DEPT.: SECRETARIAL
REF. No. : SEC/ST.EX.STT/ 121 /2024-25
DATE : August 5, 2024

National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. SCRIP CODE: SOUTHBANK	BSE Ltd. Department of Corporate Services (Listing), First Floor, New Trading Wing, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai – 400 001. SCRIP CODE: 532218

Dear Madam/ Sir,

Sub: Notice of the 96th Annual General Meeting (AGM) of The South Indian Bank Ltd. and Annual Report for the Financial Year 2023-24: Intimation under Regulation 34 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

In continuation to our letter no. SEC/ST.EX.STT/117/2024-25 dated July 30, 2024, intimating about the 96th Annual General Meeting (AGM) of the Bank on Tuesday, August 27, 2024 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in compliance with Companies Act, 2013 read with General Circulars issued by the Ministry of Corporate Affairs (MCA) and all other applicable laws and circulars issued by MCA, Securities and Exchange Board of India (SEBI) and as per other Regulatory Guidelines in this regard, shareholders will be able to attend and participate in the AGM only through VC / OAVM.

Pursuant to Regulation 34(1) and 58 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report of the Bank for the Financial Year 2023-24 including Business Responsibility and Sustainability Report and the Notice of 96th AGM, which is being sent through electronic mode to the Security holders of the Bank.

Further, in terms of Regulation 44 of SEBI Listing Regulations and Section 108 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014 as amended, the Bank is providing electronic voting facility to its members to exercise their right to vote by electronic means on any or all the items of business as set out in the Notice, through Central Depository Services Limited, (CDSL) e-voting platform, which will commence on Friday, August 23, 2024 at 10:00 AM and ends on Monday, August 26, 2024 at 5:00 PM. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date i.e. Tuesday, August 20, 2024 only shall be entitled to avail the facility of remote e-voting or e-voting at the meeting. The e-voting module will be disabled after 5:00 PM on Monday, August 26, 2024.

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The facility for e-voting will also be made available during the AGM, and those shareholders present in the AGM through VC/OAVM facility, who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system at the AGM.

The Notice of 96th AGM and the Annual Report 2023-24 including Business Responsibility and Sustainability Report are being uploaded on the Bank's website under https://www.southindianbank.com/content/annualreport-financial-year-2023-to_2024/4035 and on the website of Central Depository Services Limited (CDSL), www.evotingindia.com.

Kindly take the information on record.

Yours faithfully,

JIMMY MATHEW

Digitally signed by JIMMY MATHEW
Date: 2024.08.05 15:13:52 +05'30'

(JIMMY MATHEW)
COMPANY SECRETARY

Encl: as above

SOUTH INDIAN Bank

EXPERIENCE NEXT-GEN BANKING

NOTICE

96th Annual General Meeting

The South Indian Bank Limited

Registered Office: "SIB House", Mission Quarters, T.B Road,
Thrissur- 680 001, Kerala **Tel:** +91-487-2420020, 2429333
Email: ho2006@sib.co.in **Web:** www.southindianbank.com
CIN: L65191KL1929PLC001017

NOTICE is hereby given that the **96th Annual General Meeting ("the AGM")** of the shareholders of The South Indian Bank Limited ("the Bank") will be held on **Tuesday, 27th August, 2024 at 11:00.AM (IST)** via Video Conferencing (VC) or Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
   a. the Audited Standalone Financial Statements, including Audited Balance Sheet and Profit and Loss Account of the Bank for the financial year ended March 31, 2024 and the Reports of the Board of Directors and the Auditors thereon.
   b. the Audited Consolidated Financial Statements, including Audited Consolidated Balance Sheet and Profit and Loss Account of the Bank for the financial year ended March 31, 2024 and the Report of the Auditors thereon.
2. To declare a dividend of ₹0.30 per equity share of ₹1/- each (30%) for the Financial Year ended March 31, 2024.
3. To appoint a director in the place of Sri. Paul Antony (DIN: 02239492) who retires by rotation under Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. **Appointment of Joint Statutory Auditors and fixation of their remuneration:**

   To appoint Joint Statutory Auditors and to fix their remuneration, and in this connection, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142, 143 and other applicable provisions, if any, of the Companies Act, 2013 read with the underlying rules viz., Companies (Audit and Auditors) Rules, 2014 as may be applicable and the Banking Regulation Act, 1949, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, from time to time and such other regulatory authorities, as may be applicable, and as approved by Reserve Bank of India vide. Letter No DOS. CO.RPD. No. S 1035/08.21.005/2024-25 dated May 10, 2024, the members of the Bank be and is hereby: (1) take note the continuance of M/s. K Venkatachalam Aiyer & Co, Chartered Accountants (Firm Registration No:-004610S) having confirmed their eligibility to continue as the Joint Statutory Auditors of the Bank for the Financial year (who was appointed on 94th Annual General Meeting held on 12th July, 2022 for a continuous period of three years upto conclusion of 97th Annual General meeting) and (2) accord sanction for appointing M/s. M P Chitale & Co., Chartered Accountants (Firm Registration No: 101851W) who has offered themselves for appointment and have confirmed their eligibility to be appointed, as the Joint Statutory Auditors of the Bank for the period commencing from the conclusion of this the 96th Annual General meeting until the conclusion of the 99th Annual General Meeting of the Bank for a continuous period of 3 years subject to the firm satisfying the eligibility norms each year and obtaining Reserve Bank of India's prior approval in this regard, on an annual basis, for a total remuneration of ₹2,26,00,000.00 (Rupees Two Crore Twenty Six Lakhs Only) per year plus GST and out of pocket expenses extra (on actual basis) for the period of appointment for the purpose of Statutory Audit, Limited Review, Branch Audit, LFAR, Tax Audit under Income Tax Act, 1961 and to issue all certificates as stipulated by the RBI at its appointment letter/circular/notification, certificates required under Companies Act, 2013, SEBI Listing Regulations and reporting on internal financial controls of the Bank's accounts at its head office, branches and other offices, with power to the Board, including relevant Committee(s) thereof, to alter and vary the terms and conditions of appointment, remuneration, reimbursement of expenses etc., including by reason of necessity on account of conditions as may be stipulated by the RBI and / or any other authority, in such manner and to such extent as may be mutually agreed between the Bank and the Joint Statutory Auditors and as may be further approved by the Board from time to time."

   "RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board (including the Audit Committee of the Board or any other person(s) authorised by the Board or the

Audit Committee in this regard), be and is hereby authorised on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in this regard for implementation of the resolution including but not limited to determination of roles and responsibilities/ scope of work of the respective Joint Statutory Auditors, negotiating, finalising, amending, signing, delivering and executing the terms of appointment including any contracts or documents in this regard, without being required to seek any further consent or approval of the Members of the Bank."

SPECIAL BUSINESS:

5. To appoint Sri. Dolphy Jose (DIN: 10682246) as Whole Time Director (Executive Director)/ Material Risk Taker and Whole-time Key Managerial Personnel of the Bank.

To consider and, if thought fit, to pass, with or without modification(s), the following Resolutions as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152, 160, 196, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Section 35B and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the rules, circulars and guidelines issued by the Reserve Bank of India ("the RBI") and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of the Bank and the approval granted by the Reserve Bank of India vide Letter No: DoR. GOV.No.1646/08.51.001/2024-25 dated June 14, 2024, and in respect of whom the Bank has received a notice in writing, proposing his candidature for the office of director of the Bank, consent of the Members of the Bank be and is hereby accorded for the appointment of Sri. Dolphy Jose (DIN: 10682246) as Whole Time Director (Executive Director)/ Material Risk Taker and Whole-time Key Managerial Personnel of the Bank, for a period of three (3) years with effect from 15th July, 2024 till 14th July, 2027, liable to retire by rotation, on such remuneration, terms and conditions, brief particulars whereof as recommended by Board of directors as set out in the annexed Explanatory Statement to this notice."

6. To appoint Sri. Jose Joseph Kattoor (DIN: 09213852) as Independent Director of the Bank.

To consider and if thought fit, to pass, with or without modification, the following resolution as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Rules, Circulars and Guidelines issued by the Reserve Bank of India, from time to time, and the provisions of the Articles of Association of the Bank, and on the basis of the recommendation of the Nomination and Remuneration Committee/ Board of Directors of the Bank confirming that Sri. Jose Joseph Kattoor (DIN: 09213852) is meeting the skills and capabilities required for the role identified as detailed in the explanatory statement and the profile attached to this notice, and Sri. Jose Joseph Kattoor (DIN: 09213852) who have submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and who is eligible to be appointed as an Independent Director of the Bank and in respect of whom the Bank has received a notice in writing, proposing his candidature for the office of director of the Bank, and who was appointed as an Additional Director (Independent Director) pursuant to Section 161(1) of the Companies Act, 2013 on 18th July, 2024, be and is hereby appointed as an Independent Director of the Bank, for the purpose of Section 149 of the Companies Act, 2013 for a period of three (3) consecutive years with effect from 18th July, 2024, not liable to retire by rotation."

7. Raising of funds by way of issuance of Equity Shares / Other Securities

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 23, 41, 42, 62(1)(c) and other applicable

provisions, if any, of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, the Companies (Share Capital and Debentures) Rules, 2014, as amended and other applicable rules made there under, including any statutory modification(s) or re-enactment(s) thereof for the time being in force (the "Act"), the Banking Regulation Act, 1949, as amended, the Foreign Exchange Management Act, 1999, as amended, Foreign Exchange Management (Debt Instruments) Regulations, 2019, Foreign Exchange Management (Non-Debt Instrument) Rules, 2019, Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 as amended, and the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Depository Receipts Scheme, 2014, the current Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India as amended from time to time, the RBI Master Directions – (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023, the Master Directions – Issue and Pricing of Shares by Private Sector Banks, Directions, 2016, the Master Directions – Ownership in Private Sector Banks, Directions, 2016, the rules, regulations, guidelines, notifications and circulars, if any, prescribed by the Government of India, Reserve Bank of India (the "RBI"), the Registrar of Companies, the stock exchanges where the securities of The South Indian Bank Limited (the "Bank") are listed, the Securities and Exchange Board of India (the "SEBI") including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") or any other competent authority, whether in India or abroad, from time to time, to the extent applicable including enabling provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), and in accordance with the provisions of the Memorandum and Articles of Association of the Bank and subject to approvals, consents, permissions and sanctions as might be required from various regulatory authorities (including those noted above) and subject to such conditions as might be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent, authority and approval of the shareholders of the Bank, be and is hereby accorded to the Board to create, offer, issue and allot (including with the reservation on firm allotment and/or competitive basis of such part of the issue and for such categories of persons as may be permitted by law then applicable) from time to time in one or more tranches, with or without green shoe option, in the course of domestic and/or international offering(s) in one or more foreign markets, by way of a rights issue to the existing members of the Bank (whether resident or non-resident), Further Public Offer ("FPO"), preferential issue, Qualified Institutions Placement ("QIP"), private placement/ private placement in public equity or a combination thereof of equity shares of face value of ₹1/- each (the "Equity Shares") or through an issuance of Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), fully convertible debentures/partly convertible debentures, and/or any other financial instruments or securities convertible into Equity Shares with or without detachable or non-detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered whether rupee denominated or denominated in foreign currency (hereinafter collectively referred to as the "Securities") or any combination of Securities, to all eligible investors, including residents and/or non-residents and/or institutions/banks and/or incorporated bodies and/or individuals and/or trustees and/or stabilizing agent or otherwise, Qualified Institutional Buyers as defined under the SEBI ICDR Regulations ("QIBs"), foreign investors, Foreign Institutional Investors ("FIIs"), Foreign Portfolio Investors ("FPIs"), Foreign Corporate Bodies (FCBs)/Companies/Mutual Funds/ Pension Funds/Insurance companies/Venture Capital Funds/Banks, to all or any other category of investors who are authorized to invest in the Securities of the Bank as per extant regulations/ guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Bank (collectively the "Investors"), through one or more prospectus and/or letter of offer or circular or placement document or any other issue documents as may be permitted, on such terms and conditions considering the prevailing market conditions and other relevant factors wherever necessary, for an amount not exceeding in the aggregate ₹ 750.00 Crore (Rupees Seven Hundred and Fifty Core only) or its equivalent amount in such foreign currencies as may be necessary, inclusive

of any premium and green shoe option attached thereto, at such price or prices, (whether at prevailing market price(s) or at permissible discount or premium to market price(s) in terms of applicable regulations) and on such terms and conditions at the Board's absolute discretion including the discretion to determine the categories of Investors, considering the prevailing market conditions and other relevant factors wherever necessary, to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, in such manner, including allotment to stabilizing agent in terms of green shoe option, if any, exercised by the Bank, and where necessary in consultation with the book running lead managers and/or underwriters and/or stabilizing agent and/ or other advisors or otherwise on such terms and conditions, including issue of Securities as fully or partly paid, making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investor(s) and/ or in respect of different Securities, deciding of other terms and condition like number of securities to be issued, face value, number of equity shares to be allotted on conversion/redemption/ extinguishment of debt(s), rights attached to the warrants, period of conversion, fixing of record date or book closure terms if any, as the Board may in its absolute discretion decide, in each case subject to applicable law."

"RESOLVED FURTHER THAT in case of issue and allotment of Securities by way of QIP in terms of Chapter VI of the SEBI ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning of the SEBI ICDR Regulations):

1. The Eligible Securities to be so created, offered, issued, and allotted, shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Bank;
2. The allotment of the Eligible Securities, or any combination of the Eligible Securities as may be decided by the Board and subject to applicable laws, shall be completed within 365 days from the date of passing of the special resolution of the shareholders of the Bank or such other time as may be allowed under the SEBI ICDR Regulations;
3. The Equity Shares issued and allotted under the Issue or allotted upon conversion of the equity linked instruments issued in QIP shall rank *pari-passu inter se* in all respects including with respect to entitlement to dividend, voting rights or otherwise with the existing Equity Shares of the Bank in all respects;
4. The number and/or price of the Eligible Securities or the underlying Equity Shares issued on conversion of Eligible Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division, reclassification of equity shares into other securities, issue of equity shares by way of capitalisation of profit or reserves, or any such capital or corporate restructuring;
5. The Eligible Securities to be offered and allotted under the QIP shall be in dematerialized form and shall be allotted as fully paid-up securities or as allowed under SEBI ICDR Regulations;
6. In the event Equity Shares are issued, the "relevant date" in accordance with Regulation 171(b) of the SEBI ICDR Regulations for the purpose of pricing of the Equity Shares to be issued, shall be the date of the meeting in which the Board or the committee of directors authorised by the Board decides to open the proposed issue of such Equity Shares, subsequent to the receipt of members' approval in terms of provisions of the Act and other applicable laws, rules, regulations and guidelines in relation to the proposed issue of the Equity Shares;
7. In the event that Eligible Securities issued are eligible convertible securities, the relevant date for the purpose of pricing of the convertible securities to be issued, shall be, either the date of the meeting at which the Board or a committee of directors authorised by the Board decides to open the proposed issue or the date on which the holders of such eligible convertible securities become entitled to apply for Equity Shares, as decided by the Board;
8. The tenure of the convertible or exchangeable Eligible Securities issued through the QIP shall not exceed sixty months from the date of allotment;
9. Issue of Eligible Securities made by way of a QIP shall be at such price which is not less than the price determined in accordance with Regulation 176(1) under Chapter VI of the SEBI ICDR Regulations ("**QIP Floor Price**") and applicable law. The Board may, however, at its absolute discretion in consultation with the book running lead managers, issue Eligible Securities at a discount of not more than five percent or such other discount as may be permitted under applicable regulations to the QIP Floor Price;

10. No single allottee shall be allotted more than fifty per cent of the issue size and the minimum number of allottees shall be as per the SEBI ICDR Regulations. It is clarified that QIBs belonging to the same group or who are under same control shall be deemed to be a single allottee;

11. No allotment shall be made, either directly or indirectly, to any QIB who is a promoter, or any person related to the promoters of the Bank;

12. In accordance with Regulation 179 of the SEBI ICDR Regulations, a minimum of 10% of the Securities shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs."

13. The Eligible Securities allotted in the QIP shall not be eligible for sale by the respective allottees, for a period of one year from the date of allotment, except on a recognized stock exchange or except as may be permitted from time to time by the SEBI ICDR Regulations; and

14. Any subsequent QIP shall not be undertaken until the expiry of two weeks (or such other period as may be prescribed) from the date of the prior QIP made pursuant to this special resolution."

"RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as ADRs or GDRs, the pricing of the Securities and the relevant date, if any, for the purpose of pricing of the Securities to be issued pursuant to such issue shall be determined in accordance with the provisions of applicable law including the provisions of the Depository Receipts Scheme, 2014 (the "2014 Scheme"), the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004 and such other notifications, clarifications, circulars, guidelines, rules and regulations issued by relevant authorities (in each case including any statutory modifications, amendments or re-enactment(s) thereof)."

"RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as FCCBs, the pricing of the Securities and the relevant date, if any, shall be determined in accordance with the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 issued by the Ministry of Finance and such other notifications, clarifications, circulars, guidelines, rules and regulations issued by relevant authorities (in each case including any statutory modifications, amendments or re-enactment(s) thereof)."

"RESOLVED FURTHER THAT the issue to the holders of the Securities, which are convertible into or exchangeable with Equity Shares at a later date shall be, inter alia, subject to the following terms and conditions:

a) in the event the Bank is making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity shares capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced protanto;

b) in the event of the Bank making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which they are offered to the existing members;

c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted; and

d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or reclassification of the Securities into other securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made."

"RESOLVED FURTHER THAT, without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, issue of additional Equity Shares, variation of the conversion price of the Securities or period of conversion of Securities into Equity Shares during the duration of the Securities and the Board be and is hereby authorized, in its absolute discretion, in such manner as it may deem fit, to dispose-off such of the Securities that are not subscribed."

"RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions the Equity Shares that may be

issued by the Bank (including issuance of the Equity Shares pursuant to conversion of any Securities, as the case may be in accordance with the terms of the offering) shall rank pari passu with the existing Equity Shares of the Bank in all respects."

"RESOLVED FURTHER THAT, for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Bank to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the nature of the issuance, terms and conditions for issuance of Securities including the number of Securities that may be offered in domestic and international markets and proportion thereof, issue price and discounts as permitted under applicable law, premium amount on issue/ conversion of the Securities, if any, rate of interest, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and executing arrangements for managing, underwriting, marketing, listing, trading and entering into and executing arrangements with Merchant Bankers, Lead managers, legal advisors, depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalize, approve and issue any document(s) or agreements, including but not limited to prospectus and/or letter of offer and/ or circular or placement document, registration statement, and filing of such documents (in draft or final form) with any Indian or foreign regulatory authority or stock exchanges, including RBI and sign all deeds, documents and writings and to pay any fees, commissions, remunerations, expenses relating thereto and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and all actions taken by the Board or any duly authorised committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

"RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing and without being required to seek any further consent or approval of the members of the Bank, the members shall be deemed to have given their approval thereto expressly by the authority of this resolution to the Board or Committee of Directors be and is hereby authorized for and on behalf of the members of the Bank:

a) the offer, issue and allotment of the aforesaid Equity Shares shall be made at such time or times as the Board may in its absolute discretion decide, subject, however, to applicable guidelines, notifications, rules and regulations;

b) the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of the above mentioned Equity Shares and also shall be entitled to vary, modify or alter any of the terms and conditions, including size of the issue (within the limit approved by the shareholders), as it may deem expedient;

c) To appoint, enter into and execute all such arrangements, as the case may be, with any lead managers, merchant bankers, managers, underwriters, bankers, financial institutions, credit rating agency registered with SEBI, solicitors, advisors, guarantors, depositories, registrars, transfer agents, custodians, trustees, lawyers, chartered accountants, company secretaries, experts in banking industry, consultants, book runners and such other intermediaries ("the Agencies") as may be necessary and to remunerate any of the agencies in any manner including payment of commission, brokerage or fee for their services or otherwise and reimburse expenses that may be incurred by them in relation to their services to the Bank.

d) To issue, directly or through any agency duly authorised depository receipt(s)/certificates of shares or other securities to afford a proper title to the holder thereof and to enable such holder to trade in the securities or underlying securities as such person may require to the extent lawfully permitted in India or in any other country where the securities have been issued subject to statutory regulations in India or in any other country and in accordance with the norms and practices prevailing in India or any other country.

e) To issue and allot such number of equity shares as may be required to be issued and allotted

upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such further equity shares ranking pari passu with the existing equity shares of the Bank in all respects except provided otherwise under the terms of issue of such securities and in the offer document.

f) To approve offer document, circulars, notice and such other documents (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in consultation with the lead managers, underwriters, and/ or advisors in accordance with applicable laws, rules, regulations and guidelines and to take decisions to open the issue, decide bid opening and closing date, the issue price, the number of Equity Shares to be allotted and the basis of allotment of Shares.

g) To dispose of the unsubscribed portion of the shares or securities to such person(s) and in such manner and on such terms as the Board may in its absolute discretion think most beneficial to the Bank, including offering or placing them with resident or non-resident/foreign investor(s) (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise)/foreign portfolio investors (FPIs)/ foreign corporate bodies (FCBs)/companies/ mutual funds/pension funds/venture capital funds/banks and/or employees and business associates of the Bank or such other person(s) or entity(ies) or otherwise, whether or not such investors are members of the Bank.

h) To retain over subscription up to such percentage as may be permitted by the applicable regulations and by relevant authorities.

i) To obtain listing of all or any of its new shares/ existing shares or other securities in any stock exchange in India or elsewhere in the world including the New York Stock Exchange, London Stock Exchange, Dubai International Financial Exchange, Singapore Stock Exchange, Luxembourg Stock Exchange, NASDAQ or any other Stock Exchanges subject to such statutory compliances as may be necessary in India or in such other country and further subject to such conditions as the stock exchanges may require.

j) To do such acts, deeds, matters and things as it/ they may at its/their discretion deem necessary or desirable for such purpose, including without limitation, if required, filing a Registration Statement and other relevant documents with United States Securities and Exchange Commission, or such other regulatory authority as may be necessary for listing the Securities on the Luxembourg Stock Exchange or New York Stock Exchange ("NYSE") and/or NASDAQ or such other international stock exchanges and the entering into of depository arrangements in regard to any such issue or allotment.

k) To agree to and make and accept such conditions, modifications and alterations stipulated by any of the relevant authorities while according approvals, consents or permissions to the issue as may be considered necessary, proper and expedient.

l) To do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, for entering into arrangements for managing, underwriting, marketing, listing and trading, banking and custodian arrangements and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Bank to settle all questions, difficulties, doubts that may arise in regard to such offer(s) or issue(s) or allotment(s), as it may, in its, absolute discretion, deem fit and with power on behalf of the Bank to settle any questions, difficulties or doubts that may arise in regard to any such issue(s)/offer(s) or allotment(s) or otherwise.

m) To delegate from time to time, all or any of the powers conferred herein upon the Board or Committee of Directors or the Director/s or any other Officer/s of the Bank.

n) the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer document(s), placement document or offering circular, as the case may be, execution of various transaction documents, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT, subject to compliance of all applicable provisions of the Companies Act, 2013, the applicable provisions of the Companies Act, 1956, the FEMA, and the rules, circulars and guidelines issued there under from time to time, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Foreign Exchange Management Act, 1999, as amended, Foreign Exchange Management (Debt Instruments) Regulations, 2019, Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019, as amended, the Consolidated FDI Policy Circular of 2020, as amended, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, from time to time, the Securities Contracts (Regulation) Act, 1956 ("SCRA"), the SEBI (ICDR) Regulations, 2018, the regulations, guidelines, circulars issued by the Reserve Bank of India, the Listing Regulations and any other applicable provisions of law if any, the Board, any of the Directors, any member of the duly authorized committee, Managing Director & CEO and Chief Financial Officer are jointly and severally authorised, on behalf of the Bank to make necessary applications, letters, filings to any regulatory authority, including the Reserve Bank of India, Ministry of Finance, as may be required for the purpose of giving effect to the foregoing."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers herein conferred by this resolution to any Committee of Director or, subject to applicable law, any Director(s) or any one or more executives of the Bank to give effect to the above resolutions."

8. Raising of funds by issue of Tier-II bonds/ debentures/ securities on private placement basis

To consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules made there under, Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules 2014, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 including any amendments, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendments, the applicable provisions of the Banking Regulation Act, 1949, as amended, Foreign Exchange Management Act, 1999 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), Foreign Exchange Management (Debt Instruments) Regulations, 2019, as amended and the rules, circulars and guidelines issued by the Reserve Bank of India ("RBI") from time to time (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and all other relevant provisions of applicable law(s), the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the statutory authority(ies) concerned, including RBI, the approval of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter referred to as "Board" and which term shall be deemed to include any Committee of the Board or any other persons to whom powers are delegated by the Board as permitted under the Companies Act, 2013) for borrowing/ raising of funds in Indian/foreign currency by issue of debt securities including but not limited to non-convertible debentures, MTN (Medium-Term Notes)bonds (including bonds forming part of Tier II capital in accordance with and subject to the terms and conditions specified in the Basel III Capital Regulations prescribed by RBI, long terms infrastructure bonds or such other securities as may be permitted by RBI from time to time) in domestic and/or overseas market, secured or unsecured, as per the agreed structure and within the limits permitted by RBI and other regulatory authorities and/or for making offers and/or invitations therefore and/or issue(s)/issuances therefore, on private placement basis for a period of one year from the date hereof, in one or more tranches and/or series and under one or more shelf disclosure documents and/or one or more letters of offer, and on such terms and conditions for each series/tranches including the price, coupon, premium, discount, tenor etc., as deemed fit by the Board, as per the structure and within the limits permitted by the RBI, of an amount not exceeding ₹ 750.00 Crore (Rupees Seven Hundred and Fifty Crore only), within the overall borrowing limits of the Bank, as approved by the Members from time to time."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint merchant bankers, underwriters, guarantors, depositories, custodians, registrars, trustees, stabilizing agents, bankers, lawyers, advisors and all such agencies as may be involved or concerned in the issue and to remunerate them by way of commission, brokerage, fees or

the like and also to enter into and execute all such arrangements, contracts/agreements, memoranda, documents, etc., with such agencies, to seek the listing of debt securities in one or more recognized stock exchange(s) as may be required."

"RESOLVED FURTHER THAT the Board of Directors of the Bank or any Committee of the Board or such other persons as may be authorized by the Board, be and are hereby authorized to negotiate, modify and finalize the terms and conditions of the debt securities and sign the relevant documents/ agreements in connection with the private placement of the debt securities, including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, debenture subscription agreement, debenture trust deed and any other documents as may be required, in connection with the offering(s), issuance(s) and/or allotment(s) on private placement of debt securities by the Bank and to further delegate the above powers to any Committee of Directors or any personnel of the Bank to act on their behalf as they may deem fit and to do all such other acts and things and to execute all such documents as may be necessary for giving effect to this resolution."

By Order of the Board of Directors
Sd/-
Jimmy Mathew
Company Secretary

Place: Thrissur,
Date: July 30, 2024

Notes:

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circulars 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, General Circular No 20/2020 dated 05th May, 2020, 2/2022 dated 05th May, 2022, General Circular No 10/2022 dated 28th December 2022, General circular No. 09/2023 dated on September 25, 2023 on Clarification on holding of Annual General Meeting (AGM) through Video Conference (VC) or Other Audio-Visual Means (OAVM) and passing of Ordinary and Special resolutions by the companies under the Companies Act, 2013 read with rules made thereunder -Extension of timeline and all other circulars and guidelines issued by MCA in this regard (collectively referred to as "MCA Circulars") and the Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/DDHS/P/CIR/2023/0164 dated October 06, 2023 on Limited relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 on Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other circulars and guidelines issued by SEBI in this regard (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Bank is being held through VC / OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM only. The registered office of the Bank shall be deemed to be the venue for the AGM.

2. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars and SEBI circulars referred above.

3. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA/SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM on their behalf through VC/OAVM and participate there at and to cast their votes through remote e-voting/ e-voting during AGM. In pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

4. The facility to attend the AGM through VC/OAVM will be provided through Central Depository Services (India) Limited (CDSL). The detailed instructions pertaining to remote e-voting, joining the AGM through VC/OAVM and Voting at the AGM are given separately hereunder.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

6. The Members can join the AGM in the VC/OAVM mode 30 minutes before and shall not be closed till expiry of 30 minutes after scheduled time of the conclusion of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to the members.

7. In compliance with the aforesaid MCA Circulars and SEBI Circulars the notice of the 96th AGM to all the shareholders and the Annual Report 2023-24 to all security holders are being sent only through electronic mode to those security holders whose email addresses are registered with the Bank/ Depositories. Security holders may note that in line with the MCA circulars and SEBI Circulars the Notice and Annual Report 2023-24 will also be available on the Bank's website at https://www.southindianbank.com under **'Investors' Desk'** section, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at https://www.bseindia.com and https://www.nseindia.com respectively, and notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility), www.evotingindia.com.

8. An Explanatory Statement required under Section 102(1) of the Companies Act, 2013 in respect of the business at Item Nos. 4 to 8 of the Notice is annexed hereto.

9. The relevant details, pursuant to Regulations 36(3) and other provisions of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment/change in terms of appointment in this AGM are annexed to this notice.

10. As per the relaxation provided by the aforementioned MCA and SEBI circulars, the Bank will not be sending physical copies of AGM Notice and Annual Report to the shareholders and debenture holders.

11. The Board of Directors recommended a dividend of 30% i.e. ₹0.30 per Equity share of face value of ₹1 per share for the Financial year ended March 31, 2024 which will be subjected to the approval of shareholders at AGM. The cut-off date/ Record date for the purpose of determining eligibility for dividend, if declared, for FY 2023-24 is fixed on **Tuesday, 20th August, 2024.**

12. The Bank has fixed Tuesday, 20th August, 2024 as the Cut-off Date for the purpose of the 96th AGM and reckoning entitlement for voting through remote e-voting/ e-voting during the AGM on the Resolutions contained in this Notice. The remote e-voting /voting rights of the Members/beneficial owners shall be reckoned on the Equity Shares held by them as on **Tuesday, 20th August, 2024 (the Cut-off Date)** only.

13. The **Register of Members and Share Transfer Books of the Bank will remain closed from Wednesday the 21st August, 2024 to Tuesday the 27th August, 2024 (both days inclusive).** Dividend on equity shares as recommended by the Board for the year ended March 31, 2024, if declared at the meeting, will be paid on or before **Wednesday, September 25, 2024** electronically through various online transfer modes or through issue of dividend warrants:

    a) In respect of shares held in dematerialized mode, to all beneficial owners as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on **Tuesday, 20th August, 2024** and

    b) to those members holding shares in physical form, whose names appear in the Bank's Register of Members at the close of business hours on **Tuesday, 20th August, 2024**.

14. Shareholders may kindly note that in continuation to the previous circulars issued by Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024) has mandated that with effect from April 1, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.

15. **Tax Deductible at Source:** As per the Income-tax Act, 1961 (the Act), as amended by the Finance Act, 2020, dividend paid or distributed by the Bank after April 1, 2020 shall be taxable in the hands of the Shareholders. The Bank shall therefore be required to deduct tax at source (TDS) at the prescribed rates, wherever applicable, at the time of making the payment of dividend to the shareholders. For details, shareholders may refer to the **Annexure-B** appended to this Notice.

16. Letter dated 07th May, 2024 was sent to shareholders whose dividend amount for FY 2016-17 as well as subsequent dividend warrants issued up to FY 2022-23 were outstanding indicating a timeline to claim the outstanding dividend amounts. 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 may please note that if the dividends have been unpaid or unclaimed for seven consecutive years or more, the underlying shares shall be transferred to the IEPF Demat Account maintained with depositories. Upon transfer of such shares to IEPF account, 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. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available in MCA. The Members are requested to respond the communications received from the RTA in this regard as soon as possible or contact them for their assistance. Updated consolidated lists of Unpaid Dividend as of March 31, 2024 is hosted on website of the Bank at https://www.southindianbank.com.

17. All dividends remaining unclaimed or unpaid including the balance in Dividend Account up to and including financial year 1994 – 95 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 P.O., Kochi – 682 021. Members may kindly note that the unclaimed/unpaid dividend amounts for the years from the Financial Year 1996 – 97 to 2015–2016 have already been transferred to the Investors' Education and Protection Fund (the Fund) as required under Section 125 of the Companies Act, 2013.

18. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Bank will be

entitled to vote at the AGM.

19. All documents referred to in the notice are open for inspection at the Registered Office of the Bank and electronically on all working days between 10.00 AM and 3.00 PM up to the date of the Annual General Meeting.

20. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Bank, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends (including the dividend so transferred to the IEPF in the past) are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Bank, within the stipulated timeline.

21. Members may please note that there is a facility for nomination, in the prescribed form, of any person to whom shares in the Bank held by such Member shall vest in the event of his/her death.

22. Shares of the Bank are traded in dematerialized form. Members may opt for availing the benefits of electronic holding/transfer of shares held by them.

23. Members should notify the changes in their address immediately to the Transfer Agents/Depository Participants as the case may be, giving full details in block letters with Pin Code and Post Office along with address proof and photo identity proof.

24. Members described as "Minors" in the address but who have attained majority of age, may get their status in Register of Members updated by producing proof of age in the manner as detailed in clause 26 below.

25. NRI shareholder who is permanently settled in India can change their status from 'NRI' to 'Resident' by submitting proof of the same and copy of Resident Account opened in the manner as detailed in clause 26 below.

26. The shareholders are requested to furnish, if not provided, **(a)PAN and KYC details, (b) Nomination** (Either Nomination through Form SH-13 or cancellation or variation in nomination through Form SH-14 as provided in the Rules 19 of Companies (Shares capital and debenture) Rules, 2014 or 'Declaration to Opt-out', as per Form ISR-3), **(c) Contact details:** Postal address with PIN, Mobile number, E-mail address **(d) Bank account details** (bank name and branch, bank account number, IFS code) **(e)Specimen signature.** The forms are made available in Bank's website at: https://www.southindianbank.com >> Investors' Desk>> Shareholder information>> Investor service request form and other disclosures, and also in Annual report 2023-24.

27. Members holding shares in physical form are requested to address all their correspondence pertaining to change in their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. to the Registrar and Share Transfer Agents (RTA) viz. M/s. Link Intime India Pvt. Ltd., Surya 35, Mayflower Avenue Behind Senthil Nagar Sowripalayam Road Coimbatore - 641028 Tel : 0422-2314792 Email : coimbatore@linkintime.co.in, Website: www.linkintime.co.in and Members holding shares in dematerialized form should approach their respective Depository Participants for the same.

28. Since transfer of securities of listed companies in physical mode has been discontinued with effect from, April 01, 2019, except in case of request received for transmission of securities, shares of the Bank are traded on the stock exchanges compulsorily in demat mode and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Bank or Bank's Registrars and Share Transfer Agents (RTA), M/s. Link Intime India Pvt. Ltd., for assistance, if any, in this regard. Further the legal heir/ nominees has to request for transmission of securities on death of the shareholder in Form Annexure C- ISR-5 in Annual Report and has to get the shares transmitted and dematerialised using the letter of confirmation issued by the company/RTA within 120 days of issue of the letter of confirmation.

29. The shareholders may note that, if the members fail to get the shares dematerialised within 120 days from the date of "Letter of Confirmation" issued by the Bank/ RTA, after processing the modification/ service requests as detailed in para 26 or 28 above, the folio will be transferred to Bank's Suspense Escrow Demat Account after the expiry of 120 days, as per the SEBI guidelines issued in this regard.

30. The Members who are holding shares in demat form and have not yet registered their e-mail IDs, mobile numbers and other KYC Details are requested to register the same with their Depository Participant at the earliest, to enable the Bank to use the same for their contacts and serving documents to them electronically, hereinafter.

31. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

32. Members are eligible to cast vote electronically only if they are holding shares as on the Cut-off date (Tuesday, 20th August, 2024). If any person who is not a member /ceased to be a member as on the cut-off date should treat this notice for information purpose only. The remote e-voting period begins on 23rd August, 2024 at 10:00 AM and ends on 26th August, 2024 at 05:00 PM.

33. Relevant documents referred to in the accompanying Notice of the AGM are available on the website of the Bank for inspection by the Members. The Certificate from the Secretarial Auditors of the Bank confirming the compliance of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with respect to the Bank's Employee Stock Option Scheme will be available for inspection through electronic mode.

34. **E-Voting:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, May 5, 2022, December 28, 2022 and September 25, 2023 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by CDSL on the resolutions mentioned in this notice of the 96th Annual General Meeting of the Bank, dated July 30, 2024 ("the AGM Notice"). E-voting facility to its members holding share in physical or dematerialized form, as on the cut-off date, being Tuesday, 20th August, 2024, to exercise their right to vote by electronic means on any or all of the business specified in this Notice (the "Remote e-voting").

The instructions for shareholders voting electronically are as under:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -

35. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

36. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.southindianbank.com . The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on 23rd August, 2024 at 10:00 AM and ends on 26th August, 2024 at 05:00 PM During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th August, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020,** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that

the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders**, **by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular**,** Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in Demat mode with **CDSL -Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on “Shareholders” module.

3) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the **EVSN (240801004)** for **The South Indian Bank Limited** on which you choose to vote.

(x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer viz: scrutiniservoting@gmail.com and to the Company at the email address viz; sibagm@sib.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN (240801004) of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions as a speaker during the Meeting may pre-register themselves in advance by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at sibagm@sib.co.in between Saturday, August 17, 2024 (9:00 am. IST) to Thursday, August 22, 2024 (5:00 pm. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Bank reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance by August 17, 2024 prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at sibagm@sib.co.in. These queries will be replied to by the company suitably by email.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to sibagm@sib.co.in) **/**coimbatore@linkintime.co.in**.**
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**

3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

37. The Board of Directors has appointed Sri. P. D. Vincent, Practicing Company Secretary (Managing Partner SVJS & Associates, Company Secretaries) or failing him Sri. Jayan K, Practicing Company Secretary (Partner SVJS & Associates, Company Secretaries) as the Scrutinizer to scrutinize the voting and Remote e-voting process in a fair and transparent manner.

38. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

39. The result declared along with the Scrutinizer's Report shall be placed on the Bank's website www.southindianbank.com and on the website of CDSL www.evotingindia.com. immediately. The Bank shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Bank are listed.

40. Further shareholders may also contact the Bank at 0487-2429333 or CDSL at toll free no. 1800 21 09911 for any technical issue in login / e-voting/ attending AGM via Video Conferencing /OAVM.

41. All communications/correspondence with regard to Equity Shares and dividend may be forwarded to the Share Transfer Agents at the address given below:

M/s Link Intime India Pvt. Ltd
Surya 35, Mayflower Avenue
Behind Senthil Nagar
Sowripalayam Road
Coimbatore – 641028
Tel : 0422-2314792
Email : coimbatore@linkintime.co.in
Website: www.linkintime.co.in

SOUTH INDIAN Bank
EXPERIENCE NEXT-GEN BANKING

Statement of Material facts as required under Section 102(1) of the Companies Act, 2013 annexed to and forming part of the Notice dated 30th July, 2024

Item No 4: Appointment of Joint Statutory Auditors and fixation of their remuneration:

The Reserve Bank of India vide circular No. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 stipulated that "For Entities with asset size of ₹15,000 Crore and above as at the end of previous year, the statutory audit should be conducted under joint audit of a minimum of two audit firms [Partnership firms/Limited Liability Partnerships (LLPs)]. All other Entities should appoint a minimum of one audit firm (Partnership firm/ LLPs) for conducting statutory audit. It shall be ensured that joint auditors of the Entity do not have any common partners and they are not under the same network of audit firms. Further, the Entity may finalise the work allocation among SCAs/SAs, before the commencement of the statutory audit, in consultation with their SCAs/ SAs. The above RBI guidelines, applicable from FY 2021-22 onwards, inter alia mandates that in order to protect the independence of the auditors/audit firms, entities will have to appoint the SCAs/SAs for a continuous period of three years, subject to the firms satisfying the eligibility norms each year. Further, Commercial Banks can remove the audit firm during the above period only with the prior approval of the concerned office of RBI (Department of Supervision).

As per RBI circular Bank is required to take prior approval of RBI (Department of Supervision) for appointment/ reappointment of SCAs/SAs, on an annual basis. Thus the Bank has to confirm the eligibility and apply to RBI for approval for continuing the appointment of Joint Statutory Central Auditor, viz., M/s. K Venkatachalam Aiyer & Co, Chartered Accountants (Firm Registration Number: 004610S) for FY 2024-25 as their third year. Further as the terms of appointment M/s. CNK & Associates LLP, Chartered Accountants is completing by the 96th AGM and hence are due for a change in accordance with the RBI policy of rotation and resting, the Bank vide Board resolution No. DBR/CFM/S-3/2024-25 dated 5th April, 2024, has recommended to the RBI to continue the appointment of M/s. K Venkatachalam Aiyer & Co, Chartered Accountants (Firm Registration Number: 004610S) satisfying the eligibility norms laid down by RBI has been approved and recommended to RBI to continue as Joint Statutory Auditors of the Bank for the financial year 2024-25. Further the Board of directors has also recommended a panel to be appointed as new JSCA in place of M/s. CNK & Associates LLP, Chartered Accountants, who will be retiring on the conclusion of 96th AGM.

In compliance with the above circular and based on the recommendation of the Board of directors, the Reserve Bank of India vide letter No. DOS. CO. RPD. No S1035 /08.21.005/2024-25 dated May 10, 2024 has approved the continuation of M/s. K Venkatachalam Aiyer & Co, Chartered Accountants (Firm Registration Number: 004610S), as Joint Statutory Auditors of the Bank for the Financial Year 2024-25 and this will be their third year and to appoint M/s M P Chitale & Co. Chartered Accountants (Firm Registration Number: 101851W) as new Joint statutory auditors for the Financial Year 2024-25 and this will be their first Year.

K Venkatachalam Aiyer & Co, Chartered Accountants was founded at Thiruvananthapuram in 1960. They are offering a wide array of specialized services including audit and assurance services, tax consulting, financial consulting, management consultancy and advisory work for all sectors. Their practice is built around 17 partners with 7 branches across India. They have offices at Bangalore, Thiruvananthapuram, Kochi, Kottayam, Palakkad, Kollam and New Delhi, headed by an experienced team of professionals. They have been extending service as the Statutory Central Auditors of several Public Sector/ Private Sector Banks, other Public Sector Undertakings and listed companies for more than four decades. They have a portfolio of distinguished clients from varied backgrounds and has its presence in all branches of commerce and industry.

M/s. M.P. Chitale & Co Chartered Accountants is a multi-disciplinary chartered accountancy firm having existence for more than 75 years providing a wide spectrum of professional services under one roof across diverse industries. Assembled from diverse backgrounds, their team comprised of over 200 highly trained personnel and 14 partners specializing in their respective service lines, has worked alongside companies of all sizes. Headquartered in Fort, Mumbai, India, with branches at Prabhadevi and Pune, they cater to clients across several geographies and service lines. The partners have impeccable experience involving in working groups and committees of RBI (including INDAS - Banks), IRDAI and expert advisory committee of ICAI. The firm is a non-network member of DFK International presently ranked 6th amongst global accounting association of independent professional accounting firms and business advisors.

The Board of Directors recommends to take note the RBI approval to continue the engagement of M/s. K Venkatachalam Aiyer & Co, Chartered accountants, (Firm Registration No:-004610S as Joint Statutory Auditors of the Bank for the financial year 2024-

25 (for their third year), being the firm satisfying the eligibility norms laid down by RBI for the financial year 2024-25 and for appointment of M/s M P Chitale & Co. Chartered Accountants (Firm Registration Number: 101851W) as new Joint Statutory Auditors of the Bank from the conclusion of 96th Annual General Meeting for a continuous period of three years (i.e. from the conclusion of 96th Annual General Meeting for the financial year 2024-25 till the conclusion of Annual General meeting for the financial year 2026-27) as recommended by the Audit committee subject to the firm satisfying the eligibility norms each year and obtaining Reserve Bank of India's prior approval in this regard, on an annual basis, for the purpose of Statutory Audit, Limited Review, LFAR, Branch audit, Tax Audit under Income Tax Act, 1961 and to issue all certificates as stipulated by the RBI at its appointment letter/circular/notification, certificates required under Companies Act, 2013, SEBI Listing Regulations and reporting on internal financial controls of the Bank's accounts at its head office, branches and other offices, with a total remuneration payable as Audit/ certification fees to M/s. K Venkatachalam Aiyer & Co. and M/s M P Chitale & Co. is fixed at ₹ 2,26,00,000/- (Rupees Two Crore Twenty Six Lakh Only) plus GST (including fee for branch audits conducted by them) and out of pocket expenses extra (on actual basis) for the FY 2024-25. Considering the volume of works and man hour involved and such remuneration and expenses thereafter as may be mutually agreed between the Bank and the said Statutory Auditors and as may be further approved by the Board from time to time, with power to the Board, including relevant Committee(s) thereof, to alter and vary the terms and conditions of appointment, etc., including by reason of necessity on account of conditions as may be stipulated by RBI and / or any other authority, in such manner and to such extent as may be mutually agreed with the Statutory Auditors, based on review of their profile, experience and specialization in audit of banking and financial service sector.

During Financial year 2023-24 the Bank has paid ₹ 2,20,00,000/- as statutory central audit and certification fee, as approved by members in 95th AGM held on 24th August, 2023, The same is including all certificates as stipulated by the RBI at its appointment letter/circular/ notification, certificates required under Companies Act, 2013 and SEBI Listing Regulations, 2015, reporting on internal financial controls of the Bank's accounts at its head office, branches and other offices and issuing certificate(s) specified by the regulators/any other statutory body/body corporates/central govt. /state govt. /Govt. Schemes from time to time. Out of Pocket expenses subject to ceiling of 25% of above audit fee excluding GST (on actual basis)

Considering the efforts taken by the auditors to ensure the smooth conduct of Tax audit, JSCA have requested to increase tax audit fees by Rs.6 lakhs. After multiple level of discussion with Auditors it has been approved by the board, subject to approval of shareholders, to pay a total fee of ₹ 2,26,00,000 (including Branch audit fee) i.e. 2.72% increase from previous year which is considered to be reasonable considering the efforts taken by the auditors to ensure the smooth conduct of Tax audit. The same has been placed before the members of the Bank for approval.

The new appointment is in compliance with RBI circular No. DoS. CO. ARG/ SEC. 01/ 08. 91. 001/ 2021-22 dated April 27, 2021.

The Board of Directors recommends passing of the ordinary resolution at Item No. 4 of the accompanying notice.

None of the Directors and Key Managerial Personnel of the Bank and their relatives in any way are concerned or interested, financially or otherwise, in passing the resolution set out at Item No. 4.

Item No. 5: To appoint Sri. Dolphy Jose (DIN: 10682246) as Whole Time Director (Executive Director)/ Material Risk Taker and Whole-time Key Managerial Personnel of the Bank.

The Reserve Bank of India vide its circular No. RBI/2023-24/70 DOR.HGG.GOV.REC.46 /29.67.001/2023-24 dated October 25, 2023, directed to ensure the presence of at least two Whole Time Directors (WTDs), including the MD & CEO, on Board. In compliance to these instructions, it was further stipulated that banks that currently do not meet the minimum requirement as above are advised to submit their proposals for the appointment of WTD(s) under Section 35B(1)(b) of the Banking Regulation Act, 1949, within a period of four months from October 25, 2023 (i.e by 24th February, 2024). Further Based on request submitted by the Bank, RBI vide letter No DoR. GOV. No. 6875/08.51.001/2023-24 dated February 27, 2024 has approved extension for submitting application to RBI for the appointment of WTD(s) till May 11, 2024.

In order to fill the position of Whole Time Director, as recommended by the Nomination and Remuneration Committee and the Board of Directors (vide resolution DBR/SEC/S- 4/2024-25 dated April 5, 2024), the Bank has submitted the application for the appointment of WTD. The Reserve Bank of India, vide its letter no. DoR.GOV. No. 1646/08.51.001/2024-25 dated June 14, 2024, has conveyed their approval for the appointment of Sri. Dolphy Jose as Whole-time Director (Executive Director) of the Bank for a period of three years with effect from the date of taking charge.

Further as per Regulation 17 (1C) of SEBI (LODR) Regulations, 2015, the listed entity shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Sri. Dolphy Jose (DIN: 10682246), aged 54 years, is an accomplished banker with more than 25 years of experience. He has rich experience in driving & establishing businesses in the Retail and Commercial Banking space with significant expertise in both Retail assets and liabilities, Branch Banking, P & L Management, Institutional & Government Business. Proven expert in building distribution, establishing strategic partnerships including Co-Lending and focusing on non-branch business, exploiting the strength in digital capabilities to establish new channels ensuring seamless integration for acquisition, underwriting and disbursements, leveraging bank's capabilities to test, validate, build & scale businesses. He was associated with The Karur Vysya Bank, as Chief General Manager & Group Head- Consumer Banking. He had almost two decades of association with Kotak Mahindra Bank Ltd. His last position held with Kotak Mahindra Bank was as Executive Vice President - Institutional business (Retail Liabilities).

Sri. Dolphy Jose (DIN: 10682246) meets the fit and proper criteria as prescribed by the Reserve Bank of India and is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Bank. In the opinion of the Board, he fulfils the conditions for the said appointment as prescribed under the relevant provisions of the Act and the relevant Rules made thereunder, the SEBI Listing Regulations, the Articles of Association of the Bank, the Banking Regulation, Act, 1949 and other guidelines issued by the Reserve Bank of India, from time to time. Sri. Dolphy Jose has the requisite qualifications, skills, experience and expertise in various functional areas, which are beneficial to the Bank. He has furnished to the Bank his consent to act as the Whole-time Director (Executive Director) affirmed that he is not de-barred from holding office of Director by virtue of any order of Securities and Exchange Board of India or any such other authority. In respect of whom the Bank has received a notice in writing, proposing his candidature for the office of director of the Bank.

DETAILS OF REMUNERATION & PERQUISITES PAYABLE TO MR. DOLPHY JOSE AS EXECUTIVE DIRECTOR FOR THE PERIOD 15/07/2024 TO 14/07/2027

Name of Whole Time Director and Role (MD&CEO, Executive Director, WTD or CEO): Mr. Dolphy Jose, Executive Director (Whole Time Director) (MRT/KMP)					
	Particulars	**Amount in INR per annum (Existing)**	**Amount in INR per annum (Proposed)**	**Reason for change**	**Remarks**
	Fixed Pay (including perquisites)				
1	Salary	Not Applicable	75,00,000.00	Not Applicable	Consolidated basic salary of INR 75,00,000.00 (Rupees Seventy-Five Lakhs Only) per annum (i.e Rs.6,25,000 per month) with an annual increment of 10% of the basic salary. The increment in the scale shall automatically fall due on an annual basis and shall be granted on the 1st day of the month in which it falls due.
2	Dearness allowance	Not Applicable	0.00	Not Applicable	0.00
3	Retiral/Superannuation benefits	Not Applicable	18,75,454	Not Applicable	(a+b+c+d)

Name of Whole Time Director and Role (MD&CEO, Executive Director, WTD or CEO): Mr. Dolphy Jose, Executive Director (Whole Time Director) (MRT/KMP)					
	Particulars	**Amount in INR per annum (Existing)**	**Amount in INR per annum (Proposed)**	**Reason for change**	**Remarks**
	(a) Provident Fund/ NPS	Not Applicable	7,50,000.00	Not Applicable	10% of the total emoluments every month will be contributed by the bank to NPS with equal contribution by Director
	(b) Gratuity	Not Applicable	3,60,577	Not Applicable	As per the rates of gratuity applicable to other Executives of the Bank, irrespective of period of service.
	(c) Pension	Not Applicable	0.00	Not Applicable	0.00
	(d) Leave Encashment	Not Applicable	7,64,877	.....	(Upto 33 days per annum, can encash the un-availed leave on cessation of the term of employment from the Bank)
4	Leave Fare Concession/ Allowance	Not Applicable	2,00,000.00	Not Applicable	0.00
5	Other fixed allowances, if any (please specify)*	Not Applicable	1,86,000.00	Not Applicable	As detailed in Annexure 1
	*Consolidated allowance, if any, to be given with details of heads it subsumes	0.00	0.00	0.00	0.00
	Perquisites:	0.00	0.00	0.00	**Other perquisites as detailed in Annexure 2**
6	Free Furnished House and its maintenance/ House Rent Allowance	Not Applicable	9,60,000.00	Not Applicable	Free Furnished House/flat including its maintenance not exceeding Rs.80,000 per month or Fixed HRA of Rs. 80,000 per month. He shall be permitted to incur expenditure up to Rs.10 lakh towards furniture and fixtures, including air-conditioners for his official quarters. On demitting office, the Bank is allowed to offer to him and he may purchase at his options the said furniture, fixtures, fittings, appliances etc. at the then book value with a minimum value of 10% of the original price.

Name of Whole Time Director and Role (MD&CEO, Executive Director, WTD or CEO): Mr. Dolphy Jose, Executive Director (Whole Time Director) (MRT/KMP)					
	Particulars	**Amount in INR per annum (Existing)**	**Amount in INR per annum (Proposed)**	**Reason for change**	**Remarks**
7	Conveyance Allowance/Free use of bank's car for	0.00	0.00	Not Applicable	**As detailed in Annexure 3**
	(a) Official purposes	Not Applicable	0.00	Not Applicable	
	(b) Private purposes	Not Applicable	0.00	Not Applicable	
8	Driver(s)' salary	0.00	0.00	Not Applicable	Bank's Driver will be provided. The driver is in the payroll of the Bank and a permanent employee as per IBA scale - award staff. Hence the value is not quantified to accommodate the changes in wages payable to the staff from time to time being IBA scale - award staff.
9	Club Membership(s)	Not Applicable	2,00,000.00	Not Applicable	Membership of a club of his choice, upto Rs.6,00,000.00 will be borne by the Bank during his tenure of 3 years.
10	Reimbursement of medical expenses (Insurance Premium)	0.00	40,000.00	Not Applicable	**As detailed in Annexure 4**
11	Any other perquisites (please specify)	Not Applicable	37,500.00	Not Applicable	Reimbursement of cost of telephone upto Rs.75000 once in two years
	Total	Not Applicable	**1,09,98,954.00**		
12	Leave and other details				**As detailed in Annexure 5**

Name of Whole Time Director and Role (MD&CEO, Executive Director, WTD or CEO): Mr. Dolphy Jose, Executive Director (Whole Time Director) (MRT/KMP)					
	Particulars	**Amount in INR per annum (Existing)**	**Amount in INR per annum (Proposed)**	**Reason for change**	**Remarks**
	Variable Pay @	**Amount in INR per annum (Existing)**	**Amount in INR per annum (Proposed)**	**Reason for change**	**Remarks**
	Indicate performance cycle of Variable Pay				
1	**Cash component**				
(a)	Upfront payment	Not Applicable	40,00,000.00	Not Applicable	50% On signing of Balance sheet/ expiry of term subject to annual performance review
(b)	First Year deferred component	Not Applicable	12,00,000.00	Not Applicable	15% On completion of 1st year from the date 1st year payment of variable pay
(c)	Second Year deferred component	Not Applicable	12,00,000.00	Not Applicable	15% On completion of 2nd year from the date 1st year payment of variable pay
(d)	Third Year deferred component	Not Applicable	16,00,000.00	Not Applicable	20% On completion of 3rd year from the date 1st year payment of variable pay
(e)	.....	Not Applicable	0.00	Not Applicable	
	Total cash component	Not Applicable	80,00,000.00	Not Applicable	
2	**Non-cash/Share-linked Component(s)**				
	(Share-linked instruments):				
	(i) ESOP/ESOS				In case of non-cash component (Share based incentive scheme) there is statutory vesting period of 1 year
(a)	First Year deferred component	Not Applicable	30,00,000.00	Not Applicable	30%, which will be vested on completion, of 1st year from the date 1st year payment of variable pay.

Name of Whole Time Director and Role (MD&CEO, Executive Director, WTD or CEO): Mr. Dolphy Jose, Executive Director (Whole Time Director) (MRT/KMP)					
	Particulars	**Amount in INR per annum (Existing)**	**Amount in INR per annum (Proposed)**	**Reason for change**	**Remarks**
(b)	Second Year deferred component	Not Applicable	30,00,000.00	Not Applicable	30%, which will be vested on completion, of 2nd year from the date 1st year payment of variable pay.
(c)	Third Year deferred component	Not Applicable	40,00,000.00	Not Applicable	40%, which will be vested on completion, of 3rd year from the date 1st year payment of variable pay.
(d)	.....	Not Applicable	0.00	Not Applicable	
	Total monetary value	Not Applicable	**1,00,00,000.00**	Not Applicable	
	(ii) .....(Any other non-cash/share-linked instruments)			Not Applicable	
(a)	Upfront component, if any	0.00	0.00	Not Applicable	
(b)	First Year deferred component	0.00	0.00	Not Applicable	
(c)	Second Year deferred component	0.00	0.00	Not Applicable	
(d)	Third Year deferred component	0.00	0.00	Not Applicable	
(e)	.....	0.00	0.00	Not Applicable	
	Total monetary value	0.00	**0.00**	Not Applicable	
	Total monetary value of non-cash component(s)	Not Applicable	**1,00,00,000.00**	Not Applicable	
	Total monetary value of Variable Pay (Cash and non-cash components)	Not Applicable	**1,80,00,000.00**	Not Applicable	The variable pay shall be proportionately increased due to the increment in the scale, i.e. 10% in basic pay on annual basis w.e.f. 1st day of the month in which it falls due.
	% of Cash Component in Total Variable Pay	Not Applicable	44.44%	Not Applicable	

Name of Whole Time Director and Role (MD&CEO, Executive Director, WTD or CEO): Mr. Dolphy Jose, Executive Director (Whole Time Director) (MRT/KMP)					
	Particulars	**Amount in INR per annum (Existing)**	**Amount in INR per annum (Proposed)**	**Reason for change**	**Remarks**
	% of Non-cash component in Total Variable Pay	Not Applicable	55.56%	Not Applicable	
	% of Variable Pay to Fixed Pay	Not Applicable	163.65%	Not Applicable	
	and % of Variable Pay in Total Compensation (for the same FY/ Performance Period)	Not Applicable	62.07%	Not Applicable	
	Total Compensation (Fixed Pay + Variable Pay)	Not Applicable	**2,89,98,954.00**	Not Applicable	

`@ Note:

1. The variable pay shall be subject to performance review by the Nomination and Remuneration Committee of the Board based on the criteria of evaluation as may be fixed by the NRC/Board from time to time.
2. The variable pay shall be subject to Deferral, Malus/Claw-back clause as per the RBI guidelines and Compensation Policy of the Bank.
3. The total managerial remuneration shall be subject to applicable RBI guidelines, issued from time to time.
4. Variable pay shall be vested/ awarded (Both cash and non-cash component) on signing of Balance sheet/ expiry of term subject to annual performance review
5. Computer and i-pad as per Bank's policy
6. Leave and encashment of leave as applicable to other executives of the Bank
7. The Remuneration (both Fixed and variable pay) and annual increment are subject to RBI approval.

ANNEXURE 1 Other fixed allowances, if any (please specify)*					
1	Entertainment Allowance Upto a maximum ceiling of Rs 1,50,000/ -per annum Fixed	Not Applicable	1,50,000.00	Not Applicable	0
2	Employees Stock Option Scheme	0	0	Not Applicable	Which will form part of variable pay
3	Insurance	0	0	Not Applicable	Travel, accident and death benefits / insurance of Rs.50 lakh both on and off duty.
4	Telephone Free use of bank's phone at residence for official purpose.	Not Applicable	36000	Not Applicable	Upto Rs.3000 per month

Name of Whole Time Director and Role (MD&CEO, Executive Director, WTD or CEO): Mr. Dolphy Jose, Executive Director (Whole Time Director) (MRT/KMP)				
Particulars	**Amount in INR per annum (Existing)**	**Amount in INR per annum (Proposed)**	**Reason for change**	**Remarks**
Total		**1,86,000.00**		
		ANNEXURE 2 Perquisites		
Official Travel Highest class by whichever mode within the country and Business class by air for foreign travel.	**0.00**	**0.00**		Value of perquisite is taken as nil since it is actual reimbursement of expense incurred during official duty Excluded from fixed pay since reimbursable without any monetary ceilings.
Lodging Expenses Actual charges incurred supported by bills / vouchers.	**0.00**	**0.00**	Not Applicable	
Boarding charges Actual charges incurred (other than alcoholic drinks) supported on production of bills/ vouchers.	**0.00**	**0.00**	Not Applicable	
Per Diem charges/HA a) Rs.2,000/- per day for halting in Mumbai, Delhi, Kolkata and Chennai and Rs.1,500/- per day for halting in all other places in India in case boarding expenses are not claimed. b) Rs.4,000/- per day for halting in Mumbai, Delhi, Kolkata and Chennai and Rs.3,000/- per day for halting in all other places in India in case boarding and lodging expenses are not claimed.			Not Applicable	

Name of Whole Time Director and Role (MD&CEO, Executive Director, WTD or CEO): Mr. Dolphy Jose, Executive Director (Whole Time Director) (MRT/KMP)					
	Particulars	**Amount in INR per annum (Existing)**	**Amount in INR per annum (Proposed)**	**Reason for change**	**Remarks**
	ANNEXURE 3 Conveyance Allowance/Free use of bank's car				
	for official purposes	Nil	Nil	Not Applicable	He can choose any car at his option upto Rs 35 lakhs in Bank's name and the entire maintenance/fuel charges will be borne by the Bank
	for private purpose on compensating the bank with suitable amt.	Nil	Nil	Not Applicable	Recovery of Rs.250/- p.m. up to 750 kms. Charges for private use of the car in excess of 750 kms. p.m. will be 60% of the rate fixed by RTA.
	On demitting office	0	0	Not Applicable	The Bank may offer to him and he may purchase at his options the said motor car at the then book value with a minimum value of 10% of the original price.
	ANNEXURE 4 Reimbursement of medical expenses				
	Medical Insurance for self and dependent family members (Rs.9 lakhs) as applicable to the other executives	0.00	40,000.00		Present value of premium,
	ANNEXURE 5 Leave and other details				
1	Casual Leave	12 working days in a year provided that not more than 4 days casual leave may be availed at any one time. No accumulation or conversion of casual leave is permitted.			
2	Privilege Leave	On full emoluments computed at 1 day for 11 days of service on duty. PL may be accumulated up to and not exceeding 240 days except wherever leave has been applied and it has been refused.			
3	Sick Leave	30 days Sick Leave for each completed year of service. Such leave could be accumulated up to 360 days. Sick Leave will be on half the emoluments unless twice the amount of such leave is debited to Sick Leave.			
4	Encashment of Leave	As applicable to other Executives of the Bank. Balance of PL unavailed is permitted to be encashed at the time of final demission of office.			

The above remuneration and terms are subject to any such changes as may be stipulated by the Reserve Bank of India from time to time and in compliance to Reserve Bank of India guidelines, SEBI Regulations, Companies Act, 2013 and rules made thereunder as may be amended from time to time and the Board of Directors are authorized to modify, approve, and accept such terms, conditions, stipulations, alterations, amendments or modifications, if any, stipulated by the Reserve Bank of India from time to time and in compliance with the any act, rules, regulations applicable to the Bank.

Additional information in respect of Sri. Dolphy Jose, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), is given as Annexure to this Notice.

The Nomination and Remuneration Committee and Board of Directors recommends the resolution in relation to the appointment of Sri. Dolphy Jose as Whole Time Director (Executive Director)/ Material Risk Taker and Whole-time Key Managerial Personnel of the Bank as set out in item No. 5 for approval of the Members by way of an Ordinary Resolution.

Save and except Sri. Dolphy Jose none of the Directors and Key Managerial Personnel or relatives thereof are, in any way, concerned or interested financially or otherwise in passing the resolution set out at Item No. 5.

Item No. 6: To appoint Sri. Jose Joseph Kattoor (DIN: 09213852) as Independent Director of the Bank.

The Board of Directors have appointed Sri. Jose Joseph Kattoor (DIN: 09213852) as an Additional Director (Independent Director), as provided under section 161(1) of the Companies Act, 2013 on July 18, 2024.

Sri. Jose Joseph Kattoor (DIN: 09213852), aged 61 years, has an extensive work experience in Reserve Bank of India (RBI), for a period of more than 32-years. He retired as Executive Director of RBI in June, 2023. He has retired from the service after heading four Departments as Executive Director, viz. Enforcement Department, Corporate Strategy Department, Currency Department and Human Resource Department of RBI.

Sri. Jose Joseph Kattoor, holds BSc Degree, PGDRM (IRMA), LLB, CAIIB, AMP (Wharton). Presently he is acting as Independent Director at Receivables Exchange of India Ltd (RXIL) and also playing role of Senior Consultant on regulatory matters to M/s. Khaitan & Co.

Further as per Regulation 17 (1C) of SEBI (LODR) Regulations, 2015, the listed entity shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

In this regard the Nomination & Remuneration Committee ('NRC') had assessed the profile of Sri. Jose Joseph Kattoor (DIN: 09213852) and having found him to be 'Fit and Proper' in terms of the Reserve Bank of India's Circular on 'Fit and proper' criteria for directors of banks, and after determining his suitability for appointment by undertaking a due diligence process and performance evaluation in terms of Sections 149, 150, 152, 160 read with Schedule IV of the Act and SEBI regulations. In the opinion of the Board, Sri. Jose Joseph Kattoor, fulfils the conditions specified in the Act, the rules made thereunder and SEBI Regulations and that he is independent of the management.

Further proposed capabilities required for the role and the manner in which the proposed person meets such requirements as considered and approved by the Nomination and Remuneration Committee and the Board of Directors are detailed below.

Capabilities required for the role	The manner in which the proposed person meets such requirements
Skills and capabilities required: Banking, Human Resource, Risk, Law, Agriculture and Rural Economy. He is proposed to be appointed as non-executive independent director	Sri. Jose Joseph Kattoor is an exemplary candidate for the role of an Independent Director, possessing a diverse and robust skill set tailored to the position's requirements. He brings extensive experience in banking, having worked at the Reserve Bank of India (RBI) from 1991 to 2023, where he headed key departments including the Enforcement Department, Corporate Strategy Department, Currency Department, and Human Resource Department, as well as gaining experience in the Supervision and Public Debt Office. His comprehensive background in risk management, regulatory functions, and corporate governance makes him well-suited for effective oversight and strategic planning. Sri. Jose Joseph Kattoor's academic credentials, including a BSc, LLB, CAIIB, and AMP from Wharton, provides a solid foundation in legal expertise and strategic planning. His PGDRM from the Institute of Rural Management, Anand (IRMA), and certification in SME Finance for Bankers from the Indian Institute of Banking and Finance (IIBF) demonstrate his specialized knowledge in agriculture, rural economy, and small-scale industry. Additionally, his tenure in the Financial Inclusion and Development Department (FIDD) of RBI for over two years and his experience with the Kerala Milk Marketing Federation Ltd (KCMMF)(MILMA) for over four years, where he was closely associated with the planning of Operation Flood initiated by the National Dairy Development Board in Kerala, underscore his deep understanding of agricultural and rural economic development.

Sri. Jose Joseph Kattoor (DIN: 09213852) has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and he is eligible to be appointed as an Independent Director of the Bank. The Bank has received a notice in writing, proposing his candidature for the office of director of the Bank.

The detailed profile and additional information in respect of Sri. Jose Joseph Kattoor, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), is given as Annexure to this Notice.

The Nomination and Remuneration Committee of Board and Board of Directors recommends the resolution in relation to the appointment of Sri. Jose Joseph Kattoor (DIN: 09213852) as Non- Executive Independent Director of the Bank as set out in item No. 6 for approval of the Members by way of a Special Resolution.

Save and except Sri. Jose Joseph Kattoor none of the Directors and Key Managerial Personnel or relatives thereof are, in any way, concerned or interested financially or otherwise in passing the resolution set out at Item No. 6.

Item No. 7: Raising of funds by way of issuance of Equity Shares / Other Securities

Particulars of the issuance of Securities: The present authorized capital of the Bank is ₹ 400.00 crore and the Issued and Paid-up Capital of the Bank as on date is ₹ 261,61,65,774 divided in to 261,61,65,774 Equity shares of ₹1/- each. During the financial year the Bank issued 52,31,85,254 equity shares of face value of ₹1 each at ₹22/- per rights equity share for an amount aggregating to ₹1151.01 Crore, on a rights basis on March 27, 2024. Further two allotment of the equity shares have been made to Former MD & CEO, Sri. Murali Ramakrishnan under SIB Employees Stock Option Scheme ("SIB ESOS 2008) on April 25, 2024 and June 25, 2024 of 1,19,751 each.Pursuant to the aforesaid allotments, the paid-up equity share capital of the Bank has increased from ₹209,27,41,018/- comprising of 209,27,41,018 fully paid-up equity shares as on March 31, 2023 to ₹261,61,65,774/-, comprising of 261,61,65,774 fully paid-up Equity Shares of face value of ₹1/- each as on date.

The Bank has implemented SIB Employees Stock Option Scheme ("SIB ESOS 2008) the granted ESOS options (till 30.06.2024) when fully exercised would increase the issued, subscribed and paid-up capital to ₹262,60,49,680 divided into 262,60,49,680 Equity shares of ₹1/- each. The Bank's capital to Risk Weighted Assets Ratio (CRAR) as on June 30, 2024 stood at 18.11 under Basel III as against the regulatory requirement of 11.50.

A banking company requires adequate capital not only to meet the needs of growing business, but also to meet the applicable regulatory requirements. As business grows, capital requires to be augmented. The objective of every commercial enterprise is to grow. Added to the economic and regulatory factors, innovative technological banking methods are to be introduced and such methods to be not only updated, but also have to be upgraded from time to time.

The Bank expects to continue its robust growth trajectory in medium to long-term. Availability of adequate capital is one of the key requirements for achieving this growth. Apart from augmenting lending capabilities for the Bank, higher capital requirement is also necessitated to comply with BASEL III capital requirements, funding investments in Infrastructure and Technology to expand reach, enhance customer experience and augmenting processes and controls. As a proactive move to leverage the available business opportunities and for maintaining appropriate regulatory capitalization levels, the Bank proposes to raise additional capital aggregating up to ₹ 750.00 Crore (Rupees Seven Hundred and Fifty Crore only) as may be necessary, inclusive of any premium, by way of placement of Securities or a combination thereof to Qualified Institutional Buyers through Qualified Institutions Placement (QIP) and/ or private placement or issue of fully convertible debentures, and/or any other financial instruments or securities convertible into Equity Shares with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, rupee denominated or any other methods. The issue of securities may be consummated in one or more tranches at such mode, at such time or times, at such price, at a discount or premium to market price or prices in such manner and on such terms and conditions as the Board may in its absolute discretion decide, taking into consideration prevailing market conditions and other relevant factors and wherever necessary in consultation with advisors, lead managers, underwriters and such other authority or authorities as may be necessary and subject, to, as applicable, the SEBI ICDR Regulations, and other applicable guidelines, notifications, rules and regulations, each as amended.

The Board may in their discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the members of the Bank.

Basis or Justification of Price: The issue of Securities may be consummated through single or multiple offer

documents, in one or more tranches, at such time or times, at such price, at a discount or premium to market price in such manner and on such terms and conditions as the Board may in its absolute discretion decide taking into consideration prevailing market conditions and other relevant factors and wherever necessary in consultation with the book running lead manager(s) and other agencies and subject to the SEBI ICDR Regulations and other applicable laws, regulations, rules and guidelines. The price at which Securities shall be allotted in the Offering shall not be less than the price determined in accordance with the SEBI ICDR Regulations, through either the book building mechanism (in case of a public offer) or a prescribed formula, as the case maybe. Provided that the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI ICDR Regulations.

Relevant Date: In case of a QIP, the "Relevant Date" will be the date when the Board (including any Committee thereof) decides to open the qualified institutions placement for subscription or any other date in accordance with applicable law. In case of other type of issuance, relevant date shall be as per applicable law.

Objects of the offering: The Bank shall utilize the proceeds from the offering (after adjustment of expenses related to the offering, if any) at various stages for augmentation of our Bank's Tier-I capital base to meet our Bank's future capital requirements.

Schedule of the Offering: The detailed terms and conditions for the offering will be determined in consultation with the advisors, book running lead managers, merchant bankers, underwriters and such other authority or authorities as may be required, considering the prevailing market conditions and other regulatory requirements for different kinds of issuances. The allotment of the Securities pursuant to the Issue shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event a QIP is undertaken, the allotment shall be completed within 365 days from the date of this resolution.

Being a listed company the price of shares to be issued on a preferential basis shall not be required to be determined by the valuation report of a registered valuer.

The Equity Shares allotted would be listed on one or more stock exchanges in India and in case of ADR/GDR, internationally. The offer/issue/allotment would be subject to the availability of the regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations.

As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures/ intimation will be made to the stock exchanges as may be required under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations") and other applicable laws.

The Equity Shares issued, if any, shall rank pari passu in all respects with the existing Equity Shares of the Bank, including entitlement to dividend, if any.

The resolution is proposed to be passed as a special resolution pursuant to Section 23, 41, 42, 62(1)(c) and other applicable provisions of the Companies Act, 2013.

Section 62(1) (a) of the Companies Act, 2013, provides, inter-alia, that where it is proposed to increase the subscribed share capital of the Bank by issue and allotment of further shares, such further shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the Bank, in proportion to the capital paid-up on those shares as of that date. Such issue is generally known as the rights issue. The Listing Regulations also stipulate that unless the shareholders in a general meeting decide by way of a special resolution, shares cannot be issued except by way of a rights issue. Since, the special resolution proposed in the business of the Notice may result in the issue of Equity Shares of the Bank to persons other than shareholders of the Bank, consent of the shareholders is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the Listing Agreements executed by the Bank with the stock exchanges where the equity shares of the Bank are listed.

The special resolution under this item seeks the consent of the shareholders to make an issue of securities. The proposal also seeks to confer upon the Board absolute discretion to offer, issue and allot Securities or combination thereof in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/or individuals or to the investors who may or may not be the existing members of the Bank or otherwise as the Board in its absolute discretion deem fit. The Board will fix the detailed terms of the final size of the offering, mode, exact timing, pricing of the issue and other related aspects after careful analysis and in consultation with the merchant/investment bankers, book runners and/or lead manager(s) and/or underwriter(s) and/ or advisor(s) and/or such other person(s), keeping in

view of the prevailing market conditions and in line with the extant guidelines issued by SEBI, RBI or any other statutory and/or other regulatory authorities.

The proposed offer is in the interests of the Bank and the Directors recommend the passing of the Special Resolution, as set forth in Item No.7 of this Notice for approval by the Members of the Bank.

The Directors, Key Managerial Personnel of the Bank and their respective relatives may be deemed to be concerned or interested in the passing of resolution to the extent of securities issued/allotted to them or to the companies in which they are director or member.

Save as aforesaid, none of the Directors and Key Managerial Personnel of the Bank and their relatives in any way are concerned or interested, financially or otherwise, in passing the resolution set out at Item No. 7.

Item No 8: Raising of funds by issue of Tier-II bonds/ debentures/ securities on private placement basis

The Bank has been borrowing funds to meet the business requirements within the limits approved by the shareholders by way of issuance of various debt securities (bonds/debentures) as permitted by Reserve Bank of India ("RBI") and in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, and other applicable laws, from time to time.

In terms of Section 42 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company can make private placement of securities subject to the condition that the proposed offer of securities or invitation to subscribe securities has been previously approved by the Members of the Company, by a special resolution, for each of the offers or invitations/subscriptions. In case of offer or invitation for subscription of non-convertible debentures, it shall be sufficient if the Company passes a special resolution only once in a year for all the offers or invitation for subscription of such debentures during the year.

Accordingly, the Bank had obtained the approval of Members at the AGM held on 24th August, 2023 for borrowing/raising funds by issue of debt securities pursuant to the relevant provisions of the applicable circulars or guidelines issued by RBI, up to ₹500.00 Crore (Rupees Five Hundred Crore only), in one or more tranches. However, the Bank has not raised any Debt Capital during the financial year 2023-24.

Pursuant to the approval of RBI vide its letter ref. DOR. CAP.S959/21-01-002/2024-25 dated May 14, 2024, the Bank has exercised the call option of Bank's Non-convertible, Redeemable, Fully Paid-Up, Unsecured, Basel III compliant Tier 2 Bonds with ISIN INE683A08044, listed on BSE with face value of ₹ 1,00,000/- (Rupees One Lakh only) each at Par (with coupon rate at 11.75% p.a.) aggregating to Rs.250.00 crore and has made timely payment of Principal amount along with interest on aforesaid bond from last interest payment due date i.e. March 26, 2024 to June 25, 2024, on June 26, 2024.

The Reserve Bank of India ("RBI") has issued its Master Circular - Basel III Capital Regulations" on May 12, 2023 and "Issue of Long-Term Bonds by Banks - Financing of Infrastructure and Affordable Housing" on July 15, 2014. These guidelines enable banks to raise Unsecured Perpetual Debt Instruments (part of Additional Tier I capital), Tier II Capital Bonds and Long Term Bonds (financing of infrastructure and affordable housing) from the market.

In order to facilitate the raising of funds by way of issue of debt securities, it would be necessary to have the fresh approval of members in place. Accordingly, the Board of Directors, after assessing its fund requirements, has proposed to obtain the consent of the Members of the Bank for borrowing/raising funds in Indian/foreign currency by issue of debt securities including but not limited to non-convertible debentures, bonds, etc., pursuant to the relevant provisions of the applicable circulars or guidelines issued by RBI, up to ₹ 750.00 Crore (Rupees Seven Hundred and Fifty Crore only), in one or more tranches in domestic and/ or overseas market, as per the structure and within the limits permitted by RBI and other regulatory authorities, to eligible investors on private placement basis, on such terms and conditions as the Board of Directors or any Committee(s) thereof or such other persons as may be authorized by the Board, from time to time, determine and consider proper and appropriate for the Bank. This would form part of the overall borrowing limits under Section 180(1)(c) of the Companies Act, 2013. The Resolution under Section 42 of Companies Act, 2013 shall be valid for a period of one year from the date of passing of this resolution.

The pricing of the debt securities referred above depends on various factors which may include prevailing risk free rates, competitor rates of similar rating and tenor in the domestic or overseas markets, investor appetite for such instruments and prevailing investor regulations. Further, debt securities may be issued either at par/premium to the face value depending upon the prevailing market conditions, as permitted by the relevant applicable regulations.

Accordingly, the approval of Members is being sought by way of special resolution as set out at in Item No.

8 of this Notice for borrowing/raising funds in Indian/ foreign currency by issue of debt securities on private placement basis.

Your Board recommends the Special Resolution, as set forth in Item No.8 of this Notice for approval by the Members of the Bank.

None of the Directors, Key Managerial Personnel or Senior Management of the Bank and their relatives in any way are concerned or interested, financially or otherwise, in passing the resolution set out at Item No. 8.

Memorandum of Interest:

The Directors who seek the appointment/ reappointment/change in terms of appointment may be deemed to be interested in the respective resolutions.

By order of the Board
Sd/-
(JIMMY MATHEW)
COMPANY SECRETARY

Place: Thrissur
Date: July 30, 2024

ANNEXURE A

Additional information on Director seeking appointment/ re-appointment/ change in terms of appointment in the Annual General Meeting scheduled to be held on August 27, 2024 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India.

1. Sri. Paul Antony

Name of the Director	Paul Antony (DIN 02239492)
Date of Birth and Age	27.06.1958 Age: 66 years
Date of First Appointment on Board	29.09.2020
Qualification	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 Government 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 organizations 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 and additional Director in Malabar Sports and Recreation Foundation. Further he is also Independent External Monitor of Goa Shipyard Ltd and M/s KIOCL Limited.
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, business management, co-operation, SSI, economics, public distribution system and development of the weaker sections.
Directorship in other Companies	1. Kerala State Industrial Development Corporation Ltd 2. Kerala Lifesciences Industries Parks Private Limited
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Nil
Directorship in listed entities from which director has resigned in the past three years	Nil
Membership of Committees in other Companies	Nil

Name of the Director	Paul Antony (DIN 02239492)
Shareholding in the Bank as on (cut-off date)	17,970 Equity Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil
Details of the remuneration last drawn meetings	Sitting fee – 30,00,000/- for attending Board and committee meetings
Number of Meetings of the Board attended during the year	He has attended all the 15 Board meetings conducted during the FY 2023-24.
Chairman/member of the committee of the board of Directors of this Company as on 31.03.2024	Corporate Social Responsibility Committee - Chairperson NPA Review Committee – Chairperson Management Committee - Member Premises Committee - Member Customer Service 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 and payment of compensation by way of fixed remuneration up to a maximum ₹20,00,000/- (Rupees Twenty Lakh Only) per annum based on profitability at the end of each financial year, as approved by the Shareholder at the 95th Annual General Meeting.

2. Sri. Dolphy Jose

Name of the Director	Dolphy Jose (DIN: 10682246)
Date of Birth and Age	07.09.1969 Age: 54 years
Date of First Appointment on Board	15.07.2024
Qualification	Graduation in Commerce. MBA in General Management from the Institute for Technology & Management. Professional Program in Fintech: Specialisation – Payments & Lending from SP Jain School of Global Management. Specialized Certificate Program in IT & Cyber Security for Senior Management from IDRBT General Management Program from IIM Ahmedabad. Executive Program from ISB Hyderabad Certified Course in Computer Programming from BITS Mumbai.

Name of the Director	Dolphy Jose (DIN: 10682246)
Brief Resume including Experience	Sri. Dolphy Jose, aged 54 years, is an accomplished banker with more than 25 years of experience. He was associated with The Karur Vysya Bank, as Chief General Manager & Group Head- Consumer Banking. He had almost two decades of association with Kotak Mahindra Bank Ltd. His last position held with Kotak Mahindra Bank was as Executive Vice President - Institutional business (Retail Liabilities). He is a seasoned professional with a diverse educational background, including a Professional Program in Fintech: Specialisation – Payments & Lending from SP Jain School of Global Management, an MBA in General Management from the Institute for Technology & Management, complemented with a specialized Certificate Program in IT & Cyber Security for Senior Management from IDRBT, a General Management Program from IIM Ahmedabad, an Executive Program from ISB Hyderabad, a Certified Course in Computer Programming from BITS Mumbai, alongside a degree in Commerce.
Nature of his expertise in specific functional area	He has rich experience in driving & establishing businesses in the Retail and Commercial Banking space with significant expertise in both Retail assets and liabilities, Branch Banking, P & L Management, Institutional & Government Business. Proven expert in building distribution, establishing strategic partnerships including Co-Lending and focusing on non-branch business, exploiting the strength in digital capabilities to establish new channels ensuring seamless integration for acquisition, underwriting and disbursements, leveraging bank's capabilities to test, validate, build & scale businesses.
Directorship in other Companies	Nil
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Nil
Directorship in listed entities from which director has resigned in the past three years	Nil
Membership of Committees in other Companies	Nil
Shareholding in the Bank as on (cut-off date)	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil
Details of the remuneration last drawn	FY 2023-24: N.A Detailed under explanatory statement of Item No.5 of the 96th AGM Notice on Appointment of Sri. Dolphy Jose (DIN: 10682246), as Executive Director.
Number of Meetings of the Board attended during the year	FY 2023-24: N.A (FY 2024-25, attended 2 out of 2 meetings held during his tenure)

Name of the Director	Dolphy Jose (DIN: 10682246)
Chairman/member of the committee of the board of Directors of this Company	Management Committee – Member Stakeholders Relationship Committee - Member Customer Service Committee - Member IT Strategy Committee - Member Special Committee for Monitoring and Follow-up of frauds – 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	Detailed under Item No.5 of the 96th AGM Notice on Appointment of Sri. Dolphy Jose (DIN: 10682246), as Executive Director.

3. Sri. Jose Joseph Kattoor

Name of the Director	Jose Joseph Kattoor (DIN: 09213852)
Date of Birth and Age	28/06/1963 , Age: 61 years
Date of First Appointment on Board	18.07.2024
Qualification	BSc, PGDRM (MBA) from IRMA, LLB (Gujarat University), CAIIB, AMP (Wharton)
Brief Resume including Experience	Sri. Jose Joseph Kattoor (DIN: 09213852), aged 61 years, have an extensive work experience in Reserve Bank of India (RBI), for a period of more than 32-years. He retired as Executive Director of RBI in June, 2023. He has retired from the service after heading four Departments as Executive Director, viz. Enforcement Department, Corporate Strategy Department, Currency Department and Human Resource Department of RBI. His academic credentials includes BSc degree, PGDRM(IRMA), LLB, CAIIB, AMP(Wharton). Presently he is acting as Independent Director at Receivables Exchange of India Ltd (RXIL) and also playing role of Senior Consultant on regulatory matters to a top legal firm.
Nature of his expertise in specific functional area	Sri. Jose Joseph Kattoor is an exemplary candidate for the role of an Independent Director, possessing a diverse and robust skill set tailored to the position's requirements. He brings extensive experience in banking, having worked at the Reserve Bank of India (RBI) from 1991 to 2023, where he headed key departments including the Enforcement Department, Corporate Strategy Department, Currency Department, and Human Resource Department, as well as gaining experience in the Supervision and Public Debt Office. His comprehensive background in risk management, regulatory functions, and corporate governance makes him well-suited for effective oversight and strategic planning.

Name of the Director	Jose Joseph Kattoor (DIN: 09213852)
	Sri. Jose Joseph Kattoor's academic credentials, including a BSc, LLB, CAIIB, and AMP from Wharton, provides a solid foundation in legal expertise and strategic planning. His PGDRM from the Institute of Rural Management, Anand (IRMA), and certification in SME Finance for Bankers from the Indian Institute of Banking and Finance (IIBF) demonstrate his specialized knowledge in agriculture, rural economy, and small-scale industry. Additionally, his tenure in the Financial Inclusion and Development Department (FIDD) of RBI for over two years and his experience with the Kerala Milk Marketing Federation Ltd (KCMMF)(MILMA) for over four years, where he was closely associated with the planning of Operation Flood initiated by the National Dairy Development Board in Kerala, underscore his deep understanding of agricultural and rural economic development.
Directorship in other Companies	Receivables Exchange of India Limited
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Nil
Directorship in listed entities from which director has resigned in the past three years	Nil
Membership of Committees in other Companies	Receivables Exchange of India Ltd : Audit Committee – Chairman Nomination and Remuneration Committee - Member
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	FY 2023-24: N.A Sitting fee for attending Board and committee meetings; FY 2024-25, till 30th July, 2024 ₹1,60,000/-
Number of Meetings of the Board attended during the year	FY 2023-24 : N.A. (FY 2024-25, attended 2 out of 2 meetings held during his tenure.)
Chairman/member of the committee of the board of Directors of this Company	Customer Service Committee – Chairman Audit Committee - Member Risk Management Committee – Member Corporate Social Responsibility Committee – Member

Name of the Director	Jose Joseph Kattoor (DIN: 09213852)
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, Risk, Law, Agriculture and Rural Economy He is proposed to be appointed as non-executive independent director. Sri. Jose Joseph Kattoor is an exemplary candidate for the role of an Independent Director, possessing a diverse and robust skill set tailored to the position's requirements. He brings extensive experience in banking, having worked at the Reserve Bank of India (RBI) from 1991 to 2023, where he headed key departments including the Enforcement Department, Corporate Strategy Department, Currency Department, and Human Resource Department, as well as gaining experience in the Supervision and Public Debt Office. His comprehensive background in risk management, regulatory functions, and corporate governance makes him well-suited for effective oversight and strategic planning. Sri. Jose Joseph Kattoor's academic credentials, including a BSc, LLB, CAIIB, and AMP from Wharton, provides a solid foundation in legal expertise and strategic planning. His PGDRM from the Institute of Rural Management, Anand (IRMA), and certification in SME Finance for Bankers from the Indian Institute of Banking and Finance (IIBF) demonstrate his specialized knowledge in agriculture, rural economy, and Small-Scale Industry. Additionally, his tenure in the Financial Inclusion and Development Department (FIDD) of RBI for over two years and his experience with the Kerala Milk Marketing Federation Ltd (KCMMF)(MILMA) for over four years, where he was closely associated with the planning of Operation Flood initiated by the National Dairy Development Board in Kerala, underscore his deep understanding of agricultural and rural economic development.
Terms and conditions of appointment/reappointment including remuneration	He is eligible for sitting fees for attending the Board and its Committee Meetings as approved by the Board subject to the provisions of the applicable laws and payment of compensation by way of fixed remuneration up to a maximum ₹20,00,000/- (Rupees Twenty Lakh Only) per annum based on profitability at the end of each financial year, as approved by the Shareholder at the 95th Annual General Meeting.

ANNEXURE B

Instructions on Deduction of Tax at Source on Dividend

As per the Income-tax Act, 1961 (the Act), as amended by the Finance Act, 2020, dividend paid or distributed by Bank after April 1, 2020 shall be taxable in the hands of the shareholders. The Bank shall therefore be required to deduct tax at source (TDS) under section 194 or section 195 of the Act at the prescribed rates at the time of making the payment of the said dividend to shareholders. The TDS rate would vary depending on the residential status of the shareholder, constitution, and the documents submitted by them and accepted by the Bank. Further, higher rate of TDS would be applicable if pursuant to section 206AA of the Act valid permanent account number (PAN) has not been provided by shareholder or pursuant to section 206AB of the Act, shareholder being a specified person. A specified person is one who has not complied with filing of income tax returns for last one year and is having TDS and/or Tax Collection at Source (TCS) of ₹ 50,000 or more in last one year. A non-resident not having permanent establishment in India is not considered as a specified person.

Accordingly, the dividend will be paid by the Bank after deducting tax at source, as applicable, as explained herein.

A. Resident Shareholders

1. For Resident Shareholders, TDS will be applicable at 10% on the amount of dividend. In case, valid PAN is not provided or shareholder is a specified person, then the TDS will be applicable at 20% of the amount of dividend. Accordingly, shareholders who have not provided their PAN are requested to provide the same to the Bank or its Registrar and Share Transfer Agent M/s. Link Intime India Private Limited (in respect of shares held in physical form) or to the Depository Participant (in respect of shares held in electronic form), immediately. Any submission/ updation of PAN after **20th August, 2024, 05:00 PM (IST)** will not be considered for the purpose of processing the dividend for the FY 2024.

   No tax shall be deducted on the dividend payable if either of the below two conditions are fulfilled:

   (i) Total dividend payable to a resident individual shareholder does not exceed ₹ 5,000 per year OR

   (ii) The shareholder has provided duly filled and signed Form 15G (applicable. to any person other than a company or a Firm)/ Form 15H (applicable to an Individual above the age of 60 years) with valid PAN and provided that all the required eligibility conditions are met.

2. The following Resident Shareholders should be eligible for Nil/Lower Rate of TDS upon providing the documents to the Bank mentioned hereunder to the satisfaction of the Bank:

Sr. No.	Particulars	Applicable Rate of TDS	Documents Required
1	Insurance Companies	Nil	• Declaration that it is an Insurance Company as specified under Proviso to section 194 of the Act • Self-attested copy of certificate of registration with IRDAI. • Self-attested copy of PAN card.
2	Government, Reserve Bank of India (RBI), Specified Corporations established by or under Central Act whose income is exempt from tax, and Mutual Funds specified under section 10(23D) of the Act	Nil	• Declaration that it is covered by section 196(iii) of the Act read with the Circulars issued thereunder • Self-attested copy of relevant registration Documents • Self-attested copy of PAN card

Sr. No.	Particulars	Applicable Rate of TDS	Documents Required
3	Category - I & II Alternative Investment Funds (AIF) registered with the Securities and Exchange Board of India (SEBI)	Nil	• Declaration that their income is exempt under section 10 (23 FBA) of the Act and they are governed by SEBI regulations as Category I or Category II AIF • Self-attested copy of SEBI AIF registration certificate • Self-attested copy of the PAN card
4	Shareholders exempted from TDS provisions in terms of any provisions of the Act or CBDT Circular or notification	Nil	• Declaration that It is covered by CBDT circular or Notification • Documentary evidence Supporting the exemption status in terms of any provisions of the Act or CBDT Circular or notification • Self-attested copy of PAN card
5	All resident shareholders	Rate specified in the low deduction certificate issued by the income tax department	• Self-attested copy of certificate under section 197 of the Act

B. Non-Resident Shareholders

1. For Non-resident institutional shareholders being Foreign Institutional Investors/ Foreign Portfolio Investor (FII/FPI), TDS will be applicable under section 196D of the Act, at 20% or as per the rate in any applicable Double Tax Avoidance Agreement (tax treaty) on submission of documents mentioned below, whichever is lower, on the amount of dividend payable.
2. For other Non-resident shareholders, TDS will be applicable in accordance with the provisions of section 195 of the Act, at the rate in force which is currently 20% or as per the rate in any applicable tax treaty on submission of documents mentioned below, whichever is lower, on the amount of dividend payable.
3. The non-resident shareholders who has a permanent establishment in India and is a specified person would be liable for twice the rate of TDS as applicable to them.
4. If certificate under section 197 and 195 of the Act is obtained by non-resident shareholders for lower/Nil withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

Pursuant to section 90(2) of the Act, non-resident shareholders (other than Depository for ADRs) have the option to avail the benefit of tax treaty between India and the countries of their tax residence for which such non-resident shareholders will have to provide the following documents, to the satisfaction of the Bank:

1. Self-attested copy of the PAN allotted by the Indian Income Tax Authorities; If the PAN is not allotted, please submit self-declaration.
2. Self-attested copy of Tax Residency Certificate (TRC) (for FY 2024-25) obtained from the tax authorities of the country of which the shareholder is resident. In case, the TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter duly notarized and apostilled copy of the TRC would have to be provided.
3. Self-declaration in Form 10F for FY 2024-25 if all the details required in this Form are not mentioned in the TRC.
4. Self-declaration by the non-resident shareholder as to:
   (i) Eligibility to claim tax treaty benefits based on the tax residential status of the shareholder;
   (ii) The shareholder did not at any time during the relevant year have permanent establishment/ fixed base in India in accordance with the applicable tax treaty;
   (iii) Shareholder being the beneficial owner of the dividend income to be received on the equity shares.

Please note that in case of non-resident shareholders Self Declaration of no Permanent Establishment and Beneficial ownership should be on the letterhead of the shareholder for claiming tax treaty benefits or/and to avoiding higher TDS as per section 206AB of the Act.

Please note that the Bank in its sole and absolute discretion reserves the right to call for any further information and/or to apply domestic law/tax treaty for TDS.

General Instructions:

1. All the above referred TDS rates shall be duly enhanced by applicable surcharge and cess, wherever applicable. However, if the TDS rate as per DTAA is applied, no surcharge or cess is leviable.
2. Shareholders holding shares in dematerialized mode, are requested to update their records such as tax residential status, PAN, address, bank account details, email addresses and mobile numbers with their depository participants. Shareholders holding shares in physical mode are requested to furnish their details to the Bank or Bank's RTA. Please note that for the purpose of complying with the applicable TDS provisions, the Bank will rely on the above mentioned information as on record date i.e. **20th August, 2024, 05:00 PM (IST).** as per the details available with the Depositories/ Bank's RTA.
3. The Forms/Declarations can be submitted in the website of Bank's RTA viz., Link Intime India Private Limited. at https://liiplweb.linkintime.co.in/formsreg/submission-of form-15g-15h.html In order to enable the Bank to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Act, Shareholders are requested to provide/submit the documents as applicable to them on or before 20th August, 2024, 05:00 PM (IST).
4. The dividend will be paid after deduction of tax at source as determined on the basis of the documents provided by the respective shareholders as applicable to them and being found to be complete and satisfactory in accordance with the Act. The Bank shall arrange to dispatch the TDS certificate to the shareholder.
5. No communication on the tax determination/ deduction in respect of the said dividend shall be entertained post the above mentioned date and time. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the Shareholder to file the return of income and claim an appropriate refund, if eligible. Further, it may kindly be noted that no claim shall lie against the Bank for such taxes deducted.
6. All communications/queries in this respect should be sent to the Bank/ RTA/ CDSL at sibagm@sib.co.in, Coimbatore@linkintime.co.in or helpdesk.evoting@cdslindia.com
7. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Shareholder(s); such Shareholder(s) will be responsible to indemnify the Bank and also, provide the Bank with all information/documents and co-operation in any proceedings.
8. This communication shall not be treated as an advice from the Bank. Shareholders should obtain tax advice related to their tax matters from a tax professional.
9. The Bank will be relying on the information verified from the functionality or facility available on the Income Tax website for ascertaining the income tax compliance for whom higher rate of TDS shall be applicable under section 206AB of the Act.

SOUTH INDIAN Bank
EXPERIENCE NEXT-GEN BANKING

96TH ANNUAL REPORT 2023-24

UNLOCKING
TRANSFORMATIVE SUCCESS TOGETHER

UNLOCKING TRANSFORMATIVE SUCCESS TOGETHER

"Unlocking Transformative Success Together" encapsulates the essence of South Indian Bank's journey through an ever-evolving financial landscape over the years. It signifies the power of collaborative effort between the Bank, its customers, employees, and stakeholders in achieving remarkable growth and innovation—truly evidenced by the year's record-breaking profits. This title reflects the Bank's commitment to fostering partnerships and driving collective progress, ensuring every success story is a shared triumph.

The phrase underscores the importance of synergy and cooperation, highlighting how working together has enabled us to overcome challenges and seize new opportunities. Our focus on innovation and customer-centric solutions has strengthened our market position and enhanced our clients' financial well-being. Indeed, our united focus on transformative strategies sets the stage for a prosperous future. By unlocking our organisation's and community's potential, we are paving the way for sustainable success and continued excellence."

Disclaimer
This report may contain forward-looking statements regarding the Bank's objectives, projections, estimates, expectations, or future predictions, as defined under applicable securities laws and regulations. These statements inherently involve risks and uncertainties, and actual outcomes may differ significantly from those anticipated. Factors that could cause such differences include fluctuations in demand within the Bank's key markets, changes in government and RBI regulations, economic conditions in the countries where the Bank operates, and other operational factors such as litigation, labour negotiations, and fiscal policies.

INDEX

CORPORATE OVERVIEW

Corporate Information	02
About the Bank	04
Board of Directors	08
Top Management	11
Message from Chairman	12
Message from MD & CEO	16
Our Personal Loan Products	20
Financial Highlights	36
Digital Banking Initiatives	42
Building the Brand -South Indian Bank	46
Human Capital	48
Awards and Recognitions	54
Corporate Social Responsibility	56
Environmental, Social and Governance	58

STATUTORY REPORTS

Management Discussion and Analysis Report	63
Directors' Report	109
Business Responsibility and Sustainability Report	159
Report on Corporate Governance	216

FINANCIAL STATEMENTS

Standalone	272
Consolidated	368
Disclosure under Basel III Norms	423
Forms	465

CORPORATE INFORMATION*

BOARD OF DIRECTORS

Sri V J Kurian
Chairman

Sri P R Seshadri
Managing Director & CEO

Sri M George Korah
Independent Director

Sri Pradeep M Godbole
Independent Director

Sri Paul Antony
Non-Executive Director

Sri R A Sankara Narayanan
Independent Director

Sri Benny P Thomas
Non-Executive Director

Smt Lakshmi Ramakrishna Srinivas
Independent Director

CHIEF FINANCIAL OFFICER

Smt Chithra H
FCA

COMPANY SECRETARY

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

TOP MANAGEMENT

Sri Thomas Joseph K
EVP & Chief Business Officer

Sri Anto George T
Chief General Manager - HR & Operations

Sri Sanchay Kumar Sinha
Chief General Manager & Head - Distribution & Unsecured Retail

Sri Sony A
Senior General Manager & Chief Information Officer

Smt Biji S S
Senior General Manager & Group Business Head (Corporate & Secured Retail)

Sri Senthil Kumar
Senior General Manager & Group Business Head (Collection, Recovery & MSME)

Smt Chithra H
Senior General Manager & Chief Financial Officer

Smt Minu Moonjely
Senior General Manager & Head - Credit Underwriting

Sri Nandakumar G
General Manager & Head of Internal Audit & Chief of Internal Vigilance

Sri Sivaraman K
General Manager & Head - Banking Operations Group

Sri Vinod A N
General Manager & Head - Treasury

Sri Nehru Singh B
General Manager & Head - Credit Quality Assurance

Sri Mohan T M
General Manager & Head - Legal

Sri Shibu K Thomas
General Manager & Chief Information Security Officer

JOINT GENERAL MANAGERS

Sri Sreekumar Chengath

Sri Jimmy Mathew

Sri Vijith S

Sri Biju E Punnachalil

Sri Vinod Francis

Sri Vinod G

Sri Madhu M

Sri Krishna Kumar P

Smt Rekha V R

Sri Binoy R K

Sri Ritesh Tulsidas Bhusari

DEPUTY GENERAL MANAGERS

Sri Shashidhar Y

Sri John C A

Sri Pradeep V N

Sri John C Lazar

Sri Bala Naga Anjaneyulu G

Sri Davis Jose Thettayil

Sri Baiju Karan

Sri Easwaran S

Sri Rajesh I R

Sri Vivek Krishnan

Sri Venugopal C

Sri Ramesh U

Sri Biby Augustine

Sri Viji Yuvaraj C

Sri Rayner H Ephraim

Sri Ragesh Kumar R S

Sri Dhirendra Pratap Singh

Sri Sojan V J

Sri Jose K A

Sri Rammohan V

Smt Vibha K K

Sri Joyal John

Sri Alexander C V

Sri Roby George

Sri Praveen Joy

Sri Renjith R Nair

JOINT STATUTORY AUDITORS

1. M/s. CNK & Associates LLP
Chartered Accountants,
5th Floor, Narain Chambers,
M.G. Road, Vile Parle,
East. Mumbai - 400 057.

   Firm Registration No.:
   101961W/W-100036

2. M/s. K Venkatachalam Aiyer & Co.
Chartered Accountants,
41/3647 B, 1st Floor,
Blue Bird Towers,
Providence Road,
Kochi - 682 018.

   Firm Registration No.:
   004610S

SECRETARIAL AUDITORS

M/s SVJS & Associates
Company Secretaries 65/2364A,
Ponoth Road Kaloor,
Kochi, Ernakulam - 682 017.

Contact:
0484 2950009 / 2950007

E-mail: info@svjs.in,
svjsassociates@gmail.com

REGISTRAR AND SHARE TRANSFER AGENTS

M/s Link Intime India Pvt. Ltd.
Surya 35, Mayflower Avenue,
Behind Senthil Nagar,
Sowripalayam Road, Coimbatore,
Tamil Nadu - 641 028.

Tel: 0422-2314792

Email: coimbatore@linkintime.co.in

DEBENTURE TRUSTEE

M/s IDBI Trusteeship Services Limited
Universal Insurance Building,
Ground Floor, Sir P.M. Road, Fort,
Mumbai - 400 001.

Tel: 022-40807000

E-mail: itsl@idbitrustee.com

REGISTERED OFFICE

The South Indian Bank Ltd.
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www.southindianbank.com
Email: head@sib.co.in

ISIN: INE683A01023

CIN: L65191KL1929PLC001017

STOCK EXCHANGES: BSE, NSE

*As on 31.03.2024

Established in 1929 in Thrissur, Kerala, South Indian Bank is one of the earliest banks in South India, founded in alignment with the Swadeshi movement. The Bank's core purpose, as envisioned by its founders, was to provide efficient and service-oriented savings and credit facilities for individuals and businesses at reasonable interest rates. Translating this vision into its corporate mission, the Bank has, over its long journey, established itself as a vibrant, fast-growing, service-oriented, and trend-setting financial intermediary.

ABOUT THE BANK

Today, South Indian Bank stands tall as an organisation built firmly on the foundation of customer trust. Rooted in tradition with a unique customer-centricity and innovation culture, the Bank continues re-imagining banking possibilities with bigger and bolder ideas. By actively engaging with the ecosystem through new partnerships and alliances, South Indian Bank leverages its substantial and diversified franchise, extensive distribution network, and technology-enabled services to seize market opportunities and delight stakeholders. With a strong footprint in the South of India, the Bank is gradually expanding its presence nationwide. It operates in the corporate, personal, business loans, and agricultural segments, continually striving to meet the diverse needs of its customers.

FY24 HIGHLIGHTS

9,836
Employees

76 Lakh
Customers

₹80,426 crore
Gross Advances

955
Branches

₹101,920 crore
Deposits

4.50%
GNPA

1.46%
NNPA

79.10%
Provision Coverage Ratio (PCR) (including write off)

₹1,070.08 crore
PAT

3.31%
NIM

0.91%
RoA

12.13%
RoE

97.54%
Digital Transactions Share

OUR STRATEGIC FOUNDATIONS

VISION

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

MISSION

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

VALUES

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

STRATEGIC PRIORITIES

The Bank formulated Vision 2025 as a part of the strategic intent document in October 2020. The document focused on 'Profitable growth through quality credit' and the methodology adopted was the 6C strategy.

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".

CAPITAL ADEQUACY:

Increasing capital to strengthen financials, expand market share, and explore future growth opportunities.

COMPETENCY BUILDING:

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

CASA:

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

CUSTOMER FOCUS:

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

COST TO INCOME RATIO:

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

BOARD OF DIRECTORS*

*As on March 31, 2024

Sri V J Kurian
Part-Time Chairman (Non-Executive Independent Director)

Sri. V. J. Kurian is the Bank's Non-Executive Part-Time Chairman (Independent Director). He has retired from Indian Administrative Services (IAS) of the 1983 batch in the Kerala cadre as Additional Chief Secretary, Water Resources. During his tenure, Sri. Kurian held positions as Managing Director in various companies for over 23 years. He has served as the Managing Director of Cochin International Airport Ltd. and Director of CIAL Infrastructure Limited, CIAL Duty-Free and Retail Services Limited, Air Kerala International Services Limited, Cochin International Aviation Services Limited, Kerala Waterways Infrastructures Limited, and Kerala Infrastructure Fund Management Limited. He was also a Director of Kerala Irrigation Infrastructure Development Corporation Limited, Flavourit Spices Trading Limited, Kochi Metro Rail Limited, Kannur International Airport Limited, and Cochin Smart Mission Limited. Sri. Kurian has been on the Board of the Bank as an Independent Director since March 23, 2018, and was appointed as Non-Executive Part-Time Chairman of the Bank on November 2, 2023.

Sri P R Seshadri
Managing Director & CEO

Sri. P. R. Seshadri is the Managing Director and Chief Executive Officer of the Bank, effective from October 1, 2023. He is an accomplished banker with experience spanning multiple businesses, functional lines, and geographies. He has significant experience in enterprise-level management and in managing all key commercial banking business lines. Sri. Seshadri is respected for building and leading large teams to execute and deliver complex business objectives, create new businesses, and solve problems. He holds a Bachelor's degree in Electrical Engineering from the Delhi College of Engineering and a Post Graduate Diploma in Management from the Indian Institute of Management, Bangalore. His previous roles include Managing Director & CEO of The Karur Vysya Bank Limited (KVB), Managing Director & Regional Sales and Distribution Head at Citibank N.A., Asia Pacific, Singapore, and several other senior positions at Citibank N.A. He is also director of SIB Operations and Services Ltd (wholly owned subsidiary of the Bank).

Sri M George Korah
Non-Executive Independent Director

Sri. M. George Korah is a Non-Executive Independent Director on the Board. He is a fellow member of the Institute of Chartered Accountants of India and a qualified Information System Auditor. Sri. Korah was a rank holder in the I.S. Examination conducted by the Institute of Chartered Accountants of India. He is also a partner at M/s Korah & Korah, Chartered Accountants, and has been in practice for over 30 years. Sri. Korah is a trustee of Greenstorm Foundation, Cochin (a Not-for-Profit Public Registered Trust) and serves as a financial consultant to several business organisations, including Information Technology companies. He is also director of SIB Operations and Services Ltd (wholly owned subsidiary of the Bank). Sri. Korah has been on the Board of the Bank since August 31, 2018.

Sri Pradeep M Godbole
Non-Executive Independent Director

Sri. Pradeep M. Godbole is a Non-Executive Independent Director on the Board. He is a Chartered Accountant with over 30 years of experience in banking, technology, consulting, auditing, accounting, and management. He has held senior management positions at reputable organisations, including Ernst & Young and IT organisations like Oracle Financial Services Software (OFSS) and Wipro. Sri. Godbole is currently working on capability-building initiatives and is a guest faculty at The Institute of Chartered Accountants of India (ICAI). He is also a Director of Riskintellect Solutions Private Limited, Risk and Compliance Professional Association (a Not-for-Profit Organization), and an Independent Director of Belief Impex Private Limited. Sri. Godbole has been on the Board of the Bank since March 26, 2019.

Sri Paul Antony
Non-Executive Director

Sri. Paul Antony is a Non-Executive Non-Independent Director on the Board. He retired from Indian Administrative Services (IAS) as Chief Secretary, Kerala. During his tenure, he held Managing Director and Director Positions in various companies for more than 21 years. He has helmed significant government bodies in Kerala with expertise in industry promotion, export promotion, and infrastructure development, including in the ports and power sector, taxation, public distribution system, and development of weaker sections. He has served as MD of SUPPLYCO, Chairman of Cochin Port Trust and KSEB Ltd., Additional Chief Secretary of the Industries Department and Power Department, and Commissioner of 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 and Additional Director in Malabar Sports and Recreation Foundation. Further he is also Independent External Monitor of Goa Shipyard Ltd and M/s KIOCL Limited. Sri. Paul Antony has been on the Board of the Bank since September 29, 2020.

Sri R A Sankara Narayanan
Non-Executive Independent Director

Sri. R. A. Sankara Narayanan is a Non-Executive Independent Director on the Board. He holds a postgraduate degree in Public Administration and has also completed an MBA in Finance, CAIIB, PGDPM, PGDFM, DTIRM, DCP, and BRM. As Executive Director of Bank of India from May 2015, he handled treasury, corporate credit, recovery, risk management, and compliance departments. He also oversaw international banking, retail, HR, IT, planning, and finance departments. He was appointed as Managing Director and Chief Executive Officer of Vijaya Bank in September 2017 and MD and CEO of Canara Bank from April 1, 2019, until his retirement in January 2020. Presently he is a Director in Centrum Capital Limited, Centrum Wealth Limited, Sri. Sankara Narayanan has been on the Board of the Bank since October 15, 2020.

BOARD OF DIRECTORS*

*As on March 31, 2024

Sri Benny P Thomas
Non-Executive Director

Sri. Benny P. Thomas is a Non-Executive Non-Independent Director on the Board. He is a law graduate who enrolled at the Bar in 1988. He started his practice in Civil Law and later gained significant expertise in Labor Law, providing professional legal services to various companies, including large corporates. The Bench has sought his expertise in multiple cases as Amicus Curiae, and he is recognised for his wisdom, pragmatic approach, and holistic vision.
Sri. Benny heads M/s Thomas & Thomas, a law firm providing services in Labor Law, Civil Law, Cyber Law, Taxation Law, Alternative Dispute Resolution, Arbitration & Conciliation, etc. He is also an educator, delivering lectures and participating in panel discussions for corporate houses nationwide. Presently he is director of SIB Operations and Services Ltd (wholly owned subsidiary of the Bank). Sri. Benny P. Thomas has been on the Board since December 30, 2021.

Smt Lakshmi Ramakrishna Srinivas
Non-Executive Independent Director

Smt. Lakshmi Ramakrishna Srinivas is a Non-Executive Independent Director on the Board and she is a seasoned banker with over 38 years of experience at State Bank of India, where she held various capacities. She holds BA (Hons), MA, and CAIIB-Part-I. She started her banking career as a probationary officer at State Bank of India in 1985 and retired as Chief General Manager & Head of the Strategic Training Unit in June 2023. Her assignments included Director of the State Bank Staff College (SBSC) in Hyderabad, Senior Faculty (Credit) at SBSC, Field Officer in credit-intensive branches, Branch Head/P-Division Head in retail branches, Vice President (Credit) at New York branch, USA, Team Leader in Corporate Accounts Group Branch, and Head of Mid Corporate Branch. Smt. Lakshmi Ramakrishna Srinivas has been on the Board since November 20, 2023.

TOP MANAGEMENT

Sri Thomas Joseph K
EVP & Chief Business Officer

Sri Anto George T
Chief General Manager - HR & Operations

Sri Sanchay Kumar Sinha
Chief General Manager & Head - Distribution & Unsecured Retail

Sri Sony A
Senior General Manager & Chief Information Officer

Smt Biji S S
Senior General Manager & Group Business Head (Corporate & Secured Retail)

Sri Senthil Kumar
Senior General Manager & Group Business Head (Collection, Recovery & MSME)

Smt Chithra H
Senior General Manager & Chief Financial Officer

Smt Minu Moonjely
Senior General Manager & Head - Credit Underwriting

Sri Nandakumar G
General Manager & Head of Internal Audit & Chief of Internal Vigilance

Sri Sivaraman K
General Manager & Head - Banking Operations Group

Sri Vinod A N
General Manager & Head - Treasury

Sri Nehru Singh B
General Manager & Head - Credit Quality Assurance

Sri Mohan T M
General Manager & Head – Legal

Sri Shibu K Thomas
General Manager & Chief Information Security Officer

MESSAGE FROM THE CHAIRMAN

COMMITMENT TO SUSTAINABLE PROSPERITY

V J Kurian
Chairman

Dear Shareholders,

I am honoured to present the annual report of the South Indian Bank Ltd for the fiscal year 2023-24. This year has been marked by a series of significant milestones, consolidating and reaffirming Bank's position as a leading financial institution among its peers. The business volume surged to an all-time high of ₹1,82,346 Crore, a testament to the trust placed by the customers on its products and services. Furthermore, Bank's net profit reached an unprecedented ₹1,070.08 crore during FY 2023-24, up from ₹775.09 Crore in FY 2022-23, underscoring the effectiveness of Bank's focus on growth and profitability.

Throughout the year, the Bank has demonstrated resilience, adaptability and an unwavering focus on innovation and growth despite the challenging economic landscape. As the Bank reflects on the achievements and milestones of the past year, I am pleased to report that the Bank has not only weathered uncertainties but also emerged stronger, driven by its core values and dedication to excellence.

In 2023, the global economy showcased its remarkable resilience despite facing numerous challenges such as persistent inflation, tight monetary conditions and escalating geopolitical tensions. Factors like increased consumer spending on goods and services, a rebound in travel and sustained demand for digital services played pivotal roles in maintaining growth. Strategic policy responses and fiscal measures helped to mitigate adverse impacts, enabling certain sectors and regions to perform better than anticipated.

The IMF's most recent World Economic Outlook forecasts indicate that growth would remain stable

> "The Capital Adequacy Ratio (CRAR) of the Bank was 19.91 per cent under Basel III norms as on March 31, 2024, as against the RBI mandated level of 11.50 per cent.

at 3.2 percent in 2024 and 3.3 percent in 2025, with median headline inflation falling from 2.8 percent at the end of 2024 to 2.4 percent at the end of 2025. Positive changes in supply dynamics, like the diminishing effects of shocks to energy prices and a significant rise in labour supply, buoyed by strong immigration in many advanced countries, have supported strong economic development and quick disinflation.

In India, the economy demonstrated remarkable resilience and robust growth in FY 2023-24, achieving a real GDP growth rate of 7.6%, up from 7.0% in the previous year. This marked the third consecutive year of growth exceeding 7%, highlighting the strength of the Indian economy amidst subdued global economic activity and multiple headwinds. Significant contributions came from various sectors, bolstered by strategic government interventions and sound macroeconomic fundamentals.

The Indian banking sector has made significant progress over the past year. The focus on digital transformation has paid off, with a notable increase in digital transactions. The retail, MSME and corporate segments have driven credit growth. Banks have also improved their asset quality significantly, with a decline in gross and net NPAs, supported by effective resolution mechanisms and improved credit appraisal processes.

Scheduled Commercial Banks (SCBs) maintained strong capital adequacy, staying well above regulatory minimums. The asset quality of SCBs improved with a moderation in Gross Non-Performing Assets (GNPAs). Profitability indicators such as Return on Equity (RoE) and Return on Assets (RoA) remained robust. Macro stress tests indicated that SCBs were well-positioned to meet capital requirements even under severe stress scenarios.

Our Bank has implemented a comprehensive policy framework for identifying, measuring and managing all material risks, including credit, market, operational, liquidity and other Pillar-II risks. Our risk management strategy is based on identification of various risks, disciplined risk assessment, standardized risk measurement procedures and continuous monitoring for mitigation. This ensures robust risk management, regulatory compliance and better return on capital.

The Bank's internal controls and processes are extensive, and designed to mitigate operational risks. The Bank employs an array of preventive controls, including dual custody for cash, gold and other security items, stringent protocols on IT security and secure transaction processes. Transactions generated in the Core Banking System (CBS) are monitored by the Fraud Risk Management (FRM) system and digital channel transactions are centrally monitored 24x7 for real-time fraud detection and prevention.

During the FY 2023-24, the total gross business of the Bank has increased from ₹1,63,743.42 crore to ₹1,82,346.52 crore; deposits increased from ₹91,651.35 crore to ₹1,01,920.26 crore and gross advances increased from ₹72,092.07 crore to ₹80,426.26 crore. Operating profit of the Bank had increased to ₹1,867.67 crore in FY 2023-24 from ₹1,507.33 crore in FY 2022-23. The Net Profit increased to ₹1,070.08 crore in FY 2023-24 as against ₹775.09 crore reported in 2022-23.

The Gross NPA to Gross Advances stood at 4.50 per cent and the Net NPA to Net Advances stood

MESSAGE FROM THE CHAIRMAN

Leveraging advanced technology has been a cornerstone of the Bank's strategy. The Bank has implemented automated processes for loan approvals and renewals, significantly reducing operational costs and improving efficiency.

at 1.46 per cent as on March 31, 2024. The new loan book's GNPA and Net NPA percentages stood at 0.31% and 0.08%, respectively. The Current Account and Savings Accounts (CASA) has increased by 8.16 per cent during current financial year to ₹32,692.67 crore from ₹30,227.06 crore in the FY 2022-23. Net Interest income of the Bank has increased from ₹3,012.08 crore in the FY 2022-23 to ₹3,332.06 crore in the FY 2023-24. The Provision Coverage Ratio (PCR including write-off) has improved to 79.10 per cent in FY 2023- 24 from previous level of 76.78 per cent in FY 2022-23. The Board has recommended a dividend of 30 per cent i.e. ₹0.30 per equity share of face value of ₹1/-each, which is subject to the approval of shareholders in the ensuing Annual General Meeting.

During March 2024, the Bank has issued 52,31,85,254 equity shares of face value of ₹1 each at ₹22/- per share by way of rights issue at the rate of 1 equity share for every 4 equity shares held and successfully raised an amount aggregating to ₹1151.01 Crore, thus shoring up growth capital. This capital infusion will serve the Bank well for sustainable growth and facilitating strategic expansions in the year ahead. The Capital Adequacy Ratio (CRAR) of the Bank was 19.91 per cent under Basel III norms as on March 31, 2024, as against the RBI mandated level of 11.50 per cent. The Book value per share has increased from ₹31.89 as on March 31, 2023 to ₹33.73 as on March 31, 2024.

Leveraging advanced technology has been a cornerstone of the Bank's strategy. The Bank has implemented automated processes for loan approvals and renewals, significantly reducing operational costs and improving efficiency. The digital transformation initiatives of the Bank have led to 97.54% of total transactions being conducted digitally.

The Bank's commitment to Environmental, Social and Governance (ESG) principles stands as a cornerstone of its operational ethos. The Bank has actively implemented numerous initiatives to seamlessly integrate ESG considerations into its business practices, decision-making processes and product offerings. This commitment underscores Bank's proactive approach to sustainability and responsible corporate citizenship, ensuring that the Bank not only meet but exceed the expectations of its stakeholders in creating long-term value. The Bank has formulated policies such as the Environmental and Social Management System (ESMS) Policy, Green Deposit Policy and Green Financing Framework to promote investments in green projects and sustainable development

The Bank's Corporate Social Responsibility (CSR) program exemplifies its commitment to environmental stewardship and community well-being. Bank actively supports initiatives such as rainwater harvesting, installation of solar panels and afforestation projects. These efforts not only contribute to conserving natural resources but also promote sustainable development in the regions Bank serves.

Through these focused and collective efforts in CSR and ESG, the Bank strives to make a positive impact on both the environment and society, aligning initiatives with its core values of integrity, sustainability and community empowerment.

Looking ahead, our Bank is steadfast in its commitment to bolstering asset quality, harnessing the power of technology and extending its reach to better serve the valued customers. Bank's strategic focus remains unwavering as it aims to enhance operational efficiency and deliver superior financial services.

Looking ahead, our Bank is steadfast in its commitment to bolstering asset quality, harnessing the power of technology and extending its reach to better serve the valued customers. Bank's strategic focus remains unwavered as it aims to enhance operational efficiency and deliver superior financial services. The Bank is confident that its proactive initiatives, coupled with robust governance and rigorous risk management practices, will pave the way for sustainable growth and generate enduring value for all the stakeholders. By continuously refining its strategies and embracing innovation, the Bank is poised to navigate challenges effectively and capitalize on opportunities in the dynamic financial landscape.

As we advance, the Bank remains dedicated to upholding the highest standards of integrity, transparency and customer-centricity. Our collective efforts will not only strengthen the position in the market but also reinforce Bank's commitment to driving positive outcomes for the communities it serves.

I wish to extend my heartfelt gratitude to our previous Chairman, Sri. Salim Gangadharan, who retired on November 01, 2023, and our former MD & CEO, Sri Murali Ramakrishnan, who served a successful tenure from October 1, 2020, till September 30, 2023. Their exceptional leadership during some of the most challenging periods have laid a strong foundation for our current and future successes.

Further, I extend my heartfelt gratitude to our valued shareholders, for the unconditional support and commitment. I would like to conclude by thanking all our customers, associates, partners, vendors, auditors and well-wishers for their continued support and trust. I wish to express my gratitude to the RBI, the SEBI, stock exchanges and Central and State Governments for their guidance in statutory compliances. I also thank the employees at all levels, for their tireless effort and teamwork. Finally, I would like to thank all our Board members and Management for their contribution in Bank's growth over the years. Together, we have navigated challenges and achieved milestones, reinforcing the Bank's position as a pillar of trust and innovation in the financial sector. As we look to the future with optimism, I am confident that our collective efforts will continue to propel the Bank towards even greater success.

With best regards,

V J Kurian
Chairman

MESSAGE FROM MANAGING DIRECTOR & CEO

EMPOWERING PROGRESS, SHAPING TOMORROW

P R Seshadri
Managing Director & CEO

Dear Shareholders,

I am pleased to present the annual report of the South Indian Bank Ltd for the financial year ended March 31, 2024. It is my immense honour and privilege to lead the Bank, one of India's leading private sector banks with over a nine-decade legacy. I am enthusiastic about collaborating with the Bank's talented professionals to build upon the rich heritage and business values in the future journey.

FINANCIAL PERFORMANCE AND ACHIEVEMENTS

This Financial year, the Bank has achieved a historic milestone with the highest-ever net profit in the history of South Indian Bank, reaching ₹1,070 crores, a 38% increase from the previous year. This exceptional performance underscores Bank's robust business model, strategic initiatives, and the unwavering dedication of the employees. The Bank's net interest margin (NIM) stood at 3.31%, the highest in 18 years, reflecting it's effective asset-liability management and focus on high-yielding assets.

Bank's return on assets (RoA) was recorded at 0.91%, while the return on equity (RoE) reached 12.13%, the highest in the last decade. These figures testify the Bank's commitment to delivering consistent value to the shareholders while maintaining financial stability and robustness in the operations.

The Bank's total business grew by 11%, reaching ₹1,82,346 crores by March 2024, up from ₹1,63,743 crores in March 2023. Gross advances increased by 12%, from ₹72,092 crores to ₹80,426 crores, demonstrating the strong lending growth. Retail deposits saw a significant rise of 9%, from ₹89,615 crores to ₹97,743 crores, reflecting the solid deposit mobilisation efforts. The CASA deposits also grew by 8%, from ₹30,227 crores to ₹32,693 crores, with the CASA ratio at 32.08%.

> "Maintaining asset quality remains a cornerstone of the Bank's strategy. The Bank has reduced it's gross non-performing assets (GNPA) to 4.50%, down from 5.14% in the previous year, and improved Bank's net non-performing assets (NNPA) to 1.46%.

Maintaining asset quality remains a cornerstone of the Bank's strategy. The Bank has reduced it's gross non-performing assets (GNPA) to 4.50%, down from 5.14% in the previous year, and improved Bank's net non-performing assets (NNPA) to 1.46%. The provision coverage ratio (PCR), including write-offs, reached 79.10%, providing a significant cushion against potential future risks. These asset quality metric improvements result from Bank's efforts on robust risk management practices and proactive recovery measures.

STRATEGIC INITIATIVES

The South Indian Bank has embarked on a comprehensive transformation journey during the last few years. The Bank has strategically revamped the loan book, focusing on high-quality assets and leveraging technology to enhance operational efficiency. Approximately 70% of Bank's overall loan book has been churned, with a particular focus on A+ rated large corporate loans. This strategic shift involved reducing large ticket size loans, increasing granularity, and diversifying the loan portfolio to include various retail, MSME, and agriculture segments.

Our strategy to diversify the loan book has yielded substantial positive results. The Bank has expanded into various segments, including personal, gold, home, and auto loans. The personal loan segment saw significant traction, with the book growing to ₹2,282 crores by March 2024. Gold loans also experienced robust growth of 12% year-on-year, reaching ₹15,513 crores.

Digital transformation remains at the forefront of the Bank's strategy. We have made significant strides in enhancing the digital capabilities, resulting in 97.54% of the transactions being conducted digitally. Several digital initiatives were introduced, including UPI Lite, Rupay Wearable, Visa Signature Card, and biometric login for banking applications. These initiatives aim to provide the customers a seamless and secure banking experience, thereby enhancing customer satisfaction and engagement.

The focus on enhancing portfolio resilience involves launching new granular products such as affordable housing loans, commercial vehicle and equipment loans, and the relaunch of the Loan Against Property (LAP) product. These products are designed to provide higher yields while maintaining a balanced risk profile. We have also implemented frictionless processes by modifying the loan origination systems and automating GST-based MSME loans. These initiatives have significantly reduced turnaround times and improved customer experience.

To enhance branch productivity, the Bank has introduced the 'Sales Value Addition' metric to track and improve performance at the branch level. This metric enables us to compare branch performance effectively and identify areas for improvement. As a result, the Bank has been witnessing a significant growth in branch sales, with current account origination growing fourfold in the last quarter. The Bank is also committed to continuous training and retraining of the branch staff, ensuring they have the skills and knowledge to meet customer needs efficiently and effectively.

MESSAGE FROM MANAGING DIRECTOR & CEO

> The Bank has taken significant steps to enhance the control environment by appointing dedicated leaders for critical roles and ensuring compliance with evolving regulatory norms. This strategic move supports the Bank's growth ambitions while maintaining the highest governance standards.

Controlling expenses while growing revenues is a critical component of our strategy. The Bank has launched higher-yielding products such as affordable housing, LAP, and commercial vehicle loans. The focus on correctly pricing assets and changing the asset mix has started to yield positive results, though Bank recognises this as a long journey ahead. The Bank is reassigning staff to customer-facing roles to increase productivity. The Bank has implemented immediate actions such as a reduction in hiring and a branch review based on sales value-added and service intensity. These measures are designed to optimise costs and enhance revenue generation capabilities.

Expanding the distribution network and leveraging partnerships are other strategic focus areas. The Bank aims to actively engage traditional and non-traditional counterparties to expand the reach and enhance customer service. Significant progress has been made in establishing relationships with traditional counterparties, and the Bank is exploring non-traditional business opportunities as well. Creating a new 'Digital Banking' unit aims to fast-track non-traditional businesses and increase Bank's presence in the digital space.

The Bank has taken significant steps to enhance the control environment by appointing dedicated leaders for critical roles and ensuring compliance with evolving regulatory norms. This strategic move supports the Bank's growth ambitions while maintaining the highest governance standards. The proactive risk management and compliance approach reflects the commitment to a robust control environment.

The Bank completed its Rights Issue during Q4 FY'24, issuing 52,31,85,254 Equity Shares at ₹22 per share, raising ₹1151.01 crore. This increased the capital adequacy ratio to 19.91% and Tier-1 capital to 17.65%. The rights issue was oversubscribed at 144.09%, reflecting strong investor confidence in the Bank.

THE ROAD AHEAD

As we step into FY25, the Bank is acutely aware of the evolving economic and business environment that presents challenges and opportunities. The global economy shows signs of recovery, albeit with varied momentum across regions. Inflationary pressures and geopolitical uncertainties remain, but the Bank is optimistic about India's growth prospects driven by strong domestic demand and supportive government policies. The Bank is well-positioned to capitalise on these opportunities while navigating potential challenges.

In the coming year, the Bank's strategy will be focused on sustainable growth, enhancing digital capabilities and diversifying the Bank's loan portfolio. The Bank aims to grow at 12-13% in assets and deposits, maintaining a balanced approach to ensure quality growth. The investments in digital transformation will continue to enhance customer

> In the coming year, the Bank's strategy will be focused on sustainable growth, enhancing digital capabilities and diversifying the Bank's loan portfolio. The Bank aims to grow at 12-13% in assets and deposits, maintaining a balanced approach to ensure quality growth. The investments in digital transformation will continue to enhance customer experience and operational efficiency,

experience and operational efficiency, to increase the share of digital transactions and introduce new digital products and services. Expanding the presence in high-growth segments such as affordable housing, commercial vehicles and MSMEs will be a priority, along with growing the retail loan portfolio by tapping into new customer segments.

Operational efficiency will be driven by optimising costs and improving branch productivity through strategic initiatives and continuous training programs. Strengthening the risk management practices will be vital in maintaining healthy asset quality and mitigating potential risks. Building robust partnerships and exploring new distribution channels will help us expand the reach and enhance customer service. The Bank's commitment to the highest governance and risk management standards will support sustainable growth and protect shareholder value.

It has been an exciting, challenging and rewarding year for me with the Bank. I am immensely grateful to the management team, Board and all the associates for their unconditional support. The regulatory authorities in India have been working at an unrelenting pace in addressing the economic needs of the common man while keeping our economy and the Banking system healthy. I would also like to thank the shareholders, investors, customers, vendors, employees, and other stakeholders who are vital to our operations, sustainability and performance.

As we move forward, I am confident that with the clear strategic direction, strong financial foundation, and dedicated team, South Indian Bank is well-positioned to achieve sustainable growth and deliver consistent value to Bank's shareholders. Thank you for your unwavering support and trust in Bank's journey. Together, we will continue to build a stronger, more resilient, and innovative South Indian Bank.

Best wishes

P R Seshadri
Managing Director & CEO

South Indian Bank offers a range of personal segment products designed to meet the diverse needs of individuals. These loans provide financial assistance for various purposes such as personal expenses, vehicle purchases, home financing educational costs etc. Additionally, they help in leveraging investments, accessing quick funds, and managing finances effectively. Priority Banking services provide exclusive benefits for high-net-worth individuals, ensuring a tailored and premium banking experience.

OUR PERSONAL LOAN PRODUCTS

PERSONAL LOANS:

These loans are designed to provide financial assistance for personal expenses such as weddings, medical emergencies and travel. They offer flexible repayment options and competitive interest rates, making them ideal for urgent financial needs.

CAR LOANS:

South Indian Bank offers car loans for purchasing new or used vehicles. It also provides option for car loan takeover from other financiers and re-imbursement of finance free newly purchased cars (within 3 month). These loans feature competitive interest rates and flexible repayment tenures, and funding upto 100% on-road including extended warranty.

GOLD LOANS:

These loans offer quick funds against gold jewellery with minimal documentation and attractive interest rates. They are ideal for meeting urgent financial needs without selling precious assets.

HOME LOANS:

The Bank provides home loans for purchasing, constructing or renovating homes. These loans come with competitive interest rates and long-term repayment options, enabling customers to easily achieve their dream of home ownership.

TOP-UP LOANS:

Additional funds are available on existing home loans for home renovation, education or medical expenses. They offer the convenience of accessing extra funds without taking out a new loan.

PROPERTY LOANS:

These loans are available at flexible terms and at competitive interest rates against residential or commercial property as security. The loans can be used for personal and business purposes including debt consolidation and balance transfers from other Banks.

RENTAL LOANS:

These loans are funded against rental income from properties, helping landlords to manage their finances more effectively and access funds when needed.

EDUCATION LOANS:

South Indian Bank's education loans help students cover the costs of higher education, including tuition fees, books and other educational expenses. These loans offer flexible repayment options.

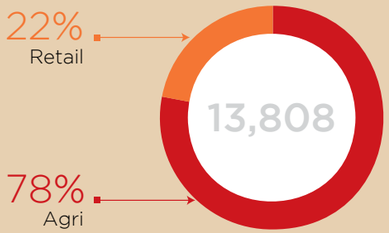
LOAN AGAINST SECURITIES:

These loans allow customers to leverage their investments, such as shares to access funds without liquidating their assets. This option provides a way to meet financial needs while maintaining investment portfolios.

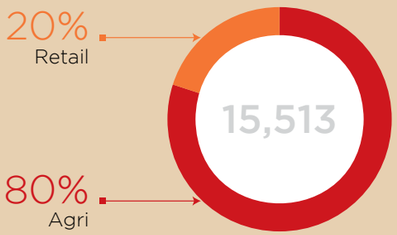
RETAIL AND AGRI GOLD LOAN

We have grown notably in our retail and agri-gold loan segment, reflecting a 12% increase over the past year. The distribution between retail and agricultural gold loans has remained stable, showcasing our commitment to serving both sectors effectively.

Mar-23 Total Gold Loan (₹ in Crore)



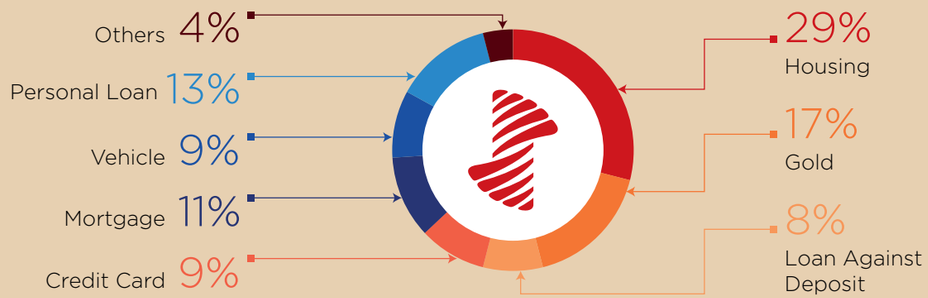
Mar-24 Total Gold Loan (₹ in Crore)



PERSONAL LOAN SEGMENT

The personal loan segment has seen a 9% growth year on year, driven by various loan categories. This growth is indicative of our diversified approach to personal lending, which caters to different customer requirements.

The personal segment grew from ₹16,153 crore in March 2023 to ₹17,639 crore in March 2024, demonstrating our ability to attract and retain customers across various loan products. Our comprehensive product offerings and customer-centric approach support this growth.



South Indian Bank's business banking solutions are designed to empower enterprises with flexibility, financial support, and global reach. By offering tailored accounts, expert advisory services, and robust financial products, the Bank helps businesses manage liquidity, optimize cash flow, and navigate international markets confidently. Value-added services enhance convenience and accessibility, ensuring that businesses can operate smoothly and efficiently. Through these comprehensive offerings, South Indian Bank facilitates business growth, operational efficiency, and strategic financial management, ultimately contributing to the overall success and competitiveness of enterprises.

BUSINESS BANKING

BUSINESS ACCOUNTS:

Premium Current Accounts offer the flexibility of anywhere banking with categories ranging from ₹5,000 to ₹5,00,000, including free cheque books and personalised services. The Trader Smart Current Account (TSCA) caters specifically to traders, while SIB Merchant Plus provides customised solutions for merchants. Other options include RERA Account for real estate compliance, SIB EXIM Current Account for international trade, and Fiza - Individual Current Account for higher transaction needs.

DOMESTIC FINANCE:

Working Capital Finance helps businesses manage daily operations and liquidity needs through overdrafts, cash credit, and term loans. Long-term Finance provides funds for specific projects or purposes, with repayment in instalments. Supply Chain Finance ensures a constant cash flow for managing and paying invoices to suppliers early, benefiting both large corporations and SMEs.

INTERNATIONAL FINANCE:

The Foreign Exchange Advisory Cell offers expert advice on foreign exchange, helping businesses manage international trade and currency risk efficiently. This service is crucial for companies involved in global operations, ensuring they navigate foreign markets with confidence and strategic insights.

MONEY TRANSFERS:

Domestic Transfers enable quick and reliable fund transfers within India through channels like NEFT and RTGS. International Transfers facilitate cross-border payments, ensuring timely and secure transactions for global business operations and helping businesses maintain smooth financial operations across borders.

VALUE ADDED SERVICES:

Any Branch Banking allows businesses to conduct transactions from any branch nationwide, enhancing convenience and accessibility. The ATM cum Shopping Card combines features for easy cash withdrawal and purchases. The MasterCard Business Debit Card offers global acceptance and higher transaction limits. Internet Banking and Mobile Banking provide secure, convenient online and mobile services for managing accounts and transactions on the go.

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of the Indian economy, contributing significantly to employment, innovation and GDP growth. These enterprises are crucial for the country's economic development, driving industrialisation in rural and backward areas, reducing regional imbalances and fostering equitable distribution of national income. Recognising the pivotal role of MSMEs, South Indian Bank (SIB) has aligned its strategic initiatives to empower and support this sector, ensuring they have access to the necessary financial resources to thrive and grow.

EMPOWERING MSMEs

₹ 15,337 crore
MSME Loan Book
March, 2024

70% of Bank's
business loans are directed towards the MSME/SME segment

MSME STRATEGIC INITIATIVES

To strengthen our MSME portfolio, the Bank has implemented several strategic initiatives:

- **Dedicated Vertical for Large-Value MSME Loans:**
  We have established a dedicated vertical to manage large-value MSME loans, ensuring world-class customer service and focused attention.
- **Skill Building Programs:**
  Structured programs for our MSME teams to focus on building high-quality portfolios and delivering superior customer experiences.
- **Revamped ML Product Distribution:**
  We distribute our MSME products through alternate channels and branches, enhancing market presence and targeting co-lending opportunities.
- **Efficient Loan Origination System:**
  Our superior loan origination system integrates loan delivery steps, generating high-quality business and client experiences.
- **Empowered Branches:**
  Our branches are empowered through revised process workflows and improved product offerings, enabling them to deliver the best in class credit.
- **Technology-Enabled Renewals:**
  We use technology-enabled transaction-based renewals to renew borrower accounts hassle-free, ensuring continuous support for MSMEs.

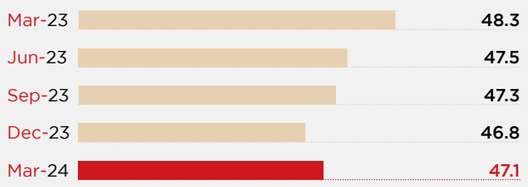
ANALYSIS OF MSME LOAN PORTFOLIO

At South Indian Bank, we have developed a robust MSME loan portfolio, primarily comprised of high-yield segments. As of March 2024, our MSME loan book stood at ₹15,337 crore, demonstrating our commitment to this critical sector.

DISTRIBUTION OF MSME LOANS

- **Segment Focus:**
  70% of Bank's business loans are directed towards the MSME/SME segment, reflecting our focus on supporting smaller enterprises.
- **Geographic Split:**
  The MSME loans are distributed across various regions, with 45% in Kerala, 36% in the South (excluding Kerala) and 19% in the rest of India. This geographic diversification helps to mitigate regional risks and expand our reach.

Average MSME Loan Per Account (₹ in Lakhs)



STRATEGIC EXCELLENCE FOR TRANSFORMATIVE GROWTH

Our ongoing and renewed strategic initiatives have driven remarkable performance in FY24. By enhancing portfolio resilience, we achieved significant diversification and growth in our loan portfolios, notably in home and auto loan disbursals.

The Bank introduced new products such as affordable housing and commercial vehicle loans anticipating substantial growth. The **'Sales Value Addition'** metric was implemented to improve branch productivity, resulting in a marked increase in current account origination. Our efforts to grow non-branch distribution and leverage partnerships created a 'Digital Banking' unit and a significant share in digital transactions. Digital transformation initiatives resulted in increased digital transaction volumes. Additionally, targeted products and improved relationship management drove retail and MSME growth, significantly boosting home and auto loans. An overview of our strategies and outcomes is given below.

STRATEGIC EXCELLENCE FOR TRANSFORMATIVE GROWTH

DIGITAL TRANSFORMATION INITIATIVES

Emphasised digital onboarding, automated underwriting, and enhanced digital payment infrastructure.

KEY OUTCOMES IN FY24:

- Increased digital transaction volumes.
- Robust digital infrastructure improvements.
- The digital share of transactions was 97.54%.

BRANCH PRODUCTIVITY

The Bank implemented the **'Sales Value Addition'** metric to track and enhance sales activities at the branch level.

KEY OUTCOMES IN FY24:

- Significant growth in branch sales activities.
- Branches are meeting higher sales targets compared to historical trends.
- Current Account origination grew fourfold in Q4.

IMPROVING REVENUE TO EXPENSE DYNAMICS

Aimed to grow revenues through high-yield products and better pricing of assets while controlling costs.

KEY OUTCOMES IN FY24:

- Launched higher-yielding products.
- Improved revenue growth metrics.
- Total income grew to ₹10,128 crore in FY24 from ₹8,046 crore in FY23.

BETTERING ASSET QUALITY

Focused on improving asset quality and collection efficiency through strategic initiatives.

KEY OUTCOMES IN FY24:

- Net NPA reduced to 1.46% in Mar'24 from 1.86% in Mar'23.
- Gross NPA reduced to 4.50% in Mar'24 from 5.14% in Mar'23.
- Provision Coverage Ratio (PCR) improved to 79.10% (including write off).

GROWING NON-BRANCH DISTRIBUTION & LEVERAGING PARTNERSHIPS

Established relationships with both traditional and non-traditional counterparties, enhancing digital banking capabilities.

KEY OUTCOMES IN FY24:

- Significant growth in digital transactions.

ENHANCING PORTFOLIO RESILIENCE

Focused on creating a diversified and granular loan portfolio, emphasising affordable housing and commercial vehicle loans.

KEY OUTCOMES IN FY24:

INITIATIVES:

Granularisation of the Portfolio:

Significant progress was made in building new granular products such as Affordable Housing and Commercial Vehicles/Equipment.

Automating Processes:

Implemented fully automated GST-based MSME loans under ₹2 crore and automated renewal processes for MSME overdrafts up to ₹2 crore.

High-Quality Scorecards:

Developed GST Business Loans, Affordable Housing, and Commercial Vehicles/Equipment scorecards.

Reducing Processing Time:

Modified systems to provide housing loan financial sanction within 45 minutes and rationalised application forms for various retail loans.

19.91%
CRAR

97.54%
Digital Transactions Share

1.46%
Net NPA Mar'24

4.50%
Gross NPA Mar'24

79.10%
Provision Coverage Ratio (PCR) (including write off) improved

From the FY 2020-21, the Bank has embarked on a significant transformation journey, fundamentally reshaping its business model and enhancing its operational efficiency. This transformation has involved a strategic overhaul of the loan book, focusing on quality, diversification, and technology-driven cost reduction.

STRATEGIC TRANSFORMATION

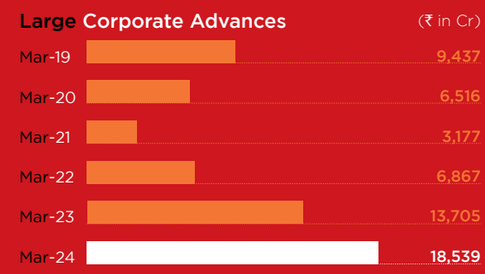
By focusing on high-quality loans, diversifying its portfolio, and leveraging technology, the Bank has enhanced its financial health and ensured sustainable and resilient business operations. This transformation reflects the Bank's commitment to maintaining high-risk management and operational efficiency standards.

FOCUS ON 'A' & ABOVE RATED LARGE CORPORATES

The Bank has strategically increased the share of 'A' & above rated loans in its large corporate segment from 96% to 98%. This shift ensures a higher-quality loan book, reducing risk and improving overall asset quality.

Our corporate loan book has consistently grown over the past year, increasing from ₹23,523 crore in March 2023 to ₹32,084 crore in March 2024.

Our large corporate advances (loans of ₹100 crore and above) have also seen substantial growth. From March 2019 to March 2024, the standard large corporate advances increased from ₹9,437 crore to ₹18,539 crore. The percentage of these large corporate advances relative to total advances grew from 15% to 23% over the same period.



STRATEGIC TRANSFORMATION

RENEWED LOAN BOOKS

DIVERSIFICATION OF LOAN BOOK INTO OTHER SEGMENTS:

The Bank has actively diversified its loan book into various segments, reducing its reliance on any single sector. This approach mitigates sector-specific risks and provides a more stable income stream.

USING TECHNOLOGY TO REDUCE COST:

Leveraging advanced technology has been a cornerstone of the Bank's transformation. By automating processes and utilising digital tools, the Bank will significantly reduce operational costs, thereby improving its cost-to-income ratio.

The outcomes of these strategic initiatives are summarised below:

Loan Book

(₹ in Cr)

Mar-24	80,426
Mar-23	72,092

Improvement: Significant Growth

Share of A and above Rated in Large Corporate

(%)

Mar-24	98
Mar-23	96

Improvement: 2% Increase

Gross Non-Performing Assets (GNPA)

(₹ in Cr)

Mar-24	3,620
Mar-23	3,708

Improvement: Improved Asset Quality

GNPA Percentage - Total Book

(%)

Mar-24	4.50
Mar-23	5.14

Improvement: Reduced GNPA percentage

Net Non-Performing Assets (Net NPA)

(₹ in Cr)

Mar-24	1,135
Mar-23	1,294

Improvement: Reduction in Net NPA

Net NPA Percentage - Total Book

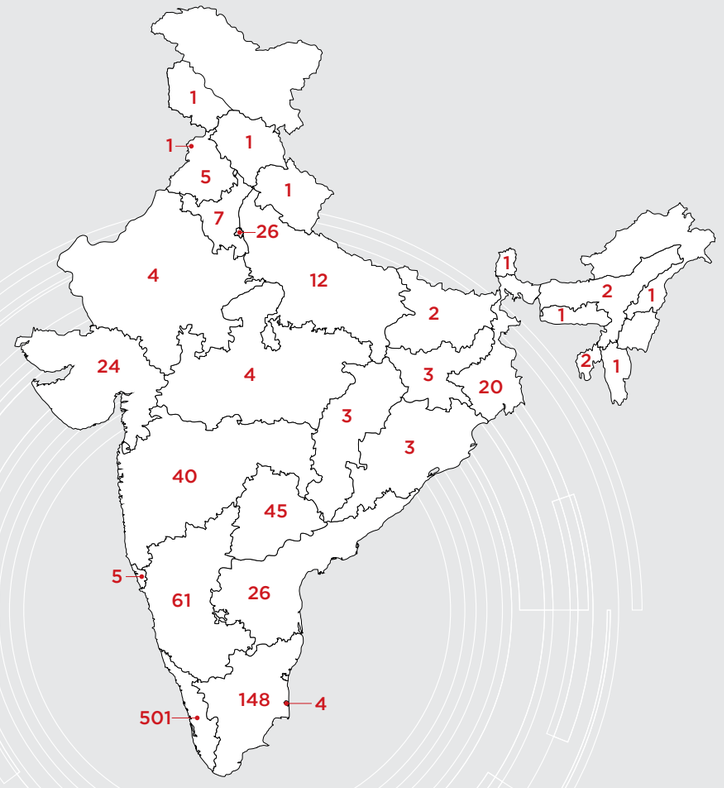
(%)

Mar-24	1.46
Mar-23	1.86

Improvement: Reduced Net NPA percentage

BUILDING PAN INDIA PRESENCE

At South Indian Bank, we have expanded our footprint across India and diversified our loan book beyond Kerala.



SIB Network Branches

FY 24	955
FY 23	940

SIB Network ATMs

FY 24	1,321
FY 23	1,289

FINANCIAL HIGHLIGHTS

Capital & Reserves and Surplus (₹ in Cr)

FY 24	8,824
FY 23	6,675
FY 22	5,853
FY 21	5,807
FY 20	5,475

Total Assets (₹ in Cr)

FY 24	1,17,413
FY 23	1,07,698
FY 22	1,00,052
FY 21	94,149
FY 20	97,033

Net Profit (₹ in Cr)

FY 24	1,070
FY 23	775
FY 22	45
FY 21	62
FY 20	105

Earnings Per Share (₹)

FY 24	5.1
FY 23	3.7
FY 22	0.21
FY 21	0.34
FY 20	0.58

CRAR (%)

FY 24	19.91
FY 23	17.25
FY 22	15.86
FY 21	15.42
FY 20	13.41

Gross Advance (₹ in Cr)

FY 24	80,426
FY 23	72,092
FY 22	61,816
FY 21	59,418
FY 20	65,524

Book Value Per Share (₹)

FY 24	33.73
FY 23	31.89
FY 22	27.97
FY 21	27.75
FY 20	30.25

RoE (%)

FY 24	12.13
FY 23	11.61
FY 22	0.77
FY 21	1.07
FY 20	1.91

Total Deposits (₹ in Cr)

FY 24	1,01,920
FY 23	91,651
FY 22	89,142
FY 21	82,711
FY 20	83,034

Branch Productivity (₹ in Cr)

FY 24	178
FY 23	164
FY 22	155
FY 21	165
FY 20	166

RoA (%)

FY 24	0.91
FY 23	0.72
FY 22	0.04
FY 21	0.07
FY 20	0.11

Cost to Income Ratio (%)

FY 24	61.47
FY 23	60.59
FY 22	61.89
FY 21	54.96
FY 20	51.07

South Indian Bank has consistently showcased robust financial performance driven by strategic initiatives and strong operational efficiency. Over the past five years, the bank's metrics reflect a steady expansion in assets, deposits, and lending capabilities, underscoring its solid market presence and customer trust. The bank's focus on enhancing productivity and prudent financial management has significantly contributed to its profitability and growth.

SUSTAINED FINANCIAL GROWTH

The Bank has demonstrated remarkable growth and resilience over the past five financial years, reflecting its robust performance and strategic initiatives. The bank's consistent increase in total assets and deposits showcases its expanding customer base and trust. A steady rise in the Gross Advance indicates enhanced lending capacity while improving CRAR underlines a more substantial capital base.

(₹ in Cr)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Balance Sheet					
Capital & Reserves	5474.80	5807.16	5853.13	6674.58	8823.54
Total Assets	97032.90	94149.17	100052.42	107698.18	117412.79
CRAR (%)	13.41	15.42	15.86	17.25	19.91
Gross Advance	65524.02	59,418.40	61815.76	72092.07	80426.26
Total Deposits	83033.89	82710.55	89142.11	91651.35	101920.26
Branch Productivity	165.51	165.25	154.77	164.18	178.45
Net Interest Income	2317.50	2406.91	2239.76	3012.08	3332.06
Net Interest Margin (%)	2.66	2.71	2.62	3.30	3.31
Operating Profit	1645.64	1617.91	1247.57	1507.33	1867.67
Net Profit	104.59	61.91	44.98	775.09	1070.08
Earnings per share	0.58	0.34	0.21	3.70	5.10
Book value per Share	30.25	27.75	27.97	31.89	33.73
RoE (%)	1.91	1.07	0.77	11.61	12.13
RoA (%)	0.11	0.07	0.04	0.72	0.91
Cost to Income Ratio (%)	51.07	54.96	61.89	60.59	61.47
CASA	20,759.61	24589.79	29601.38	30227.06	32692.67
CASA Ratio (%)	25.00	29.73	33.21	32.98	32.08
Total Business	148557.91	142128.95	150957.87	163743.42	182346.52
PCR (Including write off)	54.22	58.73	69.55	76.78	79.10
PCR (excluding write off)	34.06	34.00	51.27	65.12	68.66
GNPA	3261.77	4143.24	3648.09	3708.26	3620.34
GNPA (%)	4.98	6.97	5.90	5.14	4.50
NNPA	2150.78	2734.52	1777.77	1293.61	1134.58
NNPA (%)	3.34	4.71	2.97	1.86	1.46
Total Income	8809.55	8490.93	7620.64	8045.81	10128.32
Other Income	1045.75	1185.48	1034.10	812.63	1515.52
Loan Book Across Regions					
Kerala	27832	26355	25978	28629	28351
South-ex Kerala	20715	20239	21347	25144	27491
Rest of India	16977	12824	14491	18319	24585

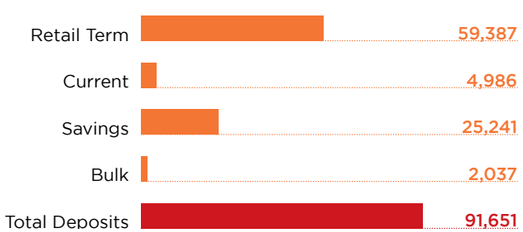
DEPOSITS

The growth in deposits during the year highlights the Bank's commitment to building a strong and stable financial foundation. This success ensures continued growth and the ability to meet the evolving needs of customers and stakeholders. The Bank's strategic initiatives and innovative approaches will likely sustain this upward trajectory, further solidifying its position in the banking sector. This substantial growth, particularly in CASA balances, underscores the Bank's effective strategies and robust customer relationships, paving the way for future success and financial stability.

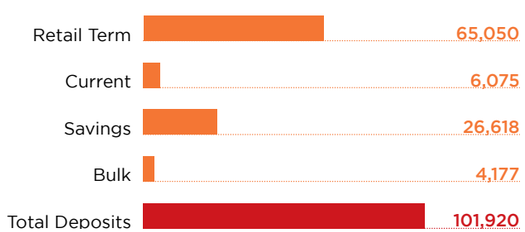
Total Deposits +11% (₹ in Cr)

CASA (Current Account Savings Account) **Balances +8%** (₹ in Cr)

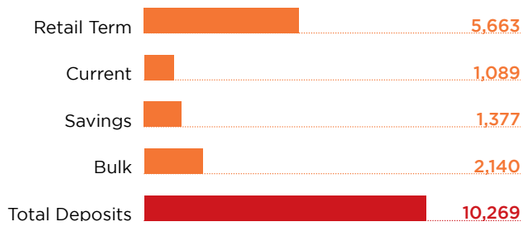
Breakdown of Deposits-FY 2022-23 (₹ in Cr)



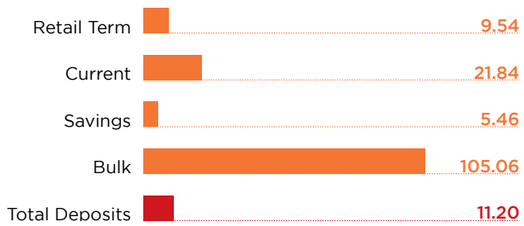
Breakdown of Deposits-FY 2023-24 (₹ in Cr)



Breakdown of Deposits-Growth (₹ in Cr)



Breakdown of Deposits-Growth (%)



BALANCING PROFITABILITY

Over the past fiscal year, the Bank has seen notable changes in key financial metrics. Comparing FY23 with FY24, our Yield on Funds increased from 6.86% to 7.49%, reflecting our successful investment strategies. Concurrently, the cost of funds rose from 4.00% to 4.59%, which aligns with the broader economic environment and our strategic funding decisions.

In terms of advances and deposits, the Yield on Advances had grown from 8.69% in FY23 to 9.30% in FY24, demonstrating our effective lending practices. The Cost of Deposits, however, increased from 4.35% to 5.10%, highlighting our commitment to offering competitive rates to our customers.

DIGITAL BANKING INITIATIVES

South Indian Bank has implemented a series of digital banking initiatives to enhance customer experience, bolster digital security, drive enterprise projects, and streamline internal operations. These initiatives are designed to facilitate a seamless and secure digital banking experience for customers, leading to a significant rise in digital transactions.

TRANSACTION VOLUMES (IN 000'S)

PERIOD	TRANSACTIONS THROUGH BRANCH	TRANSACTIONS THROUGH DIGITAL CHANNEL	% DIGITAL SHARE
Mar-23	127.5	2459.1	95.1%
Mar-24	79.2	3143.4	97.5%

INTERNET TRANSACTION VOLUME (IN 000'S)

PERIOD	VOLUME
Mar-23	1776
Mar-24	2139

MOBILE TRANSACTION VOLUME (IN 000'S)

PERIOD	VOLUME
Mar-23	108321
Mar-24	157715

South Indian Bank focuses on digital sourcing to enhance portfolio quality, streamline operations, improve customer experiences and maintain competitiveness. By integrating innovative solutions, forming strategic partnerships and continually evolving digital infrastructure, the Bank offers secure, efficient, and seamless banking services that meet customers' dynamic needs while driving operational excellence.

DIGITAL ONBOARDING & UNDERWRITING

MAJOR INITIATIVES

FinnOne Neo Nucleus Retail Loan Origination System (LOS):

This system simplifies customer onboarding with online applications, efficient credit underwriting, and direct fund disbursement. Comprehensive workflow management progresses work items through various phases, such as sales, credit recommendation, legal finalisation, and account setup. Unified lifecycle management manages loan applications as single entities, enhancing coordination and reducing complexity. Enhanced transparency ensures greater visibility throughout the application process. The mobile version, FinnOne Neo mCAS, allows field staff to source loan applications digitally.

Corporate Loan Origination System (CLOS) from NewGen:

Manages SME and large-ticket loans with a seamless workflow, routing each work item to the appropriate sanctioning authority. Streamlined proposal management tracks the entire loan process from initiation to disbursement, ensuring efficient turnaround times. Parallel processing allows multiple stakeholders to work simultaneously, expediting the process. Automated documentation generates essential documents like branch appraisal notes, credit notes, and loan documents. Real-time data integration with the Core Banking System (CBS) and other applications enhances overall efficiency and accuracy.

Fully Digital Personal Loans through FinTech Partnership:

Partnering with OneConsumer Services Pvt Ltd., the Bank offers a seamless, paperless personal loan experience from onboarding to disbursal. By leveraging the Core Banking System and various applications through API connectivity, the Bank ensures a smooth and efficient customer journey from application to underwriting and approval. This streamlined process enhances efficiency, accuracy and security.

Enhanced Credit Underwriting through AA Ecosystem Integration:

Integrates with the Account Aggregator (AA) ecosystem for real-time financial data analysis, providing a comprehensive view of the customer's financial profile. This integration streamlines the credit underwriting process, facilitating quicker and more informed credit decision-making and resulting in faster and more accurate credit approvals.

Digital Renewal for Staff Overdraft (OD):

Introduced a streamlined renewal facility for staff overdraft limits through HRMS, utilizing necessary Finacle APIs and the NeSL DDE (Digital Document Execution) platform for document execution, including digital stamping.

Simplified Working Capital Limit Renewal:

Launched a transaction-based, paperless renewal model for working capital limits, supporting the needs of small and medium-sized businesses. The renewal process is simplified and based on essential documents like GST returns.

Digital Account Opening:

Leverages technology and innovative practices to ensure a smooth and efficient onboarding experience. Video KYC enables customers to open their South Indian Bank account fully online, completing all KYC procedures in minutes. The Swift-e mobile app supports onboarding savings and current accounts with minimal turnaround time, leveraging UIDAI's biometric eKYC services. The Bank continually enhances the VKYC platform with additional features for better customer experience and operational efficiency, including face authentication, photo uploads with geo-tagging, and minor to major account conversion.

KYC Compliance:

Offers online KYC update services for domestic and NRI customers, secured through OTP verification. Additionally, a fully digital KYC process for mutual fund onboarding is planned to streamline the process through API integration for KYC verification.

BUILDING THE BRAND SOUTH INDIAN BANK

The Bank has launched diverse campaigns across print, television, radio, outdoor, connected TV and digital platforms. These cost-effective campaigns ensured targeted delivery and broad regional reach.

SIB FINATHON:

In partnership with Enactus IIT Delhi, the Bank has hosted the SIB Finathon, showcasing our commitment to innovation and technology in next-generation banking. The event attracted top engineering colleges and IT companies nationwide, with 1,650 registrations and over 145 groundbreaking submissions. 14 standout teams participated in a co-creation camp at IIT Delhi, presenting innovative ideas and receiving guidance from experts. With significant visibility across online platforms and media channels, SIB Finathon garnered over 60 lakh impressions. The grand finale featured talented teams competing for a total cash prize of Rs. 6 lakhs, alongside a tech conclave with industry speakers sharing insights into the evolving fintech landscape.

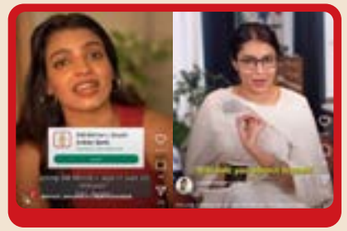
SIB IGNITE QUIZATHON:

Hosted at St Joseph's University, Bangalore, the SIB Ignite Quizathon aimed to inspire college students nationwide. The competition, spanning from October 2023 to February 2024, featured three rounds and attracted over 11,000 participants. 8 exceptional teams competed in the grand finale, with The Guwahati Medical College emerging as the SIB Ignite First Edition Champion. Engaging with 1,000 colleges, including 500 prospective NTB TASC collaborators, the event set the stage for future editions to attract even larger participation.

TRUST MEETS TECH SINCE 1929 CAMPAIGN:

To reinforce the Bank's image as a tech-savvy institution and promote our asset products, we launched the second phase of the 'Trust Meets Tech since 1929' campaign across various media. This campaign aimed to raise brand awareness and highlight products in non-southern markets through digital, Connected TV, and theatre campaigns. In south solid markets, the focus was on business generation. The campaign reached 13.91 million across Tamil Nadu, Andhra Pradesh, and Karnataka, with digital innovation receiving 1.29 lakh engagements and over 1.6 billion impressions.

Our Corporate Communication initiatives significantly increased our Share of Voice (SoV), enhancing visibility and reach in national and regional media, fostering meaningful engagement with stakeholders and boosting South Indian Bank's growth and reputation.



SOCIAL MEDIA ENGAGEMENT:

We regularly share posts about Bank's products and services on social media, promoting selected posts to increase their reach. We also post special days and festive wishes to build an emotional connection with customers. Platforms such as Facebook, X, Instagram, LinkedIn and YouTube are used for effective communication regarding product announcements, offers, corporate updates, milestones, and customer interactions. We posted 94 customer testimonials throughout the year to enhance customer connection with the brand.

PRODUCT-CENTRIC CAMPAIGNS:

The Bank has launched product-centric campaigns in focused markets for NRI Services, Home Loans, Car Loans, Gold Loans, MSME, Personal Loans and SIB Mirror+. These campaigns effectively reached the target audience using print media, FM radio, TV, outdoor, digital and specific BTL activities.

MILLENNIAL ENGAGEMENT THROUGH INFLUENCER CAMPAIGNS:

The Bank has rolled out influencer campaigns regionally, including in Hindi-speaking markets to connect with millennials. Festivals like Diwali and Onam were leveraged to promote our loan products and strengthen brand connections. Involving over 40 influencers, these campaigns garnered over 10 million views and increased our follower base.

The Human Resources (HR) Department of South Indian Bank has been pivotal in driving organisational growth and enhancing employee satisfaction. Over the past year, the Department has embarked on a transformative journey, integrating cutting-edge technology and comprehensive initiatives to boost productivity and operational efficiency. This article not only highlights the key achievements but also the strategic vision of the HR Department, underscoring its commitment to fostering a dynamic, supportive, and engaging workplace.

HUMAN CAPITAL

Participants of Leadership Development Programme at IIM, Bangalore.

DIVERSITY & INCLUSION:

As on March 31, 2024, the Bank had 9836 personnel on its payroll. The cadre wise break up is as follows:

CADRE	MALE	FEMALE	TOTAL
OFFICERS	4,047	2,487	6,534
CUSTOMER SERVICE ASSOCIATE	1,057	1870	2927
OFFICE ASSISTANT/ DRIVER	172	20	192
HOUSE KEEPING (FULL TIME/PART TIME)	43	140	183
GRAND TOTAL	5,319	4517	9836

LEADERSHIP DEVELOPMENT PROGRAMME

The HR Department has conducted multiple leadership training sessions aimed at enhancing the capabilities of executive cadre employees. These sessions have been structured around key competencies such as strategic thinking, leadership abilities, and management skills. By collaborating with esteemed institutions like IIM Bangalore, the Bank ensures that the training programs are of high quality and relevance, instilling confidence in the audience. This approach not only strengthens the leadership pipeline but also ensures that future leaders are well-prepared to navigate the complexities of the banking industry.

OPTIMISING THE TOOTH-TO-TAIL RATIO

The Tooth-to-tail ratio, a key metric in assessing our organisational efficiency, ensures a balanced workforce between customer-facing roles and backend support functions. Our goal is to achieve the ideal ratio of 85:15, with 85% of our workforce in customer-facing roles and 15% in backend support. We've made significant progress towards this goal through multifaceted efforts. A dedicated team of experts within the department has led initiatives to streamline processes, reallocate resources, and enhance the effectiveness of customer-facing roles. Through meticulous analysis and strategic planning, we've identified areas for improvement and implemented targeted interventions, demonstrating our commitment to driving progress towards our ideal ratio.

EMPOWERING CUSTOMER-FACING ROLES

At the heart of our business lies the imperative to deliver exceptional customer service and value. Recognising the pivotal role of customer-facing employees in achieving this objective, we have undertaken initiatives to empower and equip them for success. Central to this endeavour has been the strategic relocation of staff to branches, ensuring a more responsive and personalised approach to customer service. Additionally, we have invested in specialised training programs designed to enhance the skills and competencies of our frontline staff, aligning them with the latest industry trends and technological advancements.

INTRODUCTION OF E-LEARNING PLATFORM

The Bank integrated a Learning Management System (LMS) accessible via web and mobile applications, facilitating continuous learning and professional development for employees. The platform offers various courses and training modules, enabling staff to enhance skills and knowledge conveniently. Designed to support career growth, the e-learning platform ensures employees stay updated with industry trends. This initiative underscores the Bank's commitment to its workforce's personal and professional growth, promoting continuous improvement and learning.

Human Capital

EMPLOYEE ENGAGEMENT & EDUTAINMENT INITIATIVES

PAN INDIA EYE CARE CAMP

In partnership with Essilor India Pvt Ltd, the HR Department conducted eye care camps across various branches nationwide. These camps provided comprehensive eye examinations, ensuring early detection and management of potential vision issues. This initiative emphasised the importance of eye-health, especially with increased screen time. By offering these services, the Bank demonstrated its commitment to employee health and well-being, promoting preventive healthcare and regular eye check-ups.

SIB DIWALI DAZZLE 2023 - RANGOLI MAKING CONTEST

For Diwali, the HR Department organised a Rangoli-making contest titled "SIB Diwali Dazzle 2023." Staff created colourful Rangoli designs, showcasing artistic talents. An online flipbook showcased all entries, celebrating creativity and festive spirit. The best designs were rewarded, adding a competitive element to the festivities. This initiative promoted cultural engagement and encouraged traditional celebrations, enhancing the overall festive atmosphere within the Bank.

INDEPENDENCE DAY - QUIZ COMPETITION

To celebrate India's Independence Day, the HR Department organised a nationwide virtual quiz competition, engaging staff in a fun and educational manner. The quiz, conducted in three stages, tested knowledge of Indian history, culture, and achievements. Broad participation fostered camaraderie and friendly competition among employees. Winners received recognition and rewards, motivating staff to participate and celebrate national spirit, unity, and pride.

DIGITAL GREETINGS FOR STAFF MEMBERS - BIRTHDAY, ANNIVERSARY, WELCOME

The HR Technology team designed digital greeting cards for birthdays, anniversaries, and new employee welcomes, for sending to official email IDs. This initiative acknowledged personal milestones, fostered appreciation and recognition. Personalised digital greetings made employees feel valued and connected within the organisation. Leveraging technology, the HR Department ensured timely and consistent communication, enhancing employee morale and strengthening the sense of community.

CORPORATE TIE-UP WITH INSTITUTIONS

South Indian Bank established corporate tie-ups with institutions, including resorts, hotels, and hospitals, providing exclusive benefits such as discounted rates and special services to staff. This initiative underscores the Bank's commitment to employee wellness and satisfaction, extending support beyond the workplace. By aligning with reputable institutions, the Bank ensured access to quality services, enhancing overall employee experience and strengthening loyalty and morale.

WELLNESS WEDNESDAYS

"Wellness Wednesdays" promotes health and well-being through webinars conducted by expert doctors from renowned hospitals. These mid-month sessions cover health topics, providing valuable knowledge and practical advice to staff. The program fosters a healthier and more productive workplace by equipping employees with tools and information for maintaining physical and mental health. This initiative underscores the Bank's commitment to employee wellness, ensuring that staff has access to expert health guidance.

EMPLOYEE RECOGNITION NEWSLETTER - SPOTLIGHT

The HR Department launched "Spotlight," a newsletter featuring staff achievements and milestones, particularly highlighting those contributing to business growth. Circulated through the Bank's official platform, "Spotlight" boosts employee morale and encourages a performance-driven work culture, inspiring others to excel. This initiative ensures that exceptional performance is acknowledged and celebrated, creating a positive and competitive work environment within the Bank.

SIB EXHIBIT - VIDEO CONTEST

The "SIB Exhibit" video contest encouraged staff to showcase their product knowledge and understanding of the Bank's core values through creative videos. Participants submitted videos which were evaluated on content, creativity, and presentation. The contest revealed hidden talents within the workforce and gauged product knowledge among employees. By recognising the best entries, the HR department fostered accomplishment and motivation, promoting a deeper understanding of the Bank's offerings and values.

VIRTUAL SYMPOSIUM - "INDIA IN MY DREAMS"

The HR Department organized a virtual symposium themed "India in My Dreams," inviting staff to share their vision and aspirations for the country. Participants received certificates, with the best speaker been awarded a memento. This symposium provided a platform for employees to develop and showcase public speaking skills, fostering national pride and visionary thinking. The event highlighted the Bank's commitment to personal and professional growth, enhancing soft skills and thoughtful reflection.

PROUD SIBIAN CONTEST

To commemorate the Bank's 95th Founders Day, a virtual speech contest themed "How SIB Transformed Me" was conducted, inviting staff to share their growth and transformation within the Bank. The best three performers were rewarded. It provided a platform for employees to reflect on their professional journey and the Bank's impact. The contest received positive responses for inspiring stories, celebrating the Bank's legacy and strengthening community and shared purpose among employees.

Human Capital

PERFORMANCE MANAGEMENT

The HR Department has successfully implemented robust performance management systems, introducing transparent and fair performance evaluation processes. This ensures that employees' efforts are recognised and rewarded, enhancing individual performance and fostering a culture of accountability and continuous improvement.

The HR Department redefined job roles linked to performance metrics, developing a job role-based performance management system using the Balanced Scorecard framework. This comprehensive approach incorporates financial and non-financial measures, providing specific, measurable goals for employees.

Scorecards are accessible through HRMS and mHRMS, enabling staff to track their performance metrics easily. This transparency empowers employees to understand expectations and monitor their progress, improving productivity and focus.

The revamped system has significantly improved employee engagement and performance, aligning personal goals with the Bank's strategic objectives.

CONTINUOUS LEARNING AND DEVELOPMENT

The launch of the SIB iLearn LMS mobile app reflects the Bank's commitment to continuous learning and professional development. This platform provides employees access to various training programs, enabling them to enhance their skills and knowledge at their convenience. By fostering a culture of continuous improvement, the Bank ensures that its employees are always equipped with the latest knowledge and skills required to excel in their roles.

LEARNING AND DEVELOPMENT:

Based in Ernakulam, this unit develops e-learning modules that are accessible via SIB iLearn. These in-house courses, totalling 174 Credit Hours, help staff earn appraisal points.

SIB STAFF TRAINING COLLEGE (SIBSTC), THRISSUR:

SIBSTC offers internal programs to enhance professional skills and align with SIB's culture. This unit also nominates staff for external training to address skill gaps.

STRATEGIC WORKFORCE OPTIMIZATION AND PRODUCTIVITY ENHANCEMENT

In the dynamic banking industry, staying ahead necessitates a workforce that is skilled and strategically aligned to meet the evolving needs of our customers. Over the past year, we have dedicated ourselves to achieving this objective by focusing on three key areas: optimising the tooth-to-tail ratio, empowering customer-facing roles, and bolstering employee productivity.

BOLSTERING EMPLOYEE PRODUCTIVITY

Employee productivity forms the bedrock of our operational efficiency and competitive advantage. In our pursuit of excellence, we have implemented a range of measures to foster a culture of productivity and continuous improvement. Key among these initiatives has been simplifying processes and workflows and eliminating bottlenecks and redundancies to streamline operations. By harnessing the power of technology, we have augmented the capabilities of our backend support functions, enabling them to provide more efficient and responsive assistance to our customer-facing teams. Moreover, we have cultivated an environment that encourages innovation and collaboration, empowering employees to contribute their ideas and insights towards driving organisational success.

EMBRACING TECHNOLOGY FOR HR TRANSFORMATION

The HR Department has made significant strides in leveraging technology to streamline processes and enhance the employee experience. The comprehensive updates to the SIB mHRMS app, including Active Directory (AD) password reset access, daily quizzes, and personalised greetings, have increased user engagement and simplified everyday HR tasks. Automation has also been a key focus; these developments have reduced reliance on manual processes, speeding up the processes and significantly optimised workflow.

ENHANCED HRMS FUNCTIONALITIES

Continuous improvements in the SIB mHRMS app have further streamlined administrative tasks. The app's updates have provided employees with more tools to manage their HR-related tasks efficiently, reducing administrative burdens and allowing them to focus on core responsibilities.

COMPREHENSIVE PAYROLL AND COMPENSATION ENHANCEMENTS

Adopting a Cost to Company (CTC)-based payroll system for executives has modernised the compensation structure, making it more transparent and efficient. This transition has allowed executives to better understand their remuneration packages, leading to better financial planning and satisfaction. Furthermore, the addition of executive compensation processing through a CTC model marks a significant improvement in payroll management.

EMPLOYEE WELLNESS AND SUPPORT

Promoting employee wellness and support has been a cornerstone of the HR Department's strategy. Initiatives like "Wellness Wednesdays" featuring regular webinars by expert doctors provide valuable health insights to employees. The introduction of the SIB Staff Support Community within the mHRMS app has further enhanced working conditions, offering modules to track transfer requests, issue training call letters, and provide leads for rented housing. These initiatives have fostered a supportive environment where employees feel valued and cared for.

RECOGNITION AND REWARDS

The SIB Max Rewards Scheme dashboard has been a significant innovation promoting a culture of recognition and achievement. This platform provides a transparent view of performance metrics and rewards, motivating employees to perform better and achieve their goals. Recognition initiatives are essential for employee morale and productivity, and the Bank's efforts in this area have been well-received.

AWARDS & RECOGNITIONS FY24

IBA BANKING TECHNOLOGY AWARDS

South Indian Bank secured six awards, including Technology Bank of the Year (Winner), Tech Talent & Organisation (Winner), IT Risk Management (Winner), Tech-enabled Financial Inclusion (Runner Up), Fintech Collaboration (Special Mention), Digital Sales & Engagement (Special Mention). MD & CEO Sri P R Seshadri and other executives of the Bank received the awards.

IBEX INDIA 2024 BFSI TECH AWARDS

South Indian Bank won the award for "Excellence in Financial Inclusion Initiatives." Sri Sanchay Kumar Sinha, CGM, along with Sri Prajin Varghese, Regional Head - Mumbai, received the award.

AMITY OUTSTANDING BANKING LEADERSHIP AWARD

South Indian Bank was recognised for its exceptional commitment to digital innovation. The accolade was presented by Amity University, Noida at the INBUSH ERA World Summit 2024. Sri Sony A, SGM & Chief Information Officer, along with Sri Renjith R Nair, Regional Head - Delhi, received the award.

DIGITAL LENDING BANK OF THE YEAR AWARD IN THE INDIAN BANKING SUMMIT AWARDS CEREMONY

South Indian Bank won the Digital Lending Bank of the Year award in the Indian Banking Summit Awards ceremony for the Pre-Approved Personal Loans product. Sri Vinod G, JGM & Head - Data Science Department received the award.

PCI DSS CERTIFICATION

South Indian Bank received the PCI DSS certification, an international benchmark for the highest level of payment security in Cards.

ACCELERATING BUSINESS AMBITIONS TOGETHER

SIB signs MOU with Ashok Leyland Limited for Dealer Financing.

SIB signs MOU with Mahindra & Mahindra Ltd. for Dealer Financing.

CORPORATE SOCIAL RESPONSIBILITY

PURCHASE OF AMBULANCE FOR ST. JOSEPH'S HOSPITAL, VELUPADAM

Financial assistance was provided to St. Joseph's Hospital, Velupadam, for the purchase of an ambulance. This ensures timely medical help for emergencies, improving healthcare accessibility for the rural and tribal population. St. Joseph's Hospital, located in a remote village, serves a population of 2,500, including a significant tribal community. The new ambulance will address the critical healthcare needs of the community, ensuring better health outcomes.

SIB IMPACT

2500+ PEOPLE

VEHICLE FOR COMMUNITY SERVICE PROGRAM, CHRIST UNIVERSITY, LAVASA

South Indian Bank funded a vehicle for Christ University, Lavasa's Community Service Program. This vehicle supports transportation for emergency medical aid and community engagement activities, benefiting the local villages. The mountainous terrain and limited facilities at Lavasa pose significant challenges for the local population. The vehicle will facilitate transportation for various needs, including medical emergencies and community service projects.

SIB IMPACT

VEHICLE TO BE USED FOR MORE THAN 100 COMMUNITY SERVICE PROGRAMS

FINANCIAL ASSISTANCE FOR AMBULANCE PURCHASE - SREEKANDAPURAM MUNICIPALITY

Limited hospital facilities exist in Sreekandapuram, a municipality 35 km from Kannur. The hilly terrain also makes hospital and emergency transportation facilities inadequate. Most residents rely on specialty hospitals in Kannur for medical emergencies. We have assisted the Sreekandapuram Municipality in purchasing an ambulance to serve the public during medical emergencies.

SIB IMPACT

2500+ PEOPLE

SUPPORT FOR PARAPPUR SPORTS & EDUCATION TRUST (PSET)

South Indian Bank's financial assistance to Parappur Sports & Education Trust (PSET) in Thrissur aims to elevate Indian football standards by integrating academics with professional football training for rural children. Currently, 162 students receive training across five age groups, with 70 in residential facilities. The club offers sport kits, nutrition, and professional coaching. The initiative, running from 2017 to 2024, aims to produce a professional football team with opportunities for players to join national teams or ISL clubs. PSET has received AIFF's Elite 3-star accreditation, the only club in Kerala with this distinction.

SIB IMPACT

1120 PLAYERS HAVE BEEN BENEFITED SO FAR OVER THE SPAN OF 8 YEARS.

TREE PLANTING PROJECT "VANATHUKKUL TIRUPPUR"

South Indian Bank supported VETRY in their tree planting initiative, "Vanathukkul Tiruppur." This project has planted and maintained 15,10,000 trees in Tirupur District from 2015 to 2022, promoting environmental sustainability and ecological balance. Initiated in memory of Dr. A.P.J Abdul Kalam, the project aims to transform Tirupur into a green district.

SIB IMPACT

7,800 TREES PLANTED

FINANCIAL ASSISTANCE FOR DIGITAL KIOSKS - SAMRIDHI INITIATIVE, COCHIN

Samridhi, an initiative by Cochin Municipal Corporation, aims to alleviate poverty by providing affordable meals. Operating from a building at Paramara Road, Ernakulam North, they serve about 5000 meals daily. To enhance their services, South Indian Bank has provided financial assistance to purchase two Android Self Service Kiosks with UPI for efficient restaurant billing.

SIB IMPACT

1,00,000+ PEOPLE

SOLAR PANELS AND INCINERATOR FOR THE HOUSE OF PROVIDENCE, ERNAKULAM

Financial assistance was provided for installing solar panels, an incinerator, and a floor cleaning machine at The House of Providence, Ernakulam. This initiative supports the home's sustainability and waste management efforts. The institution, which has been serving the aged for 85 years, faces rising electricity costs and waste management challenges, particularly after the Brahmapuram incident.

SIB IMPACT

80 RESIDENTS

INFRASTRUCTURE SUPPORT FOR MRIDULASPARHAM SPECIAL SCHOOL, THRIPUNITHURA

The Bank provided financial assistance for additional infrastructure at Mridulasparham Special School, which benefits differently-abled children. This support includes the construction of a stage, electrical and sound system, and LED screen for the school. Established in 2010, Mridulasparham offers comprehensive education and training programs for differently abled children, helping them develop skills and integrate into society.

SIB IMPACT

INFRASTRUCTURE DEVELOPMENT FOR 80+ STUDENTS

South Indian Bank's ESG policies are a reflection of our commitment to transparency, ethical conduct, and sustainable practices. Our key policies, including the CSR, the Code of Conduct for Prevention of Insider Trading, and the Bank's Code of Conduct are designed to promote ethical business practices. The inclusion of policies like Board Diversity, Nomination Policy and Protected Disclosure Scheme is a testament to our belief in inclusive governance and accountability. These policies, along with the Policy on Co-Lending, Environmental, Social and Governance Policy (ESG), Policy on Environmental and Social Management System (ESMS), Green Deposit Policy and Green Financing Framework etc. are our steps towards enhancing regulatory compliance. These reflect our dedication to ethical conduct, social responsibility, and robust governance, fostering trust and accountability.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

South Indian Bank is committed for integrating Environmental, Social and Governance (ESG) principles into its operations, with a strong emphasis on sustainability, social responsibility and robust governance. Our primary goal is to reduce our carbon footprint, a significant step towards promoting environmental sustainability. We also strive to promote diversity and maintain transparency. Through our ESMS Policy, we actively support eco-friendly projects and manage waste. Our commitment extends to responsible lending, customer success and community investments. By embedding ESG into our strategy, we aim to create long-term value for stakeholders and contribute to a sustainable, equitable world.

Further, our Policy on Environmental and Social Management System (ESMS) integrates international frameworks and national regulations to manage environmental and social risks in banking activities. It aims to strengthen E&S risk management, enhance long-term shareholder returns, and ensure compliance with national laws. The policy promotes sustainable financing and monitors transactions. By improving E&S performance and promoting sustainable infrastructure, the Bank minimises negative impacts and stimulates positive outcomes in its operations.

ENVIRONMENTAL

GREEN FINANCING FRAMEWORK

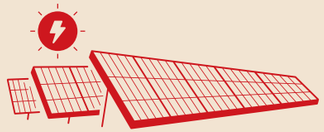
The Bank has taken significant steps to promote sustainable development through its Green Deposit Policy and Green Financing Framework. This initiative encourages investments in green projects and activities contributing to environmental sustainability.

As of March 31, 2024, the Green Deposit scheme successfully raised a total of

₹ 56.21 crore

₹ 51.53 crore allocated to various renewable energy initiatives

₹ 37.98 crore for solar power generation



₹ 13.05 crore for wind power generation

₹ 0.50 crore for clean transportation projects promoting electrification

SOCIAL

ENERGY CONSERVATION INITIATIVES

In its commitment to energy conservation, the Bank has installed:

- 75 KW Solar plant and 150 KW plant is awaiting commissioning at multiple locations, with additional plan for further Solar installations

The Bank has implemented a new temperature policy to optimise energy usage, setting air conditioners at 24 degrees Celsius across all branches, departments and offices. This initiative also includes:

- The installation of energy-efficient air conditioning units with green refrigerant gas
- Exclusively inverter-type Air conditioners with 5-star ratings for new purchases

75 KW
Solar plant has been installed

150 KW
plant is awaiting commissioning

WATER MANAGEMENT

Water management is another critical focus area, with the Bank installing sewage treatment plants in its buildings. Notable installations include:

- A 10 KLD plant at the Kannur Currency Chest
- A 15 KLD plant at the Administrative building in Kakkanad
- A newly completed 75 KLD plant awaiting commissioning, at our new building in Kakkanad

10 KLD
plant at the Kannur

15 KLD
plant at the Administrative building in Kakkanad

75 KLD
plant awaiting commissioning

SUSTAINABLE PRACTICES

To further enhance sustainability, the Bank has:

- **Replaced old CFL lights with energy-efficient LED lights** in Bank owned premises
- We advocate using recycled paper across all branches, ROs, and departments, reducing waste and supporting the recycling industry for a sustainable future
- At our Bank, we prioritise sustainability by using eco-friendly products for decorations and gifts during events, fostering an organisational culture of environmental responsibility
- In honor of Earth Day, the HR department spearheaded an E-Waste Drive at the Head Office, collaborating with an expert external vendor from Ernakulam. This initiative aimed to reduce electronic waste by encouraging staff members to dispose of their outdated electronics responsibly

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Through its Corporate Social Responsibility (CSR) program, the Bank supports various environmental initiatives, such as:

- Rainwater harvesting
- Solar panel installations
- Afforestation projects

The Bank also fosters a culture of sustainability by encouraging the use of environment-friendly products for decorations and gifts during events and campaigns.

Employee Training

Employee training is integral to the Bank's social responsibility efforts. The Human Resources Department provides training on Human Rights, ESG Investing and Green Finance through the Bank's e-learning platform, I-learn.

SUSTAINABLE BANKING

Priority Sector

South Indian Bank has made significant strides in promoting sustainable banking through its priority sector initiatives. These efforts focus on providing financial support to various segments, including MSMEs, agriculture, women entrepreneurs, physically disabled individuals, education, and affordable housing. The details of the outstanding loans under priority sector and the number of beneficiaries as of March 31, 2024, are as follows:

Particulars	Outstanding as of 31-03-2024 (Rs. in crores)	Number of Beneficiaries
MSME Loans	13,400.79	26,271
Agriculture Loans	16,533.65	822,964
Education Loans	380.41	7,299
Affordable Housing Loans	1,052.63	12,595

Sustainable Banking – Environment

In addition to priority sector lending, South Indian Bank is committed to environmental sustainability by advancing funds for setting up renewable energy plants for business and household purposes.

GOVERNANCE

ESG OVERSIGHT AND IMPLEMENTATION

The Bank's governance framework includes robust oversight and implementation of ESG initiatives. The Board's Corporate Social Responsibility Committee oversees ESG reporting and review activities.

An Executive Level Committee has been established to supervise and implement ESG initiatives within the Bank. This committee ensures that the Bank's ESG activities are effectively managed and aligned with its sustainability goals.

Environmental and Social Management System (ESMS) Policy

The Environmental and Social Management System (ESMS) Policy reflects the Bank's commitment to integrating environmental and social considerations into its business practices and decision-making processes. The Bank employs a comprehensive grading model to assess environmental and social risks, focusing on climate risk for high-value credit.

Business Responsibility and Sustainability Reporting (BRSR)

The Board has appointed a professional agency to ensure effective BRSR reporting and review of ESG practices. The Business Responsibility and Sustainability Report, detailing the Bank's initiatives from an environmental, social, and governance perspective, is included in the Annual Report.

Refer Page 159 for BRSR

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

The global economy has shown remarkable resilience despite grim predictions, with consistent growth. Inflation is inching its way down, although held up by slowing disinflation in service sector. The economy faced a roller coaster journey starting with the disruption in supply chain management in the aftermath of the pandemic and the subsequent energy and food crisis due to geo-political tensions. These crises resulted in significant increase in inflation, resulting in a coordinated tightening of monetary policy internationally. Despite these challenges, the US economy has outperformed its pre-pandemic trends with the last quarter growth clocking 2.8% well above the expected 2% resulting in the appreciation of US dollar. Emerging economies are also showing signs of higher growth on account of better activity in Asia, particularly in India and China.

The IMF's most recent World Economic Outlook forecasts indicate that growth would remain stable at 3.2 percent in 2024 and 3.3 percent in 2025, with median headline inflation falling from 2.8 percent at the end of 2024 to 2.4 percent at the end of 2025. Positive changes in supply dynamics, like the diminishing effects of shocks to energy prices and a significant rise in labour supply, buoyed by strong immigration in many advanced countries, have supported strong economic development and quick disinflation. Amid these improvements, several other challenges remain like elevated inflation in some of the countries, escalating geopolitical tensions, rising geo-economic fragmentation, disruptions in key global shipping routes, high public debt burdens and financial stability risks which require decisive actions.

Currently, indications suggest that global monetary policy alignment is weakening, potentially impacting capital flow fluctuations, cross-border investor portfolios and asset values. Some of the emerging markets are still burdened by debt and have difficulty in obtaining outside capital.

Although the application of artificial intelligence raises concerns about large scale disruptions in the labour and financial systems, it offers potential for increasing efficiency. In order to reap the evolving potential of artificial intelligence, nations need to improve their digital infrastructure, give human capital first priority and work together to create international regulatory frameworks. AI-powered tools are expected to transform customer experiences significantly, improve operational efficiencies and bring in cost optimisation. AI is reshaping the definition on how businesses approach digital commerce, escorting in a new era of innovation and growth particularly in the banking and financial industry space.

INDIAN ECONOMY

As the global economic landscape continues to navigate through uncertainties, India stands tall as a beacon of resilience and dynamism. The fiscal year 2023-24 bore witness to yet another remarkable period in India's economic growth, marked by a robust 7.6% growth rate of GDP, building upon the solid foundation of a 7% growth rate in the preceding fiscal year. The Budget 2024-2025 has focused on provisioning for the agricultural sector, the introduction of schemes related to employment, loan schemes such as the Model Skill Loan Scheme which is proposed to be revised to facilitate loans up to ₹ 7.5 lakh with a guarantee from a government promoted fund. This measure is expected to help 25,000 students every year and for helping the youth who have not been eligible for any benefit under government schemes and policies, a financial support for loans upto ₹ 10 lakh for higher education in domestic institutions was announced. E-vouchers for this purpose will be given directly to 1 lakh students every year for annual interest subvention of 3 per cent of the loan amount. Further announcements for financial support to the MSME sector, infrastructural development and fiscal deficit projection at 4.9% with a commitment to reducing it down to 4.5%.

A pivotal driver of this economic resurgence during 2023-24 was the stellar performance of key sectors, particularly the construction and manufacturing sectors. The construction sector emerged as a veritable powerhouse, achieving a double-digit growth rate of 10.7%, indicative of a nation steadily building for its future. Concurrently, the manufacturing sector showcased its mettle with an impressive growth rate of 8.5%, underscoring India's prowess in industrial production and innovation. The government introduced the PLI scheme for LSEM in April 2020 and it provides an incentive of 4-6 per cent on net incremental sale over the base year to eligible companies for a period of five years. A second round of PLI for LSEM was launched in March 2021 for electronic components, with incentive of 3-5 per cent for a period of four years. The manufacturing sector gained from the production-linked incentive (PLI) scheme. As of December 2023, actual

investments of ₹ 1.07 lakh crore was realised, which has resulted in production/sales of ₹ 8.7 lakh crore, creation of over 7.0 lakh jobs directly and indirectly, and exports surpassing ₹ 3.4 lakh crore. Incentives totalling around ₹4,415 crore have been disbursed since the beginning of the scheme. Electronics and pharmaceuticals have been the major beneficiaries of the PLI scheme.

The Government has reaffirmed its commitment on enhancing self-sufficiency or 'Atmanirbhar Bharat' through key tax initiatives aimed at empowering the Indian local manufacturing. A number of rate rationalization measures has been introduced to transform the economy into a global manufacturing powerhouse. Government has garnered tremendous success from its earlier reforms in the mobile phone manufacturing sector, which has resulted into a three-fold increase in domestic production over the last six years. Continuing its endeavour to promote Make in India, Government has now reduced the basic customs duty rate on mobile phone, printed circuit board assembly and mobile chargers to 15 percent. Further, in an effort to encourage the aviation and marine sector, the Government has increased the time limit for export of goods imported for repair under Maintenance, Repair and Operations from six months to one year.

This confluence of growth drivers exemplifies the resilience and adaptability of the Indian economy, even in the midst of global challenges.

The latest projections from the International Monetary Fund (IMF) paint a promising picture for India's economic trajectory in the fiscal years 2024-25 and 2025-26. India's real GDP is projected to grow at 7 per cent in 2024-25. A significant factor contributing to India's economic resilience is the commendable reduction in the current account deficit, as highlighted in the Economic Survey 2024.

One of the primary drivers behind this positive trends is the robust performance of India's service exports. The performance of the service sector has not only helped cushion the impact of external shocks but has also contributed substantially to the country's foreign exchange earnings. Furthermore, the decrease in oil import costs has played a pivotal role in narrowing the current account deficit. The moderation in oil prices, coupled with prudent energy policies and strategic reserves management has alleviated the burden on India's trade balance, allowing for a more favourable external position.

Considering the growth-inflation dynamics, the Monetary Policy Committee (MPC) kept the policy repo rate unchanged at 6.50 per cent during 2023-24 and continued with a stance of withdrawal of accommodation to ensure that inflation progressively aligns with the target, while supporting growth. Additionally, the Marginal Standing Facility (MSF) rate remains unchanged at 6.75%, while the Standing Deposit Facility (SDF) rate stands at 6.25%. These decisions underscore the MPC's commitment to maintaining price stability while keeping in mind the imperatives of the growing economy.

According to the RBI's Annual Report 2023-24, the increase in credit to micro, small and medium enterprises (MSMEs) was robust at 14.1 per cent, supported by the availability of collateral free loans. Services sector bank credit rose by 20.2 per cent in March 2024, driven by demand from non-banking financial companies (NBFCs) and trade. However, the pace of expansion of bank credit to NBFCs moderated following regulatory measures announced by the Reserve Bank on November 16, 2023. Personal loan growth remained solid at 17.7 per cent in March 2024, supported by housing loans, which account for about half of the segment. It's worth noting that the pace of this expansion moderated post the regulatory measures announced by the RBI in November 2023, which reflected the delicate balance between growth and prudential oversight. Beyond MSMEs and NBFCs, a broader trend of credit expansion across various sectors, including services, agriculture and retail have been noticed. This multi-faceted growth is indicative of a resilient and dynamic financial ecosystem, where credit serves as a catalyst for economic development and empowerment.

Amidst the evolving global landscape, India's economic resilience serves as a testament to its prudent policies, an enabling ecosystem, a favourable demography, and more than anything else a reflection of the indomitable entrepreneurial spirit of its people.

BANKING AND FINANCE

Amidst the shifting tides of global finance, India's banking sector has done exceptionally well in the fiscal year 2023-2024. With a concerted effort towards addressing long-standing asset quality issues, coupled with strategic interventions in weak entities, the landscape of domestic banking and finance has witnessed significant transformation. This turnaround, was marked by a significant reduction in bad loans, increased profitability, and reinforced capital positions. Profits surged, with public sector banks leading the charge, nearly tripling their net profits. Asset quality soared with non-performing assets recording decadal lows. Robust capital adequacy ratios, especially among Public Sector Banks at 15.53%, provided resilience against potential risks. However, challenges persist amidst the promising landscape. Global economic volatility threatens export-oriented industries and loan repayment capabilities, while high interest rates

and competition from agile FinTech entities demand adaptability and innovation. Sectors like MSMEs and agriculture require targeted interventions for resolution, alongside heightened cybersecurity measures as reliance on technology.

As 2024 unfolds, the sector cautiously anticipates favourable conditions with stable interest rates, continued high levels of growth, and declining inflation driving lending and deposit activities.

OUTLOOK FOR BANKING SECTOR

Despite expectations of compressed net interest margins due to rising deposit costs, the sector is expected to maintain healthy performance. The growth in loan books is projected to support steady operating profits, aided by benign credit costs. This should ensure that most banks meet their regulatory and growth capital requirements.

Recently, RBI has flagged that Credit growth should not run ahead of deposit growth by miles. More so when banks are required to maintain CRR, SLR, LCR. Deposit mobilisation has been lagging credit growth for some time now. This may potentially expose the system to structural liquidity issues. It was mentioned that the regulatory concerns stem from the fact that there could be structural changes happening which banks and NBFCs and other lenders need to recognise and accordingly devise their strategies.

The banking sector is the backbone of the financial system in India and as such it needs to be secure and be able to withstand, detect, rapidly respond and recover from precision cyber attacks. Achieving this objective requires integrated cyber resilience strategies and coordinated continual efforts to adequately prepare, prevent, detect, mitigate, respond, and recover against the ever-growing menace of advanced cyber attacks. RBI's circular on cyber security is both timely and comprehensive in its approach while being fairly onerous in terms of expectations from the banking fraternity. The regulator has set a clear expectation on greater participation of the Board and top management. According to the circular, cyber security should no longer be the focus of just the CISO, but will also need to be on the CEO's agenda. Financial institutions can only achieve so much by improving their organisational cyber security capabilities based on historical incidents and generic threat intelligence. In its circular, RBI has recognised that collaborating and contributing financial institutions can benefit mutually and further help others to make informed decisions, thus enabling them to respond to attacks proactively and quickly. In many ways, the circular will move the industry to a new evolved state with respect to cross-leveraging learnings from one another.

In response to the dynamic landscape of the banking and financial markets, the Reserve Bank of India (RBI) and the Central Government have introduced a series of measures and guidelines aimed at cushioning the sector and fostering stability. Some of the key highlights are:

- Expansion of Payment Instruments: The RBI has authorized banks to issue Rupay prepaid forex cards, facilitating easier transactions for travelers. Moreover, plans to broaden the use of e-rupee vouchers, with non-bank companies also being permitted to issue similar instruments independently, aim to enhance financial inclusivity and convenience. India's UPI (Unified Payments Interface) payments system has during last financial year grabbed global headlines. India's endeavour to promote RuPay and UPI for international settlements and facilitating settlement of trade in rupees, by allowing foreign banks to open Vostro accounts in Indian banks, can prove to be a game changer in international payments systems. This, with a proven successful UPI domestically and its growing acceptability internationally, is giving an edge to India to become a global leader in international payment systems.
- The Reserve Bank of India's efforts to implement the programmability and offline functionality of the Central Bank Digital Currency (CBDC) are going to drive the next fintech wave,Focus on Capital Expenditure: The Union government's emphasis on capital expenditure aims to attract private sector investment gradually. During this fiscal, Bank credit growth is expected to moderate, though the gap between credit and deposit growth is likely to narrow.
- Enhanced Support for MSMEs: The Union Budget's focus on improving credit schemes for Micro, Small, and Medium Enterprises (MSMEs) aims to provide them with better access to financing. The Central Govt. has proposed a new assessment model for MSME credit, for which Public sector banks will build their in-house capability to assess MSMEs for credit, using digital footprints of these entities instead of relying on external assessment. This is expected to be a significant improvement over the traditional assessment of credit eligibility based only on asset or turnover criteria. Continued reforms in terms of investor protection are expected to further stimulate growth in the banking sector.
- An Integrated Technology Platform is also proposed to be set up for improving the outcomes under the Insolvency and Bankruptcy Code (IBC) for achieving consistency, transparency, timely processing and better oversight for all stakeholders.

- Looking ahead, the RBI is poised to maintain flexibility in liquidity management while ensuring that ample resources are available to meet the productive requirements of the economy.

These concerted efforts by both the RBI and the Central Government underscore a commitment to fortifying the banking and financial sector, fostering resilience, and facilitating sustainable growth in the broader economy.

FINANCIAL PERFORMANCE Vs OPERATIONAL PERFORMANCE

During the FY 2023-24, the total gross business of the Bank increased from ₹1,63,743.42 crore to ₹1,82,346.52 crore; deposits increased from ₹91,651.35 crore to ₹1,01,920.26 crore and gross advances increased from ₹72,092.07 crore to ₹80,426.26 crore. Operating profit of the Bank had increased to ₹1,867.67 crore in FY 2023-24 from ₹1,507.33 crore in FY 2022-23. The Net Profit increased to ₹1,070.08 crore in FY 2023-24 as against ₹775.09 crore reported in FY 2022-23. The Provision Coverage Ratio (PCR including write-off) has improved to 79.10 per cent in FY 2023- 24 from previous level of 76.78 per cent in FY 2022-23. The Board has recommended a dividend of 30 per cent i.e. ₹0.30 per equity share of face value of ₹1/-each, which is subject to the approval of shareholders in the ensuing Annual General Meeting.

The Gross NPA to Gross Advances stood at 4.50 per cent and the Net NPA to Net Advances stood at 1.46 per cent as on March 31, 2024. The CASA has increased by 8.16 per cent during current financial year to ₹ 32,692.67 crore from ₹ 30,227.06 crore in the FY 2022-23. Net Interest income of the Bank has increased from ₹ 3,012.08 crore in the FY 2022-23 to ₹ 3,332.06 crore in the FY 2023-24. Further, the Net profit margin increased by 93bps from 9.63% in FY22-23 to 10.57% in FY23-24. Net worth increased by ₹ 2,148.96 Crore from ₹ 6,674.58 Crore in FY22-23 to ₹ 8,823.54 Crore in FY23-24. Return on Equity improved to 12.13% in FY23-24 from 11.61% in FY22-23 despite the capital infusion of ₹ 1,151.01 crore.

The Capital Adequacy Ratio of the Bank was 19.91 under Basel III norms as on March 31, 2024, as against the RBI mandated level of 11.50. The Book value per share has increased from ₹31.89 as on March 31, 2023 to ₹33.73 as on March 31, 2024. The gross revenue from Treasury Operations segment increased from ₹1,088.00 crore in the FY 2022-23 to ₹2,010.99 crore in the FY 2023-24. During the FY 2023-24, the Corporate/Wholesale Banking segment has increased from ₹2,323.02 crore to ₹2,865.85 crore., Retail Banking segment has increased from ₹4,204.46 crore to ₹4,816.43 crore and Other Banking Operations segment increased from ₹430.33 crore to ₹435.05 crore.

The segment results, net of allocated/apportioned cost and provisions from Treasury segment has increased from ₹(158.42) crore to ₹203.77 crore, Retail Banking segment has increased from ₹1,061.62 crore to ₹1,074.06 crore, whereas Corporate/wholesale Banking segments have increased from ₹ (101.70) crore to ₹ (56.19) crore, and other banking operations increased from ₹ 306.71 crore to ₹307.11 crore.

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

KEY BUSINESS RATIOS

Interest income as a percentage to the Working Funds for the FY 2023-24 has increased from 6.86 per cent to 7.49 per cent, which is mainly on account of change in interest rate.

Non-interest income as a percentage to the Working Funds for the FY 2023-24 has increased from 0.77 per cent to 1.32 per cent, mainly on account of increase in the provision for depreciation on investments and lower profit on sale of investments, which was partially offset by higher recovery income from written off accounts and income received from sale of Priority Sector Lending Certificates.

On account of the above mentioned reasons, the operating profit as a percentage to Working Funds for the FY 2023-24 has increased from 1.43 per cent to 1.62 per cent, the return on Assets (based on working fund) for the FY 2023-24 was increased from 0.73 per cent to 0.93 per cent and Return on Equity for the FY 2023-24 was increased from 11.61 per cent to 12.13 per cent. Profit per employee has increased from ₹8.18 lakh in the FY 2022-23 to ₹11.09 lakhs in the FY 2023-24.

UPDATE ON IND-AS IMPLEMENTATION

The Ministry of Corporate Affairs (MCA), Government of India has notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015. Further, a Press Release was issued by the MCA on January 18, 2016 outlining the roadmap for implementation of Indian Accounting Standards (IND AS) converged with International Financial Reporting Standards (IFRS) for banks. As per earlier instructions, the banks in India were required to comply with the IND AS for the financial statements for accounting periods beginning from April 1, 2018 onwards, with comparatives for the periods ended March 31, 2018 or thereafter. Progressing towards IND AS, the Bank had prepared pro-forma financials from June 30, 2017 as per extant regulatory guidelines and submitted the same to the RBI. On April 05, 2018, the RBI had announced deferment of implementation date by one year with IND AS being applicable to banks for accounting periods beginning April 1, 2019 onwards. In

preparation for the same, the Bank has been submitting quarterly pro-forma financials to the RBI from quarter ended June 30, 2018. On March 22, 2019, the RBI has announced deferment of the implementation of IND AS by banks till further notice. However, the Bank continues to submit to the RBI pro-forma for financials on half year basis.

Accounting Policy

The significant accounting policy of the Bank is mentioned in Schedule 17 of the financial statements. The Bank has consistently applied its significant accounting policies in the preparation of its financial results for the year ended March 31, 2024 as compared to those followed for the year ended March 31, 2023.

STRATEGIES OF THE BANK

Strategic planning is an organizational management activity used to set priorities, focus energy and resources, strengthen operations and ensures that employees/other stakeholders are working towards common goals as approved by Board. The Banks are institutions whose ups and downs are so much linked to the movements of both national and global economy. Thus, as a banking institution, we must have a strong strategic plan for our way forward in order to ensure that the Bank is able to bring in sustainable growth as well as value for all stake holders.

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

The Bank continues 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 continuing the focus on 6C's**

  (Capital, CASA, Cost to Income, Competency Building, Customer Focus & Compliance)

Capital	Churning of advance portfolio by increasing the share of 'A' rated and above accounts and increase in gold loan portfolio has helped to conserve capital.
CASA	Improving CASA through focused drive on building a sustainable CASA book through 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".

Continues to build a Strong and Resilient Loan Book by focusing on:

a)	Strengthening Business Structure	:	- Implementing initiatives to expand and establish new tie-ups within co-lending arrangements to facilitate the growth and scaling up of the loan portfolio - Adoption of Digital Lead Management System (CRM) to enhance Business tracking in a more effective manner. - Focus on cohesive lending with emphasis of nurturing relationship through multiple banking products offerings - Scale up sourcing capability through DMA/ DSA - Assets and Liabilities team to work closely for creating value from the customers of the Bank.
b)	Strengthening the Team	:	- Asset teams to work with Learning & Development team to develop relevant modules in SIB iLearn software to equip resources to enhance skill and competency. - Competency building through newly launched LMS & instilling sense of ownership and sensitivity - Continuous training programs for senior management team.
c)	Building Robust Infrastructure	:	- Implementing comprehensive measures to fully digitize the end-to-end customer journey. - Leveraging advanced data science techniques to gain insight into customer behaviour, identify patterns and generate alerts effectively. - Expanding partnerships by entering into MOU with more corporates for Dealer and Vendor financing. - The systems and controls are put in place and the utmost priority is given for quality over growth. - Setting up lending platform (LOS/LMS) for retail and SME asset products - The new underwriting model SMILE for loans upto ₹ 2 crore which is already on pilot run is expected to improve the asset quality of Micro and Small segment with better TAT - Various systems like Nucleus, SMILE etc are put in place for ensuring quality. - Data analytics team to play a critical role in business and collections - Strengthening the collection system
d)	Launching New Products	:	- Revamping products in alignment with competitive benchmarking to ensure market relevance and competiveness - Adding High yielding assets like Personal loans credit cards etc. - Leveraging large legacy customer base to offer pre-approved home loan and vehicle loan through extensive use of data analytics

Continues to build Robust Retail Liability Franchise by focusing on:

a)	NRI Business	:	- Focusing on the Product Mix - Right Product to Right Customer strategy. - Focus on acquiring NTB business with quality by driving Higher IP value collection and sourcing of higher Variant of CA/SB products. - Customer referral model for acquiring NTB customers. - 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	:	- Analyzing transaction history and behavior for giving the right offers. - Introducing WEALTH X account, a savings bank account to privileged customers. - Digital On boarding of resident customers. - Acquiring Savings account relationship of One card customers completely through digital journey. - Chatbot assistance in MF investment - 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	:	- Focused activation drive on small vendors for increasing the count of UPI QR POS. - Fintech tie-ups/on-boarding of external agencies (DSA/DRA) for increasing the New to Bank account opening and increasing the digital activation numbers. - Setting up of salary team for Corporate Salary Tie-ups and acquisition in major cities. - Focus on segments like trust, co-operative society and Govt. banking - Digital mapping of customer life cycle management - Centralized lead sharing activity to support NTB customer acquisition.

More emphasis on collection and recovery of stressed accounts

- Empaneling Agents/Agencies exclusively for the assistance for recovery and for identifying the prospective buyers in SARFAESI/ DRT/ Court auction Sale.
- Formation of teams to handle secured and unsecured loans separately. This is to ensure focussed approach for collection, especially unsecured retail loans
- More focus on early bucket resolution i.e SMA 0 to ensure lower flow to higher buckets and thus improve collection efficiency. Tele-calling activities outsourced to our group company SIBOSL is being explored for better control and monitoring.
- The Collection and Recovery department is decentralized with dedicated regional collection managers at each region thereby lowering the slippages and stringent recovery has led to a better performance in reducing the NPAs and lower provisions for the quarter

Digital Technology

Financial institutions develop their own technology strategies to adapt to a rapidly changing landscape. Within the banking sector, technology strategy plays a crucial role, as Banks cloud integration ensure high availability, strengthen fraud detection, enhance cybersecurity measures, and modernize infrastructure to maintain competitiveness and enhance customer service. Embracing technology and innovation is imperative for banks to remain relevant in the dynamic banking industry. To align with business strategy, Banks technological components including applications, Data Center/Disaster Recovery infrastructure and networks must operate cohesively and integrate seamlessly. Continual enhancement and expansion of both application and infrastructure are necessary to meet the evolving business needs of the Bank.

Technology Strategy is further segregated into below areas:

I. Cloud Adoption

II. High Availability, Fraud Detection, Cyber Security & Compliance

III. Modernization of Services/Stack

Cloud Adoption:

Banks are actively integrating cloud adoption into their technology strategies as a key initiative to enhance operational efficiency and scalability. By embracing cloud solutions, Bank can elevate service delivery to customers, minimize downtime and expedite processing times. The advancement not only boosts the Banks capacity to innovate but also amplifies agility, efficiency and productivity, while capitalizing on various value-added offerings from established vendors and fintech companies within their cloud portfolios. Additionally the Bank aims to adopt in stages the three primary computing services – Infra as a Service (IaaS). Platform as a service (PaaS), and Software as a Service (SaaS) as part of its comprehensive cloud adoption strategy.

High Availability:

High availability stands as a crucial technology approach for Banks, guaranteeing uninterrupted access to systems and services for customers. It's imperative for Banks to maintain round-the-clock availability, unaffected by system failures or downtime. Achieving high availability involves implementing redundancy, failover and load balancing methods in each layer. By upholding high availability standards, Banks can deliver seamless services, safeguard their reputation and ensure customer satisfaction.

Fraud Detection:

Fraud detection holds immense importance in banking operations, prompting Banks to harness technology for thwarting frauds and financial crimes. Advance analytics, Machine Learning and Artificial Intelligence are instrumental in Banks effort to identify and prevent fraudulent activities. These systems continuously monitor transactions and behaviours in real time, swiftly detecting and thwarting any suspicious activities. Through the utilization of fraud detection technology, Banks can safeguard their customer's assets and uphold their reputation for trustworthiness.

Cyber security:

In today's banking landscape, cybersecurity emerges as a paramount challenge. Banks confront significant vulnerabilities to cyber-attacks, underscoring the critical need for robust cybersecurity measures to shield customer data and thwart financial crimes. To fortify their networks and systems, Banks are deploying advance cybersecurity technologies such as firewalls, intrusion detections and prevention system, as well as encryption. Additionally Banks prioritize investment in staff training to enhance awareness of cyber threats and promote the adoption of best practices to mitigate the risk of cyber-attacks.

Modernization of Infrastructure:

The modernization of infrastructure stands as another pivotal technology strategy for Banks, given that outdated systems can impede innovation and agility. It's essential for the Banks to update their infrastructure to capitalize on the latest technology, enhance operational efficiency and drive cost reductions. The modernization process may encompass adopting new hardware and software solutions, transition to cloud-based platforms, and phasing out legacy systems. Through infrastructure modernization, Bank can elevate the customer experience, streamline operational expenses and maintain competitive in the market.

Apart from the above, bank continues to focus on the following strategies:

- Quality of the portfolio will be maintained, even if there are small pockets of weakness that is expected to flow through the balance sheet over time contractually.
- Growth in Low risk / high quality assets
- Portfolio realignment - higher rated corporate, lower tenures etc.
- Gold loans growth
- Reduction in high "experienced" risk books

- Revenue diversification with controlled growth of Credit Cards and Retail Personal Loans
- Enhanced control environment
- Centralisation of Risk Acceptance
- Creation of business verticals for specialized origination / maintenance
- Substantial influx of high quality talent to bolster overall in-house talent pool
- Hired professionals in Credit Policy / Acceptance, Data Science, Risk, Business and other areas since 2020
- Investment initiated in high quality tools to enhance business capabilities
- Invested in LOS systems for Retail and MSME
- Enhancing institutional capabilities in various dimensions – Data Science / Risk Measurement and Containment / Underwriting / Technology

Going forward, Bank's five Areas of Focus will be as follows:

1. Enhancing Portfolio Resilience
2. Improving Branch Productivity
3. Cost Optimisation
4. Growing Non-branch Distribution & Leveraging Partnerships
5. Enhancing Control / Compliance Architecture

1. Enhancing Portfolio Resilience

a. Granularising the portfolio

i. Building 'Frictionless' processes

- Modifying existing LOS systems to create 'swim-lanes' for targeted segments
- Building high-quality score-cards to facilitate risk acceptance
- Modifying policies to reduce 'wax' and improving customer centricity

ii. Making processes 'front facing'

- Empowering the Branch to meet customer needs (and thereby building differentiation)
- Ensuring quality through the system

iii. Claim our rightful share of Retail business

- Home / Mortgage / Auto and Personal are subscale
- Buildout in a controlled manner while focusing on profitability

iv. Renew Growth of MSME business

- Tap MSME across its life cycle / product lines

2. Improving Branch Productivity

a. Improving "Tooth to Tail" ratio

i. From 75:25 to 85:15 over time

b. Launched 'Sales Value Addition' metric to track sales activities at Branch level named SIB MAX.

c. Enhancing Branch Morale and Increasing Sales Focus

i. Launched sales rewards from Jan. 1, 2024

ii. Plan is based on Sales Value Addition and is product agnostic – i.e. customer focused - to enable branch to provide the products and services desired by the customer

- Plan rewards branches if their 'Sales Value Addition' is above preset thresholds so as to foster recovery of branch costs through incremental sales
- Since the scheme is 'product agnostic' it reduces risk of 'mis-selling'

d. Enhance Branch Capabilities

i. Training branches on products and processes and customer relationship Management

3. Cost Optimisation

a. SIB has higher cost : income relative to its peers

i. Lower NIM – Large concentration of lower yield, short duration, high quality assets leading to NIM compression

ii. Higher staffing count

- Large proportion of staff in non-customer facing roles (control / risk / credit / operations)

b. Working on a plan to reduce Cost to Income ratio

c. Immediate / Near term action steps:

i. Hiring reduction

ii. Branch review based on Sales Value Added & Service Intensity

- Branches with Low Sales Value Added and Low Service Intensity to be reviewed

iii. Review other expense heads judiciously excising cost

4. **Growing Non-branch Distribution & Leveraging Partnerships**

   a. Branch is the main source of business for the Bank

      i. Building non-branch distribution is critical. This is to be achieved in two ways:

         - Creating Non-branch architecture – leveraging traditional 'non-branch' sources
         - Building Partnerships

   b. Head of Partnerships appointed

   c. Our banking platforms are API enabled allowing us to integrate with third-parties

      i. Integrations at scale already operational vis-à-vis Credit Cards

      ii. Other relationships under development

5. **Enhancing Control / Compliance Architecture**

   a. Develop a matrix for Compliance Risk Assessment with suitable risk scoring and risk categorization.

   b. Leveraging technology to automate compliance and risk management processes

   c. Conduct business line risk assessments for more business lines/products.

   d. Implementing continuous monitoring and review processes.

DIGITAL AND INFORMATION TECHNOLOGY ENABLED SERVICES

This fiscal year, like previous years, has borne witness to South Indian Bank's unwavering dedication to digital advancement, reaffirming Bank's steadfast commitment to technological evolution.

Tech Driven CX transformation

Global digitization has shifted customer expectations, prompting banks to offer seamless digital experiences. Bank's relentless focus on enhancing customer experiences has led us to develop intuitive digital platforms and services. By harnessing the power of chat-bots, user-friendly mobile applications, and seamless online banking solutions, we have empowered customers with convenience and accessibility, with greater control over their financial data.

Strategic Alliances and Open Banking

In Bank's pursuit of digital excellence, strategic collaborations have been instrumental. Partnering with Fintech startups and tech innovators, we have co-created ground breaking solutions, enabling us to stay agile and responsive to evolving market demands. Embracing open banking initiatives, we are also exploring data sharing partnerships and APIs (Application Programming Interfaces) to create an interconnected financial ecosystem that benefits both customers and industry stakeholders, by providing service to the customer through all possible modes.

Startegic Pillars and Major Initiatives

The Digital strategy of the Bank is instituted on four pillars, **Indulge** (customer self-service), **Nudge** (assistance to be nudged to go digital), **Purge** (remove redundant processes using automation) and **Forge** (impactful Fintech partnerships).

Technology strategy focuses on **leveraging cloud adoption**, **high availability**, **fraud detection, cyber security**, and **modernisation of infrastructure** to stay competitive and provide better services to the customers.

This year, we made significant strides under Bank's strategic pillars:

Indulge: Enhancing self-service capability across channels

- The Bank is taking intensifying efforts to enhance digital and technological penetration among our non-individual customers, aligning closely with their unique business requirements. This involves implementing digital enhancements to facilitate growth in Government Business, refining Trade Finance modules across digital channels, and enriching features within corporate payment systems.
- The implementation of a bulk challan module for CBDT direct tax payment, simplifies tax-related transactions for Bank's customers, ensuring a more efficient and user-friendly process.
- The new SME LOS launched in the Bank provides a flexible and stable loan platform for a seamless loan originating process, helping reduce the TAT and transparency in loan processing.
- Bank's involvement in the Account Aggregator ecosystem, authorized by an AA collective, facilitates an additional mode of credit underwriting, complementing the bureau score-based lending practices.
- Simplified Re-KYC options accessible through Bank's mobile and internet banking platforms, website and via SMS/e-mail are in the pipeline

Nudge: Empowering branches with technology solutions to nudge the customers to go digital

- Instant account opening through SWIFTe, online/ mobile devices allows customers to open their accounts in a hassle-free and swift manner assisted by Bank representatives.
- Further, as a step up from these digital on-boarding facilities, a 100% online on-boarding of customers, completely eliminating the need to visit a branch, has been implemented in the form of the Video KYC-based account opening and Credit Card online application.
- Video-based on-boarding of new-to-bank customers and the subsequent online issuance of both liability and asset products are planned on a larger scale, leveraging the power of AI/ML, heuristic algorithms, geo-tagging, photo-matching, etc.

Forge: Powerful tie-ups/partnerships

- The Bank's major FinTech collaborations include Credit Card, Supply Chain Finance platform, online GST enabled business loan etc. We have also launched partnerships in the field of Account Aggregation, Co-lending and Open Banking.
- The Bank is also planning to launch digital Loan against Shares (LAS) and Loan against Mutual Fund (LAMF) through a digital platform. Furthermore, we aim to acquire new customers from the open market for digital Personal Loans (PL) as well as Buy Now Pay Later (BNPL) accounts.
- The Bank started issuing e-Bank Guarantees in an end to end digital mode in partnership with NESL.

Purge: Automating manual processes at branches and back-offices to improve customer TAT using AI and RPA

- We have already enabled more than 250 processes through Robotic Process Automation (RPA) and are prepared to continue the automation endeavour in the upcoming years as well.

Payment Systems

Bank's consistent recognition in the top 10 Digital Transaction Achievement lists by MeitY (Ministry of Electronics & Information Technology) underscores the efficacy of our digital banking endeavours. The share of digital transaction of the Bank has grown to **97.5** per cent in the Financial Year 2023-24. The Bank also expects a considerable increase in digital transactions with the UPI facility enriched with new features like UPI Lite, UPI Global, UPI AutoPay, UPI FIR etc.

Cyber Security

Bank's focus on cybersecurity has been paramount. We implemented robust fraud detection systems and enhanced Bank's cyber defence mechanisms, ensuring the highest level of security for Bank's customer's data and transactions. Deployment of FRM powered by AI, with cross-channel coverage, is the key agenda for the upcoming year. We have benchmarked ourselves to the topmost security standards including PCI DSS, this year.

In conclusion, South Indian Bank stands at the forefront of digital innovation, poised to redefine the future of banking

Bank's Digital and Banking Product Offering

Retail Customers

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

- Robust Internet Banking platform - SIBerNet.
- Customer Centric and secure Mobile Banking platform – SIB Mirror +.
- BHIM Unified Payment Interface (UPI) App.
- All variants of VISA, Mastercard & RuPay Debit Cards.
- Credit Card – Tie-up with One Card.
- RuPay Prepaid Cards.
- Student Smart Cards for Institutions- used for Identity cum financial transactions.
- ATM, Cash Recyclers (CRM) with Interoperable Cash Deposit (ICD) and Call Centre Solution catering to customers 24x7.
- ATM network spread across the country, which supports Mastercard, VISA and RuPay cards allowing customers quick access to money.
- Missed call services for retrieving balance through SMS.
- Online investment in primary and secondary markets offered to customers through ASBA and e-trade modes.
- Convenient and secure Whatsapp Banking for Account Services, Card Services etc.
- Portfolio Investment Scheme for NRIs, allowing them to invest in Indian equity market.
- IMPS Facility to Exchange Houses for Foreign Remittance - For the international client exchange houses/banks. The Bank has introduced IMPS based fund transfer on a 24x7 basis in addition to NEFT.

- Issuer of FASTag for toll fee payment.
- Kiosk based Financial Inclusion Solution to enable the Bank reach nook and corner of the country, even in remote villages using technology enabled tools.
- Payment Options such as Automated Clearing House (NACH) Payment Service, Cheque Truncation System (CTS), RTGS/ NEFT etc.
- Account Opening for NRI directly through Bank's website.
- Artificial Intelligence based banking services such as SAM and SONA (Chatbot).
- Central Plan Scheme Monitoring System (CPSMS), which links to the DBT (Direct Benefit Transfer) for instant receipt of Government subsidies to the beneficiaries of various Govt. schemes.
- SIB SWIFTe mobile App based instant account opening for individual Savings Accounts and Current Accounts
- Quick account opening facility at branch level through e-KYC acceptance with reduced paper involvement, processing time and interdepartmental dependency.
- Pre-Approved Personal Loan /Car Loan through Channels.
- Instant Demat account opening through SIBerNet.
- Video KYC solution for on-boarding customers digitally.
- IPO/ASBA through SIBerNet.
- Multiple Services provided through WhatsApp Banking.
- Fully digital Electronic Bank Guarantee through NeSL platform.
- Lead Management/Compliant Management through CRM Software.
- Pre-Approved Personal Loan through OneScore App.

Corporate Customers

- The Bank has Internet Banking facility from Infosys which provides all the workflow capabilities required for each corporate. Moreover, it offers the security of Digital certificate integration thereby balancing convenience with security.
- The Bank also offers Host to Host Integration facility ("Hi-Hi Banking") which will handle fund transfer in a seamless fashion by real time interface with ERP solutions of corporates. This facility is available for 365 X 24 X 7 and the clients can securely access the system from anywhere.
- Supply Chain Management Solution caters to the dealer/ vendor financing requirement of corporates.
- SIB PAYGATE provides the platform for the business entity to accept online payment through UPI, All Major Debit Card and Credit Cards, Internet Banking against the services provided Online.
- The Bank is offering business debit cards to the business customers.
- SIB FeeBook is an online event-based fund management/collection portal which enables organisations to create a payment portal as per their needs.
- On the business acquiring capabilities, the Bank has full suite of payment acquiring including POS terminals, Bharat QR, UPI QR, Payment Gateway etc. which gives the merchants a whole host of accepting payments instantly from their customers.
- Integration through APIs for full-fledged automation done with several corporate and Government agencies.
- Trade Finance Portal for Customers.
- VAN based NEFT/RTGS collection API.
- Complete end to end NACH integration through API model for mandate creation, transaction processing etc.

Technology Infrastructure

- Core Banking Solution (CBS) from Infosys, viz. Finacle 10.
- Enhanced Security Operation Centre.
- ISO 9001:2015 Certified Bank owned Data Centre (DC).
- PCI DSS certified Secure Card ecosystem.
- ISO Certified Disaster Recovery and BCP Setup.
- Zero Data Loss high availability setup with DC, DR and Near line DR Setup.
- Automation of procurement and payments.
- Process Automation using RPA.
- Full Fledged API banking system capable of quick integration with partners
- Fraud Risk Management (FRM) Solutions for CBS and channel transactions.
- CRM solution providing 360-degree view of customers.

- Business Process Management (BPM) to enable centralisation.
- Multiple Loan Origination Systems(LOS) for seamless onboarding of Loans.
- Technology backed Infrastructure powering Bank's branches and ATMs.
- Enterprise Risk Management Solution.

Major Digital/Technology Initiatives/Solutions embarked during the FY 2023-24

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

- Online end to end paperless Digital execution of the Locker Agreement enabling improved TAT and Compliance.
- Mobile Capture Solution (Mobile CTS) for speedy processing of outward cheques.
- Fully Online Personal Loan through One score app with minimal documentation.
- EWIRE – Platform which offers NEFT/RTGS/IMPS/UPI inward solutions for Cooperative Societies/Banks.
- New Transaction Based Review module to handle quick review of ODCC accounts up to ₹1 Cr with GST validation.
- Digitization of Unit visit Diary which enables better tracking of the Stock related to Cash Credit accounts.
- Automation of TDS refund process at Operations Department which enables speedy processing of refund to customers.
- New Aadhaar PAN link status check API from Bureau integrated in customer on boarding platform for ensuring KYC compliance.
- Hi-Hi Banking Enhancements: Email OTP facility & Biometric login for enhanced security, Scheduled Fund Transfer etc.
- Introduction of new CASA Products like SIB Fly High/SIB Edge/SIB EXIM/SIB Doctors Plus targeting multiple customer segments.
- Direct Credit of ACH collection to Loan accounts avoiding manual intervention.
- Swift copy attachment in BPM via RPA(Robotic Process Automation) enabling improved TAT.
- Capturing of photo of customer and pledged gold ornaments while availing gold loan for better KYC compliance.
- Upgradation of Nearline Disaster Recovery Site.
- New Retail LOS platform for Housing/Personal / Mortgage/Loan against Property Segments.
- Upgraded Treasury platform for Domestic and Forex Markets.
- Introduction of New Enterprise Risk Management Software.
- Upgraded SME LOS system.
- **SIB Mirror + Enhancements**
  - IMPS beneficiary name check.
  - Credit to Recurring Deposit .
  - Deposit interest flow for Fixed Deposits.
  - Deposit Advice for Fixed Deposits.
  - Shake to raise complaint.
  - Tracking of customer requests.
  - Display of debit card number.
  - Non BBPS Billers in credit card Bill payments.
  - PIS Account opening facility.
  - Demat Account holdings view.
  - Revamped SIB Fastag page.
- **SIBERNET Enhancements**
  - Seamless GST Payment facility by integration with CBIC(Central Board of Indirect Taxes & Customs) – SIBERNET and Branch Mode.
  - Trade MIS reports in SIBERNET which provides customers with detailed status of Trade Transactions.
  - Consolidated balance statement through Sibernet including all accounts.
- **Debit Card Enhancements**
  - Increased transaction limits for SIB Debit Cards.
  - Recurring transactions using SIB Visa & Mastercard Debit cards.
  - Green PIN for Instant Debit Cards.
  - Signature variant debit card under VISA category with added features.
- **UPI Enhancements**
  - Enabling UPI registration in International mobile number.
  - UPI registration using Aadhaar OTP verification.
  - UPI recurring mandate.

- UPI central mapper to enable pay to contact facility.
- UPI for non-individual customers.
- UPI Global.
- Hello UPI – Voice enabled UPI Payment.
- Facility for SIB merchants to accept credit card payments through UPI.

· **Other Digital Channel Enhancements**

- Facility for customers to apply for IPO/ASBA through Digital channels
- SIB PayTag – RuPay NFC enabled Key chain for making contactless payments.
- Parking Fee Collection using Fastag.

Awards and Certifications Received on Technology Front

The Bank has won various awards and accolades in the FY 2023-24 also. These awards are a testimony of the Bank's strategy, commitment and execution of various digital/IT initiatives and has brought in acclaim from both customers and stakeholders.

13th edition of Banking Frontier Finnoviti Awards 2023 powered by Deloitte	Winner - Micro Finance LOS Platform
The Digital Banker - Digital CX Award 2023	Winner - Digital GST Business Loan
Indian Express Group - Express Computer - Express BFSI Technology Awards	Winner - AI Category - Digital Personal Loans
9th Assocham MSME Excellence Awards and Summit	Best Private Sector Bank
Vertiv UBS Forums 14th edition of Data Center Summit and Awards 2023 - Data Centre Management	Winner - Risk Management and Availability Winner - Design Management
Sapphire Connect BFSI Connect Summit	India's Most Agile CIOs - Mr. Sony A
Synnex India Banking Summit and Awards 2023	Digital Lending Bank of the Year Banking CTO of the Year - Mr. Sony A
6th Edition of CISO Conclave & Awards 2023: UBS	Winner – Security Project of the Year Winner – Best Security Team of the Year Recognition – CISO of the Year 2023 – Mr. Shibu K Thomas
TransUnion CIBIL Data Quality Awards	Best Bank under Emerging Private Banks - Consumer Reporting
Infosys Finacle Innovation Awards 2023	Gold Winner - ESG-led Innovation - Bank's Green Initiatives
Elets BFSI Game Changer Awards, Goa 2023	Excellence in Innovation & Customer Engagement - GST Business Loan Winner - Excellent Cyber Security System
Synnex CISO Summit Awards 2023	Security Leader of the Year
Elets BFSI Leadership Summit	Editor's Choice Award - Excellent Cyber Security System
Security Leadership Summit & Awards 2023	Winner - Excellence in Security Leadership
Hindustan Times Tech Circle Business Transformation Summit 2023	Winner - GST Business Loan
Snowflake Forbes India Data Circle	Top 30 Tech Leaders - Mr. Sony A
Governance Now 6th India BFSI Conclave & Awards	Winner - Digital Security Digital Security Leader - Mr. Shibu K Thomas
IBA's 19th Annual Banking Technology Awards	Winner - Best Technology Bank of the Year Winner - Best Tech Talent and Organisation Runner Up - Best Financial Inclusion Special Mention - Best Digital Sales, Payment and Engagement Special Mention - Best Fintech and DPI Adoption Winner - Best IT Risk and Management

IBEX India 2024 BFSI Tech Awards	Special Mention - Excellence in Financial Inclusion
Elets BFSI CXO Awards	Winner - Excellent Cyber Security System
Amity Outstanding Banking Leadership Award	Digital Innovation

IT Training

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

Business Continuity Planning

The Bank maintains a comprehensive Business Continuity Plan (BCP) and Disaster Recovery (DR) setup, certified with ISO 27001:2003. Bank's BCP locations include Bangalore and a newly established site in Delhi, where regular drills ensure preparedness for any emergencies. Equipped with robust infrastructure and trained personnel, we are ready to quickly respond and resume critical services from Bank's DR locations.

In anticipation of various scenarios like pandemics, natural disasters, and accessibility issues, the Bank has implemented measures including secure Work From Home (WFH) options for critical personnel and online meeting facilities, ensuring uninterrupted customer services. Zero data loss replication methods are in place for critical workloads, enhancing Bank's disaster recovery capabilities.

Bank's BCP operations proved effective during forecasted floods in 2020 and 2021, and throughout the pandemic, with seamless transitions to DR without impacting customer services. The Bank has also strengthened cyber recovery and ransom ware protection measures, ensuring systems operate at full capacity without disruption. Bank's BCP policy is regularly reviewed and updated to align with industry standards, with oversight from the IT BCP Committee, Information Security Committee (ISC), and the Board.

NEW PRODUCTS

During the FY 2023-24, the Bank introduced new loan products to provide focused thrust on advances to Housing, Gold Loan, MSME and Agricultural Sectors. The Bank has introduced new products like SIB CV PLUS & SIB CE PLUS for Commercial Vehicle/Construction Equipment Division to finance small operators, fleet operators and strategic clients for their purchase of new and used Commercial Vehicles and Construction Equipment.

In the coming year, in order to enhance MSME portfolio, the Bank plans to introduce a new fast credit product which is based on the comprehensive scorecard based underwriting model which ensures hassle free sanction to the customers.

INFORMATION SECURITY AND RISK MANAGEMENT

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

- IT Departments including Data Centre, DR Site & BCP site and CISO Office are ISO 27001 certified for the implementation of Information Security Management System (ISMS). As a part of ISMS implementation, the Bank has prepared IS Security Policy and related IT risk management procedures.
- The Bank also ensures that all cyber security requirements as per statutory/regulatory guidelines and best industrial practices are implemented on priority basis.
- The Bank has a full time CISO Office for surveillance of the security architecture/ infrastructure and for coordinating security incident-response activities. The Bank has formulated Cyber Security Policy and Cyber Crisis Management Plan to provide guidance in addressing various cyber threat scenarios. The Bank has also identified various types of IT risks and the required preventive, detective and corrective cyber security controls are implemented/updated.
- The Bank has also ensured that Security Operation Centre (SOC) does 24/7 surveillance and keeps itself regularly updated on the latest nature of cyber threats. The Bank is using several monitoring tools for identifying, monitoring, detecting, preventing, recording and analysing security events or incidents within the real-time IT environment.
- The Bank has put in place a number of security solutions to manage cyber-attacks. The Bank has implemented multiple advanced security solutions to protect IT infrastructure, employees, customers, partners etc. from malware, advanced persistent threats, denial of service type of attacks and variety of other threats and malicious attacks.

- The employees are updated with the latest security threats and the best security practices. In order to ensure continuous awareness on best cyber security practices and cyber security risks, a dedicated internal web portal to disseminate relevant security information has been set up and it is accessible to all the employees. Courses on information security are being launched through iLearn portal. Employees are provided opportunity to attend internal training sessions and external courses to increase their knowledge on various cyber security topics.
- The Bank provides cyber security awareness to its customers on a continuous basis through various channels like SMS/Email/Website/Social media, etc. Cyber Jagrookta (Awareness) Diwas is observed on the first Wednesday of every Month to create awareness for prevention of cyber crimes.
- The Bank is also committed to Data Privacy of customers, employees, stakeholders, etc. and is undertaking initiatives to further enhance and improve its Data Privacy posture.

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

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

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

BANKING OPERATIONS GROUP (BOG)

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

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

BOG operates with a well organised business continuity plan including operation teams working at Coimbatore, Chennai and Ernakulam with facilities to continue operations even if the operations at one centre is disrupted.

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

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

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

A) Asset Operations

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

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

B) Liability Operations

Liability Operations include relationship and servicing, covering the following:

1. Retail & Corporate Account Opening
2. Accounts/Customer Modifications
3. Re-KYC/Periodic KYC Updation/C-KYC
4. Digital Account Openings (Diya, SIB SWIFTe and Video KYC)
5. Account Maintenance –
   - Joint Holder - Addition/Deletion
   - Nominee - Addition/Deletion

C) Reconciliation and Digital Channel Support Operations

Reconciliation operations covers the following areas:

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

D) Retail Product Support Services

Retail Product Support Services covers the operations related to,

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

E) Payment & Settlement Operations

Payment & settlement operations covers:

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

F) Trade Finance Central Processing Centre (TFCPC)

TFCPC undertakes the Trade Finance Operations of the Bank centrally. During the FY 2023-24, the Bank has successfully implemented the e BRC project of DGFT which enables the trade finance customers to directly download the electronic Bank Realisation Certificate (e BRC) from the portal of DGFT. During the year under review, the Bank has successfully migrated the Treasury Management software to a new and advanced TMS. The following operational activities are centralised at TFCPC:

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

G) Cash Management Cell at BOG

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

During the FY 2023-24, BOG-Cash Management Cell has implemented Cash Movement Services, which is carried out by the outsourced vendors in 10 regions.

Mega Currency Chest opened at Kannur and another Mega Currency Chest will be opened at Kakkanad, Ernakulam shortly.

Way Forward:

BOG proposes to commence/expand the following operational activities during the FY 2024-25 as part of the vision of the Bank.

1. Periodic KYC updation option through V-CIP/Video KYC
2. MSME New LOS Platform
3. SWIFT ISO 20022 migration
4. Centralisation of Non LC Bill Operations
5. Centralisation of ECGC Premium Payment
6. Automation and Outsourcing of more operational activities to reduce cost of operations
7. GST Dispute Management system of NPCI
8. Outsourcing of Reconciliation and dispute management process.
9. Commencement of branch operations vertical from May 2024
10. Currency Chest Operations at Ernakulam

COMPLIANCE DEPARTMENT

The Bank has institutionalised a strong compliance culture and mechanism across the organisation, in pursuit of its strategic goals of transparency and trust,

among all its stakeholders. The Bank has a dedicated independent Compliance Department headed by a Senior 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 functions of the Bank, dissemination of regulatory updates to functional units, monitoring of timely implementation of regulatory instructions, review of processes from a regulatory compliance perspective, providing guidance on compliance-related matters, vetting of Bank's policies and internal guidelines, imparting training to employees on compliance aspects among others. The Bank has a well-defined and structured mechanism to assess the compliance risk and monitor its mitigation measures, thereby ensuring the effectiveness of the compliance function in managing the compliance risk. Compliance officials have been designated in all business units and departments for monitoring and mitigation of compliance risk. All the circulars of the Bank are made available in electronic form. Bank's policies, guidelines and forms are also uploaded in software platform so as to empower the branches with readily accessible pool of information/ guidelines.

DATA SCIENCE DEPARTMENT

The Bank has a full-fledged Data Science department, with the primary objective of accelerating and improving decision making with valuable insights, optimising internal business processes, enhancing operational efficiencies, driving new revenues and gaining competitive advantage over business rivals and thereby achieving the pre-determined corporate goals in an engineered manner. Towards achieving this a single centralized data repository is created after collating data from various internal systems and from a few external sources. This database serves as the single source of truth and is consumed for data analytics and all reporting activities including regulatory reporting.

On the data analytics, the department 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, Cash forecasting, Targeted marketing through system assisted campaigns, etc. The Bank has also partnered with external agencies to build application score cards for enabling quicker sanctions of assets. On the technology front we use IBM stack of tools for data analytics, and the tool is being upgraded to the best in class cloud ready variant.

The Data Science department has handles all reporting activities, the daily operational reports are created and provided through the respective applications softwares. MIS and Business intelligent reports are provided through BI tools using the Centralized Data Repository. For Regulatory reporting, an in-house regulatory reporting solution is built as per the specifications of the Reserve Bank of India and regulatory reports are submitted to RBI systems online.

RISK MANAGEMENT

The Bank has an Integrated Risk Management Department (IRMD), independent of business functions, covering Credit Risk, Market Risk, Assets-Liabilities Management (ALM) Operational Risk Management and Cyber risk. IRMD as part of its role, identifies risks and uncertainties that are faced by the Bank as and when they emerge. IRMD participates in risk mitigation at strategic, policy, and operational levels and works collaboratively with business teams to build consensus and ensure ownership of risk in the first line of defence.

The Bank has put in place independent risk management architecture and practices that are overseen by Risk Management Committee of the Board (RMCB). Appropriate policies to manage various types of risks are approved by the Board of Directors after review by Risk Management Committee of the Board (RMCB), which provides strategic guidance while reviewing portfolio behaviour. The Board of Directors appoints the CRO, who heads the independent risk function in the Bank. 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. The Risk function provides an independent and integrated assessment of risks across various business lines. Risk Management Department holds the ISO 9001:2015 certification, a testament to commitment to excellence in quality management.

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

RISK APPETITE

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

RISK MANAGEMENT POLICY FRAMEWORK

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

RISK MANAGEMENT PRACTICES

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

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 guidelines. 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, reviews exposures against prescribed ceilings, oversees the monitoring of size, rating distribution and concentration of credit exposures and timely amendments/review of Credit Risk Management Framework. Credit Risk Management cell, which functions under their guidance executes the directions of RMCB/ CRMC and it ensures that appropriate system level changes (including IT) are also implemented. For the purpose of credit risk assessment, the Bank's exposure is broadly classified into retail and non-retail. All corporate loans are rated using dual rating models/specialised lending rating models and retail exposures are scored using scorecards. Ratings and scorings are performed in proprietary automated platforms which ensure integrity, objectivity and consistency of ratings. Further, rating/ scoring data is captured in core IT systems of the Bank to facilitate seamless reporting and timely validation of rating models/scorecards. The Bank has deployed 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 a quarterly basis. Corporate/Retail loan applications sourced at different Business units are processed at Centralised Processing Centres.

The corporate loan proposals are independently reviewed by Risk Management Department during the risk rating process. Committee system of loan approvals have been implemented in the Bank for exposures that fall beyond the powers of individual functionaries. A well-defined approval matrix is

in place for approving exceptions. Credit Mid Office Group (CMOG) has been set up to ensure compliance of pre-disbursement conditions before issuing clearance certificate for non-retail loan account opening. Post disbursement, CMOG will ensure compliance with critical post-disbursement/ special conditions specified in the sanction order and also track activities that happen at regular intervals like stock statement submission. The pricing system is suitably aligned to the cost of funds and to the perceived risk that a borrower poses. Appropriate credit underwriting and approval processes, risk mitigation, post-disbursement monitoring and timely remedial actions are part of the credit risk management. Segment-wise and borrower category-wise exposure limits are fixed and monitored by the Bank to address the risk of concentration. Rating migration studies and default rate analysis, based on the credit risk rating of the borrowers, are undertaken on a periodic basis to analyse the changes in credit risk profile of the borrowers and to provide input for policy and strategic decisions. The portfolio analysis of various products/industries, covering various credit quality indicators are being carried out on a periodic basis for identifying portfolio trends, and generating portfolio level MIS. PD Term structure and LGD estimates are used as inputs for ECL computation under Ind-AS, for proforma reporting purpose.

Market Intelligence Unit: A dedicated Market Intelligence Unit (MIU) attached to Risk Management Department comes out with detailed reports half-yearly 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. MIU is actively involved in regular monitoring of the sector, economy, industries and large credit borrowers and any positive/negative movements are immediately brought to the notice of all the stakeholders. Gathering and dissemination of market information to facilitate efficient credit risk management and any other activities for improving the quality of credit profile as well as ensuring effective and prudent risk management. To bolster the risk management strategy, the MIU undertook event risk studies. These studies provided valuable insights into potential threats to take proactive actions like credit decisions and monitoring activities.

b) Market Risk Management:

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

c) Operational Risk Management:

The Bank has developed and implemented an operational risk management framework that is fully integrated into the Bank's overall risk management system. The Bank has put in place processes, systems, and procedures to actively manage and mitigate operational risks and to optimize resources not only to protect the interests of the Bank but also to ensure a return commensurate with the risk profile adopted. Identification and assessment of risk, together with the assessment of control effectiveness, are key to the operational risk management process. The Bank has implemented risk management tools like Risk and Control Self-Assessment (RCSA) and Key Risk Indicator (KRI) frameworks to ensure continuous monitoring, evaluation, and trend analysis of various risk elements. All new products and processes are reviewed and approved by the Risk Management Department, ensuring 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 the product/process. Further, an organization-wide awareness program on the importance of operational risk and timely and adequate reporting of incidents of any nature is also initiated. 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 are identified and monitored on a quarterly basis. Quantification of reputation risk is accomplished through a Reputation risk scorecard

and is undertaken on a quarterly basis along with the ICAAP process. Further, a reputation risk matrix is prepared to identify the magnitude and direction of various risk drivers. The Bank is also evaluating the criticality of outsourced activities based on the foreseen inherent risk and the risk score/level of the respective activity. The Operational Risk Management Committee is monitoring and reviewing the overall outsourcing risk management.

Formation of a Separate Risk Control Unit (RCU) under Operational Risk Management: During the year, a Risk Control Unit was established under the ORM cell. The RCU is primarily focused on assessing policy-level requirements and providing deeper insights into current industry practices, thereby suggesting areas where the Bank can enhance its operations. The functions of the RCU encompass the review of fraud control rules configured within internal systems, suggesting control measures to prevent the recurrence of reported fraud incidents, and scrutiny of the Risk Control Self-Assessment (RSCA) conducted.

d) Liquidity Risk:

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

The liquidity profile of the Bank is analyzed on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and periodic liquidity stress tests.

The Bank has put in place a liquidity risk management framework adhering to the guidelines issued by RBI on liquidity risk management and the best practices. These include the intraday liquidity management and monitoring of the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

e) Information Security and Cyber Risk Management:

In order to provide guidelines for cyber security-related initiatives, a Board-approved Cyber Security policy is in place. Also, a Cyber Crisis Management Plan (CCMP) is in place to provide the requisite strategy, direction, and roadmap towards cyber threat mitigation. The Digital and Technology Department and CISO Office are ISO 27001 certified for the implementation of Information Security Management System (ISMS). As a part of ISMS implementation, the Bank has prepared an IS Security Policy and related IT risk management procedures. Cyber security governance is a part of the Bank's Information Security framework. In order to consider cyber security from the Bank-wide perspective, a steering committee of executives known as the 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 the development, facilitation, and implementation of Cyber Security Policies, standards and procedures to ensure that all identified risks are managed within the Bank's risk appetite. Also, the Bank has a comprehensive Incident Management procedure that proactively addresses potential threats/risks arising out of cyber security incidents. The incident management procedure specifies the requirements for establishing, implementing, maintaining and continually improving the 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 are carried out to assess the vulnerabilities, if any, in the IT systems. The Bank has a fully operational Security Operation Centre (SOC) and network & endpoint security devices to monitor any security incident and to take appropriate actions. The SOC is operational on a 24x7 basis. The Bank is using several monitoring tools for identifying, monitoring, recording and analyzing security events or incidents within the real-time IT environment.

Employees are updated with the latest security threats and the best security practices. In order to ensure continuous awareness of best cybersecurity

practices and cyber security risks, a dedicated internal web portal to disseminate relevant security information has been set up, and it is accessible to all employees.

The Bank provides cyber security awareness to its customers on a continuous basis through various channels like SMS, Email, Website, Social media, etc. Cyber Jagrookta (Awareness) Diwas is observed on the first Wednesday of every Month as advised by the Ministry of Home Affairs, Government of India, to create awareness for the prevention of cybercrimes. The Bank is also committed to the 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 the 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 the business continuity plan as needed and to ensure that the business functions are back to normalcy with minimum delay. As a measure to enhance the Bank's operational resilience and to effectively manage adverse situations, a Crisis Management Group (CMG) is instituted with objectives to ensure the safety of stakeholders and to ensure that critical business processes continue to function during the crisis, to the extent possible Disaster Recovery drill for the Core Banking System (CBS) and critical IT systems of the Bank are conducted at regular intervals to ensure the continuance of the same during emergency situations. The Bank undertakes periodical testing of the recovery speed of critical applications from alternate locations. The Bank has taken multiple steps, including enabling alternate locations, work from home facilities, etc., to ensure Business continuity.

g) Climate Risk & Sustainable Finance:

Climate change presents a growing set of long-term challenges that can be broken down into two main categories:

- **Physical Risk:** Direct physical impacts of climate change ranging from acute risk (such as extreme weather events) to chronic risks (like gradual rise in sea level and temperatures).
- **Transition Risk:** Risks arising from external efforts to address climate change such as regulatory and policy changes, technological advancement or shifts in investor sentiment and consumer behavior.

As the frequency and intensity of climate events rise, the Bank faces potential disruptions to its infrastructure, employees and client performance. This translates to financial consequences, impacting both revenues streams and operational costs. Stricter environmental regulations and policy changes may impact operations / strategy of the Bank and/or its clients.

Sustainable finance desk in the Bank focuses on financial products and services that align with environmental and social considerations. They factor in environmental and social risks alongside traditional financial risks when evaluating high value loan applications or investments. This ensures Bank is supporting businesses that are not only financially sound but also environmentally and socially responsible.

Environmental and Social Management System (ESMS) Policy reflects the Bank's commitment to integrating environmental and social considerations into the business practices and decision-making processes. The Bank employs a robust grading model to assess environmental and social risks, with particular emphasis on climate risk for high-value credit, in accordance with the thresholds prescribed by ESMS Policy.

Green Deposit and Green Finance: The Bank has committed to promote sustainable finance and environmental stewardship. One of the ways we demonstrate this commitment is through the green deposit program. Green deposits are a unique financial product that allows customers to align their savings with environmentally responsible initiatives. By depositing funds into green deposit accounts, customers can be assured that their money is being used to support projects and activities that have a positive impact on the environment.

INTERNAL CONTROL AND AUDIT/INSPECTION

Internal Control and their Adequacy

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

Various Preventive controls viz., Dual custody for cash, gold and other security items, maintenance of daily control registers for security items, finger-scan-

authentication for processing of transactions in CBS in addition to login passwords, stringent guidelines on password usage, STP processes between CBS and payment interface systems for transmission of messages etc. are in place.

The transactions generated in the CBS is monitored by the Fraud Risk Management(FRM) CBS by the way of alert generated in a near real time basis and the transactions happening through various digital channels are being monitored centrally on a 24x7 basis by Fraud Risk Management (FRM) Cell, for real time detection and prevention of frauds.

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

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

Audit/Inspection

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

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

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

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

Audit of Branches

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

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

In addition to the concurrent and risk based internal audits, the branches are subjected to Surprise Inspection, Flash Inspection, IS Audit, Revenue Inspection, 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 four 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 irregularities if any, concerning regulatory guidelines, legal requirements and operational processes are found, these are escalated to the Management for timely action.

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

Audit of Departments and critical process

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

As part of the transformation process, new exclusive asset verticals and specialised operational groups were formed by Bank and these verticals are also covered under Management Audit. The scope of audit in each vertical are based on nature/function/services/

business achievement carried out by them in line with the Regulator as well as internal guidelines.

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

There is a team available with in Inspection department exclusively for conducting audit of IT systems and applications. Various IS audits and Vulnerability Assessment & Penetration Testing are conducted in a stipulated frequency as per approved audit plan. Guidelines from regulators like RBI, Cert-In, NPCI, UIDAI, SEBI, etc. related to IT security are incorporated in the periodic IS audits. Any new software application or modification in the existing application undergoes a thorough audit with respect to IT controls before going live.

New product/process whenever introduced in the Bank is reviewed by Inspection Department and recommendations are made for necessary controls/ improvements for deficiencies/gaps observed in existing internal controls. Inspection Department also carries out independent evaluation of Bank's internal financial controls in terms of Companies Act, 2013 and also the adequacy of internal financial controls with reference to the Financial Statements.

INTERNATIONAL BANKING

The total forex business turnover for the year ended March 31, 2024 was ₹7,70,555.59 crore (comprising Merchant Turnover of ₹20,571.16 crore and Interbank Turnover of ₹7,49,984.43 crore). The Bank has earned an exchange profit of ₹40.71 crore for the FY 2023-24. At present the Bank is having rupee inward remittance arrangement with 2 banks and 55 Exchange Houses and the turnover for the year ended March 31, 2024 was ₹16,722.24 crore. The Bank has concluded speed remittance arrangement during the FY 2023-24 with the following Exchange Houses:

- Wall Street Finance LLC, USA
- Flex Money Transfer Limited, Kenya
- Horizon Remittance Ltd, United Kingdom
- Daytona Capital Management Limited, United Kingdom
- U J Exchange Company, Kuwait
- Purushottam Kanji Exchange Co LLC, Oman.
- DAR Exchange, UAE
- Shift Financial Services Ltd, United Kingdom
- Teeparam Exchange Limited, United Kingdom
- Vision Money Transfer Limited, Seychelles

Considering the scope in improving the remittance business through arrangements with exchange houses, the Bank has deputed 12 officers to UAE, 3 officers to Qatar with City Exchange, Doha, Qatar, Al Dar for Exchange Works and M/s AlFardan Exchange LLC, Doha Qatar and 2 officers to Oman with Joy Alukkas Exchange and Purushottam Kanji Exchange Co LLC and 1 officer to Kuwait with UAE Exchange Kuwait WLL.

Following are the digital initiatives launched by the Bank in Forex and Trade Finance segment which enable customers to initiate Cross Border Transactions online with convenience, secure, fast and paperless.

- The Bank has rolled out the new product "Online Foreign Outward remittance" in the Internet Banking platform (SIBERNET) for Resident SB & NRE SB clients. The same facility is also available in SIB Mirror+ mobile App under the module "Remit Money Abroad". This will enable the customers to initiate outward remittances in 100+ currencies via online without visiting the branches. Customers can also initiate outward remittance request in online 24x7 including Holidays in US Dollar Currency and other currencies during the daily market timings.
- **"SIB TF ONLINE"** is the new Online Trade portal available for EXIM Customers which facilitates initiating import related payments. This facility will reduce the cost, manpower and TAT of clients as well as Bank. The advantage is that clients can initiate Forex transactions 24X7 through online mode. Currently, in the Phase I of SIB TF ONLINE, import transaction modules are available for clients. Other forex transactions in SIB TF ONLINE portal will also be made available in the next phases.
- **"Trade MIS Dashboard"** is the new module implemented which facilitates Forex Customers to view / download various Reports like outstanding Letter of Credit (Foreign/Inland), Foreign Bank Guarantee, Forward Contracts, Export/Import Bills, Outstanding shipping bills etc. is made available in the Corporate Internet Banking under TF online-Trade MIS module.

NRI PORTFOLIO

The NRI business has crossed the significant milestones of 4.80 lakhs NRI customers and ₹29,000 crore book size in FY 2023-24 and the NRI deposits constitute almost 30 per cent of the Bank's total deposits. As a part of the strategy for the next phase of business growth, the business vertical has implemented some key initiatives and these will be enhanced over the next FY too to consolidate Bank's business growth. Some of the key initiatives and focus areas for the business were:

a) Foreign Exchange Advisory Cell

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

b) Business growth initiatives

- The business acquired over 52000 NTB customers during the year.
- The business team and Bank's representative office enhanced tie-up with exchange houses in UK, UAE, Kuwait, Oman, South Africa and Jordan to tap new markets with a large Indian diaspora.
- Digital presence and non-Face-to-Face sourcing was given a new focus and this initiative will be further ramped up to acquire customers through new markets.
- Micro marketing activities and sponsorship of NRI events was also focused upon during the year and supported various events in UAE, featured advertisements in FM radio channel in Kannada, Tamil along with Malayalam in Dubai and also organised an NRI meet in Irinjalakuda, India.
- Visibility and presence inside and in the exteriors of the branches were also focused upon and NRI welcome arches, posters, displays and brochures etc. were placed in potential branches.
- Digital marketing initiative was undertaken to reach out prospective customers.

c) Product innovation

- Keeping in line with the business growth initiatives, the Bank has launched Edge and Fly high accounts to cater to IT professionals and Students going abroad for higher studies. The Bank would continue to focus on creating customer centric products.

d) Enhancing sourcing quality

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

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

e) Customer service

- NRI Service Centre (NSC) a dedicated service point to the NRI customers ensures enhancement of customer service levels. This has enabled sourcing of additional business through satisfied customers over call. NSC has also been successful in converting leads from the calling activity and sourcing New to Bank customers for the Bank.
- Monthly newsletter, "NRI Connect" provides relevant information and update on the Bank's initiatives is being sent every month to NRI customers.

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

Training & Development

TRAINING

In today's fast-paced business environment, organizations are increasingly recognizing the pivotal role of continuous learning and development in driving success and resilience. At our organization, we are committed to fostering a culture of excellence by investing in comprehensive training and awareness initiatives tailored to the diverse needs of our workforce.

The Bank places paramount importance on the capability building and up-skilling of its employees. Bank's Human Resources L&D unit is dedicated to this mission, dividing the competency-building efforts into two collaborative units:

Learning and Development

Based in Ernakulam, the HR-L&D unit focuses on developing e-learning and other digital learning modules for the benefit of all staff members. The unit successfully created and published several courses, these self-service learning modules are available through the Learning Management System (LMS), SIB iLearn. The LMS is widely accessed by employees as part of their asynchronous learning plans, earning them

the required credit points for their appraisals. Notably, all the learning content published through iLearn was developed in-house, showcasing Bank's commitment to quality and relevance. L&D has developed and launched 57 courses which has 173 credit hours of training in total.

SIB Staff Training College (SIBSTC), Thrissur

SIBSTC conducts comprehensive internal training programs aimed at developing the professional skills of all staff members. These programs are meticulously designed to enhance the competency of operating personnel while instilling the SIBians' spirit and culture through an effective learning process. The success of these programs is evident in the increased organizational productivity and improved quality of work. Efforts are made to identify skill gaps among personnel and provide targeted support for their improvement. Additionally, staff members are nominated to attend external training centers for specialized training and broader exposure.

Furthermore, both units include professional soft-skills trainings sessions on a variety of topics such as personality development, team working, leadership, selling skills, and customer service. These sessions are designed to equip staff members with the necessary skills to excel in their roles and contribute effectively to the Bank's success.

Throughout the fiscal year, the Bank has diligently conducted a series of training and awareness programs aimed at empowering employees and workers with the knowledge and skills necessary to thrive in an ever-evolving landscape.

Bank's executives and leaders have actively participated in a variety of programs addressing critical topics such as compliance, cybersecurity, risk management, and emerging industry practices. These sessions covered a wide spectrum of subjects including:

- Expectations in the emerging compliance landscape
- International hacking and cyber security briefing
- Risk management in agriculture finance
- Boosting self-resilience
- Cyber security for chief risk officers
- Rewiring compliance architecture for future-readiness

A noteworthy aspect of these programs is their coverage, with most of the key managerial personnel benefitting from these initiatives.

For the employees, the Bank has organized staggering training programs, focusing on essential topics such as cybersecurity awareness, operational risk management, and compliance best practices. Notable topics covered include:

- Awareness on phishing and email-related attacks
- AML KYC essentials
- Internal ombudsman scheme
- Risk management - credit risk
- Preventive vigilance
- Combating financial crime
- Operational Risk Management

During FY 2023-24, we successfully conducted a range of both external and internal training sessions. A total of 54,666 training hours were delivered to our workforce, resulting in an average of 5.55 training hours per employee.

Despite the extensive scope of these programs, employees actively participated, highlighting their engagement and commitment to continuous learning. Recognizing the invaluable contributions of our frontline workers, the Bank has organized several training programs specifically tailored to their needs.

Health, Safety, and Skill Development: Prioritizing Well-being and Competence:- In addition to technical training, the Bank places a strong emphasis on promoting the health, safety, and skill development of its workforce.

Upholding Human Rights and Ethical Practices:- Bank's commitment to ethical business practices is further demonstrated through Bank's focus on human rights training and awareness. Across both employees and workers, the Bank ensures that human rights training coverage remains a priority, with employees are benefiting from these initiatives during the fiscal year.

Peep into Retirement:- Transitioning from active employment to retirement can be a significant life event. In acknowledgment of this, the Bank offers a specialized program called "Peep into Retirement," designed to equip employees nearing retirement age with essential knowledge and resources. Covering areas such as tax planning, superannuation benefits, and lifestyle adjustments, this program aims to facilitate a smooth and fulfilling transition into retirement.

The Bank's dedication to nurturing talent, promoting safety, upholding ethical standards, and supporting career transitions underscores Bank's unwavering commitment to the holistic development and well-being of our workforce. As the Bank continue to navigate the complexities of the modern business landscape, the Bank remains steadfast in the belief that investing in

the people is not just a strategic imperative but a moral obligation.

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, Digital Products, Debit & Credit Cards, Marketing of Third Party Products and Digital Sales. Apart from above, the Department also plays a vital role in ensuring continuous product development and promotion by creating awareness on products through customer centric campaigns.

Digital Products & Services of the Bank

With more customers being boarded to digital channels every day, Digital Technology is revolutionising the 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 digital technology and introduced several variants of traditional products and latest digital technology based services, tailor-made to suit the diversified needs of customers. Services like Contactless Debit Cards, Internet Banking, Mobile Banking with UPI, QR based payment acceptance, Digital POS, Payment Gateway Services, Co-Branded Credit Card, API Banking and WhatsApp Banking have transformed the customers' Digital Banking experience from branch banking to anytime, anywhere banking. The Bank has a Digital Products vertical under Retail Banking Department to introduce and enhance the digital offerings of the Bank. The Digital Technology Department of the Bank facilitates the technological development. Retail Banking Department also has an exclusive Digital Sales vertical to enhance the digital outreach to its customers.

SIB Mirror+

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

- Single App for Domestic & NRI customers available in 8 Regional Languages apart from English
- KYC update
- APY
- Secure Credit Card apply
- DEMAT account opening
- Invest in Sovereign Gold Bond, Contribute towards NPS
- BHIM UPI
- Digital e-Lock with e- Limit facility
- Self-Account opening (SIB Video KYC/ SIB INSTA)
- Link Multiple Profiles for Personal & Business Use
- Grievance Module
- Investment Module & Apply for Loans Module
- Deposit & Debit Card Management
- Utility Bill Payment & Mobile/ DTH Recharge
- Stop Cheque Payment, Cheque status enquiry and much more.

SIBerNet

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

Types of SIBerNet

Internet Banking (SIBerNet) is available in two modes:

1. SIBerNet Personal: All retail and proprietorship customers can avail for SIBerNet Personal facility.
2. SIBerNet Corporate: All Partnerships, Trust, Institutions, Society, Companies etc. can avail for SIBerNet Corporate.

Services/Features of SIBerNet

- KYC Update
- Foreign Outward Remittance
- Online Demat Account Opening
- Gold Loan Renewal
- Password on Email for Corporates
- Personalised Transaction Limit
- Loan Account Credit Facility
- Debit Card Management Module
- SPOT Credit – Pre-Approved Loan
- School/College Fee Payments
- KSFE-NRE Chit Enrolment

- Sovereign Gold Bond Application
- Positive Pay System Module
- Deposit Management Module

Debit Cards

The Bank offers Debit Card for domestic as well as international transactions. The card comes 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, SIB offers Debit Card to customers in Contactless and PIN based platform. Debit Card can be used for cash withdrawals from ATMs displaying the VISA/MASTERCARD/ RUPAY/ DINERS/DISCOVER logo across the World in addition to South Indian Bank ATMs. The customers can also use the 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. SIB's Contactless and PIN enabled debit cards are offered in VISA/MasterCard/ RuPay platforms with enhanced transaction limits at ATM/ Online/POS. Bank also offers RuPay On the Go Wearable Payment Device-SIB PayTag which is a smart key chain that can be used for tap & pay transactions at contactless enabled terminals.

SIB REWARDZ

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

SIB TRAVEL CARD

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

Features of the Travel Card

- Tie-up with All Point Network-the largest surcharge-free ATM network in the world
- Enhanced security with chip and PIN protection and real-time fraud monitoring with instant card block
- Zero chargeback fee
- Inbuilt Tap & Pay technology enables contactless payment
- Online PIN change facility
- E-commerce access
- Available in VISA & Master card variants.
- Insurance cover of up to $10,000 in case of fraud transactions
- Pre authorisation release and instant encashment
- Global usage offers better value by avoiding any currency fluctuation risks
- Free card statements
- Free card replacement
- Enhanced health and safety protocols while packaging your card to ensure minimal human contact

In this year we are launched 'Study Buddy' forex card in association with M/s Thomas Cook specially designed to cater the needs of students traveling abroad for studies. M/s Thomas Cook is our service partner of travel card and the Bank has the privilege to promote and issue the 'Study Buddy' card to Bank's Customers.

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 specific period. These Contactless enabled gift cards can be gifted to a third party and can be used for multiple purchases as long as value remains on the card and before the card expires.

South Indian Bank Reloadable Prepaid Cards

South Indian Bank presents Reloadable Prepaid Cards in RuPay platform. Reloadable Prepaid Cards can be used for POS/Ecommerce as well as for ATM transactions. Prepaid Cards can be reloaded multiple times as per the choice of the customer. **"DigiCash"** is Bank's reloadable prepaid card and the same offered to corporate customers for onward issuance to their employees, customers, etc. These cards are Contactless enabled and can be loaded to a maximum amount upto ₹50,000/-

SIB NETC FASTag

NETC FASTag is a project from National Highways Authority of India (NHAI) and the Indian Highways Management Company Ltd. (IHMCL) in association with National Payments Corporation of India (NPCI). Through this system, any vehicle with a FASTag (RFID) tag can easily to cruise through the Toll gates without making

any cash payments. NETC FASTags are Preloaded RFID Tags for making the Toll Payments electronically. When the vehicle passes through the Toll gate, the RFID reader at the Toll plaza receives information about the vehicle and the Toll amount is deducted automatically from the FASTag, thus saving time and fuel.

Benefits of SIB NETC FASTag

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

Point of Sale (POS)

Point-of-sale (POS) terminals offer merchants and their customers a multitude of benefits. These electronic devices facilitate secure and efficient transactions, enhancing customer convenience with a wider range of payment options. Additionally, POS systems minimize cash handling, contributing to a more streamlined operational environment and potentially boosting sales. Bank's point-of-sale (POS) offerings encompass a suite of services and solutions designed to facilitate seamless POS transactions for its merchants. These includes:

POS terminals: Bank's diverse selection of POS terminals, including Android, GPRS, and PSTN models, caters to a variety of business needs. These terminals accept a broad spectrum of payment methods, including credit/debit cards, prepaid cards, and QR codes. Furthermore, features such as Tap and Pay, EMI acceptance, and in-app and billing integrations enhance the overall payment experience.

Dedicated Merchant Support:

To deliver a comprehensive POS solution and remain competitive, the Bank has partnered with leading service providers like M/s. Worldline India Pvt. Ltd., M/s Pine Labs Pvt Ltd. and M/s Skilworth Technologies (Bijlipay). These collaborations allow us to offer a wider range of POS products and services, catering to diverse merchant needs.

Further solidifying its commitment to merchant satisfaction and brand recognition, the Bank has introduced South Indian Bank branded colour-customized POS terminals. This unique approach not only strengthens the Bank's brand identity but also fosters a sense of partnership between the Bank and its merchants.

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 two vendors to provide Payment Gateway services. M/s Worldline India Pvt. Ltd. (Banks own PG Cards acquiring in hosted model) and M/s Razorpay Software Pvt. Ltd. (In referral Model).

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

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

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

WhatsApp Banking: SIB WhatsApp Banking service was launched to address various banking related requests and queries of the customers in a simple and effective manner. Through this platform customer can send direct messages to Bank through the WhatsApp messenger. The service offers quick response to customer, conveniently from a Smart phone. The WhatsApp banking service can be availed on the

number 9895900555. The service can be availed by sending "Hi" to this number in WhatsApp messenger.

API Banking: South Indian Bank offers a host of banking API services spread across Accounts & Deposits, Payments Gateways, Trade services, Business Banking etc.

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

As per RBI letter dated March 12, 2024 and in line with RBI Master Direction dated March 07, 2024 on "Amendment to the Master Direction - Credit Card and Debit Card – Issuance and Conduct Directions, 2022", the Bank will not on-board any fresh customers in our co-branded credit cards until the Bank fully complies with the regulatory guidelines issued in this regard. The Bank would however continue to service the existing customers who hold co-branded credit cards issued by the Bank.

THIRD PARTY PRODUCTS

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

Life Insurance

- HDFC Life Insurance Co. Ltd.
- SBI Life Insurance Co. Ltd.
- Kotak Mahindra Life Insurance Co. Ltd.
- Max Life Insurance Company Ltd.
- Bajaj Allianz Life Insurance Company Ltd.
- Life Insurance Corporation of India

Health Insurance

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

General Insurance

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

It was a highly successful year with regard to the performance in insurance sector. The Bank has got a significant increase in income from Life, Health, and General insurance by adding ₹63.10 crore for the financial year with a growth rate of an impressive 22 % over the previous FY.

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

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

Mutual Funds: Mutual Fund is a popular form of investment since it provides the advantages of professional portfolio management and dividend reinvestment. The Bank has tied up with 19 leading Mutual Fund companies, thereby offering a variety of mutual fund products to the customers. Asset Under Management (AUM) of the Bank is ₹705 crore and income generated from mutual fund business is ₹3.75 crore as on March 31, 2024. With the aim of increasing the mutual fund business and thereby increasing third party income, the Bank has launched an online mutual fund platform 'SIB E-Invest' to facilitate online purchase and sale of mutual funds. SIB E invest Platform is currently live in SIB Mirror+ and in SIBerNet, which made Mutual Fund investments of the customers very easy. The platform is also live in Branches, where a branch can initiate mutual fund investment online after getting customers authorisation. Now this online channel contributes about 85% of the Bank's mutual fund business.

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

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). Bank's Customers can open their Demat account in Physical mode through Branches and Digital mode through SIBerNet & Mirror+. For trading, the Bank offers SIBerTrade – the online trading facility to buy /sell stocks for its domestic customers from stock exchanges in India through tie-up with M/s. Geojit Financial Services Ltd., M/s. Religare Broking Ltd., M/s IIFL Securities Ltd. & M/s Motilal Oswal Financial Services Ltd. Customers are also having the option of trading through mobile application at their comfort zone where the Demat Account and Bank account will be with the Bank and the trading account will be with one of Bank's 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 and through SIB Mirror+ app and SIB Internet Banking. ASBA enables the Bank's customers to apply for IPO/FPO, Rights issue, NCD 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 394 issues (including IPO/FPO/NCD/ Rights Issue) in the FY 2023-24.

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 Government of India through SIB Digital and Offline platform. Digital platform for applying SGB is introduced in the year 2020. The Bank has participated in all the 4 Tranches of SGB 2023-24 series and collected 4878 applications with a total investment of ₹67.68 crore.

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

Achievement (Nos.) as on 31.03.2024

Cumulative PIS accounts No: 4273

PIS opened during the FY 2023-24: 930

Income generated as on March 31, 2024: 51.31 Lakh (Excluding brokerage)

The National Pension System (NPS): The Government of India has introduced the National Pension System (NPS) on January 1, 2004 (except for armed forces). NPS was made available to all citizens of India from May 1, 2009. The Bank is appointed as a Point of Presence (POP) since then and all the branches are authorised to extend the product and services of NPS**.** The Government of India (Union Budget 2019) has announced the increase of tax exemption limit for NPS to 60%. This has effectively made NPS tax free at maturity and an effective 'EEE' status is attained, i.e. Tax Exempt at Entry, Earning and Exit stages. NPS is a very appealing product for NRIs and in fact, the Bank is the topper among the peer-banks and Kerala based banks for both resident and NRI NPS. Only NPS offers the additional tax benefits up to ₹50,000/- under I.T act 80 CCD (1B) and it is over and above ₹1.50 lakh of 80C investments. APY was introduced by Government 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.

APY/NPS Achievement (Nos.) as on 31.03.2024

NPS –All Citizen Model	15,448
NPS Corporate (Including Staff)	8,470
APY	64,150
Total	**88,068**

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

CENTRALISED DIRECT DEBIT SERVICE

Centralised direct debit facility is a service offered by the Bank to the customers, through which monthly/ quarterly/ half yearly payments of Mutual Fund SIP investments/Loan EMIs (Vehicle/Equipment Loans)/ insurance premium can be made directly by debiting their account and thereby making payments to various billers/ institutions. At present, the Bank has direct debit mandate processing arrangements with 3 vendors namely Bajaj Finance, TVS Credit Services & Billdesk.

Customer Experience Group (CEG)

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

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

CEG inbound team is the touch point for all Banking needs of customers and the same is available on a call 24x7. Customer dials the Toll free number and narrates the requirement and the front line analyst after analysing the nature of the requirement does the necessary to give the fastest resolution to the requirement. There are also various escalation levels of handling the requirement as per nature of each case and all working towards the ultimate goal of providing maximum customer satisfaction in the shortest possible time. There are standard procedures set and experienced back office teams to help serve the goal. CEG Outbound Team engages customer for various types of activities like doing welcome calls on account opening, creating leads on asset, liability products and digital products like Mirror+, Internet banking, Debit card activations, dormant account activations , etc. The team is also involved in sales conversion of pre-approved products. The leads are managed in CRM and all prospective leads are directed to respective Sales verticals for fulfilment. DQST team is the touch point for customers via mail, Chat and Social Media. There are dedicated resources to handle requests in digital services like internet banking and Mirror+ including complaints. DQST team also manages CEG's Complaint handling processes received from various sources like Email, Mirror +, IVR, Internet Banking etc.

Highlights

- Debit card activations of new accounts is 73.8% for FY 2023-24.
- 38,629 Leads generated through CEG in FY 2023-24.
- Pre-approved Personal Loan conversion for FY 2023-24 is ₹33.87 crore with 2,188 accounts.

Liability

On CASA, Savings deposits touched ₹26,618 Crore with a growth of 5% and Current deposits stood at ₹6,075 Crore with a growth of 22%. Overall CASA deposits reached ₹32,693 Crore with a growth of 8% and CASA ratio of the Bank stood at 32.08 % as of March 2024.

CASA Initiatives

- **Focus on niche segments:**

  With the focus to grow the liability book, introduction of new products and services to cater the needs of various customer segments has always been imperative for the Bank. In continuation to which new segment based products, SIB Doctors Plus Savings account & SIB Exim Current account offering segment specific features were launched.

- **Channel Migration for Customer On boarding:**

  Digital on-boarding has always played a key role in easing customer on-boarding process and to take this journey up to the next level, Bank had introduced SIB SWIFTe, which is an App based paperless account opening platform for opening Resident Individual Savings, Salary and Individual Current accounts.

- **Growth Strategy emphasising on Quality:**

  Bank's growth strategy emphasizes on driving acquisition with quality. This strategy has brought in 152% incremental growth in the product Mix of Higher variants accounts opened during the FY. Focus on Priority Banking program of the Bank has also played a key role in acquiring HNI customers from various segments which has supported Cross-sell and Up-sell of revenue generating products.

- **Strengthening of Salary Portfolio and Leveraging of Existing Relationships:**

  Salary portfolio had a significant growth with focus on acquiring customers in premium segment and by leveraging of existing corporate base. Bank achieved a growth of 18% YoY in premium salary accounts acquisition and the total clientele base of empanelled corporates for salary accounts crossed 7800.

- **Focus on Staff Mapped Portfolio:**

  High-value and high-transacting CASA accounts are mapped to branch staff to enhance customer engagement, multi-product penetration and overall customer experience. The process of portfolio creation, transfer and maintenance has been fully automated for smooth functioning.

- **Enhanced Customer Engagement:**

  A branch-level welcome calling process for NTB customers was introduced to enhance staff connectivity with newly on-boarded customers. This initiative ensures that essential deliverables, such as ATM cards and cheque books have been received. It has been also instrumental in gauging customer satisfaction with Bank's on boarding process and guiding customers to enrol in Bank's digital banking platforms such as Mirror+ and SIBerNet.

- **Initiatives for Dormant and Inactive Accounts**

  Several strategic initiatives were implemented to re-engage with dormant and inactive customers for optimizing account management and enhancing the

overall customer experience. These efforts resulted in notable improvements in account activity and customer satisfaction. Continuous engagement of these customers through multiple channels after activation has significantly improved customer transactions.

Priority Banking Service

South Indian Bank's Prime Platinum and Prime programs offer exclusive priority banking services to High-Net-Worth (HNW) clients, providing a privileged banking experience.

Program Overview

As of March 31, 2024, the Bank serves 2.04 lakh customers under these priority programs, with a total savings account book size of ₹11,413 crore. The term deposits of priority customers amount to ₹31,723 crore.

Key Highlights

- Visa Signature Card - Introduced Premium Visa Signature card with 16 lounge facility, including 4 international lounge access.
- Priority Banking customer base grew by 22.05% in FY 2023-24.

Government Business Division

Government Business Division (GBD) is institutionalised to cater to the Banking requirements of Central Government/State Governments/PSUs/Boards/other Government affiliates, with a focus on canvassing & liaising with various Government institutions pan India. South Indian Bank is an Agency Bank of Reserve Bank of India since 2021. South Indian Bank is accredited by Central Board of Indirect Taxes and Customs (CBIC) for the collection of GST and Customs Duty & is accredited by Central Board of Direct Taxes(CBDT) for the collection of Direct Taxes. South Indian Bank is also LIVE in Telangana Treasury for e-payments.

GBD aims at driving the Government Business portfolio of the Bank, with a special emphasis to boost up CASA & Term Deposits. Regional Sales Managers, Branches, Regional Offices and Cluster Heads are the major acquisition channels to augment Government Business segment. South Indian Bank offers state of the art customised Collection and Payment arrangements to cater to the specific needs of the Government entities.

Milestones for the FY 2023-24

- The Bank went LIVE on ICEGATE -ECL for the collection of Customs Duty on behalf of Central Board of Indirect Taxes and Customs on 01-04-2023
- South Indian Bank went LIVE for the collection of GST on behalf of Central Board of Indirect Taxes on 27-04-2023.
- Accredited by Indian Port Association (IPA)
- MoU executed with Government e-Marketplace (GeM) for the integration of South Indian Bank with GeM for Gem Pool Account (GPA)
- Emerged as the successful bidder in the Tender by Travancore Devaswom Board for digitalisation of 1250+ temples including Sabarimala.
- Went LIVE for digital collection of Appam/Aravana in Sabarimala Season (from November 2023) and for e-Kanikka collection across 27 Administrative Grade Temples under Travancore Devaswom Board.
- Partnering with the KSMART project by Information Kerala Mission (IKM) , Government of Kerala for POS machine integration across all LSGDs in Kerala in addition to Payment Gateway services.
- Banker to Bangalore Development Authority (BDA), Chennai Metropolitan Development Authority (CMDA) & Greater Cochin Development Authority (GCDA).
- Partnered with various Central/ State Government Project / Schemes rolled out through various LSGDs entities.

Agency Business

The Bank went LIVE for collection of Direct Taxes & Indirect (Customs Duty & GST) Taxes which is a testament to Bank's commitment in providing hassle-free tax payment services to its customers thereby supporting the Government's initiatives in digitalising its collection and payment arrangements. Numerous marketing and customer awareness initiatives were done to sensitize the customers on Bank's facility to collect these taxes on behalf of CBDT & CBIC, furthering the Nation's economic growth and enhancing customer convenience. In FY 23-24, ₹ 2400+ Cr tax volume was collected by South Indian Bank with an Agency Business Commission Income of more than ₹25 lakhs.

Other Major Central & State Government Collaborations

- Tie up with Chief Ministers Office (CMO) - Kerala for Chief Minister's Distress Relief Fund (CMDRF).
- Official Banker to M/s IRCTC for Online Booking of Railway tickets.
- Sole Banker to Government of Kerala for the online collection of Profession Tax across all Municipalities in Kerala State & partnering with all LSGDs in Kerala for numerous digitalisation initiatives.
- Banker to more than 10 + Welfare Boards and 25 + Government Companies/Corporations in Kerala.

- Banker to Devaswom Boards, Electricity Boards, Water Authorities, Central/State Department Projects, LSGDs, Government Companies/ Corporations/PSUs across India.
- Associated with Government of India for numerous Single Nodal Agency (SNA) Projects in Kerala & Tamil Nadu.

Upcoming Projects

- Integration with Non-Tax Receipts Portal (NTRP) - Bharatkosh.
- Karnataka State Treasury project –Khajane II

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

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

Visibility Enhancement Initiatives during the FY 2023-24

- The Bank has executed various promotional campaigns across media such as print, television, radio, outdoor, connected TV, and digital platforms. These campaigns were cost-effective and ensured targeted delivery across the region.
- The Corporate Communication initiatives achieved remarkable success this year. Strategic campaigns/ initiatives/ press releases significantly increased the Bank's Share of Voice (SoV), enhancing its visibility and reach in both national and regional media. This facilitated meaningful engagement with diverse stakeholders nationwide, boosting South Indian Bank's growth and reputation. The PR initiatives effectively positioned the Bank's spokespeople as industry thought leaders, earning recognition from experts, media outlets, and customers. The proactive approach to nurturing strong relationships with the media, especially on a national level, has built trust and credibility. This empowered the Bank to communicate key messages, share notable achievements and address concerns effectively. The symbiotic relationship with the media amplified the Bank's reach and enhanced its brand reputation.
- Through an effective PR strategy, major events and financial results related to the Bank were promoted globally across digital and print media. Exclusive interviews with the MD & CEO were conducted with prominent print, TV and online media such as CNBC TV18, NDTV Profit, The Economic Times, The Hindu, Business Line, Money Control, Dhanam Business Magazine, Mathrubhumi, Business Standard and Financial Express throughout the financial year.
- Press releases were issued for various occasions, including the declaration of financial results, partnership with Cholamandalam General Insurance, hosting RBI's Town Hall on Banking Security Awareness, enabling e-BG facility for customers, introducing SIB SWIFT-e for hassle-free account opening, signing an MoU with Mahindra and Mahindra Ltd. for dealer financing, the inauguration of the Bank's Currency Chest at Kannur, Kerala, tying up with Doha Brokerage and Financial Services Ltd. for extending Portfolio Investment Services to NRI customers, launching SIB EXIM Current Account, partnering with Tata Motors and Bajaj Allianz Life Insurance, holding Pravasi Sandhya (NRI Meet) at Irinjalakkuda, Kerala, organizing a knowledge session in Kochi on Leadership Strategies for MSMEs, inviting applications for SIB Finathon (Hackathon Event at IIT Delhi), and SIB Ignite (National Quiz at St. Joseph's University, Bangalore), as well as announcing the winners of SIB Finathon and SIB Ignite.
- SIB Finathon – South Indian Bank (SIB), in collaboration with Enactus IIT Delhi, presented the SIB Finathon, reflecting the Bank's commitment to advancing next-gen banking through innovation and technology. The event attracted applications from top engineering colleges and IT companies nationwide, drawing 1650 registrations and over 145 ground-breaking submissions. Following meticulous evaluation by a panel of experts, 14 standout teams were selected to participate in a co-creation camp held at IIT Delhi where the participants presented their innovative ideas and received guidance from SIB, IIT Delhi's faculty, and experts from Mindgate Solutions, OneCard, and OSTTRA. With a notable presence across online platforms, media channels and prominent publications, SIB Finathon amassed over 60 lakh impressions. The grand finale, hosted at IIT Delhi's prestigious campus, saw these talented teams competing for a total cash prize of ₹ 6 lakhs.

Beyond the hackathon, the event featured a tech conclave with industry speakers who shared insights into the evolving fintech landscape, highlighting the event's significance in shaping India's financial technology future.

- To reinforce South Indian Bank as a Universal Tech-savvy Bank and to promote the Bank's asset products, the Bank has launched the second phase of 'Trust Meets Tech since 1929' campaign across TV, Connected TV, Theatre, Radio, Print and Digital media including social media influencers. We focused on creating awareness about the brand and its various products in the non-south market through digital campaigns, Connected TV and Theatre Campaigns and in the strong south market, the key focus was business generation through campaign across digital platforms, TV, theatre, print and FM Radio. The TV campaign achieved a total reach of 13.91 Mn across TN, AP and Karnataka states, Connected TV delivered a reach of 94+ lakhs and Theatre Campaign delivered a reach of 326+ lakhs PAN India. In digital, along with the prominent platforms like Google & Meta, we also tried out other mediums like Jio Saavn, Disney Hotstar etc. to expand our reach among the youth segment. Digital innovation in the form of interactive ad was also tried out through Mcanvas which received 1.29 Lakh engagement. We also rolled out multiple videos for products and brand promotion which collectively received more than 16 Crore impressions.
- Regular posts of Bank's various products & services are posted in our social media channels. Selected posts are also promoted to increase the reach of the communication. Also, special days/ festive wishes are posted to build an emotional connect with the customers. The Bank has strategically utilised platforms such as Facebook, Twitter, Instagram, LinkedIn, YouTube etc. among others to ensure effective communication regarding product announcements, Product offers, corporate updates, milestones and customer interactions. For increasing the customer connect with the brand we also posted 94 customer testimonials during the year in Bank's social media.
- For better connecting with the millennials, we rolled out Influencer campaigns throughout the year both regionally and in HSM, in tie up with prominent influencers. Festivals like Diwali & Onam were utilised to position Bank's loan products and for building better brand connect. The campaign with more than 40 influencers, helped us to garner over 1 Crore views and helped to increase Bank's follower base.
- Focused campaign approach based on age group and affinity segments helped us to reach more among the Bank's TG. Currently, more than 70% of the website traffic are between the age group of 18 to 44 years. The Bank is also able to expand the brand visibility beyond its strong markets of South.
- Product centric campaigns were rolled out for NRI Services, Home Loan, Car Loan, Gold Loan, MSME, Personal Loan & SIB Mirror+ during the year, in the focused markets across Kerala based Print Media, FM Radio Channels and Digital Media.
- The Bank has implemented over 370 segmented campaigns in this year which helped in promoting various products and generating business.
- The SIB Ignite Quizathon, a National Level Quiz Competition hosted at St Joseph's University, Bangalore, aimed to captivate and inspire college students nationwide, providing them with a platform to showcase their general knowledge and deepen their understanding of diverse subjects. Comprising of three rounds, the competition commenced with a preliminary qualifying round conducted online, attracting teams from across the nation. The victorious teams from this round progressed to zonal competitions, with the eventual winners advancing to the Grand Finale to vie for the coveted National Champion title. The grand finalists, including Team Mark Men (IIM Ahmedabad), Team Cuizzzers (Christ University), Team Neanderthals (LNMIIT Jaipur), and others, represented a spectrum of academic excellence. With over 11,000 participants igniting their knowledge, the competition witnessed eight exceptional teams from 64 Zonal Finalists engaging in a display of intellectual prowess, leaving the audience awestruck. In addition, the initiative proactively engaged with 1000 colleges, including 500 prospective NTB TASC collaborators, to explore potential collaborations. The competition, spanning from October 2023 to February 2024, witnessed fierce battles among top teams from various colleges, culminating in The Guwahati Medical College emerging as the SIB Ignite First Edition Champion. With plans for future editions to attract even larger participation, SIB Ignite Quizathon aims to establish among the leading branded quiz events in the nation.
- The Bank had also associated in major cultural events outside its home state, like SS International Live - Fusion Music Show, The Great Man'dolin Tribute Show in Tamil Nadu, Global Fintech Fest 2023 by Internet and Mobile Association of India (IAMAI) at Mumbai etc. Also, SIB partnered with 69th Nehru Trophy Boat Race, State Forum of Bankers

Club, Kerala for 15th SFBCK Banking Excellence Awards, Thrissur Management Association for Shaping Young Minds Programme, Federation of Indian Chambers of Commerce and Industry (FICCI) for Interactive Session on New Foreign Trade Policy 2023, Kerala Insolvency Professionals Forum (KIPF) for State Level IBC Conclave, World Malayalee Council Delhi Province for XIIIth Global Biennial Conference 2023 and District Police Office Thrissur for Run Thrissur 5K 2023. The Bank had also done Outdoor Advertising during Thrissur Pooram 2024.

AWARDS & RECOGNITIONS

The Bank had received the following awards: -

- The Bank has won the Data Quality Award instituted by TransUnion CIBIL for Best Bank under the Emerging Private Banks - Consumer Reporting.
- The Bank has been awarded for AI Category from the Indian Express Group in the "Express BFSI Awards 2023" for the Personal Loans by going entirely digital and employing advanced analytics.
- SIB won the Banking Frontiers - Finnoviti 2023 Award for Bank's Microfinance Los platform.
- South Indian Bank won the Digital Lending Bank of the Year award in the Indian Banking Summit Awards ceremony for the Pre-Approved Personal Loans product.
- SIB's digital/green initiatives have been recognised for the ESG Lead innovation among the Indian Banks. SIB won Gold award under the category ESG Lead Innovation in the Infosys Finacle India Banking Connect 2023.
- Mr. Sony A, Chief Information Officer of the Bank won the Banking CTO of the Year Award in the Indian Banking Summit Awards ceremony. Mr. Jose K A, DGM, received the award on his behalf
- South Indian Bank won awards for Risk Management & Design Management at the 14th Edition Data Centre Summit and Awards 2023 by UBS Forums Pvt. Ltd.
- SIB was recognized with two esteemed awards at the Great Indian BFSI Awards. The Great BFSI Experiential Marketing Award of the Year and Bank's CMO Ms. Azmat Habibulla was recognised as the Chief Marketing Officer of the Year - Female.
- South Indian Bank won "Best use of Experiential & Innovative Media" award for the event "Onnichirikham Oonjaladam" in the 16th edition of Customer Fest Awards by Kamikaze Media.
- Award of excellence from PFRDA for the Bank's performance in PFRDA APY Campaign for MDs of all banks - Leadership Pinnacle Award of Excellence.
- SIB was recognised as the Most Trusted BFSI Brand by Marksmen Media.
- BFSI Connect Summit - India's Most Agile CIOs 2023, recognised Mr. Sony A, CIO for pioneering agile transformation in SIB.
- South Indian Bank was declared winner in the Hindustan TimesTech Circle, Annual Business Transformation conclave, held at Jaipur for the quick GST Business Loan digital.
- Mr. Shibu K Thomas CISO of South Indian Bank won the Security Leader of the Year award during the CISO Summit Awards 2023.
- Mr. Sony A, SGM & CIO of South Indian Bank was listed by Forbes India in The Data Circle India's change makers in association with Snowflake – Top 30 Tech Leaders.
- Mr. Shibu K Thomas, CISO of South Indian Bank was awarded the Excellence in Security Leadership award at the Security Leadership Summit & Awards 2023.
- South Indian Bank was honoured as a 'Master of CX 2023- 24' at the CX Transformation Conclave 2023 held in Mumbai for the unwavering commitment to exceptional customer experiences, meeting the highest industry standards.
- Ms. Azmat Habibulla, CMO of South Indian Bank is recognised as Marketer of the Year 2023 at the ET Sharks Awards.
- South Indian Bank won the following awards at the Governance Now 6th India BFSI Conclave & Awards: –
  1. Mr. Shibu K Thomas won the Digital Security Leader (CISO) award.
  2. South Indian Bank was recognised as a Leader in the Digital Security category.
- Mr. Shibu K Thomas, CISO of South Indian Bank won the award for Excellent Cyber Security System at the Elets BFSI Game Changer Summit held at Goa.
- Bank has won The Great Indian BFSI Multimedia Campaign of the Year 2024 and The Great Indian BFSI Influencer Campaign of the Year 2024 Awards at the 4th edition of The Great Indian BFSI Awards 2024 organized by BFSI Digital Stallions Forum.
- Six awards at IBA's 19th Annual Banking Technology Conference, Expo & Citations, 2022-23
  - Winner – Technology Bank of the Year
  - Winner – Tech Talent & Organization

  - Winner – IT Risk Management
  - Runner Up – Tech enabled Financial Inclusion
  - Special Mention – Digital Sales & Engagement
  - Special Mention – Fintech Collaboration
- South Indian Bank won Ibex India 2024 BFSI Tech Awards in the category "Excellence in Financial Inclusion Initiatives".
- South Indian Bank was bestowed with the prestigious "AMITY OUTSTANDING BANKING LEADERSHIP AWARD" for its exceptional commitment to DIGITAL INNOVATION.
- Ms. Azmat Habibulla, Chief Marketing Officer, South Indian Bank was honored with the prestigious title Laqshya Pitch CMO Awards 2024 for her innovative, creative, and collaborative efforts.
- Retail Banker International Asia Trailblazer Awards 2024 - Winner - Best CSR Initiative – Environmental Impact.
- South Indian Bank received the PCI DSS certification which is an international benchmark for highest level of payment security in Cards.
- South Indian Bank won the award for "Excellent Cyber Security System" during the 8th BFSI Leadership Summit Awards held at Mumbai, organised by Elets.

Subsidiary Companies/Joint Ventures or Associate Companies

As on March 31, 2024, the Bank has one unlisted wholly owned subsidiary - M/s. SIB Operations and Services Limited, which was incorporated on May 28, 2021. SIB Operations and Services Limited is a wholly owned Non-Financial Subsidiary Company of the South Indian Bank Ltd. RBI has accorded the final approval on March 25, 2021 for setting up the Subsidiary Company and the Company was incorporated on May 28, 2021 to cater to the operational needs of The South Indian Bank Ltd. The authorised Capital as on March 31, 2024 is ₹2 crore and the Issued and Paid-up Capital is ₹50 lakh. The Company is providing exclusive services to the Bank in the operational areas of Telecalling, Business Development, Data Entry Operations, IT Support and other services permitted by the Reserve Bank of India.

HUMAN RESOURCE DEVELOPMENT

In the dynamic landscape of the banking industry, staying ahead necessitates a workforce that is not only skilled but also strategically aligned to meet the evolving needs of Bank's customers. Over the past year, we have dedicated ourselves to achieving this objective by focusing on three key areas: optimizing the Tooth to Tail ratio, empowering customer-facing roles, and bolstering employee productivity.

Optimizing the Tooth to Tail Ratio

The Tooth to Tail ratio serves as a cornerstone in assessing Bank's organizational efficiency, ensuring an appropriate balance between customer-facing roles and backend support functions. Bank's ideal ratio of 85:15, representing 85% of Bank's workforce in customer-facing roles and 15% in backend support, remains an ongoing aspiration. While Bank's current ratio stands at 75:25, significant strides have been made towards narrowing this gap.

Efforts to optimize this ratio have been multifaceted. A dedicated team of experts within the department has spearheaded initiatives aimed at streamlining processes, reallocating resources, and enhancing the effectiveness of customer-facing roles. Through meticulous analysis and strategic planning, we have identified areas for improvement and implemented targeted interventions to drive progress towards our ideal ratio.

Empowering Customer-Facing Roles

At the heart of Bank's business lies the imperative to deliver exceptional service and value to Bank's customers. Recognizing the pivotal role of customer-facing employees in achieving this objective, we have undertaken initiatives to empower and equip them for success.

Central to this endeavor has been the strategic relocation of staff to branches, ensuring a more responsive and personalized approach to customer service. Additionally, we have invested in specialized training programs designed to enhance the skills and competencies of Bank's frontline staff, aligning them with the latest industry trends and technological advancements.

Bolstering Employee Productivity

Employee productivity forms the bedrock of Bank's operational efficiency and competitive advantage. In Bank's pursuit of excellence, we have implemented a range of measures aimed at fostering a culture of productivity and continuous improvement.

Key among these initiatives has been the simplification of processes and workflows, eliminating bottlenecks and redundancies to streamline operations. By harnessing the power of technology, we have augmented the capabilities of Bank's backend support functions, enabling them to provide more efficient and responsive assistance to Bank's customer-facing teams. Moreover, we have cultivated an environment that encourages innovation and collaboration, empowering employees to contribute their ideas and insights towards driving organizational success.

Through Bank's unwavering focus on optimizing the Tooth to Tail ratio, empowering customer-facing roles, and bolstering employee productivity, we have positioned ourselves for sustained growth and success in the years to come.

Looking ahead, we remain steadfast in Bank's dedication to nurturing a workforce that is agile, innovative, and customer-centric. By continuing to invest in Bank's people and aligning Bank's efforts with the evolving needs of our customers, we are confident in Bank's ability to navigate the challenges and opportunities that lie ahead.

DISTRIBUTION OF MANPOWER (CADRE WISE)

As on March 31, 2024, the Bank had 9836 personnel on its payroll. The cadre wise break up is as follows:

Cadre	Gender		Total
	Male	Female	
OFFICERS	4,047	2487	6534
Customer Service Associate	1,057	1870	2927
Office Assistant/Driver	172	20	192
House Keeping Staff (Full-Time/Part-Time)	43	140	183
GRAND TOTAL	**5,319**	**4517**	**9836**

The average age of employees is 33.27 as on March 31, 2024.

As on March 31, 2024 Staff members having professional qualification constitute 57% of the overall workforce. The detailed breakup is as follows:

Number of Staff Members Having Professional Qualification as on 31-03-2024	
Educational Stream	**Number of Staff**
CA	58
CS	6
ENGINEERING	2313
ICWA/CMA	43
LEGAL	87
MANAGEMENT	1563
PhD	1
POST GRADUATION	1622
Total:-	5693
TOTAL STAFF AS ON 31-03-2024	9836

PERFORMANCE MANAGEMENT SYSTEM

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

To achieve this, the HR Department redefined existing job roles to be directly linked to performance metrics, resulting in the development of a job role-based performance management system. This system is founded on the Balanced Scorecard framework, one of the most popular and widely accepted models for performance management. The Balanced Scorecard approach ensures a comprehensive evaluation by incorporating financial and non-financial performance measures.

A significant enhancement was the quantitative refinement of the Scorecard. This change ensures that every employee is clearly aware of their key deliverables both upfront and on a day-to-day basis. The quantitative nature of the Scorecard provides specific, measurable goals that employees can strive to achieve, thereby improving overall productivity and focus.

To facilitate accessibility, these Scorecards are made available through the HRMS and mHRMS, allowing staff members easy and timely access to their performance metrics. This transparency empowers employees to take charge of their performance, understand expectations, and track their progress continuously.

Overall, the revamped performance management system has brought about a marked improvement in employee engagement and performance. It has created a structured environment where employees can thrive, contributing positively to the Bank's long-term success. The focus on fair and transparent evaluations, coupled with clear and measurable objectives, ensures that every employee is motivated to perform at their best, aligning personal goals with the strategic objectives of the organization.

EMPLOYEE ENGAGEMENT

1. **Earth Day Celebration – E-Waste Drive and Photo Contest**

   In honor of Earth Day, the HR department spearheaded an E-Waste Drive at the Head Office, collaborating with an expert external vendor from Ernakulam. This initiative aimed to reduce electronic waste by encouraging staff members to dispose of

their outdated electronics responsibly. The drive highlighted the Bank's commitment to environmental sustainability and responsible waste management. Concurrently, a nationwide photo contest with the theme "Scintillating Charm of Nature" was organized, inviting staff from all branches to participate. This contest provided an opportunity for employees to capture and share the beauty of nature, fostering a sense of environmental awareness and appreciation. Prizes were awarded to the best entries, making the event both engaging and competitive. Overall, the Earth Day celebrations successfully combined environmental action with creative expression.

2. **Music Day Celebration - Music Club Inauguration and SIB Symphony**

   To celebrate Music Day, the HR department organized a virtual music contest that invited participation from staff members across India. This contest aimed to unearth and celebrate the musical talents within the Bank, providing a platform for employees to showcase their skills. Alongside this, the Music Club was formally inaugurated, featuring a core group of Head Office staff members. The Music Club is envisioned as a space for musical enthusiasts to collaborate, practice, and perform, thereby enhancing the cultural vibrancy of the workplace. The event, branded as SIB Symphony, included various musical performances, fostering a sense of community and shared joy. By integrating these elements, the Music Day celebration not only highlighted the diverse talents within the Bank but also promoted cultural engagement and employee bonding.

3. **Eye Check-Up Camp at Administrative Building, Ernakulam**

   As part of the Bank's ongoing commitment to employee health and wellness, a comprehensive one-day eye care camp was organized at the administrative building in Ernakulam. This camp, facilitated by a specialist ophthalmologist, provided thorough eye examinations for staff members. The initiative aimed to detect and address any potential vision issues early, promoting better eye health among employees. Staff members were educated on the importance of regular eye check-ups and given tips on maintaining good eye health, especially considering the increased screen time in the modern workplace. This proactive health measure was well-received, with many employees taking advantage of the opportunity for a professional eye examination. The success of the camp underscored the Bank's dedication to the well-being of its workforce, encouraging similar health initiatives in the future.

4. **Independence Day - Quiz Competition**

   In celebration of India's Independence Day, the HR department organized a virtual quiz competition that spanned the entire nation. This competition was designed to engage staff members in a fun and educational manner, testing their knowledge of Indian history, culture and achievements. Conducted in three stages, the quiz progressively increased in difficulty, ensuring a challenging and stimulating experience for participants. The format allowed for broad participation, fostering a spirit of camaraderie and friendly competition among employees from different regions. Winners at each stage received recognition and rewards, further motivating staff to participate. The quiz not only celebrated the national spirit but also reinforced a sense of unity and pride among the employees, aligning with the values of the Bank.

5. **Digital Greetings for Staff Members - Birthday, Anniversary, Welcome**

   Recognizing the importance of personal milestones, the HR Technology team designed an attractive series of digital greeting cards for staff members. These cards, tailored for birthdays, anniversaries, and welcome messages for new employees, were sent to the respective official email IDs. This initiative aimed to acknowledge and celebrate special moments in the lives of employees, fostering a culture of appreciation and recognition. The personalized touch of these digital greetings made employees feel valued and connected, even in a large organization. By leveraging technology for such gestures, the HR department ensured timely and consistent communication of these celebratory messages. This initiative significantly enhanced employee morale and strengthened the sense of community within the Bank.

6. **Corporate Tie-Up with Institutions**

   In a bid to enhance employee wellness and lifestyle, South Indian Bank established corporate tie-ups with a variety of institutions including resorts, hotels, and hospitals across India. These partnerships were aimed at providing exclusive benefits to staff members, such as discounted rates and special services. This initiative underscores the Bank's commitment to the well-being and satisfaction of its employees, extending support beyond the workplace. By aligning with reputable institutions, the Bank ensured that employees have access to quality services and facilities that contribute to a balanced and healthy lifestyle. This program not only enhances the overall employee experience but also strengthens loyalty and morale within the

workforce.

7. **Employee Recognition Newsletter - Spotlight**

   To foster a culture of recognition and motivation, the HR department launched a dedicated newsletter named "Spotlight." This newsletter exclusively features the achievements and milestones of staff members, particularly highlighting those who have significantly contributed to business growth. By circulating this newsletter through the Bank's official platform, the HR department ensures that exceptional performance is acknowledged and celebrated across the organization. This initiative not only boosts employee morale but also encourages a performance-driven work culture. Through "Spotlight," the Bank aims to inspire other employees to excel, thereby creating a positive and competitive work environment.

8. **SIB Exhibit - Video Contest**

   The "SIB Exhibit" video contest was introduced to encourage staff members to showcase their product knowledge and understanding of the Bank's core values through creative videos. This contest provided a platform for employees to express their expertise and creativity, highlighting their familiarity with the Bank's products and values. Participants submitted videos that were evaluated based on content, creativity, and presentation. The contest revealed the hidden talents within the workforce and allowed the Bank to gauge the depth of product knowledge among its employees. By recognizing the best entries, the HR department fostered a sense of accomplishment and motivation among the staff, while also promoting a deeper understanding of the Bank's offerings and values.

9. **Virtual Symposium - "India in My Dreams"**

   As part of its efforts to enhance soft skills among employees, the HR department organized a virtual symposium on the theme "India in My Dreams." This nationwide event invited staff members to share their vision and aspirations for the country, encouraging thoughtful reflection and eloquent expression. Each participant received a certificate of participation, with the best speaker being awarded a memento for their outstanding presentation. This symposium not only provided a platform for employees to develop and showcase their public speaking skills but also fostered a sense of national pride and visionary thinking. The event highlighted the Bank's commitment to the personal and professional growth of its employees.

10. **Wellness Wednesdays**

    "Wellness Wednesdays" is an initiative aimed at promoting health and well-being among employees through regular webinars conducted by expert doctors from renowned hospitals. These sessions, held every mid-month Wednesday, cover a range of health topics, providing valuable knowledge and practical advice to staff members. The primary objective is to foster a healthier and more productive workplace by equipping employees with the tools and information they need to maintain their physical and mental health. This ongoing program underscores the Bank's commitment to employee wellness, ensuring that staff members have access to expert guidance on managing their health effectively.

11. **Mother's Day Celebration**

    In a heartfelt tribute to Mother's Day, the HR department organized an event to honor the elderly mothers at St. Joseph Old Age Home in Thrissur. The celebration included a musical concert performed by members of the Bank's Music Club, bringing joy and entertainment to the residents. Additionally, a Mother's Day photo contest was held for staff members across India, with the theme "Gazing at the Beauty of Eternity." This contest encouraged employees to capture and share moments that reflect the timeless beauty of motherhood. The best entries were rewarded, making the celebration both meaningful and engaging. This initiative not only celebrated mothers but also demonstrated the Bank's commitment to social responsibility and community engagement.

12. **Women's Day - Dance Contest**

    To celebrate International Women's Day, the HR department organized a virtual dance competition titled "Dance 2 Inspire," exclusively for female staff members. This nationwide contest provided a platform for women employees to showcase their dance talents and express their creativity. The best three performers were rewarded, highlighting the Bank's appreciation for the diverse talents within its workforce. This initiative aimed to promote gender inclusivity and empowerment, encouraging female employees to participate actively in cultural and creative activities. By celebrating Women's Day in this unique manner, the Bank reinforced its commitment to supporting and recognizing the contributions of its female staff members.

13. Proud SIBian Contest

In commemoration of the Bank's 95th Founders Day, a virtual speech contest was organized for staff members with the theme "How SIB Transformed Me." This contest invited employees to share their personal stories and experiences of growth and transformation within the Bank. The best three performers were rewarded, providing a platform for staff to reflect on their professional journey and the impact of the Bank on their lives. The contest received a positive response, with numerous heartfelt and inspiring stories shared. This initiative not only celebrated the Bank's legacy but also strengthened the sense of community and shared purpose among employees.

14. PAN India Eye Care Camp

In partnership with Essilor India Pvt Ltd, the HR department conducted eye care camps across various branches nationwide. These camps provided comprehensive eye examinations for staff members, ensuring early detection and management of potential vision issues. This initiative emphasized the importance of eye health, especially given the increased screen time in modern work environments. By offering these services, the Bank demonstrated its commitment to the health and well-being of its employees. The PAN India eye care camp was a significant step in promoting preventive healthcare and raising awareness about the importance of regular eye check-ups.

15. Introduction of E-Learning Platform

The Bank successfully integrated a Learning Management System (LMS) accessible via web and mobile applications, aiming to facilitate continuous learning and professional development for employees. This platform offers a wide range of courses and training modules, enabling staff to enhance their skills and knowledge at their convenience. The e-learning platform is designed to support career growth and ensure that employees stay updated with the latest industry trends and practices. By providing easy access to high-quality educational resources, the Bank underscores its commitment to the personal and professional growth of its workforce. This initiative promotes a culture of continuous improvement and learning within the organization.

16. Calendar Ideas

To create the 2024 calendar, the HR department collected photographs from various branches, showcasing the diverse and vibrant culture of the Bank's workforce. This initiative invited staff members to contribute their creative work, highlighting their perspectives and capturing moments that represent the Bank's values and spirit. The selected photos were used to design the annual calendar, making it a unique and personalized representation of the Bank's community. This project not only fostered employee engagement but also provided a platform for staff to showcase their photography skills. The calendar serves as a visual testament to the creativity and unity within the Bank.

17. Virtual AR Filter Photo Contest on Instagram

In collaboration with the Marketing department, the HR team organized a Virtual AR filter photo contest on Instagram. This contest encouraged staff members to use creative augmented reality filters to capture and share their photos. The best three photos were rewarded, promoting digital interaction and engagement among employees. This innovative contest leveraged social media to connect staff members, fostering a sense of community and fun. By integrating technology and creativity, the Bank created an engaging platform for employees to express themselves and connect with colleagues across the country.

18. Surprise New Year Friend Feature

To celebrate the New Year and foster camaraderie, the HR department introduced a "Surprise New Year Friend" feature in the HRMS system. This initiative assigned each employee a surprise friend within the Bank, encouraging them to connect and build new relationships. The feature aimed to create a vibrant and supportive work environment by promoting interactions among staff members from different departments and locations. This initiative helped break the ice and fostered a sense of community, making the workplace more inclusive and friendly. By promoting such interactions, the Bank reinforced the importance of teamwork and mutual support.

19. SIB Diwali Dazzle 2023 - Rangoli Making Contest

As part of the Diwali celebrations, the HR department organized a Rangoli making contest titled "SIB Diwali Dazzle 2023." This contest invited staff members to create colourful and intricate Rangoli designs, showcasing their artistic talents. An online flip book featuring all the entries was published, celebrating the creativity and festive spirit of the employees. The best designs were rewarded, adding a competitive element to the festivities. This initiative not only promoted cultural engagement but also encouraged employees to participate in traditional celebrations, enhancing the overall festive atmosphere within the Bank.

20. Webinar - Combat Digital Eye Strain

In observance of World Eye Sight Day, the HR department conducted a webinar on "Combat Digital Eye Strain." This session aimed to provide staff members with valuable information and practical tips on maintaining eye health in a digital work environment. Expert speakers from renowned hospitals shared insights on the causes and prevention of digital eye strain, offering guidance on eye exercises and ergonomic practices. This webinar underscored the Bank's commitment to the health and well-being of its employees, addressing a common issue faced by those who spend long hours in front of screens. The initiative was well-received and highlighted the importance of proactive health management.

21. Leadership Development Programme with IIM Bangalore

To groom future leaders, the HR department collaborated with IIM Bangalore to launch a Leadership Development Programme. Thirty employees from the executive cadre were selected based on their leadership skills and performance. The program includes both online and offline coaching by expert faculties from IIM Bangalore, focusing on developing strategic thinking, leadership abilities, and management skills. This initiative aims to prepare employees for higher responsibilities and leadership roles within the Bank. By investing in the professional growth of its staff, the Bank ensures a pipeline of skilled leaders ready to drive the organization forward.

22. Introduction of SIB Staff Support Community

Various support modules were introduced in the mHRMS app to enhance working conditions and provide comprehensive support to employees. These modules include tracking transfer requests, issuing training call letters, and providing leads for rented housing, Blood Donation Assistance. The SIB Staff Support Community aims to address the diverse needs of employees, ensuring they have access to essential services and information. This initiative fosters a supportive and efficient work environment, making it easier for staff to manage their professional and personal needs. By leveraging technology, the Bank enhances its support system, promoting employee satisfaction and well-being.

23. Make a Difference - Social Service for Christmas

In line with the spirit of Christmas, the HR department encouraged branches and regional offices to engage in social service activities. Staff members visited old age homes and orphanages, making small contributions and sharing their experiences through write-ups published on the Bank's official platform. This initiative aimed to promote social responsibility and community involvement among employees. By participating in these activities, staff members experienced the joy of giving and connected with the community, reinforcing the Bank's commitment to social service. This program highlighted the importance of compassion and community support, enhancing the Bank's reputation as a socially responsible organization.

EMPLOYEE WELL-BEING

The South Indian Bank Staff Welfare Scheme: This year 169 staff members have availed the benefit of 'The South Indian Bank Staff Welfare Scheme' introduced in December 2008. Leave can be availed for the purposes of child care after maternity and medical treatment. The scheme ensures the Bank's employee friendly approach towards its employees and the concern for their family members.

The Staff Welfare Study Support Scheme: The Staff Welfare Study Support Scheme which was introduced in the FY 2016-17 for children of staff members has been successfully continued in the current financial year also. The number of children availed Staff Welfare Study Support Scheme for the FY 2023-24 is 1,673. The scheme has proved to be effective in its implementation with the aim of encouraging the children of staff members to soar greater heights.

In addition to the existing schemes, the Bank has enhanced the Staff Welfare Leave Scheme to provide better support for Bank's employees. This initiative reflects Bank's commitment to their well-being and professional growth. Significant modifications have been made in child care leave, medical treatment leave and leave for higher studies.

The enhancement in child care leave now enables all staff members, not just those on maternity leave, to take care of their children. This inclusive approach ensures that every parent can benefit from leave provisions to nurture their child's upbringing effectively.

Similarly, the scope of medical treatment leave has been broadened. Previously limited to critical illnesses listed by the Indian Banks' Association (IBA), it now covers any genuine illness of the employee, their spouse or dependent children. This adjustment ensures a more comprehensive support system for the medical needs of Bank's staff and their families.

Furthermore, the Bank has introduced employee welfare leave for higher studies. This policy aims to support employees' educational aspirations while securing a return on investment for the Bank. It underscores Bank's commitment to fostering continuous learning

and personal development among Bank's workforce.

Further to the above the Bank has introduced New Schemes in Staff Welfare Scheme for FY 2023-24:

- Special Aid to Dependent Children with special conditions.
- Appreciation to Meritorious Children of Sub-Ordinate Staff.
- Financial Assistance to Employees on grounds of critical illness subject to condition.

TECHNOLOGY DRIVEN HRMS SYSTEM

Transforming HR with Innovative Technology: Comprehensive Developments in FY 2023-24

In FY 2023-24, the HR Technology section has significantly advanced its digital infrastructure, rolling out a series of projects aimed at enhancing operational efficiency and improving the overall employee experience. These initiatives reflect a strong commitment to leveraging technology to streamline HR processes, introduce new functionalities, and foster a culture of continuous improvement.

Comprehensive Payroll and Compensation Enhancements

A notable highlight of the year was the adoption of a Cost to Company (CTC)-based payroll system for executives. This transition modernized the compensation structure, making it more transparent and efficient. Executives now have a clearer understanding of their remuneration packages, which include various components like salary, benefits, and bonuses, leading to better financial planning and satisfaction.

Simultaneously, the SIB mHRMS app underwent significant updates to enhance user experience and operational functionality. The app introduced features such as Active Directory (AD) password reset, access for staff deputed abroad, daily quizzes, and personalized greetings. These improvements aimed to increase user engagement and simplify everyday HR tasks, making the app an indispensable tool for employees.

Automation and Workflow Optimization

The HR Technology section placed a strong emphasis on automating workflows and optimizing processes. The introduction of the PF Withdrawal Workflow in HRMS and the automation of Staff Provident Fund (PF) loans were critical developments. These features facilitated seamless financial transactions, reducing the reliance on manual processes and significantly speeding up approvals and disbursements.

Another key project was the deployment of a facility for direct credit of allowances by staff members without verification. This innovation reduced the workload on verification authorities, allowing for faster and more efficient processing of allowances.

Learning and Development Innovations

In the realm of learning and development, the launch of the SIB iLearn LMS mobile app represented a significant step forward. This mobile-friendly platform provided employees with access to continuous learning opportunities, reflecting the organization's commitment to professional development. The app allowed staff to participate in training programs, complete quizzes and track their learning progress on the go.

The training module also saw enhancements, including the introduction of a Training Feedback Facility in HRMS. This feature enabled participants to provide feedback on various training programs, both internal and external, ensuring that the quality of training is continuously improved based on participant input.

Enhancements in HRMS Functionalities

Throughout the year, the SIB mHRMS app was continuously updated with new features to streamline administrative tasks and enhance usability. The introduction of version 2.6.0 brought a host of new functionalities, including attendance regularization, personal loan entry, and training-related features like training call letter issuance, internal training feedback, and training exit tests. These updates aimed to simplify administrative processes and improve the overall user experience.

Further, the version 2.7.0 update included features such as the iLearn LMS credit hours report, the ability to view promotion letters, rent advance request entry, transfer discomfort loan entry, nomination master, and the facility to view the last three transfer orders. These enhancements provided employees with more tools and resources to manage their HR-related tasks effectively.

Support for Retired Staff

The organization demonstrated its commitment to supporting retired staff by introducing a new loan product to cover medical insurance premiums. This initiative provided financial assistance to retirees, ensuring they have adequate coverage for their medical needs. Additionally, features were added to allow ex-staff to view and download pension and medical insurance premium certificates, further simplifying their post-retirement experience.

Recognition and Rewards

The SIB Max Rewards Scheme dashboard was another significant innovation aimed at promoting a culture of recognition and achievement. This dashboard provided

a transparent view of performance metrics and rewards, allowing employees to see their progress and the rewards they earned. The detailed points bifurcation, qualification points, and reward earned sections helped in motivating employees to perform better and achieve their goals.

Employee Feedback and Needs

Understanding the importance of employee feedback, several initiatives were launched to ensure continuous improvement based on staff input. An induction experience survey was introduced for newly joined staff, allowing them to share their onboarding experience and suggest improvements. Additionally, a facility for staff to submit their training needs was incorporated into HRMS, ensuring that the training programs are aligned with the actual needs of the employees.

Travel and Expense Management

The HR Technology section also focused on improving travel and expense management. A new facility in HRMS allowed executives to submit requests for official travel, which were then forwarded to HRD for sanctioning. This streamlined the approval process and ensured that travel arrangements were made efficiently. Additionally, the travel desk feature was enhanced to allow for digital documentation and request management, further simplifying travel-related tasks.

Comprehensive Administrative Tools

To further enhance administrative efficiency, several tools were introduced. The annuity register for the HR-Welfare section captured details of annuities purchased for pension payments to ex-staff. The central storage of signing power documents ensured that physical copies of signing powers were securely stored and easily accessible.

Moreover, the introduction of an HR Service Desk platform provided a dedicated space for staff members to file HR-related service requests. This platform streamlined the process of addressing HR issues and ensured that employees received timely support.

The projects undertaken by the HR Technology section in FY 2023-24 collectively represent a robust effort to integrate technology into HR processes. From payroll and compensation enhancements to workflow optimization, learning and development innovations, and support for retired staff, these initiatives have significantly improved operational efficiency and the overall employee experience. The organization's forward-thinking approach and commitment to leveraging technology set a benchmark for future advancements in HR, ensuring that the HR department continues to evolve and meet the changing needs of its workforce.

SIB-Executive Brief

The "SIB-Executive Brief" is a meticulously compiled daily news update prepared by HR-L&D. It encompasses a wide range of topics, including banking, finance, the economy, industry, sports and market rates. This brief is emailed daily to members of the Board and executives and is also available on SIB Insight for easy access by all staff members. To provide comprehensive information, it includes data on 10-year G-Sec yields, 'AAA' corporate bonds for 5 years, 3-month CD & CP rates, 3-month forward premiums, US 10-year yields, and forex reserves. This valuable resource keeps Bank's team well-informed on crucial market dynamics and trends.

E-Learning Tests

The Bank conducted two online tests focusing on Information Security and Cyber Security for Customer Service Associates and Officers across various grades (Scale I to Scale V) during the financial year 2023-24. These tests, administered through the LMS platform, iLearn, saw active participation from branches and offices. The objective was to enhance cyber security awareness among Bank's staff members, ensuring they are well-prepared to handle security challenges in the digital age.

Continuous Assessment Test for Probationary Officers

To ensure the continuous learning and knowledge enhancement of Bank's Probationary Officers, HR-L&D conducts e-learning tests covering 20 modules for each batch of Probationary Officers (POs), HR-L&D diligently ensures that all Probationary Officers make the necessary efforts to pass these tests on time, thereby securing their confirmation without delay. This rigorous assessment process helps maintain high standards of competency within Bank's workforce.

SIB STUDENTS' ECONOMIC FORUM (SIB SEF)

SIB SEF is a prestigious monthly publication that delves into and scrutinizes pertinent themes in the realms of economics, finance, and banking. Since its inception in December 1991, it has published 387 themes as of March 31, 2024. This initiative is designed to ignite a passion for economic affairs among the younger generation and serves as a comprehensive learning platform for students. Each edition covers a wide array of contemporary topics in economics and finance, ensuring that readers stay informed about the latest developments. The publication is extensively distributed to the offices of the Reserve Bank of India (RBI), various banks, corporate entities, and numerous educational

institutions. Its insightful content and analytical depth have made it a highly respected and appreciated resource among students, professionals, and academic circles.

SIBLINK

'SIBLINK' is Bank's quarterly corporate family magazine, showcasing a diverse range of content contributed by Bank's staff and their families. This magazine includes articles, reviews, interviews with distinguished personalities, personal experiences, and other literary works. The hard copies are distributed to the Bank's branches, departments, and offices, while digital versions are accessible on SIB Insight and the Bank's website. SIBLINK also highlights the achievements of Bank's staff members, including their wedding photos and campaign results. A new section introduced last year features contributions from the children of staff members, fostering a sense of community and pride. During the last financial year, the Bank has successfully published four issues of SIBLINK.

Daily Quiz

The HR-L&D department is steadfast in its commitment to the continuous learning and development of Bank's staff members. To support this goal, we administer a Daily Quiz through the HRMS platform. This quiz includes five questions based on the content from the Executive Brief, covering general topics such as credit, forex, and NRI business. The Daily Quiz is an engaging way to ensure that staff members stay updated and continuously enhance their knowledge.

INDUSTRIAL RELATIONS

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

A jovial and employee friendly approach by the Bank is the only reason to have a very minimal attrition rate of 4.64%.

PERFORMANCE LINKED INCENTIVE SCHEME (PLIS)

With an unwavering commitment to bolstering productivity and efficiency across every facet of its operations while nurturing a culture of motivation among its diverse cadre of employees, the Bank introduced the Performance Linked Incentive Scheme (PLIS) commencing from the fiscal year 2007-08. This visionary initiative has since served as a cornerstone in driving organizational excellence and fostering a performance-driven culture within the Bank.

The essence of the PLIS lies in its methodology, intricately designed to assess and reward employees based on their performance, as meticulously measured by the holistic Balanced Scorecard. This comprehensive framework evaluates not only the quantitative aspects of performance but also encompasses qualitative factors, ensuring a nuanced understanding of employees' contributions towards the Bank's overarching objectives.

A pivotal evolution occurred in the fiscal year 2021-22, marked by the Bank's pivotal shift towards a Balanced Scorecard-based appraisal process across all job roles. This transformative paradigm shift heralded a new era of performance evaluation, wherein a singular score derived from the Balanced Scorecard serves as the quintessential benchmark for various pivotal aspects, including promotions and PLIS calculations.

This streamlined approach not only enhances transparency and objectivity in performance assessments but also reinforces the symbiotic relationship between individual performance and organizational success. By aligning incentives with performance metrics embedded within the Balanced Scorecard, the PLIS serves as a potent catalyst for igniting intrinsic motivation and driving continuous improvement among employees at every echelon of the organization.

Moreover, the PLIS transcends beyond mere financial incentives, embodying a holistic ethos that celebrates and recognizes employees' contributions towards fostering a culture of excellence. The transparent and equitable nature of the scheme instills a profound sense of accountability, empowering employees to take ownership of their performance and actively contribute towards the Bank's strategic imperatives.

EMPLOYEE STOCK OPTION SCHEME (ESOS)

To motivate the employees further and to inculcate in them a sense of ownership, Employees' Stock Option Scheme (ESOS) was approved by the Shareholders at the Annual General Meeting held on August 18, 2008. The Bank has introduced Tranche 1 of the scheme in 2009-10, Tranche 2 of the scheme in 2010-11, Tranche 3 of the scheme in 2011-12, Tranche 4 and Tranche 5 during 2012- 13, Tranche 6 during 2013-14, Tranche 7 during 2014-15, Tranche 8 & Tranche 9 during 2017-18 and Tranche 10 during 2020-21, Tranche 11 and Tranche 12 during the FY 2022-23 and Tranche 13 during the FY 2023-24.

The SIB ESOS 2008 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on

equity shares of the Bank to employees and Managing Director & CEO and Whole Time Director (s) of the Bank. The Scheme is in compliance with Securities and Exchange Board of India (Share-Based Employee Benefits and Sweat Equity) Regulations, 2021. The Bank followed Black Scholes model for calculating fair value of option to account for its stock based employee compensation plans as per the Guidelines for all the options granted till the accounting period ended March 31, 2024. The fair value thus arrived were being recognised as expense beginning with the accounting period for which approval has been granted as per RBI circular No. RBI/2021-22/95 DOR.GOV.REC.44/29.67.001/2021-22 dated August 30, 2021. Till March 2024, 5,74,36,203 stock options were vested, out of which 2,89,49,199 stock options were exercised by eligible employees. The money realised due to exercise of the said options was ₹42,74,54,572.64 and consequently 2,89,49,199 shares of ₹1/- each have been allotted to the employees/ legal heirs concerned.

(V J Kurian)
Chairman
DIN : 01806859

(P R Seshadri)
Managing Director & CEO
DIN : 07820690

Place: Thrissur
Date: July 30, 2024

DIRECTORS' REPORT

To the Members,

The Board of Directors is pleased to place before you, the 96th 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, 2024.

PERFORMANCE OF THE BANK

The performance highlights of the Bank for the financial year ended March 31, 2024 are as follows:

₹ in crore

Key Parameters	2023-24	2022-23
Deposits	1,01,920.26	91,651.35
Gross Advances	80,426.26	72,092.07
Total Gross Business	1,82,346.52	1,63,743.42
Operating Profit	1,867.67	1,507.33
Net Profit	1,070.08	775.09
Capital & Reserves	8,823.54	6,674.58
Capital Adequacy (%) - Basel-III	19.91	17.25
Earnings Per Share (EPS)		
(a) Basic EPS (in ₹) [face value ₹1/-]	5.10	3.49
(b) Diluted EPS (in ₹) [face Value ₹1/-]	5.09	3.49
Book Value per Share (in ₹) [face value ₹1/-]	33.73	31.89
Gross NPA as % of Gross Advances	4.50	5.14
Net NPA as % of Net Advances	1.46	1.86
Return on Average Assets (%)	0.93	0.73

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

BUSINESS ACHIEVEMENTS

The Bank has achieved a total Business of ₹1,82,346.52 crore, consisting of Deposits of ₹1,01,920.26 crore and Gross Advances of ₹80,426.26 crore as on March 31, 2024.

DEPOSITS

The total Deposits of the Bank as on March 31, 2024 was ₹1,01,920.26 crore as against ₹91,651.35 crore as on March 31, 2023, registering a growth of 11.20%. The break-up of the deposits as on March 31, 2024 is as under:

	Amount (₹ in crore)	% to total Deposits
Current Deposits	6,074.87	5.96%
Savings Deposits	26,617.80	26.12 %
Term Deposits	69,227.59	67.92%
Total	1,01,920.26	**100%**

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

The CASA has grown from ₹30,227.06 crore as on March 31, 2023 to ₹32,692.67 crore as on March 31, 2024, with a growth of 8.16%. The Savings Bank Deposits grew by 5.45% on a year on year basis. Current Deposits grew by 21.84% on a year on year basis. While opening new banking relationships, the Bank has accorded priority to meaningful financial inclusion during the period under reporting.

ADVANCES

The advance portfolio of the Bank grew by 11.56% on a YoY basis to reach ₹80,426.26 crore as on March 31, 2024. The focussed strategies implemented by the Bank has facilitated rapid growth in advances.

The Bank has registered a robust recovery and upgradation of NPA during the financial year 2023-24 and GNPA stood at ₹3,620.34 crore as at March 31, 2024. The Gross NPA of Bank as on March 31, 2024 as a percentage to gross advance is 4.50% and Net NPA stood at 1.46%. Ensuring the Bank's vision on asset quality, the underwriting standards are revisited & reviewed from time to time. The GNPA and Net NPA percentage of new Loan book stood at 0.31% and 0.08% respectively.

During the financial year, the Bank could register growth, with focus on building quality assets across all verticals like corporate, SME, housing loan, auto loan, credit card, personal loan, gold loan etc. The Vehicle Loan ("VL") policy of the Bank was revamped during the year 2023-24, to make the VL products more competitive in the market without compromising credit quality.

The Bank has adopted a forward looking approach and envisaged more co-lending arrangements to enhance priority sector lending. All the priority sector advance targets stands achieved and the Bank was also able to generate additional revenue of ₹71.80 crore during the year, through sale of Priority Sector Lending Certificates (PSLCs).

Priority sector target & achievement as on March 31, 2024 is as follows:

Particulars	% of Target	% of Achievement
Overall PSL	40.00%	44.08%
Agriculture	18.00%	19.00%
Small & Marginal Farmers	10.00%	12.97%
Non-Corporate Farmers	13.78%	15.12%
Micro Enterprises	7.50%	9.31%
Weaker Sections	12.00%	14.42%

Break-up of exposure under Priority Sector as on March 31, 2024 is furnished below:

	Amount (₹ in crore)
A) Agriculture & Allied activities (Net of PSLC)	13,383.30
B) MSME (Net of PSLC)	15,938.07
C) Other Priority Sector	1,736.77
TOTAL PS (Net of PSLC)	**31,058.14**

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

To achieve the bank's vision of 'profitable credit growth through quality credit', the Bank along with tie up with M/s Nucleus Software Exports Ltd & M/s NewGen Software Technologies Ltd has introduced new advance suite procedures, where the total lifecycle of the loan i.e., from sourcing to collection, including documentation happens through digital mode for both retail and SME lending.

FINANCIAL PERFORMANCE

Profit

The Net Operating Income (Net Interest Income and Other Income) of the Bank increased by ₹1,022.86 crore (26.74%) from ₹3,824.71 crore in FY 2022-23 to ₹4,847.57 crore in FY 2023-24. The Non-Interest Income increased by ₹702.89 crore (86.50%) during the year, which was mainly on account of net profit from sale of investments and Income from credit card during the FY 2023-24. The Operating Profit for the year under review was ₹1,867.67 crore (before taxes and provisions) as against ₹1,507.33 crore for the financial year 2022-23. The Net Profit for the year was ₹1,070.08 crore as compared to a net profit of ₹775.09 crore during the previous year and the profit available for appropriation are as per details given below:

₹ in crore

Profit before taxes and provisions	1,867.67
Less: Provision for NPI	(2.66)
Provisions for Non- Performing Assets	405.52
Provision for FITL	(63.94)
Provision for Income Tax	373.19
Provision for Deferred Tax	85.48
Provision for Standard Assets	(20.85)
Provision for Restructured Assets	(0.06)
Provision for Other Impaired Assets	27.02
Provision for Un-hedged Forex Exposure	(1.70)
Provision for Non-Banking Asset Provision	(4.41)
Net profit	**1,070.08**
Brought forward from previous year	224.49
Profit available for appropriation	**1,294.57**
Appropriations:	
Transfer to Statutory Reserves	267.53
Transfer to Capital Reserves	17.77
Transfer to General Reserves	300.00
Transfer to Investment Reserve	34.20
Transfer to Investment Fluctuation Reserve	(45.79)
Transfer to Special Reserve	60.00
Dividend Paid for FY 22-23	62.78
Balance carried over to Balance Sheet	598.08
Total	**1,294.57**

Dividend

The Board of Directors has recommended a dividend of 30% i.e. ₹0.30 per Equity share of face value of ₹1/-

each per share for the financial year ended March 31, 2024 and during the Previous Financial Year, the Bank has paid dividend at the rate of 30% i.e. ₹0.30 per Equity share of face value of ₹1/- each per share to the shareholders.

CAPITAL & RESERVES

The Bank's issued and paid-up capital stood at ₹261.59 crore as on March 31, 2024. As per the decision of the Board of Directors in the meeting held on December 27,2023 and the terms of issue approved by the Board of Directors in the meeting held on February 21,2024, our Bank has issued 52,31,85,254 Equity Shares on Rights Basis to the existing shareholders at the rate of ₹22 per at a ratio of 1:4 to their existing shareholding as on February 27, 2024. Through which the Bank has raised capital through rights issue during the FY 2023-24 to the tune of ₹1,151.01 Crore.

The capital plus reserves of the Bank has moved up from ₹6,674.58 crore, as on March 31, 2023 to ₹8,823.54 crore as on March 31, 2024, mainly on account of plough back of profits and issue of shares on right basis, 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 19.91 as on March 31, 2024 as against the statutory requirement of 11.50 (including Capital Conservation Buffer). Tier I CRAR constitutes 17.65 while Tier II CRAR works out to 2.26. The Bank follows Standardized Approach, Standardized Duration Approach and Basic Indicator Approach for measurement of capital charges in respect of credit risk, market risk and operational risk, respectively.

LISTING AGREEMENT WITH STOCK EXCHANGES

The Bank's shares continue to be listed on BSE Ltd. and The National Stock Exchange of India Ltd. The Tier I/II Bonds issued by the Bank continue to be listed on BSE Ltd. The Bank confirms that it has paid the listing fees to all the Stock Exchanges for the financial year 2024-25. 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 960 banking outlets (955 Branches, 3 Satellite branches and 2 Ultra small Branches (USB)) and 1,321 ATMs/CRMs as on March 31, 2024. The Bank has opened 15 new outlets and closed 1 USB. The Bank has also opened 45 new ATMs, 11 CRMs across the country during the financial year 2023-24 and closed 23 ATMs and 1 CRM. The branch network now covers 26 States and 4 Union Territories.

Construction of Currency Chest at Kakkanad is under progress and the same is expected to be completed in the FY 2024-25, as per the time-line permitted.

INVESTMENT

The global economic outlook remained beset by geopolitical tensions, unsettled financial conditions, and stubborn inflation in major economies. However, India has successfully navigated through multiple challenges and emerged as the fastest growing large economy. The inflation in India trended down, both headline and core towards the target of 4% with the Reserve Bank of India projecting the Indian economy to grow by 7% during FY25, making it a fourth successive year of growth at or above 7%.

The Reserve Bank of India kept policy rates unchanged, with repo rate at 6.5% but conducted frequent liquidity operations using the Variable Repo Rate (VRR)/ Variable Reverse Repo Rate (VRRR). Till August 2023, system's liquidity remained at a comfortable surplus of above ₹1 trillion, but dropped to deficit thereafter in the second half of FY24. The deficit liquidity exerted pressure on India's 10-year bond yields but RBI's nimble liquidity management approach arrested excessive volatility in yields. In FY24 India's 10-year bond yields oscillated in between 6.95-7.40% and the trajectory was defined by factors including the Inflation data, Banking system liquidity, US 10-year yield, FPI debt flows, and international crude oil prices. India's buoyant growth condition coupled with fiscal prudence and effective liquidity management, limit the rise in yields. Going ahead, the favourable growth-inflation dynamics may prompt a rate reduction by RBI, weighing on 10-year bond yield.

The nominal exchange rate of Indian rupee (INR) depreciated to record low of ₹83.45 relative to the US Dollar (USD) in FY24, depreciating 1.5% compared to a fall of 7.8% in FY23. Throughout the year INR mostly remained range bound due to the combination of robust macro fundamentals, along with comfortable external position and benevolent global backdrop. A lower trade deficit and robust foreign inflows, prospects of a Fed rate cut and lower oil prices supported the INR. Apart from this, RBI's effective intervention in the foreign exchange market also ensured that volatility in the exchange rate remained contained.

The Bank's gross investment portfolio stood at ₹25,278.63 crore as on March 31, 2024 compared to ₹26,014.21 crore as on March 31, 2023, down by 2.83%. Investment Deposit ratio moved to 24.80% as on March 31, 2024 from 28.38% as on March 31, 2023. Profit on

sale of investment for FY 2023-24 stood at ₹256.67 crore. Total interest income from investment for the year was ₹1,551.61 crore. (Inclusive of dividend income of ₹1.71 crore and ammortisation cost of ₹257.37 crore). Yield on investments (profit + interest earned to average investments) during FY 23-24 was 6.64%.

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 has also contributed actively to overall profits by taking gainful trading positions.

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 2023-24 came from Forex Merchant activities. Going forward, Treasury Department intends to focus on Forex Merchant business and other similar offerings to customers for diversifying its revenue mix. A new Treasury Management Software was implemented in this Financial Year and has enhanced product portfolio and better productivity to the dealers along with the Back Office.

NON-PERFORMING ASSETS (NPA)

During the FY 2023-24, as a result of focused and sustained efforts using legal recourse available under the SARFAESI Act, DRTs and Civil Courts, the Bank has been able to improve its overall recovery. The Bank has also relied on expeditious deciding on requests for one-time settlement. The cumulative effect of the sustained action has facilitated the Bank to achieve recovery figure of ₹1,642.16 crore. The recovery was largely in cash and the Bank has recorded a cash recovery of ₹1,288.50 crore. During the financial year 2023-24, in order to improve the quality of assets, special thrust was given to selection and underwriting of credit. Further, focus on building efficiency of collection team, resulted in marked improvement in collections and the Bank reaching its lowest ever SMA2 numbers at ₹566.23 crore (against ₹711.65 crore in FY 2022-23). Incremental NPA was also controlled and addition to GNPA was limited at ₹1,395.48 crore, as against ₹1,513.22 crore in FY 2022-23. The Gross NPA of the Bank has decreased to 4.50% from 5.14% as on March 31, 2023. The Net NPA has decreased to ₹1,134.58 crore as on March 31, 2024, from ₹1,293.61 crore as at March 31, 2023. In terms of percentages, the Net NPA has decreased to 1.46% as on March 31, 2024 from 1.86% as on March 31, 2023. On the recovery front, the Bank has managed to outperform peer group banks and strives to build capability to sustain the momentum and deliver higher numbers during the years to come.

RISK MANAGEMENT

The risk management processes are guided by well-defined policies appropriate for various risk categories, independent risk oversight, and periodic monitoring through the sub-committees of the Board of Directors. The objective of risk management is not to prohibit or prevent risk taking activity, but to ensure that the risks are consciously taken with full knowledge, purpose and clear understanding so that it can be measured and mitigated. The essential functions of risk management are to identify, measure and more importantly monitor the risk profile of the Bank. Managing risk is fundamental to banking and is the key to sustained profitability and stability. Management of risk aims to achieve best trade-off between risk and return and to maximise Risk Adjusted Return on Capital (RAROC). Sound risk management is critical to a Bank's success. Business and revenue growth have therefore to be aligned with Risk appetite in the context of the risks embedded in the Bank's business strategy and balance sheet. Of the various types of risks the Bank is exposed to, the most important are credit risk, market risk and operational risk. The identification, measurement, monitoring and mitigation of risks continue to be key focus areas for the Bank.

The risk management function attempts to anticipate vulnerabilities at the transaction level or at the portfolio level through qualitative and quantitative examinations of the embedded risks. The risk management strategy of the Bank is based on a clear understanding of various risks, disciplined risk assessment, risk measurement procedures and continuous monitoring for mitigation. The policies and procedures established for this purpose are continuously evaluated and benchmarked against the best practices followed in the industry. Through continuous refinement/improvement of the risk measurement/ management systems, including automation of feasible processes, the Bank aims to ensure regulatory compliance as well as better return on and utilisation of capital in line with the business objectives.

Various initiatives such as comprehensive review of Credit Risk Policy and other Risk Management Policies have been initiated along with other process improvements. Liquidity is also actively being managed through the ALCO forum, where the Bank is pursuing actively into increasing the sticky and retail deposits along with operationalizing majority of the wholesale banking financing relationships. As part of the Business Continuity Management, the Bank's Operational Risk team is working in close coordination with various stakeholders to ensure smooth conduct of operations.

The risk management strategy of the Bank is based on a clear understanding of various risks, disciplined risk assessment, risk measurement procedures and continuous monitoring for mitigation. The policies and procedures established for this purpose are continuously evaluated and benchmarked against the best practices followed in the industry. Through continuous refinement/ improvement of the risk measurement/ management systems, including automation of feasible processes, the Bank aims to ensure regulatory compliance as well as better return on and utilization of the capital in line with the business objectives.

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 integrated risk management policies which ensures independence of the risk governance structure. The required standard operating procedures also follows the Policies to ensure that all the parameters are well covered while implementing the approved policies. The details of risk management practices are provided in Management Discussion and Analysis Report.

COMPLIANCE WITH CAPITAL ADEQUACY FRAMEWORK

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

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

The Bank ensures strict compliance with all statutory requirements and voluntarily undertakes several sustainable steps in order to contribute towards a better environment. The Bank has undertaken various initiatives for energy conservation at its premises, to reduce its carbon footprint and improve resource efficiency. It ranging from using better technology to improve energy efficiency, recycling and generating energy from renewable sources. A detailed report on the same is included in the Business Responsibility and Sustainability Report forming part of this annual report. We have engaged with certified agencies to handle disposal of plastic, E-waste, hazardous and other waste, as per our safe and sustainable waste management policy. Furthermore, the Bank ensures to invest in specific technologies to improve the environmental and social impacts of product and processes. Digitization of agreements, paper-less electronic BG issuance, digitization of loan-processing are a few of our various green initiatives that can be quoted. Hence, sustainability is integral to our ethos and we are committed to minimize our environmental footprint and contributing positively to the communities we serve. The Bank, being a banking company and an authorized dealer in Foreign Exchange, has taken all possible steps to enhance export credit. Through its export financing operations, the Bank supports and encourages the country's export efforts.

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

The Bank has zero tolerance towards any action on the part of any executive/employees which may fall under the ambit of 'Sexual Harassment' at workplace and is fully committed to uphold and maintain the dignity of every women staff working in the Bank. The Bank has complied with provisions relating to the constitution of the Internal 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 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 – 7

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

Particulars of Employees

The Bank had 9,836 employees as on March 31, 2024. The details of the top 10 employees including the employees who were in receipt of aggregate remuneration of more than ₹1.02 crore per annum (employed throughout the year) or who were in receipt of remuneration of ₹8.5 lakhs per month (employed for a part of the year) during the FY 2023-24, in terms of remuneration drawn pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report (Annexure A). The ratio of the remuneration of each director to the median employees' remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this report (Annexure B).

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

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

South Indian Bank's CSR Policy

The South Indian Bank is grateful to the society that has supported and encouraged the Bank during its long journey of growth and development. At South Indian Bank, Corporate Social Responsibility (CSR) isn't just a policy: it's ingrained in our ethos. The Bank believes that no organization can make sustainable development without the patronage of the society. We recognize that our success is intertwined with the prosperity of the communities we serve. The Bank is committed to integrate social and environmental concerns in its business operations. The Bank shall continue to have among its objectives, promotion and growth of national economy and shall continue to be mindful of its social and moral responsibilities to the customers, shareholders and the society. The Bank is committed to financing the economic and developmental activities of the nation with concern for human rights and environment. In line with the CSR Policy, and in accordance with Schedule VII, section 135 of the Companies Act, 2013, the Bank has actively engaged in various CSR initiatives aimed at uplifting communities and fostering sustainable development activities during the FY 2023-24, which had significant impact on the society. From promoting education and healthcare to environmental conservation and community welfare, our endeavours have touched lives across regions we serve.

As we navigate through dynamic economic landscapes, we remain steadfast in our dedication to making positive impact beyond banking services. The CSR initiatives during the FY 2023-24, encapsulate our efforts, underscoring our unwavering commitment to social responsibility and sustainable practices that we embark on together with our stakeholders. The initiatives, inter-alia includes:

- Special thrust on flagship areas like special schools, old age homes and orphanages.
- Specially equipped vehicles for commutation of differently abled children.
- Renovation and maintenance of public parks to offer improved amenities and recreational opportunities to the general public.
- Planting of trees as a part of improving environmental sustainability, maintaining quality of soil, air and water.
- Promoting education, including special education and employment enhancing vocational skills and livelihood enhancement projects.
- Eradicating hunger, poverty and malnutrition, promoting health care including preventive healthcare and sanitation and making available safe drinking water.
- 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.
- Rural development activities.
- Training to promote nationally recognized sports.
- Promoting Financial Literacy.

CSR Expenditure

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

The amount spent by the Bank for the FY 2023-24 towards CSR is ₹10.50 Crores against the CSR obligation of ₹10.47 Crores (after deducting set off), as per Section 135 of the Companies Act, 2013. The Bank has embarked on some major projects last year in the field

of education, healthcare, environmental sustainability etc. By choosing long term sustainable projects, the Bank has taken an approach which brings steady and long lasting impact on the society. The details of the CSR activities of the FY 2023-24 are mentioned in Annexure 'C' to this report.

Web-Link to the CSR Policy

https://www.southindianbank.com/content/corporate-social-responsibility-csr-policy/778

FINANCIAL INCLUSION

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

With advances in financial technology and digital transactions, more and more start-ups are now making financial inclusion simpler to achieve. It is all about bringing basic banking facilities to the lower income groups at an affordable cost. The Bank has adopted several financial inclusion initiatives, including appointment of Business Correspondents and Financial Literacy Counsellors. For expanding the Financial Inclusion activities, the Bank has 50 Business Correspondents and 22 Financial Literacy Counsellors as on March 31, 2024, in the States of Kerala and Tamil Nadu. Through corporate business correspondents, the Bank has on-boarded 36,423 borrowers with total outstanding of ₹155.75 crore in the FY 2023-24 in the agriculture lending, hence reaching out to the unserved and underserved strata of the society.

Aadhaar Enabled Payment System (AePS)

Aadhaar Enabled Payment System (AePS) is a payment service, empowering a bank customer to use Aadhaar as his/her identity to access his/her respective Aadhaar enabled bank account and perform basic banking transactions through a Business Correspondent / POS machine. National Payment Corporation of India (NPCI), an umbrella organisation for all retail payments is controlling AePS operations. AePS offers basic banking services such as Cash Withdrawal, Cash Deposit, Balance Enquiry, Aadhaar to Aadhaar Fund Transfer and Mini Statement. The Bank has also successfully migrated to Aadhaar Enabled Payment System (AePS) for performing transactions through Business Correspondents.

Business Correspondent

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

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

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

Financial Literacy Counsellors

Financial Literacy is the ability to understand how money works in our day to day life and how someone manages it, how he/she invests it and how a person offers it to others. More specifically, it refers to the set of skills and knowledge that allows an individual to make informed and effective decisions with their financial resources. As on March 31, 2024 the Bank has engaged 16 FLCs in different Blocks of Kerala to disseminate financial literacy to the people. In addition to this, the Bank has also appointed 6 FLCs in different Districts of Tamil Nadu to emphasize the objectives of Financial Literacy. Bank's FLCs are branded under the name "SIB JYOTHIS". Efforts are being taken to make them more efficient, responsive to the needs of the people. A Board approved policy covering all aspects of Financial Literacy Counsellors has been formulated, giving due consideration to the revised guidelines on FLCs circulated by the RBI.

Pradhan Mantri Jan-Dhan Yojana (PMJDY)

Pradhan Mantri Jan-Dhan Yojana (PMJDY), is conceived as a national mission on financial inclusion initiated by

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

Atal Pension Yojana (APY)

Atal Pension Yojana (APY), a pension scheme for citizens of India is focused on the unorganized sector workers. Under the APY, guaranteed minimum pension ranging from ₹1,000/- to ₹5,000/- per month will be given at the age of 60 years depending on the contributions by the subscribers. Any citizen who is or has been an income tax payer, shall not be eligible to join APY from 01st October, 2022.

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

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

The Pradhan Mantri Jeevan Jyoti Bima Yojana is available to people in the age group of 18 to 50 years having a Bank account who give their consent to enable autodebit. Aadhar would be the primary KYC for the Bank account. The life cover of ₹2 lakhs shall be for the one-year period stretching from 1st June to 31st May and will be renewable. The PMJJBY offers an annual life coverage of ₹2 lakhs in case of the demise of the policyholder during the policy term. The policy can be availed at the lowest premium rate of ₹436 per annum.

Pradhan Mantri Suraksha Bima Yojana (PMSBY)

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

GREEN INITIATIVE IN CORPORATE GOVERNANCE.

Dispatch of documents in Electronic Form: As a responsible corporate citizen, the Bank supports and pursues the 'Green Initiative' of the Ministry of Corporate Affairs ("MCA"). In conformance with such initiatives and in terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, the Bank may give notice through electronic mode including e-mail to those Members who have provided their e-mail address either to their Depository Participants (DPs) or to the Registrar/Company. Pursuant to General circulars dated on September 25, 2023 issued by MCA and SEBI Circulars dated October 06, 2023 on Limited relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and dated October 07, 2023 on Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the notice of 96th Annual General Meeting (to shareholders) and the Annual Report 2023-24 (to Security Holders) will be sent via email to all the shareholders / Bondholders 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 96th Annual General Meeting, Annual Report of the Bank for the financial year 2023-24 including Audited Financial Statements, Directors' Report, Auditors' Report etc., for the year ended March 31, 2024, is sent to the e-mail address registered with their Depository Participant (DP)/Registrar/Company. The e-mail addresses indicated in respective DP accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be their registered e-mail address for serving notices/documents including those covered under Section 136 of the Companies Act, 2013. In case a Member, whose e-mail address has changed, fails to update this new e-mail address, the said documents will be sent to the existing e-mail address and the said documents will be deemed to have been delivered, in compliance with the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder and the Listing Regulations. Members who have not yet registered their e-mail address are requested to do so, at the earliest. In case of shares held in electronic form and in case of any change in the e-mail address, Members are requested to update the

same with their DP and in case of shares held in Physical form, Members are requested to update the same with the RTA/Company. Security holders may please note that, as allowed by MCA and SEBI circulars, the Bank will not be sending physical copies of AGM Notice to shareholders and Annual Report to the security holders unless the same is specifically requested.

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

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

ANTI - MONEY LAUNDERING (AML)

Transactions processed through the Core Banking Solution are monitored for detecting suspicious transactions, using an AML application to comply with the provisions under Prevention of Money Laundering Act (PMLA). The Bank already has a Centralized Processing Centre (CPC) for customer creation with the objective of full KYC compliance and to use KYC as a fraud prevention tool. The Bank has attached great importance for compliance of KYC/AML/CFT norms by the customers as per the Reserve Bank of India directive.

FATCA-CRS

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

DIRECTORS

The composition of the Board of Directors is governed by the Banking Regulation Act, 1949, the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Code of Conduct on Corporate Governance adopted by the Bank. The Board comprises of 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.

Except 2 Directors, all members of the Board are Non-Executive Directors and 6 Directors out of the total 10 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 2023-24 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 95th Annual General Meeting held on August 24, 2023 as recommended by the Bank the shareholders accorded their approval:

- To appoint a Director in the place of Sri. Benny P Thomas (DIN: 09448424) who retires by rotation under Section 152 of the Companies Act, 2013 and being eligible, offers himself for reappointment.
- To Re-appoint Sri. M George Korah (DIN: 08207827) as Independent Director of the Bank.
- Payment of Compensation by way of Fixed Remuneration to Non- Executive Director/ Independent Directors (other than the Non-Executive Part-time Chairman)

Sri. Murali Ramakrishnan (DIN:01028298) MD & CEO of the Bank, retired from the Board of Directors w.e.f September 30, 2023 (after closure of business hours) on completion of his 3 years term of appointment.

Sri. P R Seshadri (DIN:07820690) has been appointed as the new MD & CEO of the Bank for a period of three years with effect from October 1, 2023 by the Board of Directors at its meeting held on September 29, 2023 and approval for the same were accorded by the members on December 24, 2023 by way of postal ballot.

Sri. Salim Gangadharan, (DIN: 06796232) Non-Executive /Part-time Chairman, retired from the Board of Directors w.e.f November 01, 2023 (after closure of business hours) on completion of his term of

appointment.

Sri. V J Kurian (DIN: 01806859) Non- Executive Independent Director of the Bank, appointed as Non-Executive /Part-time Chairman of the Bank (in addition to being an Independent Director) with effect from November 2, 2023 to March 22, 2026 upon receipt of approval for the same by RBI vide its letter no. DoR.GOV. No.3922/08.51.001/2023-24 dated October 11, 2023 and the same was took on record along with approval of his remuneration by the members on December 24, 2023 by way of postal ballot.

Smt. Lakshmi Ramakrishna Srinivas (DIN: 10365580) was appointed as an additional Independent Director pursuant to Section 161(1) of the Companies Act, 2013 on November 20, 2023. Further she was appointed as an Independent Director of the Bank, for the purpose of Section 149 of the Companies Act, 2013 for a period of three (3) consecutive years with effect from 20th November, 2023, by the members on December 24, 2023 by way of postal ballot.

Smt. Radha Unni (DIN: 03242769) Non- Executive Independent Director of the Bank, retired from the Board of Directors w.e.f December 03, 2023 on attaining the age of 75 years as per RBI guidelines and in line with her terms of appointment.

As recommended by the Board of Directors, the Reserve Bank of India vide letter number DoR.GOV. No. 1646/08.51.001/2024-25 dated June 14, 2024 has conveyed their approval for the appointment of Sri. Dolphy Jose as Whole-time Director (Executive Director) of the Bank for a period of three years with effect from the date of taking charge. Further to the same, Sri. Dolphy Jose (DIN:10682246) has been appointed as Whole-time Director (Executive Director) of the Bank for a period of three years with effect from July 15, 2024 by the Board of Directors at its meeting held on June 29, 2024 and is subject to the approval of Shareholders at the 96th Annual General Meeting.

Sri. Jose Joseph Kattoor (DIN: 09213852) was appointed as a Non-Executive Independent Director of the Bank, for a period of three (3) consecutive years with effect from July 18, 2024 by the Board of Directors at its meeting held on July 18, 2024 and is subject to the approval of Shareholders at the 96th Annual General Meeting.

The Board of Directors has recommended to members:

- To re-appoint Sri. Paul Antony (DIN 02239492) as Non-Executive Director of the Bank, liable to retire by rotation at the 96th AGM, who retires by rotation under Section 152 of Companies Act, 2013 and being eligible, offers himself for reappointment.
- To appoint Sri. Dolphy Jose (DIN: 10682246) as Whole-time Director (Executive Director) of the Bank for a period of three years with effect from July 15, 2024.
- To appoint Sri. Jose Joseph Kattoor (DIN: 09213852) as Non – Executive Independent Director of the Bank for a period of three years with effect from July 18, 2024.

Necessary information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of directors to be appointed, re-appointed and change in terms of appointment at the ensuing Annual General Meeting are given in the Annexure to the Notice convening the Annual General Meeting scheduled to be held on August 27, 2024.

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

CHANGE IN KEY MANAGERIAL PERSONNEL

The major changes in Key Managerial Personnel during the period 01-04-2023 to 31-03-2024 are as follows:

1. Sri. Joby M C, JGM (Head of Internal Audit and Chief of Internal Vigilance) retired on May 31, 2023
2. Sri. Murali Ramakrishnan (DIN:01028298) MD & CEO of the Bank, retired from the Board of Directors w.e.f September 30, 2023 (after closure of business hours) on completion of his term of appointment.
3. Sri. P R Seshadri (DIN:07820690) was appointed as the new MD & CEO for a period of three years with effect from October 1, 2023 by the Board of Directors at its meeting held on September 29, 2023 and approval for the same were accorded by the members on December 24, 2023 by way of postal ballot.

Further during the period between the end of the Financial Year i.e. March 31,2024 and the date of the Directors' Report i.e. July 30, 2024, there was following changes in the Key Managerial Personnel of the Bank

- Sri. Vinod Francis, GM was appointed as Chief Financial Officer (CFO) from April 8, 2024
- Smt. Chithra H, SGM was ceased to be Chief Financial Officer (CFO) of the Bank w.e.f. April 8, 2024.
- Sri. Thomas Joseph K, EVP and Chief Business Officer has completed his contract on May 31, 2024
- Sri. Dolphy Jose (DIN:10682246) was appointed as

Whole-time Director (Executive Director) of the Bank for a period of three years with effect from July 15, 2024 by the Board of Directors at its meeting held on June 29, 2024 and is subject to the approval of Shareholders at the 96th Annual General Meeting.

Composition of Audit Committee

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

Independent Directors

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

1. Sri. V J Kurian (DIN: 01806859)
2. Sri. M George Korah (DIN: 08207827)
3. Sri.Pradeep M Godbole (DIN 08259944)
4. Sri. R A Sankara Narayanan (DIN: 05230407)
5. Smt. Lakshmi Ramakrishna Srinivas (DIN:10365580)
6. Sri. Jose J Kattoor (DIN: 09213852)

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

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

Women Directors

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations 2015, the Bank has appointed Smt. Radha Unni (DIN: 03242769) as Woman Director on the Board of the Bank on November 30, 2021. Further, Smt. Lakshmi Ramakrishna Srinivas (DIN:10365580) was appointed as an additional Independent Director by the Board of Directors on November 20, 2023. Subsequently she was appointed as an Independent Director of the Bank, for a period of three (3) consecutive years with effect from November 20, 2023, by the members on December 24, 2023 by way of postal ballot.

Smt. Radha Unni (DIN: 03242769) has retired from the Board of Directors w.e.f December 03, 2023 on attaining the age of 75 years as per RBI guidelines and in line with her terms of appointment.

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

The nomination policy of the Bank can be accessed at https://www.southindianbank.com/content/nomination-policy-of-the-board/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 and Listing Regulations including any amendments from time to time.

The Nomination and Remuneration Committee shall

obtain all applicable declarations & undertaking as provided under Banking Regulation Act, 1949, RBI Guidelines, The Companies Act, 2013, Companies (Appointment and Qualification of Director) Rule, 2014, SEBI Guidelines, Listing Regulations and ensure that the proposed person is not ineligible to be appointed/re-appointed as a Director of the Bank. In case of Independent Directors, the Nomination and Remuneration Committee shall ensure that the Independent Directors meet the criteria of Independence as laid down in the Companies Act, 2013 and the rules made thereunder.

Criteria for determining qualification, positive attributes:

While recommending any potential new Board member(s)/re-appointment of existing member(s) to the Board, the Committee shall consider the following:

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 of 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 provision of Banking Regulation Act, 1949, Companies Act, 2013 and Listing Regulations.

k) Any other factors as the Committee may deem fit and in the best interests of the Bank and its stockholders.

Criteria for determining Independence of a Director

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

REMUNERATION POLICY:

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

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

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

Remuneration of MD & CEO and Material Risk Takers:

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

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

The compensation paid out to the referred 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/retirement benefits will also be treated as part of fixed pay.

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

Risk, Control and Compliance Staff

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

Other Categories of the Staff:

For the other employees, the Board, based on the recommendation of the NRC may devise appropriate compensation structure. The compensation paid to other employees that include Award Staff, Officers coming under Scale I to IV is fixed based on the periodic industry level settlements with Indian Banks Association. Further the compensation paid to executives coming under Scale V to VII is fixed based on Executive Compensation Package of the Bank, which is finalised after considering various parameters like industry level/peer group status, burden for the Bank and all other relevant factors. The variable compensation paid to employees is based on the Performance Linked Incentive Scheme, which has been formulated on the basis of performance parameters set in Performance Management System.

Limit on Variable pay and Deferred Compensation:

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

Fixed Pay and Perquisites

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

Variable Pay

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

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

Limit on Variable Pay:

A. For Whole-Time Directors and Chief Executive Officers

i. In compliance 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).

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

c. **Vesting:**

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

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

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

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

Share-linked Instruments

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

The Variable pay assessment should be considering the following parameters

- The HR Department in consultation with CFM Department 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 Department 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 Department 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 Department to be attained for being eligible for variable compensation.

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

Malus / Clawback

The deferred compensation should be subject to malus/ clawback arrangements in the event of subdued or negative financial performance of the Bank and/

or the relevant line of business in any year. The Bank has identified a set of situations which require the invocation of the malus and clawback clauses that may be applicable as detailed below:

i. Applying of Malus / Clawback arrangement on entire variable pay on occurrence of the following Situations:
   - Identified fraud / misconduct by the Executive (Whole-Time Directors, Chief Executive Officers / Material Risk Takers (MRTs)) pertaining to the corresponding period for which the clause to be applied.

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

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

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

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

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

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

Guaranteed Bonus

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

Hedging

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

The compensation structure for the Non-Executive Part-Time Chairman

The Nomination and Remuneration Committee after taking into account all relevant factors such as, performance, ability and experience of the individuals recommend to the Board to fix the compensation structure in compliance with the provisions of Companies Act, 2013, Banking Regulation Act, 1949, Listing Regulations and other regulatory guidelines, as amended from time to time.

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 independence of Bank's non-executive directors is critical for the proper functioning of the Bank's governance framework. By compensating these directors appropriately, Bank can reinforce their

independence from management and other vested interests, allowing them to make decisions that are in the best interest of the Bank and its shareholders.

The Reserve Bank of India has issued guidelines, on the need of banks to attract qualified competent individuals and retain professional expertise in their Boards, keeping in view of individual director's (NEDs) responsibilities, contribution of their time, vide RBI Circular No. DBR.No.BC.97/29.67. 001/2014-15 dated June 1, 2015, on payment of Compensation to Non-Executive Directors (other than the Part-time Chairman) in the form of profit related commission which shall not exceed ₹10 Lakh per annum for each director subject to the bank making profits. Further as per revised Circular No. RBI/2021-22/24 DOR. GOV. REC.8 /29.67.001 /2021-22 dated April 26, 2021, RBI has revised the fixed remuneration for a NED, other than the Chair of the board, not exceeding ₹20 lakh per annum. Further RBI vide circular number RBI/2023-24/121 DoR.HGG.GOV. REC.75/29.67.001/2023-24 dated February 9, 2024 has increased the ceiling of the fixed remuneration for a NED, other than the Chair of the Board, to ₹30 lakh per annum.

The compensation by way of Fixed Remuneration to all Non-Executive Directors / Independent directors (Other than Non-Executive (Part-time) Chairman), shall not exceed ₹20,00,000/- (Rupees Twenty Lakhs only) per director per annum, in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors and/or other meetings, subject to approval of shareholders.

The Bank should obtain shareholder approval to fix maximum Fixed Remuneration limit and also obtain shareholder approval as and when there is a change in maximum Fixed Remuneration limit payable to Non-Executive Directors / Independent Directors of the Bank (other than Part Time Chairman), in line with regulatory guidelines, as amended.

The compensation to be based on profitability at the end of each financial year, as may be approved by the Board of Directors from time to time.

The Board may every year approve the Fixed Remuneration up to ₹20,00,000/- (Rupees Twenty Lakh Only) per annum per director to each of the Non-Executive Directors / Independent Directors of the Bank (other than Part Time Chairman), for each year effective from financial year 2023-24 on a proportionate basis of his office of directorship in the respective financial year.

The Nomination and Remuneration Committee after taking into account all relevant factors such as ability of Bank and experience of the individuals, recommend to the Board to pay compensation to Non-Executive Directors / Independent Directors (other than Non-Executive (Part Time) Chairman), in compliance with the provisions of Companies Act, 2013, Banking Regulation Act, 1949, Listing Regulations and other regulatory guidelines, as amended from time to time.

The Non-Executive Directors are also paid sitting fees for attending each meeting of the Board of Directors or any committees of the Board and their expenses for attending such meetings shall be reimbursed in compliance with the provisions of the Companies Act, 2013, Listing Regulations and other regulatory guidelines, as amended from time to time.

The Board while recommending the change in the remuneration or sitting fees will considers various factors like size and complexity of organisation, comparison with the peer Banks and Regulatory guidelines as applicable etc.

Policy on Board Diversity:

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

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

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

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

and continue to be the key criteria for the search and nomination of Directors to the Board.

The Board appointments are based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender. The policy of Board Diversity is displayed in Bank's website: https://www.southindianbank.com/content/policy-on-board-diversity/783.

Familiarisation Programme

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

Board Level Performance Evaluation

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

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

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

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

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

Performance Evaluation of Board

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

Performance Evaluation of the Board Level Committees

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

Outcome of Performance Evaluation

An annual performance evaluation of the Board, Committees of the Board and the individual members of the Board was conducted in May, 2023 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:

- The items discussed at the meeting need to be rationalized.
- Fraud controls needs to be strengthened.
- Survey the skill availability and the cost of such skills to contribute effectively.

EMPLOYEE STOCK OPTION SCHEME:

The SIB ESOS 2008 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Managing Director & CEO and Whole Time Director(s) of the Bank. The Scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Bank followed Black Scholes model for calculating fair value of option to account for its stock based employee compensation plans as per the Guidelines for all the options granted till the accounting period ended March 31, 2024. The fair value thus arrived were being recognised as expense beginning with the accounting period for which approval has been granted as per RBI circular No. RBI/2021- 22/95 DOR.GOV.REC.44/29.67.001/2021-22 dated August 30, 2021. Till March 2024, 5,74,36,203 stock options were vested, out of which 2,89,49,199 stock options were exercised by eligible employees. The money realised due to exercise of the said options was ₹42,74,54,572.64 and consequently 2,89,49,199 shares of ₹1/- each have been allotted to the employees/ legal heirs concerned.

A Certificate of the Secretarial Auditors pursuant to Regulation 13 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be placed to the AGM for the scrutiny of Shareholders. The total options granted under thirteen phases of SIB ESOS 2008 works out to 2.67% of the paid-up share capital of the Bank as at March 31, 2024. The scheme has generated the intended motivation amongst the staff. There is no material change in the scheme during the FY 2023-24 and the scheme is in compliance with the applicable regulations. The scheme was last modified at the AGM held on August 18, 2021 in line with the new regulations. Statutory disclosures regarding details of the stock options granted, vested, exercised, forfeited and expired during the year under review is hosted on the website of the Bank and can be viewed at https://www.southindianbank.com/content/annualreport-financial-year-2022-to-2023/3978

AUDITORS

a. Statutory Auditors:

The shareholders at its 93rd Annual General Meeting held on August 18, 2021, has appointed M/s. CNK & Associates LLP, Chartered Accountants, Mumbai (Firm Registration Number: 101961 W/W-100036) and at its 94th Annual General Meeting held on July 12, 2022 has appointed M/s. K Venkatachalam Aiyer & Co, Chartered Accountants, Kochi (Firm Registration Number 004610S) as the Joint Central Statutory Auditors of the Bank for a continuous period of 3 years respectively. Accordingly, the appointment of M/s. CNK & Associates LLP, Chartered Accountants will be until the conclusion of the 96th Annual General Meeting and appointment of M/s K Venkatachalam Aiyer & Co, Chartered Accountants will be until the conclusion of the 97th Annual General Meeting of the Bank.

For the year ended March 31, 2024, fees paid/ payable to the Joint Statutory Central Auditors M/s. CNK & Associates LLP Chartered Accountants and M/s K Venkatachalam Aiyer & Co Chartered Accountants are as follows:

(₹ in lakh)

Fee paid#	Amount
Limited Review	102.00
Year end audit and ICFR	100.00
Tax Audit, LFAR and other certifications	74.50*
Total	**276.50**

 # Excluding out of pocket expenses

**Includes Fee paid for Capital raising*

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

The Reserve Bank of India vide. Letter No DOS. CO.RPD. No. S 1035/08.21.005/2024-25 dated May 10, 2024 has approved appointment of M/s. K Venkatachalam Aiyer & Co., Chartered Accountants, (FRN 004610S) and M/s. M P Chitale & Co., Chartered Accountants (FRN : 101851W) as the Joint Statutory Auditors of the Bank for the FY 2024-25 , for their third year and first year respectively. The same is placed for the approval of the Shareholders in the 96th Annual General Meeting.

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 2023-24. The Bank has provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for the FY 2023-24 is annexed to this report as Annexure D. There are no reservations, adverse remark or disclaimer in the Secretarial Audit Report. No offence of fraud was reported by the Secretarial Auditor of the Bank.

Pursuant to circular no. CIR/CFD/CMD1/27/2019 dated February 08, 2019, issued by SEBI and

Regulation 24A of the SEBI (LODR) Regulations, 2015 the Bank has obtained Secretarial Compliance Report from Practicing Company Secretaries on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder and the copy of the Secretarial Compliance Report was submitted with the Stock Exchanges.

INTERNAL CONTROL AND AUDIT/INSPECTION

Internal Control and their Adequacy

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

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

In addition to that the transactions generated in the CBS is monitored by the Fraud Risk Management (FRM) CBS by the way of alert generated in a near real time basis and the transactions happening through various digital channels are being monitored centrally on a 24x7 basis by Fraud Risk Management (FRM) Cell, for real time detection and prevention of frauds.

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

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

Audit/Inspection

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

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

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

Audit of Branches

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

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

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

Separate monitoring team - Inspection Monitoring Group (IMG) closely monitors various inspections/ audits at the Branches. There are four 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 irregularities if any concerning regulatory guidelines, legal requirements and operational processes are found, these are escalated to the Management for timely action.

All the branch related audit are presently automated

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

Audit of Departments and critical process

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

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

There is a team available with in Inspection Department exclusively for conducting audit of IT systems and applications. Various IS audits and Vulnerability Assessment & Penetration Testing are conducted in a stipulated frequencies as per approved audit plan. Guidelines from regulators like RBI, Cert-In, NPCI, UIDAI, SEBI, etc. related to IT security are incorporated in the periodic IS audits. Any new software application or modification in the existing application undergoes a thorough audit with respect to IT controls before going live.

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

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

EXPLANATION FOR AUDITOR'S COMMENT IN THE REPORT

The Statutory Auditor's Report for the year 2023-24 does not contain any qualification.

CONSOLIDATED FINANCIAL STATEMENTS

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

In accordance with third proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of the Bank, containing therein its Standalone and the Consolidated Financial Statements has been hosted on its website (www.southindianbank.com). Further, as per fourth proviso to the said Section, the Audited Annual Accounts of the said Subsidiary Company of the Bank, considered as part of the Consolidated Financial Statements have also been hosted on the Bank's website (www.southindianbank.com). The said documents have been hosted on the website of the Subsidiary Company of the Bank also, in compliance with the said Section. The documents/details available on the Bank's website (www.southindianbank.com) will also be available for inspection by any Member at its Registered Office. Further, pursuant to the provisions of Accounting Standard ('AS') 21, Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs, the Consolidated Financial Statements of the Bank along with its Subsidiary Company for the year ended March 31, 2024 forms part of the Annual Report.

CORPORATE GOVERNANCE

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

Annual Return

Pursuant to sub-section 3(a) of Section 134 and subsection (3) of Section 92 of the Companies Act, 2013, read with Rule 11 and 12 of the Companies (Management and Administration) Rules, 2014, copy of Annual Return as at March 31, 2024 in Form No. MGT-7 is hosted on the website of the Bank and can be viewed https://www.southindianbank.com/content/annual-report-financial-year-2023-to-2024/4035

Statement of deviation or variation

Pursuant to Regulation 32 and other relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/12 dated July 11, 2023 issued by SEBI, the statement of deviation/

variation in the use of proceeds for the quarter ended on March 31, 2024, of issue of shares on a rights basis at a ratio of 1:4 and issued 52,31,85,254 (Fifty Two Crores Thirty-One Lakhs Eighty five thousand two hundred and fifty-four) shares of face value of ₹1.00 (Rupee One) each ("Shares") at an issue price of ₹22 (Rupees Twenty-Two only) aggregating to ₹1,151.01 Crore (Rupees One thousand One Hundred Fifty One Crore and One Lakh) made by the Bank is Nil. The same has been reviewed by the Audit Committee of the Board and submitted to the Stock Exchanges on May 2, 2024.

Environmental, Social and Governance

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

As part of developing a sustainable financing policy and for implementing ESG benchmarks in lending and also for addressing issues in Environmental risk management and governance, the Bank has formulated ESMS policy (for governing Lending standards), Green Deposit Policy and Green Financing Framework (to promote investments in green projects and activities that contribute to sustainable development) and ESG Policy (for addressing other ESG issues). The Bank has taken following steps in this regard.

- Corporate Social Responsibility Committee of the Board is made responsible for overseeing the Environmental, Social and Governance (Reporting & review) activities of the Bank under the ESG framework.
- MD & CEO has been authorized as the designated Director for implementing ESG in the Bank for BRSR reporting.
- The Board has constituted an Executive Level Committee for implementing the ESG initiatives of the Bank. Executive Level Committee will be responsible for supervision and implementation of ESG activities in the Bank.
- For effective Reporting of BRSR and to review the ESG practices at the Bank, the Board had also appointed a Professional agency for assisting Business Responsibility and Sustainability Reporting.
- The Human Resources Department have imparted 3 trainings for employees on Human Rights, ESG Investing and Green Finance through Bank's E-learning platform viz., I-learn.
- Environmental and Social Management System (ESMS) Policy reflects Bank's commitment for integrating environmental and social considerations into the business practices and decision-making processes. The Bank employs a robust grading model to assess environmental and social risks, with emphasis on climate risk for high-value credit, in accordance with the thresholds prescribed by ESMS Policy.
- To promote the usage of electrical vehicles by the employees of the Bank, the Bank has initiated steps to install two new DC fast charging station at our New Administrative building at Kakkanad, Kochi. This will encourage employees to use environment friendly electric vehicles and reduce the CO2 emission.
- To optimize AC usage for energy conservation and environmental sustainability, as per Bank's new temperature policy all branches/Departments/ offices including ATMs are instructed to set the temperature of air conditioners at 24 Degree Celsius and further took initiatives to install air conditioning machines with green refrigerant gas for new premises and replacements of existing AC units, wherever feasible. Additionally, all new purchase orders for AC units are mandated exclusively for inverter type machines with 5 star rating, ensuring energy efficiency.
- The Bank have installed 75 KW solar plant at two locations and 150 KW solar plant is ready for commission. Furthermore, plans are underway for additional solar installations.
- As part of Light Change Project, the Facility Management Group has overseen the replacement of old CFL lights with energy-efficient LED lights in all bank-owned premises and administrative buildings, to the extent possible.
- The Bank has taken proactive steps to address water management by installing sewage treatment plants in bank-owned buildings. This includes the commissioning of plants at locations like the Kannur Currency Chest and the Administrative building in Kakkanad. We have commissioned 10 KLD[kilo liter per Day]sewage treatment plant at Kannur Currency chest in this financial year and we already have 15 KLD plant at Administrative building Kakkanad. Installation of 75 KLD sewage treatment plant was completed as part of new building project and awaiting commissioning.
- The Bank encourages the use of environment-friendly products across all operations. This includes promoting such products for decoration and gifting during events like new branch openings

and campaigns, fostering a culture of sustainability within the organization.

- The Bank has issued circular to all branches/ROs/ Departments to use recycled papers to the extent possible.
- Through its Corporate Social Responsibility (CSR) program, the bank lends financial support for rainwater harvesting, set up and installation of solar panels, and afforestation.
- The Bank has committed to promote sustainable finance and environmental stewardship. One of the ways we demonstrate this commitment is through the green deposit product. Green deposits are a unique financial product that allows customers to align their savings with environmentally responsible initiatives. The objective of the Green Deposit is to promote environmental friendly initiatives by encouraging depositors to invest in green projects and activities that contribute to sustainable development. It aims to mobilize deposits and use the proceeds for funding projects and activities that promote environmental conservation, renewable energy, energy efficiency and other green initiatives.

Green Deposit Policy & Green Financing Framework

In line with our commitment to sustainability, the Board of the Bank has approved the "Green Deposit Policy and Green Financing Framework," which introduces a pioneering financial product known as the "Green Deposit." This product enables depositors to contribute to sustainability objectives by channeling surplus funds into environmentally beneficial projects, following RBI guidelines issued on April 11, 2023.

The funds raised through Green Deposits are dedicated to supporting green financing activities. These activities aim to foster initiatives that have positive environmental impacts, including renewable energy, energy efficiency, sustainable agriculture, and other eco-friendly ventures. As of March 31, 2024, the Green Deposit scheme has successfully raised ₹56.21 crore, with ₹51.53 crore allocated to permissible green activities and projects for FY 2023-24. The remaining ₹4.68 crore is temporarily parked in liquid assets, as stipulated by the financing framework.

The Bank acknowledges its pivotal role in addressing sustainability challenges and is committed to facilitating the transition to a low-carbon economy. Through the provision of a diverse range of sustainable financing products and services to customers, the Bank aims to drive sustainable development and contribute to a greener future.

Statement of Portfolio-level information on the use of funds raised from green deposits as on 31.03.2024

(Amount in ₹ crore)

Particulars	Current Financial Year	Previous Financial Year	Cumulative*
Total green deposits raised (A)	56.21	-	56.21
Use of green deposit funds**			
(1) Renewable Energy	51.03		51.03
• Solar Power Generation	37.98	-	37.98
• Wind Power Generation	13.05	-	13.05
(2) Energy Efficiency			
(3) Clean Transportation	0.50	-	0.50
• Projects promoting electrification of transportation	0.50	-	0.50
(4) Climate Change Adaptation			
(5) Sustainable Water and Waste Management			
(6) Pollution Prevention and Control			
(7) Green Buildings			
(8) Sustainable Management of Living Natural Resources and Land Use			

(9) Terrestrial and Aquatic Biodiversity Conservation			
Total Green Deposit funds allocated (B = Sum of 1 to 9)	51.53	-	51.53
Amount of Green Deposit funds not allocated (C = A – B)	4.68	-	4.68
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities/projects	The unallocated amount of ₹4.68 Crores is invested in Liquid Assets temporarily as on 31.03.2024	-	-

**As per RBI master direction RBI/2023-24/14 DOR.SFG.REC.10/30.01.021/2023-24 dated April 11, 2023, framework for acceptance of Green Deposits came into effect from June 1, 2023. The figures reported above correspond to the period from 01.06.2023 to 31.03.2024.*

***Under each category, REs may provide sub-categories based on the funds allocated to each sub-sector.*

Business Responsibility and sustainability Reporting (BRSR)

As stipulated in Listing Regulations, the Business Responsibility and sustainability Report describing the initiatives taken by the Bank from environmental, social and governance perspective is attached as part of the Directors' 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 at https://www.southindianbank.com/content/dividend-distribution-policy/2672

Subsidiary Companies/Joint Ventures or Associate Companies

As on March 31, 2024, the Bank has one unlisted wholly owned subsidiary - M/s. SIB Operations and Services Limited, which was incorporated on 28th May, 2021,

M/s SIB Operations and Services Limited is a wholly owned Non-Financial Subsidiary Company of the South Indian Bank Ltd. The RBI has accorded the final approval on March 25, 2021 for setting up the Subsidiary Company and the Company was incorporated on May 28, 2021 to cater to the operational needs of the South Indian Bank Ltd. Its authorized Capital as on March 31, 2024 is ₹2 crores and the Issued and Paid up Capital is ₹50 lakh. The company is providing exclusive services to the Bank in the operational areas of Tele calling, Business Development, Data Entry Operations, I.T. Support and other services permitted by Reserve Bank of India. The Subsidiary Company has reported a profit of ₹11.11 lakhs as on March 31, 2024.

There are no companies which have ceased to be Bank's subsidiaries, joint ventures or associate companies during the Financial year 2023-24.

Sri. M George Korah (DIN: 08207827)), Independent Director of the Bank, Sri. P R Seshadri (DIN: 07820690), MD & CEO of the Bank, Sri. Benny P Thomas (DIN: 09448424) Non-Executive Non-Independent Director of the Bank and Sri. Thomas Joseph K (DIN: 09186452), EVP and Chief Business Officer of the Bank were directors of SIB Operations and Services Limited as on March 31, 2024.

Sri. Thomas Joseph K, EVP has completed his contract with the Bank on May 31, 2024 and subsequently resigned from the office of directorship of SIB Operations and Services Limited on the same date.

Further Sri. Anto George T, Chief General Manager - HR & Operations of the Bank has been appointed as Director of the subsidiary on July 11 2024, in the place of Sri. Thomas Joseph K, EVP who has resigned from the subsidiary company on expiry of his contract with the Bank on May 31, 2024.

Except Sri. M George Korah (DIN: 08207827) and Sri. Benny P Thomas (DIN: 09448424), no other directors in the Board of SIB Operations and Services Limited were drawing any remuneration / sitting fee from the subsidiary company. Sri. M George Korah (DIN: 08207827) and Sri. Benny P Thomas (DIN: 09448424), has received ₹2,40,000/- and ₹2,00,000/- respectively as sitting fee for attending the Board meeting of the subsidiary company during the financial year 2023-24.

The Board of Directors has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of the Listing Regulations. The same is displayed on the website of the Bank https://www.southindianbank.com/content/policy-for-determining-material-subsidiaries/781

Related Party Transactions

The Board of Directors has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The same is displayed on the website of the Bank https://www.southindianbank.com/content/policy-on-related-party-transaction/782

Since the related party transactions are in the ordinary course of business and on an arm's length basis and not material, AOC-2 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, 2024 and the date of the Directors' report i.e. July 30, 2024.

Significant and material orders passed by Regulators

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

Maintenance of Cost Records

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

Details in respect of frauds reported by auditors

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

Compliance to Secretarial Standards

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

Strictures and Penalties

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

Deposits

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

Confirmation with respect to Insolvency and Bankruptcy Code, 2016

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

Management Discussion and Analysis Report

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

Particulars of Loans, Guarantees or Investments

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

Directors' Responsibility statement

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

a. in the preparation of the annual accounts for the financial year ended March 31, 2024, 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 2023-24 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, 2024, on a going concern basis;

e. the Directors had laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and

f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

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

By order of the Board

(V J Kurian)
Chairman
DIN : 01806859

(P R Seshadri)
Managing Director & CEO
DIN : 07820690

Place: Thrissur
Date: July 30, 2024

Annexure A

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

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

Name, Qualification and Age (in years)	Designation	Remuneration		Experience (in years)	Date of Employment	Nature of employment (Contractual/ otherwise)	Last Employment
		Gross (₹)#	Net (₹)##				
Murali Ramakrishnan, B.Tech, PGDM (61 Years)	MD & CEO (upto 30-09-2023)	2,23,42,866.00@	1,22,14,760.00	36	01-07-2020	Contract Expired	ICICI Bank – SGM
Senthil Kumar MBA , BSC (53 Years)	Senior General Manager Group Business Head (Collection, Recovery & MSME)	1,20,68,516.13	82,44,171.13	29	27-08-2021	Contractual	ICICI Bank Zonal Head
P R Seshadri B. Tech, PGDM (61 Years)	MD & CEO (w.e.f 01-10-2023)	1,00,03,000.00@	72,98,653.00	30	01-10-2023	Whole-Time	Karur Vysya Bank – MD & CEO
Nehru Singh B B.Com, MBA, CAIIB (49 Years)	General Manager - Head Credit Quality Assurance	89,74,500.00	57,95,616.00	28	01-09-2022	Contractual	Axis Bank Ltd – Senior Vice President
Azmat Habibulla PGDBA & B.Com (52 Years)	Joint General Manager & Chief Marketing Officer	86,99,500.00	61,61,233.00	24	01-09-2021	Contractual	ICICI Bank
Vinod G MBA –Financial Mangement, M Com, BCom Cost accounts (49 Years)	Joint General Manager & Head Data Science	79,72,210.00	56,69,094.00	29	04-03-2021	Contractual	Tata Motors Finance Ltd. - Head Risk & Business Intelligent Unit
Sanchay Kumar Sinha, PG Diploma in Management (56 years)	Chief General Manager - Head – Distribution & Unsecured Retail	73,32,500.00	55,12,016.00	31	02-09-2017	Contractual	IndusInd Bank SVP- Head Liabilities and Client Engagement for Consumer Banking -
Anand Subramaniam MBA, B.Sc (55 Years)	Joint General Manager & Head NRI Business	70,31,360.00	50,35,346.00	24	02-08-2021	Contractual	DCB Bank Senior Vice President

Name, Qualification and Age (in years)	Designation	Remuneration		Experience (in years)	Date of Employment	Nature of employment (Contractual/ otherwise)	Last Employment
		Gross (₹)#	Net (₹)##				
Thomas Joseph K, B.Sc.(Mechanical Engg.), Diploma in Management, CAIIB (65 years)	EVP & Chief Business Officer	64,06,940.00	42,88,134.00	40	01-06-2019	Contractual	EVP, SIB (Retired on 31.05.2019)
Biji S S, MSC, MBA, JAIIB (52 Years)	Senior General Manager – Group Business Head (Corporate & Secured Retail)	57,04,375.32	43,85,286.32	30	02-02-1996	Regular	-

@excluding gratuity

#Gross salary means total salary as per the Form 16 issued for the FY 2023-24.

##Net salary means Gross Salary less TDS.

- None of the above employees holds together with his relatives two percent or more of the total equity shares of the Company.
- The above mentioned personnel are not related to any Director of the Bank.
- No other employees were employed for a part of the year who were in receipt of remuneration of ₹ 8.5 lakh per month or above during the F.Y 2023-24.

By order of the Board

(V J Kurian)
Chairman
DIN : 01806859

(P R Seshadri)
Managing Director & CEO
DIN : 07820690

Place: Thrissur
Date: July 30, 2024

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
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year*	**Chairman** Sri. Salim Gangadharan 3.94x Sri. V J Kurain 6.29x **MD & CEO** Sri. Murali Ramakrishnan 31.64x Sri. P R Seshadri 18.28x For this purpose, sitting fees paid to Chairman have been considered as remuneration.
2	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year*	**Chairman** Sri. Salim Gangadharan - 18.37% Sri. V J Kurian - NA **MD & CEO** Sri. Murali Ramakrishnan - 69.36% Sri. P R Seshadri - NA Smt. Chithra H (CFO) 83.21% Sri. Jimmy Mathew (Company Secretary) 61.38%
3	The percentage increase in the median remuneration of employees in the financial year (Including Managerial persons)	15.58%
4	The number of permanent employees on the rolls of the Bank	There were 9,836 employees as on March 31, 2024
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average percentage increase made in the median salaries of employees other than the managerial personnel is 14.64% • Increase in the median remuneration of managerial personnel is 75.89% • From 01-04-2023, the Bank has moved to CTC model salary, based on the performance rating for Executives in the cadre of AGM and above. Under the new scheme Executives will not be eligible for any DA change/ revision in salary due to IBA settlement. Further for employees upto Scale IV, the increase due to IBA settlement were not included while arriving at median remuneration for FY 2023-24.
6	Affirmation that the remuneration is as per the remuneration policy of the Bank	Yes, it is confirmed

*The remuneration has been annualised without considering LFC, wherever applicable.

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

1. The median salary of the staff members is arrived by taking 12 months' actual salary & Allowances paid during the FY 2023-24.
2. Remuneration of Chairman and MD & CEO is regulated by RBI guidelines.

By order of the Board

(V J Kurian)
Chairman
DIN : 01806859

(P R Seshadri)
Managing Director & CEO
DIN : 07820690

Place: Thrissur
Date: July 30, 2024

Annexure C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

1. **Brief outline on CSR**

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

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

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR committee attended during the year
1	Sri. Paul Antony#	Chairperson	1	1
2	Smt. Radha Unni##	Chairperson	1	1
3	Sri V J Kurian	Chairperson/ Member@	4	4
4	Sri. P R Seshadri###	Member	2	2
5	Sri Murali Ramakrishnan*	Member	2	2
6	Sri Benny P Thomas	Member	4	4

#Inducted to the Committee and appointed as Chairperson w.e.f. December 4, 2023

##Inducted to the Committee and appointed as Chairperson w.e.f. November 2, 2023. Further ceased to be a Member w.e.f December 3, 2023

###Inducted to the Committee w.e.f. October 1, 2023

*Ceased to be a member w.e.f. September 30, 2023

@Sri. V J Kurian was Chairperson and re-designated as a member w.e.f November 2, 2023.

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

   The web – link where composition of CSR committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the company. Weblink: https://www.southindianbank.com/content/corporate-social-responsibility/2649

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

   The Company takes cognizance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("CSR Amendment Rules"). There are no projects taken up or completed after the effective date (which is 22.01.2021) of the aforementioned rules for fiscal 2024, which requires impact assessment as specified under CSR Amendment Rules.

   Impact assessment is not carried out as there is no CSR project having outlays of ₹ 1 crore or more and/or average CSR obligation for last 3 FY is not more than ₹ 10.00 Crore.

5.

a) Average net profit of the company as per sub-section (5) of section 135 : ₹ 5,24,69,52,693.79

b) Two percent of average net profit of the company as per sub-section (5) of section 135. : ₹ 10,49,39,053.88

c) Surplus arising out of the CSR Projects or programmes or activities of the Previous Financial Years. : Nil

d) Amount required to be set-off for the financial year, if any. : ₹ 1,91,696.68

e) Total CSR obligation for the financial year [(b)+(c)-(d)]. : ₹ 10,47,47,357.20

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ 10,48,77,148.90*

* Excluding unspent CSR amount ₹ 50.45 Lakhs spent on Previous Financial Years ongoing projects and administrative expense

(b) Amount spent in Administrative Overheads. : ₹ 1,50,400.00

(c) Amount spent on Impact Assessment, if applicable. : NA

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. : ₹ 10,50,27,548.90

(e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year. 2023-24 (in ₹)	Amount Unspent (in ₹)				
	Total amount transferred to unspent CSR account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (in ₹)	Date of transfer	Name of the fund	Amount	Date of transfer
10,50,27,548.90*	0.00	-	-	-	-

* Excluding unspent CSR amount ₹ 50.45 Lakhs spent on Previous Financial Years ongoing projects.

Annexure 1

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

1	2	3	4	5		6	7	8	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation – through implementing agency	
				State	District			Name	CSR Registration No
1	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	49,07,458.00	No	SIB Foundation	CSR00015361
2	Students' Economic Forum	Education	No	All states	All districts	2,52,433.18	No	SIB Foundation	CSR00015361
3	Parappur Sports & Education Trust	Promotion of sports	Yes	Kerala	Thrissur	7,35,800.00	Yes	Direct	
4	SIB Scholar	Education	No	Kerala	All districts	15,62,973.85	No	SIB Foundation	CSR00015361
5	Paduva Rehabilitation Centre, Muthalamada	Gender Equality	No	Kerala	Palakkad	12,50,000.00	Yes	Direct	
6	St. Joseph's Home, Pullazhi	Gender Equality	Yes	Kerala	Thrissur	11,68,387.00	Yes	Direct	
7	Renovation and Maintenance of Ayyanthole Park	Healthcare	Yes	Kerala	Thrissur	68,989.87*	No	SIB Foundation	CSR00015361
8	St. Thomas Educational and welfare society, Ahmedabad	Education	No	Madhya Pradesh	Indore	3,39,550.00	No	SIB Foundation	CSR00015361
9	Unni Renu	Promotion of sports	No	Kerala	Kottayam	28,097.00	No	SIB Foundation	CSR00015361

1	2	3	4	5		6	7	8	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation – through implementing agency	
				State	District			Name	CSR Registration No
10	Christ College, Jagdalpur	Education	No	Chhattisgarh	Bastar	1,32,990.00	No	SIB Foundation	CSR00015361
11	Mother Theresa Peace Home, Tirupur	Healthcare	No	Tamil Nadu	Coimbatore	10,00,000.00	Yes	Direct	
12	St. Pius Xth C.U.P School, Velupadam	Healthcare	Yes	Kerala	Thrissur	90,000.00	No	SIB Foundation	CSR00015361
13	Nirmala Sadan, Muvattupuzha	Education	No	Kerala	Ernakulam	2,45,450.00	No	SIB Foundation	CSR00015361
14	St. Theresa's Convent Girls Higher Secondary School	Education	No	Kerala	Ernakulam	25,000.00	No	SIB Foundation	CSR00015361
15	Vetry - Voluntary Organisation for People Empowerment of Rural areas by Youth, Tirupur	Environmental Sustainability	No	Tamil Nadu	Coimbatore	5,00,000.00	Yes	Direct	
16	Cottolengo Special School, Fort Kochi	Education	No	Kerala	Ernakulam	1,30,800.00	No	SIB Foundation	CSR00015361
17	Cluny Matriculation School, Salem	Education	No	Tamil Nadu	Salem	2,03,550.00	No	SIB Foundation	CSR00015361
18	St. Xavier's Central School	Education	No	Kerala	Palakkad	2,71,740.00	No	SIB Foundation	CSR00015361
19	St. Joseph's Hospital, Gandhidham	Healthcare	No	Gujarat	Kutch	58,292.00	No	SIB Foundation	CSR00015361
20	San Georgia Special School, Kannur	Education	No	Kerala	Kannur	5,43,000.00	No	SIB Foundation	CSR00015361
21	Sanjeevani Charitable Society	Education	No	Kerala	Kottayam	10,00,000.00	No	SIB Foundation	CSR00015361

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Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation – through implementing agency	
				State	District			Name	CSR Registration No
22	St. Thomas Asylum, Kaipuzha	Gender Equality	No	Kerala	Kottayam	10,00,000.00	No	SIB Foundation	CSR00015361
23	Kidney Federation of India	Healthcare	Yes	Kerala	Thrissur	7,70,560.00	Yes	Direct	
24	Sree Durga Vilasam HSS, Peramangalam	Education	Yes	Kerala	Thrissur	10,00,000.00	No	SIB Foundation	CSR00015361
25	SHO, Traffic Police, Thrissur City	Healthcare	Yes	Kerala	Thrissur	20,000.00	No	SIB Foundation	CSR00015361
26	St. Simon De Rojas Mercy Home (Holy Trinity Asramam)	Gender Equality	Yes	Kerala	Thrissur	12,87,175.00	No	SIB Foundation	CSR00015361
27	Emmaus Villa, Mananthawady	Education	No	Kerala	Wayanad	20,00,000.00	No	SIB Foundation	CSR00015361
28	St. Joseph Community Hospital, Jammu (Catholic Social Service Society of J & K)	Healthcare	No	Jammu & Kashmir	Samba	16,79,500.00	Yes	Direct	
29	The House of Providence	Gender Equality	No	Kerala	Ernakulam	12,06,028.00	Yes	Direct	
30	Little Flower School, Dispur	Education	No	Assam	Kamrup	4,23,000.00	No	SIB Foundation	CSR00015361
31	Montfort School, Guwahati	Education	No	Assam	Kamrup	3,24,250.00	No	SIB Foundation	CSR00015361
32	Assisi English Medium School, Kecheri	Healthcare	Yes	Kerala	Thrissur	87,500.00	No	SIB Foundation	CSR00015361
33	Dharmagiri St. Joseph's Holisic Healing Center, Vadakkencherry	Healthcare	No	Kerala	Palakkad	95,000.00	No	SIB Foundation	CSR00015361

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				State	District			Name	CSR Registration No
34	Our Lady of Providence School, Kolkata	Education	No	West Bengal	Kolkata	48,280.00	No	SIB Foundation	CSR00015361
35	Janakeeya Samithi, Cheroor	Healthcare	Yes	Kerala	Thrissur	40,800.00	No	SIB Foundation	CSR00015361
36	Notre Dame School, Mysore	Healthcare	No	Karnataka	Mysore	70,387.00	No	SIB Foundation	CSR00015361
37	The Organisation for Development of People (ODP), Bannimantap	Healthcare	No	Karnataka	Mysore	73,500.00	No	SIB Foundation	CSR00015361
38	Montfort Schools,Dhukli & Champak Nagar	Healthcare	No	Tripura	Tripura	98,884.00	Yes	Direct	
39	Mar Thoma English Medium UP School, Azhikode	Healthcare	Yes	Kerala	Thrissur	53,100.00	No	SIB Foundation	CSR00015361
40	Holy Cross Educational Society, Agartala	Education	No	Tripura	Tripura	72,050.00	No	SIB Foundation	CSR00015361
41	Institute of Child Health and Children's Hospital, Kottayam	Healthcare	No	Kerala	Kottayam	1,00,000.00	No	SIB Foundation	CSR00015361
42	St. Joseph Central School, Mundakkayam	Healthcare	No	Kerala	Kottayam	21,700.00	No	SIB Foundation	CSR00015361
43	Bharata Matha College, Thrikakkara	Education	No	Kerala	Eranakulam	4,66,100.00	No	SIB Foundation	CSR00015361
44	Fr. Rosh Memorial High school, Hyderabad	Education	No	Telangana	Hyderabad	1,99,500.00	No	SIB Foundation	CSR00015361

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				State	District			Name	CSR Registration No
45	Janey center for special education, Eroor	Education	No	Kerala	Eranakulam	1,26,600.00	Yes	Direct	
46	Marygiri Welfare Centre and Pvt. Ltd ITI, Sreekandapuram, Kannur (CST Educational Trust)	Education	No	Kerala	Kannur	1,27,000.00	Yes	Direct	
47	Society of Seva Missionaries, Chennai	Gender Equality	No	Tamil Nadu	Chennai	1,59,400.00	No	SIB Foundation	CSR00015361
48	SOS Children's Village of India	Gender Equality	No	Kerala	Ernakulam	1,81,500.00	Yes	Direct	
49	Viswajyothi College Of Engineering and Technology, Muvattupuzha	Education	No	Kerala	Ernakulam	1,85,000.00	No	SIB Foundation	CSR00015361
50	JMJ English Medium High School, Athani	Education	Yes	Kerala	Thrissur	5,00,000.00	No	SIB Foundation	CSR00015361
51	Mridhulasparsham Special School, Tripunithara	Education	No	Kerala	Ernakulam	8,50,000.00	Yes	Direct	
52	Swasraya, Thrissur	Education	Yes	Kerala	Thrissur	10,00,000.00	No	SIB Foundation	CSR00015361
53	Little Hearts Learning Centre, Chembur, Mumbai (Dhrishti Foundation)	Education	No	Maharashtra	Mumbai	11,56,931.00	Yes	Direct	
54	Snehadeepthi Special School, Mannuthy	Education	Yes	Kerala	Thrissur	12,90,575.00	Yes	Direct	
55	Family Health Centre, Velur	Healthcare	Yes	Kerala	Thrissur	6,71,590.00	No	SIB Foundation	CSR00015361

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				State	District			Name	CSR Registration No
56	Jeevodaya Public Charitable Trust, Chennai	Healthcare	No	Tamil Nadu	Chennai	10,00,000.00	Yes	Direct	
57	Santhwanam, Thrissur	Education	Yes	Kerala	Thrissur	9,00,000.00	Yes	Direct	
58	Centre for Overall Development, Thamarassery	Gender Equality	No	Kerala	Kozhikode	10,00,000.00	No	SIB Foundation	CSR00015361
59	San Joe Hospital, Perumbavoor	Healthcare	No	Kerala	Ernakulam	10,00,000.00	No	SIB Foundation	CSR00015361
60	Santhinilayam for Handicapped Children, Palai	Education	No	Kerala	Kottayam	15,00,000.00	No	SIB Foundation	CSR00015361
61	Don Bosco College, Mannuthy	Education	Yes	Kerala	Thrissur	5,76,000.00	No	SIB Foundation	CSR00015361
62	Sahrudaya Hospital, Thathampally	Healthcare	No	Kerala	Ernakulam	7,50,000.00	No	SIB Foundation	CSR00015361
63	Welfare Association Trust, Aluva	Gender Equality	No	Kerala	Ernakulam	5,00,000.00	No	SIB Foundation	CSR00015361
64	Sacred Heart Mission Hospital, Irinjalakuda	Healthcare	Yes	Kerala	Thrissur	5,00,000.00	No	SIB Foundation	CSR00015361
65	Rajagiri School of Engineering and Technology, Kakkanad	Healthcare	No	Kerala	Ernakulam	6,86,375.00	No	SIB Foundation	CSR00015361
66	Sahrdaya Institute of Management Studies(SIMS), Kodakara	Education	Yes	Kerala	Thrissur	5,00,000.00	No	SIB Foundation	CSR00015361
67	St. Joseph's Hospital, Velupadam, Thrissur	Healthcare	Yes	Kerala	Thrissur	25,00,000.00	No	SIB Foundation	CSR00015361

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				State	District			Name	CSR Registration No
68	Mary Queens Mission Hospital, Kanirapally	Healthcare	No	Kerala	Kottayam	15,00,000.00	No	SIB Foundation	CSR00015361
69	Markazu Ssaquafathi Ssunniyya, Kozhikode	Education	No	Kerala	Kozhikode	23,50,000.00	No	SIB Foundation	CSR00015361
70	Infant Jesus Mentally Retarded School, Kechery	Education	Yes	Kerala	Thrissur	19,33,202.00	No	SIB Foundation	CSR00015361
71	Christ University, Bangalore	Healthcare	No	Karnataka	Bangalore	15,00,000.00	No	SIB Foundation	CSR00015361
72	Vikas Vidyalaya Special School, Kottayam (Bodhi Nikethan Trust)	Education	No	Kerala	Kottayam	20,00,000.00	No	SIB Foundation	CSR00015361
73	Christ University, Lavasa	Gender Equality	No	Maharashtra	Pune	11,22,921.00	No	SIB Foundation	CSR00015361
74	Sahrdaya College of Engineering and Technology, Kodakara	Education	Yes	Kerala	Thrissur	10,00,000.00	No	SIB Foundation	CSR00015361
75	Kripa Samithy, Ranni	Gender Equality	No	Kerala	Pathanamthitta	15,00,000.00	No	SIB Foundation	CSR00015361
76	St. James Hospital, Chalakudy	Healthcare	Yes	Kerala	Thrissur	10,00,000.00	No	SIB Foundation	CSR00015361
77	Daya Charitable Trust	Healthcare	Yes	Kerala	Thrissur	6,03,000.00	No	SIB Foundation	CSR00015361
78	Sreekandapuram Municipality, Kannur	Healthcare	No	Kerala	Kannur	8,04,658.00	No	SIB Foundation	CSR00015361
79	Assumption Bavan, Nadavarambu	Gender Equality	Yes	Kerala	Thrissur	3,00,000.00	No	SIB Foundation	CSR00015361

1	2	3	4	5		6	7	8	
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				State	District			Name	CSR Registration No
80	Pratheeksha Training Centre, Irinjalakuda	Education	Yes	Kerala	Thrissur	7,02,474.00	No	SIB Foundation	CSR00015361
81	Jai Christo Province, Palakkad	Healthcare	No	Kerala	Palakkad	1,32,850.00	No	SIB Foundation	CSR00015361
82	ADAPT Society, Ammadam	Education	Yes	Kerala	Thrissur	10,00,000.00	No	SIB Foundation	CSR00015361
83	Sarvodaya Vidyalaya, Nalanchira	Education	No	Kerala	Trivandrum	10,00,000.00	No	SIB Foundation	CSR00015361
84	St. Thomas Special School, Kairady	Education	No	Kerala	Palakkad	10,00,000.00	No	SIB Foundation	CSR00015361
85	Organization for Autistic Individuals, Mumbai	Education	No	Maharashtra	Mumbai	10,00,000.00	No	SIB Foundation	CSR00015361
86	St. Vincent De Paul Hospital, Ollur	Healthcare	Yes	Kerala	Thrissur	5,00,000.00	No	SIB Foundation	CSR00015361
87	St. Aloysius College,Thrissur	Education	Yes	Kerala	Thrissur	6,50,000.00	No	SIB Foundation	CSR00015361
88	Amma, Chalakkudy	Healthcare	Yes	Kerala	Thrissur	8,24,700.00	No	SIB Foundation	CSR00015361
89	John Bosco Girls Higher Secondary School, Hosur	Education	No	Karnataka	Krishnagiri	1,25,000.00	No	SIB Foundation	CSR00015361
90	Pain & Palliative Care Society, Thrissur	Healthcare	Yes	Kerala	Thrissur	5,00,000.00	No	SIB Foundation	CSR00015361
91	Elizabeth Care Home, Bangalore	Gender Equality	No	Karnataka	Bangalore	4,83,800.00	No	SIB Foundation	CSR00015361
92	Seva Sadan, Thrissur	Gender Equality	Yes	Kerala	Thrissur	5,00,000.00	No	SIB Foundation	CSR00015361

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				State	District			Name	CSR Registration No
93	Claretian Formation Association of Northeast India, Meghalaya	Education	No	Meghalaya	East Khasi Hills	2,00,000.00	No	SIB Foundation	CSR00015361
94	Christian Fellowship Hospital, Oddanchatram	Healthcare	No	Tamil Nadu	Dindigul	5,00,000.00	No	SIB Foundation	CSR00015361
95	Bharathiya Vidya Bhavan School,Puducode	Education	No	Kerala	Palakkad	2,00,000.00	No	SIB Foundation	CSR00015361
96	St. Thomas Lower Primary School, Palayoor	Education	Yes	Kerala	Thrissur	1,05,000.00	No	SIB Foundation	CSR00015361
97	Cochin Corporation - Samrudhi Project	Healthcare	No	Kerala	Ernakulam	1,77,000.00	No	SIB Foundation	CSR00015361
98	IAN Institute of Rehabilitation and Research, Thrissur	Education	Yes	Kerala	Thrissur	5,85,020.00	No	SIB Foundation	CSR00015361
99	Capuchin Social and Development Action, Kannur	Gender Equality	No	Kerala	Kannur	5,00,000.00	No	SIB Foundation	CSR00015361
100	St. Joseph's School for the Mentally Challenged, Cheroor	Education	Yes	Kerala	Thrissur	2,50,000.00	No	SIB Foundation	CSR00015361
101	Sabarmati Special School, Haripad	Education	No	Kerala	Alappuzha	1,61,289.00	No	SIB Foundation	CSR00015361
102	A A Rahim Memorial District Hospital, Kollam	Healthcare	No	Kerala	Kollam	3,61,100.00	No	SIB Foundation	CSR00015361
103	Santhigiri Rehabilitation Institution, Vazhithala	Gender Equality	No	Kerala	Idukki	2,21,300.00	No	SIB Foundation	CSR00015361

1	2	3	4	5		6	7	8	
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				State	District			Name	CSR Registration No
104	St. Joseph of Annecy India Society, Bhubaneswar	Education	No	Odisha	Khordha	1,01,550.00	No	SIB Foundation	CSR00015361
105	Jyothi Nikethan School for the Blind, Guwahati	Education	No	Assam	Kamrup	1,10,000.00	No	SIB Foundation	CSR00015361
106	Anugraha Sadan (Ben Home), Koodapuzha, Chalakudy	Gender Equality	Yes	Kerala	Thrissur	5,00,000.00	No	SIB Foundation	CSR00015361
107	Centre for Development Initiatives, Assam	Gender Equality	No	Assam	Kamrup	94,000.00	No	SIB Foundation	CSR00015361
108	Ainul Huda Orphanage (AHO), Kappad	Education	No	Kerala	Kozhikode	3,20,000.00	No	SIB Foundation	CSR00015361
109	Sneharam, Thrissur	Gender Equality	Yes	Kerala	Thrissur	5,00,000.00	No	SIB Foundation	CSR00015361
110	MarThoma Centre for Rehabilitation and Development (MCRD), Thadiyoor	Education	No	Kerala	Pathanamthitta	5,00,000.00	No	SIB Foundation	CSR00015361
111	Sanjo College of Pharmaceutical Studies, Vellappara	Education	No	Kerala	Palakkad	3,00,000.00	No	SIB Foundation	CSR00015361
112	St. Mary's Convent Matric Hr. Sec. School, Annur	Education	No	Tamil Nadu	Coimbatore	1,40,000.00	No	SIB Foundation	CSR00015361
113	Fransalian Agency for Social Care and Education (FASCE), Guwahati	Education	No	Assam	Kamrup	1,96,800.00	No	SIB Foundation	CSR00015361
114	Providence Home, Ayroor	Gender Equality	No	Kerala	Pathanamthitta	7,21,500.00	No	SIB Foundation	CSR00015361

1	2	3	4	5		6	7	8	
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				State	District			Name	CSR Registration No
115	Bharata Mata School of Legal Studies, Aluva	Education	No	Kerala	Ernakulam	1,00,000.00	No	SIB Foundation	CSR00015361
116	St. Dominic Savio CBSE School,Assam	Education	No	Assam	Kamrup	1,00,000.00	No	SIB Foundation	CSR00015361
117	Don Bosco School, Liluah, Howrah	Education	No	West Bengal	Houwrah	1,00,000.00	No	SIB Foundation	CSR00015361
118	St. Francis Xavier's Inter College, Kanpur	Education	No	Uttar Pradesh	Kanpur	1,00,000.00	No	SIB Foundation	CSR00015361
119	St. Ann's Senior Secondary School, Muttikulangara	Education	No	Kerala	Palakkad	92,000.00	No	SIB Foundation	CSR00015361
120	Little Flower Higher Secondary School, Kumbakonam	Education	No	Tamil Nadu	Thanjavur	80,000.00	No	SIB Foundation	CSR00015361
121	Nirmalamatha Adoration Convent School, Palakkad	Healthcare	No	Kerala	Palakkad	76,000.00	No	SIB Foundation	CSR00015361
122	St. Catherine's Home, Kolkata	Healthcare	No	West Bengal	Kolkata	75,373.00	No	SIB Foundation	CSR00015361
123	Charis Bhavan, Athirampuzha	Gender Equality	No	Kerala	Kottayam	60,000.00	No	SIB Foundation	CSR00015361
124	St. Mary's English Medium School, Sarsiwa, Chhattisgarh	Education	No	Chhattisgarh	Bilaigarh	48,480.00	No	SIB Foundation	CSR00015361
125	Divya Jyoti Higher Secondary School, Amera, Chhatisgarh	Education	No	Chhattisgarh	Khabirdham	48,480.00	No	SIB Foundation	CSR00015361
126	Milagres College, Hampkatta	Education	No	Karnataka	Dakshina Kannada	38,826.00	No	SIB Foundation	CSR00015361

1	2	3	4	5		6	7	8	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation – through implementing agency	
				State	District			Name	CSR Registration No
127	Adorers Women Welfare Charitable Society, Davangere	Gender Equality	No	Karnataka	Davangere	12,000.00	No	SIB Foundation	CSR00015361
128	Taluk Hospital, Mannarkkad	Healthcare	No	Kerala	Palakkad	35,900.00	No	SIB Foundation	CSR00015361
129	Rotary Cochin International, Ernakulam	Education	No	Kerala	Ernakulam	1,00,000.00	No	SIB Foundation	CSR00015361
130	Punitha Arockia Matha Hospital, Vailankanni	Healthcare	No	Tamil Nadau	Nagapattinam	10,00,000.00	No	SIB Foundation	CSR00015361
131	Bishop Benziger Hospital, Kollam	Healthcare	No	Kerala	Kollam	16,90,500.00	No	SIB Foundation	CSR00015361
132	St. Teresa's College, Ernakulam	Education	No	Kerala	Ernakulam	19,68,750.00	No	SIB Foundation	CSR00015361
133	Parappur Sports & Education Trust	Promotion of sports	Yes	Kerala	Thrissur	50,00,000.00	Yes	Direct	
134	Govt. Medical College Hospital, Thrissur	Healthcare	Yes	Kerala	Thrissur	35,67,880.00	No	SIB Foundation	CSR00015361
135	AMHA, Kariattukara	Education	Yes	Kerala	Thrissur	25,00,000.00	Yes	Direct	
136	Asha Bhavan, Changanassery	Education	No	Kerala	Kottayam	23,40,000.00	No	SIB Foundation	CSR00015361
137	Amala Cancer Hospital Society, Thrissur	Healthcare	Yes	Kerala	Thrissur	25,00,000.00	Yes	Direct	
138	Syro-Malabar Charitable Trust	Gender Equality	No	Kerala	Ernakulam	20,58,270.00	No	SIB Foundation	CSR00015361
139	Little Flower Institutions, Uppal	Education	No	Telangana	Medchal-Malkajgiri	6,00,000.00	No	SIB Foundation	CSR00015361

1	2	3	4	5		6	7	8	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation – through implementing agency	
				State	District			Name	CSR Registration No
140	Kottayam District Police Co-Operative Society, Kottayam	Healthcare	No	Kerala	Kottayam	6,00,000.00	No	SIB Foundation	CSR00015361
141	Malayattil Kesavan Nair Memorial Higher Secondary School, Idukki	Education	No	Kerala	Idukki	5,55,000.00	No	SIB Foundation	CSR00015361
142	P K M Basheer Memorial Charitable Trust, Orumanayur	Education	Yes	Kerala	Thrissur	3,00,000.00	No	SIB Foundation	CSR00015361
143	Education Ministry of Latin Archdiocese of Trivandrum	Education	No	Kerala	Trivandrum	10,00,000.00	No	SIB Foundation	CSR00015361
144	Girl's High School and College, Allahabad	Education	No	Uttar Pradesh	Prayagraj	5,00,000.00	No	SIB Foundation	CSR00015361
145	Kurji Holy Family Hospital, Patna	Healthcare	No	Bihar	Patna	3,10,000.00	No	SIB Foundation	CSR00015361
146	St. Francis Girls High School, Secunderabad	Education	No	Telangana	Hyderabad	1,49,450.00	No	SIB Foundation	CSR00015361
147	Sree Sankara Vidya Peedam College, Valayanchirangara	Education	No	Kerala	Ernakulam	2,24,200.00	No	SIB Foundation	CSR00015361
148	St. Jude's English Medium Higher Secondary School, Thammanam	Education	No	Kerala	Ernakulam	1,84,080.00	No	SIB Foundation	CSR00015361
149	St. Peter's English medium School, Nileshwaram	Education	No	Kerala	Kasaragod	1,25,000.00	No	SIB Foundation	CSR00015361

1	2	3	4	5		6	7	8	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation – through implementing agency	
				State	District			Name	CSR Registration No
150	Sneha Villa Educational and Charitable Trust, Moolamattom	Gender Equality	No	Kerala	Idukki	47,000.00	No	SIB Foundation	CSR00015361
151	Mercy Hospital, Thalayolaparambu	Healthcare	No	Kerala	Kottayam	5,00,000.00	No	SIB Foundation	CSR00015361
152	St. Joseph's College, Trichy	Education	No	Tamil Nadu	Tiruchirapalli	10,00,000.00	No	SIB Foundation	CSR00015361
153	Thiruvanathapuram District Football Association	Promoting Sports	No	Kerala	Trivandrum	10,00,000.00	No	SIB Foundation	CSR00015361
	Total					**10,48,77,148.90**			

*This refers to the spent from current year's CSR Budget. The total amount of spent towards the project amounts to ₹ 30,34,649.99 which includes ₹ 29,65,660.12 reallocated from Vadakkechira Renovation works with Project ID FY31.03.2021_3.

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

Sl No	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	10,47,47,357.20#
(ii)	Total amount spent for the Financial Year	10,50,27,548.90
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	2,80,191.70
(iv)	Surplus arising out of the CSR projects or programmes or activities of the Previous Financial Years, if any	0.00
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	2,80,191.70

#This is the adjusted CSR obligation after considering the set off of ₹ 1,91,696.68.

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

1	2	3	4	5	6		7	8
Sl. No.	**Preceding Financial Year**	**Amount transferred to unspent CSR account under section 135(6) (in ₹)**	**Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)**	**Amount spent in the reporting financial year(in ₹)**	**Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any.**		**Amount remaining to be spent in succeeding financial years(in ₹)**	**Deficiency, if any**
					Amount (in ₹)	**Date of transfer**		
1	2020-21	3,13,96,573.15	40,04,247.27	40,04,247.27	Nil	Nil	0.00	Nil
2	2021-22	34,00,000.00	12,25,200.00	10,40,550.00	Nil	Nil	1,84,650.00	Nil
3	2022-23	0.00	0.00	0.00	Nil	Nil	0.00	Nil
TOTAL		3,47,96,573.15	52,29,447.27	50,44,797.27	-	-	1,84,650.00	-

Annexure 2

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

(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**
Sl No	**Project ID**	**Name of the project**	**Financial year in which the project was commenced**	**Project duration (M)**	**Total amount allocated for the project (in ₹)**	**Amount spent on the project in the reporting Financial Year (in ₹)**	**Cumulative amount spent at the end of reporting financial year (in ₹)**	**Status of the project- Completed/ ongoing**
1	FY 31.03.2021_3	Vadakkechira Renovation works@	2020-21	36	33,00,000.00	29,65,660.12#	33,00,000.00	Completed#
2	FY 31.03.2021_4	Scholar	2019-20	48	8,20,00,000.00	10,38,587.15*	6,72,97,242.20	Completed
3	FY 31.03.2022_3	Pullu Village, Thrissur Dt	2021-22	36	25,00,000.00	10,40,550.00	23,15,350.00	Ongoing
-	**Total**		**-**	**-**	**8,78,00,000.00**	**50,44,797.27**	**7,29,12,592.20**	**-**

@The remaining unutilized fund allocated for renovation of Vadakkechira Bus Hub project amounting to ₹ 29,65,660.12 has been reallocated for Renovation of Ayyanthole Park, Thrissur. The fund has been fully utilized as on 31.03.2024.

[#] ₹29,65,660.12 spent from the reallocated funds of Vadakkerchira Renovation works (Sl No:1) from Unspent CSR for FY 2020-21 and an additional amount of ₹ 68,989.87 spent from CSR Budget for FY 2023-24 (Total amount spent: ₹ 30,34,649.99)

**4 CSR ongoing proposals amounting to ₹25,06,882.00 which was under unspent CSR for FY2020-21, has been cancelled and the funds were reallocated to SIB Scholar during the FY 2022-23.*

₹10,38,587.15 has been spent from this unspent of FY 2020-21 during the FY 2023-24.Funds in unspent CSR for FY 2020-21 has been fully utilized as on 31-03-2024.

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

   ( ) Yes (•) No

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

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

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

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

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

P R Seshadri
MD & CEO
DIN: 07820690
Place : Thrissur
Date: July 30, 2024

Paul Antony
Chairman - CSR Committee
DIN: 02239492

Annexure D

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2024

[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 **31.03.2024** 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 31.03.2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder to the extent applicable;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

(g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(h) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable.

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

1. The Banking Regulation Act, 1949 and Banking Regulation (Companies) Rules, 1949

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

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

(i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

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

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

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

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

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

We further report that during the audit period there were no instances of public issue, 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 24.08.2023, among others, for the following:

- Pursuant to Sections 23, 41, 42, 62 (1) (c) and other applicable provisions of the Companies Act, 2013, and other relevant statutory provisions, to raise Tier I Capital of the Bank by further issue of securities for an amount not exceeding ₹ 1,000 Crores. This resolution which was proposed as a special resolution received only 71.68% of the total votes cast and hence was not passed as a special resolution.
- Pursuant to Sections 42, 71, 179 and other applicable provisions of the Companies Act, 2013, and other relevant statutory provisions, to raise funds by issue of bonds/ debentures/ securities on private placement basis for an amount not exceeding ₹ 500 Crores.
- Amendment of Articles of Association for inserting an Article on appointment of Nominee Director by Debenture Trustee in certain circumstances.

Postal Ballot:

During the period, postal ballot resolutions were passed on 24.12.2023, pertaining to the following:

- Appointment of Mr. P.R.Seshadri (DIN: 07820690) as Managing Director and Chief Executive Officer of the Bank and to approve his terms and conditions of appointment including remuneration
- To take on record the approval from Reserve Bank of India for Appointment of Mr. V. J. Kurian (DIN: 01806859) as Non-Executive – Part time Chairman of the Bank and to approve his terms and conditions of appointment.
- To appoint Smt. Lakshmi Ramakrishna Srinivas (DIN: 10365580) as Independent Director of the Bank.

Right Issue

The Bank has raised 523185254 equity shares at a price of ₹ 22 (including a premium of ₹ 21/-) by way of a Right Issue which was allotted on 27.03.2024.

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

UDIN: F003067F000854852
Peer Review Certificate No.648 /2019

For SVJS & Associates
Company Secretaries

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

Kochi
July 30, 2024

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 2024 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: F003067F000854852
Peer Review Certificate No.648 /2019

For SVJS & Associates
Company Secretaries

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

Kochi
July 30, 2024

Annexure - E

Business Responsibility and Sustainability Reporting by listed entities

SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021 and Master Circular SEBI/HO/CFD/POD2/ CIR/P/2023/120 July 11, 2023.

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

Sl. No	Required Information	
1	Corporate Identity Number (CIN) of the Listed Entity	L65191KL1929PLC001017
2	Name of the Listed Entity	The South Indian Bank Limited
3	Year of incorporation	1929
4	Registered office address	SIB House, TB Road, Mission Quarters, Thrissur 680001, Kerala, India
5	Corporate address	SIB House, TB Road, Mission Quarters, Thrissur 680001, Kerala, India
6	E-mail	sibcorporate@sib.co.in
7	Telephone	+91-487-2420020
8	Website	www.southindianbank.com
9	Financial year for which reporting is being done	2023-24
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) & BSE Limited (BSE)
11	Paid-up Capital	₹ 261.59 Crore
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Dhilip N Kumar Chief Manager and Deputy Nodal Officer,Secretarial Department +91-487-2429333 sibagm@sib.co.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	On a standalone basis
14	Name of Assurance Provider	NA
15	Type of Assurance obtained	NA

II. PRODUCT & SERVICES

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

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

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover)

S No	Product /Service	NIC Code	% of the total turnover contributed
1	Banking & Financial Services	64191	100%

III. OPERATIONS

18. Number of locations where plants an/or operations/offices of the entity are situated

Location	Number of plants	Number of Offices	Total
National	NA	955 Branches, 3 Satellite branches, 2 Ultra Small Branches, 18 Regional Offices	978
International	NA	1 Representative Office in Dubai	1

19. Markets served by the entity:

a. Number of Locations

Locations	Number
National (No. of States)	26 States, 4 Union Territories
International (No. of Countries)	1 (Representative Office)

b. What is the contribution of exports as a percentage of the total turnover of the entity ?

NA

c. A brief on types of customers

The South Indian Bank Limited (the Bank) has positioned itself as a prominent player in the Indian banking sector, with a strategic focus on Retail Banking, Corporate Banking, and Treasury operations. By investing heavily in advanced technology, The Bank offers efficient and secure digital banking services, including SIBerNET (internet banking) and the SIB Mirror+ app (mobile banking).

Retail Banking

Retail Banking is at the heart of SIB's business strategy. The Bank provides a variety of deposit schemes such as savings accounts, current accounts, fixed deposits, and recurring deposits, all tailored to meet the diverse needs of customers with competitive interest rates and flexibility. SIB also offers a wide range of loan products, including home loans, personal loans, vehicle loans, and gold loans, helping customers achieve their financial goals and aspirations. By embracing fintech innovations, the Bank provides fintech loan solutions that require minimal documentation and offer quick disbursements.

Corporate Banking

The Corporate Banking is another key focus area of the Bank. The Bank offers an extensive range of products and services to address the financial needs of businesses and corporates, including working capital finance, term loans and trade finance facilities such as letters of credit and bank guarantees. The Bank places a strong emphasis on small and medium enterprises (SMEs), providing customized financial solutions to support their growth and operational requirements.

Comprehensive Financial Solutions

To offer holistic financial solutions, the Bank provides a range of third-party products beyond traditional banking services. These include life insurance, health and general insurance, mutual funds, demat and trading services, pension plans, and loans against securities.

National Presence and Customer Growth

With a robust network of 955 branches nationwide, the Bank upholds a customer-centric approach. As of March 2024, the Bank's total business reached ₹1.82 lakh crores, reflecting an impressive 11% increase from the previous fiscal year. Due to aggressive customer acquisition efforts, the customer base of the Bank has expanded significantly from 73 lakhs as on March, 2023 to 76 lakhs by March 2024.

By focusing on these core areas and continuously leveraging technological advancements, the Bank effectively meets the diverse needs of its customers while driving business growth and enhancing operational efficiency.

IV. EMPLOYEES

20. Details at the end of Financial Year

a. Employees and workers (including differently abled):

SL No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
EMPLOYEES						
1	Permanent (D)	9814	5299	54%	4515	46%
2	Other than Permanent (E)	22	21	95%	1	5%
3	Total employees (D+E)	9836	5320	54%	4516	46%
WORKERS						
4	Permanent (F)	3302	1272	39%	2030	61%
5	Other than Permanent (G)	0	0	0	0	0
6	Total workers (F+G)	3302	1272	39%	2030	61%

Note: "Employees" include officers and Award Staff and workers include Award Staff. "Total employees" under point No. 3 includes the "Total workers" reported under point No. 6.

b. Differently Abled Employees & Workers

SL No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	7	5	71%	2	29%
2	Other than Permanent (E)	0	0	0	0	0
3	Total differently abled employees (D+E)	7	5	71%	2	29%
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	4	2	50%	2	50%
5	Other than Permanent (G)	0	0	0	0	0
6	Total differently abled workers (F+G)	4	2	50%	2	50%

21. Participation/Inclusion/Representation of Women

Particulars	Total (A)	No. and percentage of Females	
		No.(B)	% (B/A)
Board of directors	8	1	12.50%
Key Management Personnel*	6	1	16.67%

*Key Management Personnel includes MD & CEO

22. Turnover rate for permanent employees and workers. *(Disclose trends for the past 3 years)*

	FY 2023-24 (Turnover Rate in current FY)			FY 2022-23 (Turnover Rate in previous FY)			FY 2021-22 (Turnover Rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5.46	3.67	4.64	5.32	4.35	4.88	3.96	4.30	4.11
Permanent Workers	7.53	3.64	5.14	4.68	4.63	4.65	4.07	4.45	4.30

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	SIB Operations and Services Limited (SIBOSL)	Subsidiary	100%	No

VI. CSR DETAILS

24.

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii) Turnover (in ₹)	1,01,28,32,45,964.41
(iii) Net worth (in ₹)	84,02,40,39,965.07

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://www.southindianbank.com/userfiles/file/greivance_redressal_policy.pdf	0	0	Nil	0	0	Nil
Investors (other than shareholders)	Yes https://www.southindianbank.com/content/redressalof-investorcomplaints/867	0	0	NA	0	0	NA
Shareholders	Yes. https://www.southindianbank.com/content/redressalof-investorcomplaints/867	235	0	1 Compliant which remained pending for the last financial year was resolved	130	1	Pending for resolution.
Employees and workers	Yes, the same is made available on the Bank's intranet and it is accessible to all the employees.	14	0	NA	4	0	NA
Customers	Yes https://www.southindianbank.com/userfiles/file/greivance_redressal_policy.pdf	36658	828	Out of 828 complaints 87 complaints are created post 15.03.2024 and none of this is exceeded stipulated TAT. There were no open complaints in Banking Ombudsman portal as on 31.03.2024.	43091	860	Out 860 complaints 184 complaints are created post 18.03.2023 and none of these have exceeded stipulated TAT.
Value Chain Partners	Yes	0	0	NA	0	0	NA
Other (please specify)	-	-	-	-			

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

SL No	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	Rational for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implication of risk or opportunity (Indicate positive or negative implications)
1	Farming Community	Opportunity	Providing loans to the farming community is a significant opportunity for a bank since it can uplift the socio-economic status of farmers through tailored financial products and schemes. These loans enable farmers to invest in better equipment and technology, leading to increased agricultural productivity and income. Additionally, supporting the agricultural sector fosters rural development and strengthens the Bank's customer base and market presence.	Following are the products offered in this segment: • Kisan Credit Card- For financing the farmers engaged in Crop Cultivation, Animal Husbandry and Fisheries for meeting their working capital requirements under Interest Subvention scheme by GoI. • Dairy Loan under Tie-up- For financing the dairy farmers under Tie- up arrangement (Milk Union/ Private Dairies) to meet their working capital needs and also for purchase of cows. • Finance against Warehouse Receipt- To provide liquidity support to Farmers, Agro-processors and Traders who are stocking the commodities in Warehouses and to avoid distress sales of commodities. • Post-Harvest Loan under Contract Arrangements with Corporate- To provide short term post-harvest credit to the farmers who has registered with procuring company, based on the pay advice issued by the procuring company. • SIB Broiler Loan with Contract Arrangement- Loans extended to farmers engaged in "Contract Broiler Farming" arrangements under tie up with the Corporates for enabling them to construct poultry shed, feed room and for purchase of equipment. • PMFME – Govt Sponsored scheme– It's a Govt. Sponsored scheme to promote Micro Food and Agro processing Enterprises.	**Positive:** Financing to various farming activities helped to uplift the socio-economic status of farming community. **Negative:** The monitoring of the commodity price due to its volatility nature is an additional responsibility to safeguard the customer and Bank while doing finance against warehouse receipts. **Negative:** More effort is required for providing awareness to the farming community about the repayment guidelines of the loan in order to protect their credit worthiness.

SL No	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	Rational for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implication of risk or opportunity (Indicate positive or negative implications)
2	Environmental and Social Risk	Opportunity & Risk	**Opportunity:** • To promote the usage of green energy by green financing products. • To identify and mitigate adverse potential environmental and social impacts due to Bank's lending activities. • To ensure that clients establish E & S requirements in line with national environmental and social regulations. • Bank's Environmental and Social Management System (ESMS) Policy provides a systematic procedure to check whether the lending policy may cause any potential adverse environmental and social impacts, to assure that negative impacts are avoided or minimized to the extent possible and the positive impacts are stimulated. • Bank will desist from extending finance, irrespective of the amount, for activities coming under exclusion list in the ESMS policy. **Risk-** Proactively identifying the risks paired with policies to reduce their impact is a critical part of the Bank's pathway towards sustainability. Lack of environment and social measures will lead to increased cost, reduced resource efficiencies and potentially regulatory/ compliance related costs.	The Bank has formulated an ESG policy for effective integration of sustainability into the business operations. ESG factors are considered in the risk assessment and management processes of the Bank and extends to all of its stakeholders. For the effective implementation of ESG in the Bank, Board has constituted an Executive Level Committee.	**Positive:** Improvement in overall E & S performance of Bank's portfolio through enhanced risk management. **Negative:** Transition risk arising due to adoption of E & S guidelines. Increased expenditure to meet E & S performance standards.

SL No	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	Rational for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implication of risk or opportunity (Indicate positive or negative implications)
3	Sustainable Finance	Opportunity	To promote environmentally friendly initiatives, the Bank needs to encourage green deposits and green financing activities. This approach not only fosters eco-friendly practices but also supports the development of renewable energy, waste management, and other green technologies. By offering attractive interest rates and benefits on green deposits, the Bank can attract more investors, contributing to a cleaner and more sustainable future. Additionally, financing green projects helps reduce the carbon footprint, aligning with global sustainability goals and enhancing the Bank's reputation as a socially responsible institution.	As of March 31st, 2024, the Bank has successfully mobilized ₹ 56.21 Cr through green deposits, with ₹ 51.53 Cr already channelled towards green financing initiatives. The Bank among the early adopters of the RBI's green deposit and finance framework, demonstrating their commitment to sustainability. Bank's Green Deposit policy and Green financing framework aims to mobilize deposits and use the proceeds for funding projects and activities that promote environmental conservation, renewable energy, energy efficiency and other green initiatives.	**Positive:** Improvement in overall sustainable finance performance of Bank's portfolio through enhanced risk management.
4	Digital lending	Opportunity	Digital lending is a significant opportunity for a bank as it enables streamlined and efficient loan processing through technology-driven platforms. This approach enhances customer convenience with faster approvals and minimal documentation. Additionally, digital lending expands the Bank's reach, allowing it to tap into a broader customer base and drive growth in the competitive financial market.	Under Personal Loan segment 59,708 no. of loans with total loan amount of ₹ 1,06,683.00 lakhs were disbursed under digital mode. In car loans, 50 nos. with total loan amount of ₹ 419.00 lakhs were processed under digital mode. The total no. of credit cards issued in the FY under digital mode is 2,18,868 with total credit limit of ₹ 2,82,383.00 lakhs. Bank's digital lending products helped to reduce usage of paper and enhanced customer experience such as the launch of Bank's lending product like personal loan, car loan etc. using mobile banking and internet Banking channel.	**Positive:**Improved turnaround time with customer satisfaction.

SL No	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	Rational for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implication of risk or opportunity (Indicate positive or negative implications)
5	Data Security	Opportunity and Risk	**Opportunity:** Bank's digital lending products helped to reduce usage of paper and enhanced customer experience. **Risk** • Cyber threats to banking system. • Launch of Bank's lending product through mobile banking and internet Banking channel. • Various SMS and Email facilities. The risk of a data breach poses a threat to the exposure of our customers' personally identifiable information, which in turn impacts our business relationship with them. This potential breach jeopardizes the confidentiality, integrity and security of sensitive customer data, potentially leading to breaches of trust and damaging our reputation.	IT Strategy Committee of the Board, IT Steering Committee and Information Security Committee are in place. Cyber security preparedness of the Bank is reviewed by Information Security Committee and IT Strategy Committee. The Bank has deployed FRM with AI capability to strengthen the Bank's applications and mitigate fraudulent attempts through behavioural analysis and identification of risk patterns. Security control applications such as WAF (Web Application Firewall), SIEM (Security Information and Event Management) and HIPS (Host Intrusion Prevention System) have been implemented to further strengthen security. 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. 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 has put in place a number of security solutions to manage cyber-attacks. The Bank has implemented multiple advanced security solutions to protect IT infrastructure, employees, customers, partners etc. from malware, advanced persistent threats, denial of service type of attacks and variety of other threats and malicious attacks. The Bank has finetuned the information security systems in accordance with RBI guidelines.	**Positive:** Improved turnaround time with customer satisfaction. **Negative:** In the unfortunate case of a data breach, the Bank would experience adverse effects on its business operations. This could include disruptions to services, financial losses, damage to the Bank's reputation and erosion of customer trust. Additionally, such incidents would increase the risk of regulatory scrutiny and potential penalties from regulatory authorities.

SL No	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	Rational for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implication of risk or opportunity (Indicate positive or negative implications)
6	Ethical Behaviour	Risk	Adhering to ethical behaviour underscores the Bank's dedication to promoting ethical behaviour and maintaining integrity in all its dealings. By prioritizing ethical conduct, the Bank aims to not only retain its existing customer base but also attract new customers to the Bank. Upholding these values fosters trust, strengthens relationships and reinforces the Bank's reputation as a responsible and trustworthy financial institution.	The Bank has a strong governance framework in place to ensure that it is operating in a responsible and ethical manner. The framework is based on transparency, accountability, fairness and compliance. The Bank's governance practices promote fairness, inclusivity, and responsible decision-making, reflecting its dedication to upholding the highest ethical standards in all aspects of its operations. Conduct for the Board of Directors and Core Management Personnel of the Bank, as required under SEBI (LODR) Regulations, 2015 "on Corporate Governance." The confirmation from the Managing Director & CEO regarding compliance with the code by all the Directors and Senior Management Personnel forms part of the Report. The Code of Conduct and Ethics is displayed on the website of the Bank.	**Negative:** Unethical behaviour could directly impact the reputation of the Bank. It could also lead to loss of morale and employee productivity thereby affecting the top-line growth. By upholding ethical standards and treating both customers and employees with integrity and respect, the Bank cultivates a positive work environment and strengthens relationships with customer. The Bank has implemented 3-way replication also for most critical applications, to achieve minimum data loss.

SL No	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	Rational for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implication of risk or opportunity (Indicate positive or negative implications)
7	Systematic Risk Management	Risk	This ensures financial stability, regulatory compliance and protection of stakeholders. It facilitates business continuity, reputation management and long-term sustainability by identifying, assessing, and mitigating potential risks effectively. These risks may stem from various sources, including financial, technological or lending risk. Such events or sequences of events possess the capacity to undermine or jeopardize the stability of the overall system.	Various initiatives such as comprehensive review of Credit Risk Policy and other Risk Management Policies have been conducted. Liquidity is also actively being managed through the ALCO forum, where the Bank is pursuing actively into increasing the sticky and retail deposits along with operationalising majority of the wholesale banking financing relationships. As part of the Business Continuity Management, the Bank's Operational Risk team is working in close coordination with various stakeholders to ensure smooth conduct of operations. 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.	**Negative:** Failure to address any unmitigated risk with the potential to escalate into a systemic risk could have detrimental effects on the Bank's performance. Such risks pose a threat to the stability and integrity of the financial system, potentially leading to disruptions, financial losses and reputational damage.
8	Financial Inclusion	Opportunity	Expanding financial inclusion opens up access to banking services for currently marginalized and underprivileged communities, creating an effect of positive societal impact and contributes to the broader economic development and stability of society. Increase in business lending leads to higher turnover and better reach.	11% and 49% of branches are present in rural and semi-urban areas respectively.	**Positive:** Financial inclusion boosts Bank's profitability by expanding the customer base, increasing deposits and fostering product diversification, while also enhancing reputation.

SL No	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	Rational for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implication of risk or opportunity (Indicate positive or negative implications)
9	Employee Benefits & Development	Opportunity	This boosts efficiency, reduces employee attrition, increases capabilities and creativity within the bank and enhances diversity which in turn enhances customer experience.	The Bank has sustained its Employee Recognition module, continuing the monthly recognition newsletter to showcase outstanding contributions and foster a culture of appreciation. The HR Department conducted multiple leadership training sessions, collaborating with institutions like IIM Bangalore, to enhance the strategic thinking, leadership abilities, and management skills of executive cadre employees, thereby strengthening the leadership pipeline. To optimize the tooth-to-tail ratio, aiming for 85% of the workforce in customer-facing roles, a dedicated team streamlined processes and reallocated resources, demonstrating significant progress towards this ideal balance. Recognizing the pivotal role of customer-facing employees, the Bank undertook initiatives such as strategic staff relocation to branches and specialized training programs to enhance frontline staff skills and align them with industry trends. The introduction of a Learning Management System (LMS) via web and mobile applications supports continuous learning and professional development, emphasizing the Bank's commitment to the personal and professional growth of its workforce. Technological advancements, including enhanced IT support for recruitment, and improved training management features through the SIB mHRMS mobile app, have simplified administrative tasks and fostered digital transformation.	**Positive:** A strong workforce with higher engagement, retention rate and diversity in the workforce brings new perspectives, experiences and ideas which enable innovation, enhances the performance and enables a positive culture in the organization and highlights the bank's efforts toward creating a conducive work environment.

SL No	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	Rational for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implication of risk or opportunity (Indicate positive or negative implications)
				These initiatives and updates illustrate the Bank's strategic vision to enhance organizational efficiency, employee satisfaction, and customer experience through continuous improvement and technological integration.	
10	Regulatory & Legal Compliances	Risk	Risk of non-compliance exposes the Bank to legal penalties and financial losses resulting from failure to comply with the industry laws and regulations. Failure to adhere to the laws would directly affect the Bank's revenue, valuations and could lead to loss of reputation and business opportunities. More compliant banks tend to have improved performances and better process efficiency. Compliance gives assurance and provides a broader insight to the investors.	The Bank has institutionalised a strong compliance culture and mechanism across the organisation, in pursuit of its strategic goals of transparency and trust, among all its stakeholders. The Bank has a dedicated independent Compliance Department headed by a Senior 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.	**Negative:** Non-compliance would lead to loss of reputation and consequently affect the business activities. Banks who are compliant with the regulatory laws have a better ability to manage risks and builds a better sense of fairness and loyalty among employees.

SL No	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	Rational for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implication of risk or opportunity (Indicate positive or negative implications)
11	GHG Emissions Management	Opportunity	Assessing the environmental impact of the Bank's own operations is a focus area. If these risks are not properly managed, they could negatively impact the operations and profitability. This also attracts scrutiny from stakeholders/ investors and generates a public perception of the Bank.	The Bank is continually taking proactive action towards addressing climate change, reducing carbon footprint, minimising waste and pollution, and promoting sustainable energy and infrastructure development. The Bank has initiated steps to provide provision for Solar power generation in new buildings under construction, wherever possible. It is our duty to protect and improve the environment. The Bank is committed to minimising its impact on the environment and managing environmental risks effectively.	**Positive:** GHG emissions management allows banks to mitigate risks, invest in low- carbon systems, fostering sustainability and market differentiation.
12	ESG Oversight	Opportunity	Having an efficacious ESG oversight on the Board level will augment the overall ESG performance and reflect the Bank's commitment to integrating responsible business practices within its growth model. Integrating ESG into the business practices would propel an enhanced risk management, governance, accountability reporting and decision-making. It would build the ability to identify and manage risks and opportunities related to environmental and social impact as well as build trust and transparency amongst investors and stakeholders.	As part of developing a sustainable financing policy and for implementing ESG benchmarks in lending and also for addressing issues in Environmental risk management and governance, the Bank has formulated ESMS policy (for governing Lending standards) and ESG Policy (for addressing other ESG issues). The Board has constituted an Executive Level Committee for ESG implementing in the Bank. Executive Level Committee will be responsible for supervision and implementation of ESG activities in the Bank.	**Positive:** Leadership oversight on the ESG strategy, action plan, and performance fosters a positive impact on the environment and community. It also enables the Bank to further embed robust monitoring mechanisms across ESG initiatives and business practices. As we move into the future, ESG will be the cornerstone of our financial success, competitive advantage and future accomplishments.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/ No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.southindianbank.com/content/banks-policy-documents/540								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Some of the policies which have impacts on customer service, customer conduct, etc. extend to our value chain partners as well.								
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Bank has framed its ESMS¬ Policy based on IFC performance standards. IT Departments including Data Centre, DR Site & BCP site and CISO Office are ISO 27001 certified for the implementation of Information Security Management System (ISMS). Human Resources Department, Compliance Department, Facility Management Group, Banking Operations Group, Integrated Risk Management Departments, Secretarial Department and Credit Department. are certified with ISO 9001:2015. The Bank received the PCI DSS certification which is an international benchmark for highest level of payment security in Cards.								

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Bank has formulated its ESMS policy for environmentally responsible lending to its customers and endeavours to built a sustainable lending portfolio. The company strives to make a positive and sustainable impact on all stakeholders by identifying key focus areas and fulfilling commitments and goals through environmental initiatives and corporate social activities. Additionally, the company emphasizes the upskilling of its workforce to promote holistic employee development and alignment with the evolving business landscape. Corporate Social Responsibility Committee, Stakeholder Relationship Committee, Customer Service Committee and Audit Committee of Board reviews the items as per reference of the respective Committee and the policies are reviewed as necessitates. The Bank also won several prestigious awards for its digital initiatives, South Indian Bank strives to incorporate various facets of ESG into its business operations, aiming to integrate sustainability and responsible practices throughout its organization. In line with our commitment to sustainability, the Board of the Bank has approved the "Green Deposit Policy and Green Financing Framework," which introduces a pioneering financial product known as the "Green Deposit." This product enables depositors to contribute to sustainability objectives by channeling surplus funds into environmentally beneficial projects, following RBI guidelines issued on April 11, 2023. The Bank has formulated certain ESG Commitments as below: ➢ The Bank strives to make a positive impact through its CSR programmes. ➢ Expand the Bank's Retail, Agriculture and MSME (RAM) lending profile by leveraging its existing customer base. ➢ Focus on improving asset quality and containing NPA levels. ➢ Leverage technology to increase cross selling opportunities, reduce cost and enhance customer experience. ➢ Improving Risk Management Systems to ensure long-term sustainability of our business.

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Bank has committed to promoting sustainable finance and environmental stewardship. One of the ways we demonstrate this commitment is through the green deposit program. Green deposits are a unique financial product that allows customers to align their savings with environmentally responsible initiatives. By depositing funds into green deposit accounts, customers can be assured that their money is being used to support projects and activities that have a positive impact on the environment. The funds raised through Green Deposits are dedicated to supporting green financing activities. These activities aim to foster initiatives that have positive environmental impacts, including renewable energy, energy efficiency, sustainable agriculture, and other eco-friendly ventures. As of March 31, 2024, the Green Deposit scheme has successfully raised ₹ 56.21 crore, with ₹ 51.53 crore allocated to permissible green activities and projects for FY 2023-24. The remaining ₹ 4.68 crore is temporarily parked in liquid assets, as stipulated by the financing framework. The current key ESG performance parameters are as below: 1. Fresh loans to exclusion list activities are restricted. 2. Bank's green deposit as on March 31, 2024 is ₹ 56.21 crore and Green Portfolio is ₹ 51.53 under Green Financing Framework. 3. 75 KW Solar plant has been installed and 150 KW plant is awaiting commissioning at multiple locations, with additional plan for further Solar installations. 4. We have commissioned 10 KLD[kilo liter per Day]sewage treatment plant at Kannur and 15 KLD plant at Administrative building Kakkanad and Installation of 75 KLD sewage treatment plant was completed awaiting commissioning. 5. Bank's present gender diversity ratio is 46%. 6. Imparted training to 79.56% of Employees on ESG. The Bank had received the following sustainability awards: - • The Bank has won the Data Quality Award instituted by TransUnion CIBIL for Best Bank under the Emerging Private Banks - Consumer Reporting

	• The Bank have been awarded for AI Category from the Indian Express Group in the "Express BFSI Awards 2023" for the Personal Loans by going entirely digital and employing advanced analytics • The Bank has won the Digital Lending Bank of the Year award in the Indian Banking Summit Awards ceremony for the Pre-Approved Personal Loans product • The Bank's digital/green initiatives have been recognised for the ESG Lead innovation among the Indian Banks. SIB won Gold award under the category ESG Lead Innovation in the Infosys Finacle India Banking Connect 2023 • The Bank has the following awards at the Governance Now 6th India BFSI Conclave & Awards: – 1. Mr. Shibu K Thomas won the Digital Security Leader (CISO) award 2. South Indian Bank was recognised as a Leader in the Digital Security category • Six awards at IBA's 19th Annual Banking Technology Conference, Expo & Citations, 2022-23 -Winner – Technology Bank of the Year ▫ Winner – Tech Talent & Organization ▫ Winner – IT Risk Management ▫ Runner Up – Tech enabled Financial Inclusion ▫ Special Mention – Digital Sales & Engagement ▫ Special Mention – Fintech Collaboration
Governance, leadership and oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	In an era where Environmental, Social, and Governance matters have become increasingly significant, the Bank has taken various step to promote sustainable and environmentally friendly practices. The Bank has focused on integrating ESG considerations into its core operations and identifying both risks and opportunities associated with these factors. The Bank's commitment to sustainable finance is reflected in several key policies and initiatives implemented during the FY 2023-24. The Bank developed a robust Environmental and Social Management System (ESMS) policy to govern the lending standards, alongside a Green Deposit Policy and Green Financing Framework to promote investments in green projects that contribute to sustainable development.

		The Board's Corporate Social Responsibility Committee now oversees Bank's ESG activities, ensuring thorough reporting and review under the ESG framework. Managing Director & CEO is responsible for implementing ESG initiatives and BRSR reporting. Additionally, an Executive Level Committee has been established to supervise and implement the ESG activities of the Bank. To enhance the ESG practices, the Bank has engaged a professional agency to assist with Business Responsibility and Sustainability Reporting (BRSR). Human Resources Department has also provided extensive training on the human rights, ESG investing and Green Financing through its e-learning platform, I-learn. The Bank has taken significant steps to integrate environmental and social considerations into our business practices. To promote the usage of electrical vehicles by the employees of the Bank, the Bank has initiated steps to install two new DC fast charging station at our New Administrative building at Kakkanad, Kochi. To conserve energy, the Bank has implemented a new temperature policy for air conditioning and mandated the use of energy-efficient inverter AC units with a 5-star rating. Furthermore, the Bank has installed solar plants at multiple locations and replaced old CFL lights with LED lights in all bank-owned premises. The Bank has installed 75 KW solar plant at two locations and 150 KW solar plant is ready for commission. The Bank's Green Deposit Policy and Green Financing Framework demonstrate our commitment to sustainable finance. This product allows our customers to align their savings with environmentally responsible initiatives, fostering projects that promote environmental conservation, renewable energy, and energy efficiency. The Bank recognize its pivotal role in addressing sustainability challenges and are dedicated to facilitate the transition to a low-carbon economy. Through its diverse range of sustainable financing products and services, we aim to drive sustainable development and contribute to a greener future.
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. P R Seshadri MD & CEO +91-487-2429333 md@sib.co.in

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, details.	Yes. Corporate Social Responsibility Committee of Board is overseeing Environmental, Social & Governance (ESG) Reporting and Review of various activities of the Bank under the ESG Framework. For the effective implementation of ESG in the Bank, Board constituted an Executive Level Committee. The Executive Level Committee is headed by EVP & Chief Business Officer.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action			Board of Directors										Annually					
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances			Board of Directors										Annually					

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, Name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Yes. CareEdge Analytics and Advisory Pvt. Ltd.has mapped the existing policies and procedures against the requirements of BRSR and accordingly suggested the improvements to bridge it with the BRSR requirements.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Questions

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. The entity does not consider the Principles material to its business (Yes/No)	NA								
b. The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
c. The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
d. It is planned to be done in the next financial year (Yes/No)									
e. Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership".

While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators:

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total Number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	3	Training on Risk Management Know Your Customer (KYC) and Anti Money Laundering (AML) Cyber Security	100%
Key Managerial Personnel	16	• Leveraging FinTech • Expectations & Challenges of Compliance Officers • Impact of Information Technology on Human Behaviour • Emerging Practices in Banking • Sensitisation for CCOs & CROs on Rewiring Compliance Architecture to Remain Future -Ready and Distress Immune • Opportunities and Threats in the NBFC Space • Legal aspects of emerging Practices in Banking • Risk Management • Compliance for Banks • International Hacking and Cyber Security	66.67%

Segment	Total Number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Employees	13	Principle 1 - AML, KYC Essentials, Awareness On Phishing & Email Related Attacks, Combatting Financial Crime, Compliance In Banks - Case Studies, Enhanced Due Diligence, Information Security Awareness, Information Systems Acceptable Use Policy, Internal Ombudsman Scheme, Operational Risk, Operational Risk Management, Preventive Vigilance, Reporting Unauthorised Electronic Transactions, Risk Management - Credit Risk	98%
	21	Principle 3 - Basic Fire Safety Training, Behavioural Finance, Building Business Acumen, Change Management, Communication Skills, Conflict Resolution At Workplace, Critical Thinking, Customer Service Essentials, Decision Making Skills, Decision Making Tools, Emotional Intelligence At The Workplace, Grooming And Etiquette For Bankers, Influence : The Psychology Of Persuasion, Influencing And Negotiation Skills, Overcoming Procrastination At Work, Personal Effectiveness, Posh - Prevention Of Sexual Harassment At The Workplace, Tele-calling Skills, Time Management, Training To Employees On NGRBC Principles, Writing Effective Emails	98%
	3	Principle 5- Customer Rights Policy, ESG Investing, Human Rights Under ESG Framework In India	75%
Workers	13	Principle 1 - AML, KYC Essentials, Awareness On Phishing & Email Related Attacks, Combatting Financial Crime, Compliance In Banks - Case Studies, Enhanced Due Diligence, Information Security Awareness, Information Systems Acceptable Use Policy, Internal Ombudsman Scheme, Operational Risk, Operational Risk Management, Preventive Vigilance, Reporting Unauthorised Electronic Transactions, Risk Management - Credit Risk	91%

Segment	Total Number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
	21	Principle 3 - Basic Fire Safety Training, Behavioural Finance, Building Business Acumen, Change Management, Communication Skills, Conflict Resolution At Workplace, Critical Thinking, Customer Service Essentials, Decision Making Skills, Decision Making Tools, Emotional Intelligence At The Workplace, Grooming And Etiquette For Bankers, Influence : The Psychology Of Persuasion, Influencing And Negotiation Skills, Overcoming Procrastination At Work, Personal Effectiveness, Posh - Prevention Of Sexual Harassment At The Workplace, Tele-calling Skills, Time Management, Writing Effective Emails	92%
	3	Principle 5- Customer Rights Policy, ESG Investing, Human Rights Under ESG Framework In India	56%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Penalty/Fine					
Settlement			NIL		
Compounding Fee					

Non-Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred ? Yes/No
Imprisonment		NIL		NA
Punishment		NIL		NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory /enforcement agencies/judicial institutions
NA	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   Yes. Affirmed within the Code of Conduct policy, the anti-corruption and anti-bribery measures constitute integral components of the Bank's ethical guidelines. This policy underscores the institution's steadfast commitment to combatting corruption and bribery, emphasizing that employees are strictly prohibited from offering, promising, or providing anything of value to influence others under any circumstances. It explicitly extends this prohibition to payments facilitated indirectly through intermediaries or third parties. https://www.southindianbank.com/userfiles/file/banks_code_of_conduct.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest

Particulars	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

   During the year, there were no instances of fines, penalties, or regulatory actions imposed by law enforcement agencies or judicial institutions regarding cases involving corruption or conflicts of interest.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payable	NA	NA

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses.		
Concentration of Sales	a. Sales to dealers /distributors as % of total sales	NA	
	b. Number of dealers/ distributors to whom sales are made		
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/ distributors		
Share of RPTS in	a. Purchases (purchases with related parties/Total purchases)	NA	
	b. Sales (Sales to related parties/Total Sales)		
	c. Loans & advances (Loans & advances given to related parties / total loans and advances)	Not applicable, being a Banking Company Bank has not advanced any loans to any of its Directors which requires prior approval of RBI under Section 20 of Banking Regulations Act 1949 . Further other advances given to KMPs are as per service terms of employment in compliance with RBI guideline and % of the advance to related parties to total advances are nominal.	
	d. Investments (Investments in related parties / total investments made)	Not Applicable, except investment of ₹ 50.00 Lakh in Wholly Owned Subsidiary (M/s SIB Operations and Services Limited) the Bank is not having any investments in related parties/entities.	

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered under the awareness programmes
The Bank ensures that the people working in contact centres are trained on matters such as ethics, code of conduct, responsible customer engagements etc.		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same

Yes. Covered under the Related Party Transaction policy. The Bank has adopted the policy on related party transactions which is applicable to the Board of Directors and KMPs. The weblink for the policy is as given below:https://www.southindianbank.com/userfiles/file/rupay/disclosure/policy%20on%20materiality%20of%20and%20dealing%20with%20relatedparty%20transactions.pdf

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators:

1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year
R&D	Given to the nature of operations as Financial Service Provider, this question is not applicable.	
Capex	The Bank has made following technological investments to improve the Environmental and Social impacts of the product offered by the Bank and processes in the Bank:	
	1) Mobile Capture Solution (Mobile CTS) for outward clearing (Approx. Cost ₹ 50,00,000) It enables bank to capture CTS compatible outward cheque images from the Mobile device.	**1) Trade MIS Dashboard** (Approx. Cost ₹ 7,50,000) Customers can view online the MIS reports, open LC/BGs/Bills outstanding through Internet Banking replacing the need of going to branches for various reports.
	2) Digital execution of the revised Locker Agreement (In house development) Digitalization of locker agreements through NeSL DDE platform. BPM workflow developed for locker agreement renewal, where data entry is done by branches for the customer details and locker details which is required for locker agreement renewal. After the entry by the branches & RO approval, SMS link will be triggered to primary holder through NESL APIs.	**2) To facilitate Foreign Outward Remittance for our NRE/Resident customers through channels** (In house development) With this feature, customers can digitally transfer the funds abroad using our channels (Internet Banking & Mobile Banking) thereby can make hassle-free transferring and reduce the usage of stationery in the branches.
	3) E-BG via NeSL-Electronic BG issuance using NeSL (In house development) This process is a paperless model. Physical stamp paper is not required.	**3) Periodic KYC update for customers through channels** (In house development) Customers can update their KYC through Internet Banking & Mobile Banking instead of visiting the branch and submitting the documents to branch personnel.

Current Financial Year	Previous Financial Year
4) PL through Onescore app (No implementation cost but income sharing.) A new customer on boarding model for Personal Loans via Fintech partner M/s One Consumer Services. Through this model, customer can get the loan offer, loan eligibility check, loan acceptance, digital documentation, customer creation, loan account creation and Loan disbursal. All these happens in a single stretch without any paper works/ contacting the physical branch.	**4) Deposit opening for Corporates – Sibernet** (Approx. cost ₹ 2,00,000) Option is provided for corporate account holders to open a term deposit account through Internet Banking instead of visiting branches.
5) Digitization of Unit visit diary (In house development) Unit visit diary is to record the Stock unit visits the branches and to fix the next renewal date. The process was handled manually by the branches using physical registers and now the same is automated in CBS. The related documents also can be attached and stored in the system. Unit visit entry and the next due date arrival etc. are automated in the system.	**5) Digital Banking Unit** (Software – In house development Hardware – Approx cost ₹ 28.23 lakh) Specialized Banking hubs that will deliver digital-only banking services in both assisted and self-service mode. These units would house certain minimal technological infrastructure for delivering digital banking products and services as well as servicing existing financial products and services digitally.
6) New TBR module to handle ODCC accounts up to ₹ 1 Cr with GST validation (In house development) Paperless limit renewal happens through this module enabling the branches easily to renew the account.	**6) BBPS – Biller onboarding portal** (Approx cost ₹ 18,00,000) Bharat Bill Pay System (BBPS) is an integrated bill payment system in India offering interoperable and accessible bill payment services to customers. Using this online portal multiple billers can be onboarded in BBPS platform.
7) Trade MIS reports in Sibernet (Approx. Cost ₹ 2,00,000) To view details of LC, BG and Forward contract for corporate Sibernet users.	**7) Mobile App for onboarding Domestic Accounts** (In house development) A new mobile application has been developed for on-boarding Domestic SB accounts. Customer journey till the account gets opened will be handled digitally minimizing the usage of Account opening forms.
8) Deposit receipt through SIB Mirror+ Option to print deposit receipt online through SIB Mirror+ (mobile application of the Bank) was provided.	**8) NSEIT Collection System** (Approx cost ₹ 1.50 Crore) With the introduction of Collection Mobile application, the details related to loan repayment is being shared digitally minimizing excel usage and taking printouts. In the next phase, the collection is planned digitally where customer gets e-receipt on repayment.

Current Financial Year	Previous Financial Year
9) **Centralised Payment Management System (CPMS)** Approximate investment cost is ₹ 3.58 Crore.	9) **Supply chain finance partnership** (Approx cost ₹ 10 lacs) Supply Chain Financing through Vayana platform which facilitates dealer/vendor financing online.
10) **Newgen SME LOS Solution** (Phase I implementation cost - ₹ 2.68 Crore) The SME LOS launched in the Bank provides a flexible and stable loan platform for a seamless loan originating process, helping reduce the TAT and transparency in loan processing. A single work item takes the file from proposal initiation to final disbursement, making it a hassle -free process.	10) **LOS Migration – Nucleus** (Approx cost ₹ 10.06 Crores) New LOS platform for retail loans with CBS integration where on-boarding is done digitally.

2a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

The Bank being part of the service industry, consumption of resources is limited. The Bank puts efforts to ensure it that purchases sustainable products from local suppliers and at a fair price. Some of the key initiatives the Bank has taken in this direction are as follows:

- The Bank considers energy efficiency standards while purchasing equipment. The star rated equipment such as air-conditioners, laptops, computers, lighting devices are considered as part of assessment criteria in all branches and offices.

b. If yes, what percentage of inputs were sourced sustainably?

As an institution providing financial services, the Bank's operations are not material resource intensive. However, as a responsible corporate citizen, the Bank has been focusing on maximising its resource consumption efficiency, reducing waste generation while focusing on improving its process efficiency and productivity. Even as digitization of products and services has been reducing the requirement of paper, it remains a significant resource consumed during the Bank's normal course of business, and it has focused on reducing its paper consumption further by scaling up recycling, procuring paper from more sustainable sources, and rationalizing printing requirements internally within the business. For procurement of equipment that are required to run our banking operations, such as computer hardware, lighting devices, air conditioners and DG sets, the Bank considers green procurement and ensures that energy efficiency standards are duly considered during the purchase of such equipment.

3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a) Plastics (including packaging)	The Bank has engaged a PCB certified external agency, Green evo tech for the disposal of plastic and paper wastes on weekly basis.
(b) E-waste	Bank has empanelled M/s Tritech Systems for the disposal of E-waste and other scrap items lying in SIB Branch/offices across PAN India. The vendor will process the e-waste as per the guidelines mentioned in the E-Waste (Management) Rules, 2016 vide G.S.R. 338(E) dated 23rd March, 2016 & as per amended rules 2018, dated 23rd March, 2018 available in the Ministry of Environment & Forests Notification dated 23rd March, 2016 by the Government and updated from time to time. The Process of E-waste disposal is detailed below: 1) Branches may raise request through a module in the internal application. 2) Respective Regional office may forward the request to DTD-Hardware team for approval. 3) DTD-Hardware team may scrutiny the request and put up the request to the respective sanction authority based on rate contract and delegation of powers assigned in IT purchase policy for disposal -write off of assets. 4) After approval may issue disposal orders to the respective empanelled vendor for collecting the e waste from branches. Along with disposal order system will generate pro-forma invoice for the sale amount. 5) Green Certificate/Destruction certificate will be provided by the vendor within 30 days from the date of E-waste collection.
(c) Hazardous waste	Preventive maintenance of DG is happening on a quarterly basis. DG oil sludge and DG filter are taken back by a vendor periodically.
(d) other waste.	Bank has engaged an external vendor for the disposal of food waste on daily basis.

4 Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

NA

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
NA					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of the product /Service	Description of the risk/concern	Action Taken
NA		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate Input Material	Recycled or re-used input material to total material	
	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
NA		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Re-used	Re-cycled	Safely Disposed	Re-used	Re-cycled	Safely Disposed
Plastics (including packaging)	-	-	6 Metric tonnes approximately	-	-	-
E-waste	-	-	3.820 Metric tonnes (3820 KG)	-	-	-
Hazardous waste	-	-	DG oil sludge- Approx. 100 litres	-	-	-
Other waste	-	-	3 Metric tonnes per year	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees

Category	Total A	% of employees covered by									
		Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent Employees											
Male	5299	5299	100%	5299	100%	NA	NA	5299	100%	0	0%
Female	4515	4515	100%	4515	100%	4515	100%	NA	NA	0	0%
Total	9814	9814	100%	9814	100%	4515	100%	5299	100%	0	0%
Other than permanent employees											
Male	21	21	100%	21	100%	NA	NA	21	100%	0	0%
Female	1	1	100%	1	100%	1	100%	NA	NA	0	0%
Total	22	22	100%	22	100%	1	100%	21	100%	0	0%

b. Details of measures for the well-being of Workers

Category	Total A	% of employees covered by									
		Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent Employees											
Male	1272	1272	100%	1272	100%	NA	NA	1272	100%	0	0%
Female	2030	2030	100%	2030	100%	2030	100%	NA	NA	0	0%
Total	3302	3302	100%	3302	100%	2030	100%	1272	100%	0	0%
Other than permanent employees											
Male											
Female						NIL					
Total											

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	12.33	12.98

2. Details of retirement benefits, for current FY and Previous Financial Year

Benefits	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF*	99.78%	100%	Y	99.75%	100%	Y
Gratuity	99.78%	100%	Y	99.75%	100%	Y
ESI	NA	NA	NA	NA	NA	NA
Others-Please specify	-	-	-	-	-	-

* Represented PF/ Pension/NPS under one category. In the case of employees, those who are on-contract is not covered under PF/Pension/DCPS and Gratuity. The Bank has an exempted PF Trust and hence the PF deposits are not made to any authority but directly to The South Indian Bank Ltd. Employees' Provident Fund Trust.

3. Accessibility of workplaces

   Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

   Majority of the premises/offices are located in the Ground Floor and the entry ways have ramp facility for differently abled employees and workers. Ramp Facility are provided at ATM/CRM wherever possible. Moreover, the Bank has a practice of posting differently abled employees in branches where facilities have been designed with accessibility for differently abled people in mind.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

   Yes. One of the primary goals outlined in the Bank's HRM policy is to ensure equal opportunity for all employees, as stated: "To provide fair, transparent, and equal opportunity to all employees at all levels irrespective of caste, creed, gender, and ethnicity." This policy is readily accessible to all internal stakeholders via the Bank's intranet platform.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate	Retention Rate	Return to work Rate	Retention rate
Male	100%	97.23%	100%	97.14%
Female	100%	97.65%	100%	99.03%
Total	100%	97.34%	100%	98.55%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (if yes then give details of the mechanism in brief)
Permanent Workers	Yes. Permanent workers stationed at any Branch/Office have the right to address their grievances to the Branch Manager/Redressal Cell at the Regional Office/ Department. Resolutions or responses to these grievances will be provided by the Branch Manager/Redressal Cell at the Regional Office/Department within seven days. If the worker remains dissatisfied with the resolution or response, they may escalate their grievance to the Grievance Redressal Cell at the Head Office level, comprising the Head of the Human Resources Department and a Chief Manager from the Human Resources Department. The final decision will be conveyed by the Head of HR within seven days of receiving the recommendation from management. Employees/workers have the option to register their grievances through the internal portal. The Bank's employee grievance redressal policy can be found at https://www.southindianbank.com/userfiles/file/greivance_redressal_policy.pdf
Other than Permanent Workers	
Permanent Employees	
Other than permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	9814	9390	95.68%	9653	8637	89.47%
Male	5299	5066	95.60%	5316	4772	89.77%
Female	4515	4324	95.77%	4337	3865	89.12%
Total Permanent Workers	3302	3047	92.28%	3439	2924	85.02%
Male	1272	1157	90.96%	1366	1141	83.53%
Female	2030	1890	93.10%	2073	1783	86.01%

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On health and safety Measures		On skill upgradation		Total (D)	On health and safety Measures		On skill upgradation	
		NO. B	% (B/A)	No.C	% (C/A)		No. (E)	% (E/D)	No.(F)	%(F/D)
Employees										
Male	5320	375	7.05%	3554	66.80%	5339	31	0.58	2463	46.14%
Female	4516	271	6.00%	2371	52.50%	4339	20	0.46	1122	25.86%
Total	9836	646	6.57%	5925	60.24%	9678	51	0.53	3585	37.05%
Workers										
Male	1272	93	7.31%	876	68.87%	1366	27	1.98	570	41.73%
Female	2030	183	9.01%	1625	80.05%	2073	18	0.87	900	43.42%
Total	3302	276	8.36%	2501	75.74%	3439	45	1.31	1470	42.74%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	5320	5320	100%	5339	5339	100%
Female	4516	4516	100%	4339	4339	100%
Total	9836	9836	100%	9678	9678	100%
Workers						
Male	1272	1272	100%	1366	1366	100%
Female	2030	2030	100%	2073	2073	100%
Total	3302	3302	100%	3439	3439	100%

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. The Bank has implemented several measures to ensure a secure working environment for its employees. Detailed guidelines and emergency response procedures have been disseminated to all Bank outlets to address contingencies such as fire, flood, earthquakes, etc. Additionally, the Bank has appointed a qualified Fire & Security Officer (FSO) who conducts training sessions at branches on the proper use of fire extinguishers and conducts emergency evacuation drills. Moreover, each Bank outlet is equipped with smoke sensors that are integrated with intrusion alarm panels. In the event of smoke or fire detection, these sensors activate local alarms and simultaneously transmit alerts to a centralized command center. These alerts are monitored in real-time, and the command center promptly notifies the fire and rescue department in case of an emergency.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Bank has established a dedicated department responsible for overseeing all aspects related to the physical security of its assets and personnel. Under the purview of this department, a comprehensive remote e-surveillance system has been implemented. This system enables the reporting of incidents related to work-related hazards, which are visually verified through an integrated CCTV network. Subsequently, appropriate mitigation measures are taken in accordance with established procedures. Moreover, the smoke sensors integrated into the alarm system installed at offices facilitate the recording and analysis of risk events through the Command Centre.

The Bank typically conducts routine hazard identification and risk assessment through methods like regular audits, employee feedback, incident reports and compliance reviews. Non-routine assessments involve specific projects, changes in regulations or emerging threats often utilizing specialized teams or consultants to ensure comprehensive coverage.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Due to the nature of the banking business, the risk of work-related hazards to employees is minimal. Nevertheless, the Bank has implemented a range of measures to guarantee a safe working environment for its staff. Comprehensive guidelines and emergency response procedures have been distributed to all Bank outlets to address potential emergencies such as fire, flood, and earthquakes.

The Bank has established clear channels for workers to report hazards promptly, such as through internal reporting systems, detailed guidelines and emergency response procedures are being issued to all outlets of the Bank.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. The Bank has a comprehensive insurance policy covering its employees.

11. Details of safety related incidents

Safety Incident / Number	Category	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities	Employees		
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Bank is committed to maintaining a safe and healthy workplace through a range of initiatives, including:

i. Regular internal communications and alerts disseminated to employees regarding safety-related matters.

ii. Periodic demonstrations of fire safety equipment to ensure staff members are familiar with their usage.

iii. Conducting mock drills at various premises to familiarize staff with evacuation procedures in emergencies. Each floor in multi-storey premises is assigned a floor marshal to oversee the drill.

iv. Providing an annual medical allowance to all employees and reimbursing the cost of annual medical check-ups for employees aged 40 and above, as well as their spouses, for employees upto Scale IV.

v. Offering medical insurance coverage for employees and their dependent family members.

vi. Providing additional buffer coverage in special cases where the staff medical insurance does not fully cover medical expenses.

vii. Organizing free medical camps at various premises, including eye, dental, and ear check-ups.

viii. Establishing corporate tie-ups with medical institutions to offer special benefits to staff, such as free consultations, subsidized medical check-ups and diagnostic treatments. These benefits are also extended to immediate family members.

ix. Hosting monthly webinars and health talks conducted by professionals on relevant health topics.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolutions at the end of the year	Remarks	Filed during the year	Pending resolutions at the end of the year	Remarks
Working Conditions	NIL	NA	NA	NIL	NA	NA
Health & Safety	NIL	NA	NA	NIL	NA	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	The Bank continues to prioritize health and safety across all its branches and offices. Electrical audits are conducted every three years to identify and address potential hazards within the electrical systems. For the current period, all branches and offices have undergone the necessary electrical audits, with corrective actions implemented promptly where required. A follow-up post-rectification audit is then conducted to ensure the effectiveness of the rectifications.
Working Conditions	The Bank remains committed to providing a positive and supportive work environment for all employees. The Bank continually assess and improve working conditions based on feedback and best practices. This ongoing commitment to employee well-being and workplace excellence is reflected in our internal policies and initiatives aimed at fostering a conducive work atmosphere.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No instances requiring corrective action for health and safety have arisen, demonstrating the Bank's proactive stance. Nonetheless, as a proactive measure, the Bank organizes health camps, conducts monthly health talks and webinars, and has established corporate partnerships with various medical labs and hospitals. Additionally, evacuation drills, facilitated by floor marshals, are conducted at bank premises to familiarize employees with necessary actions during incidents. Moreover, Crisis Management Teams are established at the Head Office and other control offices to enhance preparedness for unforeseen events.

Leadership Indicators

1 Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

Yes. The Bank offers group personal accident policy to all employees and workers, with the Bank covering the associated costs.

2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Bank ensures that statutory dues as applicable to the transactions with the value chain partners, are deducted and deposited in accordance with the applicable regulations through the centralized payment solution managed by CFM Department of the Bank, which is subjected to audit by internal and statutory auditors from time to time. The Bank believes its value chain partners to uphold business responsibility principles and values of transparency and accountability.

3 Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	There were no work-related injuries.			
Workers				

4 Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes. The Bank hosts an exclusive training program called "Peep into Retirement" designed for employees nearing retirement age. This program focuses on delivering sessions covering topics such as tax planning, superannuation benefits, lifestyle and fitness. These sessions aim to equip individuals with valuable insights and knowledge to better navigate their retirement years.

5. Details on assessment of value chain partners:

Particulars	% of value chain partners (by the value of business done with such partners) that were assessed
Health and safety practices	The Bank expects all its partners to adhere to the relevant standards of working conditions, ensuring the well-being and safety of employees.
Working Conditions	

6 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No corrective action was warranted with any of value chain partners during the fiscal.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators:

1 Describe the processes for identifying key stakeholder groups of the entity

The Bank recognizes that its activities impact a wide range of stakeholders, including customers, regulators, peers, business partners and communities. The Bank believes that transparent communication and meaningful engagement with these stakeholders are crucial for fostering and maintaining strong long-term relationships. By engaging with diverse stakeholders, SIB gains insights into the social, environmental, and economic impacts—both direct and indirect—of its activities. The feedback, guidance and critiques from stakeholders enable SIB to operate as a responsible corporate citizen.

The Bank conducts proactive and focused engagements with various stakeholder groups to identify material issues, evaluate business strategies and operations and assess products, services and solutions. This approach

helps to minimize reputational risk and positively influences both the internal and external environments. SIB's key internal stakeholders include senior management and employees, while external stakeholders encompass shareholders and investors, customers, regulatory authorities, communities and NGOs, industry peers, vendors and service providers and the media. Throughout the year, SIB actively engages with these stakeholders through various methods.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Sl. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Customer	No	Email Letters Website Social Media Direct interaction Over Phone Newspaper Customer Experience Group Mobile Application	Ongoing basis. Based on customer needs/ regulatory requirements/ educating customers	Engaging customer throughout entire period of loan products/ savings product.
2	Employees	No	Email Training Circulars Internal Portal MD's Town hall meeting Staff meetings Student Economic Forum Mobile Application	Ongoing basis	Most of these engagement cover areas such as Training and development, Addressing any work-related communication, updates on regulatory changes/ introduction of new regulations, compliance communication.
3	Investors/ Shareholders	No	Annual General Meeting Investor presentation Email SMS Letters Earning call Financial Results Stock exchange filing Press release Website	Need basis	To keep investors/ shareholders updated about the Bank's business activities and performance.

Sl. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
4	Regulators	No	Letters Email Regulator platforms Stock Exchange filing RBI Returns	Ongoing basis	Compliance related communication and engagement for policy consultation and participation in larger economic objectives by participating in various Government initiatives and programs.
5	Communities	Yes- certain communities living in rural areas, farmer community and low income group individuals are recognized as vulnerable & marginalised stakeholder.	Emails Letters Direct Interaction	Ongoing basis	Through CSR reaching out to socially and economically disadvantaged people.
6	Value chain partners	No	Emails Letters	Need basis	Maintaining our relationships with vendors, addressing any work related communication, updates on regulatory changes/introduction of new regulations, compliance communication

Leadership Indicators

1 Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company has always maintained that a constant and proactive engagement with our key stakeholders enables the Company to better communicate its strategies and performance. A continuous engagement helps align expectations, thereby enabling the Company to better serve its stakeholders. The Board is kept abreast on various developments and feedback on the same is sought from the Directors. We engage with our stakeholders regularly and as needed. The format of engagement will depend on the nature and needs of the stakeholders. The consultation with stakeholders is in the form of online / offline meetings.

2 Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Stakeholder feedbacks and suggestions are considered wherever feasible. The company continuously engages with internal and external stakeholders on various aspects of ESG. The engagement takes place through various channels as part of an ongoing process. The Company is engaging with an ESG rating agency to understand areas of improvement and enhance disclosure on ESG. The Company is engaged on various evolving aspects of ESG and hence stakeholder interactions are important. We also intend to make it a regular exercise to engage with stakeholders and incorporate their feedback into the company's strategy.

3 Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Bank's CSR activities focus on the disadvantaged, vulnerable and marginalised segments of society. CSR activities are mentioned separately in the Annual report. The Bank has adopted several financial inclusion initiatives, including appointment of Business Correspondents and Financial Literacy Counsellors. For expanding financial inclusion activities, Bank is having 50 Business Correspondents and 22 Financial Literacy Counsellors as on 31-03-2024, in the state of Kerala and Tamil Nadu.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	Number of employees and workers covered (B)	% (B/A)	Total (C)	Number of employees and workers covered (D)	% (D/C)
Employees						
Permanent	9814	5355	54.56%	9653	4302	44.60%
Other than permanent	22	7	31.82%	25	21	84.00%
Total Employees	9836	5362	54.51%	9678	4323	44.70%
Workers						
Permanent	3302	1440	43.61%	3439	1003	29.20%
Other than permanent	0	0	0	0	0	0%
Total Workers	3302	1440	43.61%	3439	1003	29.20%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than minimum wage	
		No. (B)	% (B/A)	No.(C)	% (C/A)		No. (E)	% (E/D)	No.(F)	% (F/D)
Employees										
Permanent	9814	0	0%	9814	100%	9653	0	0%	9653	100%
Male	5299	0	0%	5299	100%	5316	0	0%	5316	100%
Female	4515	0	0%	4515	100%	4337	0	0%	4337	100%
Other than permanent	22	0	0%	22	100%	25	0	0%	25	100%
Male	21	0	0%	21	100%	23	0	0%	23	100%
Female	1	0	0%	1	100%	2	0	0%	2	100%
Workers										
Permanent	3302	0	0%	3302	100%	3439	0	0%	3439	100%
Male	1272	0	0%	1272	100%	1366	0	0%	1366	100%
Female	2030	0	0%	2030	100%	2073	0	0%	2073	100%
Other than permanent	0	0	0	0	0%	0	0	0	0	0%
Male	0	0	0	0	0%	0	0	0	0	0%
Female	0	0	0	0	0%	0	0	0	0	0%

3. Details of remuneration/salary/wages, in the following format:

   a. Median remuneration / wages:

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	2	16,866,127	0	-
Key Managerial Personnel**	4	4,721,019	1	5,687,390
Employees other than BoD and KMP	5319	1,319,778	4517	1,023,698
Workers	1272	680,744	2030	643,724

*Excluding sitting fees paid for attending Board and Committee Meetings.

**Excluding MD & CEO

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Gross wages paid to females as % of total wages	38.34	38.02

4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Bank has designated focal points to handle issues in accordance with statutory guidelines. For instance, concerning sexual harassment in the workplace, the Bank has established an Internal Complaints Committee for women. All officers and employees are advised to reach out to the Presiding Officer of the Internal Committee in the event of any related complaints. The Bank promptly and discreetly investigates instances and/or complaints of sexual harassment and acts in accordance with the relevant guidelines of the act.

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Bank upholds compliance with various statutory requirements and strictly adheres to the grievance redress mechanism mandated by them. The Bank is compliant to various statutory requirements and adheres to the grievance redress mechanism mandated by them. It condemns and prohibits all forms of human right violations. The bank has POSH, Insider Trading Policies and vigil mechanism in place. Statutory requirements such as payment of minimum wages, PDS, Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 etc. that has more relevance in the Banking context is rigorously followed.

6 Number of Complaints on the following made by employees and workers:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed During the Year	Pending resolution at the end of year	Remarks
Sexual Harassment	7	0	NIL	0	0	NIL
Discrimination at workplace	0	0	NIL	0	0	NIL
Child Labour	0	0	NIL	0	0	NIL
Forced Labour/ Involuntary Labour	0	0	NIL	0	0	NIL
Wages	0	0	NIL	0	0	NIL
Other Human rights related issues	0	0	NIL	0	0	NIL

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	7	0
Complaints on POSH as a % of female employees / workers	0.15	0
Complaints on POSH upheld	2	0

8 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Bank maintains a zero-tolerance policy towards all forms of discrimination or harassment, ensuring comprehensive protection for the complainant against any adverse consequences. In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, the Bank has established an internal committee headed by Presiding Officer from a Senior level executive of the Bank. All officers and employees are encouraged to reach out to the Presiding Officer of the Internal Committee in case of any complaint. The Committee promptly and discreetly investigates instances and/or complaints of sexual harassment and acts in accordance with the prescribed guidelines of the act.

Similarly, the Bank's Public Disclosure System (PDS) or Whistle-blower policy condemns any form of harassment, discrimination, victimization or unfair practices directed towards whistle-blowers. Measures are in place to minimize the difficulties whistle-blowers may face as a result of disclosing information. The identity of the whistle-blower is kept confidential to the extent permitted under law. Additionally, any other employee assisting in the investigation process receives the same level of protection as the whistle-blower.

9 Do human rights requirements form part of your business agreements and contracts?

(Yes/No)

Yes. Human rights considerations are integrated into all contracts to ensure compliance with labour laws, codes, and other welfare acts.

10. Assessments of the year

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The Bank is in full compliance with the laws as applicable.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

There hasn't been a need to take corrective action towards addressing health and safety as no such incidents have been present.

Leadership Indicators

1 Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

The Bank views Human Rights as an inherent component of all its policies, with no instance requiring alteration of policies or processes to align with human rights and grievances. As an institution committed to professional integrity, the Bank places high importance on equal opportunity for all employees and endeavours to foster a discrimination-free environment. It strictly prohibits discrimination or harassment based on various factors including race, color, religion, social or ethnic origin, sex, age, disability, HIV status, sexual orientation, gender identity, marital status, family medical history or genetic information, and family or parental status. The Bank's code of conduct delineates guidelines aimed at fostering the right environment within the institution. Moreover, the Bank supports the ethical and professional development of its workforce through various training programs designed to enhance skills and promote a culture of integrity.

2 Details of the scope and coverage of any Human rights due-diligence conducted.

The Bank upholds the principle of Human Rights in all its dealings.

3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Most of the premises/Offices are working at the Ground floor and have ramp facility for differently abled employees and workers. ATM/CRM are provided with ramp facility wherever possible. Bank also has a practice of posting differently abled employees in a convenient branch which has adequate facilities.

4 Details on assessment of value chain partners

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Bank ensures compliance with all relevant laws, including those related to human rights, labor and welfare. Human rights considerations are integrated into all contracts, aligning with labor laws, codes and other welfare acts.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

During the period, no instances aroused which demanded a corrective action plan.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators:

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Current Financial Year) (Giga Joules)	FY 2022-23* (Previous Financial Year) (Giga Joules)
From renewable sources		
Total electricity consumption (A)	850.9	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	850.9	-
From non-renewable sources		
Total electricity consumption (D)	69,262.73	81,429.4
Total fuel consumption (E)	3,011.30	2,984.51
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	73,124.93	84,413.91
Total energy consumed (A+B+C+D+E+F)	73,124.93	84,413.91

Parameter	FY 2023-24 (Current Financial Year) (Giga Joules)	FY 2022-23* (Previous Financial Year) (Giga Joules)
Energy intensity per rupee of turnover (Total energy consumed/ revenue from operations in Cr.)	7.22	10.49
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	-	-
Energy intensity in terms of physical output	-	-
Energy intensity (optional) - per employee	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

*The values for FY2022-23 have been restated due to the change in scope and approach of the calculations. The restated values have been published in this report.

2 Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water Withdrawal by Source (In Kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	61,761.00	53,223.50
(iii) Third party water (tanker)	**-**	**-**
(iv) Seawater / desalinated water	-	-
(v) Water from municipal corporation	-	-
(vi) Water Bottles / Aquaguard (Ltr X number of bottle) (KL)	**-**	**-**
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	61,761.00	53,223.50
Total volume of water consumption (in kilolitres)	61,761.00	53,223.50
Water intensity per rupee of turnover (Total water consumption / Revenue from operations (in Cr.))	6.09	6.61
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) **(Total water consumption / Revenue from operations adjusted for PPP)**	-	-
Water intensity in terms of physical output	-	-
Water intensity (optional) – per employee	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

4. Provide the following details related to water discharged:

Parameter	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment	49408.80	42578.80
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**49408.80**	**42578.80**

5 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

NA

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx			
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)		NA	
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency			NA

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23* (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	TCO2e	202.89	201.08
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	TCO2e	15199.32	17,869.23
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations (in Cr.))		1.52	2.25
Total Scope 1 and Scope 2 emission intensity per rupee **of turnover adjusted for Purchasing Power Parity (PPP)** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)			
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-		
Total Scope 1 and Scope 2 emission intensity (optional) – per employee	-	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.			No

* The values for FY 2022-23 have been restated due to the change in scope and approach of the calculations. The restated values have been published in this report.

8 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

97.5% of Banks transactions were done digitally during the Financial Year. For FY 23-24 Bank has commissioned 75 KW Solar plant at two locations and 150 KW solar plant at two other location are ready for commissioning. Bank has issued circular to keep the Air conditioner temperature at Branches/Departments/ RO set to 24 Degree Celsius. Bank has issued circular to replace CFL lights with more energy efficient LED lights wherever there is a requirement of replacement. Bank has issued circular to use recycled papers to the extent possible.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	6.00 MT	-
E-waste (B)	3.10 MT	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	0.72 MT	-
Radioactive waste (F)	-	-

Parameter	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Other Hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil) . Please specify, if any. (G)- DG oil sludge	0.10 MT	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)- Food waste	3 MT	-
Total (A+B + C + D + E + F + G + H)	12.92 MT	-
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations (In Cr.))	0.001	-
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	3.10 MT	
(ii) Re-used	-	
(iii) Other recovery operations	-	
Total	3.10 MT	
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
(i) Incineration	-	
(ii) Landfilling	-	
(iii) Other disposal operations	9.82 MT	
Total	9.82 MT	
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		No

10 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

The Bank has arrangements with Self-helping groups for the collection and disposal of waste from office/ branches, who will segregate the bio degradable and non-bio-degradable waste separately. In cities, the collection of waste is handled by professional teams accredited from Pollution control board. Majority of the bio degradable waste generated are used for the manufacturing of manure. The reuse/Recycling of the waste material is limited due to the nature of the business. The paper scraps are used to sell, for recycling.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
NA			

12. Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
NA					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

SL No	Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The bank complies with all the applicable environmental laws.				

Leadership Indicators:

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): **NA**

   For each facility / plant located in areas of water stress, provide the following information:

   (i) Name of the area: NA

   (ii) Nature of operations: NA

(iii) Water withdrawal, consumption and discharge in the following format

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)	Since the bank is not involved in manufacturing operations, its water usage is limited to the purpose of human consumption only.	
(i) Into Surface water		
---No treatment		
---With treatment – please		
specify level of treatment		
(ii) Into Groundwater		
---No treatment		
---With treatment – please		
specify level of treatment		
(iii) Into Seawater		
---No treatment		
---With treatment – please		
specify level of treatment		
(iv) Sent to third-parties		
---No treatment		
---With treatment – please		
specify level of treatment		
(v) Others		
---No treatment		
---With treatment – please		
specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Bank does not measure Scope 3 emissions, however, plans to track the data in the upcoming financial year.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – per employee	Metric tonnes of CO2 equivalent/ employee		
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		No	

3 With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

NA

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. No	Initiative undertaken	Outcome of the initiative
1	LED Lights	The Bank has completed the replacement of CFL lights with more energy efficient LED lights at all bank own building. For leased premises, they have issued a circular to replace the old light fittings with LED light fittings whenever a replacement is occurring.
2	Digitisation	The Bank's consistent recognition in the top 10 Digital Transaction Achievement lists by MeitY (Ministry of Electronics & Information Technology) underscores the efficacy of their digital banking endeavours. The share of digital transaction of the Bank has grown to 97.5 per cent in the Financial Year 2023-24. The Bank has already enabled more than 250 processes through Robotic Process Automation (RPA) and are prepared to continue the automation endeavour in the upcoming years as well..

5 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Bank has developed a Business Continuity Policy for Information Systems to ensure continuation of critical business processes in the event of any business or information technology (IT) infrastructure failure, thereby minimizing the potential impact. It shall help reduce the impact of disruption, caused by disasters and security failures to an acceptable level through a combination of preventive and recovery measures.

Also the Bank formulated a DR Policy which provide a framework for the ongoing process of planning, developing and implementing disaster recovery management for IT Systems.

6 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard

NIL

7 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NA

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1	a.	Number of affiliations with trade and industry chambers/ associations.	As below
	b.	List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.	

SL No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State / National)
1	Indian Bank's Association (IBA)	National
2	Southern Indian Bank Staff College	Multiple Southern States
3	Indian Institute of Banking and Finance (IIBF)	National
4	National Institute of Bank Management (NIBM)	National
5	Foreign Exchange Dealers Association of India (FEDAI)	National
6	Federation of Indian Export Organisations (FIEO)	National
7	International Chamber of Commerce (ICC) India	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective actions taken
No adverse orders have been received from any regulatory authority w.r.t. anti-competitive conduct by the entity.		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

SL No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Bank is a member of IBA and actively provides feedback to the regulator through IBA. Representatives of the Bank has associated with various working groups of the regulator as well as industry bodies which will help in strengthening the Indian financial ecosystem.					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

SL No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA						

3 Describe the mechanisms to receive and redress grievances of the community.

The Bank has a grievance redressal policy to receive and address grievances from its stakeholders.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers Directly sourced within India	Not applicable owing to the nature of the business. As a financial institution, our inputs primarily consist of technological infrastructure, platforms, and services. Therefore, procurement options for an organization like ours are limited. However, considering our nationwide presence, Bank procure consumables such as stationery items from local suppliers in the vicinity of our branches.	

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	4.37	4.31
Semi-urban	27.40	27.64
Urban	53.05	53.10
Metropolitan	15.18	14.95

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NIL	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

SL No.	State	Aspirational District	Amount Spent (In Rs)
1	Kerala	Wayanad	20,00,000

3	(a)	Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)	The Bank being in the financial services sector, the procurement needs are limited. Daily consumables are sourced through local vendors at a fair price.
	(b)	From which marginalized / vulnerable groups do you procure?	
	(c)	What percentage of total procurement (by value) does it constitute?	

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
NA				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
NA		

6. Details of beneficiaries of CSR Projects:

Sl No.	CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Education	4,90,985	Majority of the programs serve the vulnerable and marginalized group. More than 70.11 % of the beneficiaries were from marginalized groups.
2	Gender Equality	1,27,454	
3	Health Care	12,84,359	
4	Promoting Sports	701	
5	Environmental Sustainability	10,000	

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Bank follows a three-tier complaint management system. The customer Care is the designated point of receipt of all complaints. Complaints received through all channels (namely calls/emails/letters, regulators, Bank's Web based Grievance Redress Management System [WebGRM], walk-in customers etc.) are incorporated in Bank's Centralised Complaint Management System. From here, these are assigned to and dealt by SPOC at various stake holder departments. Any complainant who is not satisfied with the response provided at Tier 1 has the option to escalate the complaint to Bank's Nodal and Principal Nodal Officers [Tiers 2 and 3 respectively]. Bank rejects complaints only with the concurrence of Internal Ombudsman as stipulated in Internal Ombudsman Scheme, 2021.

2 Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

Particulars	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	23	0	NIL	10	0	NIL
Advertising	0	0	NIL	0	0	NIL
Cyber-security	2686	503	Sum total of all unauthorized transaction complaints dealt by Bank's Banking Operation Group and complaints tagged under the category Fraud / FRM Block among Internet Banking / Mobile Banking related complaints. Complaints pending are only the unauthorized transactions with higher TAT of 90 days.	1036	228	Sum total of all unauthorized transaction complaints dealt at Bank's Banking Operations Group & Complaints tagged under the category [Fraud / FRM Block among Internet Banking / Mobile Banking related complaints] Complaints pending are only the unauthorized transactions with higher TAT of 90 days.

Particulars	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Delivery of Services	0	0	NIL	0	0	NIL
Quality of Services	0	0	NIL	0	0	NIL
Restrictive Trade Practices	0	0	NIL	0	0	NIL
Unfair Trade Practices	3	0	NIL	17	0	NIL
Other	33946	325	Other complaints include service quality, staff behaviour, technology and credit related complaints.	42000	630	Other complaints include service quality, staff behaviour, technology and credit related complaints.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	
Forced recalls		

5 Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. In order to provide guidelines for cyber security and data privacy for the employees of the Bank, a Board approved Cyber Security policy and Information System Security Policy is in place. The purpose of the Cyber Security Policy is to set the guiding principles for establishing cyber security of the information systems and to provide proactive and timely response to potential and emerging cyber-attacks / threats. The purpose of Information System Security policy is to provide a framework to ensure the protection of Bank's information assets, and to allow the use, access and disclosure of such information in accordance with appropriate standards, laws and regulations. Also, Cyber Crisis Management Plan (CCMP) is in place, to provide the requisite strategy, direction and roadmap towards cyber threat mitigation. IT Departments and CISO Office are ISO 27001 certified for the implementation of Information Security Management System (ISMS). Privacy Policy for customers is available in website: https://www.southindianbank.com/content/privacy-policy/289

6 Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

In order to provide guidelines for cyber security and data privacy for the employees of the Bank, a Board approved Cyber Security policy and Information System Security Policy is in place. Also, Cyber Crisis Management Plan (CCMP) is in place, to provide the requisite strategy, direction and roadmap towards cyber threat mitigation. IT Department and CISO Office are ISO 27001 certified for the implementation of Information Security Management System (ISMS). In order to consider cyber security from the bank-wide perspective, a steering committee

of executives known as Information Security Committee is formed with formal terms of reference. The Chief Information Security Officer (CISO) is the member secretary of the committee. The committee serves as an effective communication channel for management's cyber security aims and directions.

The Bank has a fully operational Security Operation Centre (SOC) and network & end point security devices to monitor any security incident and to take appropriate actions. SOC is operational on a 24 X 7 basis. The Bank is using several monitoring tools for identifying, monitoring, recording and analysing security events or incidents within the real-time IT environment. Employees are updated with the latest security threats and the best security practices. In order to ensure continuous awareness on best cyber security practices and cyber security risks, a dedicated internal web portal to disseminate relevant security information has been set up and it is accessible to all employees.

The Bank provides cyber security awareness to its customers on a continuous basis through various channels like SMS/ Email/Website/ Social media, etc. Cyber Jagrookta (Awareness) Diwas is observed on the first Wednesday of every Month as advised by the Ministry of Home Affairs, Government of India to create awareness for prevention of cybercrimes.

7 Provide the following information relating to data breaches:

a. Number of instances of data breaches
0

b. Percentage of data breaches involving personally identifiable information of customers
NA

c. Impact, if any, of the data breaches
NA

Leadership Indicators

1 Channels / Platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information on products offered by the Bank is available in the Bank's official website www.southindianbank.com and can be assessed under the weblink https://www.southindianbank.com/content/personal-banking/loans/12

The details of Bank's credit products are available in Bank's social media platforms like Facebook, Instagram, X, LinkedIn and YouTube.

The features of the products are made available in the Bank's internet banking and mobile banking solutions.

Also, via Segmented Campaigns (Mailers/ SMS), Performance Campaigns (Google, Meta etc.), FM Radio, Theatre, Out of Home channels, etc. the information of credit products are made available in the public domain.

2 Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Bank through its website provides information about safe and responsible banking and /or use of banking services to all its customers. Bank uses E-mail, SMS, Social Media, Direct interactions, Pamphlets, notices to educate consumer about the safe and responsible usage of products and services. In the Financial Literacy centres allotted to the Bank, monthly camps are conducted by Bank's appointed Financial Literacy counsellors to educate consumers about safe and responsible usage of credit products. Segmented mailer campaigns are conducted to educate the consumers to reduce the cyber risk and loan scams.

3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services

Information about disruption of essential services are mentioned on the Bank's website as well as communicated to customers through email/ SMS.

4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Details of product parameters like interest rate etc. are displayed on the website. Further, details of interest rate on credit and savings products are displayed in the branches. The Bank complies with all disclosure norms as required by RBI.

REPORT ON CORPORATE GOVERNANCE

In terms of Regulation 34(3) read with Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a Report on Corporate Governance for the year ended March 31, 2024 is presented below:

Bank's Philosophy on Code of Governance:

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

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

The required details on Corporate Governance are given hereunder:

1. BOARD OF DIRECTORS

The Board of Directors of the Bank is broad based and varied in terms of experience of the members of the Board. The Board has been constituted in compliance with the Banking Regulation Act, 1949, the Companies Act, 2013, the relevant rules made there under, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), the guidelines issued by the Reserve Bank of India (RBI) in this regard, the Articles of Association of the Bank and in accordance with best practices in Corporate Governance. The Board of Directors of the Bank has an optimum combination of Executive and Non-Executive Directors with one Woman Director. The Chairperson of the Board is a Non-Executive Independent Director. The Board functions either as a full Board or through various Committees constituted to oversee specific areas. Policy formulation, setting up of goals and risk appetite/ limits, evaluation of performance and control functions vest with the Board. The Committees have oversight of operational issues assigned to them by the Board. The Board of Directors/ Committees of the Board periodically reviews compliance reports pertaining to major laws applicable to the Bank. All statutory and other matters of significance including information as mentioned in Part A of Schedule II to the Listing Regulations are informed to the Board to enable it to discharge its responsibility of strategic supervision of the Bank.

Composition of Board

The Board comprises of 8 Directors as on March 31, 2024, 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, 2024 are given below:

Sl. No	Name of Director	Category of Director	No. of Meetings		Attendance of last AGM held on 24.08.2023	No.of Shares held	% of holding
			Held During the year	Attended			
1	Sri. V J Kurian#	INE (Chairman)	15	15	Present	Nil	Nil
2	Sri. Salim Gangadharan*	INE (Chairman)	8	8	Present	NA	NA
3	Sri. P R Seshadri##	Managing Director (Executive)	8	8	Appointed after the AGM	Nil	Nil
4	Sri. Murali Ramakrishnan**	Managing Director (Executive)	7	7	Present	NA	NA
5	Sri. M George Korah	INE	15	15	Present	Nil	Nil
6	Sri. Pradeep M Godbole	INE	15	15	Present	Nil	Nil
7	Sri. Paul Antony	NE	15	15	Present	17,970	0.001%
8	Sri. R A Sankara Narayanan	INE	15	15	Present	Nil	Nil
9	Smt. Radha Unni***	INE	9	9	Present	NA	NA
10	Sri. Benny P Thomas	NE	15	15	Present	2,500	0.0001%
11	Smt. Lakshmi Ramakrishna Srinivas###	INE	7	7	Appointed after the AGM	Nil	Nil

NE – Non-Executive Director

INE – Independent Non-Executive Director.

* Sri. Salim Gangadharan (DIN: 06796232) Chairman & Independent Director of the Bank, retired from the directorship of the Bank from November 1, 2023, upon completion of his term of office.

** Sri. Murali Ramakrishnan (DIN: 01028298) Managing Director & CEO of the Bank, retired from the directorship of the Bank from September 30, 2023, upon completion of his term of office.

*** Smt. Radha Unni (DIN: 03242769) retired from the directorship of the Bank from December 3, 2023, upon completion of her term of office.

Sri. V J Kurian (DIN: 01806859), Independent Director was appointed as Part-Time Chairman (Independent Director) of the Bank from November 2, 2023.

Sri. P R Seshadri (DIN: 07820690) was appointed as Managing Director and Chief Executive Officer of the Bank from October 1, 2023 by the Board of Directors at their meeting held on September 29, 2023. Further shareholders accorded their approval for the same on December 24, 2023 by way of Postal Ballot.

Smt. Lakshmi Ramakrishna Srinivas (DIN: 10365580) was appointed as Additional Independent Director of the Bank from November 20, 2023 by the Board of Directors at their meeting held on November 20, 2023. Further shareholders accorded their approval for her appointment as Non-Executive Independent Director of the Bank on December 24, 2023 by way of Postal Ballot.

During the year under review, the Board and its committees were re-constituted three times on 01-10-2023, 02-11-2023 & 04-12-2023.

List of core Skills/ Expertise/ 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 and 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 Skills, Expertise and Competence
1	Sri. V J Kurian	Economics, Business Management and Agriculture & Rural Economy
2	Sri. P R Seshadri	Banking
4	Sri. M George Korah	Accountancy and Finance
5	Sri. Pradeep M Godbole	IT and Payment & Settlement systems
6	Sri. Paul Antony	SSI/Cooperation/ Economic and Business Management
7	Sri. R A Sankara Narayanan	Banking, Treasury, Finance, Risk Management and Human Resource
9	Sri. Benny P Thomas	Law
8	Smt. Lakshmi Ramakrishna Srinivas	Finance, Banking and Human Resource

PROFILE OF BOARD OF DIRECTORS

The profile of the Directors of the Bank as on March 31, 2024 is as under:

Sri. V J Kurian, aged 67 years, is a Part time Chairman and Non-Executive Independent Director of the Bank. He retired from Indian Administrative Services (IAS) of 1983 batch in Kerala cadre as Additional Chief Secretary, Water Resources. During the tenure of services, Sri. Kurian held positions of Managing director in various companies for a total period of 23 years. Previously Sri. Kurian served as the Managing Director of Cochin International Airport Ltd. and was Director of CIAL Infrastructure Limited, CIAL Duty free and Retail Services Limited, Air Kerala International Services Limited, Cochin International Aviation Services Limited, Kerala Waterways Infrastructures Limited and Kerala Infrastructure Fund Management Limited. He was also director of Kerala Irrigation Infrastructure Development Corporation Limited, Flavourit Spices Trading Limited, Kochi Metro Rail Limited, Kannur International Airport Limited, Cochin Smart Mission Limited. Presently, he is engaged in agricultural activity on a full time basis after his retirement from CIAL as Managing Director in June, 2021. During his service period also, he used to engage in farming, in about 10 acres of agricultural land inherited to him. His experience as Director of the Kerala Irrigation Infrastructure Development Corporation Limited and as Chairman of Spices Board, Ministry of Commerce & Industry, Government of India helped him to learn more about the agricultural activity. Presently he is not a director in any other Public Limited Company. Sri. V J Kurian holds no shares of the Bank as on March 31, 2024.

Sri. P R Seshadri, aged 61 years, is the MD & CEO of the Bank. He holds a Bachelor's degree in Electrical Engineering from the Delhi College of Engineering and a Post Graduate Diploma in Management from Indian Institute of Management, Bangalore. He has served as, amongst other positions as, Managing Director & CEO of The Karur Vysya Bank Limited (KVB), Managing Director & Regional Sales and Distribution Head, Citibank N.A., Asia Pacific, Singapore, Managing Director & Regional Head of Lending, Businesses, Citibank N.A., Asia Pacific, Singapore, Managing Director CitiFinancial Consumer Finance India Limited (CCFIL), India, Marketing Director, Citibank N.A, India Branches, head of Structured Finance & Managing Director, CFRSIL & Integration Manager -

Associates India Limited, head of Banking Collections, Citibank N.A, India, Head of Automobile Finance -Northern India, head of Community Banking, Northern India, and Mortgage Business, head – Southern India, Citi India. Presently he is director of SIB Operations and Services Limited (wholly owned subsidiary of the Bank) also. Sri. P R Seshadri holds no shares of the Bank as on March 31, 2024.

Sri. M George Korah, aged 64 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). 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, 2024.

Sri. Pradeep M Godbole, aged 59 years, is a Non-Executive Independent Director of the Bank. He is a Chartered Accountant having over 30 years of Banking, Technology, Consulting, Auditing, Accounting and Management experience. He has held Senior Consulting positions at Big 4 consulting firm - Ernst & Young; IT organizations such as Oracle Financial Services Software (OFSS) & Wipro and Banks like Deutsche Bank. He has executed large risk management & compliance, business and technology projects for top tier BFS organization across the world. Sri. Godbole is currently working on capability building initiatives and is a guest faculty at the Institute of Chartered Accountants of India (ICAI). Sri. Godbole is also a speaker at professional events and seminars. Presently he is a Director of Riskintellect Solutions Private Limited, Risk and Compliance Professional Association (a Not-for-Profit Organization), and an Independent Director of Belief Impex Private Limited. He is not a Director in any other Public Limited Company. Sri. Pradeep M Godbole holds no shares of the Bank as on March 31, 2024.

Sri. Paul Antony, aged 66 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 Government 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 and additional Director in Malabar Sports and Recreation Foundation. Further he is also Independent External Monitor of Goa Shipyard Ltd and M/s KIOCL Limited. He is not a Director in any other Public Limited Company. Sri. Paul Antony holds 17,970 shares of the Bank as on March 31, 2024.

Sri. R A Sankara Narayanan, aged 64 years, is a Non-Executive Independent Director of the Bank. He started his banking career with Bank of India in 1983 and has supervised various branches, zones and national banking groups across the country. He has headed several departments in the corporate offices, including treasury, retail, international banking, corporate credit, risk management, compliance, retail, marketing, recovery and human resources and had also been a part of overseas assignments in Tokyo and Singapore. He was the Executive Director of Bank of India and has been appointed as Managing Director and Chief Executive Officer of Vijaya Bank in September 2017. He has been designated as the MD and CEO of Canara Bank w.e.f. April 1, 2019 till his superannuation in January, 2020. Presently he is a Director in Centrum Capital Limited, Centrum Wealth Limited, Sri. Kanchi Kamakoti Peetam Charitable Trust (SKKPCT), Vishwa Vidya Scholarship Scheme (under SPCT) and Sri. Chandrasekharendra Saraswathi Viswa Mahavidyalaya (SCSVMV) (Deemed to be University), on behalf of SKKPCT in Board. Further he is acting as Independent Member- Fund Trustee and Advisory Commission (FTAC) of Kerala Infrastructure Investment Fund Board (KIIFB). He is not a Director in any other Public Limited Company. Sri. R A Sankara Narayanan holds no shares of the Bank as on March 31, 2024.

Sri. Benny P Thomas, aged 61 years, is a Non-Executive Director of the Bank, who has started his career as a lawyer and enrolled at the Bar in the year 1988. He initiated his practice in the stream of Civil Law and later gained substantial depth in Labour law providing professional legal services to companies including big corporates. He now heads M/s Thomas & Thomas Advocates, 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. Presently he is director of SIB Operations and Services Ltd (wholly owned subsidiary of the Bank). He is not a Director in any other Public Limited Company. Sri. Benny P Thomas holds 2,500 Shares of the Bank as on March 31, 2024.

Smt. Lakshmi Ramakrishna Srinivas, aged 61 years, is a Non- Executive Independent Director of the Bank. She is a Seasoned banker with extensive work experience of over 38 years in State Bank of India, in various capacities. She holds BA (Hons), MA, CAIIB-Part-I. She started her banking career as a probationary officer of State Bank of India in 1985 and has superannuated as Chief General Manager & Head-Strategic Training Unit in June, 2023. During the tenure in SBI, she has held assignments in all aspects of banking with specialization in Credit Management (Corporate and Retail) and Strategic training. She is not a Director in any other Public Limited Company. Smt. Lakshmi Ramakrishna Srinivas holds no shares of the Bank as on March 31, 2024.

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-training-register/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, 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. 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.
23. Any material default in financial obligations to by the Bank and non-compliance of any regulatory, statutory or listing requirements.
24. Review of Employee grievance redressal systems/ disciplinary proceedings against Officers/ Employees.
25. Review/Approval of new tie up with exchange houses/ MTSS arrangements/ Correspondent banks.
26. Review of report on compliance risk assessment on quarterly basis.
27. Review on quarterly certificate on compliance for RBI directions.
28. 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.
29. 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.
30. Any other agenda items which are not specifically delegated by the Board to any other Committees/ sub-Committees.
31. Review of all reports as per the Calendar of Reviews stipulated by the RBI from time to time.
32. Delegation/modification of authority/power entrusted to the Board and change in Organisational structure of the Bank.
33. All relevant information for taking informed decisions in respect of matters brought before the Board.
34. 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.
35. Review the implementation of Environmental, Social and Governance (ESG) Framework of the Bank.
36. Approval of Annual IT Budget.
37. OTS proposals within the discretionary powers of Board.
38. Review of compromise settlements approved by various functionaries/committees on Quarterly basis.
39. Review of one time settlements sanctioned by MD & CEO, C-I Recovery Committee & MCB during each quarter.
40. Status report on recovery position/details of structured meetings held with ARC's in NPA accounts sold to Asset Reconstruction Companies (ARCs) where bank has invested in Security Receipts (SR) backed by stressed asset sold on quarterly basis.
41. Review of Technical Write Off done during the Quarter.

Board Meetings

A total of 15 Board Meetings were held during the period April 1, 2023 to March 31, 2024, of which the gap between two Meetings did not exceeded one hundred and twenty days and the dates are as under:

11-04-2023	11-05-2023	31-05-2023	20-07-2023	31-07-2023
24-08-2023	27-09-2023	19-10-2023	20-11-2023	14-12-2023
27-12-2023	18-01-2024	21-02-2024	16-03-2024	27-03-2024

Committee position of Directors in the Bank as on March 31, 2024:

The name of each Committee with the name of its respective Chairperson as on March 31, 2024 is furnished below:

Sl. No.	Name of Committee	Chairperson
1	Management Committee	Sri. V J Kurian
2	Audit Committee	Sri. M George Korah
3	NPA Review Committee	Sri. Paul Antony
4	Nomination & Remuneration Committee	Smt. Lakshmi Ramakrishna Srinivas
5	Customer Service Committee	Sri. Pradeep M Godbole
6	Stakeholders Relationship Committee	Sri. Benny P Thomas
7	Special Committee of Board for Monitoring and follow-up of Frauds	Sri. P R Seshadri
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. Paul Antony
12	Capital Planning & Infusion Committee	Sri. V J Kurian
13	Committee of Independent Directors	

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

a. None of the Directors of the Bank were members in more than ten committees or act as chairperson of more than five committees across all listed entities in which she/he is a director.

b. None of the Independent Directors of the Bank held directorship in more than seven Listed Companies.

c. Whole Time Directors of the Bank is not serving as an Independent Director in any other Listed Companies.

d. None of the Directors of the Bank is related to any Director of the Bank.

e. The Independent directors fulfil the conditions specified in these regulations and are independent of the management.

Directorship of Directors in other Public Limited Companies and Listed entities as on March 31, 2024

Name of the Director	Name of the Company (Directorship in other Indian Public Limited Companies)	Category of Directorship	Name of Committees in other listed entities	Chairman/ Member in other listed entities
Sri. P R Seshadri	SIB Operations and Services Limited	Director	Nil	Nil
Sri. M George Korah	SIB Operation and Services Limited	Director	Nil	Nil
Sri. R A Sankara Narayanan	Centrum Wealth Limited	Independent director	Audit Committee	Member
	Centrum Capital Limited	Independent director	Nil	Nil
Sri. Paul Antony	Kerala State Industrial Development Corporation Limited	Director	Nil	Nil
Sri. Benny P Thomas	SIB Operations and Services Limited	Director	Nil	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 the Board has been constituted based on RBI guidelines vide its circular No. DBOD. No.BP. BC.96/21.03.038/2004-05 dated 10th June, 2005 essentially to sanction credit proposals beyond the powers of MD & CEO, Executive level Credit Committees and all other operational matters permitted by the Board from time to time.

The terms of reference of the committee inter-alia, include the following:

1. Consider all credit proposals, beyond the powers of Managing Director and 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 crores to less than ₹ 25.00 crores (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. Payment of compensation in consumer cases (above ₹1,00,000/-).
26. Acquisition of Fixed Assets (Non-IT related).
27. Awarding of Contracts/Appointment of Architects and Engineers for building construction/renovation etc. where the expenditure exceeds the delegated powers.
28. For incurring any Revenue or Capital Expenditure pertaining to the department in excess of the delegated powers.

29. Ratification Note for exceeding of various limits fixed as per Forex Policy.
30. Equity Trading (Monthly).
31. Investment in Equity shares in the secondary market.
32. Statement of Structural Liquidity & Statement of Interest Rate Sensitivity (Monthly).
33. Statement of Interest Rate Sensitivity (Monthly).
34. Prob. Impact of rise in yields on market value of Central Government Securities & Trading Book Investments (Monthly).
35. Report on Country Risk (Monthly).
36. Report of VaR of Central Government Securities in AFS & HFT category (Trading Book) & of Currencies (Monthly).
37. Exposure Monitoring (Monthly).
38. Monitoring of excess CRR (Quarterly).
39. Review of Debit/Credit/Travel Cards (Half yearly).
40. Review of performance of MasterCard debit card operations (Quarterly).
41. Fresh purchases, AMC (Annual Maintenance Contract) and other IT related expenses – beyond the delegated powers of HO Executives.
42. Review of duplicate share certificates issued in Lieu of original Share Certificates Lost/Misplaced.
43. Selection of centers for opening of new branches as part of branch expansion plan.
44. Any other items which may be required to be placed as per the Policy of the Bank and as may be permitted by the Board/Committee from time to time.
45. Staff accountability review in NPA accounts with GNPA of ₹5.00 crores and above (Quarterly).
46. Approval/Review of IT Budget.
47. Financial approvals for IT projects as per the recommendation from IT Strategy Committee of Board.
48. Any other items which may be permitted by the Board from time to time

The Composition and details of the meetings of the Management Committee of Directors attended by the Members during the financial year 2023-24, are given below:

Name of Director	Chairperson/ Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. V J Kurian#	Chairperson	Non-Executive Independent director	5	5
Sri. Salim Gangadharan*	Chairperson	Non-Executive Independent director	7	7
Sri. P R Seshadri##	Member	Managing Director	6	6
Sri. Murali Ramakrishnan**	Member	Managing Director	6	6
Sri. Pradeep M Godbole***	Member	Non-Executive Independent director	8	8
Sri. Paul Antony	Member	Non-Executive Non-Independent director	12	12
Sri. R A Sankara Narayanan	Member	Non-Executive Independent director	12	12
Smt. Lakshmi Ramakrishna Srinivas###	Member	Non-Executive Independent director	4	4
Smt. Radha Unni****	Member	Non-Executive Independent director	8	7

Inducted to the Committee w.e.f November 2, 2023.
Inducted to the Committee w.e.f October 1, 2023.
Inducted to the Committee w.e.f December 4, 2023.
*Ceased to be a member w.e.f. November 1, 2023.
**Ceased to be a member w.e.f. September 30, 2023
***Ceased to be a member w.e.f. December 3, 2023
****Ceased to be a member w.e.f. December 3, 2023

A total of 12 meetings were held during the period. The dates of meetings were:

10-05-2023	06-06-2023	23-06-2023	19-07-2023	23-08-2023
26-09-2023	28-10-2023	21-11-2023	19-12-2023	17-01-2024
23-02-2024	25-03-2024			

(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, 2024 are Sri. Pradeep M Godbole, Sri. R A Sankara Narayanan and Smt. Lakshmi Ramakrishna Srinivas. All the members of the Audit Committee are Independent Directors.

The terms of reference of Audit Committee, harmonized with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Companies Act, 2013, and the responsibilities enjoined upon by the RBI, inter-alia includes the following;

1. Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, adequate and credible.
2. Recommending to the Board, the appointment, reappointment and terms of appointment of auditors or, if required, the replacement of the statutory auditor together with the fixation of audit fees and approval of payment for any other services rendered by the statutory auditors.
3. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
4. Reviewing, with management the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:
    a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    b) changes, if any, in accounting policies and practices and reasons for the same;
    c) major accounting entries involving estimates based on the exercise of judgment by management;
    d) significant adjustments made in the financial statements arising out of audit findings;
    e) compliance with listing and other legal requirements relating to financial statements;
    f) disclosure of any related party transactions;
    g) modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
6. Valuation of undertakings or assets of the company, wherever it is necessary.
7. Review, with the management, the quarterly financial statements before submission to the board for approval.
8. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
9. Management letters/letters of internal control weaknesses issued by the statutory auditors.
10. Review of quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) & Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
11. Evaluation of Internal Financial Controls and Risk Management System including reviewing the adequacy of the Audit and Compliance functions, including their policies, procedures, techniques and other regulatory requirements.
12. Review, as far as the situation necessitates all other finding in the audit reports (along with brief details of special reports) including Risk based internal Audit Reports, Credit audit reports, management audit reports of head office departments and regional offices, concurrent audit reports, surprise inspection

reports and gold asset verification reports.

13. Monitoring the end use of funds raised through public offers and related matters.
14. Review with the management, the financial statement, review and monitor the performance of statutory and internal auditors, adequacy of the internal control systems.
15. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit and discussion with internal auditors of any significant findings and follow up there on.
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
17. Management discussion and analysis of financial condition and results of operations.
18. Internal audit reports relating to internal control weaknesses; and the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
19. To review the functioning of the whistle blower mechanism;
20. Approval or any subsequent modification of transactions of the company with related parties and review of statement of significant related party transactions (as defined by the audit committee), submitted by management;
21. The appointment, removal and terms of remuneration of the chief internal auditor.
22. Review Ind AS Pro-forma Financial Statements.
23. Opening of internal office accounts/GL opened during the quarter.
24. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
25. Scrutiny of inter-corporate loans and investments.
26. Recommend the appointment of Chief Financial Officer, Chief Risk Officer, Chief Compliance Officer and Head of Internal audit and Chief of internal Vigilance Officer, after assessing the qualifications, experience and background etc. of the candidate.
27. Review of report on compliance risk assessment on quarterly basis
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 Government/ Quasi Government/regulatory authority with its implication and action taken.
31. Monitoring the Concurrent Audit function and internal audit of all outsourced activities.
32. 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.
33. 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.
34. Valuation of undertakings or assets of the Bank, wherever it is necessary;
35. 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.
36. 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.
37. Review the performance of Chief Compliance Officer and Head of Internal audit and Chief of internal Vigilance Officer.
38. 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.
39. 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.

The Composition and details of the meetings of the Audit Committee of Directors attended by the Members during the financial year 2023-24, are given below:

Name of Director	Chairperson/ Member	Category	No of Meetings	
			Held during the tenure	Attended
Sri. M George Korah	Chairperson	Independent Non- Executive Director	12	12
Sri. Pradeep M Godbole	Member	Independent Non-Executive Director	12	12
Sri. R A Sankara Narayanan	Member	Independent Non- Executive Director	12	12
Smt. Lakshmi Ramakrishna Srinivas#	Member	Independent Non-Executive Director	3	3
Smt. Radha Unni*	Member	Independent Non- Executive Director	9	9

#Inducted to the Committee w.e.f December 4, 2023

*Ceased to be a member w.e.f. December 3, 2023

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

28-04-2023	11-05-2023	21-06-2023	20-07-2023	09-08-2023
14-09-2023	19-10-2023	07-11-2023	28-11-2023	18-01-2024
21-02-2024	26-03-2024			

(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, KMPs, performance evaluation criteria for independent directors, to oversee the framing, review and implementation of compensation policy of the Bank on behalf of the Board and remuneration related matters of the Directors, KMPs and Employees, etc. The Committee is chaired by Smt. Lakshmi Ramakrishna Srinivas, Non-Executive Independent Director. The other Members of the Committee as on March 31, 2024 are Sri. V J Kurian, Sri. M George Korah and Sri. Benny P Thomas.

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 interalia, 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 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.
9. 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.
10. 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.

11. 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.
12. 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.
13. 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.
14. 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.
15. Any other matters regarding remuneration to WTDs/ MD & CEO and other staffs of the Bank as and when permitted by the Board.
16. To conduct the annual review of the Compensation Policy and all other policies related to the functioning of HR department and to submit recommendations to Board.
17. To fulfil such other powers and duties as may be delegated to it by the Board.
18. To review HR Strategy aligning with business strategy of the Bank.
19. To review the skill gaps and talent pool creation.
20. To do any other matters regarding remuneration to whole-time directors/ non-executive directors /part-time chairman, Chief Executive Officers / Material Risk Takers (MRTs) and employees (risk control and compliance staff and all other categories of staff) of the Bank including signing/ joining bonus occurring in the context of hiring new staff and be limited to first year, in the form of share-linked instruments only, as and when permitted by the Board. Such bonus will neither be considered part of fixed pay nor part of variable pay.
21. 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.

The Composition and details of the meetings of Nomination & Remuneration Committee of Directors attended by the Members during the financial year 2023-24, are given below:

Name of Director	Chairperson/ Member	Category	No. of Meetings	
			Held during the tenure	Attended
Smt. Lakshmi Ramakrishna Srinivas #	Chairperson	Independent Non-Executive Director	6	6
Sri. Salim Gangadharan*	Member	Independent Non-Executive Director	5	5
Sri. V J Kurian	Chairperson/ Member@	Independent Non-Executive Director	11	11
Sri. M. George Korah	Member	Independent Non-Executive Director	11	11
Sri. Benny P Thomas##	Member	Non- Independent Non-Executive Director	6	6

#Inducted to the committee w.e.f December 4, 2023 and designated as Chairperson

##Inducted to the committee w.e.f December 4, 2023

@ Sri. V J Kurian was Chairperson and re-designated as a member w.e.f November 2, 2023.

*Ceased to be a member w.e.f November 1, 2023.

Smt. Radha Unni, Independent Non-Executive Director was inducted to the committee and designated as Chairperson w.e.f November 2, 2023 and ceased to be a member w.e.f December 3, 2023. During her tenure as member no meetings were conducted.

The Nomination and Remuneration Committee met 11 times during the period. The dates of meetings were:

11-05-2023	31-05-2023	28-07-2023	27-09-2023	28-10-2023
14-12-2023	27-12-2023	17-01-2024	21-02-2024	07-03-2024
27-03-2024				

D) NPA REVIEW COMMITTEE

This Committee has been constituted to review all NPA Accounts above ₹15.00 crore. The Committee meets once in a quarter. The Committee is chaired by Sri. Paul Antony and consists of Sri. P R Seshadri, Sri. M George Korah, Sri. Pradeep M Godbole, Sri. R A Sankara Narayanan and Sri. Benny P Thomas, as members as on March 31, 2024.

The terms of reference of the committee inter-alia, include the following:

1. Quarterly Review of NPA Position of the Bank.
2. Quarterly Review of NPA accounts with balance ₹1500 lakhs and above and NPIs with balance ₹500 lakhs 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.
5. Quarterly Review of top 100 NPA accounts below ₹1500 lakhs (SS/Doubtful/Loss) (25 each quarter)

The Composition and details of the meetings of NPA Review Committee of Directors attended by the Members during the financial year 2023-24, are given below:

Name of Director	Chairperson/ Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. Paul Antony	Chairperson	Non-Executive Non-Independent director	4	4
Sri. P R Seshadri#	Member	Managing Director	2	2
Sri. Murali Ramakrishnan*	Member	Managing Director	2	2
Sri. M. George Korah	Member	Non-Executive Independent director	4	4
Sri. Pradeep M Godbole.##	Member	Non-Executive Independent director	1	1
Sri. R A Sankara Narayanan	Member	Non-Executive Independent director	4	4
Smt. Radha Unni**	Member	Non-Executive Independent director	3	3
Sri. Benny P Thomas	Member	Non-Executive Non-Independent director	4	4

#Inducted to the committee w.e.f October 1, 2023.

##Inducted to the committee w.e.f December 4, 2023.

*Ceased to be a member w.e.f September 30, 2023.

**Ceased to be a member w.e.f December 3, 2023.

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

23-06-2023	23-08-2023	29-11-2023	16-03-2024

(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 Sri. Pradeep M Godbole and consists of Sri. P R Seshadri, Sri. Paul Antony and Smt. Lakshmi Ramakrishna Srinivas as members as on March 31, 2024.

Besides, in accordance with RBI guidelines, the Bank has been inviting special invitees, representing the customers of the Bank and/or expert in customer services, with a view to strengthen the corporate governance structure in the banking system and also to bring about ongoing improvements in the quality of customer services provided by the Bank.

The Terms of Reference of the Committee Inter-Alia, Include the Following:

1. Review & recommend to the Board various policies which inter-alia includes:
   a) Any new policy formulated with regard to customer service as and when directed by the Board.
   b) Bank's policies on Deposits, Grievance Redressal, Cheque Collection, Dishonor of cheque, Customer Education, Rights, Compensation & Protection.
   c) In addition, Bank's Policy on New Product / Procedure Approval Process is also reviewed annually by the committee.
2. Review & Recommend Bank's policy on New Product / Procedure Approval Process.
3. To review performance of Branch Level Customer Service Committee (BLCSC).
4. Reviewing the metrics and indicators that provide information on the state of customer services in the Bank;
5. Reviewing the action taken/being taken by the Bank to standardize the delivery of customer experience across all branches.

6. Providing inputs on the products introduced by the Bank with a view to ensure suitability and appropriateness.
7. Monitoring the implementation of the Integrated Ombudsman Scheme with particular reference to:
   i. Reviewing all the awards against the Bank with a focus on identifying issues of systemic deficiencies and the Bank's plan to address these deficiencies.
   ii. Reviewing all awards that remain unimplemented after 3 months from the date of the award with the reasons thereof; to report to the Board such delays in implementation without valid reasons and for initiating remedial action
8. Monitoring the activities of the Standing Committee on Customer Service (Executive level committee) on a quarterly basis.
9. To review the business transacted through E-commerce/M-commerce aggregators.
10. To review of downtime of all digital channels for the quarter.
11. To ensure implementation of the directives issued by the RBI, from time to time, with respect to rendering services to customers of the Bank.
12. Status/action taken report on the observations of the earlier Committee meetings.
13. To review cases of dispute between the Bank and Internal Ombudsman where the final decision is taken by MD & CEO.
14. Review the performance / functioning of Office of Internal Ombudsman on a quarterly basis.
15. Review of progress of implementation of door step banking process.
16. Review of Annual survey of depositor satisfaction.
17. Review the Tri-enniel audit of services.

The Composition and details of the meetings of Customer Service Committee of Directors attended by the Members during the financial year 2023-24, are given below.

Name of Director	Chairperson/ Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. Pradeep M Godbole	Chairperson/ Member@	Non-Executive Independent director	4	4
Smt. Radha Unni*	Chairperson	Non-Executive Independent director	3	3
Sri. P R Seshadri#	Member	Managing Director	2	2
Sri. Murali Ramakrishnan**	Member	Managing Director	2	2
Sri. Paul Antony	Member	Non-Executive Non-Independent director	4	4
Smt. Lakshmi Ramakrishna Srinivas##	Member	Non-Executive Independent director	1	1

#Inducted to the committee w.e.f October 1, 2023.

##Inducted to the committee w.e.f December 4, 2023.

*Ceased to be a member w.e.f December 3, 2023.

**Ceased to be a member w.e.f September 30, 2023.

@ Sri. Pradeep M Godbole is re-designated as Chairperson w.e.f December 4, 2023

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

17-06-2023	13-09-2023	29-11-2023	07-03-2024

(F) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee looks into redressal of the complaints from shareholders and investors, like transfer of Shares, non-receipt of Annual Reports, non-receipt of declared dividends etc. The Committee also ratifies share transfers/ transmission/name deletion cases etc. from time to time. Sri. Jimmy Mathew, Company Secretary is designated as the Compliance Officer. The members of the Committee consists of Sri. Benny P Thomas, Non-Executive Non-Independent Director as Chairman, Sri. P R Seshadri, Sri. V J Kurian and Sri. Pradeep M Godbole as members as on March 31, 2024.

The Committee looks into the mechanism of redressal of grievances/complaints from shareholders, debenture holders and other security holders.

The terms of reference of the committee inter-alia, include the following:

1. Review, the complaints received from shareholders or 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. Review of measures taken for effective exercise of voting rights by the shareholders.
10. Any other agenda items as may be included from time to time in compliance with SEBI (LODR) Regulations, 2015 and Companies Act, 2013.

Sl. No.	Items	No of Complaints			
		Pending at the beginning of the period	Received during the period	Redressed during the period	Pending at the end of the period
1	Non-receipt of Refund Order/Allotment credits	0	48	48	0
2	Non-receipt of Dividend Warrants	0	52	52	0
3	Compliants received from BSE/NSE/SEBI/ROC	0	4	4	0
4	Other Miscellaneous complants (including non-receipt of split share certificate and request for duplicate share certificates)	1	131	132	0
5	Non-receipt of share certificate after transfer	0	0	0	0
	Total	**1**	**235**	**236**	**0**

The Composition and details of the meetings of Stakeholders Relationship Committee of Directors attended by the Members during the financial year 2023-24, are given below:

Name of Director	Chairperson/Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. Benny P Thomas	Chairperson@	Non-Executive Non-Independent director	4	4
Sri. P R Seshadri#	Member	Managing Director	2	2
Sri. Murali Ramakrishnan*	Member	Managing Director	2	2
Sri. V J Kurian	Chairperson/ Member@@	Non-Executive Independent Director	4	4
Sri. Pradeep M Godbole##	Member	Non-Executive Independent Director	1	1

#Inducted to the committee w.e.f October 1, 2023.

##Inducted to the committee w.e.f December 4, 2023.

*Ceased to be a member w.e.f September 30, 2023.

@Re-designated as Chairperson w.e.f November 2, 2023.

@@ Sri. V J Kurian was Chairperson and re-designated as a member w.e.f November 2, 2023.

The Stakeholders Relationship Committee met 4 times during the period on:

17-06-2023	13-09-2023	29-11-2023	07-03-2024

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

In terms of Reserve Bank of India guidelines, this committee has been constituted by the Bank with a view to provide focused attention on preventing and monitoring of frauds involving amounts of Rupees One crore and above, in order to be in line with the RBI master directions, the Board of Directors of the Bank at their meeting held on July 17, 2019 has changed the name of the special committee of Board for monitoring frauds from 'Committee to Prevent and Review frauds in the Bank to 'Special Committee of Board for monitoring and follow up of Frauds'. The Committee is chaired by Sri. P R Seshadri and consists of Sri. V J Kurian, Sri. M George Korah, Sri. Pradeep M Godbole and Sri. R A Sankara Narayanan as members of the Committee as on March 31, 2024.

The terms of reference of the committee inter-alia, include the following:

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

1. Identify the systemic lacunae if any that facilitated perpetration of the fraud and put in place measures to plug the same.
2. Identify the reasons for delay in detection, if any, reporting to the top management of the Bank and RBI.
3. Monitor the progress of Investigation and recovery position.
4. Ensure that the staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly and without loss of time.
5. Review the efficacy of remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls and preventive measures.
6. Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.
7. Status/action taken report on the observations of the earlier Committee meeting.

The Composition and details of the meetings of Special Committee for Monitoring and follow-up of Frauds in the Bank attended by the Members during the financial year 2023-24, are given below:

Name of Director	Chairperson/ Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. P R Seshadri#	Chairperson	Managing Director	3	3
Sri. Murali Ramakrishnan*	Chairperson	Managing Director	2	2
Sri. V J Kurian##	Member	Non-Executive Independent director	3	3
Sri. Salim Gangadharan**	Member	Non-Executive Independent director	2	2
Sri. M. George Korah	Member	Non-Executive Independent director	5	5
Sri. Pradeep M Godbole	Member	Non-Executive Independent director	5	5
Sri. R A Sankara Narayanan	Member	Non-Executive Independent director	5	5

#Inducted to the Committee w.e.f. October 1, 2023

##Inducted to the Committee w.e.f. November 2, 2023

*Ceased to be a member w.e.f. September 30, 2023

**Ceased to be a member w.e.f. November 1, 2023

The Special Committee for Monitoring and follow-up of Frauds met 5 times during the period. The dates of meetings were:

13-04-2023	11-09-2023	07-12-2023	13-12-2023	26-03-2024

(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. P R Seshadri, Sri. V J Kurian and Sri. Paul Antony as members as on March 31, 2024.

The terms of reference of the committee inter-alia, include the following:

1. Status/action taken report on the observations of the earlier Premises Committee.
2. Oversee and monitor the improvements to the Head Office building and Bank's other own buildings.
3. Approving & recommending Budgets for acquisition/ modification of new premises, calling tenders from reputed architects and contractors, scrutinizing, short-listing and negotiating their site plans, estimates, finalizing their appointment, fees & other terms and conditions and monitoring the progress of the project.
4. Acquiring/Purchase of properties for the Bank.
5. Review of status on new building projects.
6. To approve and Recommend to Board to approve the proposal for opening of Branch/RO/ATM.

The Composition and details of the meetings of Premises Committee of Directors attended by the Members during the financial year 2023-24, are given below:

Name of Director	Chairperson/ Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. Benny P Thomas	Chairperson	Non-Executive Non-Independent director	5	5
Sri. P R Seshadri#	Member	Managing Director	2	2
Sri. Murali Ramakrishnan*	Member	Managing Director	3	3
Sri. V J Kurian	Member	Non-Executive Independent director	5	5
Sri. Paul Antony	Member	Non-Executive Non-Independent director	5	5

#Inducted to the Committee w.e.f. October 1, 2023

*Ceased to be a member w.e.f. September 30, 2023

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

22-05-2023	17-06-2023	13-09-2023	28-10-2023	06-02-2024

(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, 2024 are Sri. R A Sankara Narayanan Independent Director - Chairman, Sri. V J Kurian, Sri. P R Seshadri and Sri. M George Korah.

The terms of reference of the committee inter-alia, include the following:

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, sound corporate governance principles and identifying, managing and monitoring the key risks of the Bank.
7. Oversee and monitor the Bank's compliance with regulatory requirements.
8. Approve delegation of risk limits to management and approve any transactions exceeding those delegated authorities.
9. Review risk mitigation plans on significant risks, which affects policy or procedure level changes for effective implementation.
10. To review the direction of various risks attributable to the Bank based on an analytical model articulated by RBI.

11. Oversee functions of Credit Risk Management Committee (CRMC), Market Risk Management Committee (MRMC), Asset Liability Management Committee (ALCO) and Operational Risk Management Committee (ORMC).
12. Reviewing and approving the Internal Capital Adequacy Assessment Process.
13. Reinforce the culture and awareness of risk management throughout the organization that would attach high priority on effective risk management and adherence to sound internal controls.
14. Status/action taken report on the observations of the earlier Committee meeting.
15. Risk associated with outsourced activities of the Bank.
16. Review of Cyber Risk.
17. Monitoring of Liquidity Risk Parameters.
18. Review of Stress Testing.
19. Discussion with CRO for ensuring independence of risk functions.
20. Ensure robustness and effectiveness of financial / rating models and their appraisal systems for assessing various risks faced by the Bank.
21. Decide/approve adoption of technology/appropriate and adequate MIS system needed for risk management.
22. Reinforce the culture and awareness of risk management throughout the organization that would attach high priority on effective risk management and adherence to sound internal controls.
23. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Bank.
24. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
25. The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee.
26. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.
27. Review and recommend all credit and treasury policies to Board for approval.
28. Any other agenda items required to be placed to RMCB in compliance with the SEBI LODR, RBI Guidelines, policies of the Bank and as directed by the Board/RMC from time to time.

The Composition and details of the meetings of Risk Management Committee of Directors attended by the Members during the financial year 2023-24, are given below:

Name of Director	Chairperson/ Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. R A Sankara Narayanan	Chairperson	Non-Executive Independent director	4	4
Sri. V J Kurian	Member	Non-Executive Independent director	4	4
Sri. Salim Gangadharan*	Member	Non-Executive Independent director	2	2
Sri. P R Seshadri#	Member	Managing Director	2	2
Sri. Murali Ramakrishnan**	Member	Managing Director	2	2
Sri. M. George Korah	Member	Non-Executive Independent director	4	4

#Inducted to the Committee w.e.f. October 1, 2023

*Ceased to be a member w.e.f. November 1, 2023

**Ceased to be a member w.e.f. September 30, 2023

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

03-06-2023	16-08-2023	07-12-2023	15-03-2024

(J) INFORMATION TECHNOLOGY STRATEGY COMMITTEE

This committee has been constituted w.e.f. March 2, 2010 to suggest improvement and monitor the implementation of modern technology in the Bank. In compliance with Gopalakrishna Committee report contained in RBI circular RBI/2010-11/494 DBS:CO:ITC:BC. No.6/31.02.008/2010-11 dated 29.04.2011 the name of the Information Technology Committee has been changed as "Information Technology Strategy Committee" w.e.f. 28.11.2012. The Committee is chaired by Sri. Pradeep M Godbole and consists of Sri. P R Seshadri, Sri. M George Korah and Sri. Paul Antony as members as on March 31, 2024.

The terms of reference of the 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 and that IT Governance & Information Security Governance system are in place.
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 and cyber security risks and controls, and evaluating effectiveness of management's monitoring of IT and cyber security 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. Review of the assessment of IT capacity requirements and measures taken to address the issues.
17. An Information Security Committee (ISC), under the oversight of the ITSC. Updating ITSC and CEO periodically on the activities of ISC.
18. Review of IT Budget Utilization.
19. Review the IT Strategy process.
20. Any other terms of reference as may be included from time to time by the Board or in compliance with RBI Guidelines.

The Composition and details of the meetings of Information Technology Strategy Committee of Directors attended by the Members during the financial year 2023-24, are given below:

Name of Director	Chairperson/ Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. Pradeep M Godbole	Chairperson	Non-Executive Independent director	4	4
Sri. P R Seshadri#	Member	Managing Director	2	2
Sri. Salim Gangadharan*	Member	Non-Executive Independent director	2	2
Sri. Murali Ramakrishnan**	Member	Managing Director	2	2
Sri. M. George Korah	Member	Non-Executive Independent director	4	4
Sri. Paul Antony	Member	Non-Executive Non-Independent director	4	4

#Inducted to the Committee w.e.f. October 1, 2023

*Ceased to be a member w.e.f. November 1, 2023

**Ceased to be a member w.e.f. September 30, 2023

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

08-05-2023	19-07-2023	21-11-2023	15-03-2024

(K) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013 and the rules and admissible activities notified therein by Ministry of Corporate Affairs in February 2014, the Bank is required to constitute a Corporate Social Responsibility Committee of Board to formulate Corporate Social Responsibility Policy and to oversee the implementation of CSR activities undertaken by the Bank. As provided in the Act and pursuant to the same, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The Committee is chaired by Sri. Paul Antony and consists of Sri. V J Kurian, Sri. P R Seshadri, and Sri. Benny P Thomas as members as on March 31, 2024.

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

1. Articulate and recommend to the Board, a Corporate Social Responsibility Policy which should stipulate the scope of activities to be undertaken by the Bank as specified in Schedule VII to the Companies Act, 2013. Schedule VII includes the following items:
    - 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.
    - Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
    - 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.
    - 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.
    - 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;
    - 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;

- Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.
- Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PMCARES Fund) or any other fund setup by the Central Government for socio-economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government and;
- Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- Rural development projects
- 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.
- Disaster management, including relief, rehabilitation and reconstruction activities.

2.

(i) Sanction of CSR proposals from ₹ 25.00 lakhs to ₹ 50.00 lakhs which are evaluated and recommended by SIB Foundation and vetted by CFO.

(ii) To evaluate and recommend to the Board for sanctioning CSR proposals above ₹ 50.00 lakhs which are evaluated and forwarded by SIB Foundation and vetted by CFO.

(iii) To review the CSR sanctions up to 25 lakh. To evaluate and recommend to the Board to modify/ amend/cancel the ongoing projects.

3. Monitor and update, as and when warranted, the Corporate Social Responsibility Policy of the company from time to time.
4. To recommend to the Board any other activities/ programmes/projects, which may be 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 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 Composition and details of the meetings of Corporate Social Responsibility Committee of Directors attended by the Members during the financial year 2023-24, are given below

Name of Director	Chairperson/ Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. Paul Antony #	Chairperson	Non-Executive Non-Independent director	1	1
Smt. Radha Unni##	Chairperson	Non-Executive Independent director	1	1
Sri. V J Kurian	Chairperson/ Member@	Non-Executive Independent director	4	4
Sri. P R Seshadri###	Member	Managing Director	2	2
Sri. Murali Ramakrishnan*	Member	Managing Director	2	2
Sri. Benny P Thomas	Member	Non-Executive Non-Independent director	4	4

#Inducted to the Committee and appointed as Chairperson w.e.f. December 4, 2023

##Inducted to the Committee and appointed as Chairperson w.e.f. November 2, 2023. Further ceased to be a Member w.e.f December 3, 2023

###Inducted to the Committee w.e.f. October 1, 2023

*Ceased to be a member w.e.f. September 30, 2023

@Sri. V J Kurian was Chairperson and re-designated as a member w.e.f November 2, 2023.

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

17-06-2023	13-09-2023	29-11-2023	06-02-2024

(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 Committee is chaired by Sri. V J Kurian and consists of Sri. P R Seshadri, Sri. M George Korah and Sri. R A Sankara Narayanan as members as on March 31, 2024.

The Composition and details of the meetings of Capital Planning & Infusion Committee of Directors attended by the Members during the financial year 2023-24, are given below:

Name of Director	Chairperson/ Member	Category	No. of Meetings	
			Held during the tenure	Attended
Sri. V J Kurian	Chairperson/ Member@	Non-Executive Independent director	5	5
Sri. Salim Gangadharan*	Chairperson	Non-Executive Independent director	1	1
Sri. P R Seshadri#	Member	Managing Director	4	4
Sri. Murali Ramakrishnan**	Member	Managing Director	1	1
Sri. M George Korah##	Member	Non-Executive Independent director	4	4
Sri. R A Sankara Narayanan	Member	Non-Executive Independent director	5	5
Smt. Radha Unni***	Member	Non-Executive Independent director	1	1

@Redesignated as Chairperson of the Committee w.e.f. November 2, 2023

#Inducted to the Committee w.e.f. October 1, 2023

##Inducted to the Committee w.e.f. December 4, 2023

*Ceased to be a member w.e.f. November 1, 2023

**Ceased to be a member w.e.f. September 30, 2023

***Ceased to be a member w.e.f. December 3, 2023

The Capital Planning & Infusion Committee met 5 times during the period. The dates of meetings were:

31-07-2023	14-12-2023	27-12-2023	12-02-2024	21-02-2024

M) COMMITTEE OF INDEPENDENT DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the performance of non-independent directors and the Board as a whole to be evaluated by a Committee comprising of all the Independent Directors of the Bank as on the date of the meeting of the said committee.

The terms of reference of the committee inter-alia, include the following:

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 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.
5. To perform such other roles as may be prescribed by the Companies Act, 2013, SEBI (LODR) Regulations, 2015, Banking Regulation Act, 1949 and the Circulars/Regulations issued by the Regulatory Authorities from time to time.

The Committee met once during the financial year on March 28, 2024. All the Independent Directors of the Bank attended the meeting.

(N) INTERVIEW COMMITTEE

The Interview Committee met 11 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:

04-04-2023	15-04-2023	10-05-2023	21-06-2023	08-12-2023
04-01-2024	07-03-2024	13-03-2024	14-03-2024	15-03-2024
22-03-2024				

The details of the meetings of Interview Committee of Directors attended by the Members during the financial year 2023-24, are given below:

Name of Director	Category	No. of Meetings	
		Held during the tenure and to be participated by the Director	Attended
Sri. V J Kurian	Non-Executive Independent director	11	11
Sri. Salim Gangadharan	Non-Executive Independent director	4	4
Sri. P R Seshadri	Managing Director	7	7
Sri. Murali Ramakrishnan	Managing Director	4	4
Sri. M.George Korah	Non-Executive Independent director	7	7
Sri. R A Sankara Narayanan	Non-Executive Independent director	11	11
Smt. Lakshmi Ramakrishna Srinivas	Non-Executive Independent director	7	7

Resignation/Removal of Independent Directors:

There was no resignation/Removal of Independent Directors during the financial year 2023-24.

SENIOR MANAGEMENT

The particulars of Senior Management as on March 31, 2024 is given on Page No. 2. During the financial year 2023-24, there was following changes in the Senior Management Team of the Bank:

- Sri. Joby M C, JGM - Head of Internal Audit and Chief of Internal Vigilance retired on May 31, 2023.
- Sri. Nandakumar G, GM was appointed as Head of Internal Audit and Chief of Internal Vigilance with effect from June 1, 2023.
- Sri. Murali Ramakrishnan (DIN: 01028298) MD & CEO of the Bank, retired from the Board of Directors with effect from September 30, 2023 (after closure of business hours) on completion of his term of appointment.
- Sri. P R Seshadri (DIN: 07820690) was appointed as the new MD & CEO for a period of three years with effect from October 1, 2023 by the Board of Directors at its meeting held on September 29, 2023 and approval for the same were accorded by the members on December 24, 2023 by way of postal ballot.
- Sri. Sanchay Kumar Sinha, was promoted as Chief General Manager with effect from September 1, 2023.

Further during the period between the end of the Financial Year i.e. March 31, 2024 and the date of this Report, there was following changes in the Senior Management Team of the Bank:

- Sri. Vinod Francis, GM was appointed as Chief Financial Officer (CFO) with effect from April 8, 2024.
- Smt. Chithra H, SGM was ceased to be Chief Financial Officer (CFO) of the Bank and appointed as Chief Compliance Officer (CCO) with effect from April 8, 2024.
- Sri. Thomas Joseph K, EVP and Chief Business Officer has completed his contract on May 31, 2024.
- Sri. Dolphy Jose (DIN:10682246) was appointed as Whole-time Director (Executive Director) of the Bank for a period of three years with effect from July 15, 2024 by the Board of Directors at its meeting held on June 29, 2024 and is subject to the approval of Shareholders at the 96th Annual General Meeting.
- Sri. Nandakumar G was promoted as Senior General Manager with effect from April 1, 2024.

SUBSIDIARY AND JOINT VENTURE COMPANY OF THE BANK

The Bank has a subsidiary company, M/s SIB Operations and Services Limited. The Bank has no material subsidiaries as per the conditions laid down in the SEBI (LODR) Regulations, 2015, even though the Bank has framed a Board Approved Policy for Determining the Material Subsidiary of the South Indian Bank Limited. The same is available at https://www.southindianbank.com/content/policy-for-determining-material-subsidiaries/781

The Directors/KMPs/employees of the Bank who are also in the subsidiary company on March 31, 2024 are as follows:

Sri. P R Seshadri, Managing Director and Chief Executive Office (MD & CEO), Sri. George Korah, Independent Director and Sri. Benny P Thomas, Non-Executive Non-Independent Director of the Bank are Non-Executive Directors in SIB Operations and Services Limited. Sri. Thomas Joseph K, Executive Vice President who was also a Non-Executive Director in SIB Operations and Services Limited.

Sri. Murali Ramakrishnan (DIN: 01028298), director of the Company has retired from the Board of Directors with effect from September 30, 2023 upon completion of his tenure with the South Indian Bank Limited. Sri. Thomas Joseph K, EVP has completed his contract with the Bank on May 31, 2024 and subsequently retired from the office of directorship of SIB Operations and Services Limited on the same date.

Further Sri. Anto George T, Chief General Manager - HR & Operations of the Bank has been appointed as Director of the subsidiary on July 11 2024, in the place of Sri. Thomas Joseph K, EVP who has resigned from the subsidiary company on expiry of his contract with the Bank on May 31, 2024.

- 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, 2023 TO MARCH 31, 2024

The details of gross remuneration paid to Sri. P R Seshadri, Managing Director & Chief Executive Officer from 01.10.2023 to 31.03.2024 and Sri. Murali Ramakrishnan, former Managing Director & Chief Executive Officer from 01.04.2023 to 30.09.2023 in accordance with the terms and conditions approved by Reserve Bank of India and the Shareholders are as follows:-

A. Details of Remuneration paid to MD & CEO

i. Sri. Murali Ramakrishnan (former MD & CEO)

PARTICULARS (FY 2023-24)	AMOUNT (₹)
Salary (Fixed Pay including LFC)	87,39,740.00
HRA	4,50,000.00
PF Bank Contribution	8,53,974.00
Entertainment Allowance	19,152.00
Total Fixed Pay (A)	1,00,62,866.00
Variable Pay (cash) Paid during FY 2023-24 (B)	1,11,55,000.00 11,25,000.00
Total variable pay paid during FY 2023-24	**1,22,80,000.00**
Total Remuneration paid (A)+(B) (Cash Component)	**2,23,42,866.00**
Outstanding Variable Pay(Cash)	11,25,000.00 15,00,000.00 33,46,500.00 33,46,500.00 44,62,000.00
Total Outstanding variable pay as on 31-03-2024	**1,37,80,000.00**

ii. Sri. P R Seshadri (MD & CEO)

PARTICULARS	AMOUNT (₹)
Salary (Fixed Pay)	84,30,000.00
HRA	4,80,000.00
PF Bank Contribution	8,43,000.00
Entertainment Allowance & Mobile Purchase	2,50,000.00
Total Fixed Pay (A)	1,00,03,000.00
Variable Pay (cash) (B)	0.00
Total Remuneration (A)+(B) (Cash Component)	**1,00,03,000.00**

Variable pay (Cash and non-Cash ESOS) granted during the FY 2023-24 (Payable/Paid) to Former MD & CEO, Sri. Murali Ramakrishnan

Deferred variable pays (Cash component) for the FY 2023-24(paid)	1,22,80,000.00
Outstanding variable Pay (Cash Component) as on 31-03-2024 (Pertaining to former MD & CEO **S**ri. Murali Ramakrishnan**)**	1,37,80,000.00

No. of Shares	Non-cash variable pay	FY	0.00
3,99,171	₹ 13,13,273/-	2020-21*	
11,06,194	₹75,00,000/-	2021-22	
-	-	2022-23	

Variable pay (Cash and non-Cash ESOS) granted during the FY 2023-24 to Sri. P R Seshadri (MD & CEO): Nil

Gross Remuneration Non Cash(Paid/Outstanding)+ cash (paid/ Outstanding) to Sri. Murali Ramakrishnan, former MD& CEO **	88,13,273.00+3,61,22,866.00 **=4,49,36,139.00**
Gross Remuneration Non Cash(Paid/Outstanding)+ cash (paid/ Outstanding) to Sri. P. R Sheshadri MD& CEO	**1,00,03,000.00**

* The Gross remuneration includes Non-Cash Variable pay (ESOS) of ₹13,13,273/-for FY 2020-21 & ₹75,00,000/- for FY 2021-22 and excludes the gratuity/Leave encashment payable at the time completion of the term.

** The Variable pay (Cash Component) for the FY 2021-22 and Non-Cash Variable Pay (ESOS) for the FY 2020-21 and 2021-22 are subject to deferred vesting as per the Compensation policy of the Bank.

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

i. The Bank has paid ₹ 3,51,666.67 to Sri. Salim Gangadharan, Part-time Chairman, as honorarium from April 01, 2023 to November 01, 2023 and ₹ 21,40,000/- as sitting fees during the period April 01, 2023 to November 01, 2023.

ii. The Bank has paid ₹ 10,34,721.00 to Sri. V J Kurian, Part-time Chairman, as honorarium from November 02, 2023 to March 31, 2024 and ₹ 43,80,000/- as sitting fees during the period April 01, 2023 to March 31, 2024.

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 thereunder. The Board of Directors has approved the payment of ₹ 80,000 as sitting fee for each Board Meetings and ₹60,000 as sitting fee for each Meeting of the Committee attended. Accordingly, the Bank paid sitting fees during the period 01.04.2023 to 31.03.2024 as under:

Sri. M George Korah* – ₹ 47,40,000/-, Sri. Pradeep M Godbole – ₹ 33,60,000/-, Sri. Paul Antony- ₹ 30,00,000/, Sri. R A Sankara Narayanan- ₹44,40,000/-, Smt. Radha Unni – ₹ 22,20,000/-, Sri. Benny P Thomas* – ₹ 27,80,000/, Smt. Lakshmi Ramakrishna Srinivas – ₹ 18,80,000/- Total sitting fee paid during the year ₹ 2,89,40,000/-.

* The above sitting fees is inclusive of sitting fee of ₹ 2,40,000/- received by Sri. M George Korah and of ₹ 2,00,000/- received by Sri. Benny P Thomas from SIB Operations and Services Ltd, wholly owned subsidiary of the Bank, towards attending its Board meeting during FY 2023-24.

Further, we confirm that:

a) No pecuniary relationship or transactions exists for Independent Directors/Non-Executive Directors vis-à-vis the Bank, other than payment of sitting fees for Board/ Committee meetings/ monthly honorarium during the financial year (for Non-Executive part time Chairman) as per law. The Independent Directors of the Bank also had no pecuniary relationship with 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-criteria-for-directors/877

The Shareholders of the Bank at the 95th Annual General Meeting held on August 24, 2023, has approved the payment of compensation by way of fixed remuneration up to a maximum ₹ 20,00,000/- (Rupees Twenty Lakh Only) per annum based on profitability at the end of each financial year from the FY 2023-24.

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

1. Sri. Paul Antony

Name of the Director	Paul Antony (DIN 02239492)
Date of Birth and Age	27.06.1958 Age: 66 years
Date of First Appointment on Board	29.09.2020
Qualification	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 Government 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 organizations 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 and Additional Director in Malabar Sports and Recreation Foundation. Further he is also Independent External Monitor of Goa Shipyard Ltd and M/s KIOCL Limited.
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 of the weaker sections.
Directorship in other Companies	1. Kerala State Industrial Development Corporation Ltd 2. Kerala Lifesciences Industries Parks Private Limited
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Nil
Directorship in listed entities from which director has resigned in the past three years	Nil
Membership of Committees in Companies	Nil
Shareholding in the Bank as on (cut-off date)	17,970 Equity Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil
Details of the remuneration last drawn meetings	Sitting fee – ₹ 30,00,000/- for attending Board and committee meetings
Number of Meetings of the Board attended during the year	He has attended all the 15 Board meetings conducted during the FY 2023-24.

Chairman/member of the committee of the board of Directors of this Company*	Corporate Social Responsibility Committee - Chairperson NPA Review Committee – Chairperson Management Committee - Member Premises Committee - Member Customer Service 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 and payment of compensation by way of fixed remuneration up to a maximum ₹20,00,000/- (Rupees Twenty Lakh Only) per annum based on profitability at the end of each financial year, as approved by the Shareholder at the 95th Annual General Meeting.

*As on March 31, 2024

2. Sri. Dolphy Jose

Name of the Director	Dolphy Jose (DIN: 10682246)
Date of Birth and Age	07.09.1969 Age: 54
Date of First Appointment on Board	15.07.2024
Qualification	Graduation in Commerce. MBA in General Management from the Institute for Technology & Management. Professional Program in Fintech: Specialisation – Payments & Lending from SP Jain School of Global Management. Specialized Certificate Program in IT & Cyber Security for Senior Management from IDRBT General Management Program from IIM Ahmedabad. Executive Program from ISB Hyderabad Certified Course in Computer Programming from BITS Mumbai.
Brief Resume including Experience	Sri. Dolphy Jose, aged 54 years, is an accomplished banker with more than 25 years of experience. He was associated with The Karur Vysya Bank, as Chief General Manager & Group Head- Consumer Banking. He had almost two decades of association with Kotak Mahindra Bank Ltd. His last position held with Kotak Mahindra Bank was as Executive Vice President - Institutional business (retail liabilities). He is a seasoned professional with a diverse educational background, including a Professional Program in Fintech: Specialisation – Payments & Lending from SP Jain School of Global Management, an MBA in General Management from the Institute for Technology & Management, complemented with a specialized Certificate Program in IT & Cyber Security for Senior Management from IDRBT, a General Management Program from IIM Ahmedabad, an Executive Program from ISB Hyderabad, a Certified Course in Computer Programming from BITS Mumbai, alongside a degree in Commerce.

Nature of his expertise in specific functional area	He has rich experience in driving & establishing businesses in the Retail and Commercial Banking space with significant expertise in both Retail assets and liabilities, Branch Banking, P & L Management, Institutional & Government Business. Proven expert in building distribution, establishing strategic partnerships including Co-Lending and focusing on nonbranch business, exploiting the strength in digital capabilities to establish new channels ensuring seamless integration for acquisition, underwriting and disbursements, leveraging bank's capabilities to test, validate, build & scale businesses.
Directorship in other Companies	Nil
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Nil
Directorship in listed entities from which director has resigned in the past three years	Nil
Membership of Committees in 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	FY 2023-24: N.A Detailed under explanatory statement of Item No.5 of the 96th AGM Notice on Appointment of Sri. Dolphy Jose (DIN: 10682246), as Executive Director.
Number of Meetings of the Board attended during the year	FY 2023-24: N.A (FY 2024-25, attended 2 out of 2 meetings held during his tenure)
Chairman/member of the committee of the board of Directors of this Company	Management Committee - Member Stakeholders Relationship Committee - Member Customer Service Committee - Member IT Strategy Committee - Member Special Committee for Monitoring and Follow-up of frauds - 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	Detailed under explanatory statement of Item No.5 of the 96th AGM Notice on Appointment of Sri. Dolphy Jose (DIN: 10682246), as Executive Director.

3. Sri. Jose Joseph Kattoor

Name of the Director	Jose Joseph Kattoor (DIN: 09213852)
Date of Birth and Age	28/06/1963, Age: 61
Date of First Appointment on Board	18.07.2024
Qualification	BSc, PGDRM (MBA) from IRMA, LLB (Gujarat University), CAIIB, AMP (Wharton)
Brief Resume including Experience	Sri. Jose Joseph Kattoor (DIN: 09213852), aged 61 years, have an extensive work experience in Reserve Bank of India (RBI), for a period of more than 32-years. He retired as Executive Director of RBI in June, 2023. He has retired from the service after heading four Departments as Executive Director, viz. Enforcement Department, Corporate Strategy Department, Currency Department and Human Resource Department of RBI. His academic credentials includes BSc degree, PGDRM(IRMA), LLB, CAIIB, AMP(Wharton). Presently he is acting as Independent Director at Receivables Exchange of India Ltd (RXIL) and also playing role of Senior Consultant on regulatory matters to a top legal firm.
Nature of his expertise in specific functional area	Sri. Jose Joseph Kattoor is an exemplary candidate for the role of an Independent Director, possessing a diverse and robust skill set tailored to the position's requirements. He brings extensive experience in banking, having worked at the Reserve Bank of India (RBI) from 1991 to 2023, where he headed key departments including the Enforcement Department, Corporate Strategy Department, Currency Department, and Human Resource Department, as well as gaining experience in the Supervision and Public Debt Office. His comprehensive background in risk management, regulatory functions, and corporate governance makes him well-suited for effective oversight and strategic planning. Sri. Jose Joseph Kattoor's academic credentials, including a BSc, LLB, CAIIB, and AMP from Wharton, provides a solid foundation in legal expertise and strategic planning. His PGDRM from the Institute of Rural Management, Anand (IRMA), and certification in SME Finance for Bankers from the Indian Institute of Banking and Finance (IIBF) demonstrate his specialized knowledge in agriculture, rural economy, and small-scale industry. Additionally, his tenure in the Financial Inclusion and Development Department (FIDD) of RBI for over two years and his experience with the Kerala Milk Marketing Federation Ltd (KCMMF) (MILMA) for over four years, where he was closely associated with the planning of Operation Flood initiated by the National Dairy Development Board in Kerala, underscore his deep understanding of agricultural and rural economic development.
Directorship in other Companies	Receivables Exchange of India Limited
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Nil
Directorship in listed entities from which director has resigned in the past three years	Nil
Membership of Committees in Companies	Audit Committee - Chairperson Nomination and Remuneration Committee - Member

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	FY 2023-24: N.A Sitting fee for attending Board and committee meetings; FY 2024-25, till 30th July, 2024 ₹1,60,000/-
Number of Meetings of the Board attended during the year	FY 2023-24 : N.A. (FY 2024-25, attended 2 out of 2 meetings held during his tenure.)
Chairman/member of the committee of the board of Directors of this Company	Customer Service Committee – Chairman Audit Committee - Member Risk Management 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)	Skills and capabilities required: Banking, Risk, Law, Agriculture and Rural Economy He is proposed to be appointed as Non-Executive Independent Director Sri. Jose Joseph Kattoor is an exemplary candidate for the role of an Independent Director, possessing a diverse and robust skill set tailored to the position's requirements. He brings extensive experience in banking, having worked at the Reserve Bank of India (RBI) from 1991 to 2023, where he headed key departments including the Enforcement Department, Corporate Strategy Department, Currency Department, and Human Resource Department, as well as gaining experience in the Supervision and Public Debt Office. His comprehensive background in risk management, regulatory functions, and corporate governance makes him well-suited for effective oversight and strategic planning. Sri. Jose Joseph Kattoor's academic credentials, including a BSc, LLB, CAIIB, and AMP from Wharton, provides a solid foundation in legal expertise and strategic planning. His PGDRM from the Institute of Rural Management, Anand (IRMA), and certification in SME Finance for Bankers from the Indian Institute of Banking and Finance (IIBF) demonstrate his specialized knowledge in agriculture, rural economy, and small-scale industry. Additionally, his tenure in the Financial Inclusion and Development Department (FIDD) of RBI for over two years and his experience with the Kerala Milk Marketing Federation Ltd (KCMMF) (MILMA) for over four years, where he was closely associated with the planning of Operation Flood initiated by the National Dairy Development Board in Kerala, underscore his deep understanding of agricultural and rural economic development.
Terms and conditions of appointment/ reappointment including remuneration	He is eligible for sitting fees for attending the Board and its Committee Meetings as approved by the Board subject to the provisions of the applicable laws and payment of compensation by way of fixed remuneration up to a maximum ₹20,00,000/- (Rupees Twenty Lakh Only) per annum based on profitability at the end of each financial year, as approved by the Shareholder at the 95th Annual General Meeting.

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
93rd Annual General Meeting	Wednesday, August 18, 2021 at 11:00 AM (IST)	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
94th Annual General Meeting	Tuesday, July 12, 2022 at 11:00 AM (IST)	Via VC/OAVM	Yes. 1. To re-appoint Sri. Salim Gangadharan, (DIN: 06796232) as Independent Director of the Bank. 2. To re-appoint Sri. V.J. Kurian, (DIN: 01806859) as Independent Director of the Bank. 3. To appoint Sri. Pradeep M Godbole (DIN: 08259944) as Independent Director of the Bank. 4. To appoint Smt. Radha Unni (DIN: 03242769) as Independent Director of the Bank. 5. Raising of Tier I Capital of the Bank through issuance of Securities. 6. Raising of Funds by issue of Bond/Debentures/ Securities on Private Placement basis.
95th Annual General Meeting	Thursday, 24th August, 2023 at 11:00.AM (IST)	Via VC/OAVM	Yes 1. To Re-appoint Sri. M George Korah (DIN: 08207827) as Independent Director of the Bank. 2. Payment of Compensation by way of Fixed Remuneration to Non-Executive Directors/ Independent Directors (other than the Non-Executive Part-time Chairman) 3. Raising of funds by issue of bonds/ debentures/ securities on private placement basis 4. Amendment of Articles of Association

During the year, all recommendations of the Board of Directors were accepted by the Shareholders of the Bank except the resolution for "Raising of Tier- I Capital of the Bank through issuance of Securities" in respect of special businesses mentioned in the 95th Annual General Meeting notice.

No extra ordinary general meeting held during the Financial year 2023-24.

Postal Ballot

During the year under review, three resolutions were proposed for the approval of shareholders by way of postal ballot utilising remote e-voting process only. The details of which is as follows:

Date of Notice	Monday, November 20, 2023
Record Date/ Cut-off date.	Friday, November 17, 2023
E- Voting Period	Commenced on Saturday, November 25, 2023 at 9:00 AM (IST) and ended on Sunday, December 24, 2023 at 5:00 PM (IST)
Number of Resolutions Proposed	3
Remote e-voting facility provider	Central Depository Services (India) Limited
Scrutinizer	Sri. P. D. Vincent, Practicing Company Secretary (Managing Partner SVJS & Associates, Company Secretaries)

Sri. P. D. Vincent, was appointed as Scrutinizer and he had carried out scrutiny of the Postal Ballot e-votes received upto 05.00 P.M. on December 24, 2023 being the last day of e-voting for Postal Ballot voting and prepared a Scrutinizer's Report on the basis of data/ reports received by him.

The scrutinizer had submitted his report on Tuesday, December 26, 2023. The details of voting of the Resolutions as set out in the notice dated November 20, 2023 are as under: -

		ASSENT / IN FAVOUR OF		DISSENT / AGAINST	
Resolution No.	**Subject Matter of Resolution**	**No. of Votes through E-voting**	**% of votes in favour on votes through E-voting**	**No. of Votes through E-voting**	**% of votes against on votes through E-voting**
SPECIAL BUSINESS – ORDINARY RESOLUTION					
1	Appointment of Mr. P R Seshadri (DIN: 07820690) as Managing Director and Chief Executive Officer of the Bank and to approve his terms and conditions of appointment including remuneration.	421895163	97.88%	9151198	2.12%
2	To take on record the approval from Reserve Bank of India for Appointment of Mr. V J Kurian (DIN: 01806859) as Non-Executive – Part time Chairman of the Bank and to approve his terms and conditions of appointment.	430796309	99.94%	247178	0.06%
SPECIAL BUSINESS – SPECIAL RESOLUTION					
3	To Appoint Smt. Lakshmi Ramakrishna Srinivas (DIN: 10365580) as Independent Director of the Bank.	430689291	99.91%	372212	0.09%

The resolutions (1) and (2) stand passed under Postal Ballot via Remote E-voting as Ordinary Resolutions and Resolution (3) stands passed under Postal Ballot via Remote E-voting as Special Resolution as specified under the Companies Act, 2013 on Sunday, December 24, 2023. Postal Ballot Results were declared by the Chairman Sri. V J Kurian on Tuesday, December 26, 2023.

A	Person who conducted the postal ballot exercise.	Sri. Vincent P.D, FCS, Practicing Company Secretary, Managing Partner, SVJS &Associates, Company Secretaries, 65/2364 A, Ponoth Road, Kaloor, Kochi- 682 017, Kerala. Membership No.3067 and Certificate of Practice No.7940
B	Whether any special resolution is proposed to be conducted through postal ballot?	No Special Resolution requiring Postal Ballot is being proposed on or before the ensuing Annual General Meeting of the Bank.
C	Procedure for the postal ballot.	The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular nos. 14/2020, 17/2020, 02/2021, 21/2021, 2/2022 and 9/2023 dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021, May 05, 2022 and September 25, 2023, respectively issued by the Ministry of Corporate Affairs.
D	Whether any extraordinary general meeting held during the financial year 2023-24	No

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 31st July 2023 during last financial year. The same is displayed on the website of the Bank.

https://www.southindianbank.com/content/policy-on-related-party-transaction/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 and Senior Management Personnel forms part of the Report. The Code of Conduct and Ethics is displayed on the website of the Bank.

https://www.southindianbank.com/content/banks-code-of-conduct/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/code-of-conduct-for-prevention-of-insider-trading/784

E) Internal Controls

The Bank has a system of internal control which examines both the financial effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory compliances.

F) Whistle Blower Policy / Vigil Mechanism

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

https://www.southindianbank.com/content/protected-disclosure-scheme-and-whistle-blower-policy/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 a daily basis by Risk Management Department. The Bank also has Investment, Forex and Derivative Policies to define and regulate forex operations taken up by the Bank and different levels of limits are given in it. Treasury Department also monitors Foreign assets liabilities gap to hedge it in the market. The Bank hedges its foreign currency position using derivatives including SWAPs and outright Forwards. The Bank is not involved in commodity trading and its hedging activities.

Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

a) Total exposure of the listed entity to commodities in INR -NIL

b) Exposure of the listed entity to various commodities: NIL

c) Commodity risks faced by the listed entity during the year and how they have been managed- NA

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 Distribution Policy. The Dividend Distribution Policy of the Bank is in line with Regulation 43A of the Listing Regulations and the Companies Act, 2013 and has been displayed on the Bank's website, https://www.southindianbank.com/content/dividend-distribution-policy/2672

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

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

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

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

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

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

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

Kindly refer to relevant disclosures in the Directors' Report which forms part of the Annual Report 2023-24.

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)	300.00	CARE A+ (Single A+; Outlook: Stable)	IND A+/ Stable
Tier II Bonds (Basel III Compliant)	490.00	CARE A+ (Single A+; Outlook: Stable)	IND A+/ Stable
Tier II Bonds (Basel III Compliant)*	250.00	CARE A+ (Single A+; Outlook: Stable)	IND A+/ Stable
Tier I Bonds (Basel III Compliant)	500.00	-	IND A/ Stable

* The Board of Directors of the Bank at its meeting held on May 18, 2024, has decided to exercise the call option of the Bond (full Redemption). On June 26, 2024 the Bank has made the payment of the Principal amount along with interest on aforesaid bond from last interest payment due date i.e. March 26, 2024 to June 25, 2024 to the Bondholders.

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, 2024, fees paid/payable to the Joint Statutory Central Auditors M/s. CNK & Associates LLP, Chartered Accountants and M/s. K Venkitachalam Aiyer & Co, Chartered Accountants, is as follows:

Amount (₹.in Lakhs)

Particulars	M/s. K Venkitachalam Aiyer & Co	M/s. CNK & Associates LLP	Total
Limited Review – Q1	17.00	17.00	34.00
Limited Review – Q2	17.00	17.00	34.00
Limited Review – Q3	17.00	17.00	34.00
Year end Audit and ICFR#	50.00	50.00	100.00
Tax Audit	4.00	0.00	4.00
LFAR	2.00	2.00	4.00
Other Certifications*	27.50	39.00	66.50
Total	**134.50**	**142.00**	**276.50**

* Includes all certificates as stipulated by the RBI at its appointment letter/circular/notification, certificates required under Companies Act, 2013 and SEBI Listing Regulations, 2015, reporting on internal financial controls of the Bank's accounts at its head office, branches and other offices and issuing certificate(s) specified by the regulators/any other statutory body/ body corporates from time to time, certificates obtained for better compliance and Fee for Capital raising related works/certifications.

Includes Centralised 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.

R) Cyber Security

A total of 2 cyber security incidents had happened during the Financial Year 2023-24 which were reported to RBI. These were a combination of operational incidents and attempts by external agencies on various systems of the bank. In all the mentioned cases, Bank was not affected and there was no monetary loss to the Bank. The Bank has implemented various systems/ security solutions to take care of any fraudulent attempts/attacks by external agencies.

S) Disclosure as per Regulation 30A (2) of SEBI (LODR) Regulations, 2015.

During the Financial Year 2023-24, there were no agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, other than in the normal course of business, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Bank or impose any restriction or create any liability upon the Bank.

6. MEANS OF COMMUNICATION

A. Financial Results

The quarterly unaudited and annual audited financial results were published in any of the nationally circulated newspaper in English, viz. Business Line/ Business Standard/Financial Express and in the regionally circulated Malayalam daily Deepika. Official press releases, presentations made to the media, analysts, institutional Investors, the financial results, etc. are displayed on the Bank's website, www.southindianbank.com.

B. Annual Report

Soft copy of the AGM notice and Annual Report for FY 2022-23, containing interalia, details of the Audited Financial Statements, Director's Report (including Management Discussion and Analysis and Corporate Governance Report) was sent to all shareholders to their email id registered in the demat/folio in compliance with the MCA circulars in electronic mode and is also available at the Bank's website.

C. Website

The Bank's website, www.southindianbank.com contains a separate section 'Investor Desk' for use of investors. The quarterly, half yearly and annual financial results, official news releases and presentations made to Institutional Investors and to analysts are promptly and prominently displayed on the website. Annual Reports,

Quarterly Corporate Governance Report, Shareholding Pattern and other Corporate Communications made to the Stock Exchanges are also available on the website. The 'Investor Desk' section provides the details of unclaimed dividend warrants for dividends declared up to the financial year ended 31.03.2023, to help shareholders to claim the same. In addition, various downloadable forms required to be executed by the shareholders have also been provided on the website. Annual Report of the Subsidiary company is also posted on the Website.

D. Communication to Shareholders on E-mail

Documents like Notices, Annual Report etc. are sent to the shareholders at their email address, as registered with their Depository Participants/ Bank/ Registrar and Transfer Agent (RTA). This helps in prompt delivery of document, reduce paper consumption and avoid loss of documents in transit. Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/updated either with their depositories or by writing to the Bank/ RTA.

E. Reminders to Shareholders

Reminders for claiming unclaimed shares lying with the Bank which are liable to be transferred to the Investor Education and Protection Fund Authority are sent to the Shareholders as per Bank records.

F. NEAPS (NSE Electronic Application Processing System) and BSE Listing centre

NSE and BSE have developed web based applications for Corporates. All compliances like Financial Results, Shareholding Pattern and Corporate Governance Report, etc. are filed electronically on NEAPS/ BSE Listing centre.

G. SCORES (SEBI complaints redressal system)

SEBI processes investor complaints in a centralized web based complaints redressal system i.e., SCORES. Through this system a shareholder can lodge complaint against a Company for his/her grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SCORES.

Further the SEBI has launched the new version of the SEBI Complaint Redress System (SCORES 2.0) on April 01, 2024. The new version of SCORES strengthens the investor complaint redress mechanism in the securities market by making the process more efficient through auto-routing, auto-escalation, monitoring by the Designated Bodies and reduction of timelines. The new SCORES system has also been made more user friendly.

H. SMART ODR (Online Dispute Resolution) Portal

The Securities Exchange Board of India vide Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 introduced a common Online Dispute Resolution Portal (ODR Portal) that facilitates online conciliation and arbitration for resolving disputes arising in the Indian securities market. The framework encompasses various stakeholders, including Recognized Stock Exchanges, Clearing Corporations, Depositories, Stock Brokers, Depository Participants, Listed Companies, and SEBI Registered Intermediaries. The link of the ODR portal is displayed in the home page of the Bank's website under the head "Online Services".

7. GENERAL SHAREHOLDER INFORMATION

96th Annual General Meeting	
Date	27.08.2024
Day	Tuesday
Time	11.00 AM (IST)
Venue	Via VC/OAVM (head office of the Bank at Thrissur, Kerala is deemed to be the Venue of the Meeting)
Financial year	2023-24
For the Financial year ended 31st March 2024, results were announced on:	
a) First Quarter	July 20, 2023
b) Second Quarter	October 19, 2023
c) Third Quarter	January 18, 2024
d) Fourth quarter and Annual Results	May 02, 2024
Book closure date	21.08.2024 to 27.08.2024

Dividend Payment	Within 30 days from the Date of AGM (i.e on or before 25.09.2024)
Name & designation of Compliance Officer	CS Jimmy Mathew (Company Secretary)
Share Transfer Agents	Link Intime India Pvt. Ltd Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028 Tel : 0422-2314792 Email: coimbatore@linkintime.co.in Website: www.linkintime.co.in Contact Person: Ms. S Dhanalakshmi
Corporate Identity Number (CIN)	L65191KL1929PLC001017
E-Mail address	ho2006@sib.co.in
Bank's Website	www.southindianbank.com
Address for correspondence	The South Indian Bank Ltd. Secretarial Department, Head Office, SIB House, T.B Road, Mission Quarters, Thrissur, Kerala, India, PIN 680 001

RIGHTS ISSUE 2024

The details of issue of securities made by the Bank on a Rights Basis during the period under review are as follows:

Instrument	Fully paid-up equity shares of face value of ₹1/-
Total no. of Rights Equity shares issued.	52,31,85,254 equity shares of face value of ₹1 each at ₹22/- per rights equity share for an amount aggregating to ₹1151.01 Crore.
Issue Price	₹ 22/- per Equity Share (including a premium of ₹21/- per Equity Share)
Record Date	Tuesday, February 27, 2024 (for the purpose of determining the equity shareholders entitled to receive the rights entitlement in the rights issue ("Eligible Equity Shareholders")).
Rights entitlement ratio	Ratio of 1 Rights Equity Shares for Every 4 Fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date.
Issue period.	
Issue opening date.	Wednesday, March 6, 2024
Issue closing date	Wednesday, March 20, 2024
Registrar to the Issue	Link Intime India Private Limited
Self-Certified Syndicate Banks ("SCSBs")	53 (Fifty-Three) SCSBs participated to collect Applications through Applications Supported by Blocked Amount ("ASBA")
Gross subscription %	144.09%

In accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the details of holders of Rights Entitlements ("REs") as on the Issue Closing Date (i.e., Wednesday, March 20, 2024) has been obtained from the depositories. Based on details of REs of Eligible Equity Shareholders as on the Record Date (i.e., Tuesday, February 27, 2024) and list of holders of REs as on the Issue Closing Date, the applications received from the investors have been split into applications received from the Eligible Equity Shareholders and applications received from the Renounces, details of which are stated below:

	Category	Number of Applications	Number of Equity Shares applied for against REs	Number of additional Equity Shares applied for	Total Equity Shares applied for
A	Eligible Equity Shareholders	1,96,949	35,82,78,716	36,56,13,243	72,38,91,959
B	Renouncees*	2,241	2,36,86,372	62,91,914	2,99,78,286
	Total	1,99,190	38,19,65,088	37,19,05,157	75,38,70,245

*the Investors (identified based on PAN) whose names do not appear in the list of Eligible Equity Shareholders on the record date and who hold the REs as on the Issue Closing Date and have applied in the Issue are considered as the Renouncees.

Pursuant to the finalization of the basis of allotment of the Issue, in consultation with the designated stock exchange, BSE Ltd., the Board, at its meeting held on March 27, 2024, inter alia, considered and approved the allotment of 52,31,85,254 fully paid-up Equity Shares of face value ₹ 1/- each at a price of ₹ 22/- per Equity Share (including a premium of ₹ 21/- per Equity Share). Accordingly, pursuant to the Allotment, the paid-up equity share capital of the Bank has increased from ₹ 209,27,41,018/- comprising of 209,27,41,018 fully paid-up equity shares to ₹ 261,59,26,272/-, comprising of 261,59,26,272 fully paid-up Equity Shares of face value of ₹ 1/- each.

The NSE and BSE accorded their In-principal approval for listing of 52,31,85,254 Equity shares of ₹ 1/- each allotted under Rights Issue bearing distinctive numbers from 209,27,41,019 to 261,59,26,272 vide their letters dated March 28, 2024 and admitted to trade on the Exchanges from April 02, 2024 vide their letters dated April 01, 2024.

LISTING OF THE BANK'S EQUITY SHARES

The Bank's shares are listed on the following Stock Exchanges in India and their Stock Codes are as under:

1. The National Stock Exchange of India Ltd.
   (Stock Code: SOUTHBANK)
   Exchange Plaza, Plot no. C/1, G Block,
   Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
   Tel. No.: (022) 26598100 - 8114, Fax No.: (022) 2659812.
2. The BSE Ltd.
   (Stock Code: 532218)
   Phiroze Jeejeebhoy Towers,
   Dalal Street, Mumbai-400 001
   Tel. No.: (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 2024-25 have already been remitted.

The Bank has paid the custodial fees to the NSDL and CDSL as per the SEBI Circular CIR/MRD/DP/05/2011 dated April 27, 2011 and CIR/MRD/DP/18/2015 dated December 9, 2015 for the financial year 2024-25.

LISTING OF OTHER SECURITIES

The Bank had listed the following Bonds in BSE Ltd. and their Stock Code are as under

1. Unsecured Redeemable Non-Convertible Basel III Compliant Tier II Bonds in the nature of Debentures issued on 30.09.2015 (Stock Code: 952810).
2. Unsecured Redeemable Non-Convertible Basel III Compliant Tier II Bonds in the nature of Debentures issued on 28.11.2017 (Stock Code: 957189).
3. Unsecured Redeemable Non-Convertible Basel III Compliant Tier II Bonds in the nature of Debentures issued on 26.03.2019 (Stock Code: 958670)*.
4. Non-convertible, Fully Paid-Up, Unsecured, Perpetual, Basel III compliant Tier I Bonds in the nature of debentures issued on 24.01.2020 (Stock Code: 959209)

* Redeemed on June 26, 2024 by exercising call option.

Debenture Trustee Details
IDBI Trusteeship Services Limited
Universal Insurance Building, Ground Floor,
Sir P.M. Road, Fort, Mumbai – 400 001.
Tel.No.: 022-40807000
E-mail: itsl@idbitrustee.com

Equity Evolution during the year:

52,31,85,254 equity shares of face value of ₹1 each of the Bank, for cash at a price of ₹22 per rights equity share (including a premium of ₹21 per rights equity share) aggregating up to ₹1151.01 crore on a rights basis, have been issued to eligible equity shareholders of the Bank in the ratio of 1 rights equity shares for every 4 fully paid-up equity shares held by the eligible equity shareholders on Tuesday, February 27, 2024 (Record Date). Allotment of the said equity shares were made on March 27, 2024.

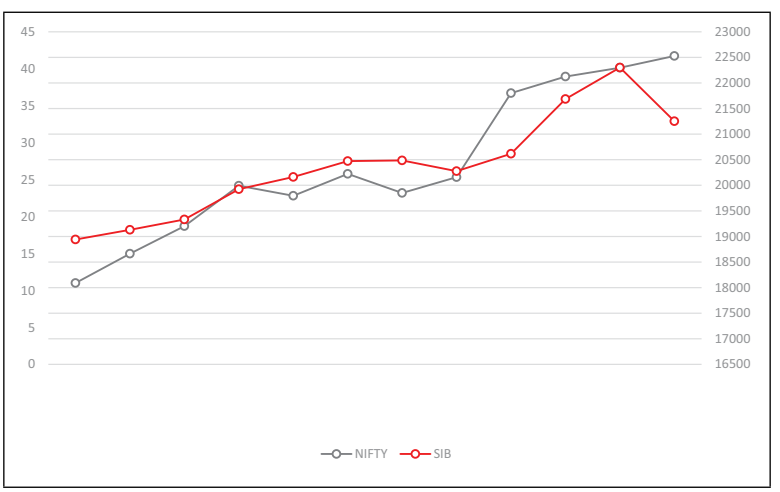
As at March 31, 2024, the paid-up share capital of the Bank was ₹261,59,26,272/- consisting of 261,59,26,272 equity shares of face value of ₹1/- each.

The Market Price Data of Bank's Shares

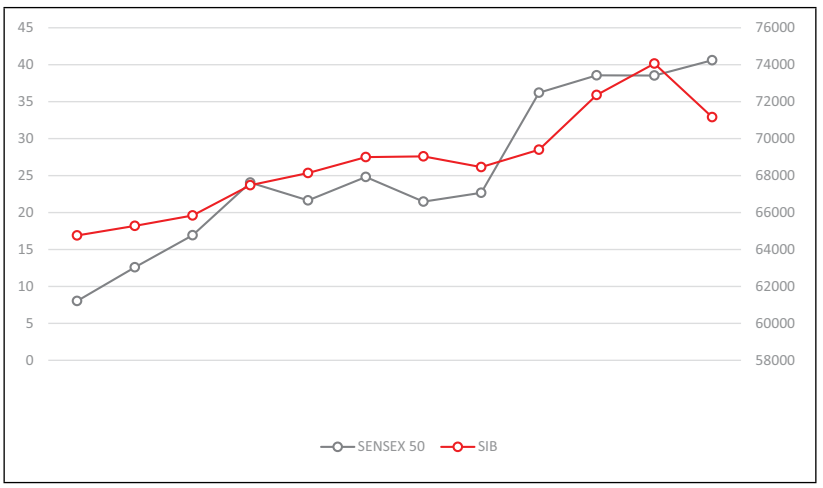
The monthly high and low prices of the Bank's shares traded on the National Stock Exchange of India Ltd. (NSE), Mumbai and BSE Ltd. (BSE), Mumbai during the period April 2023 to March 2024 are as under.

Month	NSE		BSE	
	HIGH	LOW	HIGH	LOW
April 2023	16.90	14.70	16.85	14.70
May 2023	18.20	15.95	18.20	15.93
June 2023	19.60	17.50	19.60	17.50
July 2023	23.70	19.50	23.69	19.50
August 2023	25.35	19.50	25.35	19.50
September 2023	27.50	22.25	27.48	22.26
October 2023	27.60	23.05	27.59	23.08
November 2023	26.15	23.10	26.15	23.90
December 2023	28.50	24.60	28.50	24.60
January 2024	35.90	26.10	35.90	26.10
February 2024	40.15	30.60	40.16	30.60
March 2024	32.90	25.25	32.89	25.27

Performance of the Bank's Equity Shares relative to NSE Nifty during the FY 2023-24:



Performance of the Bank's Equity Shares relative to S&P BSE Sensex during FY 2023-24:



DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024

CATEGORY (NO. OF SHARES)	PHYSICAL			DEMAT		
	NO. OF HOLDERS	SHARES	% of SHARE HOLDING	NO. OF HOLDERS	SHARE	% of SHARE HOLDING
UP TO --- 100	2157	35075	0.00	515088	17727330	0.68
101 --- 200	1461	189988	0.01	125020	19955512	0.76
201 --- 500	1875	675846	0.03	168207	60869063	2.33
501 --- 1000	2040	1419135	0.06	113130	91058802	3.48
1001 --- 5000	15080	28114380	1.07	146994	333902989	12.76
5001 ---10000	859	6327930	0.24	24676	181286463	6.93
10001---50000	506	9309532	0.36	20682	423367100	16.18
50001 & ABOVE	56	5863125	0.22	4141	1435824002	54.89
TOTAL	**24034**	**51935011**	**1.99**	**1117938**	**2563991261**	**98.01**
Total number of shareholders both physical and electronic put together is					**1141972**	

MEMBERS' PROFILE AS ON MARCH 31, 2024 IS AS UNDER:

Sl No:	CATEGORY	SHARES		TOTAL SHARE	% OF SHARE HOLDING
		PHYSICAL	DEMAT		
1	RESIDENT INDIVIDUALS	44828162	1626907023	1671735185	63.91
2	INDIAN FINANCIAL INSTITUTIONS	0	1221925	1221925	0.05
3	FOREIGN INSTITUTIONAL INVESTOR	0	0	0	0.00
4	NON-RESIDENT INDIANS	5944318	203126998	209071316	7.99
5	BODIES CORPORATES	1162498	127771760	128934258	4.93
6	DIRECTORS & RELATIVES	0	22595	22595	0.00
7	MUTUAL FUNDS	0	44198941	44198941	1.69
8	TRUSTS	0	144945	144945	0.01
9	BANKS	0	89090	89090	0.00
10	CLEARING MEMBERS	0	4953192	4953192	0.19
11	HUF	33	63953568	63953601	2.44
12	FOREIGN PORTFOLIO INVESTOR (CORP)	0	396948195	396948195	15.17
13	FOREIGN PORTFOLIO INVESTOR (INDV)	0	3548	3548	0.00
14	FOREIGN NATIONALS	0	262120	262120	0.01
15	ALTERNATIVE INVEST FUND	0	7090561	7090561	0.27
16	IEPF AUTHORITY MCA	0	12189645	12189645	0.47
17	INSURANCE	0	69431540	69431540	2.65
18	SUSPENSE ESCROW DEMAT ACCOUNTS	0	5675615	5675615	0.22
	GRAND TOTAL	**51935011**	**2563991261**	**2615926272**	**100.00**

Shareholders holding more than 1% as on March 31, 2024

SL NO	NAME OF THE SHAREHOLDER/S	SHARES AS ON 31.03.2024	%
1	YUSUFFALI MUSALIAM VEETTIL ABDUL KADER	112949061	4.32
2	LIFE INSURANCE CORPORATION OF INDIA	66711540	2.55
3	ACACIA BANYAN PARTNERS	31652932	1.21
4	GOVERNMENT PENSION FUND GLOBAL	26688706	1.02

SHARE TRANSFER SYSTEM

The Bank has appointed M/s BTS Consultancy Services Private Limited, Chennai as its Share Transfer Agents with effect from September 17, 2007. During the period under review, , the Board of Directors at their meeting held on November 20, 2023 appointed M/s Link Intime India Pvt. Ltd. as the new Registrar and Share Transfer Agent (RTA) of the Bank and initiated the process of change of RTA. Pursuant to the communications dated February 01, 2024 and February 02, 2024, received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) intimating the shift of RTA connectivity of the Bank, the Registrar & Share Transfer Agent (RTA) of the Bank has been changed to M/s Link Intime India Pvt. Ltd. (SEBI Reg. No.: INR000004058) with effect from February 02, 2024.

The process of 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 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)/61(4) 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 a 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 and further during the review period M/s Link Intime India Pvt. Ltd. was appointed as the new Registrar and Share Transfer Agent (RTA) of the Bank with effect from February 02, 2024.

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 Link Intime India Pvt. Ltd.

Address of the Share Transfer Agent:

M/s Link Intime India Pvt. Ltd,
Surya 35, Mayflower Avenue,
Behind Senthil Nagar,
Sowripalayam Road Coimbatore,
Tamil Nadu – 641028
Tel: 0422-2314792
Email : coimbatore@linkintime.co.in

DEMATERIALISATION OF SHARES AND LIQUIDITY

The Equity shares of the Bank have been allotted International Securities Identification Number (ISIN) INE683A01023. During the period under review, by rights issue, the Bank issued 52,31,85,254 equity shares in dematerialised form under the same ISIN. As at the end of March 2024, 256,39,91,261 (98.01%) shares of the Bank have been converted into dematerialized form and 5,19,35,011 (1.99%) 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 viz. National Securities Depository Ltd. (NSDL) or Central Depository Services (India) Ltd. (CDSL) for dematerializing their shareholding.

UNCLAIMED/UNPAID DIVIDEND AND APPLICATION MONEY

All dividends remaining unclaimed or unpaid including the balance in Dividend Account up to 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 ₹1,06,83,399.00 for the financial year 2015-16 has already transferred to the fund on August 17, 2023. 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 up to the financial year ended March 31, 2016 have already been transferred to the IEPF.

The Board of Directors of the Bank at their meeting held on December 21, 2016, had decided to issue equity shares of face value of ₹1/- each on a rights basis to its shareholders at a ratio of 1:3. The application money received and didn't get shares allotted against it was due for refund on March 26, 2017. As per Section 125 of the Companies Act, 2013 and applicable provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs effective from September 07, 2016 and subsequent amendments thereto, the application money received by companies for allotment of any of its securities and due for refund, remain unclaimed and unpaid for a period of seven years from the date it became due for payment should be transferred to the Investor Education and Protection Fund (IEPF). The same become due to be transferred to the IEPF on March 26, 2024 amounting to ₹2,05,895.00 was transferred on April 08, 2024.

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 the 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 2015-16 amounting to ₹1,06,83,399.00 pertaining to the financial year 2015-16, 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 August 17, 2023.

The dividend for following years 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	2016-17	Final	40	11.07.2017	10.08.2024
2	2017-18	Final	40	11.07.2018	11.08.2025
3	2018-19	Final	25	17.07.2019	15.08.2026
4	2019-20	Final		No Dividend	
5	2020-21	Final			
6	2021-22	Final			
7	2022-23	Final	30	24.08.2023	20.09.2030

Disclosure regarding TDS on Dividend

In accordance with the provisions of the Income Tax Act, 1961 as amended by Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by the Bank is taxable in the hands of the shareholders and Bank

is required to deduct tax at source ('TDS') on dividend paid to the shareholders at the applicable rates. The details / information in this regard are attached as Annexure to the notice of this, the 96th Annual general Meeting of the Bank.

Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/unclaimed dividend on shares for a consecutive period of seven years

In terms of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, members are requested to note that the shares in respect of which dividends have been unpaid or unclaimed for seven consecutive years or more shall be credited to the IEPF Demat Account maintained with depositories. Upon transfer of such shares, all benefits (e.g. bonus, spilt etc.), if any, accruing on such shares shall also be credited to the IEPF Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Accordingly, shares in respect of which dividend has not been paid or claimed for seven consecutive years for the financial year 2015-16 has been transferred by the Bank to the DEMAT Account of the authority by 7th September 2023. In this connection, the Bank had sent intimation letters to members in respect of the shares on which dividend had remained unpaid or unclaimed for seven consecutive years or more, requesting them to claim such dividend so as to avoid the corresponding shares being transferred to the IEPF authority. Simultaneously, an advertisement to this effect was published in leading English and vernacular newspapers. The aforesaid Rules also prescribe the procedure to be followed by an investor to claim the Shares/Dividend amount transferred to IEPF Demat Account. Shares which are transferred to the IEPF Demat Account can be claimed back by the shareholder from IEPF Authority by following the procedure prescribed under the aforesaid rules.

Disclosure with respect to Suspense Escrow Demat Account:

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

Sl. No.	Particulars	Number of Shareholders	No. of shares
(a)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; (01.04.2023)	25	2,66,999
(b)	Aggregate Number of shareholders and the outstanding shares transferred during the financial year 2023-24 to Unclaimed Suspense Account	10	23,652
(c)	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year 2023-24;	22	2,62,909
(d)	Number of shareholders to whom shares were transferred from suspense account during the year 2023-24	22	2,62,909
(e)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (31.03.2024)	13	27,742

Disclosure with respect to Unclaimed Suspense Demat Account:

In compliance with SEBI Master Circular no: SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 for Registrars to an Issue and Share Transfer Agent" to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market. SEBI prescribed an Investor charter for Registrars to an issue and share transfer agents (RTAs) which forms part of the said circular as Annexure – 25. Under the head "Services provided by RTA to investors" the board (SEBI) stipulated the mandatory execution of transfer of undelivered shares certificate to suspense account. The details of shares in Unclaimed Suspense Demat 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; (01.04.2023)	0	0
(b)	Aggregate Number of shareholders and the outstanding shares transferred during the financial year 2023-24 to Unclaimed Suspense Account	1,576	44,86,476
(c)	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year 2023-24;	0	0
(d)	Number of shareholders to whom shares were transferred from suspense account during the year 2023-24	0	0
(e)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (31.03.2024)	1,576	44,86,476

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 2023-24.

8. COMPLIANCE STATUS OF LISTING AGREEMENT/ SEBI (LODR) REGULATIONS, 2015

The Bank has complied with all applicable mandatory requirements of the Listing Regulations during the financial year 2023-24. 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 2024 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 nation wide circulation and in a Malayalam newspaper having a wide circulation in Kerala.

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

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

By Order of the Board

(V J Kurian)
Chairman
(DIN : 01806859)

(P R Seshadri)
Managing Director & CEO
(DIN : 07820690)

Place : Thrissur
Date : July 30, 2024

AFFIRMATION OF COMPLIANCE WITH CODE OF CONDUCT

I, P R Seshadri, 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

(P R Seshadri)
Managing Director & CEO
(DIN : 07820690)

Place : Thrissur
Date : July 30, 2024

CEO / CFO Certification

We, P R Seshadri, Managing Director & CEO and Vinod Francis, 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, 2024 and that to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

   ii) these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violative of the Bank's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

d) We have indicated, to the Auditors and the Audit Committee:

   i) significant changes in internal control over financial reporting during the year;

   ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Bank's internal control system over financial reporting.

Yours faithfully

P R Seshadri
Managing Director & CEO
(DIN: 07820690)

Vinod Francis
Chief Financial Officer

Place : Kochi
Date : May 02, 2024

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, 2024.

Managements' Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Bank including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Bank complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Our Responsibility

4. The procedures for verification that have been selected depend on judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The key procedures performed include:

   i. Reading and understanding of the information prepared by the Bank and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors w.r.t. executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Directors' Register as on March 31, 2024 and verified that at least one Independent woman director was on the Board during the year;

   iv. Obtained and read the minutes of the annual general meeting held on August 24, 2023;

   v. Obtained and read the minutes of the meetings of Board of Directors and the committees of the Board of Directors, held April 1, 2023 to March 31, 2024 viz., Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee.

   vi. Obtained necessary representations and declarations from directors of the Bank including the independent directors; and

   vii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this certificate did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Bank taken as a whole.

Opinion

5. Based on the procedures performed by us, and according to the information and explanations given to us, we are of the opinion that the Bank has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2024.

Other matters and Restriction on Use

6. This certificate is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

7. This certificate is addressed to and provided to the members of the Bank solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose.

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: F003067F000855039

For SVJS & Associates
Company Secretaries

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

Kochi
July 30, 2024

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, 2024** 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. V.J.Kurian	01806859	23/03/2018
4.	Sri. Peruvemba Ramachandran Seshadri	07820690	01/10/2023
5.	Sri. M. George Korah	08207827	31/08/2018
6.	Sri. Pradeep M. Godbole	08259944	26/03/2019
7.	Sri. Paul Antony	02239492	29/09/2020
8.	Sri. R.A.Sankaranarayanan	05230407	15/10/2020
9.	Smt.Radha Unni^	03242769	30/11/2021
10.	Sri. Benny Payyappilly Thomas	09448424	30/12/2021
11.	Smt. Lakshmi Ramakrishna Srinivas	10365580	20/11/2023

@Sri. Salim Gangadharan ceased from the board on 01/11/2023 on expiry of his term.

*Sri. Murali Ramakrishnan ceased from the board on 30/09/2023 on expiry of his term.

^Smt. Radha Unni ceased from the board on 03/12/2023 on expiry of her term.

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: F003067F000854973

For SVJS & Associates
Company Secretaries

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

Kochi
July 30, 2024

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of The South Indian Bank Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of The South Indian Bank Limited ('the Bank'), which comprise the Balance Sheet as at March 31, 2024, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') and the circulars, guidelines and directions issued by the Reserve Bank of India ("RBI"), in the manner so required for banking companies and give a true and fair view in conformity with accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with rules thereunder, of the state of affairs of the Bank as at March 31, 2024, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Bank in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and results of our audit procedures, including the procedures performed to address the matters below, provide the basis in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters:

	Key Audit Matters	How our audit addressed the Key Audit Matters
(i)	**Classification of Advances, identification of non-performing advances, Income Recognition, and provisioning on Advances as per IRACP Norms of Reserve Bank of India (Refer Schedule 9, Note 3 of Schedule 17 and Note 4 of Schedule 18A to the standalone financial statements)**	
	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; RBI prescribes the prudential norms for Income Recognition, Asset Classification and Provisioning of non-performing assets (IRACP Norms) and prescribes the minimum provision required to be created for such assets in the Financial Statements. The identification of performing and non-performing advances (including advances restructured accounts under applicable IRACP Norms) involves establishment of proper systems, control mechanism, and the bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each Non-Performing Asset ('NPA') applying both quantitative as well as qualitative factors prescribed by the regulations. The risk of identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors. The provision on NPA is estimated based on ageing and classification of NPAs, recovery estimates, nature of loan product, value of security and other qualitative factors and is subject to the minimum provisioning norms specified by RBI and approved policy of the Bank in this regard. The Management of the Bank also makes an assessment of the impact on borrowers' accounts which were restructured as per RBI Circulars issued to provide relief to the borrowers. Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements on: - 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	Our audit approach/procedures included the following: - Understanding and considering the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the prudential norms prescribed by the RBI (IRACP Norms) including the additional provisions made on advances and asset classification benefits applicable to certain category of advances such as restructured accounts - Understanding, evaluation and testing the design and operating effectiveness of key controls (including application controls and logic applied for system driven identification of NPAs) over approval, recording, monitoring and recovery of loans, monitoring overdue/stressed accounts, identification of NPA, computation of provision for NPA, valuation of security and collateral and identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI. Further obtained an understanding of the contingency provision carried by the Bank and verified the underlying assumptions used by the Bank for such estimate. - Testing of application controls on sample basis including testing of automated and manual controls, reports and system reconciliations, in relation to income recognition, asset classification, provisioning pertaining to advances and investments and compliances of other regulatory guidelines issued by the RBI. - Testing on sample basis the accuracy of the data input in the system for income recognition, classification into performing and non-performing advances and provisioning in accordance with the IRACP norms. - Selection of the sample borrowers based on quantitative and qualitative risk factors for their assessment of appropriate classification as NPA including computation of overdue ageing to assess its correct classification and provision amount as per extant IRACP norms and the Bank policy.

Key Audit Matters	How our audit addressed the Key Audit Matters
Since the identification of NPAs and provisioning of advances requires proper mechanism, controls and significant level of estimation and given its significance to the overall audit process, including possible observation by RBI which could result into disclosures in the financial statements, we have ascertained identification of NPAs and provisioning against such NPAs as a Key Audit Matter.	- Performing other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included: (a) Considering testing of the exception reports generated from the application software and the systems where the advances have been recorded; (b) Considering the accounts reported by the Bank and other banks as Special Mention Accounts ("SMA") in RBI's central repository of information on large credits (CRILC) to identify stress; (c) Considering and reviewing the accounts reported with Early Warning Signals by the Bank with reference to the documents related to such advances. (d) Reviewing account statements, appraisal note, audited financial statements, stock and receivable audit report, credit audit report, drawing power calculation, security and other related documents including valuation report of the collaterals and information of the sample borrowers selected based on quantitative and qualitative risk factors including the advances selected from accounts with Early Warning Signals; (e) 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; (f) Considering reports of Internal Audit, Systems Audit, Credit Audit, Concurrent Audit, Stock and Receivable audit and credit appraisal as per the policies and procedures of the Bank; (g) Considering the Inspection reports of RBI on the Bank, the bank's response to the observations and other communication with RBI during the year; - For NPAs identified, we, based on our sample factors including stressed sectors and account materiality, tested the asset classification dates, value of available security and computation of the provision as per IRACP norms. We recomputed the provision for NPA after considering the key input factors and compared our measurement outcome to that of system-generated reports and statements prepared by management.

	Key Audit Matters	How our audit addressed the Key Audit Matters
(ii)	**Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Refer Schedule 8, Note 2 of Schedule 17 and Note 3 of Schedule 18A to the standalone financial statements)**	
	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), non-recognition of income and provisioning against NPI. Investments are classified into 'Held for Trading' ('HFT'), 'Available for Sale' ('AFS') and 'Held to Maturity' ('HTM') categories at the time of purchase. Investments, which the Bank intends to hold till maturity are classified as HTM investments. Investments classified as HTM are carried at amortised cost. Where in the opinion of management, a diminution, other than temporary, in the value of investments has taken place, appropriate provisions are made. Investments classified as AFS and HFT are marked-to-market on a periodic basis as per the relevant RBI guidelines. 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. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter. Accordingly, our audit was focused on valuation of investments, classification, identification of NPI and provisioning related to investments.	Our audit approach/procedures included the following: - We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs and provisioning/ depreciation related to investments; - We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments; - For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample; - We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision; - We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs; - We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.

	Key Audit Matters	How our audit addressed the Key Audit Matters
(iii)	**Assessment of Provision for Taxation (including Deferred Tax Assets) (Refer Note 15 of Schedule 17 and Note 3 of Schedule 18B to the standalone financial statements)**	
	This matter has been identified as a Key Audit Matter due to the significant level of management judgement required in the estimation of provision for liability towards income tax including any write back of provisions, due to the following factors a. The Bank's assessment of provision is based on facts of matter, existence of multiple uncertain tax positions leading to multiple disputes / litigations b. Provision for tax involves interpretation of various rules and law. It also involves consideration of the complex issues in on-going disputes and disclosures of related contingencies. Further, significant judgements are also involved in Assessment of Liability, Adequacy of provisions and Adequacy of disclosures for measuring such obligations.	Our audit approach/procedures included the following: a. Obtaining an understanding of the Bank's process and respective internal controls for determining tax liabilities, tax provisions, deferred tax assets and contingent liabilities in respect of the major litigations in order to design our audit procedures that are appropriate in the circumstances; b. Understanding the current status of the litigations/ tax assessments in respect of each matter for different years; c. Discussion with appropriate senior management personnel, independently assessment of management's estimate of the possible outcome of the disputed cases; and evaluation of the Management's underlying key assumptions in estimating the tax provisions. d. Considering legal precedence and other judicial pronouncements in evaluating management's position on these uncertain tax positions, the provisions made, and/or write back of the provisions e. Review of the reconciliation of the underlying tax balances to supporting documentation and workings, including correspondence with tax authorities. f. Evaluating the merit of the issues and subject matter under consideration with reference to the grounds presented therein and available independent legal/tax advice including opinion of our internal legal/tax experts; g. Evaluating the components of deferred tax assets and estimates of taxable incomes for future periods as determined by the management and approved by the Board of Directors. h. Verifying the disclosures related to significant litigations and taxation matters in the standalone financial statements

	Key Audit Matters	How our audit addressed the Key Audit Matters
(iv)	**Litigation, Claims and Contingent Liabilities (Refer Schedule 12, Note 16 of Schedule 17 and note 14 of Schedule 18B to the standalone financial statements)**	
	Assessment of provisions and Contingent liabilities in respect of certain litigations including Indirect Taxes, various claims filed by other parties not acknowledged as debt and other matters under dispute which involve significant judgement to determine the possible outcome of these disputes. There is a high level of judgement required in estimating the level of provisioning for the above. The Bank's assessment is supported by the facts of matter, their own judgement, interpretation and analysis of the complex issues under dispute, past experience and orders of the judicial authorities on identical issues, and advice from legal and independent tax consultants wherever necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgement in interpretation of law. Accordingly, our audit was focused on analyzing the facts of subject matter of each dispute, issue and matter under consideration and judgements/ interpretation of law involved.	Our audit approach/procedures included the following: - Testing the design and operating effectiveness of the Bank's key controls over the estimation, monitoring and disclosure of provisions and contingent liabilities - Obtaining an understanding of internal controls in relation to creation of provisions and Contingent liabilities in respect of the major litigations before various judicial forums including Indirect Taxes, various claims filed by other parties not acknowledged as debts relevant to audit in order to design our audit procedures that are appropriate in the circumstances; - Understanding the current status of the litigations in respect of each matter for different years; - Examining recent orders/communications received from various authorities/judicial forums, judicial pronouncements and follow up action thereon; - Evaluating the merit of the issues and subject matter under consideration with reference to the grounds presented therein and available independent legal/ tax advice including opinion of our internal legal/tax experts; - Review and analysis of evaluation of the contentions of the Bank through discussions, collections of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and - Verification of disclosures related to significant litigations and indirect taxation matters.

	Key Audit Matters	How our audit addressed the Key Audit Matters
(v)	**Information Technology ('IT') Systems and Internal Controls for financial reporting**	
	IT systems and controls followed by the bank are material from a financial reporting perspective, due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Therefore on account of these factors, there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment, existence and completeness of an Audit Trail (Edit Log) of the Core Banking Solution (CBS) and the other IT systems and applications having financial impact linked to the CBS. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately, and consistently for reliable financial reporting. In addition, there are increasing challenges to protect the integrity of the Bank's systems and data since cyber security has become a more significant risk in recent periods. These are key to ensure that IT dependent and application-based controls are operating effectively. Due to the pervasive nature and complexity of the IT environment as well as its importance in relation to accurate and timely financial reporting, we have ascertained IT systems and controls as a Key Audit Matter.	Our audit approach/procedures included the following: - Obtaining a comprehensive understanding of IT applications landscape implemented at the Bank, followed by process understanding, mapping of applications to the processes related to financial reporting and understanding financial risks posed by people-process and technology. - Testing 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) We have also verified the Audit Trail (Edit Log) on test check basis for the IT systems and identified accounting applications. - Testing the design and operating effectiveness of certain automated controls that were considered as key internal system controls over financial reporting using various techniques such as inquiry, review of documentation/record/ reports, observation, and re-performance. - Evaluating deficiencies and mismatches that were identified and, testing compensating controls or performed alternate procedures. - Obtaining management representation which included IS audit, and also the testing of the automated system driven controls conducted by the Management including matching of the business logic with the system logic.

Information other than the standalone Financial Statements and Auditors' Report thereon

The Bank's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to that Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements consolidated financial statements and our auditors' report thereon, the Pillar III disclosures under Basel III Capital Regulation, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Bank's Board of Directors and Management are responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 in so far as they apply to the Bank and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by RBI from time to time(the "RBI Guidelines"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management and board of directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has

adequate internal financial controls system in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and board of directors;
- Conclude on the appropriateness of management's and board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
2. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:

   (a) we have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

   (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

   (c) The key operations and functions of the Bank are administered, managed and controlled by regional offices and Head Office through centralised systems and processes with automation of critical applications integrated to the software of Core Banking System, and therefore the audit was also carried out centrally based on review of such centralised systems and processes with automation of major business processes, critical applications by review of the relevant records, documents and data required for the purposes of our audit available centrally through such applications/platform. Further, we visited 41 major branches to examine the operations and functioning of the branch and review the records/registers/documents maintained at such branches as part of our audit processes and procedures.

   (d) the profit and loss account shows a true balance of profit for the year then ended.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;

   (c) The Standalone Balance Sheet, the Standalone Profit and Loss Account, the Standalone Cash

Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the guidelines prescribed by RBI;

(e) On the basis of written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Bank with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;

(g) With respect to the matters to be included in the Auditor's Report under Section 197(16) of the Act:

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

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us

i. The Bank has disclosed the impact of pending litigations on its financial position in its standalone financial statements - as per details furnished in Schedule 12 and Sl.no 1 of Note 14 under Schedule 18B to the standalone financial statements;

ii. The Bank has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts - as per details furnished in Note 15 under Schedule 18B to the standalone financial statements; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank.

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 20 of Schedule 18B of the notes to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) Further, the management has represented, that, to the best of its knowledge and belief, other than as disclosed in Note 20 of Schedule 18B of the notes to the standalone financial statements, no funds have been received by the Bank from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and

(c) Based on such audit procedures performed, that were considered reasonable and appropriate by us in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the management representations made under subclause (a) and (b) contain any material misstatement.

v. The final dividend paid by the company during the year in respect of the same declared for the previous year is in accordance with

section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend;

As stated in note 21 of Schedule 18B to the Standalone Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuring Annual General Meeting. The dividend declared is in accordance with section 123 of the Companies Act, 2013, to the extent it applies to declaration of dividend;

vi. Based on our examination which included test checks, the Bank has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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

Hiren Shah
Partner
Membership No: 100052

UDIN: 24100052BKFAI09642

Place : Kochi
Date : 02nd May 2024

For K Venkatachalam Aiyer & Co.
Chartered Accountants
Firm Registration No. 004610S

Sreevats Gopalakrishnan
Partner
Membership No: 227654

UDIN: 24227654BKFTHQ7246

Place : Kochi
Date : 02nd May 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF THE SOUTH INDIAN BANK LIMITED FOR THE YEAR ENDED MARCH 31, 2024

[Referred to paragraph 3(f) under Report on Other Legal Regulatory requirements in the Independent Auditors' Report on the Internal Financial Controls Over Financial Reporting with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over Financial Reporting with reference to standalone financial statements of The South Indian Bank Limited ('the Bank') as at March 31, 2024, in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls over Financial Reporting

The Bank's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the Internal Control over Financial Reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to Standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing as specified under section 143 (10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to Standalone financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to Standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A bank's internal financial control with reference to Standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. The Bank's internal financial control with reference to Standalone financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the bank; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to Standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone financial statements to future periods are subject to the risk that the internal financial control with reference to Standalone financial statements become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank has maintained, in all material respects, an adequate internal financial controls system with reference to the Standalone financial statements and such internal financial controls with reference to the Standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Hiren Shah
Partner
Membership No: 100052

UDIN: 24100052BKFAI09642

Place: Kochi
Date: 02nd May 2024

For K Venkatachalam Aiyer & Co.
Chartered Accountants
Firm Registration No. 004610S

Sreevats Gopalakrishnan
Partner
Membership No: 227654

UDIN: 24227654BKFTHQ7246

Place: Kochi
Date: 02nd May 2024

SOUTH INDIAN Bank
EXPERIENCE NEXT-GEN BANKING

STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

		Schedule No	As at March 31, 2024 ₹ ('000)	As at March 31, 2023 ₹ ('000)
पूँजी और देयताएँ	**CAPITAL AND LIABILITIES**			
पूँजी	Capital	1	**26,15,926**	20,92,741
कर्मचारी स्टोक विकल्प (अनुदान) बकाया	Employees' Stock Options Outstanding		**26,446**	1,092
आरक्षितियाँ निधियाँ और अधिशष	Reserves and Surplus	2	**8,56,19,469**	6,46,53,062
निक्षेप	Deposits	3	**1,01,92,02,587**	91,65,13,530
उधार	Borrowings	4	**3,91,20,935**	6,99,38,514
अन्य ऋण तथा प्रावधान	Other liabilities and provisions	5	**2,75,42,537**	2,37,82,874
जोड़	TOTAL		**1,17,41,27,900**	1,07,69,81,813
सपंत्तियाँ	**ASSETS**			
भारतीय रिज़र्व बैंक में नकदी और अधिशेष	Cash and Balances with Reserve Bank of India	6	**6,65,96,999**	4,63,92,196
बैंकों में अधिशेष और मांग पर तथा अल्प सूचना पर प्राप्य धन	Balances with banks and money at call and short notice	7	**3,36,24,764**	2,44,12,677
विनिधान	Investments	8	**23,97,70,194**	24,64,18,041
अग्रिम	Advances	9	**78,06,06,486**	69,80,44,444
स्थिर आस्तियाँ	Fixed Assets	10	**96,64,796**	87,79,163
अन्य आस्तियाँ	Other Assets	11	**4,38,64,661**	5,29,35,292
जोड़	TOTAL		**1,17,41,27,900**	1,07,69,81,813
आकस्मिक ऋण	Contingent Liabilities	12	31,46,78,379	25,89,12,394
संग्रहण के लिए बिल	Bills for collection		2,19,86,291	2,05,77,900
महत्वपूर्ण लेखांकन नीतियाँ	Significant Accounting Policies	17		
लखा संबंधी टिप्पणीयाँ	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

Vinod Francis
Chief Financial Officer

V J Kurian
Chairman
(DIN : 01806859)

P R Seshadri
MD & CEO
(DIN : 07820690)

Jimmy Mathew
Company Secretary

M George Korah
Director
(DIN : 08207827)

Pradeep M Godbole
Director
(DIN : 08259944)

In terms of our report attached

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

For K Venkatachalam Aiyer & Co
Chartered Accountants
ICAI Firm Registration No.
004610S

Paul Antony
Director
(DIN : 02239492)

R A Sankara Narayanan
Director
(DIN : 05230407)

Hiren Shah
Partner
Membership No. 100052

Sreevats Gopalakrishnan
Partner
Membership No. 227654

Benny P Thomas
Director
(DIN : 09448424)

Lakshmi Ramakrishna Srinivas
Director
(DIN : 10365580)

Kochi
May 2, 2024

Kochi
May 2, 2024

Kochi
May 2, 2024

STANDALONE PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2024

		Schedule No	**Year ended March 31, 2024 ₹ ('000)**	Year ended March 31, 2023 ₹ ('000)
I. आय	**I. INCOME**			
अर्जित ब्याज	Interest Earned	13	**8,61,28,089**	7,23,31,794
अन्य आय	Other Income	14	**1,51,55,156**	81,26,275
जोड़	**TOTAL**		**10,12,83,245**	8,04,58,069
II. व्यय	**II. EXPENDITURE**			
व्यय किया गया ब्याज	Interest Expended	15	**5,28,07,529**	4,22,10,962
परिचालन व्यय	Operating Expenses	16	**2,97,99,029**	2,31,73,840
उपबंध और आकस्मिक व्यय	Provisions and Contingencies	18.A.14.e	**79,75,839**	73,22,388
जोड़	**TOTAL**		**9,05,82,397**	7,27,07,190
III. लाभ / हानि	**III. PROFIT/LOSS**			
वर्ष के शुद्ध लाभ (हानि)	Net Profit(Loss) for the year		**1,07,00,848**	77,50,879
पिछले वर्ष के अग्रनीत लाभ	Profit/(Loss) brought forward from previous year		**22,44,869**	(3,78,683)
जोड़	**TOTAL**		**1,29,45,717**	73,72,196
IV. विनियोग	**IV. APPROPRIATIONS**			
कानूनी आरक्षितियाँ को अंतरण	Transfer to Statutory Reserve		**26,75,300**	19,37,800
पूँजिगत आरक्षितियाँ को अंतरण	Transfer to Capital Reserve		**1,77,663**	45,665
राजस्व एवं अन्य आरक्षितियाँ को अंतरण	Transfer to Revenue and Other Reserve		**30,00,000**	13,00,000
निवेश उतार-चढाव आरक्षितियाँ को अंतरण	Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act		**6,00,000**	8,00,000
निवेश आरक्षित आंतरन	Transfer to/(from) Investment Reserve		**3,41,991**	-
तुलनपत्र में ले जाई शेषराशि	Transfer to/from Investment Fluctuation Reserve		**(4,57,892)**	10,43,862
वित्तीय वर्ष 2022-23 के लिए लाभांश का भुगतान	Dividend Paid for FY 22-23		**6,27,822**	-
अतिशेष जो आगे तुलन पत्र में ले जाया गया है	Balance carried over to Balance Sheet		**59,80,833**	22,44,869
जोड़	**TOTAL**		**1,29,45,717**	73,72,196
(प्रति शेयर 1 रुपये का अंकित मूल्य)	Earnings per share (Face value of ₹ 1 per share)			
आधार ईपीएस (₹)	Basic (in ₹)	18.B.16	**5.10**	3.49
तनुकृत ईपीएस (₹)	Diluted (in ₹)	18.B.16	**5.09**	3.49
महत्वपूर्ण लेखांकन नीतियाँ	Significant Accounting Policies	17		
लखा संबंधी टिप्पणीयाँ	Notes on Accounts	18		

अनुसूचियाँ ऊपर लाभ और हानि खाता का एक अभिन्न अंग के रूप में

Schedules referred to above form an integral part of the Profit and Loss Account

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

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Kochi
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STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2024

		Year Ended March 31, 2024 ₹ ('000)	Year Ended March 31, 2023 ₹ ('000)
Cash flow from operating activities			
Profit before tax as per Profit and Loss Account		1,52,87,543	1,10,82,073
Adjustments for:			
Depreciation		9,03,488	8,74,834
Amortisation of Premium on HTM Investments		25,73,680	31,24,143
Provision for Depreciation / Non Performing Investments		(6,36,004)	29,69,786
General Provisions against Standard Assets		(2,08,500)	(5,86,100)
Provision/write off for Non Performing Assets		40,55,210	62,30,741
Other Provisions		(4,30,912)	(2,78,081)
Employee Stock Options expense		25,359	1,088
Interest on Subordinated bonds		17,57,861	17,54,250
(Profit)/Loss on sale of land, buildings and other assets		998	1,222
Operating profit before working capital changes	**(A)**	**2,33,28,723**	**2,51,73,956**
Changes in working capital:			
Increase / (Decrease) in Deposits		10,26,89,057	2,50,92,452
Increase / (Decrease) in Other liabilities and provisions		39,23,408	70,27,989
(Increase) / Decrease in Investments		2,28,22,707	(3,52,90,708)
(Increase) / Decrease in Advances		(8,66,16,632)	(10,43,40,750)
(Increase) / Decrease in Other Assets		1,01,06,685	1,19,15,323
	(B)	**5,29,25,225**	**(9,55,95,694)**
Cash flow from operating activities before taxes	**(A+B)**	7,62,53,948	(7,04,21,738)
Direct Taxes paid		(55,01,890)	(21,86,444)
Net cash flow from/(used in) operating activities	**(C)**	**7,07,52,058**	**(7,26,08,182)**
Cash flow from investing activities:			
Purchase of Fixed Assets/Capital Work-in-Progress		(18,21,722)	(11,26,995)
Sale of Fixed/Non Banking Assets		75,178	37,578
(Purchase)/Sale of Investments (Held To Maturity)		(1,81,12,537)	(27,71,134)
Net cash flow from/(used in) investing activities	**(D)**	**(1,98,59,081)**	**(38,60,551)**

		Year Ended March 31, 2024 ₹ ('000)	Year Ended March 31, 2023 ₹ ('000)
Cash flow from financing activities:			
Proceeds from issue of share capital (Including Share Premium)		1,15,10,076	-
Share issue expenses		(93,513)	-
Dividend paid		(6,27,822)	-
Net proceeds/(repayments) in borrowings		(3,08,17,579)	3,69,93,580
Interest on Subordinated bonds		(14,47,249)	(17,54,250)
Net cash flow from/(used in) financing activities	**(E)**	**(2,14,76,087)**	**3,52,39,330**
Net increase/(decrease) in cash and cash equivalents	**(C+D+E)**	2,94,16,890	(4,12,29,403)
Cash and cash equivalents as at beginning of the year		**7,08,04,873**	**11,20,34,276**
(Refer note below)			
Cash and cash equivalents as at the end of the year		**10,02,21,763**	**7,08,04,873**
(Refer note below)			

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

For and on behalf of Board of Directors

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Executive Vice President

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Chief Financial Officer

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(DIN : 01806859)

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SCHEDULES TO BALANCE SHEET

AS AT MARCH 31, 2024

	As at March 31, 2024 ₹ ('000)	As at March 31, 2023 ₹ ('000)
SCHEDULE 1 - CAPITAL		
Authorised Capital	**40,00,000**	40,00,000
400,00,00,000 Equity shares of ₹ 1/- each (Previous year 400,00,00,000 equity shares of ₹ 1/- each)		
Issued, Subscribed and Paid up Capital	**26,15,926**	20,92,741
261,59,26,272 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	**26,15,926**	20,92,741
Employees' Stock Options Outstanding		
Employees' Stock Options Outstanding	**62,205**	8,817
Less: Deferred Employee Compensation Expense (unamortised)	**(35,759)**	(7,725)
TOTAL	**26,446**	1,092
SCHEDULE 2 - RESERVES AND SURPLUS		
I. Statutory Reserve		
Opening Balance	**1,36,18,239**	1,16,80,439
Additions during the year	**26,75,300**	19,37,800
Sub total	**1,62,93,539**	1,36,18,239
II. Capital Reserve#		
Opening Balance	**95,38,139**	90,98,285
Additions during the year*	**1,77,663**	45,665
Due to revaluation of Assets (net)	**-**	4,50,692
	97,15,802	95,94,642
Deductions during the year:		
Deduction from reserve to the extent of depreciation on revalued amount	**(56,306)**	(56,503)
Sub total	**96,59,496**	95,38,139
III. Share Premium		
Opening Balance	**1,76,68,966**	1,76,68,966
Additions during the year	**1,09,86,890**	-

	As at March 31, 2024 ₹ ('000)	As at March 31, 2023 ₹ ('000)
Deductions during the year - Expenses relating to Rights Issue (Refer Note no.A.1 (b) of Schedule 18)	**(93,513)**	-
Sub total	**2,85,62,343**	1,76,68,966
IV. Revenue and Other Reserves[$]		
Opening Balance	**2,15,82,849**	1,83,69,583
Additions during the year :		
a) lapse of vested options	**4**	12,901
b) transfer of depreciation on revaluation	**56,306**	56,503
c) appropriation during the Year	**38,60,249**	31,43,862
Deduction during the year:		
a) Transfer to General Reserve	**(3,76,150)**	-
Sub total	**2,51,23,258**	2,15,82,849
V. Balance in Profit and Loss Account	**59,80,833**	22,44,869
TOTAL	**8,56,19,469**	6,46,53,062
[I+II+III+IV+V]		

* 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 ₹31.76 Crore (Previous Year ₹ 9.48 Crore)
b) Profit/(Loss) on sale of Fixed/Non Banking Assets (₹0.10) Crore (Previous Year (₹0.12)Crore)
[#](Refer Note no. A.1.f of Schedule 18)
[$](Refer Note no. A.1.f of Schedule 18)

SCHEDULE 3 - DEPOSITS

A. I. Demand Deposits		
(i) From Banks	**2,12,035**	70,184
(ii) From Others	**6,05,36,659**	4,97,89,619
II. Savings Bank Deposits	**26,61,77,981**	25,24,10,824
III. Term Deposits		
(i) From Banks	**36,27,515**	33,45,670
(ii) From Others	**68,86,48,397**	61,08,97,233
TOTAL	**1,01,92,02,587**	91,65,13,530
B. (i) Deposits of branches in India	**1,01,92,02,587**	91,65,13,530
(ii) Deposits of branches outside India	**Nil**	Nil
TOTAL	**1,01,92,02,587**	91,65,13,530

	As at March 31, 2024 ₹ ('000)	As at March 31, 2023 ₹ ('000)
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
(i) Reserve Bank of India	**-**	27,50,000
(ii) Other Banks*	**9,17,000**	12,02,300
(iii) Other Institutions and Agencies#	**3,62,30,411**	6,41,93,051
II. Borrowings outside India - from other banks	**19,73,524**	17,93,163
TOTAL	**3,91,20,935**	6,99,38,514
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.	**69,86,411**	3,18,14,751

*Borrowings from other banks include Subordinated Debt of ₹47.36 Crore (Previous year ₹47.36 Crore) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹44.34 Crore (Previous year ₹ 72.87 Crore) [Refer Note no .A.1.d of Schedule 18]

#Borrowings from other institutions & agencies include Subordinated Debt of ₹992.64 Crores (Previous year ₹992.64 Crore) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹455.66 Crore (Previous year ₹427.13 Crores) [Refer Note no. A.1.d of Schedule 18]

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	**15,78,324**	10,28,487
II. Inter -Office adjustments (Net)	**2,09,460**	8,18,455
III. Interest Accrued	**26,25,814**	20,41,463
IV. Deferred tax liability (net) (Refer Note no. B.3.b of Schedule 18)	**1,20,384**	-
V. Others (including provisions)*	**2,30,08,555**	1,98,94,469
TOTAL	**2,75,42,537**	2,37,82,874

*Includes :-

Provision for standard assets ₹385.04 Crore (Previous year ₹407.59 Crore) (Refer Note no. A.4.a of Schedule 18)

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand	**55,48,967**	51,69,959
(Including foreign currency notes)		
II. Balances with Reserve Bank of India		
a) In Current Account	**4,85,68,032**	4,12,22,237
b) Lending under Reverse Repo (including Standing Deposit Facility)	**1,24,80,000**	-
TOTAL	**6,65,96,999**	4,63,92,196

	As at March 31, 2024 ₹ ('000)	As at March 31, 2023 ₹ ('000)
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India		
i) Balances with Banks		
(a) In Current Accounts	**2,64,598**	1,09,326
(b) In Other Deposit Accounts	**15,60,600**	9,45,658
ii) Money at call & short notice		
(a) With Banks	**-**	5,00,000
(b) Lending under Reverse Repo (Market & Tri party)	**1,99,70,662**	4,99,712
Sub total	**2,17,95,860**	20,54,696
II. Outside India		
(a) In Current Accounts	**10,46,480**	10,95,672
(b) In Other Deposit Accounts	**91,74,550**	1,97,20,800
(c) Money at call & short notice - with banks	**16,07,874**	15,41,509
Sub total	**1,18,28,904**	2,23,57,981
Total	**3,36,24,764**	2,44,12,677
SCHEDULE 8 - INVESTMENTS		
I. Investments in India in:		
(i) Government Securities*	**21,68,49,665**	22,37,66,114
(ii) Other Approved Securities	**-**	-
(iii) Shares	**8,43,808**	21,83,349
(iv) Debentures and Bonds	**88,88,502**	1,29,79,496
(v) Subsidiaries and/or Joint Ventures	**5,000**	5,000
(vi) Others#	**1,31,81,240**	74,82,103
Sub total	**23,97,68,215**	24,64,16,062
II. Investments outside India - Shares	**1,979**	1,979
TOTAL (I+II)	**23,97,70,194**	24,64,18,041
A. Gross Investments		
(i) In India	**25,27,84,355**	26,01,40,119
(ii) Outside India	**1,979**	1,979
Sub total (A)	**25,27,86,334**	26,01,42,098

	As at March 31, 2024 ₹ ('000)	As at March 31, 2023 ₹ ('000)
B. Depreciation/Provision for investments		
(i) In India	**1,30,16,140**	1,37,24,057
(ii) Outside India	**-**	-
Sub total (B)	**1,30,16,140**	1,37,24,057
C. Net Investments		
(i) In India	**23,97,68,215**	24,64,16,062
(ii) Outside India	**1,979**	1,979
TOTAL (A-B)	**23,97,70,194**	24,64,18,041
*Including Non SLR State Government bonds with Book Value ₹ 69.03 Crore (Previous Year: ₹ 86.71 Crore). Securities costing to ₹ 10,620.75 Crore (Previous Year ₹ 11,365.78 Crore) pledged for availment of fund transfer facility, clearing facility and margin requirements. [Refer Note no. A.3.d of Schedule 18].		
#includes		
Security Receipts	**8,99,626**	16,59,849
Certificate of Deposit	**1,13,01,042**	43,52,158
Commercial Paper	**9,80,572**	14,70,096
TOTAL	**1,31,81,240**	74,82,103

SCHEDULE 9 - ADVANCES

A. (i) Bills Purchased and Discounted	**10,13,45,130**	8,13,34,993
(ii) Cash Credits, Overdrafts and Loans repayable on demand	**38,98,61,717**	36,72,86,039
(iii) Term Loans	**28,93,99,639**	24,94,23,412
TOTAL	**78,06,06,486**	69,80,44,444
B. (i) Secured by tangible assets*	**61,41,38,077**	55,40,07,373
(ii) Covered by Bank/Government Guarantees	**2,28,04,119**	3,04,15,256
(iii) Unsecured	**14,36,64,290**	11,36,21,815
TOTAL	**78,06,06,486**	69,80,44,444
*advances secured by tangible assets includes advances against Book Debt		
C. I. Advances in India		
(i) Priority Sectors	**30,18,30,110**	29,61,34,861
(ii) Public Sector	**2,99,16,346**	1,00,05,515
(iii) Banks	**49,98,869**	-
(iv) Others	**44,38,61,161**	39,19,04,068
TOTAL	**78,06,06,486**	69,80,44,444

		As at March 31, 2024 ₹ ('000)	As at March 31, 2023 ₹ ('000)
II. Advances outside India		**Nil**	Nil
	TOTAL	**78,06,06,486**	69,80,44,444

SCHEDULE 10 - FIXED ASSETS

I. Premises (including Land)			
Gross Block:			
At cost as on March 31, of the preceding year		**64,32,397**	59,47,242
Additions during the year			
Due to purchases/acquisitions		**1,61,709**	4,85,802
		65,94,106	64,33,044
Deductions during the year		**2,958**	647
Closing Balance		**65,91,148**	64,32,397
Depreciation			
As at beginning of the year		**8,19,544**	7,36,405
Charge of the year		**84,714**	83,139
Deductions during the year		**32**	-
Depreciation to date		**9,04,226**	8,19,544
Net Block	Sub total	**56,86,922**	56,12,853
II. Capital Work in Progress			
At cost as on March 31, of the preceding year		**12,39,985**	5,90,470
Additions during the year		**22,11,896**	12,58,888
		34,51,881	18,49,358
Capitalisations during the year		**19,97,565**	6,09,373
	Sub total	**14,54,316**	12,39,985

		As at March 31, 2024 ₹ ('000)	As at March 31, 2023 ₹ ('000)
III. Other Fixed Assets (Including furnitures and fixtures and Software)			
Gross Block:			
At cost as on March 31, of the preceding year		**82,46,417**	82,22,361
Additions during the year		**14,45,682**	4,42,370
		96,92,099	86,64,731
Deductions/adjustments during the year		**3,75,331**	4,18,314
Closing Balance		**93,16,768**	82,46,417
Depreciation			
As at beginning of the year		**63,20,092**	59,13,127
Charge of the year		**8,18,774**	7,91,693
Deductions during the year		**3,45,656**	3,84,728
Depreciation/adjustments to date		**67,93,210**	63,20,092
Net Block	Sub total	**25,23,558**	19,26,325
	TOTAL [I+II+III]	**96,64,796**	87,79,163

		As at March 31, 2024 ₹ ('000)	₹ ('000)	As at March 31, 2023 ₹ ('000)
SCHEDULE 11 - OTHER ASSETS				
I. Interest Accrued		**1,30,37,418**		1,13,16,438
II. Tax Paid in Advance/Tax Deducted at Source (Net of provision)		**39,26,199**		26,76,503
III. MAT Credit Entitlement (Refer Note no. B.3.a of Schedule 18)	13,82,547		16,80,504	
Less MAT Credit utilisation	13,82,547	**-**	2,97,957	13,82,547
IV. Deferred tax asset (net) (Refer Note no. B.3.b of Schedule 18)		**-**		2,14,117
V. Stationery and Stamps		**1,19,585**		29,360
VI. Non-Banking Assets acquired in satisfaction of claims	90,443		1,34,494	
Less: Provisions held	90,443	**-**	1,34,494	-
VII. Others*		**2,67,81,459**		3,73,16,327
TOTAL		**4,38,64,661**		5,29,35,292

*Includes Priority Sector Shortfall Deposits amounting to ₹ 1,871.75 Crore (Previous year ₹ 2,636.43 Crore)

	As at March 31, 2024 ₹ ('000)	As at March 31, 2023 ₹ ('000)
SCHEDULE 12 - CONTINGENT LIABILITIES (Refer Note no. 16 of Schedule 17)		
I. Claims against the Bank not acknowledged as debts:		
(i) Direct Tax disputes	**2,05,023**	2,05,023
(ii) Indirect Tax disputes	**1,90,464**	2,20,266
(iii) Others	**2,76,396**	2,68,615
II. Liability on account of outstanding Forward Exchange /Derivative Contracts[1]	**28,26,11,894**	22,51,72,106
III. Guarantees given on behalf of constituents in India		
(a) in India	**1,86,93,821**	1,69,78,184
(b) outside India	**27,11,687**	42,59,569
IV. Acceptances, endorsements and other obligations	**68,77,447**	92,53,844
V. Other items for which the bank is contingently liable:		
(i) Capital Commitments	**6,70,670**	3,68,432
(ii) Transfers to Depositor Education and Awareness Fund (DEAF)*	**24,40,977**	21,86,355
TOTAL	**31,46,78,379**	25,89,12,394
[1] Represents notional amount		
*[Refer Note no. A.10 of Schedule 18]		

	Year ended March 31, 2024 ₹ ('000)	Year ended March 31, 2023 ₹ ('000)
SCHEDULE 13 - INTEREST EARNED		
I. Interest/Discount on Advances/Bills	**6,89,10,385**	5,71,21,507
II. Income on Investments	**1,55,16,138**	1,28,57,266
III. Interest on balances with Reserve Bank of India and Other Inter - Bank funds	**8,76,426**	13,20,999
IV. Others	**8,25,140**	10,32,022
TOTAL	**8,61,28,089**	**7,23,31,794**

	₹ ('000)	Year ended March 31, 2024 ₹ ('000)	₹ ('000)	Year ended March 31, 2023 ₹ ('000)
SCHEDULE 14 - OTHER INCOME				
I. Commission, Exchange and Brokerage		**3,88,422**		4,45,697
II. Profit on sale of Investments	27,79,305		8,79,967	
Loss on sale of Investments	(2,12,572)		(1,79,854)	
Prov for Depn on Investments	6,09,350	**31,76,083**	(43,45,152)	(36,45,039)
III. Profit on sale of land, buildings and other assets	10,838		11,922	
Loss on sale of land, buildings and other assets	(11,836)	**(998)**	(13,144)	(1,222)
IV. Profit/(Loss) on Exchange/derivative transactions (net)		**3,41,428**		5,60,509
V. Miscellaneous Income*		**1,12,50,221**		1,07,66,330
TOTAL		**1,51,55,156**		81,26,275

* Includes Amount written off since recovered ₹ 98.19 Crore (Previous Year ₹ 247.20 Crore)

	Year ended March 31, 2024 ₹ ('000)	Year ended March 31, 2023 ₹ ('000)
SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on Deposits	**4,91,38,886**	3,85,33,239
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	**81,575**	16,598
III. Others	**35,87,068**	36,61,125
TOTAL	**5,28,07,529**	4,22,10,962

SCHEDULE 16 - OPERATING EXPENSES		
I. Payments to and Provisions for Employees	**1,69,28,502**	1,30,03,590
II. Rent, Taxes and Lighting	**15,36,281**	13,88,037
III. Printing and Stationery	**2,10,752**	2,48,388
IV. Advertisement and Publicity	**1,68,699**	1,23,701
V. Depreciation on Bank's Property	**9,03,488**	8,74,834
VI. Directors fees, remuneration, allowances and expenses	**31,065**	22,977
VII. Auditors' fees and expenses	**31,889**	27,957
VIII. Law charges	**2,48,741**	2,22,213
IX. Postage,telegrams,telephones, etc.	**7,81,996**	5,72,806
X. Repairs and Maintenance	**8,31,114**	6,47,388
XI. Insurance	**12,58,736**	12,10,997
XII. Other Expenditure*	**68,67,766**	48,30,952
TOTAL	**2,97,99,029**	2,31,73,840

*Includes expenditure towards Corporate Social Responsibility ₹10.50 Crore (Previous year : ₹ 1.86 Crore) [Refer Note no. B.17 of Schedule 18]

SCHEDULE – 17 SIGNIFICANT ACCOUNTING POLICIES APPENDED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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 955 branches in India and provides retail and corporate banking, para banking activities such as debit / credit card, third party financial product distribution, in addition to Treasury and Foreign Exchange Business. SIB is governed by Banking Regulation Act, 1949, The Companies Act, 2013 and other applicable Acts/ Regulations for Banks. Its shares are listed in BSE Limited and National Stock Exchange of India Limited.

Basis of Preparation

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the bank used in the preparation of these financial statements conform in all material aspects to Generally Accepted Accounting Principles in India ("Indian GAAP"), the circulars, guidelines and directions issued by the Reserve Bank of India ('RBI') is implemented prospectively when it becomes applicable, unless specifically required under circular / directions from time to time and the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (as amended) and the relevant provisions of the Companies Act, 2013 ("the Act") and current practices prevailing within the banking industry in India. The Bank follows the historical cost convention and accrual method of accounting in the preparation of the financial statements, except where otherwise stated. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognized prospectively in the current and future periods.

Significant Accounting Policies

1. Revenue recognition

a) Interest / discount / other charges income from loans, advances and investments and deposits placed with banks and other institutions are recognized on accrual basis, except in respect of income relating to advances/ investments classified as non-performing advances/ investments, additional finance treated as standard asset under approved restructuring package, where the income is recognized only on realization in accordance with RBI guidelines.

b) Interest income on loans bought out through the direct assignment route is recognized at their effective interest rate, except in case of such loans classified as non-performing advances.

c) The recoveries made from NPA accounts are appropriated towards the order of demand applicable to borrowers accounts except for OTS. In case of One Time settlement (OTS) accounts the recoveries are first adjusted against the balance towards principal and sacrifice on settlement is accounted upfront.

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 on pro-rata basis 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 in the year of receipt without spreading it over the period of loan / facility..

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) Funded interest on term loans as part of

restructuring 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) Interest on income tax refund is recognised under "Other Income" in the year of passing of Assessment Orders based on the reasonable certainty. Legal expenses incurred on suit filed accounts are expensed in profit and loss account. Such amount when recovered is treated as income

m) Penal interest is recognised as income on realisation other than on running accounts where it is recognised when due.

n) All other amounts collected from customers as Non-interest income or recovery of expenses towards provision of various services / facilities are accounted / recognized on receipt basis.

2. Investments

A) Classification

a) In accordance with the RBI guidelines, investments are categorized into "Held for Trading", "Available for Sale" and "Held to Maturity" and further classified under six groups, viz. Government Securities, Other Approved Securities, Shares, Debentures & Bonds, Subsidiaries and / or joint ventures and Other (to be specified) Investments for the purposes of disclosure in the Balance Sheet. Shifting amongst the categories is done in accordance with the RBI guidelines.

b) Investments which are held for sale within 90 days from the date of purchase are classified as "Held for Trading".

c) Investments which the bank intends to hold till maturity are classified as "Held to Maturity".

d) Investments which are not classified in either of the above two categories are classified as "Available for Sale".

B) Acquisition cost

The cost of investments is determined on the weighted average basis. Broken period interest on debt instruments and government securities is treated as a revenue item. The transaction cost including brokerage, commissions etc. paid at the time of acquisition of investments are charged to the Profit and Loss Account.

C) Valuation

The valuation of investments is performed in accordance with the RBI Guidelines:

a. Investments classified as HFT or AFS – Investments classified under the AFS and HFT categories are marked-to-market. The market/fair value of quoted investments included in the 'AFS' and 'HFT' categories is measured with respect to the Market Price of the Scrip as available from the trades/ quotes on the stock exchanges, pricelist of RBI or prices declared by Financial Benchmark India Private Limited periodically. Net depreciation, if any, within each category of investment classification is recognized in Profit and Loss Account. The net appreciation, if any, under each category of Investment is ignored. Except in cases where provision for diminution other than temporary is created, the Book value of individual securities is not changed consequent to the periodic valuation of Investments.

Net depreciation on each type of investments falling under the residual category of 'Others' (i.e. mutual funds, PTCs, security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category.

The depreciation on securities acquired by way of conversion of outstanding loan is provided in accordance with the RBI guidelines. Provision for depreciation on investments is classified under 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, 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 Re.1/- per company;
- In case of investment by the Bank in SRs issued against loans transferred by it is more than 10 percent of all SRs issued against the transferred asset, then the provision for depreciation in value is made at the higher of - provisioning rate required in terms of net asset value declared by the Reconstruction Company ('RC')/ Securitization Company ('SC') or the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the bank.
- Non-Performing Investments are identified and valued based on RBI guidelines. Interest/income on non-performing investments is recognised on cash basis.
- Investment in subsidiary as per RBI guidelines are categorized as HTM and assessed for impairment to determine permanent diminution, if any.

f. The Bank follows 'Settlement Date' accounting for recording purchase and sale transactions in securities. The investments in equity shares 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 scrips from AFS/HFT category to HTM category shall be 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 shall be fully provided for in

accordance with RBI guidelines.

Transfer of securities from HTM to AFS/HFT category, the investments held under HTM at a discount are transferred to AFS/HFT category at acquisition price and investment placed in the HTM category at premium are transferred to AFS/HFT at amortised cost.

In the case of transfer of securities from AFS to HFT category or vice-versa, the securities need not be re-valued on the date of transfer and the provisions for the accumulated depreciation, if any, held may be transferred to the provisions for depreciation against the HFT securities and vice-versa.

G) Disposal of Investments

a) Investments classified as HFT and AFS – Profit or loss on sale / redemption is included in the Profit and Loss account.

b) Investments classified as HTM – Profit on sale of /redemption of investments is included in the Profit and Loss Account and is appropriated to capital Reserve after adjustments for tax and transfer to Statutory Reserve. Loss on sale/redemption is charged to the Profit and Loss Account.

H) Investment Fluctuation Reserve ('IFR'):

Investment Fluctuation reserve is accounted in line with the RBI guidelines issued from time to time.

3. Advances

A) Valuation / Measurement

a) Advances are classified into performing assets (Standard) and non-performing assets ('NPAs') as per the RBI guidelines on Income Recognition, Asset Classification and Provisioning (IRACP) and are stated net of specific provisions made towards NPAs, sacrifice provisions on restructured advances, claims received from guarantee corporations and unrealised interest on NPAs. Interest on Non- Performing advances is not recognised in profit and loss account and transferred to an unrealised interest account until receipt. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. The bank may selectively adopt a policy to provisioning that is based on past experience, evaluation of security and other related factors in accordance with the Policy on Provisioning against Advance accounts subject to minimum amount as specified in IRACP norms.

b) Non-performing advances are written-off in accordance with the Bank's policies. Amounts recovered against debts written off are recognised in the profit and loss account and included under "Other Income". The recovery of unrealised interest is accounted under "Interest on Loans & Advances" in the profit and loss account.

c) For restructured 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 is made as per extant RBI guidelines.

d) For entities with Unhedged Foreign Currency Exposure (UFCE), provision is made in accordance with the guidelines issued by RBI, which requires to ascertain the amount of UFCE, estimate the extent of likely loss and estimate the riskiness of unhedged position. The Provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

e) The Bank maintains general provision for standard assets including credit exposures computed as per the current marked-to-market values of foreign exchange derivative contracts, in accordance with the guidelines and at levels stipulated by RBI from time to time. The Provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

f) The bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate

amount of the participation issued by the Bank is reduced from advances and where bank is participating; the aggregate amount of participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the bank is participating, the aggregate amount of participation is shown as due from banks under advances.

g) Loss on sale of assets to Asset Reconstruction Companies

If the sale of non- performing advances is at a price below the net book value, the shortfall is charged to the Profit and Loss Account, spread over a period as specified in RBI guidelines. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

h) The Bank makes additional provisions as per RBI's guidelines on 'Prudential Framework on Resolution of Stressed Assets' dated June 7, 2019 on accounts in default and with aggregate exposure above the threshold limits as laid down in the said framework where the resolution plan is not implemented within the specified timeline.

i) Loans reported as fraud are classified as loss assets and provided as per RBI guidelines.

j) In the event of substantial erosion in value of loan and remote possibility of collection, non-performing loans with adequate provisions are evaluated for technical / prudential write off based on Bank's policy and the RBI guidelines. Such write off does not have an impact on the Bank's legal claim against the borrower. The Bank may also write off non-performing/standard loans on One Time Settlement ('OTS') with the borrower or otherwise.

Credit card

Income and expenses in relation to credit card business is accounted on gross basis under respective heads of the profit and loss account. Provisions for NPA is made in accordance with the policy on provisioning of advances of the Bank. Further, the amount received under First Loss Default Guarantee Amount is accounted as other income after technical write off.

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 period 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 of the useful life of the assets. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful life and residual values of fixed assets, though these rates in certain cases are different from useful life prescribed under Schedule II of Companies Act, 2013. Computer software is amortised over its useful life, not more than 5 years.

6. Impairment of Assets

The carrying values of assets at each balance sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Profit and Loss Account, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a reduction on 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/FEDAI.

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

The liability on employee benefits are recognized in accordance with Accounting Standard 15 (revised) specified in Companies (Accounting Standards) Rules, 2006.

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 have joined the services of the Bank with effect from April 1, 2010 are covered under Defined Contributory Pension Scheme (DCPS).

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) Compensation for absence on Privilege / Sick / Casual Leave and Leave Travel Concession (LTC):

The employees of the Bank are entitled to compensated absence on account of privilege / sick / casual leave as per the leave rules. The bank measures the long term expected cost of compensated absence as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuation and such costs are recognised in the profit and loss account. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

The employees are also eligible for LTC as per the rules. The estimated cost of unused entitlement as on the Balance Sheet date based on actuarial valuation is provided for.

e) Employees Stock Option Scheme (ESOS):

The SIB ESOS 2008 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Managing Director of the Bank.

The Scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021. The Bank followed intrinsic value method to account for its stock-based employee compensation plans as per the Guidelines for all the options granted till the accounting period ending 31 March, 2021.

RBI issued a clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers /Material Risk Takers and Control Function Staff on 30 August, 2021, advising banks that the share-linked instruments are required to be fair valued on the date of grant using the Black-Scholes model. Accordingly, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognized the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. Options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant or at such a discount as may be approved by NRC/Board from time to time. The fair market price being the closing price of stock exchange which recorded the highest trading volumes in equity shares of the Bank and trading day immediately preceding the date on which the grant of options was approved and recommended to Board by Nomination and Remuneration Committee of Board.

f) Other Employee Benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employee is recognised during the period when the employee renders the service. These benefits include performance incentives.

g) New Pension Scheme ('NPS')

In respect of employees who are covered under NPS, the Bank contributes certain percentage of the sum of basic salary and dearness allowance of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies and regulated by PFRDA. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue. The Bank has no liability other than its

contribution and recognises such contributions as an expense in the year incurred.

11. Other operating Expenses

Other operating expenses are generally accounted on accrual basis.

12. Segment Reporting

The disclosure relating to segment information is in accordance with the guidelines issued by RBI. Segmental expenses are allocated as per board approved policy.

13. 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

14. Earnings Per Share (EPS)

The Bank reports Basic and Diluted Earnings per Equity Share in accordance with Accounting Standard 20, prescribed under section 133 of the Companies Act, 2013 read together with the Companies (Accounting Standards) Rules, 2021. Basic EPS has been computed by dividing Net Profit for the year by the weighted average number of Equity Shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. A diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end. Potential equity shares which are anti-dilutive in nature are ignored.

15. Taxes on income

Income tax expense is the aggregate amount of current tax and deferred tax charge. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961, the rules framed there under and considering the material principles set out in Income Computation and Disclosure Standards and as per Accounting Standard 22 – "Accounting for Taxes on Income" respectively.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961, Accounting Standard 22 - "Accounting for Taxes on Income" and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses. In the case of unabsorbed depreciation and carry forward losses, Deferred Tax Assets are recognized only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these Deferred Tax Assets 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 set off and adjusted if such items relate to taxes on income levied by the same governing tax laws and the Bank has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future. 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.

16. 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.Contingent assets, if any, shall not be recognized or disclosed in the financial statements.

17. 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.

Rental payments for premises taken on operating lease agreements are recognized as an expense in the profit and loss account over the lease term as the lease are cancellable.

18. 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).

19. Share issue expenses

Share issue expenses are adjusted from Securities Premium Account as permitted by Section 52 of the Companies Act, 2013 and in line with the respective RBI guidelines issued from time to time.

20. Corporate Social Responsibility

Expenditure towards Corporate Social Responsibility is recognized in accordance with Companies Act 2013

21. Accounting of Priority Sector Lending Certificate (PSLC)

In line with the RBI guidelines Bank 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 such PSLC is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income'.

22. Accounting for Dividend

In terms of revised Accounting Standard (AS) 4 "Contingencies and Events occurring after the Balance sheet date" as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016, Proposed Dividend or Dividend declared after balance sheet date are not shown as liability in current year balance sheet. The effect of the proposed dividend shall be reckoned in determining capital funds in the computation of capital adequacy ratios in Financial Year for which the dividend is declared. In case of interim dividend, the same shall be reckoned in the same quarter.

23. Cash Flows

Cash flow Statement has been prepared under the Indirect Method.

SCHEDULE - 18: NOTES ON ACCOUNTS FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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, 2024 are denominated in Rupees Crore (unless specified otherwise) to conform to extant RBI guidelines.

1. Regulatory Capital

a) Composition of regulatory Capital

The Bank is subject to the capital adequacy guidelines stipulated by RBI, which are based on the framework of the Basel Committee on Banking Supervision. As per Basel III and RBI guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% {11.5% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier I (CET1) of 5.5% (8% including CCB). These guidelines on Basel III have been implemented completely. The minimum CRAR required to be maintained by the Bank as on 31st March 2024 is 11.50%. The Capital Adequacy Ratio of the Bank calculated as per Basel III Capital Regulations is furnished below:

[₹ in Crore]

	Particulars	March 31, 2024	March 31, 2023
i)	Common Equity Tier I Capital(CET 1)/Paid up share capital and reserves (net of deductions, if any)	8352.90	6,315.63
ii)	Additional Tier 1 capital/Other Tier 1 capital	500.00	500.00
iii)	Tier 1 Capital (i+ii)	8852.90	6,815.63
iv)	Tier 2 Capital	1,131.57	1,161.37
v)	Total Capital (Tier 1 +Tier 2)	9984.47	7,977.00
vi)	Total Risk Weighted Assets (RWAs)	50143.76	46,224.83
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)/Paid-up share capital and reserves as percentage of RWAs	16.66%	13.66%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	17.65%	14.74%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.26%	2.51%
x)	Capital to Risk Weighted Asset Ratio (CRAR)(Total Capital as a percentage of RWAs)	19.91%	17.25%
xi)	Leverage Ratio	7.15%	6.05%
xii)	Percentage of the shareholding of Government of India	-	-
xiii)	Amount of paid up Equity Capital raised (Including share premium) through: Rights Issue	1151.01	-
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 draw down from reserves during the years ended March 31, 2024 and March 31, 2023, except:

In Financial year 2023-24, bank had adjusted the share issue expenses of ₹9.35 Crore, incurred for the equity raised through the Right Issue during the year ended March 31, 2024, against the share premium account in terms of Section 52 of the Companies Act, 2013 and Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions dated August 30, 2021 as amended.

c) Credit to Reserve: Nil (Previous year Nil)

d) Additional Tier I Bonds:

Additional Tier I Bonds outstanding and included under borrowings is as follows: [₹ in Crore]

Borrowings in India	March 31, 2024	March 31, 2023
From Banks	44.34	72.87
From Others	455.66	427.13
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, 2024	March 31, 2023
From Banks	47.36	47.36
From Others	992.64	992.64
Total	**1040.00**	**1,040.00**

Total Subordinated debt of ₹702 Crore (Previous Year: ₹860.00 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:

The Bank, vide its Letter of Offer dated February 21, 2024 offered upto 52,31,85,254 Equity Shares of Face Value of ₹ 1/- each at a price of ₹ 22/- per Equity Share (including Share Premium of ₹ 21/- per Equity Share) for an amount aggregating to ₹ 1151.01 Crore to the existing Equity Shareholders of the Bank on rights basis in the ratio of One Equity Share for every Four Equity Shares held by the Equity Shareholders on the record date i.e. February 27, 2024. The Bank has allotted 52,31,85,254 Equity Shares on 27th March, 2024.

Accordingly, share capital increased by ₹ 52.32Crore (Previous Year: ₹ Nil) and share premium increased by ₹ 1098.69 Crore (Previous Year: ₹ Nil).

Details of movement in the paid-up equity share capital of the Bank are given below:

Particulars	March 31, 2024		March 31, 2023	
	No of shares	Amount (₹ in Cr)	No of shares	Amount (₹ in Cr)
Opening Balance	2,09,27,41,018	209.27	2,09,27,41,018	209.27
Additions pursuant to Stock Options exercised/preferential issue/Rights issue	52,31,85,254	52.32	-	-
Closing balance	**2,61,59,26,272**	**261.59**	**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, 2024	March 31, 2023
Capital Reserve		
Opening Balance	601.51	596.94
Additions during the year	17.76	4.57
Closing Balance (A)	619.27	601.51
Asset Revaluation Reserve		
Opening Balance	352.30	312.89
Addition due to Revaluation of Premises (net)	-	45.06
Deduction from Revaluation Reserve to the extent of depreciation on revalued amount	(5.63)	(5.65)
Closing Balance (B)	**346.67**	**352.30**
Total (A + B)	**965.94**	**953.81**

ii) Movement in Revenue and other Reserves [₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Revenue Reserves		
Opening Balance	1,552.36	1,415.42
Addition during the year by way of lapse of vested option	0.00	1.29
Addition due to transfer of depreciation on revaluation	5.63	5.65
Addition due to transfer from Special reserve*	37.62	
Additions During the year - current year contribution	300.00	130.00
Closing Balance (A)	**1,895.61**	**1,552.36**
Investment Fluctuation Reserve		
Opening Balance	126.53	22.15
Additions during the year	-	104.38
Reduction during the year	(45.79)	
Closing Balance (B)	**80.74**	**126.53**

Particulars	March 31, 2024	March 31, 2023
Special Reserve u/s 36 (1) (viii)		
Opening Balance	479.39	399.39
Additions during the year	60.00	80.00
Transfer to General Reserve*	(37.62)	-
Closing Balance (C)	**501.77**	**479.39**
Investment Reserve		
Opening Balance	-	-
Additions during the year	34.20	-
Closing Balance (D)	**34.20**	**-**
Grand Total (A + B + C + D)	**2512.32**	**2158.28**

Note: As per RBI circular the above reserves are clubbed in the schedule 2 of Balance sheet

*During the year ended March 31, 2024 Bank had transferred the un utilized amount of ₹37.62 Crore from Special Reserve created during FY 2022-23 to General Reserve.

2. Asset Liability Management.

a) Maturity Pattern of Certain items of assets and liabilities:

i) As at March 31, 2024: [₹ in Crore]

Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days and up to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Deposits	217.63	1,491.30	867.44	1,696.32	1,907.48	1,999.99	4,600.02	12,034.92	7,811.41	1,616.53	67,677.22	1,01,920.26
Advances	1,065.29	1,547.44	1,172.85	2,365.43	4,557.48	4,967.89	4,910.52	4,369.62	6,099.27	4,439.24	42,565.63	78,060.66
Investments	4,948.07	389.44	182.29	588.96	1,048.95	735.81	2,679.50	6,633.95	4,455.71	505.51	1,808.82	23,977.01
Borrowings	197.35	698.64	19.58	-	19.58	82.08	399.74	757.74	997.38	490.00	250.00	3,912.09
Foreign Currency-Assets	501.33	640.78	28.28	84.52	1,568.22	74.82	131.69	5.84	-	-	-	3,035.48
Foreign Currency-Liabilities	96.24	14.01	6.55	26.01	46.37	34.21	217.07	744.85	1,118.33	120.23	-	2,423.87

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, 2024 include ₹ 2425 Crores of Inter Bank Participation Certificate (IBPC), and the same is bucketed in 2 months and up to 3 months bucket.

Off balance sheet items are not considered in maturity pattern of assets and liabilities

ii) As at March 31, 2023: [₹ 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	634.56	786.91	711.86	1,637.01	2,138.66	2,019.99	2,326.13	4,088.71	5,956.70	6,955.21	64,395.62	91,651.35
Advances	1,141.45	1,618.80	2,460.74	2,867.96	5,479.78	4,745.83	9,915.32	5,968.80	7,047.25	3,809.35	24,749.16	69,804.44
Investments	5,535.36	544.45	39.62	860.75	585.52	363.85	877.88	978.61	1,582.02	1,269.85	12,003.89	24,641.80
Borrowings	179.32	3,181.48	19.58	-	19.58	82.08	399.75	271.01	2,101.05	-	740.00	6,993.85
Foreign Currency-Assets	442.07	1,276.36	31.37	525.60	1,130.47	272.71	142.00	277.80	2.83	-	-	4,101.20
Foreign Currency-Liabilities	128.02	3.51	8.73	18.45	110.69	84.46	222.65	483.23	960.41	236.16	-	2,256.31

Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the returns submitted to the RBI, which has been relied upon by the auditors.

Advances as on March 31, 2023 include ₹ 1300 Crore of Inter Bank Participation Certificate (IBPC), out of which ₹ 550 Crore is bucketed in 31 days and up to 2 months' bucket and ₹ 750 Crore is bucketed in over 3 months and up to 6 months' bucket.

Off balance sheet items are not considered in maturity pattern of assets and liabilities

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 2024 is **149.95%**

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 16% of NDTL as Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR).

Bank has a well-diversified funding portfolio and has a lower dependence on wholesale funds. Retail deposits which are considered as stable deposits from a liquidity perspective forms the major funding source of the Bank. The Bank intends to fund the short term cash outflows from extremely liquid Government securities and funding for estimated cash outflows considered in LCR computation substantially flows from this source. The Bank is managing its liquidity from the centralized fund management cell attached to Treasury Department, Mumbai.

ii) Quantitative Disclosure around LCR

[₹ in Crore]

	Particulars	Quarter ended March 31, 2024		Quarter ended December 31, 2023		Quarter ended September 30, 2023		Quarter ended June 30, 2023	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets									
1	**Total High Quality Liquid Assets (HQLA)**	**-**	**22,529.07**		**21,562.55**		**21,727.96**		**21,061.82**
	Cash Outflows								
2	Retail deposits and deposits from small business customers, of which:	85,647.65	8,079.82	87,255.33	8,397.05	84,377.71	8,124.39	83,199.83	8,015.72
(i)	Stable deposits	9,698.84	484.94	6,569.65	328.48	6,267.62	313.38	6,085.21	304.26
(ii)	Less stable deposits	75,948.81	7,594.88	80,685.69	8,068.57	78,110.09	7,811.01	77,114.62	7,711.46
3	Unsecured wholesale funding, of which:	12,166.31	10,840.60	10,440.57	9,258.62	9,381.58	8,249.16	8,576.19	7,453.73
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	12,065.94	10,740.23	10,273.90	9,091.95	9,310.88	8,178.46	8,532.47	7,410.02
(iii)	Unsecured debt	100.38	100.38	166.67	166.67	70.70	70.70	43.72	43.72
4	Secured wholesale funding	174.13	-	-	-	-	-	-	-
5	Additional requirements, of which	0.08	0.08	1.28	1.28	0.42	0.42	0.53	0.53
(i)	Outflows to derivative exposures and other collateral requirements	0.08	0.08	1.28	1.28	0.42	0.42	0.53	0.53
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	2,366.18	944.07	803.69	803.69	663.96	663.96	621.24	621.24
7	Other contingent funding obligations	12,813.47	1,002.27	2,409.68	452.81	2,428.23	510.19	3,016.49	1,055.20
8	**Total Cash Outflows**		**20,866.85**		**18,913.45**		**17,548.12**		**17,146.42**

	Particulars	Quarter ended March 31, 2024		Quarter ended December 31, 2023		Quarter ended September 30, 2023		Quarter ended June 30, 2023	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
	Cash Inflows								
9	Secured lending (e.g. reverse repos)	841.14	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	9,641.87	4,820.94	8,984.96	4,492.48	7,920.13	3,960.07	8,251.31	4,125.65
11	Other cash inflows	1,109.23	1,021.46	1,351.08	1,260.16	1,324.91	1,239.93	1,838.31	1,642.60
12	**Total Cash Inflows**	**11,592.24**	**5,842.40**	**10,336.04**	**5,752.64**	**9,245.05**	**5,200.00**	**10,089.62**	**5,768.26**
13	**Total HQLA**		**22,529.07**		**21,562.55**		**21,727.96**		**21,061.82**
14	**Total Net Cash Outflows**		**15,024.45**		**13,160.81**		**12,348.13**		**11,378.17**
15	**Liquidity Coverage Ratio (%)**		**149.95%**		**163.84%**		**175.96%**		**185.11%**

Note: The LCR for each quarter is calculated taking daily average.

[₹ in Crore]

	Particulars	Quarter ended March 31, 2023		Quarter ended December 31, 2022		Quarter ended September 30, 2022		Quarter ended June 30, 2022	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets									
1	**Total High Quality Liquid Assets (HQLA)**		**20,241.80**		**18,937.37**		**20,648.30**		**19,616.62**
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	80,554.95	7,755.52	77,166.37	7,440.99	72,181.54	6,993.86	71,793.84	6,965.87
(i)	Stable deposits	5,995.54	299.78	5,512.98	275.65	4,485.86	224.29	4,270.28	213.51
(ii)	Less stable deposits	74,559.41	7,455.94	71,653.38	7,165.34	67,695.68	6,769.57	67,523.56	6,752.36
3	Unsecured wholesale funding, of which:	7,705.44	6,657.83	6,200.95	4,906.24	3,043.95	3,000.55	3,117.65	3,071.56
(i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	Particulars	Quarter ended March 31, 2023		Quarter ended December 31, 2022		Quarter ended September 30, 2022		Quarter ended June 30, 2022	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
(ii)	Non-operational deposits (all counterparties)	7,701.38	6,653.78	6,158.48	4,863.78	3,043.95	3,000.55	3,107.50	3,061.41
(iii)	Unsecured debt	4.06	4.06	42.47	42.47	0.00	0.00	10.14	10.14
4	Secured wholesale funding		0.00		0.00		0.00		0.00
5	Additional requirements, of which	1.16	1.16	3.16	3.16	0.00	0.00	0.03	0.03
(i)	*Outflows related to derivative exposures and other collateral requirements*	1.16	1.16	3.16	3.16	0.00	0.00	0.03	0.03
(ii)	*Outflows related to loss of funding on debt products*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	*Credit and liquidity facilities*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Other contractual funding obligations	491.50	491.50	384.29	384.29	618.26	618.26	623.74	623.74
7	Other contingent funding obligations	2,503.83	534.76	2,404.58	490.55	2,403.41	500.50	2,513.80	811.41
8	**Total Cash Outflows**		**15,440.97**	**86,159.35**	**13,225.24**	**78,247.16**	**11,113.18**	**78,049.06**	**11,472.60**
Cash Inflows									
9	Secured lending (e.g. reverse repos)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Inflows from fully performing exposures	7,531.69	3,765.84	6,594.01	3,297.00	5,909.92	2,954.96	5,990.11	2,995.06
11	Other cash inflows	1,624.92	1,526.78	2,132.37	1,984.54	2,080.71	2,015.86	2,528.17	2,449.33
12	**Total Cash Inflows**	**9,156.61**	**5,292.63**	**8,726.38**	**5,281.54**	**7,990.63**	**4,970.82**	**8,518.28**	**5,444.39**
13	**Total HQLA**		20,241.80		18,937.37		20,648.30		19,616.62
14	**Total Net Cash Outflows**		10,148.34		7,943.69		6,142.36		6,028.22
15	**Liquidity Coverage Ratio (%)**		**199.46%**		**238.39%**		**336.16%**		**325.41%**

Note: The LCR for each quarter is calculated taking daily average.

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 2024 is at 155.16 % 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

[₹ 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)	8,857.43	-	500.00	1,040.00	10,397.43
2	Regulatory capital	8,857.43	-	500.00	702.00	10,059.43
3	Other capital instruments	-	-	-	338.00	338.00
4	Retail deposits and deposits from small business customers: (5+6)	28,664.30	17,722.39	25,990.50	-	66,051.37
5	Stable deposits	6,884.42	4,033.72	7,319.86	-	17,326.10
6	Less stable deposits	21,779.88	13,688.67	18,670.64	-	48,725.27
7	Wholesale funding: (8+9)	-	1,381.88	4,209.95	-	2,795.91
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	1,381.88	4,209.95	-	2,795.91
10	Other liabilities: (11+12)	4,265.66	4,711.40	-	17,583.56	17,583.56
11	NSFR derivative liabilities		-	-	-	
12	All other liabilities and equity not included in the above categories	4,265.66	4,711.40	-	17,583.56	17,583.56
13	**Total ASF (1+4+7+10)**					**96,828.28**
Required Stable Funding Item (RSF)						
14	Total NSFR high-quality liquid assets (HQLA)					1,116.52
15	Deposits held at other financial institutions for operational purposes	-	1,365.41	-	-	682.71
16	Performing loans and securities: (17+18+19+21+23)	-	39,985.08	12,443.78	26,491.90	47,687.18
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	-	1,586.49	610.86	6,245.37	6,788.77
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:	-	37,138.76	11,709.78	16,022.58	37,267.51
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	3,879.74	2,521.83
21	Performing residential mortgages, of which:	-	1.34	3.37	3,487.37	2,315.67
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	3,254.76	2,115.60
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	1,258.49	119.78	736.58	1,315.22
24	Other assets: (sum of rows 25 to 29)	1,182.51	679.66	384.43	9,003.70	11,164.51
25	Physical traded commodities, including gold	-				-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	571.94	486.15
27	NSFR derivative assets		-	-	19.32	19.32
28	NSFR derivative liabilities before deduction of variation margin posted		-	-	6.85	6.85
29	All other assets not included in the above categories	1,182.51	679.66	384.43	8,405.59	10,652.19
30	Off-balance sheet items		-	-	35,784.34	1,755.80
31	**Total RSF (14+15+16+24+30)**					**62,406.71**
32	**Net Stable Funding Ratio (%)**					**155.16%**

* Items to be reported in the 'no maturity' time bucket does not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

Net Stable Funding Ratio (NSFR) disclosures for the previous quarters are available at the following link: https://www.southindianbank.com/content/disclosure-under-basel-2-basel-3-guidelines/880

3. Investments

a) Composition of Investment Portfolio

As at 31.03.2024 [₹ in Crore]

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	21,241.02	-	-	-	0.50	-	21,241.52	-	-	-	-	21,241.52
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	21,241.02	-	-	-	0.50	-	21,241.52	-	-	-	-	21,241.52
Available for Sale												
Gross	443.95	-	144.45	934.53	-	1,794.88	3,317.81	-	-	0.20	0.20	3,318.00
Less: Provision for depreciation and NPI	-	-	(60.07)	(45.68)	-	(1,195.87)	(1,301.61)	-	-	-	-	(1,301.61)
Net	443.95	-	84.38	888.85	-	599.01	2,016.19	-	-	0.20	0.20	2,016.39
Held for Trading												
Gross	-	-	-	-	-	719.11	719.11	-	-	-	-	719.11
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	719.11	719.11	-	-	-	-	719.11
Total Investments	21,684.97	-	144.45	934.53	0.50	2,513.99	25,278.44	-	-	0.20	0.20	25,278.64
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	(60.07)	(45.68)	-	(1,195.87)	(1301.61)	-	-	-	-	(1,301.61)
Net	**21,684.97**	**-**	**84.38**	**888.85**	**0.50**	**1,318.12**	**23,976.82**	**-**	**-**	**0.20**	**0.20**	**23,977.02**

As at 31.03.2023

[₹ in Crore]

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	19,687.13	-	-	-	0.50	-	19,687.63	-	-	-	-	19,687.63
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	19,687.13	-	-	-	0.50	-	19,687.63	-	-	-	-	19,687.63
Available for Sale												
Gross	2,436.59	-	304.95	1,334.08	-	1,995.77	6,071.39	-	-	0.20	0.20	6,071.59
Less: Provision for depreciation and NPI	-	-	(88.69)	(36.13)	-	(1,247.56)	(1,372.37)	-	-	-	-	(1,372.37)
Net	2,436.59	-	216.26	1297.95	-	748.21	4,669.02	-	-	0.20	0.20	4,669.22
Held for Trading												
Gross	252.89	-	2.10	-	-	-	254.99					254.99
Less: Provision for depreciation and NPI	-	-	0.03	-	-	-	0.03	-	-	-	-	0.03
Net	252.89	-	2.07	-	-	-	254.96	-	-	-	-	254.96
Total Investments	22,376.61	-	307.05	1,334.08		1,995.77	26,014.01	-	-	0.20	0.20	26,014.21
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	(88.72)	(36.13)	-	(1,247.56)	(1,372.41)	-	-	-	-	(1,372.40)
Net	**22,376.61**		**218.33**	**1,297.95**	**0.50**	**748.21**	**24,641.61**	**-**	**-**	**0.20**	**0.20**	**24,641.81**

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve [₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	1,319.98	899.03
b) Add: Provisions made during the year	76.20	445.60
c) Less: Write off / write back of excess provisions during the year	(137.14)	(24.65)
d) Closing balance	1,259.04	1,319.98
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	126.53	22.15
b) Add: Amount transferred during the year	-	104.38
c) Less: Reduction during the year	(45.79)	0.00
d) Closing balance	80.74	126.53
iii) Closing balance in IFR as a percentage of closing balance of investments* in AFS and HFT/Current category	2.95%	2.55%
iv) Closing balance in IFR as a percentage of closing balance of investments# in AFS and HFT/Current category	2.00%	2.00%

* Carrying value less net depreciation

Book value

c) Sale and transfer to/from HTM category/Permanent Category

During the year ended March 31, 2024, the aggregate book value of sales and transfer of securities to/from HTM category did not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

In accordance of RBI guidelines, the 5% threshold limit referred to above is excluding the following:

i) The one-time transfers of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks at the beginning of the accounting year.

ii) Additional shifting of securities explicitly permitted by the Reserve Bank of India from time to time and direct sales from HTM for bringing down SLR holdings in HTM category consequent to a downward revision in SLR requirement by RBI.

iii) Sales to Reserve Bank of India under pre-announced open market auctions.

iv) Repurchase of Government Securities by Government of India from banks.

v) Repurchase of State Development Loans by respective state governments under buyback/switch operations and

vi) Additional shifting of securities explicitly permitted by the Reserve Bank of India.

d) Disclosure in respect of Non-SLR investments:

i) Issuer composition of Non-SLR investments as at March 31, 2024: [₹ 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	20.98	20.98	-	-	-
(ii)	FIs	961.26	849.59	-	-	-
(iii)	Banks	1,180.10	1,180.10	-	-	-
(iv)	Private Corporate	141.17	141.13	18.63	18.63	5.00
(v)	Subsidiaries/ Joint Ventures	0.50	0.50	-	-	-
(vi)	Others[3]	1,358.68	1,358.68	-	-	-
(vii)	Total Book Value of investments	3,662.70				
(viii)	Less: Provision for NPI	(42.57)				
(ix)	Less: Provision held towards depreciation	(1,259.04)				
	Total	**2,361.08**	**3,550.98**	**18.63**	**18.63**	**5.00**

[1]Amounts reported under Columns 4, 5, 6 and 7 above are not mutually exclusive.

[2]Excludes investments in equity shares, units of equity oriented mutual funds, Non SLR State Government securities, securities acquired by way of conversion of debt and security receipts in line with extant RBI guidelines.

[3]Includes Non SLR State Government special bonds with Book Value ₹ 69.03 Crore

(ii) Issuer composition of non-SLR investments as at March 31, 2023: [₹ in Crore]

No	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
[1]	[2]	[3]	[4] [1]	[5] [1,2]	[6] [1,2]	[7] [1,2]
(i)	PSUs	332.59	328.91	-	-	-
(ii)	FIs	955.60	812.40	7.19	7.19	
(iii)	Banks	525.10	485.22	-	-	-
(iv)	Private Corporate	395.60	325.90	20.00	20.00	5.00
(v)	Subsidiaries/ Joint Ventures	0.50	0.50	-	-	-
(vi)	Others[3]	1,514.92	1,514.92	-	-	-
(vii)	Total Book Value of investments	3,724.31				
(viii)	Less: Provision for NPI	(52.43)				
(ix)	Less: Provision held towards depreciation	(1,319.98)				
	Total	**2,351.90**	**3,467.85**	**27.19**	**27.19**	**5.00**

[1]Amounts reported under Columns 4, 5, 6 and 7 above are not mutually exclusive.

[2]Excludes investments in equity shares, units of equity oriented mutual funds, non SLR State Government securities and securities acquired by way of conversion of debt in line with extant RBI guidelines.

[3]Includes Non SLR State Government special bonds with Book Value ₹86.71 Crore

Non-SLR investments as on 31.03.2024 [₹ in Crore]

	Particulars	March 31, 2024	March 31, 2023
A	Shares	84.58	218.53
B	Debentures & Bonds[1]	957.88	1,384.66
C	Subsidiaries/ joint ventures	0.50	0.50
D	Others	1,318.12	748.21
E	**Total**	**2,361.08**	**2,351.90**

[1] Including Non SLR State Government special bonds with Book Value₹ 69.03 crore (Previous Year: ₹86.71 Crore).

(i) Non-Performing Non-SLR investments [₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Opening Balance	52.43	218.35
Additions during the year	0.00	1.66
Reductions during the year	(8.56)	(167.58)
Closing balance	43.87	52.43
Total provisions held	**42.57**	**52.43**

e) Repo Transactions:

a) Transacted during the Financial year 2023-24: [₹ 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, 2024
A) Securities sold under RBI Repos				
i) Government Securities	66.00	1,950.00	148.85	-
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under RBI Reverse Repos				
i) Government Securities	400.00	2,400.00	23.84	-
ii) Corporate Debt Securities	-	-	-	-
B) Securities sold under Market Repos				
i) Government Securities	2.01	894.22	118.67	-
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Reverse Market Repos				
i) Government Securities	5.02	1,407.96	74.47	-
ii) Corporate Debt Securities	-	-	-	-
C) Securities sold under Tri Party Repos				
i) Government Securities	31.99	2,999.44	866.70	698.64
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Tri Party Reverse Repo				
i) Government Securities	12.99	2,330.18	159.76	1,997.07
ii) Corporate Debt Securities	-	-	-	-

b) Transacted during the Financial year 2022-23: [₹ in Crore]

Particulars [Book value]	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As on March 31, 2023
A) Securities sold under RBI Repos				
i) Government Securities	100.00	900.00	30.63	275.00
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under RBI Reverse Repos				
i) Government Securities	1,800.00	3,600.00	224.55	-
ii) Corporate Debt Securities	-	-	-	-
B) Securities sold under Market Repos				
i) Government Securities-	1.02	762.02	56.12	307.92
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Reverse Market Repos				
i) Government Securities	4.75	111.23	7.88	-
ii) Corporate Debt Securities	-	-	-	-
C) Securities sold under Tri Party Repo				
i) Government Securities-	99.97	4,503.14	1,733.48	2,598.56
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Tri Party Reverse Repo				
i) Government Securities	49.97	1,009.28	41.87	49.97
ii) Corporate Debt Securities	-	-	-	-

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, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Book value of investments in security receipts	1,269.08	1,396.79	-	-	1,269.08	1,396.79

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 (SRs:

(i) As at March 31, 2024:

[₹ 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	386.55	763.61	118.92#
	Provision held against (i)*	296.58	763.61	118.92
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)	**386.55**	**763.61**	**118.92**

In addition to the above, Bank holds security receipt of ₹16.75 Crore which are backed by Standard assets sold by the Bank. The bank maintains 100% provision of ₹16.75 Crore against the same.

*Provision amount represents Depreciation as per latest rating of SR/Provision as per RBI norms whichever is higher

(ii) As at March 31, 2023:

[₹ in Crore]

	Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
i	Book value of SRs backed by NPAs sold by the bank as underlying	459.47	884.53	52.79#
	Provision held against (i)*	293.49	884.53	52.79
ii	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	-
	Provision held against (ii)	-	-	-
	Total (i) + (ii)	**459.47**	**884.53**	**52.79**

In addition to the above, Bank holds security receipt of ₹16.75 Crore which are backed by Standard assets sold by the Bank. The bank maintains 100% provision of ₹16.75 Crore against the same.

*Provision amount represents Depreciation as per latest rating of SR/Provision as per RBI norms whichever is higher

h) Details of Non-Performing financial assets purchased/ sold

[₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Non performing financial assets purchased/ sold (from/to banks)	Nil	Nil

i) Government Security Lending (GSL) transactions (in market value terms)

As at 31st March 2024 – Nil (Previous Year – Nil)

4. Asset Quality

a) Classification of advances and provisions held as on 31.03.2024

[₹ in Crore]

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	68,383.80	712.27	2,847.84	148.15	3,708.26	72,092.06
Add: Additions during the year					1,395.48	
Less: Reductions during the year					1,483.40	
Closing balance	76,805.92	928.06	2,491.29	200.99	3,620.34	80,426.26
Reductions in Gross NPAs due to:						
i) Upgradation					278.40	
ii) Recoveries (excluding recoveries from upgraded accounts)					877.36	
iii) Technical/ Prudential Write-offs					246.33	
iv) Write-offs other than those under (iii) above					81.31	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	407.59	144.43	2,011.29	130.15	2,285.87	2,693.46
Add: Fresh provisions made during the year					1,000.02	
Less: Excess provision reversed/ Write-off loans					921.98	
Closing balance of provisions held	385.05	314.85	1,861.76	187.30	2,363.91	2,748.96
Net NPAs*						
Opening Balance		544.42	749.19	0.00	1,293.61	
Add: Fresh additions during the year					938.39	
Less: Reductions during the year					1,097.42	
Closing Balance of Net NPAs		610.55	524.03	0.00	1,134.58	
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						1,863.56
Add: Technical/ Prudential write-offs during the year						246.33
Less: Recoveries made from previously technical/ prudential written-off accounts during the year#						301.50
Closing balance of Technical Write off						**1,808.39**

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.

*Net NPA is arrived after considering ECGC/Insurance received amounting to ₹ 121.84 crores along with the provisions kept for such accounts in line with RBI guidelines on arriving Net NPA.

Classification of advances and provisions held as on 31.03.2023 [₹ in Crore]

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	58,167.67	1,350.48	2,225.17	72.44	3,648.09	61,815.76
Add: Additions during the year					1,513.22	
Less: Reductions during the year					1,453.05	
Closing balance	68,383.80	712.27	2,847.84	148.15	3,708.26	72,092.06
Reductions in Gross NPAs due to:						
i) Upgradation					297.37	
ii) Recoveries (excluding recoveries from upgraded accounts)					998.45	
iii) Technical/ Prudential Write-offs					53.02	
iv) Write-offs other than those under (iii) above					104.21	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	464.54	485.44	1,274.88	60.25	1,820.57	2,285.11
Add: Fresh provisions made during the year					1,222.17	
Less: Excess provision reversed/Write-off loans					756.87	
Closing balance of provisions held	407.59	144.43	2,011.29	130.15	2,285.87	2,693.46
Net NPAs*						
Opening Balance		865.04	912.73	0.00	1,777.77	
Add: Fresh additions during the year					954.01	
Less: Reductions during the year					1,438.17	
Closing Balance		544.42	749.19	0.00	1,293.61	
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						2,189.93
Add: Technical/ Prudential write-offs during the year						53.02
Less: Recoveries made from previously technical/ prudential written-off accounts during the year #						379.39
Closing balance						**1,863.56**

includes Reduction due to sale of NPAs to ARCs from previously technical/prudential written-off accounts during the year and Sacrifice made from previously technical/prudential written-off accounts during the year.

*Net NPA is arrived after considering ECGC/Insurance received amounting to ₹ 128.79 crores along with the provisions kept for such accounts in line with RBI guidelines on arriving Net NPA

Ratios	March 31, 2024	March 31, 2023
Gross NPA to Gross Advances	4.50%	5.14%
Net NPA to Net Advances	1.46%	1.86%
Provision coverage ratio (Including technical / prudential written off accounts)	79.10%	76.78%
Provision coverage ratio (Excluding technical / prudential written off accounts)	68.66%	65.12%

*Provisions on Standard Assets [₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Provisions towards Standard Assets (including provision towards stressed sector)	291.11	252.02
Standard Restructured Accounts under MSME - Restructuring Scheme	40.44	75.40
Provision for Specific Standard Assets on Stressed Sectors	0.19	1.53
Standard Restructured Accounts under other Restructuring schemes	0.00	3.40
Standard Restructured Accounts under COVID 19 restructuring scheme	41.28	61.52
Sub total	**373.02**	**393.87**
Provision for Unhedged Foreign Currency Exposure of Borrowers	12.02	13.72
Grand Total *(Refer Schedule 5.Point 5- Other liabilities and provisions)*	**385.04**	**407.59**

b) Sector-wise Advances and Gross NPAs [₹ in Crore]

Sl. No.	Sector	2023-24			2022-23		
		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	16,533.66	657.94	3.98%	14,746.22	668.89	4.54%
2	Advances to industries sector eligible as priority sector lending	5,473.55	436.26	7.97%	5,960.15	372.71	6.25%
2.a	Textile	1,443.21	126.58	8.77%	1,495.10	77.92	5.21%
2.b	Basic Metal	736.67	68.15	9.25%	762.00	35.58	4.67%
2.c	Infra	88.42	5.71	6.46%	95.47	1.11	1.16%
3	Services	8,053.37	979.66	12.16%	8,413.02	811.92	9.65%
3.a	Professional	1,722.98	183.74	10.66%	1,687.35	144.55	8.57%
3.b	Trade	4,783.62	637.30	13.32%	4,857.60	497.72	10.25%
3.c	NBFC	113.94	-	0.00%	298.77	-	0.00%

Sl. No.	Sector	2023-24			2022-23		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
4	Personal loans	1,275.81	52.83	4.14%	1,462.99	58.71	4.01%
4.a	Housing Loan	1,052.41	34.61	3.29%	1,208.67	37.76	3.12%
4.b	Other Personal loans incl. Gold Loans	223.40	18.22	8.16%	254.32	20.95	8.24%
	Sub-total (A)	**31,336.39**	**2,126.69**	**6.79%**	**30,582.38**	**1,912.23**	**6.25%**
B	**Non Priority Sector**						
1	Agriculture and allied activities	663.24	43.52	6.56%	695.54	31.37	4.51%
2	Industry	13,978.01	318.41	2.28%	12,116.76	608.51	5.02%
2.a	Textile	694.69	99.12	14.27%	735.56	169.70	23.07%
2.b	Basic Metal	3,664.40	16.10	0.44%	2,866.64	18.00	0.63%
2.c	Infra	4,205.48	76.02	1.81%	3,251.18	221.03	6.80%
3	Services	19,992.79	721.04	3.61%	15,541.83	777.89	5.01%
3.a	Professional	1,780.70	89.28	5.01%	1,848.71	72.76	3.94%
3.b	Trade	3,845.29	468.58	12.19%	4,175.96	565.03	13.53%
3.c	NBFC	6,658.60	5.02	0.08%	5,763.52	13.15	0.23%
4	Personal loans	14,455.83	410.68	2.84%	13,155.55	378.26	2.88%
4.a	Housing Loan	2,984.71	123.02	4.12%	2,679.40	126.21	4.71%
4.b	Other Personal loans incl. Gold Loan	11,471.12	287.66	2.51%	10,476.15	252.05	2.41%
	Sub-total (B)	**49,089.87**	**1,493.65**	**3.04%**	**41,509.68**	**1,796.03**	**4.33%**
	Total (A+B)	**80,426.26**	**3,620.34**	**4.50%**	**72,092.06**	**3,708.26**	**5.14%**

c) Overseas Assets, Branches, NPAs and Revenue – Nil

d) Particulars of resolution plan and restructuring

I) Particulars of resolution plan [₹ in Crore]

Sl No	Particulars	March 31, 2024	March 31, 2023
1.	No of Accounts where Resolution Plan was implemented	0	0
2.	Exposure to accounts as on date of Implementation of Resolution Plan.	0	0

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' 24	Mar' 23	Mar' 24	Mar' 23	Mar' 24	Mar' 23	Mar' 24	Mar' 23	Mar' 24	Mar' 23
Standard	Number of Borrowers	0	0	6	14	104	215	344	438	454	667
	Gross Amount	0.00	0.00	219.67	347.78	392.07	907.80	159.81	260.63	771.55	1516.21
	Provision held	0.00	0.00	22.57	34.89	40.44	76.39	18.71	29.04	81.72	140.32
Sub Standard	Number of Borrowers	0	0	5	2	39	48	32	12	76	62
	Gross Amount	0.00	0.00	82.75	10.82	131.90	195.58	20.98	5.96	235.63	212.36
	Provision held	0.00	0.00	41.56	2.49	28.38	50.63	7.82	1.50	77.76	54.62
Doubtful (Including Loss Assets)	Number of Borrowers	28	66	5	5	116	155	83	156	232	382
	Gross Amount	1.10	16.40	205.79	344.51	381.56	355.73	9.69	29.78	598.14	746.42
	Provision held	0.79	9.02	197.47	339.60	251.78	218.52	8.03	13.96	458.07	581.10
Total	Number of Borrowers	28	66	16	21	259	418	459	606	762	1111
	Gross Amount	1.10	16.40	508.21	703.11	905.53	1459.11	190.48	296.37	1605.32	2474.99
	Provision held	0.79	9.02	261.60	376.98	320.60	345.54	34.56	44.50	617.55	776.04

e) Disclosure on Divergence in Asset Classification and Provisioning for NPAs:

In terms of RBI guidelines, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements. The disclosure is required if either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI as part of its supervisory process exceeds 5% of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI as part of its supervisory process exceed 5% of the published incremental Gross NPAs for the reference period ended 31 March, 2023 and 31 March, 2022.

Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for the year ended 31 March, 2023 and 31 March, 2022.

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, 2024 are given below:

i. Details of loans not in default acquired through assignment are given below [₹ in Crore]

Aggregate amount of loans acquired	1,246.25
Weighted average residual maturity (in months)	61.49
Weighted average holding period by originator (in months)	8.20
Retention of beneficial economic interest by the originator	10%
Tangible security coverage	171.23%

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	1	-	-
Aggregate principal outstanding of loans transferred	19.56	-	-
Weighted average residual tenor of the loans transferred in months	-	-	-
Net book value of loans transferred (at the time of transfer)	-	-	-
Aggregate consideration	10.00	-	-
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	-	-	-

Note : The account that was sold had already been technically written off and fully provisioned at the time of the sale. This sale was structured as a 15:85 (Cash: Security Receipt) arrangement, with the bank investing ₹ 8.50 crores in security receipts issued by the ARC, in exchange for a sale consideration of ₹ 10.00 crores. The security receipt (SR) has been fully provisioned, leading to a net reversal to profit and loss account of ₹ 1.50 crores, equivalent to the initial cash consideration.

iii. During the year ended March 31, 2024, the bank did not acquire any stressed loans or transfer any loan not in default / Special Mention Accounts (SMA)

iv. Details of recovery ratings assigned to Security Receipts as at March 31, 2024 [₹ in Crore]

Recovery Ratings*	Anticipated Recovery as per Recovery Rating	Book value
NR1 / R1 +/RR1 +	> 150%	0.02
NR2/ R1 /RR1	100% - 150%	7.38
NR3/ R2 / RR2	75% - 100%	328.42
R3/ NR4 / RR3	50% - 75%	47.28
NR5 / RR4 / R4	25% - 50%	763.59
NR6 / RR5 / R5	0% - 25%	66.25
Yet to be rated #	-	3.47
Unrated	-	69.42
Total		**1,285.83**

* Recovery Rating is as assigned by various external rating agencies

Recent purchases whose statutory period not yet elapsed.

g) Fraud accounts

Particulars	March 31, 2024	March 31, 2023
Number of frauds reported during the year	680	417
Amount involved in fraud* (₹ Crore)	67.02	77.74
Amount of provision made for such frauds (₹ Crore)*	43.52	44.79
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)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year[1]	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year[2]
Personal Loans	185.26	13.36	-	17.14	154.76
Corporate persons*	188.97	-	-	3.72	185.25
Of which, MSMEs	-	-	-	-	-
Others	46.70	1.35	-	6.97	38.38
Total	**420.93**	**14.71**	**-**	**27.83**	**378.39**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

[1]Amount paid by the borrower during the half year is net of additions in the borrower account including additions due to interest capitalization.

[2]Includes other facilities to the borrowers which have not been restructured.

Disclosure related to clause 28 of RBI circular dated May 05, 2021 where the number of borrowers accounts in which modifications were sanctioned and implemented in terms of Clause 22 of the aforesaid circular.

Type of Borrower	No of Accounts	Aggregate exposure to such borrower (₹ in crore)
Personal Loans	3	1.50
Corporate Persons	-	-
Of which MSMEs	-	-
Others	-	-
Total	3	1.50

There were 3 borrowers having an aggregate exposure of ₹1.50 crore to the Bank, where Resolution Plan has been implemented under RBI's Resolution Framework 1.0 dated August 06, 2020 and modified under RBI's Resolution Framework 2.0 dated May 05, 2021. Accounts where modification has been done subsequently closed/upgraded to standard category not included here.

5. Exposures

a) Exposures to Real Estate Sector

[₹ in Crore]

Category	March 31, 2024	March 31, 2023
1) Direct Exposure		
(a) Residential Mortgages -	4,470.06	4,005.08
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.***	1,075.99	1,228.73
(b) Commercial Real Estate -	640.52	514.96
Lending secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure include Non-Fund Based (NFB) limits		
(c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
2) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	2,439.86	2,614.52
Total Exposure to Real Estate Sector	**7,550.44**	**7,134.56**

b) Exposure to Capital Market sectors

[₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
(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;*	45.66	152.86
(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;	2.82	-
(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;		-

Particulars	March 31, 2024	March 31, 2023
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers:	111.75	91.98
(vi) Loans sanctioned to corporate against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows/ issues	-	-
(viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	**160.23**	**244.84**

*Shares acquired by banks as a result of Conversion of debt under CDR mechanism for ₹104.01 Crore (Previous Year ₹139.73 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, 2024	Provision held as at March 31, 2024	Exposure (net) as at March 31, 2023	Provision held as at March 31, 2023
Insignificant	1,349.84	-	1,901.28	-
Low	564.49	-	1,342.08	-
Moderately Low	12.39	-	23.39	
Moderate	0.92	-	9.19	-
Moderately High	0.34	-	8.81	-
High	-	-	12.47	
Very High	5.25	-	-	-
TOTAL	**1,933.23**	**-**	**3,297.22**	**-**

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, 2024	March 31, 2023
Total unsecured advances of the bank	14,740.88	11,404.93
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	0.00	0.00
Estimated value of such intangible securities	0.00	0.00

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 maximise the hedging on foreign currency exposures of borrowers by reviewing their foreign currency exposures and encouraging them to hedge the unhedged portion. The policy framework also articulates the methodologies for ascertaining the amount of unhedged foreign currency exposures, estimating the extent of likely loss, estimating the riskiness of the unhedged position and making appropriate provisions and capital charge as per extant RBI guidelines. In line with the policy, assessment of unhedged foreign currency exposure is a part of credit appraisal 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 maintains incremental provisions and additional capital for the unhedged foreign currency exposures of its borrowers in line with the extant RBI guidelines. The Bank has maintained ₹ 12.02 Crores (previous year ₹ 13.72 Crore) as provision and ₹ 7.46 Crore (previous year ₹ -14.96 Crore) as additional capital for computation of capital adequacy ratio on account of the unhedged foreign currency exposures of borrowers as at March 31, 2024.

6. Concentration of Deposits, Advances, Exposures and NPAs

a) Concentration of Deposits [₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Total Deposits of twenty largest depositors	4,595.07	2,581.19
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	4.51%	2.82%

b) Concentration of Advances* [₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Total Advances to twenty largest borrowers	14,365.45	9,109.98
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	15.88%	9.45%

*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, 2024	March 31, 2023
Total Exposure to twenty largest borrowers/customers	14,838.54	9,906.67
Percentage of Exposures to twenty largest borrowers/ customers to Total Exposure of the bank on borrowers/ customers	12.82%	8.09%

*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, 2024	March 31, 2023
Total Exposure to the top twenty NPA accounts	659.09	778.85
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	18.21%	21.00%

*Represents funded balance

7. Derivatives:

a) Forward Rate Agreement / Interest Rate Swap [₹ in Crore]

	Particulars	March 31, 2024	March 31, 2023
i)	The notional principal of swap agreements	500.00	150.00
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
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	(0.02)	(0.07)

The nature and terms of the IRS as on March 31, 2024 are set out below: [₹ in Crore]

Nature	Nos	Notional Principal	Benchmark	Terms
Trading	10	500.00	MIOIS	Fixed Receivable/ Floating Payable

b) Exchange Traded Interest Rate Derivatives.

Sl. No.	Particulars	March 31, 2024	March 31, 2023
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	Nil	Nil
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2024 (instrument wise)		
(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)		

The bank had dealt in exchange traded currency futures during the financial year ended March 31, 2024. As at March 31, 2024 the open contracts on the exchange was ₹1,358.80 Crore. (Previous year: Nil)

c) Disclosures on Risk Exposure in Derivatives.

i) Qualitative Disclosure.

The Bank undertakes over the counter and exchange traded derivative transactions for Balance Sheet management and also for proprietary trading/ market making. Bank offers derivative products to the customers to enable them to hedge their exposure within the prevalent regulatory guidelines.

These transactions expose the Bank to various risks primarily credit, market, operational, legal, and reputation. There is functional separation between the Front Office, risk and Back Office for undertaking derivative transactions. The derivative transactions are governed by the Investment, forex and derivative policy and market risk management policy of the Bank as well as by the extant RBI guidelines. Various operational/risk limits are set up and actual exposures are monitored vis-à-vis the limits allocated. Risk Limits are in place for risk parameters viz. VaR, Stop Loss, Dealer Limit, Deal size limit. Actual positions are monitored against these limits on a daily basis and breaches, if any, are reported promptly. The MTM position of the derivative portfolio is monitored on a regular basis. The impact on derivative portfolio on account of the probable market movements are assessed on regular basis.

Bank deals in derivatives for hedging foreign currency assets/liabilities subject to the prevailing regulatory guidelines. Transactions for hedging and trading are recorded separately. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of the transaction itself. The effectiveness is

ascertained at the time of inception of the hedge and periodically thereafter. Transactions related to foreign exchange forwards, Currency futures etc. are marked to market (MTM) on the reporting dates and the MTM is accounted in the books. Collateral requirements for derivative transactions are determined based on usual credit appraisal process. For the purpose of credit risk mitigation, most of the deals have been contracted with Banks/ Major primary dealers and no default risk is anticipated on the deals with them.

ii) Quantitative Disclosures: [₹ in Crore]

Sl. No	Particulars	March 31, 2024		March 31, 2023	
		Currency Derivatives*	Interest rate derivatives	Currency Derivatives*	Interest rate derivatives
1	Derivatives (Notional Principal Amount)	-	-	-	-
	a) For hedging	-	-	-	-
	b) For trading	1,358.80	500.00	-	150.00
2	Marked to Market Positions	-	-	-	-
	a) Asset (+)	-	0.01	-	-
	b) Liability (-)	2.25	0.03	-	0.07
3	Credit Exposure	-	2.53	-	0.75
4	Likely impact of one percentage change in interest rate (100*PV01)	-	-	-	-
	a) on hedging derivatives	-	-	-	-
	b) on trading derivatives	-	4.59	-	1.32
5	Maximum and Minimum of 100*PV01 observed during the year	-	-	-	-
	a) on hedging	-	-	-	-
	b) on trading	-	-	-	-
	Max (100*PV01)-Trading	-	26.95	7.37	9.03
	Min (100*PV01)-Trading	-	0.01	-	-

*Only Currency futures are reported in currency derivatives.

Foreign exchange forward contract has not been included in the above disclosure. The notional principal amount of foreign exchange contracts classified as trading on March 31, 2024 amounted to ₹ 23,962.42 crore (Previous Year ₹16,269.20 Crore) and mark to market position was asset of ₹ 126.02 Crore (previous year ₹123.15 crore) and liability of ₹ 84.14 Crore (Previous year ₹ 102.64 crore). The notional principal amount of Foreign exchange contacts classified as hedging on March 31 2024 amounted to ₹ 1,431.64 crore (Previous year ₹ 3,334.66 crore).

The notional principal amounts of derivatives reflect the volume of transactions outstanding as at the Balance Sheet date and do not represent the amounts at risk. Interest rate derivative represents interest rate swaps.

d) Credit Default Swaps

The bank has not undertaken any transactions in credit default swaps during the year ended March 31, 2024 and March 31, 2023.

8. Securitisation Transactions

The Bank has not undertaken any securitisation transactions during the year ended March 31, 2024 and March 31, 2023.

9. Off-balance Sheet SPVs sponsored

There are no SPVs sponsored by the Bank as at March 31, 2024 and March 31, 2023.

10. Transfers to Depositor Education and Awareness Fund (DEA Fund):

In accordance with the guidelines issued by the RBI, the Bank transfers the amount to the credit of any account which has not been operated upon for a period of ten years or any deposits or any amount remaining unclaimed for more than ten years to DEA Fund.

Details of amounts transferred to DEAF und are set out below: [₹ in Crore]

Particulars	March 31,2024	March 31,2023
Opening balance of amounts transferred to DEA Fund	218.63	183.70
Add : Amounts transferred to DEA Fund during the year	42.04	39.99
Less : Amounts reimbursed by DEA Fund towards claims	16.57	5.06
Closing balance of amounts transferred to DEA Fund	244.10	218.63

The closing balance of the amount transferred to DEA Fund, as disclosed above, is also included under Schedule 12 - Contingent Liabilities

Status of Complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sl. No.	Particulars	March 31, 2024	March 31, 2023
Complaints received by the bank from its customers			
1.	Number of complaints pending at beginning of the year	860	1446
2.	Number of complaints received during the year	36,658	43,091
3.	Number of complaints disposed during the year	36,690	43,677
3.1	Of which, number of complaints rejected by the bank	7,472	8,761
4.	Number of complaints pending at the end of the year	828	860
Maintainable complaints received by the bank from Office of Ombudsman			
5.	Number of maintainable complaints received by the bank from Office of Ombudsman	368	279
5.1	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	213	162
5.2	Of 5, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	155	117
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. Previous year figures updated wherever considered necessary so as to align the same with current year data.

b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
ATM/Debit Card	123	17,946	12.88	152	46
Internet Banking/Mobile Banking/Electronic Banking	287	7791	-38.61	91	2
Account Opening /difficulty in operation of accounts	33	2297	-20.13	32	0
Charges	76	672	-43.09	11	0
Credit Cards	4	560	34.61	1	0
Others	337	7392	-26.28	541	9
Total	**860**	**36658**	**-14.92**	**828**	**57**
Previous Year					
ATM/Debit Card	409	15898	-23.62	123	
Internet Banking/Mobile Banking/Electronic Banking	430	12692	46.98	287	
Account Opening /difficulty in operation of accounts	9	2876	49.17	33	
Charges	61	1181	84.82	76	
Loans and Advances	1	416	1385.71	4	
Others	536	10028	-4.15	337	
Total	**1446**	**43091**	**-0.018**	**860**	

11. Penalties levied by the Reserve Bank of India

The penalty imposed by RBI during the year ended March 31, 2024 was ₹ 0.41 Crore (Previous year ₹0.16 Crore)

Penalties Imposed by RBI in FY 2023-24

Details	Number of instances	Amount [₹ in Crore]
ATM cash out penalty imposed by RBI	55	0.398
Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.	22	0.005
Penalty imposed for discrepancies observed during the visit by RBI officials	2	0.003
Imposition of Penalty for Non Exchange of Soiled / Mutilated Notes.	1	0.002
Total	**80**	**0.408**

Penalties Imposed by RBI in FY 2022-23

Details	Number of instances	Amount [₹ in Crore]
ATM Cash-out penalty imposed by RBI.	21	0.152
Penalty imposed for discrepancies observed during the visit by RBI officials	4	0.005
Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.	7	0.002
Late fee due to delay in filing Form GSTR-6 return for the month of July2022.	1	0.000
Total	**33**	**0.159**

12. 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 and two of the members are members of Risk Management committee of the Board to facilitate effective governance of compensation. The Chairperson Smt. Lakshmi Ramakrishna Srinivas is a retired Chief General Manager & Head-strategic Training Unit of State Bank of India, having extensive knowledge and experience in Risk Management and Human Resource Management. Sri. V J Kurian, Sri. M George Korah and Sri. Benny P Thomas are the other members of the Committee as on 31st March, 2024.

The roles and responsibilities of the Nomination & Remuneration Committee inter-alia includes the following:

Sl. No.	Name of Agenda item
1	Scrutinizing the declarations received from persons to be appointed as Directors as well as from the existing Directors seeking re-appointment and to decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors, and make references to the appropriate authority/persons to ensure compliance with the requirements indicated by Reserve Bank of India vide their directive dated May 23, 2011 on Fit & Proper Criteria of the Banks.
2	Recommend to the Board for its consideration and approval on the size and composition of the Board taking into account the available and needed diversity and balance in terms of experience, knowledge, skills, and judgment of the Directors
3	To devise a Succession Planning Policy for the Board and Senior Management.
4	To formulate a Nomination policy of the Board to guide the Board in relation to appointment/re-appointment/ removal of Directors.
5	To identify persons who are qualified to become Directors/ KMPs and who may be appointed in senior management as defined in the Succession Policy in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
6	To formulate the criteria for evaluation of Independent Directors and the Board/Committees.
7	To devise a policy on Board diversity.
8	To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
9	To perform such other functions as may be necessary or appropriate for the performance of its duties.

Sl. No.	Name of Agenda item
10	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.
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 and all other policies related to the functioning of HR department and to submit recommendations to Board.
19	To fulfil such other powers and duties as may be delegated to it by the Board.
20	To review HR Strategy aligning with business strategy of the Bank.
21	To review the skill gaps and talent pool creation.
22	To do any other matters regarding remuneration to whole-time directors/ non-executive directors /part-time chairman, Chief Executive Officers / Material Risk Takers (MRTs) and employees (risk control and compliance staff and all other categories of staff) of the Bank including signing/ joining bonus occurring in the context of hiring new staff and be limited to first year, in the form of share-linked instruments only, as and when permitted by the Board. Such bonus will neither be considered part of fixed pay nor part of variable pay.

b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.

- The Bank has formed the compensation policy based on the Reserve Bank of India guidelines vide its Circular No. DBOD. No.BC.72/29.67.001/2011-12 dated January 13, 2012.
- Board approves the scale of pay to all employees upto Scale IV as per the terms of agreement signed by and between Indian Banks Association (IBA) and SIB Workmen unions and Officers' Associations. The Board from time to time, on recommendation of the Nomination and Remuneration Committee of Board, shall fix compensation structure of executives in Scale V and above (Executive Compensation Package).
- 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 35B of the Banking Regulation Act, 1949. The payment of compensation also requires approval of the shareholders of the Bank in the General Meeting pursuant to clause 95 of Articles of Association of the Bank read with Section 197 of the Companies Act, 2013 and Section 35B (1) of Banking Regulation Act 1949.
- The Reserve Bank of India vide circular DOR. Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019 issued a detailed revised Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff. Accordingly, the Compensation Policy has been modified by incorporating the revised provisions of the RBI circular.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It will include the nature and type of the key measures used to take account of these risks.

The Board of Directors through the NRC shall exercise oversight and effective governance over the framing and implementation of the Compensation Policy. Human Resource Management under the guidance of MD & CEO shall administer the Compensation and Benefit structure in line with the best suited practices and statutory requirements as applicable.

For Material Risk Takers:

The Bank will refer to the Basel Committee on Banking Supervision (BCBS) report entitled Range of Methodologies for Risk and Performance Alignment of Remuneration published in May 2011 for guidance wherever required. It intends to enhance the banks' and supervisors' understanding of risk-adjusted remuneration. This report, by providing some clarification on design of risk-adjusted remuneration schemes, will support and facilitate the greater adoption of sound practices in the banking sector. Some of the key stipulations of the report are as under:

1. In order for incentive-based remuneration to work, the variable part of remuneration will be truly and effectively variable and can even be reduced to zero in line with the symmetry principle defined by the FSB. A key element that supervisors expect is the ability for banks to demonstrate that the methodologies they developed to adjust variable remuneration to risk and performance are appropriate to their specific circumstances.
2. The methodologies for adjusting remuneration to risk and performance should also be consistent with the general risk management and corporate governance framework.
3. The methodologies for adjusting remuneration to risk and performance will also be consistent with the general risk management and corporate governance framework.
4. Performance measures and their relation to remuneration packages will be clearly defined at the beginning of the performance measurement period to ensure that the employees perceive the incentives mechanism. The usual annual determination of bonuses will be based on rules, processes and objectives known in advance, recognizing that some discretion will always be needed.
5. Bank will use a combination of financial and non-financial measures to assess employee performance and adapt the measurement to each employee's specific situation. Qualitative factors (like knowledge, skills or abilities), might play an important role when it comes to judging and rewarding some activities-particularly when these serve to reinforce the bank's risk management goals.
6. The nature and extent to which risk adjustments are needed depends first on the extent to which performance measures capture risks, but in all cases, some form of risk adjustment is needed as remuneration is often awarded before the final outcome of an activity is known. Risks taken need to be estimated (ex-ante), risk outcomes observed (ex post) and both ex ante estimates and ex post outcomes will affect payoffs.

7. Risk adjustments need to take into account the nature of the risks involved and the time horizons over which they could emerge. The impact of remuneration adjustments will be linked to actions taken by employees and/or business units, and their impact on the level of risk taken on by the bank.
8. The nature of the award process, which links the variable remuneration of each individual employee with bonus pools and the total amount of variable remuneration at a bank's level, is also an area that will be carefully considered by banks and supervisors, as it directly influences how and when performance and risk adjustment are or can be used.
9. Considering the above parameters, the Board may approve suitable methodologies for fixing of risk adjusted remuneration, as appropriate, based on the recommendations of Risk Management committee and review/approval of the Nomination and Remuneration Committee on the same.

The compensation structure for the *Whole-Time Directors/ Chief Executive Officers / Material Risk Takers (MRTs)of the bank shall be as under:*

Fixed Pay and Perquisites

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

Variable Pay

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

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. In this regard the Board has also identified Executive Vice President also as Material Risk Taker of the Bank.

e) A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.

- Variable Pay

  In order to have a proper balance between the cash and share-linked components in the variable pay, the variable pay are to be structured in the form

of share-linked instrument (including Cash-linked Stock Appreciation Rights (CSARs)), or a mix of cash and share-linked instruments. Only in cases where the compensation by way of share-linked instruments is not permitted by law/regulations, the entire variable pay can be in cash to be exercised.

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

a. Limit on Variable Pay:

A. For Whole-Time Directors and Chief Executive Officers

i. In compliance to the RBI Guidelines and other applicable rules and regulations at least 50%, should be variable and paid on the basis of individual, business-unit and firm-wide measures that adequately measure performance. The total variable pay shall be limited to a maximum of 300% of the fixed pay (for the relative performance measurement period).

ii. In case variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay; and in case variable pay is above 200%, a minimum of 67% of the variable pay should be via non-cash instruments.

iii. In the event that an executive is barred by statute or regulation from grant of share-linked instruments, his/her variable pay will be capped at 150% of the fixed pay, but shall not be less than 50% of the fixed pay.

iv. The deterioration in the financial performance of the bank should generally lead to a contraction in the total amount of variable compensation, which can even be reduced to zero.

B. For Material Risk Takers (MRTs)

i. In compliance to the RBI Guidelines and other applicable rules & regulations 50% of total pay for all MRTs should be variable pay and paid on the basis of individual, business-unit and firm-wide measures that adequately measure performance.

ii. 50% of the variable pay should be via non-cash instruments.

iii. The deterioration in the financial performance of the bank should generally lead to a contraction in the total amount of variable compensation, which can even be reduced to zero.

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

b. Deferral of Variable Pay

i. For senior executives, including WTDs, and other employees who are MRTs, a minimum of 60% of the total variable pay must invariably be under deferral arrangements. Further, if cash component is part of variable pay, at least 50% of the cash bonus should also be deferred.

ii. However, in cases where the cash component of variable pay is under ₹ 25 lakh, deferral requirements is not applicable.

c. Period of Deferral Arrangement

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

d. Vesting:

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

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

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

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

e. Share-linked Instruments

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

The Variable pay assessment should be considering the following parameters

- Every year Nomination and remuneration Committee will fix the variable pool after factoring the variable pay guidelines of the Bank.

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)

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.

Members of staff engaged in financial and risk control, including internal audit, should be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the bank. Effective independence and appropriate authority of such staff are necessary to preserve the integrity of financial and risk management's influence on incentive compensation. Back office and risk control employees play a key role in ensuring the integrity of risk measures. If their own compensation is significantly affected by short-term measures, their independence may be compromised. If their compensation is too low, the quality of such employees may be insufficient for their tasks and their authority may be undermined. The mix of fixed and variable compensation for control function personnel should be weighted in favour of fixed compensation. Therefore, the requirement of minimum 50% of total compensation to be paid in the form of variable pay will not be applicable for this category of staff. However, a reasonable proportion of compensation has to be in the form of variable pay, so that exercising the options of malus and/or clawback, when warranted, is not rendered infructuous.

For calculating the Variable Pay of Risk Control and Compliance Staff the 'Key Performance Indicators' (KPI) will be totally different and the modalities of the same will be recommended by the Nomination and Remuneration Committee to the Board for approval.

f) Description of the different forms of variable remuneration (i.e. cash and types of share linked instruments) that the bank utilizes and the rationale for using these different forms.

For Material Risk Takers

Both cash and non-cash Performance Linked Incentive Schemes to those employees who are eligible for incentives.,

In this regard the Committee is empowered to:

i) Draw up terms and conditions and approve the changes, if any, to the Performance Linked Incentive schemes;

ii) Moderate the scheme on an ongoing basis depending upon the circumstances and link the same with the recommendations of Audit Committee;

iii) Coordinate the progress of growth of business vis -a- vis the business parameters laid down by the Board and Audit Committee and effect such improvements in the scheme as are considered necessary;

iv) On completion of the year, finalize the criteria of allotment of marks to ensure objectivity/equity.

v) To identify Material Risk Takers (MRTs) as per the recommendations made by MD & CEO and to fix variable pay and other terms of payment including component (Cash and non-cash), deferment and divergence clause in line with compensation policy and other RBI guidelines and other policies and guidelines of the bank.

For Others

The Board will from time to time specify the Risk Control and Compliance Staff.

a) Based on the recommendations of the Committee, Board may fix the variable pay not exceeding 50% of the fixed pay in a year. Within this ceiling, at higher levels of responsibility, the proportion of variable pay will be higher. The variable pay may be in cash, or stock linked instruments or a mix of both.

b) 'Variable pay' means the compensation as fixed by the Board on recommendation of the Committee, which is based on the performance appraisal of an employee in that role, that is, how well they accomplish their goals. It may be paid as:

   i. Performance Linked Incentives' to those employees who are eligible for incentives.

   ii. Ex-gratia for other employees who are not eligible for Performance linked Incentives.

   iii. Bonus for those staff members who are eligible for bonus under the Payment of Bonus Act, 1965

   iv. Any other incentives, by whatever name called having the features similar to the above.

c) The Board may adopt principles similar to that enunciated for WTDs/CEOs, as appropriate, for variable pay-timing, Malus/Clawback, guaranteed bonus and hedging.

d) Employee Stock Option Scheme/Employee Stock Option Plan as may be framed by the Board from time to time in conformity with relevant statutory provisions and SEBI guidelines as applicable.

[₹ in Crore]

			2023-24	2022-23
Quantitative disclosures	(a)	i. Number of meetings held by the Remuneration Committee during the financial year	11	10
		ii. Remuneration paid to its members	0.23	0.15
	(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.	Nil	Nil
		• Number		
		• Total amount		
		iii. Details of guaranteed bonus if any	Nil	Nil
		iv. Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil
	(c)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	ESOS:0.88 Cash:1.38	ESOS:0.88 Cash:0.38
		(ii) Total amount of deferred remuneration paid out in the financial year.	1.23	Nil
	(d)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.		
		i. Fixed *	2.47	1.66
		ii. Variable		
		1. Deferred		
		(a) Outstanding for the FY end	1.38	1.12
		(b) Paid during the FY	0.11	NIl
		2. Non Deferred paid during the FY	1.12	0.38
		*Excluding PF and Gratuity		
	(e)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustments.	ESOS:0.88 Cash:1.38	ESOS:0.88 Cash:0.38
		(ii) Total amount of reductions during the financial year due to ex- post explicit adjustments.	Nil	Nil
		(iii) Total amount of reductions during the financial year due to ex- post implicit adjustments.	Nil	Nil
	(f)	Number of MRTs identified.	2*	1
	(g)	• Number of cases where malus has been exercised.	NIL	Nil
		• Number of cases where clawback has been exercised.	NIL	Nil
		• Number of cases where both malus and clawback have been exercised.	NIL	Nil
General Quantitative Disclosure	(h)	The mean pay for the bank as a whole (excluding sub-staff)	0.12	0.10
		and	2.34	1.93
		The deviation of the pay of each of its WTDs$ from the mean pay.		
		$Gross remuneration paid to MD & CEO and Executive Vice President are 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		

*MD & CEO and Executive Vice President are the Material Risk Takers of the Bank, as identified by the Board of Directors.

1. Mr. Murali Ramakrishnan, Managing Director & Chief Executive Officer is identified as MRT till 30-09-2023.
2. Mr. P R Seshadri, Managing Director & Chief Executive Officer is identified as MRT w.e.f 01-10-2023.
3. Mr. Thomas Joseph K, Executive Vice President is identified as MRT

13. Other Disclosures

a) Business ratios

Particulars		March 31, 2024	March 31, 2023
(i)	Interest Income as a percentage to Working Funds [1]	7.49%	6.86%
(ii)	Non-interest income as a percentage to Working Funds [1]	1.32%	0.77%
(iii)	Cost of Deposits	5.10%	4.35%
(iv)	Net Interest Margin	3.31%	3.30%
(v)	Operating Profit as a percentage to Working Funds [1]	1.62%	1.43%
(vi)	Return on Assets [Based on Working Fund] [1]	0.93%	0.73%
(vii)	Business (Customer Deposits plus Advances) per employee [2, 3] (₹ in Crore)	18.85	17.24
(viii)	Profit per employee [2] (₹ In Crore)	0.11	0.08

1. For the purpose of computing the ratio, Working Fund represents the average of total assets as reported in Form X to RBI under Section 27 of the Banking Regulation Act, 1949.
2. For the purpose of computing the ratios number of employees (excluding Part time employees) as on Balance Sheet date is considered.
3. For the purpose of this ratio, business per employee has been recorded as gross advance plus deposits (excluding interbank deposits).

b) Bancassurance Business

Income from Bancassurance Business acquired during the FY: [₹ in Crore]

Sl. No.	Nature of Income	March 31, 2024	March 31, 2023
1	From Selling Life Insurance Policies	51.48	43.88
	i. Traditional/Regular	48.91	41.48
	ii. Single	1.32	1.25
	iii. ULIP Regular	1.25	1.15
2	From Selling Non-Life Insurance Policies	12.17	8.12
	i. General Insurance	4.01	3.74
	ii. Stand-alone Health Insurance	8.16	4.38
3	From Selling Govt. Security Schemes (PMJJBY & PMSBY)	0.06	0.05
4	Others	Nil	Nil
	Total	**63.71**	**52.05**

c) Marketing and Distribution

Banks has received following fees/remuneration in respect of the marketing and distribution function (excluding Bancassurance business) undertaken by the bank. [₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Centralized Direct Debit Services	2.79	2.87
NPS	0.23	0.26
APY/NPS –Lite	0.24	0.25
Demat	0.15	0.19
Sibertrade	1.41	0.90
Mutual Funds	3.73	2.97
Capital Gain Bonds	0.04	0.05
ASBA	0.07	0.07
SGB	0.57	0.18
PIS	0.51	0.64
Travel Card	0.44	0.37
SBI-South Indian Bank Co-branded Credit card	0.46	0.22
Total Income	**10.64**	**8.97**

d) Priority sector lending certificates [₹ in Crore]

Sl No.	Type of PSLCs	March 31, 2024		March 31, 2023	
		Purchase	Sale	Purchase	Sale
1	PSLC – Agriculture	0.00	0.00	0.00	0.00
2	PSLC – Small and Marginal Farmers	0.00	4,500.00	0.00	5,100.00
3	PSLC – Micro Enterprises	2,350.00	0.00	750.00	0.00
4	PSLC – General	0.00	0.00	0.00	0.00
Total		**2,350.00**	**4,500.00**	**750.00**	**5,100.00**

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, 2024	March 31, 2023
Provision for NPAs (including write off, excluding technical write off)	405.52	623.07
Provision for NPIs	(2.67)	(137.54)
Provision for taxes (Net of write back) [1]	373.19	258.38
Deferred Tax (net)	85.48	213.00
MAT Credit	-	(138.26)
Provision for Standard Assets	(20.85)	(58.61)
Provision for Restructured Advances	(0.06)	(0.05)
Provision for FITL	(63.94)	(22.17)
Provision for unhedged foreign currency exposures	(1.70)	1.66
Provision for Non-Banking Asset[2]	(4.41)	(0.71)
Provision for Fraud / Other impaired assets	27.02	(6.53)
TOTAL	**797.58**	**732.24**

[1] Based on favourable Income Tax orders received during the financial year, the net excess provision for tax held in books amounting to ₹ Nil (Previous year ₹ 54.81 Crore) has been written back.

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, 2024	March 31, 2023
i)	Payment of DICGC Insurance Premium (excl. GST)	113.03	105.25
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 funded or non-funded (guarantees, Letter of Credit, etc) facilities to directors, their relatives, companies or firms in which they are interested during the Financial year 2023-24 in violation to section 20 of BR Act, 1949/ RBI Regulations issued in this regard.

i) Details of Single Counterparty Limit / Limit for Group of Connected Counterparties exceeded by the Bank

RBI has prescribed limits linked to bank's eligible capital base in respect of exposure to single counter party and group of connected counter parties. During the year ended March 31, 2024 and March 31, 2023, the Bank was within the limits prescribed by the RBI.

j) Portfolio-level information on the use of funds raised from green deposits [₹ in Crore]

Particulars	March 31, 2024*	Cumulative*
Total green deposits raised (A)	56.21	56.21
Use of green deposit funds**		
(1) Renewable Energy	51.03	51.03
• Solar Power Generation	37.98	37.98
• Wind Power Generation	13.05	13.05
(2) Energy Efficiency		
(3) Clean Transportation	0.50	0.50
• Projects promoting electrification of transportation	0.50	0.50
(4) Climate Change Adaptation		
(5) Sustainable Water and Waste Management		
(6) Pollution Prevention and Control		
(7) Green Buildings		
(8) Sustainable Management of Living Natural Resources and Land Use		
(9) Terrestrial and Aquatic Biodiversity Conservation		
Total Green Deposit funds allocated (B = Sum of 1 to 9)	51.53	51.53
Amount of Green Deposit funds not allocated (C = A – B)	4.68	4.68
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities/projects	The unallocated amount of ₹ 4.68 Crores is invested in Liquid Assets temporarily as on 31.03.2024	

*As per RBI master direction RBI/2023-24/14 DOR.SFG.REC.10/30.01.021/2023-24 dated April 11, 2023, framework for acceptance of Green Deposits came into effect from June 1, 2023. The figures reported above correspond to the period from 01.06.2023 to 31.03.2024.

k) Details of items under other expenditure (Schedule 16 – Operating Expenses) exceeding 1% of total income:

As at 31 March, 2024

Sl No	Particulars	[₹ in Crore]
1	Credit Card Interchange pay-out	162.62
	Total	**162.62**

In Financial Year ending 31 March 2023, none of the items under other expenditure exceeds 1% of Total Income.

l) Details of items under Miscellaneous Income (Schedule 14 – Other Income) exceeding 1% of total income:

As at 31 March, 2024

Sl.No	Particulars	[₹ in Crore]
1	Processing Fees	118.47
	Total	**118.47**

As at 31 March, 2023

Sl.No	Particulars	[₹ in Crore]
1	Amount Written Off Since Recovered	247.20
2	Processing Fees	125.32
	Total	**372.52**

m) Details of items under Others (Schedule 11 – Other Assets) exceeding 1% of total assets:

As at 31 March, 2024

Sl No	Particulars	[₹ in Crore]
1	Priority Sector Shortfall Funds	1,871.75
	Total	**1,871.75**

As at 31 March, 2023

Sl No	Particulars	[₹ in Crore]
1	Priority Sector Shortfall Funds	2,636.43
	Total	**2,636.43**

n) No items coming under Others (Schedule 5 - Other liabilities & Provisions) exceeding 1% of total assets as at year ended 31 March 2024 and 31 March 2023.

B. Additional Disclosure

1. Details of Single Borrower Limit, Group Borrower Limit exceeded by the Bank

As on March 31, 2024, the bank has not exceeded the credit exposure to single borrower and group borrowers limit as per prudential exposure limit prescribed by RBI.

2. Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances: [₹ in Crore]

Particulars	During FY 2023-24		During FY 2022-23	
	No of accounts	Amount	No of Accounts	Amount
MSME Restructured Accounts	Nil	Nil	Nil	Nil

As permitted by RBI vide its Circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020, DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06. 2020 and DOR.STR.REC.12/21.04.048/2021-22 dated May 05, 2021 the bank has not restructured any accounts during the year (Previous year: NIL). Additional Standard Asset provision of Nil (Previous year: NIL) is maintained in the books towards such accounts. The balance outstanding in accounts restructured under the aforesaid circulars and maintained as standard in the bank's books amounts to ₹ 392.07 crores (Previous year ₹ 887.95 crores) and standard asset provision of ₹ 40.44 crores (Previous year ₹ 75.40 crores) 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, 2024	March 31, 2023
Current Tax (net of write back)	373.19	258.38
Deferred Tax (net)	85.48	213.00
MAT Credit	-	(138.26)
Total	**458.67**	**333.12**

Tax provision is created in the books after adjusting for permanent differences in the computation of taxable income to determine Income tax payable, accounting of MAT credit and deferred tax assets/liability. Based on favourable Income Tax orders received, the excess provision for tax held for different assessment years in the books of account as on the balance sheet date amounting to a net sum of ₹ Nil (Previous year ₹ 54.81 Crore) has been written back.

b) Deferred Tax Assets /Liabilities (net)

Other Assets include deferred tax asset and the breakup of the same is shown below: [₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Deferred Tax Asset (A)		
Provisions for Loans/Investments/ others	218.45	324.82
Fixed Assets: on difference between book balances and tax balance of WDV of fixed assets	6.80	8.40
Total (A)	**225.25**	**333.22**
Deferred Tax Liabilities (B)		
Special Reserve created u/s 36(1)(viii) of Income Tax Act	126.29	167.52
Interest accrued but not due on investments	111.00	144.29
Total (B)	**237.29**	**311.81**
Deferred Tax Asset / (Liability) (net) (A-B)	**(12.04)**	**21.41**

4. Movement in provision for debit card reward points: [₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Provision at the beginning of the year	3.51	2.33
Provision made during the year	4.47	4.28
Reductions during the year	4.04	3.10
Provision at the end of the year	3.94	3.51

5. Movement in provision for other contingencies: [₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Provision at the beginning of the year	23.03	20.32
Incremental expense during the year	31.04	21.85
Redemption during the year	4.06	19.14
Provision at the end of the year	50.01	23.03

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, 2024 and March 31, 2023 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, 2024 was ₹ 2,425 Crore (Previous Year: ₹ 1,300.00 Crore).

8. Fixed Assets

a) Fixed Assets as per Schedule 10 include Intangible Assets relating to Software and System Development Expenditure which are as follows: [₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Gross Block		
At the beginning of the year	211.98	208.98
Additions during the year	48.37	3.25
Deductions during the year	-	0.25
Closing Balance	260.35	211.98
Depreciation / Amortisation		.
At the beginning of the year	164.83	135.16
Charge for the year	30.83	29.66
Deductions during the year	-	-
Depreciation to date	195.66	164.83
Net Block	**64.69**	**47.15**

9. Accounting for Employee Share Based Payments.

The Bank had provided various share based payment schemes to its employees. As on March 31, 2024, the following schemes were in operation;

Particulars	Tranche 13	Tranche 12	Tranche 11
Date of grant	31.07.2023	01.03.2023	23.04.2022
Date of Board approval	31.07.2023	01.03.2023	23.04.2022
Date of Shareholders approval	24.08.2023	12.07.2022	12.07.2022
Number of options granted	68,69,004	11,06,194	3,99,171
Method of settlement	Equity	Equity	Equity
Vesting period	31.07.2024 to 31.07.2026	01.03.2024 to 01.03.2026	23.04.2023 to 23.04.2025
Exercise period (for all Tranches)	The Grantee will be permitted to exercise their Options within five years from the date of vesting	The Grantee will be permitted to exercise their Options within five years from the date of vesting	The Grantee will be permitted to exercise their Options within five years from the date of vesting

Particulars	Tranche 13	Tranche 12	Tranche 11
Manner of Vesting (for all Tranches)	30%, which will be vested on completion, of 1st year from the date of grant.	30%, which will be vested on completion, of 1st year from the date of grant.	30%, which will be vested on completion, of 1st year from the date of grant.
	30%, which will be vested on completion, of 2nd year from the date of grant.	30%, which will be vested on completion, of 2nd year from the date of grant.	30%, which will be vested on completion, of 2nd year from the date of grant.
	40%, which will be vested on completion, of 3rd year from the date of grant	40%, which will be vested on completion, of 3rd year from the date of grant	40%, which will be vested on completion, of 3rd year from the date of grant

Activity in the options outstanding under the ESOS

Particulars	March 31, 2024		March 31, 2023	
	Options	Weighted average exercise price (₹)	Options	Weighted average exercise price (₹)
Options outstanding at the beginning of the year	15,05,673	14.34	10,05,872	18.72
Options granted during the year	68,69,004	20.00	15,05,365	14.34
Options exercised during the year	-	-	-	-
Forfeited / lapsed during the year	1,44,894	20.00	10,05,564	18.72
Options outstanding at the end of the year	82,29,783	18.96	15,05,673	14.34
Options Exercisable	4,55,345	14.39	308	18.72

Details of exercise price for stock options outstanding as at March 31, 2024

Particulars	Exercise price per share (₹)	Option Premium	Number of options outstanding	Remaining contractual life of options (in years)
Tranche 11	8.35	3.29	3,99,171	5.16
Tranche 12	16.50	6.78	11,06,194	6.02
Tranche 13	20.00	7.94	67,24,418	6.44

Details of exercise price for stock options outstanding as at March 31, 2023

Particulars	Exercise price per share (₹)	Option Premium	Number of options outstanding	Remaining contractual life of options (in years)
Tranche 8	18.72	NA	308	0.20
Tranche 11	8.35	3.29	3,99,171	6.16
Tranche 12	16.50	6.78	11,06,194	7.02

Effect of the ESOS on the profit and loss account and on its financial position: [₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Opening of ESOS Liability	0.88	1.29
Liability on account of ESOS issued	5.45	0.88
Reversal on account of Exercise	0.00	0.00
Reversal on account of lapsed/forfeiture	(0.12)	(1.29)
Total Employee compensation cost pertaining to ESOS	6.22	0.88
Opening Deferred Compensation Cost	0.77	0.00
Deferred compensation cost on ESOS issued	5.45	0.88
Compensation Cost pertaining to ESOS amortized during the year	(2.57)	(0.11)
Reversal on account of lapse/ forfeiture	(0.08)	0.00
Deferred compensation cost	3.57	0.77

10. Related party disclosure:

The related parties of the bank are broadly classified as:

a. Subsidiary

Sl. No.	Name of the Entity	Nature of Relationship
1	SIB Operations and Services Limited	Wholly Owned Subsidiary (WOS)

b. Key Management Personnel (As per AS 18) – MD & CEO

Sl. No.	Name of the Key Management Personnel	Relative of the Key Management Personnel
Upto 30.09.2023		
1	Mr. Murali Ramakrishanan	• Mangala Santhanam • Charumathy Murali
w.e.f. 01.10.2023		
1	Mr. P R Seshadri	• Uma Seshadri • Mythili Ramachandran • Megna Seshadri • Malavika Seshadri

Related Party Transactions Summary for the Financial year ended 31.03.2024 (₹ In Crore)

Sl No	Details of counter party		Type of related party transaction	Value of the related party transaction as approved by the Audited Committee	Value of the related party transaction during the reporting period (for the Financial year ended March 31, 2024)	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, 2023	Closing Balance (as on March 31, 2024)
1	Wholly owned subsidiary (WOS)		Income received for providing management service	Note No 6	1.00	0.81	0.16
2	Wholly owned subsidiary (WOS)		Income received for providing other services	Note No 6	0.020	0.002	0.002
3	Wholly owned subsidiary (WOS)		Expense paid for HR services provided by WOS	Note No 6	13.76	1.07	0.81
4	Directors		Sitting Fees (WOS)		0.04	-	-
5	Subsidiary Directors		Interest received		0.002	-	-
6	Subsidiary Directors		Interest Paid		0.12	-	-
7	Subsidiary Directors		Fixed Deposit	Note No 5	1.52	1.38	1.52
8	Subsidiary Directors' Relatives		Interest received		0.001	-	-
9	Subsidiary Directors' Relatives		Fixed Deposit	Note No 5	0.45	4.63	0.45
10	Subsidiary Directors' Relatives		Interest Paid		0.31	-	-
11	KMPs including MD & CEO and Subsidiary Directors		Remuneration paid	As per Bank's Internal Policies/ approved by Regulator	6.98	-	-
12	Directors		Sitting Fees including honorarium to Chairman		2.99	-	-
13	Directors		Fixed Deposit	Note No 5	0.83	1.78	0.83
14	Directors		Interest received		0.04	-	-
15	Directors		Interest Paid		0.10	-	-

16	KMPs including MD & CEO	Fixed Deposit	Note No 5	0.59	11.09	0.59
17	KMPs including MD & CEO	Interest received		0.03	-	-
18	KMPs including MD & CEO	Interest Paid		0.13	-	-
19	KMPs including MD & CEO and Subsidiary Directors	ESOS (Nos.)	Note No .8	28,708.00	15,05,365.00	26,229.00
20	Relative/ Interested company- Directors	Fixed Deposit	Note No 5	0.61	11.22	0.61
21	Relative/ Interested company- Directors	Interest Paid		0.51	-	-
22	Relative/ Interested company- Directors	Interest received		0.0002	-	-
23	Relative/ Interested company- Directors	Other Transaction	Note No. 13	0.02	-	-
24	Relative of KMPs & MD & CEO	Fixed Deposit	Note No 5	1.12	0.80	1.12
25	Relative of KMPs & MD & CEO	Interest Paid		0.10	-	-
26	MD & CEO	savings		0.111	0.0016	0.11
27	Relative MD & CEO	savings		0.04	0.01	0.04
28	Directors / KMPs/ Subsidiary Director	Subscription to Rights Issue		0.57	-	-
29	Relatives of Directors / KMPs/ Subsidiary Director	Subscription to Rights Issue		0.02	-	-

Note:

1) Transactions with WOS are shown excluding GST and TDS

2) 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.

3) 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.

4) The Bank, being a scheduled commercial bank, as per RBI circular RBI/DBR/2015-16/19 dated March 03, 2016, has allowed additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or a term deposits of bank's staff and their exclusive associations as well as on deposits of Chairman, Managing Director or such other Executives appointed for a fixed tenure.

5) Value of the related party transaction for deposit is the balance in fixed deposit outstanding as on 31.03.2024.

6) 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.

7) The CSR activity of Bank is carried out by a trust formed by Bank in this regard. Since the Trust is acting on behalf of Bank and amount are spent as Bank's CSR expenditure, these transactions are not treated as RPT.

8) The transaction in ESOS refers to options granted to KMP/ subsidiary directors (being employees of the Bank) as part of their performance linked incentive (Non-cash).

9) None of the Directors/ KMPs/ relatives are holding substantial shares/ securities of the Bank.

10) Transactions with common directors of subsidiary and Bank is shown under Directors.

11) In the closing balance of Deposits, the details of deposits of directors/ KMP /their relatives, who has retired or ceased to be KMP or directors/ related party during the review period were not included in reporting, as the same will not be coming under the preview of Related Party Transaction. The opening balance / interest paid and received / remuneration paid during the period are reported as part of RPT.

12) Mr. Murali Ramakrishnan has retired from the office of MD & CEO on Sep, 30, 2023 after the closure of office hours. Mr. P R Seshadri has taken charge as MD &CEO of the Bank w.e.f. 01.10.2023

13) The transactions with M/s. Autolytics Technologies Private Limited, which were pre-approved by ACB as part of Omnibus approval, were reported under RPT only up to June, 2023 (three months), as Mr. R A Sankara Narayanan, Independent Director has resigned from the post of advisor of M/s. Autolytics Technologies Private Limited on 18.06.2023.

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 Crores (Previous Year: ₹0.32 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. Towards DCPS, employee shall contribute 10% of their pay components and Dearness Allowance thereon and the Bank will also make a contribution of 14%. There is no separate Provident Fund for employees joining on or after April 1, 2010.

The Bank recognized ₹ 73.15 Crores (Previous Year: ₹ 63.06 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, 2024	March 31, 2023
Pension Fund	179.20	116.35
Gratuity Fund	38.02	30.37
Compensation for absence on privilege/sick/casual leave	99.79	54.63

The employee benefits on account of pension, gratuity and Leave have been ascertained on actuarial valuation in accordance with Accounting Standard - 15 prescribed under section 133 of the Companies Act, 2013

ii) Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks

"Reserve Bank of India vide letter dated October 4, 2021 has permitted all member banks of Indian Banks'" Association covered under the 11th Bipartite Settlement to amortize the additional liability on account of revision in family pension over a period not exceeding five years, beginning with the Financial Year ended March 31, 2022. The bank has recognized the entire additional liability estimated at ₹ 43 crores and opted to amortize the same over a period of seven quarters beginning with the quarter ended September 30, 2021. Accordingly, an amount of ₹ Nil (Previous year ₹ 24.57 Crore) has been written off during the year ended March 31, 2024 in respect of the said additional liability and the balance is ₹ Nil.

The following table as furnished by Actuary sets out the funded status of gratuity / pension plan and the amount recognized in the Bank's financial statements as at March 31, 2024.

d) Changes in the defined benefit obligations [₹ in Crore]

Particulars	Gratuity Plan		Pension Plan	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Projected defined benefit obligation, beginning of the year	270.27	254.48	984.82	1,020.37
Current Service Cost	24.78	22.19	205.65	186.53
Past Service Cost	-	-	-	-
Interest Cost	19.40	17.89	68.22	65.47
Actuarial (gain)/ loss	15.42	8.85	(18.37)	(88.47)
Benefits paid	(25.29)	(33.15)	(155.24)	(199.08)
Projected defined benefit obligation, end of the year	304.58	270.26	1,085.08	984.82
Liability (net) of fair value of plan asset at the end of the year	1.42	3.13	2.00	(5.69)

e) Changes in the fair value of plan assets [₹ in Crore]

Particulars	Gratuity Plan		Pension Plan	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Fair value of plan assets, beginning of the year	267.14	246.85	990.51	1,015.64
Expected return on plan assets	20.68	18.63	75.14	68.34
Employer's contributions	40.16	34.88	171.53	102.21
Actuarial gain/ (loss)	0.48	(0.06)	1.14	3.40
Benefits paid	(25.29)	(33.15)	(155.24)	(199.08)
Fair value of plan assets, end of the year	303.17	267.14	1,083.08	990.50

f) Net Employee benefit expense (recognized in payments to and provisions for employees) [₹ in Crore]

Particulars	Gratuity Plan		Pension Plan	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Current Service Cost	24.78	22.19	205.64	186.53
Past Service Cost	-	-	-	-
Interest Cost	19.40	17.89	68.22	65.47
Expected return on plan assets	(20.68)	(18.62)	(75.14)	(68.34)
Net actuarial (gain)/ loss recognised in the year	14.94	8.92	(19.51)	(91.87)
Employee cost	38.44	30.37	179.21	91.78
Less: Amount received towards staff deputed abroad	0.39	-	-	-
Less: Amount received from Income Tax dept. (TDS Refund)	0.03	-	-	-
Net Employee cost in P&L	38.02		-	
Unamortized cost	-	-	-	-
Total	38.02	30.37	179.21	91.78
Actual return on plan assets	21.16	18.56	76.28	71.73

g) Categories of plan assets as a percentage of the fair value of total plan assets

Particulars	Gratuity Plan		Pension Plan	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
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]

Particulars	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Defined Benefit Obligations	304.57	270.27	254.49	245.41	232.65
Plan Assets	303.16	267.14	246.85	243.49	227.75
(Surplus)/Deficit	1.41	3.13	7.63	1.92	4.90
Unamortized	-	-	-	-	-
Net benefit expenses	1.41	3.13	7.63	1.92	4.90
Experience adjustments (gain) / loss on Plan Liabilities	1.85	9.16	12.43	32.70	(7.48)
Experience Adjustments gain / (loss) on Plan Assets	(0.48)	0.06	0.25	(0.97)	0.58

(ii) Pension [₹ in Crore]

Particulars	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Defined Benefit Obligations	1,085.08	984.81	1,020.37	920.62	801.56
Plan Assets	1,083.08	990.50	1,015.63	894.15	747.52
(Surplus)/Deficit	2.00	(5.69)	4.73	26.47	54.05
Experience adjustments (gain) / loss on Plan Liabilities	(18.37)	(88.47)	82.37	138.80	42.33
Experience Adjustments gain / (loss) on Plan Assets	1.14	(3.40)	2.35	(4.77)	5.86

i) Assumptions used by the actuary in accounting for Gratuity/ Pension/Compensation for absence

Particulars	Gratuity Plan		Pension Plan		Compensation for absence	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Discount rate	7.22%	7.53%	7.21%	7.52%	7.22%	7.53%
Expected rate of return on plan assets	7.53%	7.52%	7.52%	7.27%	0.00%	*
Increase in compensation cost	6.00%	6.00%	5.50%	5.50%	6.00%	6.00%

*Not applicable

Notes:

(i) Discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of obligations.

(ii) Expected rate of return on plan assets is based on the average long term rate of return expected on investments of the funds during the estimated term of the obligations.

(iii) The estimates of future salary increases, considered in actuarial valuation, taken in to account the inflation, seniority, promotion and other relevant factors.

j) Compensation for absence on Privilege / Sick / Casual Leave

The charge on account of compensation for privilege / sick / casual leave has been actuarially determined and an amount of ₹ 99.79 Crore (Previous year ₹54.63 Crore) has been debited to Profit and Loss account.

The above information is as certified by actuary and relied upon by the auditor.

k) Provision for wage revision

Based on the MoU signed by IBA on December 12, 2023, an annual increase in salary was agreed at 17% beginning from November 01, 2022. Accordingly, the Bank had made ₹ 169 Crore in FY 23-24 (Previous Year ₹ 60.00 Crore) toward wage revision.

12. Micro Small and Medium Industries

Under the Micro, Small and Medium enterprises development Act 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payment to micro, and small enterprises or of interest payments due to delays in such payments. The above is based on information available with the Bank which has been relied on by the auditors.

13. Segment reporting

Business Segments have been identified and reported taking into account, the target customer profile, the nature of product and services, the differing risks and returns, the organization structure, the internal business reporting system and guidelines issued by RBI from time to time. The Bank operates in the following business segments;

a) Treasury:

The treasury segment primarily consists of interest earnings on investments portfolio of the bank, gains or losses on investment operations and earnings from foreign exchange business. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

b) Corporate / Wholesale Banking:

The Corporate / Whole sale Banking segment provides loans to corporate segment identified on the basis of RBI guidelines. Revenues of this segment consist of interest earned on Loans made to corporate customers and the charges / fees earned from other banking services. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

c) Retail banking:

The Retail Banking segment provides loans to non-corporate customers identified on the basis of RBI guidelines. Revenues of this segment consist of interest earned on Loans made to non-corporate customers and the charges / fees earned from other banking services. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

In accordance with RBI circular DOR.AUT. REC.12/22.01.001/2022-2023 dated April 07, 2022 on establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as sub-segment of the Retail Banking Segment. Assets of DBU consists of mainly credit card, loan against deposits opened through digital mode etc.

d) Other Banking Operations:

This segment includes income from para banking activities such as debit cards, third party product distribution and associated costs. Segmental expenses are allocated as per board approved policy.

e) Unallocated

All items that cannot be allocated to reportable segments are included in unallocated portion.

Geographic segment

The Bank operations are predominantly confined within one geographical segment (India) and accordingly this is considered as the only secondary segment. In accordance with RBI guidelines in regard to business segments of banks, the bank has determined the business segments and the required disclosures are as follows:

[₹ in Crore]

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
Particulars	**2023-24**	**2022-23**	**2023-24**	**2022-23**	**2023-24**	**2022-23**	**2023-24**	**2022-23**	**2023-24**	**2022-23**
Revenue	2,010.99	1,088.00	2,865.85	2,323.02	4,816.43	4,204.46	435.05	430.33	10,128.32	8,045.81
Result	203.77	(158.42)	(56.19)	(101.70)	1,074.06	1,061.62	307.11	306.71	1,528.75	1,108.21
Unallocated (Expenses)/ Income									-	-
Operating profit									1,528.75	1,108.21
Income Taxes									458.67	333.12
Net Profit									1,070.08	775.09
Other Information:										
Segment Assets	26,289.63	26,438.99	45,043.91	37,973.84	42,598.06	39,750.34	24.16	25.91	1,13,955.76	1,04,189.08
Unallocated Assets									3,457.03	3,509.10
Total Assets									1,17,412.79	1,07,698.18
Segment Liabilities	24,420.73	25,038.41	42,213.79	36,329.54	39,921.62	38,029.11	-	-	1,06,556.14	99,397.06
Unallocated Liabilities									2,033.11	1,626.54
Total Liabilities									1,08,589.25	1,01,023.60

Since the Bank operates only in domestic segment, the requirement of disclosure regarding geographical segment is not applicable.

**RBI's Master Direction on Financial Statements-Presentation and Disclosures, requires to sub-divide 'Retail banking' into (a) Digital Banking (as defined in RBI Circular on Establishment of Digital Banking Units dated April 07, 2022) and (b) Other Retail Banking segment. Accordingly, the segmental results for retail banking segment is sub-divided as below.*

[₹ in Crore]

Particulars	Segment Revenue		Segment Results (net of provisions)		Segment Assets		Segment Liabilities	
	2024	2023	2024	2023	2024	2023	2024	2023
Retail Banking								
(i) Digital Banking	679.38	213.91	140.49	43.76	4,121.28	2,411.85	3,862.34	2,307.41
(ii) Other Retail Banking	4,137.05	3,990.55	933.57	1,017.86	38,476.78	37,338.49	36,059.28	35,721.70

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 the auditors.

14. Description of contingent liabilities*

Sl. No	Contingent liability	Brief Description
1	Claims not acknowledged as debts	This includes liability on account of, and other legal cases filed against the bank. The bank is a party to various legal proceedings in the ordinary course of business and these are contested by the Bank and are therefore subjudice. The Bank does not expect the outcome of these proceedings to have a material adverse impact on the Bank's financial position.
2	Liability on account of outstanding forward contracts	The Bank enters into foreign exchange contracts with interbank participants on its own account and for its customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contract rate.
3	Guarantees on behalf of constituents in India and outside India, Acceptances, endorsements and other obligations	As part of banking activities, the Bank issues Letter of Guarantees and documentary credit on behalf of its customers, with a view to augment the customer's credit standing. Through these instruments, the Bank undertakes to make payments for its customers' obligations, either directly or in case the customer fails to fulfill their financial or performance obligations.
4	Other items for which the bank is contingently liable	Includes capital commitments and amount transferred to RBI under the Depositor Education and Awareness Fund (DEAF).

* *Also refer schedule – 12*

The Bank's pending litigations comprise of claims against the Bank by the clients and proceedings pending with Income Tax authorities/GST/VAT/Service Tax Authorities. The Bank has reviewed all its pending litigations and proceedings and has adequately provided for such liabilities where provisions are required and disclosed the contingent liabilities wherever applicable (other than SCN's), in its financial statements. The Management believes that the possibility of outflow of resources embodying economic benefits in these cases is possible but not probable and hence no provision is required in these cases. However, the contingent liability has been disclosed with respect to these cases.

15. Provision for long term contracts

The Bank has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the bank has reviewed and recorded adequate provision as required under any Law/Accounting Standards for material foreseeable losses on such long-term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements.

16. Earnings Per Share

The Bank reports basic and diluted EPS in accordance with the Accounting Standard - 20 on "Earnings per Share"

Particulars	March 31, 2024	March 31, 2023
Weighted average number of equity shares used in computation of basic earnings per share	209,98,88,358	222,10,72,858
Potential equity shares arising out of the Employees Stock Option Scheme	20,85,233	1,76,768
Weighted average number of equity shares used in computation of diluted earnings per share	210,19,73,591	222,12,49,626
Earnings used in the computation of basic earnings per share (₹ in Crore)	1,070.08	775.09
Earnings used in the computation of diluted earnings per share (₹ in Crore)	1,070.08	775.09
Nominal Value of share (in ₹)	1.00	1.00
Basic earnings per share (in ₹)	5.10	3.49
Effect of potential equity shares for ESOS	0.01	0.00
Diluted earnings per share (in ₹)	5.09	3.49

Pursuant to the rights issue, earnings per share (EPS) in respect of previous year/ periods has been restated as per Accounting Standard-20 (AS-20)- "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013

17. Corporate social responsibility

Operating expenses include ₹10.50 crore (Previous Year ₹ 1.86 Crore) for the year ended March 31, 2024 towards Corporate Social Responsibility (CSR), in accordance with the Companies Act, 2013. The Bank has spent 2% of its average net profit for the last three financial years as part of its CSR for the year ended March 31, 2024. 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, 2024 [₹ in Crore]

Particulars	Paid	Yet to be paid	Total
i) Construction / Acquisition of any assets	9.03	-	9.03
ii) For purposes other than (i) above	1.47	-	1.47

For the year ended March 31, 2023 [₹ in Crore]

Particulars	Paid	Yet to be paid	Total
i) Construction/ Acquisition of any assets	0.60	-	0.60
ii) For purposes other than (i) above	1.26	-	1.26

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 ₹ 118.18 Crore (Previous year: ₹ 109.66 Crore) was charged to Profit and loss account.

20. Disclosure as to Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

The Bank, as part of its normal banking business grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are conducted after proper due diligence and ensuring adherence to all regulatory requirements including "Know Your Customer" guidelines.

Other than the transactions described above which are carried out in the normal course of business, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or deposits or any other sources or kinds of funds) by the Bank to or in any other persons or entities, including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank ("Ultimate Beneficiaries"). The Bank has also not received any funds from any parties (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

21. Proposed Dividend

'The Board of Directors, has proposed a dividend of ₹ 0.30 per equity share (30%) for the year ended March 31, 2024 amounting to ₹ 78.48 crore. The proposal is subject to the approval of shareholders at the Annual General Meeting. 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 is not recognised as a liability as on March 31, 2024. However, effect of the proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratios as at March 31, 2024.

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	**Vinod Francis** Chief Financial Officer	**V J Kurian** Chairman (DIN : 01806859)	**P R Seshadri** MD & CEO (DIN : 07820690)
Jimmy Mathew Company Secretary		**M George Korah** Director (DIN : 08207827)	**Pradeep M Godbole** Director (DIN : 08259944)

In terms of our report attached

For CNK & Associates LLP Chartered Accountants ICAI Firm Registration No. 101961W/W-100036	**For K Venkatachalam Aiyer & Co** Chartered Accountants ICAI Firm Registration No. 004610S	**Paul Antony** Director (DIN : 02239492)	**R A Sankara Narayanan** Director (DIN : 05230407)
Hiren Shah Partner Membership No. 100052	**Sreevats Gopalakrishnan** Partner Membership No. 227654	**Benny P Thomas** Director (DIN : 09448424)	**Lakshmi Ramakrishna Srinivas** Director (DIN : 10365580)
Kochi May 2, 2024	Kochi May 2, 2024	Kochi May 2, 2024	

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
The South Indian Bank Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The South Indian Bank Limited (hereinafter referred to as "the Bank") and its subsidiary (the Bank and its subsidiary together referred to as "Group'), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Profit and Loss Account, the Consolidated Cash Flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') and the circulars and guidelines and directions issued by the Reserve Bank of India ("RBI"), in the manner so required for banking Companies and give a true and fair view in conformity with Accounting Standards prescribed under section 133 of the Act read with Companies (Accounts) Rules, 2014 as amended and accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit and their consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI"), together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the relevant provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below the key audit matters to be communicated in our report:

	Key Audit Matters	How our audit addressed the Key Audit Matters
(i)	**Classification of Advances, identification of non-performing advances, Income Recognition, and provisioning on Advances as per IRACP Norms of Reserve Bank of India**	
	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; RBI prescribes the prudential norms for Income Recognition, Asset Classification and Provisioning of non-performing assets (IRACP Norms) and prescribes the minimum provision required to be created for such assets in the Financial Statements. The identification of performing and non-performing advances (including advances restructured accounts under applicable IRACP Norms) involves establishment of proper systems, controls mechanism, and the bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each Non-Performing Asset ('NPA') applying both quantitative as well as qualitative factors prescribed by the regulations. The risk of identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors. The provision on NPA is estimated based on ageing and classification of NPAs, recovery estimates, nature of loan product, value of security and other qualitative factors and is subject to the minimum provisioning norms specified by RBI and approved policy of the Bank in this regard. The Management of the Bank also makes an assessment of the impact on borrowers' accounts which were restructured as per RBI Circulars issued to provide relief to the borrowers. Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements on: - 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	Our audit approach/procedures included the following: - Understanding and considering the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the prudential norms prescribed by the RBI (IRACP Norms) including the additional provisions made on advances and asset classification benefits applicable to certain category of advances such as restructured accounts. - Understanding, evaluation and testing the design and operating effectiveness of key controls (including application controls and logic applied for system driven identification of NPAs) over approval, recording, monitoring and recovery of loans, monitoring overdue/stressed accounts, identification of NPA, computation of provision for NPA, valuation of security and collateral and identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI. Further obtained an understanding of the contingency provision carried by the Bank and verified the underlying assumptions used by the Bank for such estimate. - Testing of application controls on sample basis including testing of automated and manual controls, reports and system reconciliations, in relation to income recognition, asset classification, provisioning pertaining to advances and investments and compliances of other regulatory guidelines issued by the RBI. - Testing on sample basis the accuracy of the data input in the system for income recognition, classification into performing and non-performing advances and provisioning in accordance with the IRACP norms. - Selection of the sample borrowers based on quantitative and qualitative risk factors for their assessment of appropriate classification as NPA including computation of overdue ageing to assess its correct classification and provision amount as per extant IRACP norms and the Bank policy.

Key Audit Matters	How our audit addressed the Key Audit Matters
Since the identification of NPAs and provisioning of advances requires proper mechanism, controls and significant level of estimation and given its significance to the overall audit process, including possible observation by RBI which could result into disclosure in the financial statements, we have ascertained identification of NPAs and provisioning against such NPAs as a Key Audit Matter.	- Performing other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included: (a) Considering testing of the exception reports generated from the application software and the systems where the advances have been recorded; (b) Considering the accounts reported by the Bank and other banks as Special Mention Accounts ("SMA") in RBI's central repository of information on large credits (CRILC) to identify stress; (c) Considering and reviewing the accounts reported with Early Warning Signals by the Bank with reference to the documents related to such advances. (d) Reviewing account statements, appraisal note, audited financial statements, stock and receivable audit report, credit audit report drawing power calculation, security and other related documents including valuation report of the collaterals and information of the sample borrowers selected based on quantitative and qualitative risk factors including the advances selected from accounts with Early Warning Signals; (e) 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; (f) Considering reports of Internal Audit, Systems Audit, Credit Audit, 'Concurrent Audit, Stock and Receivable audit and credit appraisal as per the policies and procedures of the Bank; (g) Considering the Inspection reports of RBI on the Bank, the bank's response to the observations and other communication with RBI during the year; - For NPAs identified, we, based on our sample factors including stressed sectors and account materiality, tested the asset classification dates, value of available security and computation of the provision as per IRACP norms. We recomputed the provision for NPA after considering the key input factors and compared our measurement outcome to that of system-generated reports and statements prepared by management.

	Key Audit Matters	How our audit addressed the Key Audit Matters
(ii)	**Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments**	
	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. Investments are classified into 'Held for Trading' ('HFT'), 'Available for Sale' ('AFS') and 'Held to Maturity' ('HTM') categories at the time of purchase. Investments, which the Bank intends to hold till maturity are classified as HTM investments. Investments classified as HTM are carried at amortised cost. Where in the opinion of management, a diminution, other than temporary, in the value of investments has taken place, appropriate provisions are made. Investments classified as AFS and HFT are marked-to-market on a periodic basis as per the relevant RBI guidelines. 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. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter. Accordingly, our audit was focused on valuation of investments, classification, identification of NPI and provisioning related to investments.	Our audit approach/procedures included the following: - We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs and provisioning/ depreciation related to investments; - We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments; - For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample; - We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision; - We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs; - We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.

	Key Audit Matters	How our audit addressed the Key Audit Matters
(iii)	**Assessment of Provision for Taxation (including Deferred Tax Assets)**	
	This matter has been identified as a Key Audit Matter due to the significant level of management judgement required in the estimation of provision liabilitytowards income tax including any write back of provisions, due to the following factors a. The Bank's assessment of provision is based on facts of matter, existence of multiple uncertain tax positions leading to multiple disputes / litigations b. Provision for tax involves interpretation of various rules and law. It also involves consideration of the complex issues in on-going disputes and disclosures of related contingencies. Further, significant judgements are also involved in Assessment of Liability, Adequacy of provisions and Adequacy of disclosures for measuring such obligations.	Our audit approach/procedures included the following: a. Obtaining an understanding of the Bank's process and respective internal controls for determining tax liabilities, tax provisions, deferred tax assets and contingent liabilities in respect of the major litigations in order to design our audit procedures that are appropriate in the circumstances; b. Understanding the current status of the litigations/ tax assessments in respect of each matter for different years; c. Discussion with appropriate senior management personnel, independently assessment of management's estimate of the possible outcome of the disputed cases; and evaluation of the Management's underlying key assumptions in estimating the tax provisions. d. Considering legal precedence and other judicial pronouncements in evaluating management's position on these uncertain tax positions, the provisions made, and/or write back of the provisions e. Review of the reconciliation of the underlying tax balances to supporting documentation and workings, including correspondence with tax authorities. f. Evaluating the merit of the issues and subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of our internal legal / tax experts; g. Evaluating the components of deferred tax assets and estimates of taxable incomes for future periods as determined by the management and approved by the Board of Directors. h. Verifying the disclosures related to significant litigations and taxation matters in the standalone financial statements

	Key Audit Matters	How our audit addressed the Key Audit Matters
(iv)	**Litigation, Claims and Contingent Liabilities**	
	Assessment of provisions and Contingent liabilities in respect of certain litigations including Indirect Taxes, various claims filed by other parties not acknowledged as debt and other matters under dispute which involve significant judgement to determine the possible outcome of these disputes. There is a high level of judgement required in estimating the level of provisioning for the above. The Bank's assessment is supported by the facts of matter, their own judgement, interpretation and analysis of the complex issues under dispute, past experience and orders of the judicial authorities on identical issues, and advice from legal and independent tax consultants wherever necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgement in interpretation of law. Accordingly, our audit was focused on analyzing the facts of subject matter of each dispute, issue and matter under consideration and judgements/ interpretation of law involved.	Our audit approach/procedures included the following: - Testing the design and operating effectiveness of the Bank's key controls over the estimation, monitoring and disclosure of provisions and contingent liabilities - Obtaining an understanding of internal controls in relation to creation of provisions and Contingent liabilities in respect of the major litigations before various judicial forums including Indirect Taxes, various claims filed by other parties not acknowledged as debts relevant to audit in order to design our audit procedures that are appropriate in the circumstances; - Understanding the current status of the litigations in respect of each matter for different years; - Examining recent orders/ communications received from various authorities/ judicial forums, judicial pronouncements and follow up action thereon; - Evaluating the merit of the issues and subject matter under consideration with reference to the grounds presented therein and available independent legal/ tax advice including opinion of our internal legal/tax experts; - Review and analysis of evaluation of the contentions of the Bank through discussions, collections of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and - Verification of disclosures related to significant litigations and indirect taxation matters.

	Key Audit Matters	How our audit addressed the Key Audit Matters
(v)	**Information Technology ('IT') Systems and Internal Controls for financial reporting**	
	IT systems and controls followed by the bank are material from a financial reporting perspective, due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Therefore on account of these factors, there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment, existence and completeness of an Audit Trail (Edit Log) of the Core Banking Solution (CBS) and the other IT systems and applications having financial impact linked to the CBS. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately, and consistently for reliable financial reporting. In addition, there are increasing challenges to protect the integrity of the Bank's systems and data since cyber security has become a more significant risk in recent periods. These are key to ensure that IT dependent and application-based controls are operating effectively. Due to the pervasive nature and complexity of the IT environment as well as its importance in relation to accurate and timely financial reporting, we have ascertained IT systems and controls as a Key Audit Matter.	Our audit approach/procedures included the following: - Obtaining a comprehensive understanding of IT applications landscape implemented at the Bank, followed by process understanding, mapping of applications to the processes related to financial reporting and understanding financial risks posed by people-process and technology. - Testing 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). We have also verified the Audit Trail (Edit Log) on test check basis for the IT systems and identified accounting applications. - Testing the design and operating effectiveness of certain automated controls that were considered as key internal system controls over financial reporting using various techniques such as inquiry, review of documentation / record / reports, observation, and re-performance. - Evaluating deficiencies and mismatches that were identified and, testing compensating controls or performed alternate procedures. - Obtaining management representation which included IS audit, and also the testing of the automated system driven controls conducted by the Management including matching of the business logic with the system logic.

Information other than the consolidated Financial Statements and Auditor's Report thereon

The Bank's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to that Board Report's, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements, consolidated financial statements and our auditors' report thereon, the Pillar III disclosures under Basel III Capital Regulation, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above, when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Bank's Board of Directors and Management are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder, provision of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by Reserve Bank of India ("RBI") from time to time (the "RBI Guidelines") as applicable to the Bank. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act and the RBI Guidelines for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Board of Directors of the Bank, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the entities included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the respective entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group are also responsible for overseeing the respective entity's financial reporting process.

Auditor's Responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has in place adequate internal financial controls with reference to consolidated financial statements and on the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors;
- Conclude on the appropriateness of management's and board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with Those Charged with Governance of the Bank and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2024 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 ₹ 2.35 crores as at March 31, 2024, total revenue of ₹ 13.76 crores and total net profit after tax of ₹ 0.11 crore for the year ended March 31, 2024, and net cash outflows amounting to ₹ 0.13 crore for the year ended on that date as considered in the Consolidated Financial Statements have been audited by another independent auditor whose reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the reports of such auditors and the procedures performed by us as stated above and is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit and the consideration of the report of the other auditors on separate financial statements as noted in the 'Other Matters' paragraph, we report to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Bank so far as it appears from our examination of those books and the report of other auditor;

   c) The Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the guidelines prescribed by RBI;

   e) On the basis of written representations received from the directors of the bank as on March 31, 2024, taken on record by the Board of Directors of the bank and the reports of the statutory auditors of its subsidiary company, none of the directors of the group companies are disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act;

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Group with reference to these consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;

   g) With respect to the matters to be included in the Auditor's Report under Section 197(16) of the Act:

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

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Group has disclosed the impact of pending litigations on the consolidated financial position in its consolidated financial statements - as per details furnished in Schedule 12 and Sl.no 1 of Note 17 under Schedule 18 to the consolidated financial statements;

      ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts - as per details furnished in Note 19 under Schedule 18 to the consolidated financial statements in respect of such items as it relates to the Group; and

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank. There are no amounts required to be transferred to the Investor Education and Protection Fund by the subsidiary company.

      iv.

      (a) The respective managements of the holding company and its subsidiary have represented to us and the auditor of the subsidiary that, to the best of its knowledge and belief, other than as disclosed in Schedule 18 - Note 20 of the notes to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank or its subsidiary to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) Further, the respective managements of the holding company and its subsidiary have represented to us and the auditor of the subsidiary that, to the best of its knowledge and belief, other than as disclosed in Schedule 18 - Note 20 of the notes to the consolidated financial statements, no funds have been received by the Bank or its subsidiary from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Bank or its subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. The final dividend paid by the company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend;

As stated in note 21 of Schedule 18 to the Consolidated Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuring Annual General Meeting. The dividend declared is in accordance with section 123 of the Companies Act, 2013, to the extent it applies to declaration of dividend;

vi. Based on our examination which included test checks, the Bank has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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

Hiren Shah
Partner
Membership No: 100052

UDIN: 24100052BKFAIP5473

Place: Kochi
Date: 02nd May 2024

For K Venkatachalam Aiyer & Co.
Chartered Accountants
Firm Registration No. 004610S

Sreevats Gopalakrishnan
Partner
Membership No: 227654

UDIN: 24227654BKFTHR4969

Place: Kochi
Date: 02nd May 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE SOUTH INDIAN BANK LIMITED FOR THE YEAR ENDED MARCH 31, 2024

[Referred to paragraph 1(f) under Report on Other Legal Regulatory requirements in the Independent Auditors' Report of even date to the members of The South Indian Bank Limited on the Consolidated Financial Statements for the year ended 31 March 2024]

We have audited the internal financial controls over financial reporting with reference to consolidated financial statements of The South Indian Bank Limited ('the Bank') and its subsidiary company, which is incorporated in India, as at March 31, 2024, in conjunction with our audit of the consolidated financial statements of the Bank as of and for the year ended on that date.

Management's Responsibility for Internal Financial Controls over Financial Reporting

The respective Board of Directors of the Bank and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria, with reference to Consolidated Financial Statements, established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to the Consolidated Financial Statements of the Bank and its subsidiary, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness.

Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Bank and its subsidiary.

Meaning of Internal Financial Controls Over Financial Reporting

A Bank's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. The Bank's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management and directors of the Bank; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of the auditors as mentioned in Other Matters paragraph below, the Bank and its subsidiary, have, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to one subsidiary, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Hiren Shah
Partner
Membership No: 100052

UDIN: 24100052BKFAIP5473

Place: Kochi
Date: 02nd May 2024

For K Venkatachalam Aiyer & Co.
Chartered Accountants
Firm Registration No. 004610S

Sreevats Gopalakrishnan
Partner
Membership No: 227654

UDIN: 24227654BKFTHR4969

Place: Kochi
Date: 02nd May 2024

SOUTH INDIAN Bank
EXPERIENCE NEXT-GEN BANKING

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2024

		Schedule No	**As at March 31, 2024 ₹ ('000)**	As at March 31, 2023 ₹ ('000)
पूँजी और देयताएँ	**CAPITAL AND LIABILITIES**			
पूँजी	Capital	1	**26,15,926**	20,92,741
कर्मचारी स्टोक विकल्प (अनुदान) बकाया	Employees' Stock Options Outstanding		**26,446**	1,092
आरक्षितियाँ निधियाँ और अधिशेष	Reserves and Surplus	2	**8,56,21,045**	6,46,53,526
निक्षेप	Deposits	3	**1,01,91,91,055**	91,65,00,696
उधार	Borrowings	4	**3,91,20,935**	6,99,38,514
अन्य ऋण तथा प्रावधान	Other liabilities and provisions	5	**2,75,49,384**	2,37,85,066
जोड़	**TOTAL**		**1,17,41,24,791**	1,07,69,71,635
सपंत्तियाँ	**ASSETS**			
भारतीय रिज़र्व बैंक में नकदी और अधिशेष	Cash and Balances with Reserve Bank of India	6	**6,65,96,999**	4,63,92,196
बैंकों में अधिशेष और मांग पर तथा अल्प सूचना पर प्राप्य धन	Balances with banks and money at call and short notice	7	**3,36,24,764**	2,44,12,677
विनिधान	Investments	8	**23,97,65,194**	24,64,13,041
अग्रिम	Advances	9	**78,06,06,486**	69,80,44,444
स्थिर आस्तियाँ	Fixed Assets	10	**96,64,865**	87,79,262
अन्य आस्तियाँ	Other Assets	11	**4,38,66,483**	5,29,30,015
जोड़	**TOTAL**		**1,17,41,24,791**	1,07,69,71,635
आकस्मिक ऋण	Contingent Liabilities	12	**31,46,78,379**	25,89,12,394
संग्रहण के लिए बिल	Bills for collection		**2,19,86,291**	2,05,77,900
महत्वपूर्ण लेखांकन नीतियाँ	Significant Accounting Policies	17		
लखा संबंधी टिप्पणीयाँ	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

Vinod Francis
Chief Financial Officer

V J Kurian
Chairman
(DIN : 01806859)

P R Seshadri
MD & CEO
(DIN : 07820690)

Jimmy Mathew
Company Secretary

M George Korah
Director
(DIN : 08207827)

Pradeep M Godbole
Director
(DIN : 08259944)

In terms of our report attached

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

For K Venkatachalam Aiyer & Co
Chartered Accountants
ICAI Firm Registration No.
004610S

Paul Antony
Director
(DIN : 02239492)

R A Sankara Narayanan
Director
(DIN : 05230407)

Hiren Shah
Partner
Membership No. 100052

Sreevats Gopalakrishnan
Partner
Membership No. 227654

Benny P Thomas
Director
(DIN : 09448424)

Lakshmi Ramakrishna Srinivas
Director
(DIN : 10365580)

Kochi
May 2, 2024

Kochi
May 2, 2024

Kochi
May 2, 2024

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2024

		Schedule No	Year ended March 31, 2024 ₹ ('000)	Year ended March 31, 2023 ₹ ('000)
I. आय	**I. INCOME**			
अर्जित ब्याज	Interest Earned	13	**8,61,28,089**	7,23,31,794
अन्य आय	Other Income	14	**1,51,45,219**	81,13,697
जोड़	**TOTAL**		**10,12,73,308**	8,04,45,491
II. व्यय	**II. EXPENDITURE**			
व्यय किया गया ब्याज	Interest Expended	15	**5,28,07,529**	4,22,10,962
परिचालन व्यय	Operating Expenses	16	**2,97,87,601**	2,31,58,317
पिछले वर्ष के अग्रनीत समेकित लाभ	Provisions and Contingencies		**79,76,220**	73,23,130
जोड़	**TOTAL**		**9,05,71,350**	7,26,92,409
III. लाभ / हानि	**III. PROFIT/LOSS**			
वर्ष के समेकित शुद्ध लाभ	Consolidated Net Profit/(Loss) for the year		**1,07,01,958**	77,53,082
पिछले वरष के अग्रनीत लाभ	Brought forward consolidated Profit/(Loss) from previous year		**22,45,333**	(3,80,422)
जोड़	**TOTAL**		**1,29,47,291**	73,72,660
IV. विनियोग	**IV. APPROPRIATIONS**			
कानूनी आरक्षितियाँ को अंतरण	Transfer to Statutory Reserve		**26,75,300**	19,37,800
पूँजिगत आरक्षितियाँ को अंतरण	Transfer to Capital Reserve		**1,77,663**	45,665
राजस्व एवं अन्य आरक्षितियाँ को अंतरण	Transfer to Revenue and Other Reserve		**30,00,000**	13,00,000
निवेश उतार-चढ़ाव आरक्षितियाँ को अंतरण	Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act		**6,00,000**	8,00,000
निवेश आरक्षित आंतरन	Transfer to Investment Reserve		**3,41,991**	-
तुलनपत्र में ले जाई शेषराशि	Transfer to /(from) Investment Fluctuation Reserve		**(4,57,892)**	10,43,862
वित्तीय वर्ष 2022-23 के लिए लाभांश का भुगतान	Dividend Paid for FY 22-23		**6,27,822**	-
अतिशेष जो आगे अग्रनीत तुलन पत्र में ले जाया गया है	Balance carried over to Consolidated Balance Sheet		**59,82,408**	22,45,333
जोड़	**TOTAL**		**1,29,47,292**	73,72,660
(प्रति शेयर 1 रुपये का अंकित मूल्य)	Earnings per share (Face value of ₹ 1 per share)			
आधार ईपीएस (₹)	Basic (in ₹)	18.9	**5.10**	3.49
तनुकृत ईपीएस (₹)	Diluted (in ₹)	18.9	**5.09**	3.49
महत्वपूर्ण लेखांकन नीतियाँ	Significant Accounting Policies	17		
लखा संबंधी टिप्पणीयाँ	Notes on Accounts	18		

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

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Vinod Francis
Chief Financial Officer

V J Kurian
Chairman
(DIN : 01806859)

P R Seshadri
MD & CEO
(DIN : 07820690)

Jimmy Mathew
Company Secretary

M George Korah
Director
(DIN : 08207827)

Pradeep M Godbole
Director
(DIN : 08259944)

In terms of our report attached

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

For K Venkatachalam Aiyer & Co
Chartered Accountants
ICAI Firm Registration No. 004610S

Paul Antony
Director
(DIN : 02239492)

R A Sankara Narayanan
Director
(DIN : 05230407)

Hiren Shah
Partner
Membership No. 100052

Sreevats Gopalakrishnan
Partner
Membership No. 227654

Benny P Thomas
Director
(DIN : 09448424)

Lakshmi Ramakrishna Srinivas
Director
(DIN : 10365580)

Kochi
May 2, 2024

Kochi
May 2, 2024

Kochi
May 2, 2024

SOUTH INDIAN Bank
EXPERIENCE NEXT-GEN BANKING

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2024

		Year Ended March 31, 2024 ₹ ('000)	Year Ended March 31, 2023 ₹ ('000)
Cash flow from operating activities			
Consolidated Profit before tax as per Profit and Loss Account		**1,52,89,035**	1,10,85,017
Adjustments for:			
Depreciation		**9,03,519**	8,74,891
Amortisation of Premium on HTM Investments		**25,73,680**	31,24,143
Provision for Depreciation / Non Performing Investments		**(6,36,004)**	29,69,786
General Provisions against Standard Assets		**(2,08,500)**	(5,86,100)
Provision/write off for Non Performing Assets		**40,55,210**	62,30,741
Other Provisions		**(4,30,912)**	(2,78,081)
Employee Stock Options expense		**25,359**	1,088
Interest on Subordinated bonds		**17,57,861**	17,54,250
(Profit)/Loss on sale of land, buildings and other assets		**998**	1,222
Operating profit before working capital changes	**(A)**	**2,33,30,246**	2,51,76,957
Changes in working capital:			
Increase / (Decrease) in Deposits		**10,26,90,360**	2,50,83,266
Increase / (Decrease) in Other liabilities and provisions		**38,88,224**	70,21,552
(Increase) / Decrease in Investments		**2,28,22,707**	(3,52,90,708)
(Increase) / Decrease in Advances		**(8,66,16,632)**	(10,43,40,750)
(Increase) / Decrease in Other Assets		**1,01,39,340**	1,19,30,798
	(B)	**5,29,23,999**	(9,55,95,842)
Cash flow from operating activities before taxes	**(A+B)**	**7,62,54,245**	(7,04,18,885)
Direct Taxes paid		**(55,02,187)**	(21,89,297)
Net cash flow from/(used in) operating activities	**(C)**	**7,07,52,058**	(7,26,08,182)
Cash flow from investing activities:			
Purchase of Fixed Assets/Capital Work-in-Progress		**(18,21,722)**	(11,26,995)
Sale of Fixed/Non Banking Assets		**75,178**	37,578
(Purchase)/Sale of Investments (Held To Maturity)		**(1,81,12,537)**	(27,71,134)
Net cash flow from/(used in) investing activities	**(D)**	**(1,98,59,081)**	(38,60,551)
Cash flow from financing activities:			

		Year Ended March 31, 2024 ₹ ('000)	Year Ended March 31, 2023 ₹ ('000)
Proceeds from issue of share capital (Including Share Premium)		**1,15,10,076**	-
Share issue expenses		**(93,513)**	-
Dividend paid		**(6,27,822)**	-
Net proceeds/(repayments) in borrowings		**(3,08,17,579)**	3,69,93,580
Interest on Subordinated bonds		**(14,47,249)**	(17,54,250)
Net cash flow from/(used in) financing activities	**(E)**	**(2,14,76,087)**	3,52,39,330
Net increase/(decrease) in cash and cash equivalents	**(C+D+E)**	**2,94,16,890**	(4,12,29,403)
Cash and cash equivalents as at beginning of the year		**7,08,04,873**	11,20,34,276
(Refer note below)			
Cash and cash equivalents as at the end of the year		**10,02,21,763**	7,08,04,873
(Refer note below)			

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

For and on behalf of Board of Directors

Thomas Joseph. K
Executive Vice President

Vinod Francis
Chief Financial Officer

V J Kurian
Chairman
(DIN : 01806859)

P R Seshadri
MD & CEO
(DIN : 07820690)

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Company Secretary

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(DIN : 10365580)

Kochi
May 2, 2024

Kochi
May 2, 2024

Kochi
May 2, 2024

SCHEDULES TO CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2024

	As at March 31, 2024 ₹ ('000)	As at March 31, 2023 ₹ ('000)
SCHEDULE 1 - CAPITAL		
Authorised Capital	**40,00,000**	40,00,000
400,00,00,000Equity shares of ₹ 1/- each (Previous year 400,00,00,000 equity shares of ₹ 1/- each)		
Issued, Subscribed and Paid up Capital	**26,15,926**	20,92,741
261,59,26,272 Equity shares of ₹1/- each (Previous year 209,27,41,018 equity shares of ₹ 1/- each) (Refer Note no. 3.ii of Schedule 18)		
TOTAL	**26,15,926**	20,92,741
Employees' Stock Options Outstanding		
Employees' Stock Options Outstanding	**62,205**	8,817
Less: Deferred Employee Compensation Expense (unamortised)	**(35,759)**	(7,725)
TOTAL	**26,446**	1,092
SCHEDULE 2 - RESERVES AND SURPLUS		
I. Statutory Reserve		
Opening Balance	**1,36,18,239**	1,16,80,439
Additions during the year	**26,75,300**	19,37,800
Sub total	**1,62,93,539**	1,36,18,239
II. Capital Reserve		
Opening Balance	**95,38,139**	90,98,285
Additions during the year*	**1,77,663**	45,665
Due to revaluation of Assets (net)	**-**	4,50,692
	97,15,802	95,94,642
Deductions during the year:		
Deduction from reserve to the extent of depreciation on revalued amount	**(56,306)**	(56,503)
Sub total	**96,59,496**	95,38,139
III. Share Premium		
Opening Balance	**1,76,68,966**	1,76,68,966
Additions during the year	**1,09,86,890**	-

	As at March 31, 2024 ₹ ('000)	As at March 31, 2023 ₹ ('000)
Deductions during the year - Expenses relating to Rights Issue (Refer Note no. 12 of Schedule 18)	**(93,513)**	-
Sub total	**2,85,62,343**	1,76,68,966
IV. Revenue and Other Reserves		
Opening Balance	**2,15,82,849**	1,83,69,583
Additions during the year :		
a) lapse of vested options	**4**	12,901
b) transfer of depreciation on revaluation	**56,306**	56,503
c) appropriation during the Year	**38,60,249**	31,43,862
Deduction during the year:		
a)Transfer to General Reserve	**(3,76,150)**	-
Sub total	**2,51,23,258**	2,15,82,849
V. Balance in Profit and Loss Account	**59,82,409**	22,45,333
TOTAL	**8,56,21,045**	6,46,53,526
[i+ii+iii+iv+v]		

*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 ₹ 31.76 Crore (Previous Year ₹ 9.48 Crore)
b) Profit/(Loss) on sale of Fixed/Non Banking Assets (₹0.10) Crore (Previous Year (₹0.12) Crore)

SCHEDULE 3- DEPOSITS

A. I. Demand Deposits		
(i) From Banks	**2,12,035**	70,184
(ii) From Others	**6,05,25,127**	4,97,76,785
II. Savings Bank Deposits	**26,61,77,981**	25,24,10,824
III. Term Deposits		
(i) From Banks	**36,27,515**	33,45,670
(ii) From Others	**68,86,48,397**	61,08,97,233
TOTAL	**1,01,91,91,055**	91,65,00,696
B. (i) Deposits of branches in India	**1,01,91,91,055**	91,65,00,696
(ii) Deposits of branches outside India	**-**	-
TOTAL	**1,01,91,91,055**	91,65,00,696

	As at March 31, 2024 ₹ ('000)	As at March 31, 2023 ₹ ('000)
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
(i) Reserve Bank of India	**-**	27,50,000
(ii) Other Banks*	**9,17,000**	12,02,300
(iii) Other Institutions and Agencies#	**3,62,30,411**	6,41,93,051
II. Borrowings outside India - from other banks	**19,73,524**	17,93,163
TOTAL	**3,91,20,935**	6,99,38,514
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.	**69,86,411**	3,18,14,751

*Borrowings from other banks include Subordinated Debt of ₹47.36 Crore (Previous year ₹47.36 Crore) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹44.34 Crore (Previous year ₹ 72.87 Crore)
#Borrowings from other institutions & agencies include Subordinated Debt of ₹992.64 Crores (Previous year ₹992.64 Crore) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹455.66 Crore (Previous year ₹427.13 Crores)

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	**15,78,324**	10,28,487
II. Inter -Office adjustments (Net)	**2,09,460**	8,18,455
III. Interest Accrued	**26,25,814**	20,41,463
IV. Deferred tax liability (net)(Refer Note no. 10 of Schedule 18)	**1,20,338**	-
IV. Others (including provisions)*	**2,30,15,448**	1,98,96,661
TOTAL	**2,75,49,384**	2,37,85,066

*Includes :-
Provision for standard assets ₹385.04 Crore (Previous year ₹407.59 Crore)

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand	**55,48,967**	51,69,959
(Including foreign currency notes)		
II. Balances with Reserve Bank of India		
a) In Current Account	**4,85,68,032**	4,12,22,237
b) Lending under Reverse Repo (including Standing Deposit Facility)	**1,24,80,000**	-
TOTAL	**6,65,96,999**	4,63,92,196

	As at March 31, 2024 ₹ ('000)	As at March 31, 2023 ₹ ('000)
SCHEDULE 7 - BALANCES WITH BANKS AND		
MONEY AT CALL AND SHORT NOTICE		
I. In India		
i) Balances with Banks		
(a) In Current Accounts	**2,64,598**	1,09,326
(b) In Other Deposit Accounts	**15,60,600**	9,45,658
ii) Money at call & short notice		
(a) With Banks	**-**	5,00,000
(b) Lending under Reverse Repo (Market & Tri party)	**1,99,70,662**	4,99,712
Sub total	**2,17,95,860**	20,54,696
II. Outside India		
(a) In Current Accounts	**10,46,480**	10,95,672
(b) In Other Deposit Accounts	**91,74,550**	1,97,20,800
(c) Money at call & short notice - with banks	**16,07,874**	15,41,509
Sub total	**1,18,28,904**	2,23,57,981
TOTAL	**3,36,24,764**	2,44,12,677
SCHEDULE 8 - INVESTMENTS		
I. Investments in India in:		
(i) Government Securities*	**21,68,49,665**	22,37,66,114
(ii) Other Approved Securities	**-**	-
(iii) Shares	**8,43,808**	21,83,349
(iv) Debentures and Bonds	**88,88,502**	1,29,79,496
(v) Subsidiaries and/or Joint Ventures	**-**	-
(vi) Others#	**1,31,81,240**	74,82,103
Sub total	**23,97,63,215**	24,64,11,062
II. Investments outside India - Shares	**1,979**	1,979
TOTAL (I+II)	**23,97,65,194**	24,64,13,041
A. Gross Investments		
(i) In India	**25,27,79,355**	26,01,35,119
(ii) Outside India	**1,979**	1,979
Sub total (A)	**25,27,81,334**	26,01,37,098

	As at March 31, 2024 ₹ ('000)	As at March 31, 2023 ₹ ('000)
B. Depreciation/Provision for investments		
(i) In India	**1,30,16,140**	1,37,24,057
(ii) Outside India	**-**	-
Sub total (B)	**1,30,16,140**	1,37,24,057
C. Net Investments		
(i) In India	**23,97,63,215**	24,64,11,062
(ii) Outside India	**1,979**	1,979
TOTAL (A-B)	**23,97,65,194**	24,64,13,041

*Including Non SLR State Government bonds with Book Value ₹ 69.03 Crore (Previous Year: ₹ 86.71 Crore). Securities costing to ₹ 10,620.75 Crore (Previous Year ₹ 11,365.78 Crore) pledged for availment of fund transfer facility, clearing facility and margin requirements.
#includes

Security Receipts	**8,99,626**	16,59,849
Certificate of Deposit	**1,13,01,042**	43,52,158
Commercial Paper	**9,80,572**	14,70,096
TOTAL	**1,31,81,240**	74,82,103

SCHEDULE 9 - ADVANCES

A. (i) Bills Purchased and Discounted	**10,13,45,130**	8,13,34,993
(ii) Cash Credits, Overdrafts and Loans repayable on demand	**38,98,61,717**	36,72,86,039
(iii) Term Loans	**28,93,99,639**	24,94,23,412
TOTAL	**78,06,06,486**	69,80,44,444
B. (i) Secured by tangible assets*	**61,41,38,077**	55,40,07,373
(ii) Covered by Bank/Government Guarantees	**2,28,04,119**	3,04,15,256
(iii) Unsecured	**14,36,64,290**	11,36,21,815
TOTAL	**78,06,06,486**	69,80,44,444
*advances secured by tangible assets includes advances against Book Debt		
C. I. Advances in India		
(i) Priority Sectors	**30,18,30,110**	29,61,34,861
(ii) Public Sector	**2,99,16,346**	1,00,05,515
(iii) Banks	**49,98,869**	-
(iv) Others	**44,38,61,161**	39,19,04,068
TOTAL	**78,06,06,486**	69,80,44,444

	As at March 31, 2024 ₹ ('000)	As at March 31, 2023 ₹ ('000)
II. Advances outside India	**Nil**	Nil
TOTAL	**78,06,06,486**	69,80,44,444

SCHEDULE 10 - FIXED ASSETS

I. Premises(including Land)		
Gross Block:		
At cost as on March 31, of the preceding year	**64,32,397**	59,47,242
Additions during the year		
Due to purchases/acquisitions	**1,61,709**	4,85,802
	65,94,106	64,33,044
Deductions during the year	**2,958**	647
Closing Balance	**65,91,148**	64,32,397
Depreciation		
As at beginning of the year	**8,19,544**	7,36,405
Charge of the year	**84,714**	83,139
Deductions during the year	**32**	-
Depreciation to date	**9,04,226**	8,19,544
Net Block Sub total	**56,86,922**	56,12,853
II. Capital Work in Progress		
At cost as on March 31, of the preceding year	**12,39,985**	5,90,470
Additions during the year	**22,11,896**	12,58,888
	34,51,881	18,49,358
Capitalisations during the year	**19,97,565**	6,09,373
Sub total	**14,54,316**	12,39,985
III. Other Fixed Assets (Including furnitures and fixtures and Software)		
Gross Block:		
At cost as on March 31, of the preceding year	**82,46,608**	82,22,551
Additions during the year	**14,45,682**	4,42,370
	96,92,290	86,64,921
Deductions/adjustments during the year	**3,75,331**	4,18,314
Closing Balance	**93,16,959**	82,46,607
Depreciation		

	As at March 31, 2024 ₹ ('000)	As at March 31, 2023 ₹ ('000)
As at beginning of the year	**63,20,183**	59,13,161
Charge of the year	**8,18,805**	7,91,750
Deductions during the year	**3,45,656**	3,84,728
Depreciation/adjustments to date	**67,93,332**	63,20,183
Net Block Sub total	**25,23,627**	19,26,424
TOTAL [I+II+III]	**96,64,865**	87,79,262

	₹ ('000)	As at March 31, 2024 ₹ ('000)	₹ ('000)	As at March 31, 2023 ₹ ('000)
SCHEDULE 11 - OTHER ASSETS				
I. Interest Accrued		**1,30,37,418**		1,13,16,438
II. Tax Paid in Advance/Tax Deducted at Source (Net of provisions)		**39,26,199**		26,76,503
III. MAT Credit Entitlement (Refer Note no. 10 of Schedule 18)	13,82,547	**-**	16,80,504	-
Less MAT Credit utilisation	13,82,547	**-**	2,97,957	13,82,547
IV. Deferred tax asset (net) (Refer Note no. 10 of Schedule 18)		**-**		2,14,183
V. Deferred Employee Benefits (Refer Note no.5.c.ii of Schedule 18)		**-**		-
VI. Stationery and Stamps		**1,19,585**		29,360
VII. Non-Banking Assets acquired in satisfaction of claims	90,443		1,34,494	
Less: Provisions held	90,443	**-**	1,34,494	-
VIII. Others*		**2,67,83,281**		3,73,10,984
TOTAL		**4,38,66,483**		5,29,30,015

*Includes Priority Sector Shortfall Deposits amounting to ₹ 1,871.75 Crore (Previous year ₹2,636.43 Crore)

	As at March 31, 2024 ₹ ('000)	As at March 31, 2023 ₹ ('000)
SCHEDULE 12 - CONTINGENT LIABILITIES (Refer Note no. 16 of Schedule 17)		
I. Claims against the Bank not acknowledged as debts:		
(i) Direct Tax disputes	**2,05,023**	2,05,023
(ii) Indirect Tax disputes	**1,90,464**	2,20,266
(iii) Others	**2,76,396**	2,68,615
II. Liability on account of outstanding Forward Exchange/Derivative Contracts[1]	**28,26,11,894**	22,51,72,106
III. Guarantees given on behalf of constituents in India		
(a) in India	**1,86,93,821**	1,69,78,184
(b) outside India	**27,11,687**	42,59,569
IV. Acceptances, endorsements and other obligations	**68,77,447**	92,53,844
V. Other items for which the bank is contingently liable:		
(i) Capital Commitments	**6,70,670**	3,68,432
(ii) Transfers to Depositor Education and Awareness Fund (DEAF)	**24,40,977**	21,86,355
TOTAL	**31,46,78,379**	25,89,12,394
[1]*Represents notional amount*		

	Year ended March 31, 2024 ₹ ('000)	Year ended March 31, 2023 ₹ ('000)
SCHEDULE 13 - INTEREST EARNED		
I. Interest/Discount on Advances/Bills	**6,89,10,385**	5,71,21,507
II. Income on Investments	**1,55,16,138**	1,28,57,266
III. Interest on balances with Reserve Bank of India and Other Inter - Bank funds	**8,76,426**	13,20,999
IV. Others	**8,25,140**	10,32,022
TOTAL	**8,61,28,089**	7,23,31,794

	₹ ('000)	Year ended March 31, 2024 ₹ ('000)	₹ ('000)	Year ended March 31, 2023 ₹ ('000)
SCHEDULE 14 - OTHER INCOME				
I. Commission, Exchange and Brokerage		**3,88,422**		4,45,697
II. Profit on sale of Investments	27,79,305		8,79,967	
Loss on sale of Investments	(2,12,572)		(1,79,854)	
Prov for Depn on Investments	6,09,350	**31,76,083**	(43,45,152)	(36,45,039)
III. Profit on sale of land, buildings and other assets	10,838		11,922	
Loss on sale of land, buildings and other assets	(11,836)	**(998)**	(13,144)	(1,222)
IV. Profit/(Loss) on Exchange/ derivative transactions (net)		**3,41,428**		5,60,509
V. Miscellaneous Income*		**1,12,40,284**		1,07,53,752
TOTAL		**1,51,45,219**		81,13,697
*Includes Amount written off since recovered ₹ 98.19 Crore (Previous Year ₹ 247.20 Crore)				
SCHEDULE 15 - INTEREST EXPENDED				
I. Interest on Deposits		**4,91,38,886**		3,85,33,239
II. Interest on Reserve Bank of India/ Inter-Bank Borrowings		**81,575**		16,598
III. Others		**35,87,068**		36,61,125
TOTAL		**5,28,07,529**		4,22,10,962
SCHEDULE 16 - OPERATING EXPENSES				
I. Payments to and Provisions for Employees		**1,70,52,520**		1,30,80,299
II. Rent, Taxes and Lighting		**15,36,477**		13,88,233
III. Printing and Stationery		**2,10,778**		2,48,411
IV. Advertisement and Publicity		**1,68,699**		1,23,701
V. Depreciation on Bank's Property		**9,03,519**		8,74,891
VI. Directors fees, remuneration, allowances and expenses		**31,505**		23,177
VII. Auditors' fees and expenses		**32,050**		28,057
VIII. Law charges		**2,48,741**		2,22,213
IX. Postage, telegrams, telephones, etc.		**7,82,017**		5,72,816
X. Repairs and Maintenance		**8,31,114**		6,47,388
XI. Insurance		**12,58,736**		12,10,997
XII. Other Expenditure*		**67,31,445**		47,38,134
TOTAL		**2,97,87,601**		2,31,58,317
*Includes expenditure towards Corporate Social Responsibility ₹10.50 Crore (Previous year: ₹ 1.86 Crore)				

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES APPENDED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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 955 branches in India and provides retail and corporate banking, para banking activities such as debit/credit card, third party financial product distribution, in addition to Treasury and Foreign Exchange Business. SIB is governed by Banking Regulation Act, 1949, The Companies Act, 2013 and other applicable Acts/Regulations for Banks. Its shares are listed in BSE Limited and National Stock Exchange of India Limited.

The Subsidiary

SIB Operations and Services Limited, a wholly owned non-financial subsidiary of the Bank was incorporated on May 28, 2021 for undertaking back office operations of the holding company and other outsourcing operations.

Principles of Consolidation

i. The consolidated financial statements relate to The South Indian Bank ('SIB' or the 'Bank') and its subsidiary company. The details of subsidiary company is given below:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly as at March 31, 2024
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, 2024.

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, guidelines and directions issued by the Reserve Bank of India ('RBI') is implemented prospectively when it becomes applicable, unless specifically required under circular / directions 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

Revenue recognition

The Bank

a) Interest / discount / other charges income from loans, advances and investments and deposits placed with banks and other institutions are recognized on accrual basis, except in respect of income relating to advances/ investments classified as non-performing advances/ investments, additional finance treated as standard asset under approved restructuring package, where in accordance with RBI guidelines the income is recognized only on realization.

b) Interest income on loans bought out through the direct assignment route is recognized at their effective interest rate, except in case of such loans classified as non-performing advances.

c) The recoveries made from NPA accounts are appropriated towards the order of demand applicable to borrowers accounts except for OTS. In case of One Time settlement (OTS) accounts the recoveries are first adjusted against the balance towards principal and sacrifice on settlement is accounted upfront.

d) Dividend on investments in shares and units of mutual funds are accounted when the bank's right to receive the dividend is established.

e) Income on discounted instruments is recognized over the tenure of the instrument on a straight-line basis.

f) Insurance claims and locker rent are accounted on receipt basis.

g) Commission income on issuance of bank guarantee / letter of credit is recognized on pro-rata basis the period of the guarantee/letter of credit.

h) Processing fee/ upfront fee, handling charges or income of similar nature collected at the time of sanctioning or renewal of loan/ facility is recognized in the year of receipt without spreading it over the period of loan / facility.

i) Other fees and commission income (including commission income on third party products) are recognized when due, except in cases where the bank is uncertain of ultimate collection.

j) Funded interest on term loans as part of restructuring 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 based on the reasonable certainty..Legal expenses incurred on suit filed accounts are expensed in profit and loss account as per RBI guidelines. Such amount when recovered is treated as income

o) Penal interest is recognized as income on realization other than on running accounts where it is recognized when due.

p) All other amounts collected from customers as Non-interest income or recovery of expenses towards provision of various services / facilities are accounted / recognized on receipt basis

The Subsidiary

Income from services rendered and other income are recognized on accrual basis; to the extent, the realisability thereof is certain.

2. Investments

The Bank

A) Classification

a) In accordance with the RBI guidelines, investments are categorized into "Held for Trading", "Available for Sale" and "Held to Maturity" and further classified under six groups, viz. Government Securities, Other Approved Securities, Shares, Debentures & Bonds, Subsidiaries and / or joint ventures and Other (to be specified) Investments for the purposes of disclosure in the Balance Sheet. Shifting amongst the categories is done in accordance with the RBI guidelines.

b) Investments which are held for sale within 90 days from the date of purchase are classified as "Held for Trading".

c) Investments which the bank intends to hold till maturity are classified as "Held to Maturity".

d) Investments which are not classified in either of the above two categories are classified as "Available for Sale".

B) Acquisition cost

The cost of investments is determined on the weighted average basis. Broken period interest on debt instruments and government securities is treated as a revenue item. The transaction cost including brokerage, commissions etc. paid at the time of acquisition of investments are charged to the Profit and Loss Account.

C) Valuation

The valuation of investments is performed in accordance with the RBI Guidelines:

a. Investments classified as HFT or AFS – Investments classified under the AFS and HFT categories are marked-to-market. The market/ fair value of quoted investments included in the 'AFS' and 'HFT' categories is measured with respect to the Market Price of the Scrip as available from the trades/ quotes on the stock exchanges, pricelist of RBI or prices declared by Financial Benchmark India Private Limited etc. periodically. Net depreciation, if any, within each category of investment classification is recognized in Profit and Loss Account. The net appreciation, if any, under each category of Investment is ignored. Except in cases where provision for diminution other than temporary is created, the Book value of individual securities is not changed consequent to the periodic valuation of Investments.

Net depreciation on each type of investments falling under the residual category of 'Others' (i.e. mutual funds, PTCs, security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category.

The depreciation on securities acquired by way of conversion of outstanding loan is provided in accordance with the RBI guidelines. Provision for depreciation on investments is classified under Schedule 14 "Other Income". The book value of individual securities is not changed consequent to the periodic valuation of investments.

b. Held to Maturity – These are carried at their acquisition cost unless it is more than the face value, in which case premium on acquisition is amortized over the remaining maturity of the security on straight line basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under Schedule 13 in Profit and Loss account. As per RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity. Any diminution, other than temporary, in the value of such securities is provided for.

c. Treasury Bills, commercial paper and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount amortized over the period to maturity.

d. Units of Mutual Funds are valued at the latest repurchase price/net asset value declared by Mutual Fund.

e. Market value of investments where current quotations are not available, is determined as per the norms prescribed by the RBI as under:

- In case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity (YTM) for Government Securities as published by Financial Benchmark India Pvt Limited (FBIL) and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA are adopted for this purpose;
- In case of bonds and debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by RBI;
- Preference shares shall be valued on YTM basis. It shall be valued with appropriate mark-up over the YTM rates for Central Government Securities put out by the FBIL. The preference shares shall not be valued above its redemption value.
- Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering

revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet. In case the latest Balance Sheet is not available, the shares are valued at `1/- per company;

- In case of investment by the Bank in SRs issued against loans transferred by it is more than 10 percent of all SRs issued against the transferred asset, then the provision for depreciation in value is made at the higher of - provisioning rate required in terms of net asset value declared by the Reconstruction Company ('RC')/ Securitization Company ('SC') or the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the bank.
- Non- Performing Investments are identified and valued based on RBI guidelines. Interest/ income on non-performing investments is recognized on cash basis.
- Investment in subsidiary as per RBI guidelines are categorized as HTM and assessed for impairment to determine permanent diminution, if any

f) The Bank follows 'Settlement Date' accounting for recording purchase and sale transactions in securities. The investments in equity shares, they are accounted for on settlement date.

D) Repo and Reverse Repo transactions

In accordance with the RBI guidelines repo and reverse repo transactions in government securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are reflected as collateralized borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted for as interest expense and revenue on reverse repo is accounted for as interest income.

E) Short Sales

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is reflected as the amount received on sale and is classified under 'Other Liabilities'. The short position is marked to market and resultant mark-to-market gain/losses are accounted for as per the relevant RBI guidelines for valuation of investments.

F) Transfer of securities between Categories

Transfer of scrips from AFS/HFT category to HTM category shall be 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 shall be fully provided for in accordance with RBI guidelines.

Transfer of securities from HTM to AFS/HFT category, the investments held under HTM at a discount are transferred to AFS/HFT category at acquisition price and investment placed in the HTM category at premium are transferred to AFS/HFT at amortised cost.

In the case of transfer of securities from AFS to HFT category or vice-versa, the securities need not be re-valued on the date of transfer and the provisions for the accumulated depreciation, if any, held may be transferred to the provisions for depreciation against the HFT securities and vice-versa.

G) Disposal of Investments

a. Investments classified as HFT and AFS – Profit or loss on sale / redemption is included in the Profit and Loss account.

b. Investments classified as HTM – Profit on sale of /redemption of investments is included in the Profit and Loss Account and is appropriated to capital Reserve after adjustments for tax and transfer to Statutory Reserve. Loss on sale/ redemption is charged to the Profit and Loss Account.

H) Investment Fluctuation Reserve ('IFR')

Investment Fluctuation reserve is accounted in line with the RBI guidelines issued from time to time

3. Advances

The Bank

A) Valuation / Measurement

a) Advances are classified into performing assets (Standard) and non-performing assets ('NPAs') as per the RBI guidelines and are stated net of specific provisions made towards NPAs, sacrifice provisions on restructured advances, claims received from guarantee corporations and unrealised interest on NPAs. Interest on Non-Performing advances is not recognised in profit and loss account and transferred to an unrealised interest account until receipt. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the

RBI. The bank may selectively adopt a policy to provisioning that is based on past experience, evaluation of security and other related factors in accordance with the Policy on Provisioning of Advance accounts subject to minimum of IRAC norms

b) Non-performing advances are written-off in accordance with the Bank's policies. Amounts recovered against debts written off are recognised in the profit and loss account and included under "Other Income". The recovery of unrealised interest is accounted under "Interest on Loans & Advances" in the profit and loss account.

c) For restructured 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 is made as per extant RBI guidelines.

d) For entities with Unhedged Foreign Currency Exposure(UFCE), provision is made in accordance with the guidelines issued by RBI, which requires to ascertain the amount of UFCE, estimate the extent of likely loss and estimate the riskiness of unhedged position. The Provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

e) The Bank maintains general provision for standard assets including credit exposures computed as per the current marked-to-market values of foreign exchange derivative contracts, in accordance with the guidelines and at levels stipulated by RBI from time to time. The Provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

f) The bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where bank is participating; the aggregate amount of participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the bank is participating, the aggregate amount of participation is shown as due from banks under advances.

g) Loss on sale of assets to Asset Reconstruction Companies

If the sale of non- performing advances is at a price below the net book value, the shortfall is charged to the Profit and Loss Account, spread over a period as specified in RBI guidelines. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

h) The Bank makes additional provisions as per RBI's guidelines on 'Prudential Framework on Resolution of Stressed Assets' dated June 7, 2019 on accounts in default and with aggregate exposure above the threshold limits as laid down in the said framework where the resolution plan is not implemented within the specified timeline.

i) Loans reported as fraud are classified as loss assets and provided as per RBI guidelines.

j) In the event of substantial erosion in value of loan and remote possibility of collection, non-performing loans with adequate provisions are evaluated for technical / prudential write off based on Bank's policy and the RBI guidelines. Such write off does not have an impact on the Bank's legal claim against the borrower. The Bank may also write off non-performing/standard loans on One-Time Settlement ('OTS') with the borrower or otherwise.

Credit card

Income and expenses from credit card is accounted on gross basis under respective head of the profit and loss account. Provisions for NPA is made in accordance with the policy on provisioning of advances of the Bank. Further, the amount received under First Loss Default Guarantee Amount is accounted as other income after technical write off.

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 period 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 of the useful life of the assets. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful life and residual values of fixed assets, though these rates in certain cases are different from useful life 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 on Straight Line Method(SLM), by adopting the useful life 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 on 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/FEDAI.

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 liability on employee benefits are recognized in accordance with Accounting Standard 15 (revised) specified in Companies (Accounting Standards) Rules, 2006.

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 have joined the services of the Bank with effect from April 1, 2010 are covered under Defined Contributory Pension Scheme (DCPS).

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) Compensation for Privilege / Sick / Casual Leave and Leave Travel Concession (LTC):

The employees of the Bank are entitled to compensated absence on account of privilege / sick / casual leave as per the leave rules. The bank measures the long term expected cost of compensated absence as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuation and such costs are recognised in the profit and loss account. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

The employees are also eligible for LTC as per the rules. The estimated cost of unused entitlement as on the Balance Sheet date based on actuarial valuation is provided for.

e) Employees Stock Option Scheme (ESOS):

The SIB ESOS 2008 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Managing Director of the Bank. The Scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021. The Bank followed intrinsic value method to account for its stock based employee compensation plans as per the Guidelines for all the options granted till the accounting period ending 31 March, 2021.

RBI issued a clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers /Material Risk Takers and Control Function Staff on 30 August, 2021, advising banks that the share-linked instruments are required to be fair valued on the date of grant using the Black-Scholes model. Accordingly, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognized the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. Options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant or at such a discount as may be approved by NRC/Board from time to time. The fair market price being the closing price of stock exchange which recorded the highest trading volumes in equity shares of the Bank and trading day immediately preceding the date on which the grant of options was approved and recommended to Board by Nomination and Remuneration Committee of Board.

f) Other Employee Benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employee is recognised during the period when the employee renders the service. These benefits include performance incentives.

g) New Pension Scheme ('NPS')

In respect of employees who are covered under NPS, the Bank contributes certain percentage of the sum of basic salary and dearness allowance of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies and regulated by PFRDA. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue. The Bank has no liability other than its contribution, and recognises such contributions as an expense in the year incurred.

11. Other operating Expenses

Other operating expenses are generally accounted on accrual basis.

12. Segment Reporting

The *Bank*

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by RBI. Segmental expenses are allocated as per board approved policy.

13. 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.

14. Earnings Per Share (EPS)

The Bank & Subsidiary reports Basic and Diluted Earnings per Equity Share in accordance with Accounting Standard 20, prescribed under section 133 of the Companies Act, 2013 read together with the Companies (Accounting Standards) Rules, 2021. Basic EPS has been computed by dividing Net Profit for the year by the weighted average number of Equity Shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. A diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end. Potential equity shares which are anti-dilutive in nature are ignored.

15. Taxes on income

The Bank

Income tax expense is the aggregate amount of current tax and deferred tax charge. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961, the rules framed there under and considering the material principles set out in Income Computation and Disclosure Standards and as per Accounting Standard 22 – "Accounting for Taxes on Income" respectively.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961, Accounting Standard 22 - "Accounting for Taxes on Income" and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses . In the case of unabsorbed depreciation and carry forward losses, Deferred Tax Assets are recognized only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these Deferred Tax Assets 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 set off and adjusted if such items relate to taxes on income levied by the same governing tax laws and the Bank has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future. 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.

16. 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.Contingent assets, if any, shall not be recognized or disclosed in the financial statements.

17. 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.

Rental payments for premises taken on operating lease agreements are recognized as an expense in the profit and loss account over the lease term as the lease are cancellable.

18. 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).

19. Share issue expenses

The Bank

Share issue expenses are adjusted from Securities Premium Account as permitted by Section 52 of the Companies Act, 2013 and in line with the respective RBI guidelines issued from time to time.

20. Corporate Social Responsibility

The Bank

Expenditure towards Corporate Social Responsibility is recognized in accordance with Companies Act 2013.

21. Accounting of Priority Sector Lending Certificate (PSLC)

The Bank

In line with the RBI guidelines Bank 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.

22. Accounting for Dividend

The Bank

In terms of revised Accounting Standard (AS) 4 "Contingencies and Events occurring after the Balance sheet date" as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016, Proposed Dividend or Dividend declared after balance sheet date are not shown as liability in current year balance sheet. The effect of the proposed dividend shall be reckoned in determining capital funds in the computation of capital adequacy ratios in Financial Year for which the dividend is declared. In case of interim dividend, the same shall be reckoned in the same quarter.

23. Cash Flows

The Bank

Cash flow Statement has been prepared under the Indirect Method.

NOTES ON ACCOUNTS FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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 year ended March 31, 2024.

2. Audited Financial Statements of the Subsidiary company have been drawn up to the same reporting date as that of the Parent i.e. March 31,2024.

3. **Share Capital**

   i. Capital infusion

   The Bank, vide its Letter of Offer dated February 21, 2024 offered upto 52,31,85,254 Equity Shares of Face Value of ₹ 1/- each at a price of ₹ 22/- per Equity Share (including Share Premium of ₹ 21/- per Equity Share) for an amount aggregating to ₹ 1151.01 Crore to the existing Equity Shareholders of the Bank on rights basis in the ratio of One Equity Share for every Four Equity Shares held by the Equity Shareholders on the record date i.e. February 27, 2024. The Bank has allotted 52,31,85,254 Equity Shares on 27th March, 2024.

   Accordingly, share capital of the bank increased by ₹ 52.32Crore (Previous Year: ₹ Nil) and share premium increased by ₹ 1098.69 Crore (Previous Year: ₹ Nil).

   ii. Details of movement in the paid-up equity share capital of the Bank are given below: [₹ in Crore]

Particulars	March 31, 2024		March 31, 2023	
	No of shares	Amount	No of shares	Amount
Opening Balance	2,09,27,41,018	209.27	2,09,27,41,018	209.27
Additions pursuant to Stock Options exercised/preferential issue/Right Issue	52,31,85,254	52.32	-	-
Closing balance	**2,61,59,26,272**	**261.59**	**209,27,41,018**	**209.27**

4. **Accounting for Employee Share Based Payments.**

The Bank had provided various share based payment schemes to its employees. As on March 31, 2024, the following schemes were in operation;

	Tranche 13	Tranche 12	Tranche 11
Date of grant	31.07.2023	01.03.2023	23.04.2022
Date of Board approval	31.07.2023	01.03.2023	23.04.2022
Date of Shareholders approval	24.08.2023	12.07.2022	12.07.2022
Number of options granted	68,69,004	11,06,194	3,99,171
Method of settlement	Equity	Equity	Equity
Vesting period	31.07.2024 to 31.07.2026	01.03.2024 to 01.03.2026	23.04.2023 to 23.04.2025
Exercise period (for all Tranches)	The Grantee will be permitted to exercise their Options within five years from the date of vesting	The Grantee will be permitted to exercise their Options within five years from the date of vesting	The Grantee will be permitted to exercise their Options within five years from the date of vesting

Manner of Vesting (for all Tranches)	30%, which will be vested on completion, of 1st year from the date of grant.	30%, which will be vested on completion, of 1st year from the date of grant.	30%, which will be vested on completion, of 1st year from the date of grant.
	30%, which will be vested on completion, of 2nd year from the date of grant.	30%, which will be vested on completion, of 2nd year from the date of grant.	30%, which will be vested on completion, of 2nd year from the date of grant.
	40%, which will be vested on completion, of 3rd year from the date of grant	40%, which will be vested on completion, of 3rd year from the date of grant	40%, which will be vested on completion, of 3rd year from the date of grant

Activity in the options outstanding under the ESOS

Particulars	March 31, 2024		March 31, 2023	
	Options	Weighted average exercise price (₹)	Options	Weighted average exercise price (₹)
Options outstanding at the beginning of the year	15,05,673	14.34	10,05,872	18.72
Options granted during the year	68,69,004	20.00	15,05,365	14.34
Options exercised during the year	-	-	-	-
Forfeited / lapsed during the year	1,44,894	20.00	10,05,564	18.72
Options outstanding at the end of the year	82,29,783	18.96	15,05,673	14.34
Options Exercisable	4,55,345	14.39	308	18.72

Details of exercise price for stock options outstanding as at March 31, 2024

Particulars	Exercise price per share (₹)	Option Premium	Number of options outstanding	Remaining contractual life of options (in years)
Tranche 11	8.35	3.29	3,99,171	5.16
Tranche 12	16.50	6.78	11,06,194	6.02
Tranche 13	20.00	7.94	67,24,418	6.44

Details of exercise price for stock options outstanding as at March 31, 2023

Particulars	Exercise price per share (₹)	Option Premium	Number of options outstanding	Remaining contractual life of options (in years)
Tranche 8	18.72	NA	308	0.20
Tranche 11	8.35	3.29	3,99,171	6.16
Tranche 12	16.50	6.78	11,06,194	7.02

Effect of the ESOS on the profit and loss account and on its financial position: [₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Opening of ESOS Liability	0.88	1.29
Liability on account of ESOS issued	5.45	0.88
Reversal on account of Exercise	0.00	0.00
Reversal on account of lapsed/forfeiture	(0.12)	(1.29)
Total Employee compensation cost pertaining to ESOS	6.22	0.88
Opening Deferred Compensation Cost	0.77	0.00
Deferred compensation cost on ESOS issued	5.45	0.88
Compensation Cost pertaining to ESOS amortized during the year	(2.57)	(0.11)
Reversal on account of lapse/ forfeiture	(0.08)	0.00
Deferred compensation cost	3.57	0.77

5. Employee Benefits

a) Provident Fund:

Employees, who have not opted for pension plan are eligible to get benefits from provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid on retirement, death, incapacitation or termination of employment. Both the employee and the Bank contribute a specified percentage of the salary to the South Indian Bank Employees' Provident Fund. The Bank has no obligation other than the monthly contribution.

The Bank recognized ₹0.24 Crores (Previous Year: ₹0.32 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. Towards DCPS, employee shall contribute 10% of their pay components and Dearness Allowance thereon and the Bank will also make a contribution of 14%. There is no separate Provident Fund for employees joining on or after April 1, 2010.

The Bank recognized ₹ 73.15 Crores (Previous Year: ₹ 63.06 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, 2024	March 31, 2023
Pension Fund	179.20	116.35
Gratuity Fund	38.02	30.37
Compensation for absence on privilege/sick/casual leave	99.79	54.63

The employee benefits on account of pension, gratuity and Leave have been ascertained on actuarial valuation in accordance with Accounting Standard - 15 prescribed under section 133 of the Companies Act, 2013

ii) Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks

"Reserve Bank of India vide letter dated October 4, 2021 has permitted all member banks of Indian Banks' Association covered under the 11th Bipartite Settlement to amortize the additional liability on account of revision in family pension over a period not exceeding five years, beginning with the Financial Year ended March 31, 2022. The bank has recognized the entire additional liability estimated at ₹ 43 crores and opted to amortize the same over a period of seven quarters beginning with the quarter ended September 30, 2021. Accordingly, an amount of ₹ Nil (Previous year ₹ 24.57 Crore) has been written off during the year ended March 31, 2024 in respect of the said additional liability and the balance is ₹ Nil.

The following table as furnished by Actuary sets out the funded status of gratuity / pension plan and the amount recognized in the Bank's financial statements as at March 31, 2024.

d) Changes in the defined benefit obligations [₹ in Crore]

Particulars	Gratuity Plan		Pension Plan	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Projected defined benefit obligation, beginning of the year	270.27	254.48	984.82	1,020.37
Current Service Cost	24.78	22.19	205.65	186.53
Past Service Cost	-	-		-
Interest Cost	19.40	17.89	68.22	65.47
Actuarial (gain)/ loss	15.42	8.85	(18.37)	(88.47)
Benefits paid	(25.29)	(33.15)	(155.24)	(199.08)
Projected defined benefit obligation, end of the year	304.58	270.26	1,085.08	984.82
Liability (net) of fair value of plan asset at the end of the year	1.42	3.13	2.00	(5.69)

e) Changes in the fair value of plan assets [₹ in Crore]

Particulars	Gratuity Plan		Pension Plan	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Fair value of plan assets, beginning of the year	267.14	246.85	990.50	1015.64
Expected return on plan assets	20.68	18.63	75.14	68.34
Employer's contributions	40.16	34.88	171.53	102.21
Actuarial gain/ (loss)	0.48	(0.06)	1.14	3.40
Benefits paid	(25.29)	(33.15)	(155.24)	(199.08)
Fair value of plan assets, end of the year	303.17	267.14	1083.08	990.50

f) Net Employee benefit expense (recognized in payments to and provisions for employees)

[₹ in Crore]

Particulars	Gratuity Plan		Pension Plan	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Current Service Cost	24.78	22.19	205.64	186.53
Past Service Cost	-	-	-	-
Interest Cost	19.40	17.89	68.22	65.47
Expected return on plan assets	(20.68)	(18.62)	(75.14)	(68.34)
Net actuarial (gain)/ loss recognised in the year	14.94	8.92	(19.51)	(91.87)
Employee cost	38.44	30.37	179.21	91.78
Less: Amount received towards staff deputed abroad	0.39		-	
Less: Amount received from Income Tax dept. (TDS Refund)	0.03		-	
Net Employee cost in P&L	38.02		-	
Unamortized cost	-	-	-	-
Total	38.02	30.37	179.21	91.78
Actual return on plan assets	21.16	18.56	76.28	71.73

g) Categories of plan assets as a percentage of the fair value of total plan assets

Particulars	Gratuity Plan		Pension Plan	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
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]

Particulars	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Defined Benefit Obligations	304.57	270.27	254.49	245.41	232.65
Plan Assets	303.16	267.14	246.85	243.49	227.75
(Surplus)/Deficit	1.41	3.13	7.63	1.92	4.9
Unamortized	-	-	-	-	-
Net benefit expenses	1.41	3.13	7.63	1.92	4.9
Experience adjustments (gain) / loss on Plan Liabilities	1.85	9.16	12.43	32.7	-7.48
Experience Adjustments gain / (loss) on Plan Assets	(0.48)	0.06	0.25	-0.97	0.58

(ii) Pension [₹ in Crore]

Particulars	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Defined Benefit Obligations	1,085.08	984.81	1,020.37	920.62	801.56
Plan Assets	1,083.08	990.50	1,015.63	894.15	747.52
(Surplus)/Deficit	2.00	(5.69)	4.73	26.47	54.05
Experience adjustments (gain) / loss on Plan Liabilities	(18.37)	(88.47)	82.37	138.80	42.33
Experience Adjustments gain / (loss) on Plan Assets	1.14	(3.40)	2.35	(4.77)	5.86

i) Assumptions used by the actuary in accounting for Gratuity/ Pension/Compensation for absence

Particulars	Gratuity Plan		Pension Plan		Compensation for absence	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Discount rate	7.22%	7.53%	7.21%	7.52%	7.22%	7.53%
Expected rate of return on plan assets	7.53%	7.52%	7.52%	7.27%	0.00%	*
Increase in compensation cost	6.00%	6.00%	5.50%	5.50%	6.00%	6.00%

*Not applicable

Notes:

(i) Discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of obligations.

(ii) Expected rate of return on plan assets is based on the average long term rate of return expected on investments of the funds during the estimated term of the obligations.

(iii) The estimates of future salary increases, considered in actuarial valuation, taken in to account the inflation, seniority, promotion and other relevant factors.

j) Compensation for absence on Privilege / Sick / Casual Leave

The charge on account of compensation for privilege / sick / casual leave has been actuarially determined and an amount of ₹ 99.79 Crore (Previous year ₹54.63 Crore) has been debited to Profit and Loss account.

The above information is as certified by actuary and relied upon by the auditor.

k) Provision for wage revision

Based on the MoU signed by IBA on December 12, 2023, an annual increase in salary was agreed at 17% beginning from November 01, 2022. Accordingly, the Bank had made ₹ 169 Crore in FY 23-24 (Previous Year ₹ 60.00 Crore) toward wage revision.

6. Micro Small and Medium Industries

Under the Micro, Small and Medium enterprises development Act 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payment to micro, and small enterprises or of interest payments due to delays in such payments. The above is based on information available with the Bank which has been relied on by the auditors.

7. Segment reporting

Business Segments have been identified and reported taking into account, the target customer profile, the nature of product and services, the differing risks and returns, the organization structure, the internal business reporting system and guidelines issued by RBI from time to time. The Bank operates in the following business segments;

a) Treasury:

The treasury segment primarily consists of interest earnings on investments portfolio of the bank, gains or losses on investment operations and earnings from foreign exchange business. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

b) Corporate / Wholesale Banking:

The Corporate / Whole sale Banking segment provides loans to corporate segment identified on the basis of RBI guidelines. Revenues of this segment consist of interest earned on Loans made to corporate customers and the charges / fees earned from other banking services. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

c) Retail banking:

The Retail Banking segment provides loans to non-corporate customers identified on the basis of RBI guidelines. Revenues of this segment consist of interest earned on Loans made to non-corporate customers and the charges / fees earned from other banking services. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-2023 dated April 07, 2022 on establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as sub-segment of the Retail Banking Segment. Assets of DBU consists of mainly credit card, loan against deposits opened through digital mode etc.

d) Other Banking Operations:

This segment includes income from para banking activities such as debit cards, third party product distribution and associated costs. Segmental expenses are allocated as per board approved policy.

e) Unallocated

All items that cannot be allocated to reportable segments are included in unallocated portion.

Geographic segment

The Bank operations are predominantly confined within one geographical segment (India) and accordingly this is considered as the only secondary segment. In accordance with RBI guidelines in regard to business segments of banks, the bank has determined the business segments and the required disclosures are as follows:

[₹ in Crore]

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
Particulars	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenue	2,010.99	1,088.00	2,865.85	2,323.02	4,816.43	4,204.46	434.05	429.07	10,127.32	8,044.55
Result	203.77	(158.42)	(56.19)	(101.70)	1,074.06	1,061.62	307.11	306.71	1,528.75	1,108.21
Unallocated (Expenses)/ Income									0.14	0.29
Operating profit									1,528.89	1,108.50
Income									458.71	333.19
Taxes										
Net Profit									1,070.18	775.31
Other Information:										
Segment Assets	26,289.13	26,438.49	45,043.91	37,973.84	42,598.06	39,750.34	24.16	25.91	1,13,955.26	1,04,188.58
Unallocated Assets									3,457.22	3,508.58
Total Assets									1,17,412.48	1,07,697.16
Segment Liabilities	24,420.73	25,038.41	42,213.79	36,329.54	39,920.47	38,027.83	-	-	1,06,554.99	99,395.78
Unallocated Liabilities									2,033.79	1,626.76
Total Liabilities									1,08,588.78	1,01,022.54

Since the Bank operates only in domestic segment, the requirement of disclosure regarding geographical segment is not applicable.

**RBI's Master Direction on Financial Statements-Presentation and Disclosures, requires to sub-divide 'Retail banking' into (a) Digital Banking (as defined in RBI Circular on Establishment of Digital Banking Units dated April 07, 2022) and (b) Other Retail Banking segment. Accordingly, the segmental results for retail banking segment is sub-divided as below.*

[₹ in Crore]

Particulars	Segment Revenue		Segment Results (net of provisions)		Segment Assets		Segment Liabilities	
	2024	2023	2024	2023	2024	2023	2024	2023
Retail Banking								
(i) Digital Banking	679.38	213.91	140.49	43.76	4,121.28	2,411.85	3,862.34	2,307.41
(ii) Other Retail Banking	4,137.05	3,990.55	933.57	1,017.86	38,476.78	37,338.49	36,058.13	35,720.42

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 the auditors.

8. Related party disclosure:

The related parties of the bank are broadly classified as:

a. Subsidiary

Sl. No.	Name of the Entity	Nature of Relationship
1	SIB Operations and Services Limited	Wholly Owned Subsidiary (WOS)

b. Key Management Personnel (As per AS 18) – MD & CEO

Sl. No.	Name of the Key Management Personnel	Relative of the Key Management Personnel
Upto 30.09.2023		
1	Mr. Murali Ramakrishanan	• Mangala Santhanam • Charumathy Murali
w.e.f. 01.10.2023		
1	Mr. P R Seshadri	• Uma Seshadri • Mythili Ramachandran • Megna Seshadri • Malavika Seshadri

Related Party Transactions Summary for the Financial year ended 31.03.2024 [₹ in Crore]

Sl No	Details of counter party		Type of related party transaction	Value of the related party transaction as approved by the Audited Committee	Value of the related party transaction during the reporting period (for the Financial year ended March 31, 2024)	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, 2023)	Closing Balance (as on March 31, 2024)
1	Wholly owned subsidiary (WOS)		Income received for providing management service	Note No 6	1.00	0.81	0.16
2	Wholly owned subsidiary (WOS)		Income received for providing other services	Note No 6	0.020	0.002	0.002
3	Wholly owned subsidiary (WOS)		Expense paid for HR services provided by WOS	Note No 6	13.76	1.07	0.81
4	Directors		Sitting Fees (WOS)		0.04	-	-
5	Subsidiary Directors		Interest received		0.002	-	-
6	Subsidiary Directors		Interest Paid		0.12	-	-
7	Subsidiary Directors		Fixed Deposit	Note No 5	1.52	1.38	1.52
8	Subsidiary Directors' Relatives		Interest received		0.001	-	-
9	Subsidiary Directors' Relatives		Fixed Deposit	Note No 5	0.45	4.63	0.45
10	Subsidiary Directors' Relatives		Interest Paid		0.31	-	-
11	KMPs including MD &CEO and Subsidiary Directors		Remuneration paid	As per Bank's Internal Policies/ approved by Regulator	6.98	-	-
12	Directors		Sitting Fees including honorarium to Chairman		2.99	-	-
13	Directors		Fixed Deposit	Note No 5	0.83	1.78	0.83
14	Directors		Interest received		0.04	-	-
15	Directors		Interest Paid		0.10	-	-
16	KMPs including MD &CEO		Fixed Deposit	Note No 5	0.59	11.09	0.59

Sl No	Details of counter party		Type of related party transaction	Value of the related party transaction as approved by the Audited Committee	Value of the related party transaction during the reporting period (for the Financial year ended March 31, 2024)	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, 2023)	Closing Balance (as on March 31, 2024)
17	KMPs including MD &CEO		Interest received		0.03	-	-
18	KMPs including MD &CEO		Interest Paid		0.13	-	-
19	KMPs including MD &CEO and Subsidiary Directors		ESOS (Nos.)	Note No .8	28,708.00	15,05,365.00	26,229.00
20	Relative/ Interested company- Directors		Fixed Deposit	Note No 5	0.61	11.22	0.61
21	Relative/ Interested company- Directors		Interest Paid		0.51	-	-
22	Relative/ Interested company- Directors		Interest received		0.0002	-	-
23	Relative/ Interested company- Directors		Other Transaction	Note No. 13	0.02	-	-
24	Relative of KMPs & MD & CEO		Fixed Deposit	Note No 5	1.12	0.80	1.12
25	Relative of KMPs & MD & CEO		Interest Paid		0.10	-	-
26	MD & CEO		Savings		0.111	0.0016	0.11
27	Relative MD & CEO		Savings		0.04	0.01	0.04
28	Directors / KMPs/ Subsidiary Director		Subscription to Rights Issue		0.57	-	-
29	Relatives of Directors / KMPs/ Subsidiary Director		Subscription to Rights Issue		0.02	-	-

Note:

1) Transactions with WOS are shown excluding GST and TDS

2) 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.

3) 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.

4) The Bank, being a scheduled commercial bank, as per RBI circular RBI/DBR/2015-16/19 dated March 03, 2016, has allowed additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or a term deposits of bank's staff and their exclusive associations as well as on deposits of Chairman, Managing Director or such other Executives appointed for a fixed tenure.

5) Value of the related party transaction for deposit is the balance in fixed deposit outstanding as on 31.03.2024.

6) 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.

7) The CSR activity of Bank is carried out by a trust formed by Bank in this regard. Since the Trust is acting on behalf of Bank and amount are spent as Bank's CSR expenditure, these transactions are not treated as RPT.

8) The transaction in ESOS refers to options granted to KMP/ subsidiary directors (being employees of the Bank) as part of their performance linked incentive (Non-cash).

9) None of the Directors/ KMPs/ relatives are holding substantial shares/ securities of the Bank.

10) Transactions with common directors of subsidiary and Bank is shown under Directors.

11) In the closing balance of Deposits, the details of deposits of directors/ KMP /their relatives, who has retired or ceased to be KMP or directors/ related party during the review period were not included in reporting, as the same will not be coming under the preview of Related Party Transaction. The opening balance / interest paid and received / remuneration paid during the period are reported as part of RPT.

12) Mr. Murali Ramakrishnan has retired from the office of MD & CEO on Sep, 30, 2023 after the closure of office hours. Mr. P R Seshadri has taken charge as MD &CEO of the Bank w.e.f. 01.10.2023

13) The transactions with M/s. Autolytics Technologies Private Limited, which were pre-approved by ACB as part of Omnibus approval, were reported under RPT only up to June, 2023 (three months), as Mr. R A Sankara Narayanan, Independent Director has resigned from the post of advisor of M/s. Autolytics Technologies Private Limited on 18.06.2023.

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, 2024	March 31, 2023
Weighted average number of equity shares used in computation of basic earnings per share	2,09,98,88,358	2,22,10,72,858
Potential equity shares arising out of the Employees Stock Option Scheme	20,85,233	1,76,768
Weighted average number of equity shares used in computation of diluted earnings per share	2,10,19,73,591	2,22,12,49,626
Earnings used in the computation of basic earnings per share (₹ in Crore)	1,070.18	775.31
Earnings used in the computation of diluted earnings per share (₹ in Crore)	1,070.18	775.31
Nominal Value of share (in ₹)	1.00	1.00
Basic earnings per share (in ₹)	5.10	3.49
Effect of potential equity shares for ESOS	0.01	0.00
Diluted earnings per share (in ₹)	5.09	3.49

Pursuant to the rights issue, earnings per share (EPS) in respect of previous year/ periods has been restated as per Accounting Standard-20 (AS-20)- "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013

10. Deferred Tax Assets / Liability (net)

[₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Deferred Tax Asset (A)		
Provisions for Loans/Investments/ others	218.46	324.82
Fixed Assets: on difference between book balances and tax balance of WDV of fixed assets	6.80	8.40
Carried forward Business Loss/Depreciation Allowance	0.00	0.01
Total (A)	**225.26**	**333.23**
Deferred Tax Liabilities (B)		
Special Reserve created u/s 36(1)(viii) of Income Tax Act	126.29	167.52
Interest accrued but not due on investments	111.00	144.29
Total (B)	**237.29**	**311.81**
Deferred Tax Asset / Liability (net) (A-B)	**(12.03)**	**21.42**

Provision for taxes during the year:

[₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Current Tax (net of write back)	373.23	258.40
Deferred Tax (net)	85.48	213.05
MAT Credit	-	(138.26)
Total	**458.71**	**333.19**

Tax provision is created in the books after adjusting for permanent differences in the computation of taxable income to determine Income tax payable, accounting of MAT credit and deferred tax assets/liability. Based on favourable Income Tax orders received, the excess provision for tax held for different assessment years in the books of account as on the balance sheet date amounting to a net sum of ₹ Nil (Previous year ₹ 54.81 Crore) has been written back.

11. Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account:

[₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Provision for NPAs (including write off, excluding technical write off)	405.52	623.07
Provision for NPIs	(2.67)	(137.54)
Provision for taxes (Net of write back) [1]	373.23	258.4
Deferred Tax (net)	85.48	213.05
MAT Credit	-	(138.26)
Provision for Standard Assets	(20.85)	(58.61)
Provision for Restructured Advances	(0.06)	(0.05)
Provision for FITL	(63.94)	(22.17)
Provision for unhedged foreign currency exposures	(1.70)	1.66
Provision for Non-Banking Asset[2]	(4.41)	(0.71)
Provision for Fraud / Other impaired assets	27.02	(6.53)
TOTAL	**797.62**	**732.31**

[1] Based on favourable Income Tax orders received during the financial year, the net excess provision for tax held in books amounting to ₹ Nil (Previous year ₹ 54.81 Crore) has been written back.

12. Draw Down from Reserves

The Bank has not undertaken any draw down from reserves during the years ended March 31, 2024 and March 31, 2023, except:

In Financial year 2023-24, bank had adjusted the share issue expenses of ₹9.35 Crore, incurred for the equity raised through the Right Issue during the year ended March 31, 2024, against the share premium account in terms of Section 52 of the Companies Act, 2013 and Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions dated August 30, 2021 as amended.

13. Penalties levied by the Reserve Bank of India

penalty imposed by RBI during the year ended March 31, 2024 was ₹ 0.41 Crore (Previous year ₹0.16 Crore)

Penalties Imposed By RBI in FY 2023-24

Details	Number of instances	[₹ in Crore]
ATM cash out penalty imposed by RBI	55	0.398
Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.	22	0.005
Penalty imposed for discrepancies observed during the visit by RBI officials	2	0.003
Imposition of Penalty for Non Exchange of Soiled / Mutilated Notes.	1	0.002
Total	80	0.408

Penalties Imposed by RBI in FY 2022-23

Details	Number of instances	[₹ in Crore]
ATM Cash-out penalty imposed by RBI.	21	0.152
Penalty imposed by RBI for irregularities observed during the visit by RBI officials	4	0.005
Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.	7	0.002
Late fee due to delay in filing Form GSTR-6 return for the month of July 2022.	1	0.000
Total	33	0.159

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, 2024	March 31, 2023
Gross Block		
At the beginning of the year	212.00	209.00
Additions during the year	48.37	3.25
Deductions during the year	-	0.25
Closing Balance	260.37	212.00
Depreciation / Amortisation		
At the beginning of the year	164.84	135.16
Charge for the year	30.83	29.68
Deductions during the year	-	-
Depreciation to date	195.67	164.84
Net Block	**64.70**	**47.16**

15. Other Provisions and Contingencies

➢ Movement in provision for other contingencies: [₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Provision at the beginning of the year	23.03	20.32
Incremental expense during the year	31.04	21.85
Redemption during the year	4.06	19.14
Provision at the end of the year	50.01	23.03

➢ Movement in provision for debit card reward points: [₹ in Crore]

Particulars	March 31, 2024	March 31, 2023
Provision at the beginning of the year	3.51	2.33
Provision made during the year	4.47	4.28
Reductions during the year	4.04	3.10
Provision at the end of the year	3.94	3.51

16. Operating Lease

Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account as per the lease terms. During the year an amount of ₹ 118.18 Crore (Previous year: ₹ 109.66 Crore) was charged to Profit and loss account.

17. Description of contingent liabilities*

Sl. No	Contingent liability	Brief Description
1	Claims not acknowledged as debts	This includes liability on account of, and other legal cases filed against the bank. The bank is a party to various legal proceedings in the ordinary course of business and these are contested by the Bank and are therefore subjudice. The Bank does not expect the outcome of these proceedings to have a material adverse impact on the Bank's financial position.
2	Liability on account of outstanding forward contracts	The Bank enters into foreign exchange contracts with interbank participants on its own account and for its customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contract rate.
3	Guarantees on behalf of constituents in India and outside India, Acceptances, endorsements and other obligations	As part of banking activities, the Bank issues Letter of Guarantees and documentary credit on behalf of its customers, with a view to augment the customer's credit standing. Through these instruments, the Bank undertakes to make payments for its customers' obligations, either directly or in case the customer fails to fulfill their financial or performance obligations.
4	Other items for which the bank is contingently liable	Includes capital commitments and amount transferred to RBI under the Depositor Education and Awareness Fund (DEAF).

* *Also refer schedule – 12*

The Bank's pending litigations comprise of claims against the Bank by the clients and proceedings pending with Income Tax authorities/GST/VAT/Service Tax Authorities. The Bank has reviewed all its pending litigations and proceedings and has adequately provided for such liabilities where provisions are required and disclosed the contingent liabilities wherever applicable (other than SCN's), in its financial statements. The Management believes that the possibility of outflow of resources embodying economic benefits in these cases is possible but not probable and hence no provision is required in these cases. However, the contingent liability has been disclosed with respect to these cases.

18. Corporate social responsibility

Operating expenses include ₹10.50 crore (Previous Year ₹ 1.86 Crore) for the year ended March 31, 2024 towards Corporate Social Responsibility (CSR), in accordance with the Companies Act, 2013. The Bank has spent 2% of its average net profit for the last three financial years as part of its CSR for the year ended March 31, 2024. 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, 2024 [₹ in Crore]

Particulars	Paid	Yet to be paid	Total
i) Construction / Acquisition of any assets	9.03	-	9.03
ii) For purposes other than (i) above	1.47	-	1.47

For the year ended March 31, 2023 [₹ in Crore]

Particulars	Paid	Yet to be paid	Total
i) Construction/ Acquisition of any assets	0.60	-	0.60
ii) For purposes other than (i) above	1.26	-	1.26

19. Provision for long term contracts

The Bank has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the bank has reviewed and recorded adequate provision as required under any Law/Accounting Standards for material foreseeable losses on such long-term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements.

20. Disclosure as to Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

The Bank, as part of its normal banking business grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are conducted after proper due diligence and ensuring adherence to all regulatory requirements including "Know Your Customer" guidelines.

Other than the transactions described above which are carried out in the normal course of business, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or deposits or any other sources or kinds of funds) by the Bank to or in any other persons or entities, including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank ("Ultimate Beneficiaries"). The Bank has also not received any funds from any parties (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

21. Proposed Dividend

'The Board of Directors, has proposed a dividend of ₹ 0.30 per equity share (30%) for the year ended March 31, 2024 amounting to ₹ 78.48 Crore. The proposal is subject to the approval of shareholders at the Annual General Meeting. 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 is not recognised as a liability as on March 31, 2024. However, effect of the proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratios as at March 31, 2024.

22. Additional disclosure

Additional statutory information disclosed in the separate financial statements of the Bank and subsidiary have no material bearing on the true and fair view of the consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements.

23. Figures of the previous year have been regrouped to conform to the current year presentation wherever necessary.

For and on behalf of Board of Directors

Thomas Joseph. K Executive Vice President	**Vinod Francis** Chief Financial Officer	**V J Kurian** Chairman (DIN : 01806859)	**P R Seshadri** MD & CEO (DIN : 07820690)
Jimmy Mathew Company Secretary		**M George Korah** Director (DIN : 08207827)	**Pradeep M Godbole** Director (DIN : 08259944)

In terms of our report attached

For CNK & Associates LLP Chartered Accountants ICAI Firm Registration No. 101961W/W-100036	**For K Venkatachalam Aiyer & Co** Chartered Accountants ICAI Firm Registration No. 004610S	**Paul Antony** Director (DIN : 02239492)	**R A Sankara Narayanan** Director (DIN : 05230407)
Hiren Shah Partner Membership No. 100052	**Sreevats Gopalakrishnan** Partner Membership No. 227654	**Benny P Thomas** Director (DIN : 09448424)	**Lakshmi Ramakrishna Srinivas** Director (DIN : 10365580)
Kochi May 2, 2024	Kochi May 2, 2024	Kochi May 2, 2024	

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 ('000))

1.	Sl 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	1,575.52
8.	Total assets	23,462.19
9.	Total Liabilities	23,462.19
10.	Investments	Nil
11.	Turnover	1,37,880.97
12.	Profit before taxation	1,491.65
13.	Provision for taxation	380.80
14.	Profit after taxation	1,111.18
15.	Proposed Dividend	Nil
16.	Extent of shareholding (in %)	100%

Notes:

1. Names of subsidiaries which are yet to commence operations - NIL
2. Names of subsidiaries which have been liquidated or sold during the year. – NIL
3. 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

Vinod Francis
Chief Financial Officer

V J Kurian
Chairman
(DIN : 01806859)

P R Seshadri
MD & CEO
(DIN : 07820690)

Jimmy Mathew
Company Secretary

M George Korah
Director
(DIN : 08207827)

Pradeep M Godbole
Director
(DIN : 08259944)

Paul Antony
Director
(DIN : 02239492)

R A Sankara Narayanan
Director
(DIN : 05230407)

Benny P Thomas
Director
(DIN : 09448424)

Lakshmi Ramakrishna Srinivas
Director
(DIN : 10365580)

Kochi
May 02, 2024

DISCLOSURE UNDER BASEL III NORMS

AS ON 31ST MARCH 2024

1: SCOPE OF APPLICATION

The South Indian Bank Limited is a commercial bank, which was incorporated on January 25, 1929 in Thrissur, Kerala.

As per capital adequacy guidelines under Basel III, insurance and non-financial subsidiaries / joint ventures / associates etc. of banks are not to be consolidated. The Bank's Subsidiary, M/s SIB Operations and Services Limited, is a non-financial entity, and hence not consolidated for capital adequacy purpose.

Name of the entity / country of incorporation	Whether entity is included in the accounting scope of consolidation	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
M/s SIB Operations and Services Limited/India	Yes	AS-21	No	NA	NA	The Bank's Subsidiary, is a non-financial entity, and hence not consolidated for capital adequacy purpose

2: CAPITAL ADEQUACY

I. Qualitative Disclosure

RBI Guidelines on capital adequacy

The Bank is subject to the capital adequacy guidelines stipulated by RBI, which are based on the framework of the Basel Committee on Banking Supervision. As per Basel and RBI guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% {11.5% including Capital Conservation Buffer (CCB) of 2.5%}, with minimum Common Equity Tier I (CET1) of 5.5% (8% including CCB). These guidelines on Basel III have been implemented completely. Thus the minimum CRAR required to be maintained by the Bank as on 31st March 2024 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.

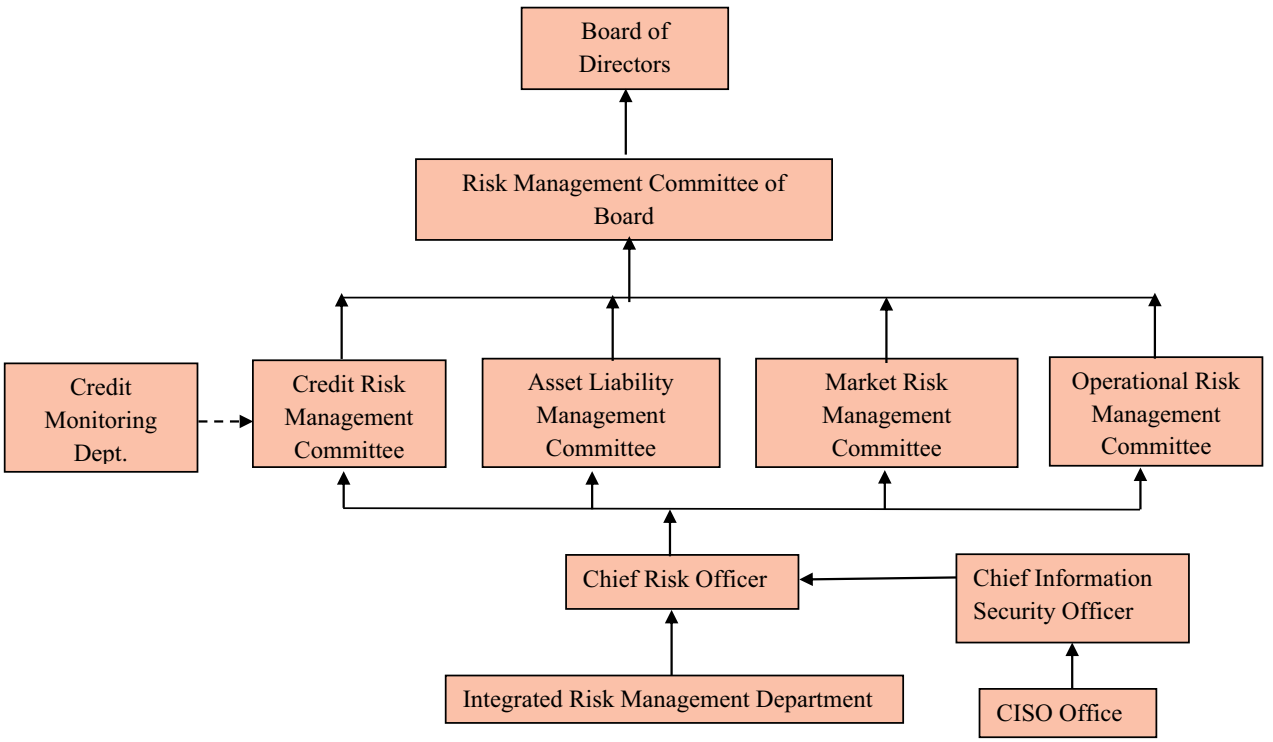
Quantitative Disclosure

	Particulars	Amount in ₹ Million
(a)	Capital requirements for Credit Risk	48,050.14
	Portfolios subject to standardized approach	48,050.14
	Securitization exposures	0.00
(b)	Capital requirements for Market Risk (Standardised duration approach)	2,063.60
	Interest Rate Risk	1,662.04
	Foreign Exchange Risk (including gold)	97.03
	Equity Risk	304.53
(c)	Capital requirements for Operational Risk (Basic Indicator Approach)	7,551.60
	Total Capital Requirement at 11.5%{ (a)+ (b)+(c) }	57,665.33
	Total Capital Fund	99,844.74
	Common Equity Tier- I CRAR %	16.66 %
	Total Tier- I CRAR %	17.65 %
	Additional Tier I CRAR %	1.00 %
	Tier- II CRAR %	2.26 %
	Total CRAR %	19.91 %

Risk Management: Objectives and Organisation Structure

Risk is an integral part of banking business in an ever dynamic environment, which is undergoing radical changes both on the technology front and product offerings. The main risks faced by the Bank are credit risk, market risk and operational risk. The Bank aims to achieve an appropriate trade-off between risk and return to maximize shareholder value. The relevant information on the various categories of risks faced by the Bank is given in the ensuing sections. This information is intended to give market participants a better idea on the risk profile and risk management practices of the Bank.

The Bank has a comprehensive risk management system set up to address various risks and has set up an Integrated Risk Management Department (IRMD), which is independent of operational departments. Bank has a Risk Management Committee functioning at apex level for formulating, implementing and reviewing bank's risk management measures pertaining to credit, market and operational risk. Apart from the Risk Management Committee of the Board at apex level, the Bank has a strong Bank-wide risk management structure comprising of Asset Liability Management Committee, Credit Risk Management Committee, Market Risk Management Committee and Operational Risk Management Committee at senior management level, risk-cum-compliance officers in all Regional Offices/branches and dedicated mid office at Treasury Department and International Banking Division (IBD) at operational level. The structure and organization of Risk Management functions of the Bank is as follows:



3. CREDIT RISK: GENERAL DISCLOSURES

I. Qualitative Disclosure

Definition of Non Performing Assets

The Bank follows extant guidelines of the RBI on income recognition, asset classification and provisioning.

a) An asset, including a leased asset, becomes non-performing when it ceases to generate income for the Bank.

b) A non performing asset (NPA) is a loan or an advance where;

i. Interest and / or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan,

ii. The account remains 'out of order', in respect of an Overdraft / Cash Credit (OD/ CC), (out of order - An account is treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit / drawing power, but there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period, these accounts are treated as "out of order".)

iii. The bill remains overdue for a period of more than 90 days in the case of bills Purchased and discounted, (overdue - Any amount due to the Bank under any credit facility is "overdue" if it is not paid on the due date fixed by the Bank.)

iv. The instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops, (overdue - Any amount due to the Bank under any credit facility is "overdue" if it is not paid on the due date fixed by the Bank.)

v. The instalment of principal or interest thereon remains overdue for one crop season for long duration crops, (overdue - Any amount due to the Bank under any credit facility is 'Overdue' if it is not paid on the due date fixed by the Bank.)

vi. Any amount to be received remains overdue for a period of more than 90 days in respect of other accounts.

vii. The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of RBI guidelines on Securitization dated February 1, 2006.

viii. In respect of derivative transactions, the overdue receivables representing positive Mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

ix. A credit card account will be treated as non-performing asset if the minimum amount due, as mentioned in the statement, is not paid fully within 90 days from the payment due date mentioned in the statement.

A loan for an infrastructure project will be classified as NPA during any time before commencement of commercial operations as per record of recovery (90 days overdue), unless it is restructured and becomes eligible for classification as 'standard asset' in terms of conditions laid down in the related RBI guidelines. A loan for an infrastructure project will be classified as NPA if it fails to commence commercial operations within two years from the original Date of Commencement of Commercial Operations ('DCCO'), even if it is regular as per record of recovery, unless it is restructured and becomes eligible for classification as 'standard asset' in terms of conditions laid down in the related RBI guidelines.

A loan for a non-infrastructure project (other than commercial real estate exposures) will be classified as NPA during any time before commencement of commercial operations as per record of recovery (90 days overdue), unless it is restructured and becomes eligible for classification as 'standard asset' in terms of conditions laid down in the related RBI guidelines. A loan for a non-infrastructure project (other than commercial real estate exposures) will be classified as NPA if it fails to commence commercial operations within one year from the original DCCO, even if is regular as per record of recovery, unless it is restructured and becomes eligible for classification as 'standard asset' in terms of conditions laid down in the related RBI guidelines.

A loan for commercial real estate project will be classified as NPA during any time before commencement of commercial operations as per record of recovery (90 days overdue), or if the project fails to commence commercial operations within one year from the original DCCO or if the loan is restructured.

Special Mention Accounts

As prescribed by RBI, the Bank is required to identify incipient stress in the account by creating a Sub Asset category named as 'Special Mention Accounts' (SMA). It is considered as a corrective action plan to arrest slippages of standard assets to NPA. Accordingly, Bank is identifying three sub categories under SMA as below:

1. SMA-0- Principal or interest payment or any other amount wholly or partly overdue between 1-30 days.
2. SMA-1- Principal or interest overdue between 31-60 days.
3. SMA-2- Principal or interest overdue between 61-90 days.

Credit Risk Management Practices of our Bank

The Bank has a comprehensive credit risk management policy which deals with identification, assessment, measurement and mitigation of credit risk. The policy has defined credit risk as the possibility of losses associated with the diminution in the credit quality of the borrower or the counter party or the failure on its part to meet its obligations in accordance with the agreed terms. The Credit Risk Management Committee, an executive level committee is entrusted with the task of overseeing various risk management measures envisaged in the policy. The Credit Risk Management Committee also deals with issues relating to credit risk management policy and procedures and analyse, manage and control credit risk on a bank wide basis. Credit risk management policy primarily addresses the credit risk inherent in advances. The principal aspects covered under this policy include credit risk rating, credit risk monitoring, credit risk mitigation and country risk management.

The major specific credit risk management measures followed by bank, as listed out in the credit risk management policy are given in following points.

- The credit/country risk associated with exposures, like inter-bank deposits and export bill discounting, to different countries are consolidated regularly and monitored by the Board.

- Bank uses a robust risk rating framework for evaluating credit risk of the borrowers. The Bank uses segment-specific rating models that are aligned to target segment of the borrowers.
- Risks on various counter-parties such as corporates, banks, are monitored through counter-party exposure limits, also governed by country risk exposure limits in case of international transactions.
- The Bank manages risk at the portfolio level too, with portfolio level prudential exposure limits to mitigate concentration risk.

II. Quantitative Disclosure

a) Gross Credit Risk Exposures as on 31st March 2024

(₹ in Million)

Category	Exposure
Fund Based [1]	11,45,398.57
Non Fund Based [2]	53,289.88
Total	**11,98,688.45**

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 2024

(₹ in Million)

Particulars	
Domestic	11,98,688.45
Overseas	0.00
Total	**11,98,688.45**

c) Industry wise Distribution of gross advances and NPAs as on 31st March 2024

(₹ in Million)

Industry Name	Total Funded Exposure (including Investment)	Total Non Funded Exposure	Total Credit Exposure
A. Mining and Quarrying	2,195.39	153.25	2,348.64
A.1 Coal	260.20	2.50	262.70
A.2 Others	1,935.18	150.75	2,085.93
B. Food Processing	4,222.84	136.49	4,359.33
B.1 Sugar	8.57	0.00	8.57
B.2 Edible Oils and Vanaspati	278.58	7.14	285.72
B.3 Tea	60.46	3.00	63.46
B.4 Coffee	169.33	0.00	169.33
B.5 Others	3,705.88	126.35	3,832.23

Industry Name	Total Funded Exposure (including Investment)	Total Non Funded Exposure	Total Credit Exposure
C. Beverages (excluding Tea & Coffee) and Tobacco	2,255.41	17.70	2,273.11
C.1 Tobacco and tobacco products	884.65	0.00	884.65
C.2 Others	1,370.75	17.70	1,388.45
D. Textiles	21,379.02	1,676.57	34,895.35
D.1 Cotton	9,061.46	444.60	9,506.07
D.2 Jute	445.85	600.00	1,045.85
D.3 Man-made	163.79	3.88	167.68
D.4 Others	11,707.92	628.07	12,336.00
Out of D (i.e., Total Textiles) to Spinning Mills	10,714.90	1,124.85	11,839.75
E. Leather and Leather products	519.97	1.63	521.60
F. Wood and Wood Products	811.27	137.02	948.29
G. Paper and Paper Products	4,048.89	93.50	4,142.39
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	18,955.53	3,507.47	22,463.01
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	8,049.23	1,728.26	9,777.49
I.1 Fertilizers	1,418.91	1,400.00	2,818.91
I.2 Drugs and Pharmaceuticals	1,764.32	102.61	1,866.94
I.3 Petro-chemicals (excluding under Infrastructure)	0.00	0.00	0.00
I.4 Others	4,865.99	225.65	5,091.64
J. Rubber, Plastic and their Products	8,974.70	2,400.70	11,375.41
K. Glass & Glassware	196.74	0.00	196.74
L. Cement and Cement Products	4,404.10	1,000.00	5,404.10
M. Basic Metal and Metal Products	44,010.62	2,188.94	46,199.57
M.1 Iron and Steel	30,327.07	801.96	31,129.03
M.2 Other Metal and Metal Products	13,683.55	1,386.98	15,070.53
N. All Engineering	14,698.46	2,574.82	17,273.29
N.1 Electronics	61.84	0.00	61.84
N.2 Others	14,636.62	2,574.82	17,211.44
O. Vehicles, Vehicle Parts and Transport Equipments	2,511.51	790.00	3,301.51
P. Gems and Jewellery	4,457.59	9.86	4,467.46
Q. Construction	4,555.87	1,198.65	5,754.53
R. Infrastructure	43,064.47	2,816.03	45,880.50
R.aTransport (a.1 to a.8)	3,094.80	8.00	3,102.80
R.a.1 Roads and Bridges	1,702.07	8.00	1,710.07

Industry Name	Total Funded Exposure (including Investment)	Total Non Funded Exposure	Total Credit Exposure
R.a.2 Ports	0.00	0.00	0.00
R.a.3 Inland Waterways	0.00	0.00	0.00
R.a.4 Airport	1,392.73	0.00	1,392.73
R.a.5 Railway Track, tunnels, viaducts, bridges	0.00	0.00	0.00
R.a.6 Urban Public Transport (except rolling stock in case of urban road transport)	0.00	0.00	0.00
R.a.7 Shipyards	0.00	0.00	0.00
R.a.8 Logistics Infrastructure	0.00	0.00	0.00
R.b. Energy (b.1 to b.6)	24,532.97	146.77	24,679.74
R.b.1 Electricity Generation	24,279.54	95.91	24,375.45
R.b.1.1 Central Govt PSUs	0.00	0.00	0.00
R.b.1.2 State Govt PSUs (incl. SEBs)	455.69	0.00	455.69
R.b.1.3 Private Sector	23,823.84	95.91	23,919.75
R.b.2 Electricity Transmission	253.43	50.85	304.28
R.b.2.1 Central Govt PSUs	0.00	0.00	0.00
R.b.2.2 State Govt PSUs (incl. SEBs)	29.07	0.00	29.07
R.b.2.3 Private Sector	224.35	50.85	275.21
R.b.3 Electricity Distribution	0.00	0.00	0.00
R.b.3.1 Central Govt PSUs	0.00	0.00	0.00
R.b.3.2 State Govt PSUs (incl. SEBs)	0.00	0.00	0.00
R.b.3.3 Private Sector	0.00	0.00	0.00
R.b.4 Oil Pipelines	0.00	0.00	0.00
R.b.5 Oil/Gas/Liquefied Natural Gas (LNG) storage facility	0.00	0.00	0.00
R.b.6 Gas Pipelines	0.00	0.00	0.00
R.c. Water and Sanitation (c.1 to c.7)	125.49	1,000.00	1,125.49
R.c.1 Solid Waste Management	0.00	0.00	0.00
R.c.2 Water supply pipelines	0.00	0.00	0.00
R.c.3 Water treatment plants	125.49	1,000.00	1,125.49
R.c.4 Sewage collection, treatment and disposal system	0.00	0.00	0.00
R.c.5 Irrigation (dams, channels, embankments etc)	0.00	0.00	0.00
R.c.6 Storm Water Drainage System	0.00	0.00	0.00
R.c.7 Slurry Pipelines	0.00	0.00	0.00

Industry Name	Total Funded Exposure (including Investment)	Total Non Funded Exposure	Total Credit Exposure
R.d. Communication (d.1 to d.3)	13,001.92	558.00	13,559.92
R.d.1 Telecommunication (Fixed network)	0.00	0.00	0.00
R.d.2 Telecommunication towers	0.00	0.00	0.00
R.d.3 Telecommunication and Telecom Services	13,001.92	558.00	13,559.92
R.e. Social and Commercial Infrastructure (e.1 to e.12)	0.00	0.00	0.00
R.e.1 Education Institutions (capital stock)	0.00	0.00	0.00
R.e.2 Hospitals (capital stock)	0.00	0.00	0.00
R.e.3 Tourism - Three-star or higher category classified hotels located outside cities with population of more than 1 million	0.00	0.00	0.00
R.e.4 Common infrastructure for industrial parks, SEZ, tourism facilities and agriculture markets	0.00	0.00	0.00
R.e.5 Fertilizer (Capital investment)	0.00	0.00	0.00
R.e.6 Post harvest storage infrastructure for agriculture and horticultural produce including cold storage	0.00	0.00	0.00
R.e.7 Terminal markets	0.00	0.00	0.00
R.e.8 Soil-testing laboratories	0.00	0.00	0.00
R.e.9 Cold Chain	0.00	0.00	0.00
R.e.10 Sports Infrastructure	0.00	0.00	0.00
R.e.11 Tourism - Ropeways and Cable Cars	0.00	0.00	0.00
R.e.12 Affordable Housing	0.00	0.00	0.00
R.f. Others, if any, please specify	2,309.27	1,103.26	3,412.53
Other Infrastructure	2,309.27	1,103.26	3,412.53
S. Other Industries, pl. specify	5,203.99	344.90	5,548.90
Other industries	5,203.99	344.90	5,548.90
All Industries (A to S)	1,94,515.68	20,775.86	2,15,291.54
Residuary other exposure (to tally with gross exposure)	6,09,746.88	19,746.33	6,29,493.21
Total	**8,04,262.56**	**40,522.19**	**8,44,784.75**

d) Major Industry breakup of NPA

₹ in Million

Industry	Gross NPA	Specific Provision
Top 5 Industries	33,211.35	23,002.03

e) Residual Contractual Maturity breakdown of Assets as on 31st March 2024

₹ in Million

Time band	Cash and Balance with RBI	Balance with Banks	Investments	Loans & Advances	Fixed Asset	Other Assets
Next Day	5,719.26	15,401.45	49,480.73	10,652.87	-	671.51
2 - 7 Days	979.51	28,419.16	3,894.38	15,474.41	-	130.20
8 - 14 Days	536.30	42.50	1,822.91	11,728.52	-	227.85
15 - 30 Days	1,732.71	1,745.15	5,889.58	23,654.27	-	1,860.89
31 days- 2 Months	1,991.85	454.50	10,489.52	45,574.82	-	856.66
2 - 3 Months	1,937.45	42.00	7,358.09	49,678.85	-	1,028.42
3 - 6 Months	7,379.05	-	26,795.04	49,105.16	-	1,984.95
6 - 12 Months	19,299.13	-	66,339.52	43,696.21	-	3,703.65
1 - 3 Years	12,921.43	-	44,557.14	60,992.67	-	10,570.89
3 - 5 Years	1,091.48	-	5,055.08	44,392.44	-	6,626.68
Over 5 Years	528.82	-	18,088.19	4,25,656.26	9,664.80	16,202.97
Total	**54,116.99**	**46,104.76**	**2,39,770.18**	**7,80,606.48**	**9,664.80**	**43,864.67**

f) The composition of Gross NPAs and NPIs, Net NPAs, NPA ratios and provision for GNPAs and GNPIs as on 31st March 2024 and movement of gross NPAs and provisions during the quarter ended 31st March 2024 are given in following table.

(₹ in Million)

1	**Amount of Gross NPAs**	**36,203.37**
	• Substandard	9,280.58
	• Doubtful-I	4,367.59
	• Doubtful-2	16,140.22
	• Doubtful-3	4,405.08
	• Loss	2,009.90
2	**Net NPA**	**11,345.78**
3	**NPA Ratios**	
	• Gross NPA to Gross Advance (%)	**4.50%**
	• Net NPA to Net Advance (%)	**1.46%**
	Movement of N PA (Gross)	
	• **Opening Gross NPA (balance as on 01.04.2022)**	**37,082.65**
	• Additions to Gross NPA	13,954.76
	Reductions to Gross NPA	14,834.04
	• Up gradations	2,783.98
	• Recoveries (excluding recoveries made from upgraded accounts)	8,773.61
	• Technical/prudential write offs	3,276.45
	• Reduction by sale of assets to ARCs	0.00
	• **Closing Balance of Gross NPA**	**36,203.37**

Movement of Specific & General Provision – Position as on 31st March 2024

(₹ in Million)

Movement of Provision	Specific Provision	General Provision
• **Opening Balance as on 01.04.2023**	**22858.69**	0.00
• Provision made in 2023-24	10000.22	0.00
• Write off/ Write back of excess provision	9219.74	0.00
• **Closing Balance as on 31.03.2024**	**23639.17**	0.00

NPIs and Movement of Provision for Depreciation on Investments – Position as on 31st March 2024

(₹ in Million)

1	**Amount of Non Performing Investments (Gross)**	**438.73**
2	**Amount of Provisions held Non Performing Investments**	**425.73**
3	**Movement of Provisions for Depreciation on Investments**	
	• Opening Balance (as on 01.04.2023)	13199.76
	• Provision made in 2023-24	762.04
	• Write-offs / Write-back of excess provisions during the period	1371.39
	• Closing Balance (as on 31.03.2024)	12590.41

Geographical Distribution of NPA and Provision Position as on 31st March 2024

(₹ in Million)

Geography	Gross NPA	Specific Provision	General Provision
Domestic	**36,203.37**	**23,639.17**	**0.00**
Overseas	**0.00**	**0.00**	**0.00**
Total	**36,203.37**	**23,639.17**	**0.00**

Details of write-offs and recoveries that have been booked directly to the income statement- for the quarter ending 31st March 2024

(₹ in Million)

Write-offs that have been booked directly to the income statement	811.40
Recoveries that have been booked directly to the income statement	981.90

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. Acuite Ratings and Research Ltd
6. 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 2024 under major three risk buckets

(₹ in Million)

Description of risk bucket	
Below 100% Risk Weight	7,87,877.51
Risk Weight at 100%	1,14,991.52
More than 100% Risk Weight	85,904.08
Deducted if any	0.00

(Amount of exposures includes cash in hand, balance with RBI, investments, loans and advances, Fixed and other assets, off balance sheet items and forward contracts)

5: CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

I. Qualitative Disclosure

Policies and processes for collateral valuation and management

Bank has put in place a comprehensive policy on Credit Risk Mitigants and Collaterals for recognizing the eligible collaterals and guarantors for netting the exposures and reducing the credit risk of obligors. Basic procedures and descriptions of controls as well as types of standard/acceptable collaterals, guarantees necessary in granting credit, evaluation methods for different types of credit and collateral, applicable "haircuts" to collateral, frequency of revaluation and release of collateral are stipulated in the Bank's credit policy, policy on collateral

management and credit risk mitigant policy. The bank uses net exposure for capital calculations after taking cognizance of eligible financial collaterals. All collaterals and guarantees are recorded and the details are linked to individual accounts.

Collateral valuation

As stipulated by the RBI guidelines, the Bank uses the comprehensive approach for collateral valuation. Under this approach, the Bank reduces its credit exposure to counterparty when calculating its capital requirements to the extent of risk mitigation provided by the eligible collateral as specified in the Basel III guidelines.

The Bank adjusts the value of any collateral received to adjust for possible future fluctuations in the value of the collateral in line with the requirements specified by RBI guidelines. These adjustments also referred to as 'haircuts', to produce volatility-adjusted amounts for collateral, are reduced from the exposure to compute the capital charge based on the applicable risk weights.

Types of collateral taken by the Bank

The Bank determines the appropriate collateral for each facility based on the type of product and risk profile of the counterparty. In case of corporate and small and medium enterprises financing, fixed assets are generally taken as security for long tenor loans and current assets for working capital finance. For project finance, security of the assets of the borrower and assignment of the underlying project contracts is generally taken. In addition, in some cases, additional security such as pledge of shares, cash collateral, charge on receivables with an escrow arrangement and guarantees is also taken.

For retail products, the security to be taken is defined in the product policy for the respective products. Housing loans and automobile loans are secured by the security of the property/ automobile being financed. The valuation of the properties is carried out by an empanelled valuer at the time of sanctioning the loan.

The Bank also offers products which are primarily based on collateral such as shares, specified securities, warehoused commodities and gold jewellery. These products are offered in line with the approved product policies, which include types of collateral, valuation and margining.

The Bank extends unsecured facilities to clients for certain products such as derivatives, credit cards and personal loans. The decision on the type and quantum of collateral for each transaction is taken by the credit approving committees as per the credit approval authorisation approved by the Board of Directors. For facilities provided as per approved product policies, collateral is taken in line with the policy.

Credit Risk Mitigation techniques

The RBI guidelines on Basel III allow the following credit risk mitigants to be recognised for regulatory capital purposes:

A. Eligible Financial Collaterals

- Cash and fixed deposit receipts, issued by our bank.
- Gold: Gold would include both bullion and jewellery. However, the value of the collateralized jewellery should be arrived at after notionally converting these to 99.99% purity.
- Kisan Vikas Patra and National Savings Certificates provided no lock-in period is operational and if they can be encashed within the holding period.
- Life Insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator.
- Securities issued by Central and State Governments.
- Debt securities rated by a chosen Credit Rating Agency in respect of which banks should be sufficiently confident about the market liquidity where these are either:
  a. Attracting 100 per cent or lesser risk weight i.e., rated at least BBB(-) when issued by public sector entities and other entities (including banks and Primary Dealers); or
  b. Attracting 100 per cent or lesser risk weight i.e., rated at least CARE A3 / CRISIL A3 / India Ratings and Research Private Limited (India Ratings) A3 /ICRA A3/ Acuite A3 for short-term debt instruments.
- Debt Securities not rated by a chosen Credit Rating Agency in respect of which banks should be sufficiently confident about the market liquidity where these are:
  a. issued by a bank; and

b. listed on a recognised exchange; and

c. classified as senior debt; and

d. all rated issues of the same seniority by the issuing bank are rated at least BBB(-) or CARE A3/ CRISIL A3/ India Ratings and Research Private Limited (India Ratings) A3/ICRA A3/Acuite A3/Infomerics A3 by a chosen Credit Rating Agency; and

e. The Bank holding the securities as collateral has no information to suggest that the issue justifies a rating below BBB(-) or CARE A3/ CRISIL A3/ India Ratings and Research Private Limited (India Ratings) A3/ICRA A3/Acuite A3 (as applicable) and;

f. Banks should be sufficiently confident about the market liquidity of the security.

- Units of Mutual Funds regulated by the securities regulator of the jurisdiction of the Banks operation mutual funds where:

  a. A price for the units is publicly quoted daily i.e., where the daily NAV is available in public domain; and

  b. Mutual fund is limited to investing in the instruments listed in this paragraph.

B. **On-balance sheet netting,** which is confined to loans/advances and deposits, where banks have legally enforceable netting arrangements, involving specific lien with proof of documentation.

C. **Guarantees**, where these are direct, explicit, irrevocable and unconditional. Further, the eligible guarantors would comprise:

a. Sovereigns, sovereign entities (including Bank for International Settlements, the International Monetary Fund, European Central Bank and European Community as well as those Multilateral Development Banks, Export Credit Guarantee Corporation of India and Credit Guarantee Fund Trust for Small Industries, Credit Risk Guarantee Fund Trust for Low Income Housing), banks and primary dealers with a lower risk weight than the counterparty;

b. Other entities that are externally rated except when credit protection is provided to a securitisation exposure. This would include credit protection provided by parent, subsidiary and affiliate companies when they have a lower risk weight than the obligor.

II. Quantitative Disclosure

a. Details of exposure covered by eligible financial collateral and information about (credit or market) concentration within the mitigation taken as on 31st March 2024 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	1,55,028.17	1,78,758.78	0.02
2	Exposure covered by deposits	20,224.08	22,471.20	0.00
3	Loan against KVP /NSC/ LIC	72.17	103.01	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	1,662.04
2	Foreign Exchange Risk	97.03
3	Equity Position Risk	304.53

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 31st March 2024
Change in NII	
Probable impact on Net Interest income for 100 Bps downward movement in interest rate	2,083.66
Change in MVE	
Probable impact on Market Value of equity (MVE) for a 200 Bps movement in interest rates.	2,938.10

10: GENERAL DISCLOSURE FOR EXPOSURES RELATED TO COUNTERPARTY CREDIT RISK

I. Qualitative disclosures

Bank has put in place Counterparty Credit Risk limits for banks as counterparty, based on internal rating considering a number of financial parameters like net worth, capital adequacy ratio, rating etc of the counterparty bank and with the approval of the Board. Counterparty exposures for other entities are subject to comprehensive exposure ceilings fixed by the Board. Capital for Counterparty Credit Risk is assessed based on the Standardized Approach.

II. Quantitative Disclosures

The credit equivalent amounts of derivatives that are subjected to risk weighting are calculated as per the Current Exposure Method (CEM). The balance outstanding and the current exposure thereof are as follows:

(₹ in Million)

Particulars	Notional value	Current exposure
Foreign exchange contracts	2,86,438.53	7,692.61
Interest rate derivative contracts	5,000.00	25.30
Total	**2,91,438.53**	**7,717.91**

TABLE DF 11. COMPOSITION OF CAPITAL AS ON 31ST MARCH 2024

(₹ 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)	31,178.27	
2	Retained earnings	47,085.24	
3	Accumulated other comprehensive income (and other reserves)	6,015.07	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	0.00	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	0.00	
6	**Common Equity Tier 1 capital before regulatory adjustments**	**84,278.58**	
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)	744.59	
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	5.00	
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)	0.0	
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	of which: significant investments in the common stock of financial entities	0.00	
24	of which: mortgage servicing rights	0.00	
25	of which: deferred tax assets arising from temporary differences	0.00	

Basel III common disclosure template			Ref No
26	National specific regulatory adjustments (26a+26b+26c+26d)	5.00	
26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries	0.00	
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	5.00	
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	0.00	
26d	of which: Unamortized pension funds expenditures	0.00	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	0.00	
28	**Total regulatory adjustments to Common equity Tier 1**	**749.59**	
29	**Common Equity Tier 1 capital (CET1)**	83,528.99	
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	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	0.00	
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	5,000.00	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	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	*of which: instruments issued by subsidiaries subject to phase out*	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	of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	0.00	
41b	of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	0.00	

Basel III common disclosure template			Ref No
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	0.00	
43	**Total regulatory adjustments to Additional Tier 1 capital**	0.00	
44	**Additional Tier 1 capital (AT 1)**	**5,000.00**	
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44)**	**88,528.99**	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	7,020	
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	of which: instruments issued by subsidiaries subject to phase out	0.00	
50	Provisions and investment fluctuation reserve	4,295.75	
51	**Tier 2 capital before regulatory adjustments**	**11,315.75**	
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	of which: Investments in the Tier 2 capital of unconsolidated subsidiaries	0.00	
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	0.00	
57	**Total regulatory adjustments to Tier 2 capital**	**0.00**	
58	Tier 2 capital (T2)	**11,315.75**	
59	**Total capital (TC = T1 + T2) (45 + 58)**	**99,844.74**	
60	**Total risk weighted assets (60a + 60b + 60c)**	**5,01,437.66**	
60a	of which: total credit risk weighted assets	4,17,827.26	
60b	of which: total market risk weighted assets	17,944.34	
60c	of which: total operational risk weighted assets	65,666.06	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	**16.66%**	
62	Tier 1 (as a percentage of risk weighted assets)	**17.65%**	

Basel III common disclosure template			Ref No
63	Total capital (as a percentage of risk weighted assets)	**19.91%**	
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	of which: capital conservation buffer requirement	**2.50%**	
66	of which: bank specific countercyclical buffer requirement	**0.00**	
67	of which: G-SIB buffer requirement	**0.00**	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	**10.65%**	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	**5.50%**	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities	**0.00**	
73	Significant investments in the common stock of financial entities	**0.00**	
74	Mortgage servicing rights (net of related tax liability)	**0.00**	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	**0.00**	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	**3,030.43**	
77	Cap on inclusion of provisions in Tier 2 under standardized approach	**5,222.84**	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	**0.00**	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	**0.00**	
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	**0.00**	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	**0.00**	
82	Current cap on AT1 instruments subject to phase out arrangements	**0.00**	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	**0.00**	
84	Current cap on T2 instruments subject to phase out arrangements	**0.00**	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	**0.00**	

Notes to the Template

(₹ in Million)

Row No of the Template	Particular	
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	**3,030.43**
	Eligible Investment Fluctuation Reserve included in Tier 2 capital	**1,265.31**
	Total of row 50	**4,295.74**

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	2,615.93		**(a)**
	of which : Amount eligible for CET1	2,615.93		**(a) (i)**
	of which : Amount eligible for AT1			
	Reserves & Surplus	85,619.47		**(b)**
	of which : Amount eligible for CET1			

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Ref No.
		As on reporting date	As on reporting date	
	Statutory Reserve	16,293.54		**(b)(i)**
	Share Premium	28,562.34		**(b)(ii)**
	General Reserve	18,956.09		**(b) (iii)**
	Capital Reserve	6,192.73		**(b)(iv)**
	Special reserve under Section 36(i) (viii) of Income Tax Act	5,017.75		**(b)(v)**
	Balance in P/L a/c. at the end of the Previous Financial Year	2,244.87		**(b)(vi)**
	Current Financial Year carry forward Profit	3,735.96		**(b)(vii)**
	Investment Fluctuation Reserve Account (part of Tier 2 Capital)	341.99		**(b)(viii)**
	Revaluation Reserve (part of Tier I Capital, at a discount of 55 per cent is ₹ 1572.67)	807.42		**(b)(ix)**
	Minority Interest	3,466.76		
	Total Capital	88,235.40		**(a)+(b)**
ii	Deposits	1,019,202.59		**(c)**
	of which: Deposits from banks	3,839.55		**(c)(i)**
	of which: Customer deposits	1,015,363.04		**(c)(ii)**
	of which: Other deposits (pl. specify) CD	-		
iii	Borrowings	39,120.94		**(d)**
	of which: From RBI	-		**(d)(i)**
	of which: From banks	917.00		**(d)(ii)**
	of which: From other institutions & agencies	36,230.41		**(d)(iii)**
	of which: Others (pl. specify) Borrowings from outside India	1,973.52		**(d)(iv)**
	of which: Capital instruments			**(d)(v)**
iv.	Other liabilities & provisions & ESOP	27,568.98		**(e)**
	of which: Standard Asset provision included under Tier 2 Capital	3,730.22		**(e)(i)**
	of which : DTLs	120.38		**(e)(ii)**
	of which : Details related to intangible assets			
	Total	**1,174,127.90**		**(a)+(b)+(c)+(d)+(e)**

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Ref No.
		As on reporting date	As on reporting date	
B	**Assets**			
i	Cash and balances with Reserve Bank of India	66,597.00		**(f)**
	Balance with banks and money at call and short notice	33,624.76		**(g)**
ii	Investments:	239,770.19		**(h)**
	of which: Government securities	216,849.67		**(h)(i)**
	of which: Other approved securities	-		**(h)(ii)**
	of which: Shares	845.79		**(h)(iii)**
	of which: Debentures & Bonds	8,888.50		**(h)(iv)**
	of which: Subsidiaries / Joint Ventures /Associates	5.00		
	of which: Others (Commercial Papers, Mutual Funds etc.)	13,181.24		**(h)(v)**
iii	*Loans and advances*	**780,606.49**		**(i)**
	of which: Loans and advances to banks	4,998.87		
	of which: Loans and advances to customers	775,607.62		**(i)(i)**
iv	Fixed assets	9,664.80		**(j)**
v	Other assets	43,864.66		**(k)**
	of which: Goodwill and intangible assets			
	Out of which :			
	Goodwill			**(k)(i)**
	Other Intangibles (excluding MSRs)			**(k)(ii)**
	Deferred tax assets			**(k)(iii)**
vi	Good will on consolidation			**(l)**
vii	Debit balance in Profit & Loss account			**(m)**
	Total Assets	**1,174,127.90**		**(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
	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	Unsecured Redeemable Non-Convertible Subordinated Tier II Lower Bonds
8	Amount recognised in regulatory capital (₹ in million, as of most recent reporting date)	Rs. 600 Million
9	Par value of instrument	Rs. 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
	Coupons / dividends	
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)	Rs.3,920 Million
9	Par value of instrument	Rs.1,00,000
10	Accounting classification	Liability
11	Original date of issuance	28-11-2017
12	Perpetual or dated	Dated
13	Original maturity date	28-05-2028
14	Issuer call subject to prior supervisory approval	YES
15	Optional call date, contingent call dates and redemption amount	On the fifth anniversary from the Date of Allotment i.e. November 28, 2022
16	Subsequent call dates, if applicable	On every anniversary of coupon payment date after first call option due date
	Coupons / dividends	
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
	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 with face value of ₹ 1,00,000 each
8	Amount recognised in regulatory capital (₹ in million, as of most recent reporting date)	Rs.2,500 million
9	Par value of instrument	Rs.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
	Coupons / dividends	
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
	Regulatory treatment	
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)	Rs.5,000 million
9	Par value of instrument	Rs.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
	Coupons / dividends	
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	*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*	
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	Rs.4,900 Million
Face Value	Rs.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	Rs.2,500 million
Face Value	Rs.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	Rs.5,000 million
Face Value	Rs.1,00,000/- per bond
Date of allotment	24-01-2020
Date of Redemption	N.A
Coupon Rate	13.75% p.a
Put and call option	Put option: NA Call option : Applicable
Issuance, Trading & Listing	Listed in BSE

TABLE DF 15: DISCLOSURES ON REMUNERATION

		Remuneration
Qualitative disclosures	**(a)**	**Information relating to the composition and mandate of the Nomination and Remuneration Committee.**

Composition:

The Nomination & Remuneration committee of the Board consists of four members of which two members from Risk Management committee of the Board facilitate effective governance of compensation.

The roles and responsibilities of the Nomination & Remuneration Committee inter-alia includes the following:

- Scrutinizing the declarations received from persons to be appointed as Directors as well as from the existing Directors seeking re-appointment and to decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors. and make references to the appropriate authority/persons to ensure compliance with the requirements indicated by Reserve Bank of India vide their directive dated May 23, 2011 on Fit & Proper Criteria of the Banks.
- To devise a Succession Planning Policy for the Board and Senior Management.
- To formulate a Nomination policy of the Board to guide the Board in relation to appointment/re-appointment/removal of Directors.
- To identify persons who are qualified to become Directors/ KMPs and who may be appointed in senior management as defined in the Succession Policy in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- To formulate the criteria for evaluation of Independent Directors and the Board/ Committees.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.
- To oversee the framing, review and implementation of Bank's overall compensation structure and related 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:

  a) Draw up terms and conditions and approve the changes, if any, to the Performance Linked Incentive schemes;

b) Moderate the scheme on an ongoing basis depending upon the circumstances and link the same with the recommendations of Audit Committee;

c) Coordinate the progress of growth of business vis -a-vis the business parameters laid down by the Board and Audit Committee and effect such improvements in the scheme as considered necessary;

d) On completion of the year, finalize the criteria of allotment of marks to ensure objectivity/equity.

- The Committee shall also function as the Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits) Regulations, 2014 and is empowered to formulate detailed terms and conditions of the Scheme, administer, supervise the same and to allot shares in compliance with the guidelines and other applicable laws.
- To obtain necessary clearances and approvals from regulatory authorities, appoint Merchant Bankers and do such other things as may be necessary in respect of the Employees Stock Option Scheme.
- To oversee the administration of Employee benefits, such as Provident Fund, Pension Fund, Gratuity, Compensation for absence on Privilege/Sick/Casual Leave etc., which are recognized in accordance with Accounting Standard-15 (revised) specified in the Companies (Accounting Standards) Rules, 2006.
- The Committee may suggest amendments to any stock option plans or incentive plans, provided that all amendments to such plans shall be subject to consideration and approval of the Board;
- The Committee may suggest amendments to any stock option plans or incentive plans, provided that all amendments to such plans shall be subject to consideration and approval of the Board.
- Any other matters regarding remuneration to WTDs/MD & CEO and other staffs of the Bank as and when permitted by the Board.
- To conduct the annual review of the Compensation Policy.
- To fulfill such other powers and duties as may be delegated to it by the Board.
- To review HR Strategy aligning with business strategy of the Bank.
- To review the skill gaps and talent pool creation.

(b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.

The Bank has formed the compensation policy based on the Reserve Bank of India guidelines vide its Circular No. DBOD.No.BC.72/29.67.001/2011-12 dated January 13, 2012.

The fixed remuneration and other allowances including retirement benefits of all subordinate, clerical and officers up to the rank of General Manager (Scale VII) is governed by the industry level wage settlement under Indian Banks Association (IBA) pattern. In respect of officers above the cadre of General Manager, the remuneration is fixed by Board / Committee.

Further, the compensation structure for the Whole Time Directors (WTDs) / Managing Director & Chief Executive Officer (MD & CEO) of the bank are subject to approval of Reserve Bank of India in terms of Section 35 B of the Banking Regulation Act, 1949. The payment of compensation also requires approval of the shareholders of the Bank in the General Meeting pursuant to clause 95 of Articles of Association of the Bank read with Section 197 of the Companies Act, 2013 and Section 35B (1) of Banking Regulation Act 1949.

The Reserve Bank of India vide circular DOR.Appt.BC.No.23/29.67.001/2019-20 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

i. In compliance to the RBI Guidelines and other applicable rules and regulations at least 50%, should be variable and paid on the basis of individual, business-unit and firm-wide measures that adequately measure performance. The total variable pay shall be limited to a maximum of 300% of the fixed pay (for the relative performance measurement period).

ii. In case variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay; and in case variable pay is above 200%, a minimum of 67% of the variable pay should be via non-cash instruments.

iii. In the event that an executive is barred by statute or regulation from grant of share-linked instruments, his/her variable pay will be capped at 150% of the fixed pay, but shall not be less than 50% of the fixed pay.

iv. The deterioration in the financial performance of the bank should generally lead to a contraction in the total amount of variable compensation, which can even be reduced to zero.

B. For Material Risk Takers (MRTs)

i. In compliance to the RBI Guidelines and other applicable rules & regulations 50% of total pay for all MRTs is should be variable pay and paid on the basis of individual, business-unit and firm-wide measures that adequately measure performance.

ii. 50% of the variable pay should be via non-cash instruments.

iii. The deterioration in the financial performance of the bank should generally lead to a contraction in the total amount of variable compensation, which can even be reduced to zero.

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

b. Deferral of Variable Pay

(i) For senior executives, including WTDs, and other employees who are MRTs, a minimum of 60% of the total variable pay must invariably be under deferral arrangements. Further, if cash component is part of variable pay, at least 50% of the cash bonus should also be deferred.

(ii) However, in cases where the cash component of variable pay is under ₹ 25 lakh, deferral requirements is not applicable.

c. Period of Deferral Arrangement

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

d. Vesting:

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

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

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

e. Share-linked Instruments

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

Malus / Clawback

(a) The deferred compensation should be subject to malus/clawback arrangements in the event of subdued or negative financial performance of the bank and/or the relevant line of business in any year.

(b) A set of situations as detailed below are hereby identified, which require the invocation of the malus and clawback clauses that may be applicable as detailed below:

i) Applying of Malus / Clawback arrangement on entire variable pay on occurrence of the following Situations:

- identified fraud / misconduct by the executive (whole-time directors, Chief Executive Officers / Material Risk Takers (MRTs)) pertaining to the corresponding period for which the clause to be applied.

ii) Applying of Malus / Clawback arrangement on unvested portion of deferred variable pay on occurrence of the following situation:

- Reporting of operating loss or more than 50% fall in operating profit in any year

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

- Wherever the assessed divergence in bank's provisioning for Non-Performing Assets (NPAs) or asset classification exceeds the prescribed threshold for public disclosure as detailed below: (As referred in RBI circular No. DBR. BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019, as amended from time to time),

a. the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period, and

b. the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period

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

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

Members of staff engaged in financial and risk control, including internal audit, should be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the bank. Effective independence and appropriate authority of such staff are necessary to preserve the integrity of financial and risk management's influence on incentive compensation. Back office and risk control employees play a key role in ensuring the integrity of risk measures. If their own compensation is significantly affected by short-term measures, their independence may be compromised. If their compensation is too low, the quality of such employees may be insufficient for their tasks and their authority may be undermined. The mix of fixed and variable compensation for control function personnel should be weighted in favour of fixed compensation. Therefore, the requirement of minimum 50% of total compensation to be paid in the form of variable pay will not be applicable for this category of staff. However, a reasonable proportion of compensation has to be in the form of variable pay, so that exercising the options of malus and/or clawback, when warranted, is not rendered infructuous.

For calculating the Variable Pay of Risk Control and Compliance Staff the 'Key Performance Indicators' (KPI) will be totally different and the modalities of the same will be recommended by the Nomination and Remuneration Committee to the Board for approval.

(f) Description of the different forms of variable remuneration (i.e. cash and types of share linked instruments) that the bank utilizes and the rationale for using these different forms.

For MRTs

a) both cash and non-cash Performance Linked Incentive Schemes to those employees who are eligible for incentives., in this regard the Committee is empowered to:

i) Draw up terms and conditions and approve the changes, if any, to the Performance Linked Incentive schemes;

ii) Moderate the scheme on an ongoing basis depending upon the circumstances and link the same with the recommendations of Audit Committee;

iii) Coordinate the progress of growth of business vis -a- vis the business parameters laid down by the Board and Audit Committee and effect such improvements in the scheme as are considered necessary;

iv) On completion of the year, finalize the criteria of allotment of marks to ensure objectivity/equity.

v) To identify Material Risk Takers (MRTs) as per the recommendations made by MD & CEO and to fix variable pay and other terms of payment including component (Cash and non-cash), deferment and divergence clause in line with compensation policy and other RBI guidelines and other policies and guidelines of the bank.

For Others

The Board will from time to time specify the Risk Control and Compliance Staff.

a) Based on the recommendations of the Committee, Board may fix the variable pay not exceeding 50% of the fixed pay in a year. Within this ceiling, at higher levels of responsibility, the proportion of variable pay will be higher. The variable pay may be in cash, or stock linked instruments or a mix of both.

b) 'Variable pay' means the compensation as fixed by the Board on recommendation of the Committee, which is based on the performance appraisal of an employee in that role, that is, how well they accomplish their goals. It may be paid as:

i. Performance Linked Incentives' to those employees who are eligible for incentives.

ii. Ex-gratia for other employees who are not eligible for Performance linked Incentives.

iii. Bonus for those staff members who are eligible for bonus under the Payment of Bonus Act, 1965

iv. Any other incentives, by whatever name called having the features similar to the above.

c) The Board may adopt principles similar to that enunciated for WTDs/CEOs, as appropriate, for variable pay-timing, Malus/Clawback, guaranteed bonus and hedging.

d) Employee Stock Option Scheme/Employee Stock Option Plan as may be framed by the Board from time to time in conformity with relevant statutory provisions and SEBI guidelines as applicable.

(in crores)

			2023-24	2022-23
Quantitative disclosures	(a)	• Number of meetings held by the Remuneration Committee during the period.	11	10
		• Remuneration paid to its members	0.23	0.15
	(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.		
		o Number	Nil	Nil
		o Total amount	Nil	Nil
		• Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil
	(i)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	ESOS:0.88 Cash: 1.38	ESOS:0.88 Cash: 0.38
		(ii) Total amount of deferred remuneration paid out during the period.	1.23	Nil
	(j)	Breakdown of amount of remuneration awards for the period to show fixed and variable, deferred and non-deferred.		
		• **Fixed ***	2.47	1.66
		• **Variable**		
		1. Deferred		
		(a) Outstanding for the FY end	1.38	1.12
		(b) Paid during the FY	0.11	Nil
		2. Non Deferred paid during the FY	1.12	0.38
		*Excluding PF and Gratuity		
	(k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments	ESOS:0.88 Cash:1.38	ESOS:0.88 Cash:0.38
		(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
	(l)	Number of MRTs identified.	2*	1
	(m)	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

			2023-24	2022-23
General Quantitative Disclosure	(n)	The mean pay for the bank as a whole (excluding sub-staff)	0.12	0.10
		and		
		the deviation of the pay of each of its WTDs$ from the mean pay.	2.34	1.93
		$ Gross remuneration paid to MD & CEO and Executive Vice President are 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.		

*MD & CEO and Executive Vice President are the Material Risk Takers of the Bank, as identified by theBoard of Directors.

1. Mr. Murali Ramakrishnan, Management Director & Chief Executive Officer is identified as MRT till 30-09-2023.
2. Mr. P R Seshadri, Managing Director & Chief Executive Officer is identified as MRT w.e,f 01-10-2023.
3. Mr. Thomas Joeph K, Executive Vice President is identified as MRT

TABLE DF-16 – EQUITIES – DISCLOSURE FOR BANKING BOOK POSITIONS

In accordance with RBI circular on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks, Investments are classified at the time of purchase into Held for Trade (HFT), Available for Sale (AFS) and Held to Maturity (HTM) categories. HTM means the category of investment portfolio maintained by the banks with intention to hold securities upto maturity and these investments are classified under banking book for capital adequacy purpose. Investments in equity of subsidiaries and joint ventures (a Joint Venture would be one in which the bank, along with its subsidiaries, holds more than 25 percent of the equity) are also to be classified under HTM category.

As per RBI guidelines, investments classified under HTM category are to be carried at their acquisition cost and not marked to market. Any diminution (other than temporary) in the value of the investments in subsidiaries / joint ventures, which are included under HTM, shall be recognised and provided individually for each investment. Profit on sale of investments in this category shall be first taken to the Profit & Loss Account, and thereafter shall be appropriated to the 'Capital Reserve Account'. The amount so appropriated shall be net of taxes and the amount required to be transferred to Statutory Reserves. Loss on sale shall be recognized in the Profit & Loss Account

The book value of Bank's equity investment HTM portfolio is ₹5 million as on March 31, 2024. There has been no sale or liquidation of this investment during the period ended March 31, 2024.

TABLE DF-17 SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE

Leverage Ratio:

Leverage ratio is a non-risk based measure of exposure over capital. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements.

The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage.

$$\text{Leverage Ratio} = \frac{\text{Capital Measure (Tier I Capital)}}{\text{Exposure Measure}}$$

	Item	(₹ in Million)
1	Total consolidated assets as per published financial statements	11,74,124.79
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	(749.59)
4	Adjustments for derivative financial instruments	7,717.91
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	371.37
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	56,256.15
7	Other adjustments	0.00
8	**Leverage ratio exposure**	**12,37,720.63**

TABLE DF-18 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)	11,74,124.79
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(749.59)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**11,73,375.20**
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	1,563.37
5	Add-on amounts for PFE associated with all derivatives transactions	6,154.54
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)**	**7,717.91**

	Item	Leverage ratio framework (₹ in million)
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	0.00
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0.00
14	CCR exposure for SFT assets	371.37
15	Agent transaction exposures	0.00
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	**371.37**
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	3,69,418.96
18	(Adjustments for conversion to credit equivalent amounts)	(3,13,162.81)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**56,256.15**
	Capital and total exposures	
20	**Tier 1 capital**	**88,528.99**
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**12,37,720.63**
	Leverage ratio	
22	**Basel III leverage ratio**	**7.15%**

Leverage Ratio	March 2024	December 2023	September 2023	June 2023
	7.15%	5.62%	5.66%	5.79%

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FORM NO. SH-13

NOMINATION FORM

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To

Name of the company: Address of the company:

I/We ..... the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S —

(a) Name: .....

(b) Date of Birth: .....

(c) Father's/Mother's/Spouse's name: .....

(d) Occupation: .....

(e) Nationality:.....

(f) Address:.....

(g) E-mail id: .....

(h) Relationship with the security holder:.....

(3) IN CASE NOMINEE IS A MINOR--

(a) Date of birth: .....

(b) Date of attaining majority:.....

(c) Name of guardian:.....

(d) Address of guardian: .....

Name:

Address:

Name of the Security

Holder (s) Signature Witness with name and address

FORM NO. SH-14

CANCELLATION OR VARIATION OF NOMINATION

[Pursuant to sub-section (3) of section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014]

Name of the company:

I/We hereby cancel the nomination(s) made by me/us in favor of ..... (name and address of the nominee) in respect of the below mentioned securities.

or

I/We hereby nominate the following person in place of ..... as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled / varied)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) (a) PARTICULARS OF THE NEW NOMINEE:

i. Name: .....

ii. Date of Birth: .....

iii. Father's/Mother's/Spouse's name: .....

iv. Nationality: .....

v. Address: .....

vi. E-mail id: .....

vii. Relationship with the Security holder: .....

(b) IN CASE NEW NOMINEE IS A MINOR--

i. Date of Birth: .....

ii. Date of attaining majority:.....

iii. Name of guardian:.....

iv. Address of guardian: .....

Signature

Name of the Security Holder (s)

Witness with name and address

FORM ISR – 1

(see SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

REQUEST FOR REGISTERING PAN, KYC DETAILS OR CHANGES / UPDATION THEREOF

[For Securities (Shares / Debentures / Bonds, etc.) of listed companies held in physical form]

Date:___ /___ /_____

A. I / We request you to Register / Change / Update the following (Tick ü relevant box)

☐ PAN	☐ Bank details	☐ Signature
☐ Mobile number	☐ E-mail ID	☐ 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 üas relevant, refer to the instructions):

	ü	Document / Information / Details	Instruction / Remark
1	PAN of (all) the (joint) holder(s)		
		PAN (No.) Whether it is Valid (linked to Aadhaar): ☐ Yes ☐No	1st holder ..... 2nd holder ..... 3rd 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	Any one of the documents, only if there is change in the address; ☐ Client Master List **(CML)** of your Demat Account, provided by DP. ☐ Valid Passport/ Registered Lease or Sale Agreement of Residence / Driving License / Flat Maintenance bill. ☐ Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old. ☐ 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. ☐ 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. ☐ The proof of address in the name of the spouse
4		Bank details	Account Number: ..... Bank Name: ..... Branch Name: ..... IFS Code: ..... Provide the following: ..... ☐ original cancelled cheque with name of security holder printed on it or Bank Passbook or Bank Statement attested by the Bank #
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

• 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).	
• 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.	
• 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.	
• RTA shall not insist on Affidavits or Attestation / Notarization or indemnity for registering / up-dating / changing PAN, KYC details and Nomination.	
• Specimen Signature	• 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 • original cancelled cheque with name of security holder printed on it *or* Bank Passbook or Bank Statement attested by the Bank
• Nomination**	• Providing Nomination: Please submit the duly filled up Nomination Form (SH-13) or 'Declaration to Opt out of Nomination' as per Form ISR–3, in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 03, 2021 • Change in Existing Nomination: Please use Form SH-14 in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 • Cancellation of Existing Nomination: use Form SH-14 & Form ISR – 3

** Nomination **(Form SH-13 or SH-14)** / 'Declaration to Opt-Out of nomination' **(Form ISR – 3)**, has to be furnished by the holder(s) separately for each listed company.

(Page 3 & 4 is for information to investors; print out of the same is not required)

Objection Memo that can be raised by the RTA

(only if the relevant document / details is / are not available in the folio or if there is a mismatch / discrepancy in the same or change thereof)

Note

RTAs shall raise all objections, if any / at all, in one instance only; the RTA shall not raise further objections on the same issue again and again, after the holder / claimant furnishes all the prescribed documents and details, unless there is any deficiency / discrepancy in the same.

No.	Item	Documents / Details to be provided to the RTA by the holder(s) / claimant(s)
1	PAN – Exceptions and Clarification	'Exemptions/clarifications to PAN', as provided in clause D to 'Instructions/ Check List for Filing KYC Forms' in Annexure – 1 to SEBI circular No. MIRSD/ SE/Cir-21/2011 dated October 05, 2011 on Uniform Know Your Client (KYC) Requirements for the Securities Market, shall also 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	• Banker's attestation of the signature of the holder(s) as per Form ISR – 2 • Original cancelled cheque with name of security holder printed on it or Bank Passbook or Bank Statement attested by the Bank
4	Mismatch in Name	Furnish any one of the following documents, explaining the difference in names; • 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. • 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) 1st Holder / 2nd Holder / 3rd Holder	
7. Account holder(s) details as per Bank Records	
a) Address	
b) Phone number	
c) Email address	
d) Signature(s) 1 / 2 / 3	
Seal of the Bank	Signature verified as recorded with the Bank
	(Signature)
	Name of the Bank Manager
Place:	Employee Code
Date:	E-mail address

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Form ISR - 3

Declaration Form for Opting-out of Nomination by holders of physical securities in Listed Companies

(see SEBI circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16,2023 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) Signature(s) Sole / First Holder Name

Second Holder Name

Third Holder Name

**Signature of witness, along with name and address are required, if the account holder affixes thumb impression, instead of signature*

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Form ISR-4

(see circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 on Issuance of Securities in dematerialized form in case of Investor Service Requests)

Request for issue of Duplicate Certificate and other Service Requests

(for Securities - Shares / Debentures / Bonds, etc., held in physical form)

Date:___ /___ /_____

A. Mandatory Documents / details required for processing all service request:

I / We are submitting the following documents / details and undertake to request the Depository Participant to dematerialize my / our securities within 120 days from the date of issuance of Letter of Confirmation, received from the RTA/Issuer Company (tick ✓as relevant, refer to the instructions):

- Demat Account No. (If available): ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐ Provide Client Master List (**CML**) of your Demat Account from the Depository Participant*
- Provide the following details, if they are not already available with the RTA (see SEBI circular dated November 03, 2021 in this regard)

PAN	Specimen Signature
Nomination / Declaration to Opt-out	

* (Your address, e-mail address, mobile number and bank details shall be updated in your folio from the information available in your **CML**). You can authorize the RTA to update the above details for all your folios. In this regard, please refer to and use Form ISR-1 in SEBI circular dated November 03, 2021.

B. I / We request you for the following (tick ✓ relevant box)

Issue of Duplicate certificate	Claim from Unclaimed Suspense Account
Replacement/ Renewal / Exchange of securities certificate	Endorsement
Sub-division / Splitting of securities certificate	Consolidation of Folios
Consolidation of Securities certificate	Transmission
Transposition*(Mention the new order of holders here)*	

C. I / We are enclosing certificate(s) as detailed below:**

Name of the Issuer Company	
Folio Number	
Name(s) of the security holder(s) as per the certificate(s)	1. 2. 3.
Certificate numbers	
Distinctive numbers	
Number & Face value of securities	

**Wherever applicable / whichever details are available

D. Document / details required for specific service request:

I. Duplicate securities certificate

II. Claim from Unclaimed Suspense Account

Securities claimed	(in numbers) :
	(in words) :

III. Replacement / Renewal / Exchange of securities certificate

(that is defaced, mutilated, torn, decrepit, worn out or where the page on the reverse is fully utilized)

IV. Endorsement

V. Sub-division / Splitting of securities certificate

VI. Consolidation of securities certificate/Folios

VII. Transmission

VIII. Transposition

Provide / attach original securities certificate(s) for request for item numbers III to VIII above.

Declaration: All the above facts stated are true and correct to best of my / our knowledge and belief.

	Security Holder 1 / Claimant	**Security Holder 2**	**Security Holder 3**
Signature	✓	✓	✓
Name	✓	✓	✓
Full address	✓		
PIN	✓		

After processing the service request, the RTA shall issue a 'Letter of Confirmation' to the securities holder/claimant, which is valid only for 120 days. Using this 'Letter of Confirmation', the securities holder/claimant shall request the DP to dematerialize the securities, failing which the securities shall be credited to the Suspense Escrow Demat Account of the Company.

Request for Transmission of Securities by Nominee or Legal Heir (For Transmission of securities on death of the Sole holder)	**Annexure C – ISR 5**

To:

The Listed Issuer/RTA,
(Address)

_____ (Name of the Listed Issuer/RTA)

Name of the Claimant(s) Mr./Ms.
Name of the Guardian ☐ *in case the claimant is a minor →* Date of Birth of the minor* Mr./Ms._____ Relationship with Minor: ☐ Father ☐ Mother ☐ Court Appointed Guardian*
[Multiple PAN may be entered] PAN (Claimant(s)/Guardian): ☐☐☐☐☐☐☐☐☐☐ ☐ KYC Acknowledgment attached o KYC form attached
Tax Status: ☐ Resident Individual ☐ Resident Minor (through Guardian) ☐ NRI ☐ PIO ☐ Others (please specify)

**Please attach relevant proof*

I/We, the claimant(s) named hereinabove, hereby inform you about the demise of the below mentioned Securities Holder(s) and request you to transmit the securities held by the deceased holder(s) in my/our favour in my/our capacity as –
☐ Nominee ☐ Legal Heir ☐ Successor to the Estate of the deceased ☐ Administrator of the Estate of the deceased

Name of the deceased holder(s)	**Date of demise****
1)	DD / MM / YYYY
2)	DD / MM / YYYY
3)	DD / MM / YYYY

***Please attach certified copy of Death Certificate.*

Securities(s) & Folio(s) in respect of which Transmission of securities is being requested

Name of the Company	Folio No.	No. of Securities	% of Claim@
1)			
2)			
3)			
4)			

@As per Nomination OR as per the Will/Probate/Succession Certificate/Letter of Administration/ Legal Heirship Certificate (or its equivalent certificate)/ Court Decree, if applicable.

SOUTH INDIAN Bank
EXPERIENCE NEXT-GEN BANKING

Contact details of the Claimant (s) [Provision for multiple entries may be made]

Mobile No.+91	**Tel. No.** STD -
Email Address	

Address *(Please note that address will be updated as per address on KYC form / KYC Registration Agency records)*

Address Line 1		
Address Line 2		
City:	State	PIN

Bank Account Details of the Claimant

Bank Name	
Account No.	11-digit IFSC
A/c. Type (✓) ☐ SB oCurrent ☐ NRO ☐ NRE oFCNR	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 ☐ Private Sector Service ☐ Public Sector Service ☐ Government Service ☐ Business ☐ Professional ☐ Agriculturist ☐ Retired ☐ Home Maker ☐ Student ☐ Forex Dealer ☐ Others _____ (Please specify)
The Claimant is ☐ a Politically Exposed Person ☐ Related to a Politically Exposed Person ☐ Neither (Not applicable)
Gross Annual Income (₹) oBelow 1 Lac ☐ 1-5 Lacs ☐ 5-10 Lacs ☐ 10-25 Lacs ☐ 25 Lacs-1crore ☐ >1 crore

FATCA and CRS information

Country of Birth _____ Place of Birth _____
Nationality _____

Are you a tax resident of any country other than India? ☐ Yes ☐ 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)

☐ I/We **DO NOT** wish to make a nomination. *(Please tick ✓ if you do not wish to nominate anyone)*
☐ 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.**

NOTES

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