	0.17	0.18
4	Others	Nil	Nil
5	Total	34.55	25.67

c) Marketing and Distribution

Bank has received following fees/remuneration in respect of the marketing and distribution function (excluding Bancassurance business) undertaken by them

[₹. in Crore]

Particulars	March 31, 2022	March 31, 2021
Centralized Direct Debit Services	3.48	4.27
NPS	0.19	0.16
APY/NPS –Lite	0.43	0.30
Demat	0.22	0.14
Sibertrade	1.21	1.06
Mutual Funds	1.94	0.90
Capital Gain Bonds	0.04	0.03
ASBA	0.07	0.05
SGB	0.19	0.11
PIS	0.44	0.21
Travel Card	0.14	0.11
SBI-South Indian Bank Co-branded Credit card	0.35	0.45
Total Income	8.70	7.79

d) Priority sector lending certificates

[₹. in Crore]

Sl No.	Type of PSLCs	March 31, 2022		March 31, 2021	
		Purchase	Sale	Purchase	Sale
1	PSLC – Agriculture	0.00	600.00	0.00	600.00
2	PSLC – SF/MF	0.00	3,300.00	0.00	1,300.00
3	PSLC – Micro Enterprises	745.00	0.00	2,000.00	1,000.00
4	PSLC – General	0.00	8,800.00	600.00	10,300.00
Total		745.00	12,700.00	2,600.00	13,200.00

e) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account: [₹. in Crore]

Particulars	March 31, 2022	March 31, 2021
Provision for NPAs (including write off, excluding technical write off)	1,161.41	1,446.44
Provision for NPIs	(7.91)	168.46
Provision for taxes (Net of write back) ¹	(5.95)	66.66
Deferred Tax (net) ¹	(131.02)	(41.91)
Provision for Standard Assets	175.57	(84.11)
Provision for Restructured Advances	1.22	(3.77)
Provision General-Others ²	-	(63.00)
Provision for FITL	69.67	51.44
Provision for unhedged foreign currency exposures	(1.06)	0.17
Provision for Non-Banking Asset ³	(62.74)	64.59
Provision for Fraud / Other impaired assets	3.41	(5.28)
TOTAL	1,202.59	1,599.69

¹ Tax expense for the periods from the financial year 2019-20 was recognised based on the optional lower rates under Income Tax Act 1961(as amended by the Taxation Laws (Amendment) Act 2019), although the tax returns for the said assessment years

were filed by the Bank without exercising such option. Necessary adjustments have been made in the current year ended March 31, 2022 to recognise the impact of the said change. The excess provision for tax held in books consequent to the favourable Income Tax orders received during the financial year amounting to ₹ 69.60 Crores has been written back as on 31.03.2022.

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 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 Financial Year 2020-2021.

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. During the FY 2020-2021 Bank had provided ₹ 64.59 Crore and made full provision towards the Non Banking Assets of the bank. During the FY 2021-2022 Bank had sold certain properties including the said property and ₹ 62.74 Crore (after adjusting the expenses) was credited back to the provision.

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA), Government of India has notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015. Further, a Press Release was issued by the MCA on January 18, 2016 outlining the roadmap for implementation of Indian Accounting Standards (IND AS) converged with International Financial Reporting Standards (IFRS) for banks. As per earlier instructions, banks in India were required to comply with the IND AS for financial statements for accounting periods beginning from April 01, 2018 onwards, with comparatives for the periods ending March 31, 2018 or thereafter. Progressing towards IND AS, the Bank had prepared pro forma financials as on June 30, 2017 as per extant regulatory guidelines and submitted the same to the RBI. On April 05, 2018, the RBI had announced deferment of implementation date by one year with IND AS being applicable to banks for accounting periods beginning April 01, 2019 onwards. In preparation for the same, the Bank has been submitting quarterly pro-forma financials to the RBI from quarter ended June 30, 2018. On March 22, 2019, the RBI has announced deferment of the implementation of IND AS by banks till further notice. However, the Bank continues to submit to the RBI proforma financials on half year basis.

g) Payment of DICGC Insurance Premium

[₹. in Crore]

Sl. No.	Particulars	March 31, 2022	March 31, 2021
i)	Payment of DICGC Insurance Premium	117.63	112.91
ii)	Arrears in payment of DICGC premium	0.00	0.00

h) Disclosure of facilities granted to directors and their relatives

Bank has not extended any fund or non-fund (guarantees, Letter of Credit, etc) facilities to directors, their relatives, companies or firms in which they are interested for the Financial year 2021-22.

B. Additional Disclosure

1. Details of Single Borrower Limit (SGL), Group Borrower Limit (GBL) exceeded by the Bank

As on March 31, 2022, 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 ₹ 868.36 Crore which is within the prudential exposure limit prescribed by RBI.

2. Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances: [₹. in Crore]

Particulars	During FY 2021-22		During FY 2020-21	
	No of accounts	Amount	No of Accounts	Amount
MSME Restructured Accounts	177	657.74	92	596.03

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, DOR.No.BP. BC/4/21.04.048/2020-21 dated August 06. 2020 and DOR. STR.REC.12/21.04.048/2021-22 dated May 05, 2021 the bank restructured 177 eligible MSME accounts with outstanding of ₹ 657.74 crore during the year. Out of which accounts amounting to ₹ 646.95 crore have been retained as Standard. Additional Standard Asset provision of ₹ 67.87 crore (Previous year ₹ 30.08 crore) is maintained in the books towards such accounts.

3. Disclosure relating to tax

a) Provision for taxes during the year: [₹. in Crore]

Particulars	March 31, 2022	March 31, 2021
Current Tax (net of write back) ¹	(5.95)	66.66
Deferred Tax (net)	(131.02)	(41.91)
Total	(136.97)	24.75

¹Tax expense for the periods from the financial year 2019-20 was recognised based on the optional lower rates under Income Tax Act 1961 (as amended by the Taxation Laws (Amendment) Act 2019), although the tax returns for the said assessment years were filed by the Bank without exercising such option. Necessary adjustments have been made in the current year ended March 31, 2022 to recognise the impact of the said change. The excess provision for tax held in books consequent to the favourable Income Tax orders received during the financial year amounting to ₹ 69.60 Crores has been written back as on 31.03.2022.

b) Deferred Tax Assets (net) [₹. in Crore]

Particulars	March 31, 2022	March 31, 2021
Deferred Tax Asset (A)		
Provisions for Loans/Investments/ others	370.86	198.26
Fixed Assets: on differences between book balances and tax balance of fixed asset	3.11	0.30
Total (A)	373.97	198.56
Deferred Tax Liabilities (B)		
Special Reserve created u/s 36(1)(viii) of Income Tax Act	139.56	100.52
Total (B)	139.56	100.52
Deferred Tax Asset (net) (A-B)	234.41	98.04

4. Movement in provision for debit card reward points:

[₹. in Crore]

Particulars	March 31, 2022	March 31, 2021
Provision at the beginning of the year	0.71	0.90
Provision made during the year	4.51	1.45
Reductions during the year	2.89	1.64
Provision at the end of the year	2.33	0.71

5. Movement in provision for other contingencies:

[₹. in Crore]

Particulars	March 31, 2022	March 31, 2021
Provision at the beginning of the year	17.38	23.00
Incremental expense during the year	3.11	1.41
Redemption during the year	0.17	7.03
Provision at the end of the year	20.32	17.38

6. Letter of Comfort (LoCs) issued by Banks:

The Bank has not issued any reportable Letter of Comfort on behalf of subsidiaries during the year ended March 31, 2022 and March 31, 2021 respectively.

7. Inter-bank participation with risk sharing

The aggregate amount of participation purchased by the Bank, shown as advances as per regulatory guidelines, outstanding as of March 31, 2022 was ₹ 1,300.00 Crores (Previous Year: ₹ Nil Crore).

8. Fixed Assets

a) Fixed Assets as per Schedule 10 include Intangible Assets relating to Software and System Development Expenditure which are as follows:

[₹. in Crore]

Particulars	March 31, 2022	March 31, 2021
Gross Block		
At the beginning of the year	175.90	157.00
Additions during the year	33.08	18.90
Deductions during the year	-	-
Closing Balance	208.98	175.90
Depreciation / Amortisation		
At the beginning of the year	106.60	79.80
Charge for the year	28.56	26.80
Deductions during the year	-	-
Depreciation to date	135.16	106.60
Net Block	73.82	69.30

9. Accounting for Employee Share Based Payments.

The company has provided various share based payment schemes to its employees. As on March 31, 2022, 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	4,304,710
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, 2022		March 31, 2021	
	Options	Weighted average exercise price (₹)	Options	Weighted average exercise price (₹)
Options outstanding at the beginning of the year	1,797,019	18.72	25,97,030	18.72
Options granted during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Forfeited / lapsed during the year	7,91,147	18.72	800,011	18.72
Options outstanding at the end of the year	1,005,872	18.72	1,797,019	18.72
Options Exercisable	1,005,872	18.72	1,797,019	18.72

Details of exercise price for stock options outstanding as at March 31, 2022

Particulars	Exercise price per share	Number of options outstanding	Remaining contractual life of options
Tranche 8	18.72	1,005,872	0.68

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

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, 2022	Year ended March 31, 2021
Tranches	8	8
Exercise Price per share (₹)	18.72	18.72
Weighted Average Share Price per share (₹)	25.91	25.91
Expected Volatility (%)	33.09	33.09
Historical Volatility (%)	33.09	33.09
Life of the options granted (Vesting and Exercise period in years)	3.00 to 5.00	3.00 to 5.00
Average Risk Free Interest rate (%)	7.10 to 7.44	7.10 to 7.44
Expected Dividend Yield (%)	1.54	1.54

Effect of the ESOS on the profit and loss account and on its financial position:

[₹. in Crore]

Particulars	March 31, 2022	March 31, 2021
Opening of ESOS Liability	2.31	3.33
Liability on account of ESOS issued	0.00	0.00
Reversal on account of Exercise	0.00	0.00
Reversal on account of lapsed/forfeiture	(1.02)	(1.02)
Total Employee compensation cost pertaining to ESOS	1.29	2.31
Opening Deferred Compensation Cost	0.22	0.78
Deferred compensation cost on ESOS issued	0.00	0.00
Compensation Cost pertaining to ESOS amortized during the year	(0.22)	(0.55)
Reversal on account of lapse/ forfeiture	0.00	(0.01)
Deferred compensation cost	0.00	0.22

The RBI, vide its clarification dated August 30, 2021 on guidelines on compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk takers and Control Function staffs, advised Banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after March 31, 2021. There is no impact in profit and loss account on account of the above change during the FY 2021-22, since there are no grants during FY the 2021-22.

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:

[₹. in Crore]

Particulars	March 31, 2022	March 31, 2021
Net Profit as reported	44.98	61.91
Proforma Net profit based on fair value approach	45.00	60.98
Basic EPS as reported (₹)	0.21	0.34
Basic EPS (Proforma)(₹)	0.22	0.34
Diluted EPS as reported(₹)	0.21	0.34
Diluted EPS (Proforma)(₹)	0.22	0.34

In computing the above information, certain estimates and assumptions have been made by the management which has been relied upon by the auditors.

10. Related party disclosure:

[₹. in Crore]

RELATED PARTY TRANSACTION OF THE SOUTH INDIAN BANK LTD FOR THE FINANCIAL YEAR ENDED 31.03.2022*

SI No	Details of counter party Relationship of the counterparty with the listed entity	Type of related party transaction	Value of the related party transaction during the reporting period (for the financial year ended March 31, 2022)	In case monies are due to either party as a result of the transaction	
				Opening Balance (as on April 1, 2021)	Closing Balance (as on March, 31, 2022)
1	Wholly owned subsidiary (WOS)	Income received for providing management service	0.20	-	0.20
2	Wholly owned subsidiary (WOS)	Income received for providing other services	0.015	-	0.002
3	Wholly owned subsidiary (WOS)	Expense paid for HR services provided by WOS	0.55	-	0.28
4	Directors	Sitting Fees (WOS)	0.028		0.004
5	Subsidiary Directors	Interest received	0.0002		
6	Subsidiary Directors	Interest Paid	0.09		
7	Subsidiary Directors	Fixed Deposit	1.2	0.9	1.2
8	Subsidiary Directors' Relatives	Interest received	0.0027		
9	Subsidiary Directors' Relatives	Fixed Deposit	4.45	4.28	4.45
10	Subsidiary Directors' Relatives	Interest Paid	0.25		
11	KMPs including MD &CEO and Subsidiary Directors	Remuneration paid As per Bank's Internal Policies/ approved by Regulator	3.00		
12	Directors	Sitting Fees including honorarium to Chairman	1.87		
13	Directors	Fixed Deposit	2.10	2.08	2.10
14	Directors	Interest received	0.02		
15	Directors	Interest Paid	0.13		
16	KMPs including MD &CEO	Fixed Deposit	0.03	3.82	0.03
17	KMPs including MD &CEO	Interest received	0.033		
18	KMPs including MD &CEO	Interest Paid	0.205		
19	KMPs including MD &CEO	ESOS (Nos.)		13383	7649
20	Relative/ Interested company-Directors	Fixed Deposit	11.87	2.43	11.87
21	Relative/ Interested company-Directors	Interest Paid	0.29		
22	Relative of KMPs & MD & CEO	Fixed Deposit	0.07	0.07	0.07
23	Relative of KMPs & MD & CEO	Interest Paid	0.005		
24	MD & CEO	savings	0.19	0.13	0.19
25	Relative MD & CEO	savings	0.01	0.0019	0.01

The SIB Operations and Services Ltd was incorporated as wholly owned subsidiary of the Bank on 28.05.2021. The Bank has made an equity investment of ₹ 50,00,000/- in the wholly owned subsidiary during incorporation.

* Notes

- 1) The disclosure on Related party Transaction is made in line the SEBI disclosure requirement for listed Banks as stipulated vide SEBI circular No SEBI/HO/CFD/CMD1/CIR/P/2021/662 November 22, 2021)
- 2) Transactions with WOS are shown excluding GST and TDS
- 3) In compliance with the guidelines as per annexure to SEBI circular No SEBI/HO/CFD/CMD1/CIR/P/2021/662 November 22, 2021, The South Indian Bank Ltd, being a listed bank, is not required to provide the disclosures with respect to related party transactions involving loans, inter-corporate deposits, advances or investments made or given by the bank.
- 4) In compliance with the guidelines as per annexure to SEBI circular No SEBI/HO/CFD/CMD1/CIR/P/2021/662 November 22, 2021 transactions such as acceptance of fixed deposits by banks, undertaken with related parties, at the terms uniformly applicable /offered to all shareholders/ public only are reported under deposit.
- 5) The Bank, being a scheduled commercial bank, as per RBI circular RBI/DBR/2015-16/19 dated March 03, 2016, has allowed additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or a term deposits of bank's staff and their exclusive associations as well as on deposits of Chairman, Managing Director or such other Executives appointed for a fixed tenure.
- 6) Value of the related party transaction for deposit is the balance outstanding as on 31.03.2022.
- 7) Regulation 23 of Listing regulations, as amended from time to time, grant exemptions from seeking approval of the Audit Committee for the transactions entered into by and between the holding company and its wholly owned subsidiary company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- 8) Transactions with common directors of subsidiary and bank are shown under Directors/KMP.

11. Employee Benefits**a) Provident Fund:**

Employees, who have not opted for pension plan are eligible to get benefits from provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid on retirement, death, incapacitation or termination of employment. Both the employee and the Bank contribute a specified percentage of the salary to the South Indian Bank Employees' Provident Fund. The Bank has no obligation other than the monthly contribution.

The Bank recognized ₹ 0.24 Crore (Previous Year: ₹ 0.26 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 ₹ 35.80 Crore (Previous Year: ₹ 31.50 Crore) for DCPS contribution in the Profit and Loss Account.

c) Retirement Benefits.

- i. The bank has recognized the following amounts in the Profit and loss account towards employee benefits as under:

[₹. in Crore]

Particulars	March 31, 2022	March 31, 2021
Pension Fund	244.71	312.56
Gratuity Fund	23.92	33.28
Compensation for absence on privilege/sick/casual leave	60.36	83.29

The employee benefits on account of pension, gratuity and Leave have been ascertained on actuarial valuation in accordance with Accounting Standard - 15 prescribed under section 133 of the Companies Act, 2013

ii. Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks

Reserve Bank of India vide letter dated October 4, 2021 has permitted all member banks of Indian Banks' Association covered under the 11th Bipartite Settlement to amortize the additional liability on account of revision in family pension over a period not exceeding five years, beginning with the Financial Year ended March 31, 2022. The bank has recognised the entire additional liability estimated at ₹ 43 crores and opted to amortize the same over a period of seven quarters beginning with the quarter ended September 30, 2021. Accordingly, an amount ₹ 18.42 crores has been written off during the year ended March 31, 2022 in respect of the said additional liability and the balance amounting to ₹ 24.57 crores has been carried forward as unamortized expenditure.

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, 2022.

d) Changes in the defined benefit obligations

[₹. in Crore]

	Gratuity Plan		Pension Plan	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Projected defined benefit obligation, beginning of the year	245.42	232.65	920.62	801.56
Current Service Cost	20.06	18.34	193.26	186.81
Past Service Cost	-	-	-	-
Interest Cost	16.55	14.25	57.17	45.07
Actuarial (gain)/ loss	4.13	16.89	82.37	138.80
Benefits paid	(31.67)	(36.71)	(233.05)	(251.62)
Projected defined benefit obligation, end of the year	254.49	245.42	1020.37	920.62
Liability (net) of fair value of plan asset at the end of the year	7.63	1.92	4.73	26.47

e) Changes in the fair value of plan assets

[₹. in Crore]

	Gratuity Plan		Pension Plan	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Fair value of plan assets, beginning of the year	243.49	227.75	894.16	747.52
Expected return on plan assets	17.07	15.14	65.89	53.40
Employer's contributions	18.21	36.34	291.00	340.09
Actuarial gain/ (loss)	(0.25)	0.97	(2.35)	4.77
Benefits paid	(31.67)	(36.71)	(233.05)	(251.62)
Fair value of plan assets, end of the year	246.85	243.49	1015.63	894.16

The Company expects to contribute ₹ 7.63 Crore (Previous Year ₹ 1.93 Crore) towards gratuity and ₹ 4.73 Crore (Previous Year ₹ 26.47 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Current Service Cost	20.06	18.34	193.26	186.81
Past Service Cost	-	-	-	-
Interest Cost	16.55	14.25	57.17	45.07
Expected return on plan assets	(17.07)	(15.14)	(65.89)	(53.40)
Net actuarial (gain)/ loss recognised in the year	4.38	15.91	84.72	134.03
Employee cost	23.92	33.36	269.26	312.51
Unamortized cost	-	-	-	-
Total	23.92	33.36	269.26	312.51
Actual return on plan assets	16.82	16.11	63.54	58.17

g) Categories of plan assets as a percentage of the fair value of total plan assets

	Gratuity Plan		Pension Plan	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
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, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Defined Benefit Obligations	254.49	245.41	232.65	216.44	211.50
Plan Assets	246.85	243.49	227.75	210.30	179.53
(Surplus)/Deficit	7.63	1.92	4.90	6.14	31.97
Unamortized	-	-	-	-	20.45
Net benefit expenses	7.63	1.92	4.90	6.14	11.52
Experience adjustments on Plan Liabilities	12.43	32.70	(7.48)	5.25	(2.75)
Experience Adjustments on Plan Assets	0.25	(0.97)	0.58	(1.49)	(1.94)

(ii) Pension

[₹. in Crore]

	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Defined Benefit Obligations	1,020.37	920.62	801.56	700.22	650.13
Plan Assets	1,015.63	894.15	747.52	674.56	620.98
(Surplus)/Deficit	4.73	26.47	54.05	25.66	29.14
Experience adjustments on Plan Liabilities	82.37	138.80	42.33	(1.98)	(28.78)
Experience Adjustments on Plan Assets	2.35	(4.77)	5.86	(1.20)	(1.48)

i) Assumptions used by the actuary in accounting for Gratuity/ Pension/Compensation for absence

	Gratuity Plan		Pension Plan		Compensation for absence	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate	7.52%	7.21%	7.27%	7.11%	7.52%	7.21%
Expected rate of return on plan assets	7.21%	6.65%	7.11%	6.67%	*	*
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 ₹ 60.36 Crore (Previous year ₹ 83.29 Crore) has been debited to Profit and Loss account.

The above information is as certified by actuary and relied upon by the auditor.

12. Micro Small and Medium Industries

Under the Micro, Small and Medium enterprises development Act 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payment to micro, and small enterprises or of interest payments due to delays in such payments. The above is based on information available with the Bank which has been relied on by the auditors.

13. Segment reporting

Business Segments have been identified and reported taking into account, the target customer profile, the nature of product and services, the differing risks and returns, the organization structure, the internal business reporting system and guidelines issued by RBI from time to time. The Bank operates in the following business segments;

a) Treasury:

The treasury segment primarily consists of interest earnings on investments portfolio of the bank, gains or losses on investment operations and earnings from foreign exchange business. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses.

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	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Particulars	1499.70	1,847.74	2065.04	2,809.42	3,710.05	3,568.74	345.85	308.72	7,620.64	8,534.62
Revenue	18.51	49.33	(656.82)	(810.82)	291.65	547.85	254.67	237.30	(91.99)	23.66
Result										
Unallocated (Expenses)/ Income										63.00
Operating profit									(91.99)	86.66
Income Taxes									(136.97)	24.75
Net Profit									44.98	61.91
Segment Assets	24,263.97	22,473.40	31,599.90	31,890.60	40,568.85	37,185.58	7.75	10.27	96,440.47	91,559.85
Unallocated Assets									3,611.95	2589.32
Total Assets									1,00,052.42	94,149.17
Segment Liabilities	23,258.48	21,312.11	30,643.81	30,505.40	39,341.39	35,570.38	-	-	93,243.68	87,387.89
Unallocated Liabilities									955.61	954.12
Total Liabilities									94,199.29	88,342.01

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.

14. Description of contingent liabilities*

Sl. No	Contingent liability	Brief Description
1	Claims not acknowledged as debts	This includes liability on account of, and other legal cases filed against the bank. The bank is a party to various legal proceedings in the ordinary course of business and these are contested by the Bank and are therefore subjudice. The Bank does not expect the outcome of these proceedings to have a material adverse impact on the Bank's financial position.
2	Liability on account of outstanding forward contracts	The Bank enters into foreign exchange contracts with interbank participants on its own account and for its customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contract rate.
3	Guarantees on behalf of constituents in India, 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 (DEA Fund).

* 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.

15. Provision for long term contracts

The Bank has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the bank has reviewed and recorded adequate provision as required under any Law/ Accounting Standards for material foreseeable losses on such long-term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements.

16. Earnings Per Share

The Bank reports basic and diluted EPS in accordance with the Accounting Standard - 20 on "Earnings per Share"

Particulars	March 31, 2022	March 31, 2021
Weighted average number of equity shares used in computation of basic earnings per share	209,27,41,018	180,55,50,831
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	209,27,41,018	180,55,50,831
Earnings used in the computation of basic earnings per share (₹ in Crore)	44.98	61.91
Earnings used in the computation of diluted earnings per share (₹ in Crore)	44.98	61.91
Nominal Value of share (in ₹)	1.00	1.00
Basic earnings per share (in ₹)	0.21	0.34
Effect of potential equity shares for ESOS	-	-
Diluted earnings per share (in ₹)	0.21	0.34

17. Corporate social responsibility

Operating expenses include ₹ 6.06 Crore (Previous Year ₹ 11.68 Crore) for the year ended March 31, 2022 towards Corporate Social Responsibility (CSR), in accordance with the Companies Act, 2013.

The Bank has spent 2.01% of its average net profit for the last three financial years as part of its CSR for the year ended March 31, 2022. 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, 2022

[₹. in Crore]

	Paid	Yet to be paid	Total
i) Construction / Acquisition of any assets	3.65	-	3.65
ii) For purposes other than (i) above	2.41	-	2.41

For the year ended March 31, 2021

	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

18. Investor education and protection fund

There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Bank.

19. Operating Leases

Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account as per the lease terms. During the year an amount of ₹ 100.62 Crore (Previous year: ₹ 95.08 Crore) was charged to Profit and loss account.

20. Disclosure as to Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity (ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank ("Ultimate Beneficiaries"). The Bank has not received any fund from any party(s) (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

21. 'As per RBI "Master Direction on Financial Statements - Presentation and Disclosures" dated August 30, 2021, as amended, schedule 18 has been redrafted and new disclosures made wherever necessary and additional disclosures apart from the mandatory disclosures were also made for a better disclosure of financial statements

22. Figures of the previous year have been regrouped to conform to the current year presentation wherever necessary.

For and on behalf of Board of Directors

Thomas Joseph K
Executive Vice President

Chithra H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
(DIN :01028298)

Jimmy Mathew
Company Secretary

Vinod Francis
Joint General Manager

Parayil George John Tharakan
Director
(DIN : 07018289)

V J Kurian
Director
(DIN :01806859)

In terms of our report attached

For Varma & Varma
Chartered Accountants
ICAI Firm Registration No.0045325

For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration
No. 101961W/W-100036

M George Korah
Director
(DIN : 08207827)

Pradeep M Godbole
Director
(DIN: 08259944)

Vivek Krishna Govind
Partner
Membership No.208259

Hiren Shah
Partner
Membership No. 100052

Paul Antony
Director
(DIN : 02239492)

R A Sankara Narayanan
Director
(DIN :05230407)

Kochi
May 12, 2022

Thrissur
May 12,2022

Radha Unni
Director
(DIN :03242769)

Benny P Thomas
Director
(DIN : 09448424)

INDEPENDENT AUDITOR'S REPORT

To the Members of The South Indian Bank Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The South Indian Bank Limited ('the Bank') and its subsidiary (together referred to as "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Profit and Loss Account, the Consolidated Cash Flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') 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 their consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India together with

the ethical requirements that are relevant to our audit of the consolidated 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 consolidated financial statements.

Emphasis of Matter

1. We draw attention to **Note No. 5.c(ii) of schedule 18** of the accompanying statement of Audited consolidated financial statements regarding amortization of the additional liability on account of revision in family pension to the extent of ₹ 43 crores over a period of seven quarters beginning with the quarter ended September 30, 2021, in accordance with the permission granted by Reserve Bank of India (RBI). As also stated in the said Note ₹ 18.42 crores has been written off during the year ended March 31, 2022, and the balance amounting to ₹ 24.58 crores has been carried forward as unamortized expenditure. If the balance liability as above had been written off during the year, the net profit for the year ended March 31, 2022, would have been lower by ₹ 24.58 crores.

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 consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements, 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
(i)	<p>Adoption of Centralized Statutory Branch Audit</p> <p>During the FY 2021 – 22, with an objective to reduce the time and effort involved in the financial statements closure process, the Bank discontinued the process of appointing Branch Statutory Auditors and has implemented verticalization of its processes and centralization of audits of its branch network.</p> <p>Accordingly, in FY 2021-22 the Joint Statutory Auditors have conducted a Centralized Statutory Branch Audit based on the bank regions allocated and agreed upon mutually.</p> <p>Centralization of audit generally leads to concentration of audit work at the Head Office for all departments like Corporate Financial Management (CFM), Credit Monitoring, Management Information System (MIS) cell in Data Science Department (which includes uploading of data on a cloud-based platform).</p> <p>Since the centralization of audit was adopted for the first time by the Bank, we considered this as a Key Audit Matter.</p>	<p>Our audit approach/procedures included the following:</p> <ul style="list-style-type: none"> - Understanding the implementation of the internal controls adopted by the bank w.r.t centralization of branch audits including the information / data to be uploaded on the VDR platform. - Selection of Branches for performing a detailed audit for selective branches. The basis of sample branches selected by us include criteria's like: <ul style="list-style-type: none"> - Top 20 branches in accordance with the RBI circular 'Norms on eligibility, empanelment and appointment of Statutory Branch Auditors in Public Sector Banks from the year 2020-21 and onwards; - Branches with top Advances; - Branches with Stressed Portfolios. - Review of selective branches' data through virtual environments - Verification of the Banking operations undertaken by the Branches and whether the same are in line with the Bank's policies and procedures; - Verification of advances based on its classification and NPA provisioning as per IRAC norms; - Review of Inspection/ Concurrent Audit / Credit Audit Reports related to the selected branches; - Analysis of Bank Level Data for Advances, Stressed Advances, Restructured Advances and Non Performing Advances. Reperformance of interest calculation of selective data. Also reviewed documentation for advances for samples selected at Bank Level ; - Analysis of Bank Level data for Deposits, Current Accounts and Saving Bank Accounts details and reperformance of interest calculation of selective data; - Analysis of Bank Level data for expenditure and other accounts; - Interaction with respective departments at head office and head of verticals related to Branch Operation; - Compliance with the RBI regulations

	Key Audit Matters	How our audit addressed the Key Audit Matters
(ii)	<p>Classification of Advances, identification of non-performing advances, Income Recognition, and provisioning on Advances (Refer Note 3 of Schedule 17 to the consolidated financial statements)</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorized as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances;</p> <p>RBI prescribes the prudential norms for income recognition, asset classification and provisioning of non-performing assets (including circulars in relation to COVID-19 Regulatory Package – Asset Classification and Provisioning) (IRACP Norms) and prescribes the minimum provision required for such assets.</p> <p>The identification of performing and non-performing advances 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 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>	<p>Our audit approach / procedures included the following:</p> <ul style="list-style-type: none"> - Understanding and considering the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the prudential norms prescribed by the RBI (IRACP Norms) including the additional provisions made on advances. - 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 Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank; (f) Considering the RBI Annual Financial Inspection report on the Bank, the bank's response to the observations and other communication with RBI during the year; (g) Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines. <p>For NPAs 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
(iii)	<p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Refer Schedule 8 read with Note 2 of Schedule 17 to the consolidated financial statements)</p>	
	<p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments (NPI), nonrecognition of income and provisioning against NPI.</p> <p>Investments are classified into 'Held for Trading' ('HFT'), 'Available for Sale' ('AFS') and 'Held to Maturity' ('HTM') categories at the time of purchase. Investments, which the Bank intends to hold till maturity are classified as HTM investments.</p> <p>Investments classified as HTM are carried at amortised cost. Where in the opinion of management, a diminution, other than temporary, in the value of investments has taken place, appropriate provisions are made.</p> <p>Investments classified as AFS and HFT are marked-to-market on a periodic basis as per the relevant RBI guidelines.</p> <p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FBIL /FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc.</p> <p>Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of NPI and provisioning related to investments.</p>	<p>Our audit approach/procedures included the following:</p> <ul style="list-style-type: none"> - We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs and provisioning/depreciation related to investments; - We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments; - For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample; - We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision; - We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs; and - We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.

	Key Audit Matters	How our audit addressed the Key Audit Matters
(iv)	<p>Assessment of Provisions and Contingent Liabilities (Refer Note 15 of Schedule 17 to the consolidated 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.</p> <p>There is a high level of judgement required in estimating the level of provisioning for the above. The Bank's assessment is supported by the facts of matter, their own judgement, past experience, and advice from legal and independent tax consultants wherever necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgement in interpretation of law. Accordingly, our audit was focused on analyzing the facts of subject matter under consideration and judgements/ interpretation of law involved.</p>	<p>Our audit approach/procedures included the following:</p> <ul style="list-style-type: none"> - Obtaining an understanding of internal controls relevant to audit in order to design our audit procedures that are appropriate in the circumstances; - Understanding the current status of the litigations/ tax assessments; - Examining recent orders/ communications 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, collections of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and - Verification of disclosures related to significant litigations and taxation matters.
(v)	<p>Information Technology ('IT') Systems and Controls for financial reporting</p> <p>IT systems and controls followed by the bank are material from a financial reporting perspective, due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment.</p> <p>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 authorized. We tested the Bank's periodic review of access rights. We inspected requests of changes to systems for approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. - In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal 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.

Information other than the consolidated 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 standalone financial statements, consolidated financial statements and our auditor's report thereon and the Pillar III disclosures under Basel III Capital Regulation, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 Consolidated 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and board of directors;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the

audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Consolidated Financial Statement include the audited financial statements of one subsidiary, whose financials statements / financial results/ financial information reflect total assets of ₹ 0.77 crores As at March 31, 2022, total revenue of ₹ 0.55 crores and total net loss after tax of ₹ 0.17 crores for the year ended March 31, 2022, and net cash inflow amounting to ₹ 0.36 crores for the year ended on that date as considered in the Consolidated Financial Results have been audited by another independent auditor whose reports have been furnished to us by the management.

Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the reports of such auditors and the procedures performed by us as stated above.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and the consideration of the report of the other auditors on separate financial statements as noted in the 'Other Matters' paragraph, we report 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 the report of other auditor;
- c) The Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
- e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group with reference to these consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;

- g) With respect to the matters to be included in the Auditor's Report under Section 197(16) of the Act:

The Bank is a banking company as defined under Banking Regulation, 1949. Accordingly, the requirements prescribed under Section 197 of the Companies Act, 2013 do not apply by virtue of Section 35B(2A) of the Banking Regulation Act, 1949, and;

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. Refer Schedule 12.1 and sl. no. 1 of Note 16 under schedule 18 to the consolidated financial statements;
- ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts. Refer Note 18 under schedule 18 to the consolidated 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 and its subsidiary company.

- iv.(a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 20 of schedule 18 to the accompanying statement of Audited consolidated financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or

provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) Further, the management has represented, that, to the best of its knowledge and belief, other than as disclosed in the Note 20 of schedule 18 to the accompanying statement of Audited consolidated financial statement, no funds have been received by the Bank from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, recorded in writing or otherwise, that the Bank shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and
- (c) Based on such audit procedures that were considered reasonable and appropriate by us in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.
- v. During the financial year, the Bank has not declared/paid any dividend and hence, the related reporting requirements under subclause (f) of Rule 11 of the Companies (Audit and Auditors) Rules 2014 is not applicable.

For **Varma and Varma**
Chartered Accountants
Firm Registration No. 004532S

For **CNK & Associates LLP**
Chartered Accountants
Firm Registration No.
101961WW-100036

Vivek Krishna Govind
Partner
Membership No. 208259
UDIN: 22208259AIWNZI9484

Hiren Shah
Partner
Membership No. 100052
UDIN: 22100052AIWOND2804

Place: Kochi
Date: May 12, 2022

Place: Thrissur
Date: May 12, 2022

Annexure A to the Independent Auditor's Report of even date on the consolidated 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 consolidated financial statements of The South Indian Bank Limited ('the Bank') as at March 31, 2022, in conjunction with our audit of the consolidated 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 consolidated 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the 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, 2022, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Varma and Varma**
Chartered Accountants
Firm Registration No. 004532S

For **CNK & Associates LLP**
Chartered Accountants
Firm Registration No.
101961W/W-100036

Vivek Krishna Govind
Partner
Membership No. 208259
UDIN: 22208259AIWNZI9484

Hiren Shah
Partner
Membership No. 100052
UDIN: 22100052AIWOND2804

Place: Kochi
Date: May 12, 2022

Place: Thrissur
Date: May 12, 2022

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

		Schedule No	As at March 31, 2022 ₹ ('000)
पूँजी और देयताएं	CAPITAL AND LIABILITIES		
पूँजी	Capital	1	2,092,741
कर्मचारी स्टोक विकल्प (अनुदान) बकाया	Employees' Stock Options Outstanding		12,905
आरक्षित निधियाँ और अधिशेष	Reserves and Surplus	2	56,436,851
निक्षेप	Deposits	3	891,417,430
उधार	Borrowings	4	32,944,934
अन्य ऋण तथा प्रावधान	Other liabilities and provisions	5	17,613,822
जोड़	TOTAL		1,000,518,683
संपत्तियाँ	ASSETS		
भारतीय रिज़र्व बैंक में नकदी अधिशेष	Cash and Balances with Reserve Bank of India	6	36,766,056
बैंको में अधिशेष और मांग पर तथा अल्प सूचना पर प्राप्य धन	Balances with banks and money at call and short notice	7	75,268,220
विनिधान	Investments	8	214,445,128
अग्रिम	Advances	9	599,933,907
स्थिर आस्तियाँ	Fixed Assets	10	8,110,697
अन्य आस्तियाँ	Other Assets	11	65,994,675
जोड़	TOTAL		1,000,518,683
आकस्मिक ऋण	Contingent Liabilities	12	337,647,010
संग्रहण के लिए बिल	Bills for collection		17,529,647
महत्वपूर्ण लेखांकन नीतियाँ	Significant Accounting Policies	17	
लेखा संबंधी टिप्पणियाँ	Notes on Accounts	18	

अनुसूचियाँ ऊपर तुलन पत्र का एक अभिन्न अंग के रूप में

Schedules referred to above form an integral part of the Balance Sheet

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Chithra.H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
(DIN : 01028298)

Jimmy Mathew
Company Secretary

Vinod Francis
Joint General Manager

Parayil George John Tharakan
Director
(DIN : 07018289)

V. J. Kurian
Director
(DIN : 01806859)

In terms of our report attached

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

For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration No.
101961W/
W-100036

M George Korah
Director
(DIN : 08207827)

Pradeep M Godbole
Director
(DIN : 08259944)

Vivek Krishna Govind
Partner
Membership No. 208259

Hiren Shah
Partner
Membership No. 100052

Paul Antony
Director
(DIN : 02239492)

R A Sankara Narayanan
Director
(DIN : 05230407)

Kochi
May 12, 2022

Thrissur
May 12, 2022

Radha Unni
Director
(DIN : 03242769)

Benny P Thomas
Director
(DIN : 09448424)

Thrissur
May 12, 2022

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2022

	Schedule No	Year ended March 31, 2022 ₹ ('000)
I. आय	I. INCOME	
अर्जित ब्याज	Interest Earned	13
अन्य आय	Other Income	14
जोड़	TOTAL	76,204,345
II. व्यय	II. EXPENDITURE	
व्यय किया गया ब्याज	Interest Expended	15
परिचालन व्यय	Operating Expenses	16
उपबंध और आकस्मिक व्यय	Provisions and Contingencies	
जोड़	TOTAL	75,756,264
III. लाभ/हानि	III. PROFIT/LOSS	
वर्ष के समेकित शुद्ध लाभ	Consolidated Net Profit for the year	448,081
पिछले वर्ष के अग्रनीत समेकित लाभ	Brought forward consolidated profit from previous year	46,278
जोड़	Total	494,359
IV. विनियोग	IV. APPROPRIATIONS	
कानूनी आरक्षितियों को अंतरण	Transfer to Statutory Reserve	112,500
पूँजीगत आरक्षितियों को अंतरण	Transfer to Capital Reserve	762,281
अतिशेष जो आगे तुलन पत्र में ले जाया गया है।	Balance carried over to Balance Sheet	(380,422)
जोड़	TOTAL	494,359
प्रति शेयर अर्जन (₹)	Earnings per share (Face value of ₹ 1 per share)	
आधार ईपीएस (₹)	Basic (in ₹)	18.9
तनुकृत ईपीएस (₹)	Diluted (in ₹)	18.9
महत्वपूर्ण लेखांकन नीतियाँ	Significant Accounting Policies	17
लेखा संबंधी टिप्पणियाँ	Notes on Accounts	18

अनुसूचियों ऊपर लाभ और हानि खाता का एक अभिन्न अंग के रूप में

Schedules referred to above form an integral part of the Profit and Loss Account

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Chithra.H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
(DIN : 01028298)

Jimmy Mathew
Company Secretary

Vinod Francis
Joint General Manager

Parayil George John Tharakan
Director
(DIN : 07018289)

V. J. Kurian
Director
(DIN : 01806859)

In terms of our report attached

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

For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration No.
101961W/
W-100036

M George Korah
Director
(DIN : 08207827)

Pradeep M Godbole
Director
(DIN : 08259944)

Vivek Krishna Govind
Partner
Membership No. 208259

Hiren Shah
Partner
Membership No. 100052

Paul Antony
Director
(DIN : 02239492)

R A Sankara Narayanan
Director
(DIN : 05230407)

Kochi
May 12, 2022

Thrissur
May 12, 2022

Radha Unni
Director
(DIN : 03242769)

Benny P Thomas
Director
(DIN : 09448424)

Thrissur
May 12, 2022

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

		Year Ended March 31, 2022 ₹ ('000)
Cash flow from operating activities		
Net Profit as per Profit and Loss Account		448,081
Adjustments for:		
Provision for taxes (Net)		(1,370,263)
Depreciation		840,205
Amortisation of Premium on HTM Investments		25,65,358
Provision for Depreciation / Non Performing Investments		2,562,987
General Provisions against Standard Assets		1,755,700
Provision/write off for Non Performing Assets		11,614,053
Other Provisions		104,921
Employee Stock Options expense		1,983
Interest on Subordinated bonds		1,754,250
(Profit)/Loss on sale of land, buildings and other assets		(1,476)
Operating profit before working capital changes	(A)	2,02,75,799
Changes in working capital:		
Increase / (Decrease) in Deposits		64,311,940
Increase / (Decrease) in Borrowings		(8,137,797)
Increase / (Decrease) in Other liabilities		(68,617)
(Increase) / Decrease in Investments		673,017
(Increase) / Decrease in Advances		(30,995,355)
(Increase) / Decrease in Other Assets		(2,147,654)
	(B)	23,635,534
Cash flow from operating activities before taxes	(A+B)	4,39,11,333
Direct Taxes paid		(395,738)
Net cash flow from operating activities	(C)	4,35,15,595
Cash flow from investing activities:		
Purchase of Fixed Assets/Capital Work-in-Progress		(1,018,864)
Sale of Fixed/Non Banking Assets		648,541
(Purchase)/Sale of Investments (Held To Maturity)		(17,035,646)
Net cash flow from/(used in) investing activities	(D)	(17,405,969)

Cash flow from financing activities:		
Interest on Subordinated bonds		(1,754,131)
Net cash flow from financing activities	(E)	(1,754,131)
Net increase/(decrease) in cash and cash equivalents	(C+D+E)	2,43,55,495
Cash and cash equivalents as at beginning of the year		87,678,781
<i>(Refer note below)</i>		
Cash and cash equivalents as at the end of the year		112,034,276
<i>(Refer note below)</i>		

Note :Cash and cash equivalents comprise of cash on hand (including foreign currency notes), Balances with Reserve Bank of India, Balance with Banks and money at call and short notice.(Refer schedules 6 and 7 of the Balance sheet)

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Chithra.H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
(DIN : 01028298)

Jimmy Mathew
Company Secretary

Vinod Francis
Joint General Manager

Parayil George John Tharakan
Director
(DIN : 07018289)

V. J. Kurian
Director
(DIN : 01806859)

In terms of our report attached

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

For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration No.
101961W/
W-100036

M George Korah
Director
(DIN : 08207827)

Pradeep M Godbole
Director
(DIN : 08259944)

Vivek Krishna Govind
Partner
Membership No. 208259

Hiren Shah
Partner
Membership No. 100052

Paul Antony
Director
(DIN :02239492)

R A Sankara Narayanan
Director
(DIN : 05230407)

Kochi
May 12, 2022

Thrissur
May 12, 2022

Radha Unni
Director
(DIN :03242769)

Benny P Thomas
Director
(DIN : 09448424)

Thrissur
May 12, 2022

SCHEDULES TO CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2022

	As at March 31, 2022 ₹ ('000)
SCHEDULE 1 - CAPITAL	
Authorised Capital 400,00,00,000 Equity shares of ₹ 1/- each	4,000,000
Issued, Subscribed and Paid up Capital 209,27,41,018 Equity shares of ₹ 1/- each (Refer Note no. 3.ii of Schedule 18)	2,092,741
TOTAL	2,092,741
Employees' Stock Options Outstanding	
Employees' Stock Options Outstanding	12,905
Less: Deferred Employee Compensation Expense (unamortised)	-
TOTAL	12,905
SCHEDULE 2 - RESERVES AND SURPLUS	
I. Statutory Reserve	
Opening Balance	11,567,939
Additions during the year	112,500
Sub total	11,680,439
II. Capital Reserve	
Opening Balance	8,377,031
Additions during the year*	762,281
	9,139,312
Deductions during the year:	
Deduction from reserve to the extent of depreciation on revalued amount	(41,027)
Sub total	9,098,285
III. Share Premium	
Opening Balance	17,668,966
Additions during the year	-
Sub total	17,668,966
IV. Revenue and Other Reserves	
Opening Balance	18,318,653
Additions during the year :	
a) lapse of vested options	9,903
b) transfer of depreciation on revaluation	41,027
Sub total	18,369,583
V. Balance in Profit and Loss Account	(380,422)
TOTAL [i+ii+iii+iv+v]	56,436,851

* Includes Profit appropriated to Capital Reserve (net of applicable taxes and transfer to statutory reserve) on:

a) Gain on sale of Held to Maturity Investments ₹ 156.08 Crore

b) Profit on sale of Fixed Assets ₹ 0.15 Crore

		As at March 31, 2022 ₹ ('000)
SCHEDULE 3 - DEPOSITS		
A.	I. Demand Deposits	
	(i) From Banks	123,699
	(ii) From Others	48,487,897
	II. Savings Bank Deposits	247,398,532
	III. Term Deposits	
	(i) From Banks	22,287,247
	(ii) From Others	573,120,055
	TOTAL	891,417,430
B.	(i) Deposits of branches in India	891,417,430
	(ii) Deposits of branches outside India	Nil
	TOTAL	891,417,430

SCHEDULE 4 - BORROWINGS

I.	Borrowings in India	
	(i) Reserve Bank of India	-
	(ii) Other Banks*	2,078,800
	(iii) Other Institutions and Agencies#	28,738,169
II.	Borrowings outside India - from other banks	2,127,965
	TOTAL	32,944,934
	Secured borrowings under Triparty repo, market repurchase transactions with banks and financial institutions and transactions under Liquidity Adjustment Facility and Marginal Standing Facility included above.	9,995,969

*Borrowings from other banks include Subordinated Debt of ₹ 48.36 Crore in the nature of Non-Convertible Debentures and Perpetual Debt of ₹ 159.52 Crore

#Borrowings from other institutions & agencies include Subordinated Debt of ₹ 991.64 Crore in the nature of Non-Convertible Debentures and Perpetual Debt of ₹ 340.48 Crore

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

I.	Bills Payable	1,251,958
II.	Inter -Office adjustments (Net)	25,656
III.	Interest Accrued	1,801,206
IV.	Others (including provisions)*	14,535,002
	TOTAL	17,613,822

*Includes :-

Provision for standard assets ₹ 464.54 Crore

	As at March 31, 2022 ₹ ('000)
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA	
I. Cash in hand (Including foreign currency notes)	5,723,146
II. Balances with Reserve Bank of India In Current Account	31,042,910
TOTAL	36,766,056
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	
I. In India	
i) Balances with Banks	
(a) In Current Accounts	197,384
(b) In Other Deposit Accounts	289,417
ii) Money at call & short notice	
(a) With Banks	-
(b) With other Institutions	-
(c) Lending under Reverse Repo (RBI and Banks)	36,000,000
Sub total	36,486,801
II. Outside India	
(a) In Current Accounts	1,580,187
(b) In Other Deposit Accounts	35,243,512
(c) Money at call & short notice - with banks	1,957,720
Sub total	38,781,419
TOTAL	75,268,220

	As at March 31, 2022 ₹ ('000)
SCHEDULE 8 - INVESTMENTS	
I. Investments in India in:	
(i) Government Securities*	194,655,253
(ii) Other Approved Securities	-
(iii) Shares	545,603
(iv) Debentures and Bonds	5,718,540
(v) Subsidiaries and/or Joint Venures	-
(vi) Others#	13,523,768
Sub total	214,443,164
II. Investments outside India - Shares	1,964
TOTAL (I+II)	214,445,128
A. Gross Investments	
(i) In India	225,333,150
(ii) Outside India	1,979
Sub total (A)	225,335,129
B. Depreciation/Provision for investments	
(i) In India	10,889,986
(ii) Outside India	15
Sub total (B)	10,890,001
C. Net Investments	
(i) In India	214,443,164
(ii) Outside India	1,964
TOTAL (A-B)	214,445,128
*Including Non SLR State Government bonds with Book Value ₹ 105.28 Crore	
#includes	
Security Receipts	7,030,389
TOTAL	7,030,389

		As at March 31, 2022 ₹ ('000)
SCHEDULE 9 - ADVANCES		
A.	(i) Bills Purchased and Discounted	51,109,407
	(ii) Cash Credits, Overdrafts and Loans repayable on demand	296,075,004
	(iii) Term Loans	252,749,496
	TOTAL	599,933,907
B.	(i) Secured by tangible assets*	523,550,632
	(ii) Covered by Bank/Government Guarantees	41,685,676
	(iii) Unsecured	34,697,599
	TOTAL	599,933,907
	*includes advances against Book debt: ₹ 8,577.11 crore	
C.	I. Advances in India	
	(i) Priority Sectors	294,932,182
	(ii) Public Sector	3,135,817
	(iii) Banks	-
	(iv) Others	301,865,908
	TOTAL	599,933,907
	II. Advances outside India	Nil
	TOTAL	599,933,907
SCHEDULE 10 - FIXED ASSETS		
I.	Premises (including Land)	
	Gross Block:	
	At cost as on March 31, of the preceding year	5,946,942
	Additions during the year	
	Due to purchases/acquisitions	300
		5,947,242
	Deductions during the year	-
	Closing Balance	5,947,242
	Depreciation	
	As at beginning of the year	669,021
	Charge of the year	67,384
	Depreciation to date	736,405
	Net Block	Sub total 5,210,837

	As at March 31, 2022 ₹ ('000)
II. Capital Work in Progress	
At cost as on March 31, of the preceding year	405,046
Additions during the year	966,531
	1,371,577
Capitalisations during the year	781,107
Sub total	590,470
III. Other Fixed Assets (Including furnitures and fixtures and Software)	
Gross Block:	
At cost as on March 31, of the preceding year	7,575,854
Additions during the year	833,140
	8,408,994
Deductions/adjustments during the year	186,443
	8,222,551
Depreciation	
As at beginning of the year	5,307,154
Charge of the year	772,806
Deductions during the year	166,799
Depreciation/adjustments to date	5,913,161
Net Block	2,309,390
Sub total	2,309,390
TOTAL [I+II+III]	8,110,697

SCHEDULE 11 - OTHER ASSETS

I. Inter -Office adjustments (Net)		-
II. Interest Accrued		10,087,447
III. Tax Paid in Advance/Tax Deducted at Source (Net of Provision)		3,073,835
IV. Deferred tax asset (net) (Refer Note no. 10 of Schedule 18)		2,344,667
V. Deferred Employee Benefits (Refer Note no.5.c.ii of Schedule 18)		245,714
VI. Stationery and Stamps		25,383
VII. Non-Banking Assets aquired in Satisfaction of claims	141,860	
Less: Provision held	(141,860)	-
VIII. Others*		50,217,629
TOTAL		65,994,675

*Includes Priority Sector Shortfall Deposits amounting to ₹ 3,790.89 Crore

	As at March 31, 2022 ₹ ('000)
SCHEDULE 12 - CONTINGENT LIABILITIES (Refer Note no. 15 of Schedule 17)	
I. Claims against the Bank not acknowledged as debts:	
(i) Direct Tax disputes	205,023
(ii) Indirect Tax disputes	227,201
(iii) Others	269,928
II. Liability on account of outstanding Forward Exchange Contracts ¹	308,946,320
III. Guarantees given on behalf of constituents in India	17,413,699
IV. Acceptances, endorsements and other obligations	8,363,430
V. Other items for which the bank is contingently liable:	
(i) Capital Commitments	384,387
(ii) Transfers to Depositor Education and Awareness Fund (DEA Fund)	1,837,022
TOTAL	337,647,010

¹Represents notional amount

	Year ended March 31, 2022 ₹ ('000)
SCHEDULE 13 - INTEREST EARNED	
I. Interest/Discount on Advances/Bills	50,693,408
II. Income on Investments	10,398,050
III. Interest on balances with Reserve Bank of India and Other Inter - Bank funds	3,337,314
IV. Others	1,436,603
TOTAL	65,865,375

SCHEDULE 14 - OTHER INCOME

I. Commission, Exchange and Brokerage		471,836
II. Profit on sale of Investments	3,462,571	
Loss on sale of Investments	(158,813)	
Prov for Depn on Investments	(2,642,113)	661,645
III. Profit on sale of land, buildings and other assets	8,704	
Loss on sale of land, buildings and other assets	(7,228)	1,476
IV. Profit/(Loss) on Exchange transactions (net)		601,233
V. Miscellaneous Income*		8,602,780
TOTAL		10,338,970

* Includes Amount written off since recovered ₹ 104.75 Crore

	Year ended March 31, 2022 ₹ ('000)
SCHEDULE 15 - INTEREST EXPENDED	
I. Interest on Deposits	40,623,714
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	40,385
III. Others	2,803,704
TOTAL	43,467,803
SCHEDULE 16 - OPERATING EXPENSES	
I. Payments to and Provisions for Employees	11,982,945
II. Rent, Taxes and Lighting	1,287,967
III. Printing and Stationery	126,082
IV. Advertisement and Publicity	27,803
V. Depreciation on Bank's Property	840,205
VI. Directors fees, allowances and expenses	19,773
VII. Auditors' fees and expenses	21,276
VIII. Law charges	145,293
IX. Postage, telegrams, telephones, etc.	505,240
X. Repairs and Maintenance	507,892
XI. Insurance	1,159,449
XII. Other Expenditure *	3,639,251
TOTAL	20,263,176

* Includes expenditure towards Corporate Social Responsibility ₹ 6.06 Crore (Refer Note No. 17 of Schedule 18)

SCHEDULE – 17 SIGNIFICANT ACCOUNTING POLICIES APPENDED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Background

The Bank

The South Indian Bank Limited ('SIB' or the 'Bank'), incorporated on January 29, 1929 at Thrissur, as a private limited company and was later converted into a public limited company on August 11, 1939. SIB has a network of 929 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.

The Subsidiary

SIB Operations and Services Limited, a wholly owned non-financial subsidiary of the Bank was incorporated on May 28, 2021 for undertaking back office operations of the holding company and other outsourcing operations. Accordingly, previous year figures are only in respect of the Parent Bank.

Principles of Consolidation

- i. The consolidated financial statements relate to The South Indian Bank ('SIB' or the 'Bank') and its subsidiary company. The details of subsidiary company is given below:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly as at March 31, 2022
SIB Operations and Services Ltd.	Wholly owned subsidiary	India	The South Indian Bank Ltd.	100%

- ii. The audited financial statements of the subsidiary company is drawn up to the same reporting date as that of the Bank, i.e. March 31, 2022.
- iii. The financial statements of the Bank and its subsidiary company have been combined on a line-by-line basis as per AS 21, Consolidated Financial statements by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- iv. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Bank's separate financial statements.
- v. Differences in accounting policies followed by the subsidiaries and associates have been reviewed and no adjustments have been made, since the impact of these differences is not significant.

Basis of Preparation

The Consolidated financial statements of the Bank and its subsidiary have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian

GAAP"), the circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time and the Accounting Standards prescribed under Section 133 of the Companies Act, 2013(as amended) and the relevant provisions of the Companies Act, 2013 ("the Act") and current practices prevailing within the banking industry in India. Suitable adjustments are made to align with the format prescribed under the Banking Regulation Act, 1949. The Consolidated financial statements have been prepared in historical cost convention and accrual method of accounting, except where otherwise stated. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

Use of estimates

The preparation of the consolidated financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognized prospectively in the current and future periods.

Significant Accounting Policies

1. Revenue recognition

The Bank

- a) Interest / discount / other charges income from loans, advances and investments and deposits placed with banks and other institutions are 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 borrowers 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.

The Subsidiary

Income from services rendered and other income are recognized on accrual basis; to the extent, the realisability thereof is certain.

2. Investments

The Bank

A) Classification

- a) In accordance with the RBI guidelines, investments are categorized into "Held for Trading", "Available for Sale" and "Held to Maturity" and further classified under six groups, viz. Government Securities, Other Approved Securities, Shares, Debentures & Bonds, Subsidiaries and / or joint ventures and Other (to be specified) Investments for the purposes of disclosure in the Balance Sheet.
- b) Investments which are held for sale within 90 days from the date of purchase are classified as "Held for Trading".
- c) Investments which the bank intends to hold till maturity are classified as "Held to Maturity".
- d) Investments which are not classified in either of the above two categories are classified as "Available for Sale".

B) Acquisition cost

The cost of investments is determined on the weighted average basis. Broken period interest on debt instruments and government securities is treated as a revenue item. The transaction cost including brokerage, commissions etc. paid at the time of acquisition of investments are charged to the Profit and Loss Account.

C) Valuation

The valuation of investments is performed in accordance with the RBI Guidelines:

- a. Investments classified as HFT or AFS – Investments classified under the AFS and HFT categories are marked-to-market. The market/fair value of quoted investments included in the 'AFS' and 'HFT' categories is measured with respect to the Market Price of the Scrip as available from the trades/ quotes on the stock exchanges, pricelist of RBI or prices declared by Financial Benchmark India Private Limited etc. periodically. Net depreciation, if any, within each category of investment classification is recognized in Profit and Loss Account. The net appreciation, if any, under each category of Investment is ignored. Except in cases where provision for diminution other than temporary is created, the Book value of individual securities is not changed consequent to the periodic valuation of Investments.

Net depreciation on each type of investments falling under the residual category of 'Others' (i.e. mutual funds, PTCs, security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category.

The depreciation on securities acquired by way of conversion of outstanding loan is provided in accordance with the RBI guidelines. Provision for depreciation on investments is classified under Schedule 14 "Other Income". The book value of individual securities is not changed consequent to the periodic valuation of investments.

- b. Held to Maturity – These are carried at their acquisition cost unless it is more than the face value, in which case premium on acquisition is amortized over the remaining maturity of the security on straight line basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under Schedule 13 in Profit and Loss account. As per RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity. Any diminution, other than temporary, in the value of such securities is provided for.
- c. Treasury Bills, commercial paper, Cash management bills and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount amortized over the period to maturity.
- d. Units of Mutual Funds are valued at the latest repurchase price/net asset value declared by Mutual Fund.

- e. Market value of investments where current quotations are not available, is determined as per the norms prescribed by the RBI as under:

- in case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity (YTM) for Government Securities as published by Financial Benchmark India Pvt Limited (FBIL) and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA are adopted for this purpose;
- in case of bonds and debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by RBI;
- Preference shares shall be valued on YTM basis. It shall be valued with appropriate mark-up over the YTM rates for Central Government Securities put out by the FBIL. The preference shares shall not be valued above its redemption value.
- equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet. In case the latest Balance Sheet is not available, the shares are valued at ₹ 1/- per company;
- Investments in Security Receipts (SR's) are valued as per the NAV declared by the issuing Asset Reconstruction Company (ARC) or net book value of loans transferred or estimated recoverable value based on Bank's internal assessment on case to case basis, whichever is lower. In case of investments in SRs which are backed by more than 10 percent of the stressed assets sold by the Bank, the valuation of such SRs is additionally subject to a floor of face value of the SRs reduced by the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the Bank.
- Non- Performing Investments are identified and valued based on RBI guidelines.

- f. The Bank follows 'Settlement Date' accounting for recording purchase and sale transactions in securities. The investments in equity shares, they are accounted for on settlement date.

D) Repo and Reverse Repo transactions

In accordance with the RBI guidelines repo and reverse repo transactions in government securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are reflected as collateralized borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted for as interest expense and revenue on reverse repo is accounted for as interest income.

E) Short Sales

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is reflected as the amount received on sale and is classified under 'Other Liabilities'. The short position is marked to market and resultant mark-to-market gain/losses are accounted for as per the relevant RBI guidelines for valuation of investments.

F) Transfer of securities between Categories

Transfer of securities between categories is done at the lower of the acquisition cost / book value/ market value on the date of the transfer and the depreciation, if any, on such transfer is fully provided for in accordance with RBI guidelines.

G) Disposal of Investments

- a. Investments classified as HFT and AFS – Profit or loss on sale / redemption is included in the Profit and Loss account.
- b. Investments classified as HTM – Profit on sale / 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

The Bank

A) Valuation / Measurement

- a) Advances are classified into performing assets (Standard) and non-performing assets ('NPAs') as per the RBI guidelines and are stated net of specific provisions made towards NPAs, sacrifice provisions on restructured advances and unrealised interest on NPAs. Interest on Non- Performing advances

is not recognised in profit and loss account and transferred to an unrealised interest account until receipt. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Provisions for NPAs are made as per the guidelines and circulars of the RBI on matters relating to prudential norms.

- b) Non-performing advances are written-off in accordance with the Bank's policies. Amounts recovered against debts written off are recognised in the profit and loss account and included under "Other Income".
- c) For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by the RBI, which requires the diminution in the fair value of the assets to be provided at the time of restructuring. In respect of loans and advances accounts subjected to restructuring, the account is upgraded to standard only after the specified period i.e. a period of one year after the date when first payment of interest or of principal, whichever is later, falls due, subject to satisfactory performance of the account during the period.

Additional provision for restructured accounts as per the relevant restructuring scheme announced by RBI for Micro, Small and Medium (MSME) sector, accounts affected by natural calamities and as per COVID 19 resolution framework are made as per extant RBI guidelines.

- d) For entities with Unhedged Foreign Currency Exposure(UFCE), provision is made in accordance with the guidelines issued by RBI, which requires to ascertain the amount of UFCE, estimate the extent of likely loss and estimate the riskiness of unhedged position. The Provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.
- e) The Bank maintains general provision for standard assets including credit exposures computed as per the current marked-to-market values of foreign exchange derivative contracts, in accordance with the guidelines and at levels stipulated by RBI from time to time.
- 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

The Bank

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country). The countries are categorised into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit as per Export Credit Guarantee Corporation of India Limited ("ECGC") guidelines and provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposure. This provision if any, is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

5. Fixed Assets (Property Plant & Equipment and Intangibles) and depreciation / amortization

The Bank

- a) The Property Plant & Equipment and Intangibles (other than office premise, which are revalued) are stated at historical cost less accumulated depreciation/amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on

asset put to use is capitalised only when it increases the future benefit / functioning capability from/of such assets. Gain or losses arising from the retirement or disposal of a Property Plant and Equipment / Intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of assets and recognised as income or expense in the Profit and Loss Account. Profit on sale of premises after adjustments for tax and transfer to Statutory, if any, is transferred to Capital Reserve as per the RBI guidelines.

- b) Portfolio of immovable properties is revalued periodically by independent valuers to reflect current market valuation. All land and building owned by the bank and used as branches or offices or office quarters are grouped under "Office Premises" in the Property Plant & Equipment. Appreciation, if any, on revaluation is credited to Revaluation Reserve under Capital Reserve. Additional depreciation on revalued asset is charged to Profit and Loss Account and appropriated from Revaluation Reserve to Revenue and other Reserves.
- c) Depreciation /Amortisation: Depreciation is provided on a pro-rata basis on a straight-line method over the estimated useful life of the fixed assets at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013, except for Vehicles which are depreciated over five years, based on technical estimates. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II of Companies Act, 2013. Computer software is amortised over its useful life, not more than 5 years.

The Subsidiary

- a) Tangible fixed assets

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes all direct expenses incurred to bring an asset to working condition for its intended use.

- b) Intangible Assets

Intangible assets are recorded at the cost of acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Depreciation and Amortization

- i) Depreciation on tangible assets, has been provided by adopting the useful lives prescribed as per Part C of Schedule II to the Companies

Act, 2013 or based on the technical evaluation done, as the case may be, retaining 5% of the original cost as residual value.

- ii) License Cost of Website and EV SSL Certificate is treated as Intangible Assets and is amortized over a period of 9 years and 2 years respectively in accordance with Accounting Standard (AS) 26.

6. Impairment of Assets

The Bank

The carrying values of assets at each balance sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Profit and Loss Account, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a reduction in revaluation to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Profit and Loss Account, to the extent the amount was previously charged to the Profit and Loss Account. In case of revalued assets such reversal is not recognised.

7. Non-Banking Assets

The Bank

Non-banking assets (NBAs) acquired in satisfaction of claims is carried at lower of net book value and net realisable value. Specific provision is made on specific Non-banking assets acquired on debt asset swap arrangements as specified by RBI.

8. Transactions involving foreign exchange

The Bank

- a) Foreign currency income and expenditure items are translated at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities outstanding at the Balance Sheet date are revalued at rates notified by Foreign Exchange Dealers Association of India [FEDAI] and resulting profits or losses are included in the Profit and Loss Account, as per the guidelines issued by RBI.
- b) Foreign exchange spot and forward Contracts outstanding as at the Balance Sheet date (except Forward Contracts taken to hedge FCNR Deposits/Overseas Borrowings) are revalued at the closing Spot and Forward Rates respectively as notified by FEDAI

and at interpolated rates for contracts of interim maturities. For valuation of contracts having longer maturities, the forward points (for rates/tenures not published by FEDAI) are obtained from Reuters for valuation of the FX Deals. As directed by FEDAI to consider profit or loss on present value basis, the forward profit or loss on the deals are discounted till the valuation date using the discounting yields. The resulting profit or loss on valuation is recognised in the Profit and Loss Account in accordance with RBI/FEDAI Guidelines.

- c) Forward Contracts taken to hedge FCNR Deposits/Overseas Borrowings are translated at the prevailing spot rate at the time of swap. The Premium/Discount on the swap arising out of the difference in the exchange rate of the swap date and maturity date of the underlying forward exchange contract is amortised over the period of the swap and the same is recognized in the Profit and Loss Account.
- d) Contingent liabilities on account of foreign exchange contracts, guarantees, letters of credit, acceptances and endorsements are reported at closing rates of exchange notified by FEDAI as at the Balance Sheet date.

9. Derivative transactions

The Bank

The Bank recognizes all derivative contracts at fair value, on the date on which the derivative contracts are entered into and are remeasured at fair value as at the Balance sheet or reporting dates. Derivatives are classified as assets when the fair value is positive (Positive marked-to-market) or as liabilities when the fair value is negative (negative marked-to-market). Changes in the fair value of derivatives other than those designated as hedges are recognised in the Profit and Loss Account.

10. Employee benefits

The Bank

- a) Provident Fund:

The contribution made by the Bank to "The South Indian Bank Ltd Employees Provident Fund", administered by the trustees is charged to Profit and Loss account. The fund is a defined contribution fund and the Bank has no further liability beyond the contribution made to the fund.
- b) Pension Fund:

The contribution towards "The South Indian Bank Ltd Employees' Pension Fund Trust", managed by trustees, is determined on actuarial basis on projected unit credit method as on the Balance Sheet date and is recognised in the profit and loss account. The actuarial

gain or loss arising during the year is recognised in the Profit and Loss Account.

Employees who had joined the services of the Bank with effect from April 1, 2010 are covered under Defined Contributory Pension Scheme (DCPS). In respect of such employees the bank contributes specified percentage of the Basic Pay plus Dearness Allowance and the expenditure thereof is charged to Profit and Loss account and the Bank has no further liability beyond the contribution to the fund on this account.

c) Gratuity:

The bank makes contribution to “The South Indian Bank Ltd Employees’ Gratuity Trust” administered and managed by the trustees. The present value of the bank’s obligation towards the same is actuarially determined based on the projected unit credit method as at the balance sheet date. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

d) Compensated absence on Privilege / Sick / Casual Leave and Leave Travel Concession (LTC):

The employees of the Bank are entitled to compensated absence on account of privilege / sick / casual leave as per the leave rules. The bank measures the long term expected cost of compensated absence as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuation and such costs are recognised in the profit and loss account. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

The employees are also eligible for LTC as per the rules. The estimated cost of unused entitlement as on the Balance Sheet date based on actuarial valuation is provided for.

e) Employees Stock Option Scheme (ESOS):

The SIB ESOS 2008 Employee Stock Option Scheme (“the Scheme”) provides for grant of stock options on equity shares of the Bank to employees and Managing Director of the Bank. The Scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021. The Bank followed intrinsic value method to account for its stock based employee compensation plans as per the Guidelines for all the options granted till the accounting period ending 31 March, 2022.

RBI issued a clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers /Material Risk Takers and Control Function Staff on 30 August, 2021, advising banks that the share-linked instruments are required to

be fair valued on the date of grant using the Black-Scholes model. Accordingly, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognized the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. Options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant or at such a discount as may be approved by NRC/Board from time to time. The fair market price being the closing price of stock exchange which recorded the highest trading volumes in equity shares of the Bank and trading day immediately preceding the date on which the grant of options was approved and recommended to Board by Nomination and Remuneration Committee of Board.

f) Other Employee Benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employee is recognised during the period when the employee renders the service. These benefits include performance incentives.

g) New Pension Scheme (‘NPS’)

In respect of employees who are covered under NPS, the Bank contributes certain percentage of the sum of basic salary and dearness allowance of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies and regulated by PFRDA. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue. The Bank has no liability other than its contribution, and recognises such contributions as an expense in the year incurred.

11. Segment Reporting

The Bank

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by RBI.

12. Debit Card Reward Points

The Bank

The Bank runs a loyalty program which seeks to recognise and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. The Bank estimates the probable redemption of such loyalty/reward points using an actuarial method at the Balance Sheet date by employing independent

actuary. Provision for said reward points is then made based on the actuarial valuation report as furnished by the said independent Actuary.

13. Earnings Per Share (EPS)

The Bank & Subsidiary reports Basic and Diluted Earnings per Equity Share in accordance with Accounting Standard 20, prescribed under section 133 of the Companies Act, 2013. Basic EPS has been computed by dividing Net Profit for the year by the weighted average number of Equity Shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. A diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end. Potential equity shares which are anti-dilutive in nature are ignored.

14. Taxes on income

The Bank

Income tax expense is the aggregate amount of current tax and deferred tax charge.

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.

15. Accounting for Provisions, Contingent Liabilities and Contingent Assets

The Bank

In accordance with Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets prescribed under section 133 of the Companies Act, 2013, the Bank recognises provisions when it has a present obligation as a result of a past event and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate of the amount of the obligation can be made.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

16. Operating Lease

The Bank

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account as per the lease terms.

17. Cash and cash equivalents

The Bank

Cash and cash equivalents include cash in hand, balances with Reserve Bank of India and balances with other banks/institutions and Money at Call and Short Notice (including the effect of changes in exchange rates on cash and cash equivalents in foreign currency).

18. Share issue expenses

The Bank

Share issue expenses are adjusted from Securities Premium Account as permitted by Section 52 of the Companies Act, 2013.

19. Corporate Social Responsibility

The Bank

Expenditure towards Corporate Social Responsibility is recognized in accordance with Companies Act 2013

20. Accounting of Priority Sector Lending Certificate (PSLC)

The Bank

The Bank vide RBI circular FIDD.CO.Plan. BC.23/04.09.01/2015-16 dated April 7, 2016 trades in priority sector portfolio by selling or buying PSLC, without transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income'.

21. Accounting for Dividend

The Bank

In terms of revised Accounting Standard (AS) 4 "Contingencies and Events occurring after the Balance sheet date" as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016, Proposed Dividend or Dividend declared after balance sheet date are not shown as liability in current year balance sheet.

22. Cash Flows

The Bank

Cash flow Statement has been prepared under the Indirect Method.

**SCHEDULE - 18 NOTES ON ACCOUNTS FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

1. Consolidated Financial Statements comprises the results of The South Indian Bank Limited (Parent) and the wholly owned non-financial subsidiary of SIB Operations and Services Limited for the period from May 28th, 2021 to March 31, 2022.
2. Audited Financial Statements of the Subsidiary has been drawn up to the same reporting date as that of the Parent i.e. March 31, 2022

3. Share Capital

- i. Capital infusion

During the year ended March 31, 2022 the Bank has not allotted any equity shares.

- ii. Details of movement in the paid-up equity share capital of the Bank are given below:

[₹. in Crore]

Particulars	March 31, 2022	
	No of shares	Amount
Opening Balance	209,27,41,018	209.27
Additions	-	-
Closing balance	209,27,41,018	209.27

4. Accounting for Employee Share Based Payments.

The company has provided various share based payment schemes to its employees. As on March 31, 2022, 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, 2022	
	Options	Weighted average exercise price (₹)
Options outstanding at the beginning of the year	1,797,019	18.72
Options granted during the year	-	-
Options exercised during the year	-	-
Forfeited / lapsed during the year	7,91,147	18.72
Options outstanding at the end of the year	1,005,872	18.72
Options Exercisable	1,005,872	18.72

Details of exercise price for stock options outstanding as at March 31, 2022

Particulars	Exercise price per share	Number of options outstanding	Remaining contractual life of options
Tranche 8	18.72	1,005,872	0.68

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, 2022
Tranches	8
Exercise Price per share (₹)	18.72
Weighted Average Share Price per share (₹)	25.91
Expected Volatility (%)	33.09
Historical Volatility (%)	33.09
Life of the options granted (Vesting and Exercise period in years)	3.00 to 5.00
Average Risk Free Interest rate (%)	7.10 to 7.44
Expected Dividend Yield (%)	1.54

Effect of the ESOS on the profit and loss account and on its financial position:

[₹. in Crore]

Particulars	March 31, 2022
Opening of ESOS Liability	2.31
Liability on account of ESOS issued	0.00
Reversal on account of Exercise	0.00
Reversal on account of lapsed/forfeiture	(1.02)
Total Employee compensation cost pertaining to ESOS	1.29
Opening Deferred Compensation Cost	0.22
Deferred compensation cost on ESOS issued	0.00
Compensation Cost pertaining to ESOS amortized during the year	(0.22)
Reversal on account of lapse/ forfeiture	0.00
Deferred compensation cost	0.00

The RBI, vide its clarification dated August 30, 2021 on guidelines on compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk takers and Control Function staffs, advised Banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after March 31, 2021. There is no impact in profit and loss account on account of the above change during the FY 2021-22, since there are no grants during FY 2021-22.

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:

[₹. in Crore]

Particulars	March 31, 2022
Net Profit as reported	44.98
Proforma Net profit based on fair value approach	45.00
Basic EPS as reported (₹)	0.21
Basic EPS (Proforma)(₹)	0.22
Diluted EPS as reported(₹)	0.21
Diluted EPS (Proforma)(₹)	0.22

In computing the above information, certain estimates and assumptions have been made by the management which has been relied upon by the auditors.

5. Employee Benefits (AS 15)

a) Provident Fund:

Employees, who have not opted for pension plan are eligible to get benefits from provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid on retirement, death, incapacitation or termination of employment. Both the employee and the Bank contribute a specified percentage of the salary to the South Indian Bank Employees' Provident Fund. The Bank has no obligation other than the monthly contribution.

The Bank recognized ₹ 0.24 crore 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 ₹ 35.80 crore for DCPS contribution in the Profit and Loss Account.

c) Retirement Benefits.

i. The bank has recognized the following amounts in the Profit and loss account towards employee benefits as under:

[₹. in Crore]

Particulars	March 31, 2022
Pension Fund	244.71
Gratuity Fund	23.92
Compensation for absence on privilege/sick/casual leave	60.36

The employee benefits on account of pension, gratuity and leave have been ascertained on actuarial valuation in accordance with Accounting Standard - 15 prescribed under section 133 of the Companies Act, 2013

ii. Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks

Reserve Bank of India vide letter dated October 4, 2021 has permitted all member banks of Indian Banks' Association covered under the 11th Bipartite Settlement to amortize the additional liability on account of revision in family pension over a period not exceeding five years, beginning with the Financial Year ended March 31, 2022. The bank has recognised the entire additional liability estimated at ₹ 43 crores and opted to amortize the same over a period of seven quarters beginning with the quarter ended September 30, 2021. Accordingly, an amount of ₹ 18.42 crores has been written off during the year ended March 31, 2022 in respect of the said additional liability and the balance amounting to ₹ 24.57 crores has been carried forward as unamortized expenditure.

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, 2022.

d) Changes in the defined benefit obligations

[₹. in Crore]

	Gratuity Plan	Pension Plan
	March 31, 2022	March 31, 2022
Projected defined benefit obligation, beginning of the year	245.42	920.62
Current Service Cost	20.06	193.26
Past Service Cost	-	-
Interest Cost	16.55	57.17
Actuarial (gain)/ loss	4.13	82.37
Benefits paid	(31.67)	(233.05)
Projected defined benefit obligation, end of the year	254.49	1020.37
Liability (net) of fair value of plan asset at the end of the year	7.63	4.73

e) Changes in the fair value of plan assets

[₹. in Crore]

	Gratuity Plan	Pension Plan
	March 31, 2022	March 31, 2022
Fair value of plan assets, beginning of the year	243.49	894.16
Expected return on plan assets	17.07	65.89
Employer's contributions	18.21	291.00
Actuarial gain/ (loss)	(0.25)	(2.35)
Benefits paid	(31.67)	(233.05)
Fair value of plan assets, end of the year	246.85	1015.63

The Company expects to contribute ₹ 7.63 Crore towards gratuity and ₹ 4.73 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, 2022	March 31, 2022
Current Service Cost	20.06	193.26
Past Service Cost	-	-
Interest Cost	16.55	57.17
Expected return on plan assets	(17.07)	(65.89)
Net actuarial (gain)/ loss recognised in the year	4.38	84.72
Employee cost	23.92	269.26
Unamortized cost	-	-
Total	23.92	269.26
Actual return on plan assets	16.82	63.54

g) Categories of plan assets as a percentage of the fair value of total plan assets

	Gratuity Plan	Pension Plan
	March 31, 2022	March 31, 2022
Government Securities (Central & State)	-	-
High quality Corporate Bonds	-	-
Equity Shares of Listed Companies	-	-
Funds Managed by Insurer *	100%	100%
Others (PSU & Special Deposits)	-	-
Total	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, 2022
Defined Benefit Obligations	254.49
Plan Assets	246.85
(Surplus)/Deficit	7.63
Unamortized	-
Net benefit expenses	7.63
Experience adjustments on Plan Liabilities	12.43
Experience Adjustments on Plan Assets	0.25

(ii) Pension

[₹. in Crore]

	March 31, 2022
Defined Benefit Obligations	1,020.37
Plan Assets	1,015.63
(Surplus)/Deficit	4.73
Experience adjustments on Plan Liabilities	82.37
Experience Adjustments on Plan Assets	2.35

i) Assumptions used by the actuary in accounting for Gratuity/ Pension/Compensation for absence

	Gratuity Plan	Pension Plan	Compensation for absence
	March 31, 2022	March 31, 2022	March 31, 2022
Discount rate	7.52%	7.27%	7.52%
Expected rate of return on plan assets	7.21%	7.11%	*
Increase in compensation cost	6.00%	5.5%	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 ₹ 60.36 Crore has been debited to Profit and Loss account. The above information is as certified by actuary and relied upon by the auditor.

6. Segment reporting

Business Segments have been identified and reported taking into account, the target customer profile, the nature of product and services, the differing risks and returns, the organization structure, the internal business reporting system and guidelines issued by RBI from time to time. The Bank operates in the following business segments;

a) Treasury:

The treasury segment primarily consists of interest earnings on investments portfolio of the bank, gains or losses on investment operations and earnings from foreign exchange business. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses.

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
Particulars	2021-22	2021-22	2021-22	2021-22	2021-22
Revenue	1499.70	2065.04	3,710.05	345.65	7,620.44
Result	18.51	(656.82)	291.65	254.68	(91.98)
Unallocated (Expenses)/ Income					(0.23)
Operating profit					(92.21)
Income Taxes					(137.03)
Net Profit					44.82
Other Information:					
Segment Assets	24,263.47	31,599.90	40,568.85	7.76	96,439.98
Unallocated Assets					3,611.89
Total Assets					1,00,051.87
Segment Liabilities	23,258.48	30,643.81	39,341.02	-	93,243.31
Unallocated Liabilities					955.60
Total Liabilities					94,198.91

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.

7. Related party disclosure:

RELATED PARTY TRANSACTION OF THE SOUTH INDIAN BANK LTD FOR THE FINANCIAL YEAR ENDED 31.03.2022*

[₹. in Crore]

SI No	Details of counter party	Type of related party transaction	Value of the related party transaction during the reporting period (for the financial year ended March 31, 2022)	In case monies are due to either party as a result of the transaction	
	Relationship of the counterparty with the listed entity			Opening Balance (as on April 1, 2021)	Closing Balance (as on March, 31, 2022)
1	Directors	Sitting Fees (WOS)	0.028		0.004
2	Subsidiary Directors	Interest received	0.0002		
3	Subsidiary Directors	Interest Paid	0.09		
4	Subsidiary Directors	Fixed Deposit	1.2	0.9	1.2
5	Subsidiary Directors' Relatives	Interest received	0.0027		
6	Subsidiary Directors' Relatives	Fixed Deposit	4.45	4.28	4.45
7	Subsidiary Directors' Relatives	Interest Paid	0.25		
8	KMPs including MD & CEO and Subsidiary Directors	Remuneration paid As per Bank's Internal Policies/ approved by Regulator	3.00		
9	Directors	Sitting Fees including honorarium to Chairman	1.87		
10	Directors	Fixed Deposit	2.10	2.08	2.10
11	Directors	Interest received	0.02		
12	Directors	Interest Paid	0.13		
13	KMPs including MD & CEO	Fixed Deposit	0.03	3.82	0.03
14	KMPs including MD & CEO	Interest received	0.033		
15	KMPs including MD & CEO	Interest Paid	0.205		
16	KMPs including MD & CEO	ESOS (Nos.)		13383	7649
17	Relative/ Interested company-Directors	Fixed Deposit	11.87	2.43	11.87
18	Relative/ Interested company-Directors	Interest Paid	0.29		
19	Relative of KMPs & MD & CEO	Fixed Deposit	0.07	0.07	0.07
20	Relative of KMPs & MD & CEO	Interest Paid	0.005		
21	MD & CEO	savings	0.19	0.13	0.19
22	Relative MD & CEO	savings	0.01	0.0019	0.01

The SIB Operations and Services Ltd was incorporated as wholly owned subsidiary of the Bank on 28.05.2021. The Bank has made an equity investment of ₹ 50,00,000/- in the wholly owned subsidiary during incorporation.

* Notes

- The disclosure on Related party Transaction is made in line the SEBI disclosure requirement for listed Banks as stipulated vide SEBI circular No SEBI/HO/CFD/CMD1/CIR/P/2021/662 November 22, 2021
- Transactions with WOS are shown excluding GST and TDS

- 3) In compliance with the guidelines as per annexure to SEBI circular No SEBI/HO/CFD/CMD1/CIR/P/2021/662 November 22, 2021, The South Indian Bank Ltd, being a listed bank, is not required to provide the disclosures with respect to related party transactions involving loans, inter-corporate deposits, advances or investments made or given by the bank.
- 4) In compliance with the guidelines as per annexure to SEBI circular No SEBI/HO/CFD/CMD1/CIR/P/2021/662 November 22, 2021 transactions such as acceptance of fixed deposits by banks, undertaken with related parties, at the terms uniformly applicable /offered to all shareholders/ public only are reported under deposit.
- 5) The Bank, being a scheduled commercial bank, as per RBI circular RBI/DBR/2015-16/19 dated March 03, 2016, has allowed additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or a term deposits of bank's staff and their exclusive associations as well as on deposits of Chairman, Managing Director or such other Executives appointed for a fixed tenure.
- 6) Value of the related party transaction for deposit is the balance outstanding as on 31.03.2022.
- 7) Regulation 23 of Listing regulations, as amended from time to time, grant exemptions from seeking approval of the Audit Committee for the transactions entered into by and between the holding company and its wholly owned subsidiary company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- 8) Transactions with common directors of subsidiary and bank are shown under Directors/KMP.

8. Operating Lease

Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account as per the lease terms. During the year, an amount of ₹ 100.62 Crore was charged to Profit and loss account.

9. Earnings Per Share

The Bank reports basic and diluted EPS in accordance with the Accounting Standard - 20 on "Earnings per Share"

Particulars	March 31, 2022
Weighted average number of equity shares used in computation of basic earnings per share	209,27,41,018
Potential equity shares arising out of the Employees Stock Option Scheme	-
Weighted average number of equity shares used in computation of diluted earnings per share	209,27,41,018
Earnings used in the computation of basic earnings per share (₹ in Crore)	44.98
Earnings used in the computation of diluted earnings per share (₹ in Crore)	44.98
Nominal Value of share (in ₹)	1.00
Basic earnings per share (in ₹)	0.21
Effect of potential equity shares for ESOS	-
Diluted earnings per share (in ₹)	0.21

10. Deferred Tax Assets (net)

[₹. in Crore]

Particulars	March 31, 2022
Deferred Tax Asset (A)	
Provisions for Loans/Investments/ others	370.86
Fixed Assets: on differences between book balances and tax balance of fixed asset	3.11
Preliminary Expenses	0.01
Carried forward Business Loss/Depreciation allowance	0.05
Total (A)	374.03
Deferred Tax Liabilities (B)	
Special Reserve created u/s 36(1)(viii) of Income Tax Act	139.56
Total (B)	139.56
Deferred Tax Asset (net) (A-B)	234.47

Provision for taxes during the year:

[₹. in Crore]

Particulars	March 31, 2022
Current Tax (Net of write back) ¹	(5.95)
Deferred Tax (net)	(131.08)
Total	(137.03)

¹Tax expense for the periods from the financial year 2019-20 was recognised based on the optional lower rates under Income Tax Act 1961(as amended by the Taxation Laws (Amendment) Act 2019), although the tax returns for the said assessment years were filed by the Bank without exercising such option. Necessary adjustments have been made in the current year ended March 31, 2022 to recognise the impact of the said change. The excess provision for tax held in books consequent to the favourable Income Tax orders received during the financial year amounting to ₹ 69.60 Crores has been written back as on 31.03.2022

11. Provisions and Contingencies
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account:

[₹. in Crore]

Particulars	March 31, 2022
Provision for NPAs (including write off, excluding technical write off)	1,161.41
Provision for NPLs	(7.91)
Provision for taxes (Net) ¹	(5.95)
Deferred Tax (net) ¹	(131.02)
Provision for Standard Assets	175.57
Provision for Restructured Advances	1.22
Provision for FITL	69.67
Provision for unhedged foreign currency exposures	(1.06)
Provision for Non-Banking Asset	(62.74)
Provision for Fraud / Other impaired assets	3.41
TOTAL	1,202.59

¹Tax expense for the periods from the financial year 2019-20 was recognised based on the optional lower rates under Income Tax Act 1961(as amended by the Taxation Laws (Amendment) Act 2019), although the tax returns for the said assessment years were filed by the Bank without exercising such option. Necessary adjustments have been made in the current year ended March 31, 2022 to recognise the impact of the said change. The excess provision for tax held in books consequent to the favourable Income Tax order received during the financial year amounting to ₹ 69.60 Crore has been written back as on 31.03.2022.

12. Draw Down from Reserves

The Bank has not undertaken any drawdown from reserves during the years ended March 31, 2022.

13. Penalties levied by the Reserve Bank of India

The penalty imposed by RBI during the year ended March 31, 2022 was ₹ 1,01,86,000.00

Penalties Imposed By RBI In FY 2021-22

SI No	Imposed date	Amount	Nature of Breach
1	06.07.2021	1,00,00,000	We were in receipt of a show case notice from RBI dated 22 nd January 2021 with respect to the account IL & FS Group companies with regards to non-adherence of RBI Circular IEC.D.No.29/08.12.01/98-99 dated May 25, 1999 on "Lending to Non-Banking Financial Companies (NBFCs)". Vide letter SIB/COMP/RBI/77/20-21 dated February 09, 2021 we gave our explanation to RBI. But RBI imposed a penalty of ₹ 1.00 crore for non-adherence to the RBI circular while lending to NBFC. Compliance Department had paid penalty of ₹ 1.00 crore on 20.07.2021 with Chq NO: 1077599 and UTR No: SIBLR52021072000401764
2	06.09.2021	35,000	We were in receipt of a Show Cause Notice on the following discrepancies observed during RBI Inspection in Coimbatore Currency Chest, <ol style="list-style-type: none"> 1. Non-Frisking of person entering/exiting the vault. 2. Non Maintenance of charge certificate 3. Delay in sorting of Soiled notes. 4. Grill Gate of strong room kept open during operation. We had submitted our response to RBI, however a penalty of ₹ 35,000/- was imposed on 06.09.2021
3	11.11.2021	200	Penalty on Detection of Mutilated Notes in Soiled Note remitted by Alappuzha Currency Chest on 11.11.2021
4	28.12.2021	1,00,000	On 22.12.21, Short Sale amounting to ₹ 45 crores was kept open for value 23.12.21. As per RBI regulation, security that are short sold are to be invariably delivered on settlement date. Entity shall meet their delivery obligation by borrowing securities in the repo market or through outright purchase. The securities that were short, had to be bought under reverse repo to negate security short sold commitment to CCIL. On 23.12.2021, inadvertently, purchase of Market Reverse Repo was not communicated to Money Market Desk by SLR Desk & thus they did not strike reverse repo deal to cover the security short sold. Hence, reverse repo for ₹ 10 crores against the security short 6.67% GS 2035 was not taken. This lead to shortage of security balance by ₹ 10 crores in Subsidiary General Ledger (SGL).
5	18.01.2022	50	Penalty imposed on account of deficiencies during Inspection of Kozhikode CC- ₹ 50/- One Mutilated Note classified as Soiled/ Reissuable Notes in Chest Balance
6	18.01.2022	5,250	Penalty imposed on account of deficiencies during Inspection of Thrissur CC- ₹ 5250/- <ol style="list-style-type: none"> a) Penalty on Thrissur Currency Chest - ₹ 50/- One Mutilated Note classified as Soiled/ Reissuable Notes in Chest Balance b) Penalty on Thrissur Currency Chest - ₹ 200/- Detection of FICN in chest balance. c) Penalty on Thrissur Currency Chest - ₹ 5000/- CCTV backup for the last 90 days was not available

SI No	Imposed date	Amount	Nature of Breach
7	10.03.2022	4,650	Penalties for Shortage in Soiled Note remitted by Kozhikode Currency Chest
8	10.03.2022	750	Penalty for Detection of Defective Notes in soiled note remitted by Kozhikode Currency Chest
9	10.03.2022	300	Penalty for Forged Notes in SNR by Thrissur Currency Chest
10	07.03.2022	15,050	Penalties for Discrepancies and Shortages in Soiled Note remitted by Kozhikode and Alappuzha CC
11	10.03.2022	1,100	Penalty for detection of Soiled Notes remitted by Thrissur Currency Chest
12	07.03.2022	900	Penalties for forged Notes in SNR by Kozhikode, Alappuzha and Thrissur Currency Chest
13	10.03.2022	150	Penalty for Detection of Defective Notes in SNR by Alappuzha CC
14	10.03.2022	2,600	Penalties for Shortage in Soiled Note remitted by Thrissur Currency Chest
15	14.03.2022	10,000	ATM cash out for more than 10 hours in OCT 2022 in Dimapur
16	17.03.2022	10,000	ATM cash out of more than 10 hours in Dec 2021 for Dimapur ATM
Total		1,01,86,000	

During the year, short sale of securities amounting to ₹ 45 Crore were kept open for value date 22.12. 2021. Market Reverse Repo for ₹ 35 Crore was taken against ₹ 45 Crore short sale and Purchase of Market Reverse Repo for ₹ 10 Crore against the securities short 6.67% GS 2035 was not taken which lead to shortage of security balance by ₹ 10 Crore in Subsidiary General Ledger (SGL). The same has been reported to the appropriate authority. There is no other such incidence incurred during the period. Further we also confirm that all investments and Forex transactions are in compliance with RBI directives and Banks Investment Policy.

14. Fixed Assets

- a) Fixed Assets as per Schedule 10 include Intangible Assets relating to Software and System Development Expenditure which are as follows:

[₹. in Crore]

Particulars	March 31,2022
Gross Block	
At the beginning of the year	175.90
Additions during the year	33.08
Deductions during the year	-
Closing Balance	208.98
Depreciation / Amortisation	
At the beginning of the year	106.60
Charge for the year	28.56
Deductions during the year	-
Depreciation to date	135.16
Net Block	73.82

15. Other Provisions and Contingencies

➤ Movement in provision for other contingencies:

[₹. in Crore]

Particulars	March 31, 2022
Provision at the beginning of the year	17.38
Provision made during the year	3.11
Reductions during the year	0.17
Provision at the end of the year	20.32

➤ Movement in provision for debit card reward points:

[₹. in Crore]

Particulars	March 31, 2022
Provision at the beginning of the year	0.71
Provision made during the year	4.51
Reductions during the year	2.89
Provision at the end of the year	2.33

16. 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 (DEA Fund).

* 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.

17. Corporate Social Responsibility

Operating expenses include ₹ 6.06 Crore for the year ended March 31, 2022 towards Corporate Social Responsibility (CSR), in accordance with the Companies Act, 2013.

The Bank has spent 2.01% of its average net profit for the last three financial years as part of its CSR for the year ended March 31, 2022. 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, 2022

[₹. in Crore]

	Paid	Yet to be paid	Total
i) Construction / Acquisition of any assets	3.65	-	3.65
ii) For purposes other than (i) above	2.41	-	2.41

18. 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.

19. Micro Small and Medium Industries

Under the Micro, Small and Medium enterprises development Act 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payment to micro, and small enterprises or of interest payments due to delays in such payments. The above is based on information available with the Bank which has been relied on by the auditors.

20. Disclosure as to Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity (ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank ("Ultimate Beneficiaries"). The Bank has not received any fund from any party(s) (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

21. Additional disclosure

Additional statutory information disclosed in the separate financial statements of the Bank and subsidiary have no material bearing on the true and fair view of the consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements.

For and on behalf of Board of Directors

Thomas Joseph K
Executive Vice President

Chithra H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
(DIN :01028298)

Jimmy Mathew
Company Secretary

Vinod Francis
Joint General Manager

Parayil George John Tharakan
Director
(DIN : 07018289)

V J Kurian
Director
(DIN :01806859)

In terms of our report attached

For Varma & Varma
Chartered Accountants
ICAI Firm Registration No.0045325

For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration
No. 101961W/W-100036

M George Korah
Director
(DIN : 08207827)

Pradeep M Godbole
Director
(DIN : 08259944)

Vivek Krishna Govind
Partner
Membership No.208259

Hiren Shah
Partner
Membership No. 100052

Paul Antony
Director
(DIN : 02239492)

R A Sankara Narayanan
Director
(DIN :05230407)

Kochi
May 12, 2022

Thrissur
May 12,2022

Radha Unni
Director
(DIN :03242769)

Benny P Thomas
Director
(DIN : 09448424)

FORM AOC-I

(PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES**PART "A": SUBSIDIARIES**

(₹ in '000s)

1.	SI No.	1
2.	Name of the subsidiary:	SIB Operations and Services Limited
3.	The date since when subsidiary was acquired	28/05/2021
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	NA
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
6.	Share Capital	5,000.00
7.	Reserves & surplus	(1,739.23)
8.	Total assets	7,775.95
9.	Total Liabilities	7,775.95
10.	Investments	Nil
11.	Turnover	5,513.17
12.	Profit before taxation	(2,324.13)
13.	Provision for taxation	584.90
14.	Profit after taxation	(1,739.23)
15.	Proposed Dividend	Nil
16.	Extent of shareholding (in %)	100%

Notes:

- Names of subsidiaries which are yet to commence operations - NIL
- Names of subsidiaries which have been liquidated or sold during the year. – NIL
- The reported figures of the subsidiaries are as per the audited financial statements prepared for the consolidation as per AS 21, Consolidated Financial Statements.

PART "B": ASSOCIATES AND JOINT VENTURES: NA

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Chithra.H
Chief Financial Officer

Salim Gangadharan
Chairman
(DIN : 06796232)

Murali Ramakrishnan
MD & CEO
(DIN : 01028298)

Jimmy Mathew
Company Secretary

Vinod Francis
Joint General Manager

Parayil George John Tharakan
Director
(DIN : 07018289)

V. J. Kurian
Director
(DIN : 01806859)

M George Korah
Director
(DIN : 08207827)

Pradeep M Godbole
Director
(DIN : 08259944)

Paul Antony
Director
(DIN : 02239492)

R A Sankara Narayanan
Director
(DIN : 05230407)

Thrissur
May 12, 2022

Radha Unni
Director
(DIN : 03242769)

Benny P Thomas
Director
(DIN : 09448424)

DISCLOSURE UNDER BASEL III NORMS AS ON 31ST MARCH 2022

1: Scope of Application

The South Indian Bank Limited is a commercial bank, which was incorporated on January 25, 1929 in Thrissur, Kerala.

As per capital adequacy guidelines under Basel III, insurance and non-financial subsidiaries / joint ventures / associates etc. of banks are not to be consolidated. The Bank's Subsidiary, M/s SIB Operations and Services Limited, is a non-financial entity, and hence not consolidated for capital adequacy purpose.

Name of the entity / country of incorporation	Whether entity is included in the accounting scope of consolidation	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
M/s SIB Operations and Services Limited/India	Yes	AS-21	No	NA	NA	The Bank's Subsidiary, is a non-financial entity, and hence not consolidated for capital adequacy purpose

2: Capital Adequacy

I. Qualitative Disclosure

RBI Guidelines on capital adequacy

The Bank is subject to the capital adequacy guidelines stipulated by RBI, which are based on the framework of the Basel Committee on Banking Supervision. As per Basel and RBI guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% {11.5% including Capital Conservation Buffer (CCB) of 2.5%}, with minimum Common Equity Tier I (CET1) of 5.5% (8% including CCB). These guidelines on Basel III have been implemented completely. Thus the minimum CRAR required to be maintained by the Bank for the year ended 31st March 2022 is 11.50 %.

The bank's approach in assessment of capital adequacy

The bank is following standardized approach, Standardized Duration approach and Basic Indicator approach for measurement of capital charge in respect of credit risk, market risk and operational risk respectively. Besides, computation of CRAR under the Pillar I requirement, the Bank also periodically undertakes stress testing in various risk areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, profitability and capital adequacy. The bank conducts Internal Capital Adequacy Assessment Process (ICAAP) on quarterly basis to assess the sufficiency of its capital funds to cover the risks specified under Pillar- II of Basel guidelines. The adequacy of banks capital funds to meet the future business growth is also assessed in the ICAAP document.

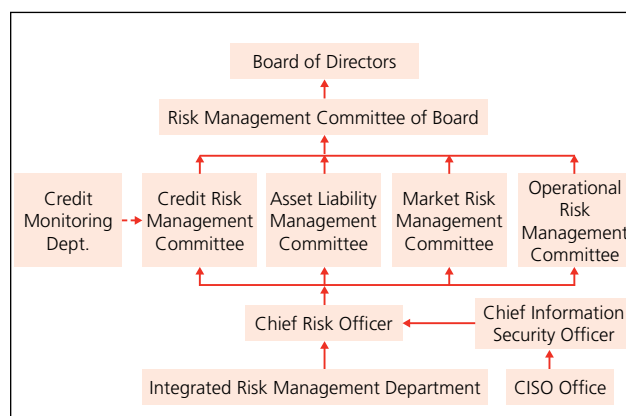
Quantitative Disclosure

	Particulars	Amount in ₹ Million
(a)	Capital requirements for Credit Risk	44,147.98
	Portfolios subject to standardized approach	44,147.98
	Securitization exposures	0.00
(b)	Capital requirements for Market Risk (Standardised duration approach)	2,038.12
	Interest Rate Risk	1,824.82
	Foreign Exchange Risk (including gold)	97.03
	Equity Risk	116.27
(c)	Capital requirements for Operational Risk (Basic Indicator Approach)	6,419.03
	Total Capital Requirement at 11.5%{ (a)+ (b)+(c) }	52,605.13
	Total Capital Fund	72,577.38
	Common Equity Tier- I CRAR %	12.13 %
	Total Tier- I CRAR %	13.22 %
	Tier- II CRAR %	2.64 %
	Total CRAR %	15.86 %

Risk Management: Objectives and Organisation Structure

Risk is an integral part of banking business in an ever dynamic environment, which is undergoing radical changes both on the technology front and product offerings. The main risks faced by the bank are credit risk, market risk and operational risk. The bank aims to achieve an appropriate trade-off between risk and return to maximize shareholder value. The relevant information on the various categories of risks faced by the bank is given in the ensuing sections. This information is intended to give market participants a better idea on the risk profile and risk management practices of the bank.

The bank has a comprehensive risk management system set up to address various risks and has set up an Integrated Risk Management Department (IRMD), which is independent of operational departments. Bank has a Risk Management Committee functioning at apex level for formulating, implementing and reviewing bank's risk management measures pertaining to credit, market and operational risk. Apart from the Risk Management Committee of the Board at apex level, the Bank has a strong Bank-wide risk management structure comprising of Asset Liability Management Committee, Credit Risk Management Committee, Market Risk Management Committee and Operational Risk Management Committee at senior management level, risk-cum-compliance officers in all Regional Offices/branches and dedicated mid office at Treasury Department and International Banking Division (IBD) at operational level. The structure and organization of Risk Management functions of the bank is as follows:



3. Credit Risk: General Disclosures

I. Qualitative Disclosure

Definition of Non Performing Assets

The bank follows extant guidelines of the RBI on income recognition, asset classification and provisioning.

- 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,

- ii. the account remains 'out of order', in respect of an Overdraft / Cash Credit (OD/ CC), (out of order - An account is treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit / drawing power, but there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period, these accounts are treated as "out of order".)
- iii. the bill remains overdue for a period of more than 90 days in the case of bills Purchased and discounted, (overdue - Any amount due to the bank under any credit facility is "overdue" if it is not paid on the due date fixed by the bank.)
- iv. The instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops, (overdue - Any amount due to the bank under any credit facility is "overdue" if it is not paid on the due date fixed by the bank.)
- v. The instalment of principal or interest thereon remains overdue for one crop season for long duration crops, (overdue - Any amount due to the bank under any credit facility is 'Overdue' if it is not paid on the due date fixed by the bank.)
- vi. Any amount to be received remains overdue for a period of more than 90 days in respect of other accounts.
- vii. The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of RBI guidelines on Securitization dated February 1, 2006.
- viii. In respect of derivative transactions, the overdue receivables representing positive Mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

A loan for an infrastructure project will be classified as NPA during any time before commencement of commercial operations as per record of recovery (90 days overdue), unless it is restructured and becomes eligible for classification as 'standard asset' in terms of conditions laid down in the related RBI guidelines. A loan for an infrastructure project will be classified as NPA if it fails to commence commercial operations within two years from the original Date of Commencement of Commercial Operations ('DCCO'), even if it is regular as per record of recovery, unless it is restructured and becomes eligible for classification as 'standard asset' in terms of conditions laid down in the related RBI guidelines.

A loan for a non-infrastructure project (other than commercial real estate exposures) will be classified as NPA during any time before commencement of commercial operations as per record of recovery (90 days overdue), unless it is restructured and becomes eligible for classification as 'standard asset' in terms of conditions laid down in the related RBI guidelines. A loan for a non-infrastructure project (other than commercial real estate exposures) will be classified as NPA if it fails to commence commercial operations within one year from the original DCCO, even if 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 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 2022

(₹ in Million)

Category	Exposure
Fund Based 1	7,80,907.37
Non Fund Based 2	46,744.35
Total	8,27,651.72

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 2022

Particulars	(₹ in Million)
Domestic	8,27,651.72
Overseas	0.00
Total	8,27,651.72

c) Industry wise Distribution of gross advances and NPAs as on 31st March 2022

(₹ in Million)

Industry Name	Total Funded Exposure	Total Non-Funded Exposure	Total Credit Exposure
A. Mining and Quarrying	2,348.95	24.87	2,373.82
A.1 Coal	222.22	2.50	224.72
A.2 Others	2,126.74	22.37	2,149.10
B. Food Processing	4,639.89	66.65	4,706.54
B.1 Sugar	9.95	-	9.95
B.2 Edible Oils and Vanaspati	213.66	-	213.66
B.3 Tea	151.07	3.00	154.07
B.4 Coffee	244.50	-	244.50
B.5 Others	4,020.71	63.65	4,084.37
C. Beverages (excluding Tea & Coffee) and Tobacco	2,266.57	37.34	2,303.91
C.1 Tobacco and tobacco products	518.02	-	518.02
C.2 Others	1,748.55	37.34	1,785.89
D. Textiles	26,364.57	2,026.22	43,098.24
D.1 Cotton	11,304.35	1,308.51	12,612.86
D.2 Jute	235.06	-	235.06
D.3 Man-made	234.93	23.04	257.97
D.4 Others	14,590.23	694.67	15,284.90
Out of D (i.e., Total Textiles) to Spinning Mills	13,362.08	1,345.36	14,707.44

Industry Name	Total Funded Exposure	Total Non-Funded Exposure	Total Credit Exposure
E. Leather and Leather products	1,131.65	52.76	1,184.41
F. Wood and Wood Products	960.81	245.80	1,206.61
G. Paper and Paper Products	3,858.06	605.20	4,463.26
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	1,384.21	388.60	1,772.82
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	8,162.85	941.12	9,103.97
I.1 Fertilizers	73.24	-	73.24
I.2 Drugs and Pharmaceuticals	3,381.12	95.52	3,476.64
I.3 Petro-chemicals (excluding under Infrastructure)	-	-	-
I.4 Others	4,708.49	845.60	5,554.09
J. Rubber, Plastic and their Products	8,286.15	1,674.19	9,960.34
K. Glass & Glassware	111.78	-	111.78
L. Cement and Cement Products	2,387.28	670.10	3,057.38
M. Basic Metal and Metal Products	17,582.30	2,714.93	20,297.23
M.1 Iron and Steel	9,088.49	1,986.50	11,074.98
M.2 Other Metal and Metal Products	8,493.81	728.44	9,222.25
N. All Engineering	12,712.64	2,974.01	15,686.64
N.1 Electronics	38.12	-	38.12
N.2 Others	12,674.52	2,974.01	15,648.53
O. Vehicles, Vehicle Parts and Transport Equipment	2,302.81	691.46	2,994.28
P. Gems and Jewellery	4,273.91	211.40	4,485.31
Q. Construction	4,717.91	966.90	5,684.81
R. Infrastructure	19,205.84	603.96	48,843.40
R.a Transport (a.1 to a.8)	3,858.52	262.10	4,120.62
R.a.1 Roads and Bridges	2,512.15	262.10	2,774.25
R.a.2 Ports	-	-	-
R.a.3 Inland Waterways	-	-	-
R.a.4 Airport	1,346.38	-	1,346.38
R.a.5 Railway Track, tunnels, viaducts, bridges	-	-	-
R.a.6 Urban Public Transport (except rolling stock in case of urban road transport)	-	-	-
R.a.7 Shipyards	-	-	-
R.a.8 Logistics Infrastructure	-	-	-
R.b. Energy (b.1 to b.6)	13,379.52	75.47	13,454.99
R.b.1 Electricity Generation	13,050.80	75.47	13,126.27
R.b.1.1 Central Govt PSUs	-	-	-
R.b.1.2 State Govt PSUs (incl. SEBs)	738.41	-	738.41
R.b.1.3 Private Sector	12,312.39	75.47	12,387.86
R.b.2 Electricity Transmission	328.70	-	328.70
R.b.2.1 Central Govt PSUs	-	-	-
R.b.2.2 State Govt PSUs (incl. SEBs)	154.51	-	154.51
R.b.2.3 Private Sector	174.19	-	174.19
R.b.3 Electricity Distribution	0.02	-	0.02
R.b.3.1 Central Govt PSUs	-	-	-
R.b.3.2 State Govt PSUs (incl. SEBs)	-	-	-
R.b.3.3 Private Sector	0.02	-	0.02
R.b.4 Oil Pipelines	-	-	-

Industry Name	Total Funded Exposure	Total Non-Funded Exposure	Total Credit Exposure
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)	118.59	-	118.59
R.c.1 Solid Waste Management	-	-	-
R.c.2 Water supply pipelines	-	-	-
R.c.3 Water treatment plants	118.59	-	118.59
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)	-	-	-
R.d.1 Telecommunication (Fixed network)	-	-	-
R.d.2 Telecommunication towers	-	-	-
R.d.3 Telecommunication and Telecom Services	-	-	-
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	1,849.20	266.39	2,115.59
Social Infrastructure	1,849.20	266.39	2,115.59
S. Other Industries, pl. specify	5,661.42	386.14	6,047.56
Other industries	5,661.42	386.14	6,047.56
All Industries (A to S)	1,28,359.60	15,281.65	1,43,641.24
Residuary other exposure (to tally with gross exposure)	4,89,798.02	19,216.14	5,09,014.17
Total	6,18,157.62	34,497.79	6,52,655.41

d) Major Industry breakup of NPA

Industry	Gross NPA	Specific Provision
Top 5 Industries	32,912.10	17,114.84

e) Residual Contractual Maturity breakdown of Assets as on 31st March 2022
(₹ in Million)

Time band	Cash and Balance with RBI	Balance with Banks	Investments	Loans & Advances	Fixed Asset	Other Assets
Next Day	7,774.31	3,758.91	33,229.21	14,131.97	-	75.66
2 - 7 Day	-	15,946.41	1,670.22	6,420.78	-	100.87
8 - 14 Day	-	25,000.00	1,688.07	5,933.44	-	325.53
15 - 30 Day	1,065.08	25,772.45	4,958.60	25,903.30	-	1,793.51
31 - 2 Months	1,022.46	2,895.64	4,184.90	29,709.10	-	779.47
29 - 3 Months	820.55	-	8,689.83	50,068.91	-	848.19
3 - 6 Months	1,283.27	1,894.81	9,137.59	92,977.16	-	4,834.13
6 - 12 Months	1,222.01	-	10,538.83	62,630.09	-	7,772.06
1 - 3 Year	1,830.22	-	11,089.99	76,338.34	-	17,349.34
3 - 5 Year	2,128.07	-	15,880.87	37,329.28	-	7,194.64
Over 5 Year	19,620.10	-	1,13,382.01	1,98,491.52	8,110.54	24,921.97
Total	36,766.07	75,268.22	2,14,450.12	5,99,933.89	8,110.54	65,995.37

f) The composition of Gross NPAs and NPIs, Net NPAs, NPA ratios and provision for GNPA and GNPI as on 31st March 2022 and movement of gross NPAs and provisions during the year ended 31st March 2022 are given in following table.

(₹ in Million)

1	Amount of Gross NPAs	36,480.94
	• Substandard	13,504.80
	• Doubtful-I	12,149.70
	• Doubtful-2	6,767.45
	• Doubtful-3	3,334.58
	• Loss	724.41
2	Net NPA	17,777.70
3	NPA Ratios	
	• Gross NPA to Gross Advance (%)	5.90
	• Net NPA to Net Advance (%)	2.97
	Movement of NPA (Gross)	
	• Opening Gross NPA (balance as on 01.04.2021)	41,432.42
	• Additions to Gross NPA	21,592.27
	Reductions to Gross NPA	
	• Up gradations	8,016.56
	• Recoveries (excluding recoveries made from upgraded accounts)	5,056.75
	• Technical/prudential write offs	1,451.62
	• Reduction by sale of assets to ARCs	12,018.82
	• Closing Balance of Gross NPA	36,480.94

Movement of Specific & General Provision – Position as on 31st March 2022

(₹ in Million)

Movement of Provision	Specific Provision	General Provision
• Opening Balance as on 01.04.2021	13,613.29	
• Provision made in 2021-22	15,866.78	
• Write off/ Write back of excess provision	11,274.42	
• Closing Balance as on 31.03.2022	18,205.65	

NPIs and Movement of Provision for Depreciation on Investments – Position as on 31st March 2022

(₹ in Million)

1	Amount of Non Performing Investments (Gross)	2183.54
2	Amount of Provisions held Non Performing Investments	1899.67
3	Movement of Provisions for Depreciation on Investments	
	• Opening Balance (as on 01.04.2021)	6348.22
	• Provision made in 2021-22	2642.11
	• Write-offs / Write-back of excess provisions during the period	0.00
	• Closing Balance (as on 31.03.2022)	8990.33

Geographical Distribution of NPA and Provision Position as on 31st March 2022

(₹ in Million)

Geography	Gross NPA	Specific Provision	General Provision
Domestic	36,480.94	18,205.65	
Overseas	0.00	0.00	
Total	36,480.94	18,205.65	

Details of write-offs and recoveries that have been booked directly to the income statement-for the year ending 31st March 2022

(₹ in Million)

Write-offs that have been booked directly to the income statement	6008.23
Recoveries that have been booked directly to the income statement	1047.50

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

- (i) In circumstances where the borrower has a specific assessment for an issued debt - but the bank's claim is not an investment in this particular debt - the rating applicable to the specific debt (where the rating maps into a risk weight lower than that which applies to an unrated claim) may be applied to the bank's un-assessed claim only if this claim ranks pari passu or senior to the specific rated debt in all respects and the maturity of the un-assessed claim is not later than the maturity of the rated claim, except where the rated claim is a short term obligation. If not, the rating applicable to the specific debt cannot be used and the un-assessed claim will receive the risk weight for unrated claims.
- (ii) If either the issuer or single issue has been assigned a rating which maps into a risk weight equal to or higher than that which applies to unrated claims, a claim on the same counterparty, which is unrated by any chosen credit rating agency, will be assigned the same risk weight as is applicable to the rated exposure, if this claim ranks pari-passu or junior to the rated exposure in all respects.

II. Quantitative Disclosures

Amount of exposure (after risk mitigation) outstanding as on 31st March 2022 under major three risk buckets

	(₹ in Million)
Description of risk bucket	
Below 100% Risk Weight	6,51,411.80
Risk Weight at 100%	1,61,706.24
More than 100% Risk Weight	35,082.55
Deducted if any	0.00

(Amount of exposures includes cash in hand, balance with RBI, investments, loans and advances, Fixed and other assets, off balance sheet items and forward contracts)

5: Credit Risk Mitigation: Disclosures for Standardised Approaches

I. Qualitative Disclosure

Policies and processes for collateral valuation and management

Bank has put in place a comprehensive policy on Credit Risk Mitigants and Collaterals for recognizing the eligible collaterals and guarantors for netting the exposures and reducing the credit risk of obligors. Basic procedures and descriptions of controls as well as types of standard/acceptable collaterals, guarantees necessary in granting credit, evaluation methods for different types of credit and collateral, applicable "haircuts" to collateral, frequency of revaluation and release of collateral are stipulated in the bank's credit policy, policy on collateral management and credit risk mitigant policy. The bank uses net exposure for capital calculations after taking cognizance of eligible financial collaterals. All collaterals and guarantees are recorded and the details are linked to individual accounts.

Collateral valuation

As stipulated by the RBI guidelines, the Bank uses the comprehensive approach for collateral valuation. Under this approach, the Bank reduces its credit exposure to counterparty when calculating its capital requirements to the extent of risk mitigation provided by the eligible collateral as specified in the Basel III guidelines.

The Bank adjusts the value of any collateral received to adjust for possible future fluctuations in the value of the collateral in line with the requirements specified by RBI guidelines. These adjustments also referred to as 'haircuts', to produce volatility-adjusted amounts for collateral, are reduced from the exposure to compute the capital charge based on the applicable risk weights.

Types of collateral taken by the Bank

The Bank determines the appropriate collateral for each facility based on the type of product and risk profile of the counterparty. In case of corporate and small and medium enterprises financing, fixed assets are generally taken as security for long tenor loans and current assets for working capital finance. For project finance, security of the assets of the borrower and assignment of the underlying project contracts is generally taken. In addition, in some cases, additional security such as pledge of shares, cash collateral, charge on receivables with an escrow arrangement and guarantees is also taken.

For retail products, the security to be taken is defined in the product policy for the respective products. Housing loans and automobile loans are secured by the security of the property/automobile being financed. The valuation of the properties is carried out by an empanelled valuer at the time of sanctioning the loan.

The Bank also offers products which are primarily based on collateral such as shares, specified securities, warehoused commodities and gold jewellery. These products are offered in line with the approved product policies, which include types of collateral, valuation and margining.

The Bank extends unsecured facilities to clients for certain products such as derivatives, credit cards and personal loans. The decision on the type and quantum of collateral for each transaction is taken by the credit approving committees as per the credit approval authorisation approved by the Board of Directors. For facilities provided as per approved product policies, collateral is taken in line with the policy.

Credit Risk Mitigation techniques

The RBI guidelines on Basel III allow the following credit risk mitigants to be recognised for regulatory capital purposes:

A. Eligible Financial Collaterals

- Cash and fixed deposit receipts, issued by our bank.
- Gold: Gold would include both bullion and jewellery. However, the value of the collateralized jewellery should be arrived at after notionally converting these to 99.99% purity.
- Kisan Vikas Patra and National Savings Certificates provided no lock-in period is operational and if they can be encashed within the holding period.
- Life Insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator.
- Securities issued by Central and State Governments.
- Debt securities rated by a chosen Credit Rating Agency in respect of which banks should be sufficiently confident about the market liquidity where these are either:
 - a. Attracting 100 per cent or lesser risk weight i.e., rated at least BBB(-) when issued by public sector entities and other entities (including banks and Primary Dealers); or
 - b. Attracting 100 per cent or lesser risk weight i.e., rated at least CARE A3 / CRISIL A3 / India Ratings and Research Private Limited (India Ratings) A3 / ICRA A3 / 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 2022 is given in table below**

(₹ in Million)

S No	Nature of Exposure	Exposure	Amount of Risk Mitigants	Risk Weighted Assets
1	Exposure covered by Gold	1,07,495.13	1,52,123.70	2.61
2	Exposure covered by deposits	17,020.72	18,911.91	0.00
3	Loan against KVP /NSC/ LIC	105.96	141.28	0.00

6: Securitisation Exposures: Disclosure for Standardised Approach

Not applicable since the bank does not undertake securitisation activity.

7: Market Risk in Trading Book

I. Qualitative disclosures

Market Risk Management Policy

Market risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices. The market risk for the Bank is managed in accordance with the Market Risk Management policy, Investment Policy and ALM Policy which are approved by the Board. The policies ensure that operations in securities, foreign exchange etc are conducted in accordance with sound and acceptable business practices and are as per the extant regulatory guidelines, laws governing transactions in financial securities and the financial environment. The policies contain the limit structure that governs transactions in financial instruments. The policies are reviewed periodically to incorporate changed business requirements, economic environment and changes in regulations.

Structure and organisation of the market risk management function

The Market Risk Management Committee (MRMC), which is an independent function, reports to the Risk Management Committee. MRMC exercises independent control over the process of market risk management and recommends changes in risk policies, controls, processes and methodologies for quantifying and assessing market risk. There is clear functional separation of:

- Trading i.e. front office; and
- Monitoring, control, settlements and accounting i.e. Treasury back office.

Strategies and processes

- The Bank has put in place a comprehensive Market risk management Framework to address the Market risks (bank wide) including that of the Trading Book.
- Within the above Framework, various policies of the Bank prescribes Limits like Value at Risk (VaR) for Central Government securities & Currencies, maximum holding period, duration, minimum holding level for liquid assets, defeasance period, exposure limits, Forex open position limits (day light/overnight), stop-loss limits etc .
- Risk profiles are analyzed and the effectiveness of risk mitigants is regularly monitored.
- The Bank's Board/ Market Risk Management Committee (MRMC)/ Investment Management Committee (IMC) approves the volume composition holding/ defeasance period etc. of the trading book.

The scope and nature of risk reporting and /or measurement system risk reporting

Adherence to limits are being monitored by dedicated mid office, reporting exceptions to chief risk officer (CRO), independent of Treasury operational units.

Risk Measurement

- Values at Risk (VaR) numbers are arrived for Trading book Central Government securities, T Bills and Currencies.
- The positions are marked to market at stipulated intervals. The Duration/Modified Duration is computed and its adherence to the prescribed duration limits is ensured.
- The bank is computing capital charge on "Held for Trading" and "Available for Sale" categories using Standardized Duration Approach as required under RBI guidelines for Basel III.
- Stress testing analyses are done by applying rate shocks for parallel shift in the yield curve under current economic and political scenario.

II. Quantitative disclosures

Capital requirements for different categories of Market Risks

		(₹ in Million)
S No	Particulars	Capital Requirement
1	Interest rate risk	1,824.82
2	Foreign Exchange Risk	97.03
3	Equity Position Risk	116.27

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 2022
Change in NII	
Probable impact on Net Interest income for 100 Bps downward movement in interest rate	1184.70
Change in MVE	
Probable impact on Market Value of equity (MVE) for a 200 Bps movement in interest rates.	12,611.35

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 2022 is as follows:

(₹ in Million)

Particulars	
Forward Contracts valued based on CEM	1,709.67
Total	1,709.67

Table DF 11. Composition of capital as on 31st March 2022

(₹ 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	31,620.16
3	Accumulated other comprehensive income (and other reserves)	5,207.13
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	56,588.99
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)	828.85
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	0.004
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	0.00
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	0.00
20	Mortgage servicing rights (amount above 10% threshold)	0.00
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0.00
22	Amount exceeding the 15% threshold	0.00
23	<i>of which: significant investments in the common stock of financial entities</i>	0.00
24	<i>of which: mortgage servicing rights</i>	0.00
25	<i>of which: deferred tax assets arising from temporary differences</i>	0.00

Basel III common disclosure template		Ref No
26	National specific regulatory adjustments (26a+26b+26c+26d)	250.71
26a	<i>of which: Investments in the equity capital of the unconsolidated insurance subsidiaries</i>	0.00
26b	<i>of which: Investments in the equity capital of unconsolidated non-financial subsidiaries</i>	5.00
26c	<i>of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank</i>	0.00
26d	<i>of which: Unamortized pension funds expenditures</i>	245.71
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	1,079.57
29	Common Equity Tier 1 capital (CET1)	55,509.42
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	5,000.00
31	<i>of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)</i>	0.00
32	<i>of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)</i>	5,000.00
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	0.00
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	0.00
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	0.00
36	Additional Tier 1 capital before regulatory adjustments	5,000.00
Additional Tier 1 capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	0.00
38	Reciprocal cross-holdings in Additional Tier 1 instruments	0.00
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	0.00
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0.00
41	National specific regulatory adjustments (41a+41b)	0.00
41a	<i>of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries</i>	0.00
41b	<i>of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank</i>	0.00
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	0.00
43	Total regulatory adjustments to Additional Tier 1 capital	0.00
44	Additional Tier 1 capital (AT 1)	5,000.00
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44)	60,509.42
Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	9,200

Basel III common disclosure template		Ref No
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	2,867.96
51	Tier 2 capital before regulatory adjustments	12,067.96
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)	12,067.96
59	Total capital (TC = T1 + T2) (45 + 58)	72,577.38
60	Total risk weighted assets (60a + 60b + 60c)	4,57,435.93
60a	<i>of which: total credit risk weighted assets</i>	3,83,895.46
60b	<i>of which: total market risk weighted assets</i>	17,722.81
60c	<i>of which: total operational risk weighted assets</i>	55,817.66
Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	12.13%
62	Tier 1 (as a percentage of risk weighted assets)	13.22%
63	Total capital (as a percentage of risk weighted assets)	15.86%
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirement plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	0.00
65	<i>of which: capital conservation buffer requirement</i>	2.50%
66	<i>of which: bank specific countercyclical buffer requirement</i>	0.00
67	<i>of which: G-SIB buffer requirement</i>	0.00
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	6.63%
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%

Basel III common disclosure template		Ref No
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)	2,646.50
77	Cap on inclusion of provisions in Tier 2 under standardized approach	4,798.69
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	2,646.50
	Eligible Investment Fluctuation Reserve included in Tier 2 capital	221.45
	Total of row 50	2,867.95

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)
	<i>of which</i> : Amount eligible for CET1	2,092.74		(a) (i)
	<i>of which</i> : Amount eligible for AT1			
	Reserves & Surplus	56,438.59		(b)
	<i>of which</i> : Amount eligible for CET1			
	<i>Statutory Reserve</i>	11,680.44		(b)(i)
	<i>Share Premium</i>	17,668.96		(b)(ii)
	<i>General Reserve</i>	14,154.23		(b) (iii)
	<i>Capital Reserve</i>	5,969.40		(b)(iv)
	Special reserve under Section 36(i) (viii) of Income Tax Act	3,993.90		(b)(v)
	<i>Balance in P/L a/c. at the end of the previous financial year</i>	-		(b)(vi)
	<i>Current Financial Year carry forward Profit</i>	(378.68)		(b)(vii)
	<i>Investment Fluctuation Reserve Account (part of Tier 2 Capital)</i>	221.45		(b)(viii)
	<i>Revaluation Reserve (part of Tier I Capital, at a discount of 55 per cent is ₹1444.92.)</i>	3,128.88		(b)(ix)
	Minority Interest			
	Total Capital	58,531.33		(a)+(b)
ii	Deposits	8,91,421.08		(c)
	<i>of which</i> : Deposits from banks	22,410.95		(c)(i)
	<i>of which</i> : Customer deposits	8,69,010.13		(c)(ii)
	<i>of which</i> : Other deposits (pl. specify) CD	-		
iii	Borrowings	32,944.93		(d)
	<i>of which</i> : From RBI	-		(d)(i)
	<i>of which</i> : From banks	2,078.80		(d)(ii)
	<i>of which</i> : From other institutions & agencies	28,738.17		(d)(iii)
	<i>of which</i> : Others (pl. specify) Borrowings from outside India	2,127.96		(d)(iv)
	<i>of which</i> : Capital instruments	-		(d)(v)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Ref No.
		As on reporting date	As on reporting date	
iv.	<i>Other liabilities & provisions & ESOP</i>	17,626.87		(e)
	<i>of which: Standard Asset provision included under Tier 2 Capital</i>	4,524.82		(e)(i)
	<i>of which : DTLs related to goodwill</i>	-		(e)(ii)
	<i>of which : Details related to intangible assets</i>	-		
	<i>Total</i>	10,00,524.21		(a)+(b)+(c)+(d)+(e)
B	Assets			
i	<i>Cash and balances with Reserve Bank of India</i>	36,766.05		(f)
	<i>Balance with banks and money at call and short notice</i>	75,268.22		(g)
ii	<i>Investments:</i>	2,14,450.13		(h)
	<i>of which: Government securities</i>	1,94,655.25		(h)(i)
	<i>of which: Other approved securities</i>			(h)(ii)
	<i>of which: Shares</i>	2,155.43		(h)(iii)
	<i>of which: Debentures & Bonds</i>	7,617.51		(h)(iv)
	<i>of which: Subsidiaries / Joint Ventures /Associates</i>	5.00		
	<i>of which: Others (Commercial Papers, Mutual Funds etc.)</i>	10,016.94		(h)(v)
iii	<i>Loans and advances</i>	5,99,933.91		(i)
	<i>of which: Loans and advances to banks</i>	-		
	<i>of which: Loans and advances to customers</i>	5,99,933.91		(i)(i)
iv	<i>Fixed assets</i>	8,110.54		(j)
v	<i>Other assets</i>	65,995.36		(k)
	<i>of which: Goodwill and intangible assets</i>	-		
	<i>Out of which :</i>	-		
	<i>Goodwill</i>	-		(k)(i)
	<i>Other Intangibles (excluding MSRs)</i>	-		(k)(ii)
	<i>Deferred tax assets</i>	2,344.08		(k)(iii)
vi	<i>Good will on consolidation</i>	-		(l)
vii	<i>Debit balance in Profit & Loss account</i>	-		(m)
	Total Assets	10,00,524.21		(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)	₹ 1800 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
	Regulatory treatment	
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	Indian law
<i>Regulatory treatment</i>		
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	NA
<i>Coupons / dividends</i>		
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 following events: a. Write off is necessary without which the firm would become non-viable as determined by RBI b. Decision to make public sector injection of capital without which firm would become non-viable. c. The pre-specified trigger for loss absorption through conversion /write-down of Additional Tier I instruments must be at least CET 1 capital level as specified in the RBI notification DOR. BP.BC.No.15/21.06.201/2020-21 dated September 29,2020.
32	If write-down, full or partial	Full
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to the claims of depositors general creditors and subordinated debts of the bank
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	

Table DF- 14: Full Terms and Conditions of Regulatory Capital Instruments**Series II**

Nature Of Instrument	10.25% Unsecured Redeemable Non-Convertible Basel III Compliant Tier 2 Bonds in the nature of Debentures
Amount Subscribed	Rs.3,000 Million
Face Value	Rs.10,00,000/-
Date of allotment	30-09-2015
Date of Redemption	31-10-2025
Coupon Rate	10.25% p.a
Put and call option	Nil
Issuance, Trading & Listing	Listed in BSE

Series III

Nature Of Instrument	Non-convertible, Redeemable, Fully Paid-Up, Unsecured, Basel III compliant Tier 2 Bonds in the nature of debentures for augmenting Tier 2 capital of the Issuer with face value of ₹1,00,000 each .
Amount Subscribed	₹4,900 Million
Face Value	₹1,00,000
Date of allotment	28-11-2017
Date of Redemption	28-05-2028
Coupon Rate	9.50% p.a
Put and call option	Put option: NA Call option: Applicable
Issuance, Trading & Listing	Listed in BSE

Series IV

Nature Of Instrument	Non-convertible, Redeemable, Fully Paid-Up, Unsecured, Basel III compliant Tier 2 Bonds in the nature of debentures for augmenting Tier 2 capital of the Issuer with face value of ₹1,00,000 each .
Amount Subscribed	₹2,500 million
Face Value	₹1,00,000/-
Date of allotment	26-03-2019
Date of Redemption	26-06-2029
Coupon Rate	11.75% p.a
Put and call option	Put Option : 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

Qualitative disclosures	(a) Information relating to the composition and mandate of the Nomination and Remuneration Committee.
	<p>Composition:</p> <p>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.</p> <p>The roles and responsibilities of the Nomination & Remuneration Committee inter-alia includes the following:</p> <ul style="list-style-type: none"> • 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 polices 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: <ul style="list-style-type: none"> • Draw up terms and conditions and approve the changes, if any, to the Performance Linked Incentive schemes; • Moderate the scheme on an ongoing basis depending upon the circumstances and link the same with the recommendations of Audit Committee; • Coordinate the progress of growth of business vis -a-vis the business parameters laid down by the Board and Audit Committee and effect such improvements in the scheme as 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;
- 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.
- To do any other matters regarding remuneration to whole-time directors/ non-executive directors /part-time chairman, Chief Executive Officers / Material Risk Takers (MRTs) and employees (risk control and compliance staff and all other categories of staff) of the Bank including signing/ joining bonus occurring in the context of hiring new staff and be limited to first year as and when permitted by the Board.

(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 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.

- 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

- 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).
- 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.
- 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.
- 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)

- 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.
- 50% of the variable pay should be via non-cash instruments.
- 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.
-

		As on 31.03.2022	As on 31.03.2021	
Quantitative disclosures	(a)	• Number of meetings held by the Remuneration Committee during the period ended 31.03.2022. ie,(01.04.21 to 31.03.2022)	12	13
		• remuneration paid to its members (₹ in Lakhs)	20.80	21.68
	(h)	• 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 period.	NIL	
		o Number		1
		o Total amount (₹ in Lakhs)		8.00
	(i)	• Details of severance pay, in addition to accrued benefits, if any.	NIL	NIL
		(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	NIL	NIL
	(j)	(ii) Total amount of deferred remuneration paid out during the period.	NIL	NIL
		Breakdown of amount of remuneration awards for the period to show fixed and variable, deferred and non-deferred. (in Lakhs)		
(k)	• Fixed	• 165.40	• 149.06	
	• Variable	• 13.13	• 7.78	
	• Deferred	• Nil	• Nil	
	• Non Deferred	• 13.13	• 7.78	
(l)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments	NIL	NIL	
	(ii) Total amount of reductions during the financial year due to ex- post explicit adjustments.	NIL	NIL	
	(iii) Total amount of reductions during the financial year due to ex- post implicit adjustments.	NIL	NIL	
(m)	Number of MRTs identified.	1*	2#	
(n)	• Number of cases where malus has been exercised.	NIL	NIL	
	• Number of cases where clawback has been exercised.	NIL	NIL	
	• Number of cases where both malus and clawback have been exercised.	NIL	NIL	
General Quantitative Disclosure	(₹ in lakhs)			
	The mean pay for the bank as a whole (excluding sub-staff) and	8.98	10.90	
	the deviation of the pay of each of its WTDs* from the mean pay.	169.55	153.89	
	*Gross remuneration paid to MD & CEO is considered for this purpose, which excludes the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Bank as a whole.			

*Mr. Murali Ramakrishnan, Managing Director & Chief Executive Officer is identified as MRT.

Mr. 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.

$$\text{Leverage Ratio} = \frac{\text{Capital Measure (Tier I Capital)}}{\text{Exposure Measure}}$$

Summary comparison of accounting assets vs. leverage ratio exposure measure		
	Item	(₹ in Million)
1	Total consolidated assets as per published financial statements	10,00,518.68
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	(1,079.57)
4	Adjustments for derivative financial instruments	7,674.30
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0.00
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	31,563.40
7	Other adjustments	0.00
8	Leverage ratio exposure	10,38,676.81

Leverage ratio common disclosure template		
	Item	Leverage ratio framework (₹ in million)
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	10,00,518.68
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(1,079.57)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	9,99,439.11
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	1,720.18
5	Add-on amounts for PFE associated with all derivatives transactions	5,954.12
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)	7,674.30
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	1,88,526.88
18	(Adjustments for conversion to credit equivalent amounts)	(1,56,963.48)
19	Off-balance sheet items (sum of lines 17 and 18)	31,563.40
Capital and total exposures		
20	Tier 1 capital	60,509.42
21	Total exposures (sum of lines 3, 11, 16 and 19)	10,38,676.81
Leverage ratio		
22	Basel III leverage ratio	5.83 %

Form No. SH-13

Nomination Form

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To

Name of the company:

Address of the company:

I/We the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S —

(a) Name:

(b) Date of Birth:

(c) Father's/Mother's/Spouse's name:

(d) Occupation:

(e) Nationality:

(f) Address:

(g) E-mail id:

(h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR--

(a) Date of birth:

(b) Date of attaining majority

(c) Name of guardian:

(d) Address of guardian:

Name:

Address:

Name of the Security

Holder (s)

Signature

Witness with
name and address

Form No. SH-14

Cancellation or Variation of Nomination

[Pursuant to sub-section (3) of section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014]

Name of the company:

I/We hereby cancel the nomination(s) made by me/us in favor of.....(name and address of the nominee) in respect of the below mentioned securities.

or

I/We hereby nominate the following person in place of as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled / varied)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) (a) PARTICULARS OF THE NEW NOMINEE:

- i. Name:
- ii. Date of Birth:
- iii. Father's/Mother's/Spouse's name:
- iv. Nationality:
- v. Address:
- vi. E-mail id:

vii. Relationship with the Security holder:

(b) IN CASE NEW NOMINEE IS A MINOR--

- i. Date of Birth:
- ii. Date of attaining majority
- iii. Name of guardian:
- iv. Address of guardian:

Signature

Name of the Security

Holder (s)

Witness with name and address

Form ISR – 1

(see SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor’s service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

REQUEST FOR REGISTERING PAN, KYC DETAILS OR CHANGES / UPDATION THEREOF

[For Securities (Shares / Debentures / Bonds, etc.) of listed companies held in physical form]

Date: ___ / ___ / _____

A. I / We request you to Register / Change / Update the following (Tick • relevant box)

<input type="checkbox"/> PAN	<input type="checkbox"/> Bank details	<input type="checkbox"/> Signature
<input type="checkbox"/> Mobile number	<input type="checkbox"/> E-mail ID	<input type="checkbox"/> Address

B. Security Details:

Name of the Issuer Company		Folio No.:
Name(s) of the Security holder(s) as per the Certificate(s)	1. 2. 3.	
Number & Face value of securities		
Distinctive number of securities (Optional)	From	To

C. I / We are submitting documents as per Table below (tick • as relevant, refer to the instructions):

	Document / Information / Details	Instruction / Remark
1	PAN of (all) the (joint) holder(s)	
	PAN (No.)	
	Whether it is Valid (linked to Aadhaar): <input type="checkbox"/> Yes <input type="checkbox"/> No	1 st holder _____ 2 nd holder _____ 3 rd holder _____ PAN shall be valid only if it is linked to Aadhaar by March 31, 2022* For Exemptions / Clarifications on PAN, please refer to Objection Memo in page 4
2	Demat Account Number	_____ Also provide Client Master List (CML) of your Demat Account, provided by the Depository Participant.

3	Proof of Address of the first holder	<p>Any one of the documents, only if there is change in the address;</p> <p><input type="checkbox"/> Client Master List (CML) of your Demat Account, provided by DP.</p> <p><input type="checkbox"/> Valid Passport/ Registered Lease or Sale Agreement of Residence / Driving License / Flat Maintenance bill.</p> <p><input type="checkbox"/> Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.</p> <p><input type="checkbox"/> Identity card / document with address, issued by any of the following: Central/State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions.</p> <p><input type="checkbox"/> For FII / sub account, Power of Attorney given by FII / sub-account to the Custodians (which are duly notarized and / or apostilled or consularised) that gives the registered address should be taken.</p> <p><input type="checkbox"/> The proof of address in the name of the spouse</p>
4	Bank details	<p>Account Number: _____</p> <p>Bank Name: _____</p> <p>Branch Name: _____</p> <p>IFS Code: _____</p> <p>Provide the following:</p> <p><input type="checkbox"/> <u>original cancelled cheque</u> with name of security holder printed on it <i>or</i> <u>Bank Passbook</u> <i>or</i> <u>Bank Statement attested by the Bank</u> #</p>
5	E-mail address	_____ #
6	Mobile	_____ #

* or any date as may be specified by the CBDT

(DP: Depository Participant)

In case it is not provided, the details available in the CML will be updated in the folio

Authorization: I / We authorise you (RTA) to update the above PAN and KYC details in my /our folio (s) _____, _____, (use Separate Annexure if extra space is required) in which I / We are the holder(s) (strike off what is not applicable).

Declaration: All the above facts stated are true and correct.

	Holder 1	Holder 2	Holder 3
Signature	✓		
Name	✓		
Full address	✓		
PINcode	✓		

Mode of submission of documents to the RTA

Please use any one of the following mode;

1. In Person Verification (**IPV**): by producing the originals to the authorized person of the RTA, who will retain copy(ies) of the document(s)
2. In hard copy: by furnishing self-attested photocopy(ies) of the relevant document, with date
3. Through e-mail address already registered with the RTA, with e-sign of scanned copies of documents
4. Service portal of the RTA with e-sign with scanned copies of documents, if the RTA is providing such facility

Note

<ul style="list-style-type: none"> • It is mandatory for holders of physical securities in listed company to furnish PAN, full KYC details (address proof, bank details, e-mail address, mobile number) and Nomination (for all the eligible folios). 	
<ul style="list-style-type: none"> • Upon receipt or up-dation of bank details, the RTA will automatically, pay electronically, all the moneys of / payments to the holder that were previous unclaimed / unsuccessful. 	
<ul style="list-style-type: none"> • RTA shall update the folio with PAN, KYC details and Nominee, within seven working days of its receipt. However, cancellation of nomination, shall take effect from the date on which this intimation is received by the company / RTA. 	
<ul style="list-style-type: none"> • RTA shall not insist on Affidavits or Attestation / Notarization or indemnity for registering / up-dating / changing PAN, KYC details and Nomination. 	
<ul style="list-style-type: none"> • Specimen Signature 	<ul style="list-style-type: none"> • Provide banker’s attestation of the signature of the holder(s) as per Form ISR – 2 in SEBI circular SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2021/655 dated November 03, 2021) and • <u>original cancelled cheque</u> with name of security holder printed on it <i>or</i> <u>Bank Passbook</u> <i>or</i> <u>Bank Statement attested by the Bank</u>
<ul style="list-style-type: none"> • Nomination** 	<ul style="list-style-type: none"> • Providing Nomination: Please submit the duly filled up Nomination Form (SH-13) <i>or</i> 'Declaration to Opt out of Nomination' as per Form ISR-3, in SEBI circular SEBI/HO/MIRSD/MIRSD RTAMB/P/ CIR/2021/655 dated November 03, 2021 • Change in Existing Nomination: Please use Form SH-14 in SEBI circular SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2021/655 • Cancellation of Existing Nomination: use Form SH-14 & Form ISR – 3

** Nomination (**Form SH-13 or SH-14**) / 'Declaration to Opt-Out of nomination' (**Form ISR – 3**), has to be furnished by the holder(s) separately for each listed company.

(Page 3 & 4 is for information to investors; print out of the same is not required)

Objection Memo that can be raised by the RTA

(only if the relevant document / details is / are not available in the folio or if there is a mismatch / discrepancy in the same or change thereof)

Note

RTAs shall raise all objections, if any / at all, in one instance only; the RTA shall not raise further objections on the same issue again and again, after the holder / claimant furnishes all the prescribed documents and details, unless there is any deficiency / discrepancy in the same.

No.	Item	Documents / Details to be provided to the RTA by the holder(s) / claimant(s)
1	PAN – Exceptions and Clarification	'Exemptions/clarifications to PAN', as provided in clause D to 'Instructions/Check List for Filing KYC Forms' in Annexure – 1 to SEBI circular No. MIRSD/SE/Cir-21/2011 dated October 05, 2011 on Uniform Know Your Client (KYC) Requirements for the Securities Market, shall also be applicable for holder(s) / claimant(s) of securities held in physical mode.
2	Minor mismatch in Signature – minor	The RTA shall intimate the holder at the existing address, seeking objection, if any, within 15 days
3	Major mismatch in Signature or its non-availability with the RTA	<ul style="list-style-type: none"> • Banker's attestation of the signature of the holder(s) as per Form ISR – 2 • <u>Original cancelled cheque</u> with name of security holder printed on it or <u>Bank Passbook</u> or <u>Bank Statement attested by the Bank</u>
4	Mismatch in Name	Furnish any one of the following documents, explaining the difference in names; <ul style="list-style-type: none"> • Unique Identification Number (UID) (Aadhaar) • Valid Passport • Driving license • PAN card with photograph • Identity card / document with applicant's Photo, issued by any of the following: Central / State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions • Marriage certificate • Divorce decree
5	Present address of the holder is not matching with the address available in the folio	RTA shall issue intimation to both the old and new addresses. <ul style="list-style-type: none"> • In case where the letter is undelivered at the old address, RTA shall not insist for any proof of the old address provided the current address proof is in the form of an address proof issued by a Government Authority. The above procedure will be applicable for request for change in address of the holder also

(Page 3 & 4 is for information to investors; print out of the same is not required)

Form ISR – 2

(see circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

Confirmation of Signature of securities holder by the Banker

1. Bank Name and Branch	
2. Bank contact details Postal Address Phone number E-mail address	
3. Bank Account number	
4. Account opening date	
5. Account holder(s) name(s)	1) 2) 3)
6. Latest photograph of the account holder(s)	
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 10px; width: 150px; height: 80px; text-align: center;">1st Holder</div> <div style="border: 1px solid black; padding: 10px; width: 150px; height: 80px; text-align: center;">2nd Holder</div> <div style="border: 1px solid black; padding: 10px; width: 150px; height: 80px; text-align: center;">3rd Holder</div> </div>	
7. Account holder(s) details as per Bank Records	
a) Address	
b) Phone number	
c) Email address	
d) Signature(s)	
1) <input style="width: 150px; height: 40px;" type="text"/>	2) <input style="width: 150px; height: 40px;" type="text"/>
	3) <input style="width: 150px; height: 40px;" type="text"/>
Seal of the Bank	Signature verified as recorded with the Bank
	(Signature)
Place:	Name of the Bank Manager
	Employee Code
Date:	E-mail address

Form ISR - 3

Declaration Form for Opting-out of Nomination by holders of physical securities in Listed Companies

(see SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

[Under Section 72 r/w Section 24 (1) (a) of Companies Act, 2013 r/w Section 11(1) and 11B of SEBI Act, 1992 and Clause C in Schedule VII and Regulation 101 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]]

Name of the Company :
Registered Address of the Company:

I / we the holder(s) of the securities particulars of which are given hereunder, ***do not wish to nominate*** any person(s) in whom shall vest, all the rights in respect of such securities in the event of my /our death.

PARTICULARS OF THE SECURITIES (in respect of which nomination is being opted out)

Nature of Securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

I/ we understand the issues involved in non-appointment of nominee(s) and further are aware that in case of my / our death, my / our legal heir(s) / representative(s) are required to furnish the requisite documents / details, including, Will or documents issued by the Court like Decree or Succession Certificate or Letter of Administration / Probate of Will or any other document as may be prescribed by the competent authority, for claiming my / our aforesaid securities.

Name(s) and Address of Security holders(s)
Sole / First Holder Name

Signature(s)

Second Holder Name

Third Holder Name

Name and Address of Witness	Signature

D. Document / details required for specific service request:

- I. Duplicate securities certificate
- II. Claim from Unclaimed Suspense Account

Securities claimed	(in numbers) :
	(in words) :

- III. Replacement / Renewal / Exchange of securities certificate
(that is defaced, mutilated, torn, decrepit, worn out or where the page on the reverse is fully utilized)
- IV. Endorsement
- V. Sub-division / Splitting of securities certificate
- VI. Consolidation of securities certificate/Folios
- VII. Transmission
- VIII. Transposition

Provide / attach original securities certificate(s) for request for item numbers III to VIII above.

Declaration: All the above facts stated are true and correct to best of my / our knowledge and belief.

	Security Holder 1 / Claimant	Security Holder 2	Security Holder 3
Signature	✓	✓	✓
Name	✓	✓	✓
Full address	✓		
PIN	✓ □ □ □ □ □ □	□ □ □ □ □ □	□ □ □ □ □ □

After processing the service request, the RTA shall issue a 'Letter of Confirmation' to the securities holder/claimant, which is valid only for 120 days. Using this 'Letter of Confirmation', the securities holder/claimant shall request the DP to dematerialize the securities, failing which the securities shall be credited to the Suspense Escrow Demat Account of the Company.

Address (Please note that address will be updated as per address on KYC form / KYC Registration Agency records)

Address Line 1																											
Address Line 2																											
City:																											
State																			PIN								

Bank Account Details of the Claimant

Bank Name																											
Account No.																											
11-digit IFSC																											
A/c. Type (✓) <input type="checkbox"/> SB <input type="checkbox"/> Current <input type="checkbox"/> NRO <input type="checkbox"/> NRE <input type="checkbox"/> FCNR	9-digit MICR No.																										
Name of bank branch																											
City																			PIN								

Please attach & tick (✓) Cancelled cheque with claimant's name printed OR Claimant's Bank Statement/Passbook (duly attested by the Bank Manager)

I also request you to pay the UNCLAIMED amounts, if any, in respect of the deceased securities holder(s) by direct credit to the bank account mentioned above.

Additional KYC information (Please tick (✓) whichever is applicable)

Occupation <input type="checkbox"/> Private Sector Service <input type="checkbox"/> Public Sector Service <input type="checkbox"/> Government Service <input type="checkbox"/> Business <input type="checkbox"/> Professional <input type="checkbox"/> Agriculturist <input type="checkbox"/> Retired <input type="checkbox"/> Home Maker <input type="checkbox"/> Student <input type="checkbox"/> Forex Dealer <input type="checkbox"/> Others (Please specify)
The Claimant is <input type="checkbox"/> a Politically Exposed Person <input type="checkbox"/> Related to a Politically Exposed Person <input type="checkbox"/> Neither (Not applicable)
Gross Annual Income (₹) <input type="checkbox"/> Below 1 Lac <input type="checkbox"/> 1-5 Lacs <input type="checkbox"/> 5-10 Lacs <input type="checkbox"/> 10-25 Lacs <input type="checkbox"/> 25 Lacs-1crore <input type="checkbox"/> >1 crore

FATCA and CRS information

Country of Birth											Place of Birth																
Nationality																											
Are you a tax resident of any country other than India? <input type="checkbox"/> Yes <input type="checkbox"/> No																											
If Yes, please mention all the countries in which you are resident for tax purposes and the associated Taxpayer Identification Number and its identification type in the column below																											
Country											Tax-Payer Identification Number											Identification Type					

Nomination@ (Please ✓ one of the options below)

<input type="checkbox"/> I/We DO NOT wish to make a nomination. <i>(Please tick ✓ if you do not wish to nominate anyone)</i>
<input type="checkbox"/> I/We wish to make a nomination and hereby nominate the person/s more particularly described in the attached Nomination Form to receive the securities held in my/our folio in the event of my / our death.

@ Guardian of a minor is not allowed to make a nomination on behalf of the minor

Declaration and Signature of the Claimant(s)

I/We have attached herewith all the relevant / required documents as indicated in the attached Ready Reckoner as per Annexure A.

I/We confirm that the information provided above is true and correct to the best of my knowledge and belief.

I/We undertake to keep
(Name of the Company) / its RTA informed about any changes/modification to the above information in future and also undertake to provide any other additional information as may be required by the RTAs.

I/We hereby authorize
(Name of the Company) and its RTA to provide/ share any of the information provided by me/us including my holdings in the (Name of the Company) to any governmental or statutory or judicial authorities/agencies as required by law without any obligation of informing me/us of the same.

Place.....

Date.....

Signature of Claimant_(s)

Documents Attached

- Copy of Death Certificate of the deceased holder
- Copy of Birth Certificate (in case the Claimant is a minor)
- Copy of PAN Card of Claimant / Guardian
- KYC Acknowledgment OR
- KYC form of Claimant
- Cancelled cheque with claimant's name printed OR Claimant's Bank Statement/Passbook
- Nomination Form duly completed
- Annexure D - Individual Affidavits given EACH Legal Heir
- Original security certificate(s)
- Annexure E - Bond of Indemnity furnished by Legal Heirs
- Annexure F - NOC from other Legal Heirs

***Note: For transmission service requests, Form ISR-4 as per SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 will not be required.**



Experience Next Generation Banking

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

Email: ho2006@sib.co.in, Website: www.southindianbank.com | CIN: L65191KL1929PLC001017