

**DEPT.: SECRETARIAL****REF. No. : SEC/ST.EX.STT/ 211 /2023-24****DATE : February 21, 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
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Dear Sir/Madam(s),

**Subject: Regulations 30, 42 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) and outcome of the meeting of the Board of Directors of The South Indian Bank Limited (the “Bank”) held on February 21, 2024**

This is further to the meeting of the Board of Directors of the Bank (the “**Board**”) held on December 27, 2023 , approving the offer and issuance of fully paid-up equity shares of the Bank (the “**Rights Equity Shares**”) for an amount not exceeding ₹1,750 crore , by way of a rights issue (“**Rights Issue**”), in accordance with the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, other applicable laws and our prior intimation dated February 15, 2024.

Pursuant to the above referred, we wish to inform you that the Board of Directors at their meeting held today, i.e. on February 21, 2024, has *inter alia* considered and approved the following terms of the Rights Issue:

- a. Total number of Rights Equity Shares and Rights Issue size: 5,231,85,254 Rights Equity Shares each on fully--paid up basis for an amount aggregating upto ₹1,151.01 crores (assuming full subscription with respect to Rights Equity Shares).
- b. Rights Issue Price: ₹ 22 per Rights Equity Share fully paid-up (including a premium of ₹ 21 per Rights Equity Share) on application.
- c. Record date: Tuesday, February 27,2024
- d. Rights Issue period:
  1. Rights Issue Opening Date: Wednesday, March 6, 2024; and
  2. Rights Issue Closing Date: Wednesday, March 20, 2024.
- e. Outstanding Equity Shares:
  1. prior to the Rights Issue: 209,27,41,018 equity shares of theBank;
  2. post Rights Issue#: 261,59,26,272 equity shares of theBank.

*#Assuming full subscription with respect to Rights Equity Shares.*

- f. Other terms of the Rights Issue (including fractional entitlements and zero entitlements): To be included in the letter of offer to be filed by the Bank with the Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited.
- g. Rights entitlement ratio: 1 Rights Equity Shares for every 4 fully paid-up equity share of the Bank held by the eligible equity shareholders of the Bank, as on the record date ("Eligible Equity Shareholders")
- h. ISIN for Rights Entitlement: INE683A20015

Further, please find enclosed herewith, i) the Reformatted Consolidated Financial Statements of the Bank and its Subsidiary, as of and for the year ended March 31, 2023; ii) the Reformatted Standalone Financial Statements of the Bank as of and for the year ended March 31, 2023 ("**Reformatted Financial Statements**"); iii) the Unaudited Interim Condensed Consolidated Financial Statements (including cash flow) of the Bank and its Subsidiary as at and for the nine-month period ended December 31, 2023 and iv) the Unaudited Interim Condensed Standalone Financial Statements (including cash flow) of the Bank as at and for the nine-month period ended December 31, 2023 ("**Condensed Financial Statements**") along with the review reports on the Reformatted Standalone and Consolidated Financial Statements and review reports on the Interim Condensed Standalone and Consolidated Financial Statements issued by the Joint Statutory Central Auditors of the Bank and approved by the Board in its meeting held today, on February 21, 2024.

Additionally, the Board also approved the Letter of Offer to be filed with the Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited.

The meeting of the Board commenced at 4:00 p.m. and concluded at 9:15 p.m.

The above information is also available on the website of the Bank, i.e. [www.southindianbank.com](http://www.southindianbank.com).

We request you to take the aforesaid on records and to disseminate it to your members.

Thanking you,

Yours faithfully,

(JIMMY MATHEW)  
COMPANY SECRETARY

Encl: As above

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

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

## **INDEPENDENT AUDITORS' REPORT**

**To the Board of Directors of**  
**The South Indian Bank Limited**

### **Report on the Reformatted Audited Consolidated Financial Statements**

The accompanying Reformatted Audited Consolidated Financial Statements of The South Indian Bank Limited (the "**Bank**") and its Subsidiary (the Bank and its Subsidiary, together referred to as "**Group**"), comprising the reformatted audited consolidated balance sheet as at March 31, 2023, the reformatted audited consolidated profit and loss account, the reformatted consolidated cash flow statement for the year then ended, and reformatted notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("**Reformatted Audited Consolidated Financial Statements**"), are derived from the audited consolidated financial statements of the Group as at and for the year ended March 31, 2023 (the "**Audited Consolidated Financial Statements**") audited by us as detailed in paragraph below. The Audited Consolidated Financial Statements, and the Reformatted Audited Consolidated Financial Statements, do not reflect the effects of events that occurred subsequent to the date of our report on the Audited Consolidated Financial Statements except for the matters as mentioned under section "Basis of preparation" in Schedule 17 to the Reformatted Audited Consolidated Financial Statements.

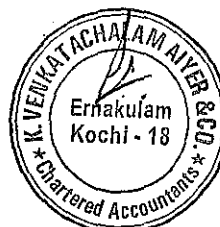
We expressed an unmodified audit opinion on the Audited Consolidated Financial Statements, vide our report dated May 11, 2023.

### **Management's Responsibility for the Reformatted Audited Consolidated Financial Statements**

The Management is responsible for the preparation of the Reformatted Audited Consolidated Financial Statements from the Audited Consolidated Financial Statements on the basis described under section "Basis of preparation" in Schedule 17 to the Reformatted Audited Consolidated Financial Statements.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Reformatted Audited Consolidated Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.



## Opinion

In our opinion, the Reformatted Audited Consolidated Financial Statements derived from the Audited Consolidated Financial Statements of the Bank is a fair summary of the Consolidated Financial Statements on the basis described under section "Basis of preparation" in Schedule 17 to the Reformatted Audited Consolidated Financial Statements.

## Other Matter

The Audited Consolidated Financial Statements included the audited financial statements of one subsidiary, whose financials statements reflect total assets of Rs 2.79 crores as at March 31, 2023, total revenue of Rs. 9.36 crores and total net profit after tax of Rs. 0.22 crores for the year ended March 31, 2023 and net cash inflow amounting to Rs. 0.92 crores for the year ended on that date as considered in the Audited Consolidated Financial Statements, that have been audited by another independent auditor whose reports were furnished to us by the management. Our opinion on the Audited Consolidated Financial Statements, in so far as it related to the amounts and disclosures included in respect of the subsidiary, was based solely on the reports of such auditors and the procedures performed by us.

## Restrictions on Use

This report is addressed to and is provided to enable the Bank to include this report in the Letter of Offer in connection with the proposed rights issue, to be filed by the Bank with Securities and Exchange Board of India and that these Reformatted Audited Consolidated Financial Statements may not be meaningful for any other purpose.

For CNK & Associates LLP

Chartered Accountants

Firm's Registration Number. 101961W/W-100036



Hiren Shah

Partner

Membership No.100052



UDIN: 24100052BK FAGJ5847

Place: Thrissur

Date: February 21, 2024

For K Venkatachalam Aiyer & Co

Chartered Accountants

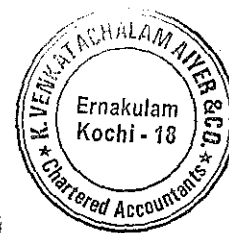
Firm Registration Number: 004610S



Sreevats Gopalakrishnan

Partner

Membership Number: 227654



UDIN: 24227654BKFTGY5900

Place: Thrissur

Date: February 21, 2024

<b>THE SOUTH INDIAN BANK LIMITED</b>			
<b>REFORMATTED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023</b>			
	Schedule No	As at March 31, 2023 ₹ in Crore	As at March 31, 2022 ₹ in Crore
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	209.27	209.27
Share Application Money Received pending Allotment		0.00	-
Employees' Stock Options Outstanding		0.11	1.29
Reserves and Surplus	2	6,465.35	5,643.69
Deposits	3	91,650.07	89,141.74
Borrowings	4	6,993.85	3,294.49
Other liabilities and provisions	5	2,378.51	1,761.39
<b>TOTAL</b>		<b>1,07,697.16</b>	<b>1,00,051.87</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	4,639.22	7,276.61
Balances with banks and money at call and short notice	7	2,441.27	3,926.82
Investments	8	24,641.30	21,444.51
Advances	9	69,804.44	59,993.39
Fixed Assets	10	877.93	811.07
Other Assets	11	5,293.00	6,599.47
<b>TOTAL</b>		<b>1,07,697.16</b>	<b>1,00,051.87</b>
Contingent Liabilities	12	25,891.24	33,764.70
Bills for collection		2,057.79	1,752.96
Significant Accounting Policies	17		
Notes forming part of Accounts	18		
Schedules referred to above form an integral part of the Balance Sheet			

In terms of our report attached

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

Hiren Shah  
Partner  
Membership No. 100052  
UDIN:

Thrissur  
21-02-2024

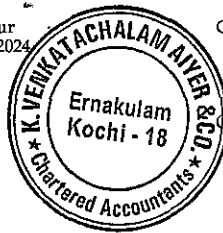


For K Venkatachalam Aiyer & Co  
Chartered Accountants

ICAI Firm Registration No. 0046105

Breevats Gopalakrishnan  
Partner  
Membership No. 227654  
UDIN:

Thrissur  
21-02-2024



For and on behalf of Board of Directors

P R Seshadri  
(Managing Director & CEO)  
(DIN : 07820690)

Thomas Joseph, K  
Executive Vice President

Chithra H  
Chief Financial Officer

Jimmy Mathew  
Company Secretary



<b>THE SOUTH INDIAN BANK LIMITED</b>			
<b>REFORMATTED CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023</b>			
	Schedule No	Year ended March 31, 2023 ₹ in Crore	Year ended March 31, 2022 ₹ in Crore
<b>I. INCOME</b>			
Interest Earned	13	7,233.18	6,586.54
Other Income	14	811.37	1,033.90
<b>TOTAL</b>		<b>8,044.55</b>	<b>7,620.44</b>
<b>II. EXPENDITURE</b>			
Interest Expended	15	4,221.10	4,346.78
Operating Expenses	16	2,315.83	2,026.32
Provisions and Contingencies		732.31	1,202.53
<b>TOTAL</b>		<b>7,269.24</b>	<b>7,575.63</b>
<b>III. PROFIT/LOSS</b>			
Consolidated Net Profit/(Loss) for the year		775.31	44.81
Transfer from Investment Reserve			
Transfer to Other Liabilities & Provisions		-	-
Transfer from present value provision for ADWDRS			
Brought forward consolidated Profit/(Loss) from previous year		-38.04	4.63
<b>Total</b>		<b>737.27</b>	<b>49.44</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		193.78	11.25
Transfer to Capital Reserve		4.57	76.23
Transfer to/(from) Revenue and Other Reserve		130.00	-
Transfer to Investment Reserve		-	-
Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act		80.00	-
Transfer to/(from) Investment Reserve		-	-
Transfer to/(from) present value provision for ADWDRS		-	-
Transfer to Investment Fluctuation Reserve		104.39	-
Dividend Paid for FY 18-19		-	-
Dividend Tax on Interim Dividend		-	-
Tax on Dividend Paid for FY 18-19		-	-
Balance carried over to Consolidated Balance Sheet		224.53	-38.04
<b>TOTAL</b>		<b>737.27</b>	<b>49.44</b>
Earnings per share (Face value of ₹ 1 per share)			
Basic (in ₹)	18.09	3.70	0.21
Diluted (in ₹)	18.09	3.70	0.21
Significant Accounting Policies	17		
Notes on Accounts	18		
Schedules referred to above form an integral part of the Profit and Loss Account			

In terms of our report attached

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

Hiren Shah  
Partner  
Membership No. 100052  
UDIN:

Thrissur  
21-02-2024



For K Venkatachalam Aiyer & Co  
Chartered Accountants  
ICAI Firm Registration No. 0046105

Sreevats Gopalakrishnan  
Partner  
Membership No. 227654  
UDIN:

Thrissur  
21-02-2024



For and on behalf of Board of Directors

Thomas Joseph, K  
Executive Vice President

Chithra, H  
Chief Financial Officer

Jimmy Mathew  
Company Secretary

P R Seshadri  
(Managing Director & CEO)  
(DIN : 07820690)



THE SOUTH INDIAN BANK LIMITED			
REFORMATTED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023			
		Year Ended March 31, 2023 ₹ in Crore	Year Ended March 31, 2022 ₹ in Crore
<b>Cash flow from operating activities</b>			
Consolidated Profit before tax as per Profit and Loss Account		1,108.50	(92.22)
Adjustments for:			
Depreciation		87.49	84.02
Amortisation of Premium on HTM Investments		312.41	256.54
Provision for Depreciation / Non Performing Investments		296.98	256.30
General Provisions against Standard Assets		(58.61)	175.57
Provision/write off for Non Performing Assets		623.07	1,161.41
Other Provisions		(27.81)	10.49
Employee Stock Options expense		0.11	0.20
Interest on Subordinated bonds		175.43	175.43
(Profit)/Loss on sale of land, buildings and other assets		0.12	(0.15)
<b>Operating profit before working capital changes</b>	(A)	<b>2,517.69</b>	<b>2,027.59</b>
<b>Changes in working capital:</b>			
Increase / (Decrease) in Deposits		2,508.33	6,431.19
Increase / (Decrease) in Other liabilities and provisions		702.16	(6.86)
(Increase) / Decrease in Investments		(3,529.07)	67.30
(Increase) / Decrease in Advances		(10,434.08)	(3,099.54)
(Increase) / Decrease in Other Assets		1,193.08	(214.77)
	(B)	<b>(9,559.58)</b>	<b>3,177.32</b>
<b>Cash flow from operating activities before taxes</b>	(A+B)	<b>(7,041.89)</b>	<b>5,204.91</b>
Direct Taxes paid		(218.93)	(39.57)
<b>Net cash flow from/(used in) operating activities</b>	(C)	<b>(7,260.82)</b>	<b>5,165.34</b>
<b>Cash flow from investing activities:</b>			
Purchase of Fixed Assets/Capital Work-in-Progress		(112.70)	(101.89)
Sale of Fixed/Non Banking Assets		3.76	64.85
(Purchase)/Sale of Investments (Held To Maturity)		(277.11)	(1,703.56)
<b>Net cash flow from/(used in) investing activities</b>	(D)	<b>(386.05)</b>	<b>(1,740.60)</b>
<b>Cash flow from financing activities:</b>			
Net proceeds/(repayments) in borrowings		3,699.36	(813.78)
Interest on Subordinated bonds		(175.43)	(175.41)
<b>Net cash flow from/(used in) financing activities</b>	(E)	<b>3,523.93</b>	<b>(989.19)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(C+D+E)	<b>(4,122.94)</b>	<b>2,435.55</b>
Cash and cash equivalents as at beginning of the year		11,203.43	8,767.88
<b>Cash and cash equivalents as at the end of the year</b>		<b>7,080.49</b>	<b>11,203.43</b>

In terms of our report attached

For CNK & Associates LLP

Chartered Accountants  
ICAI Firm Registration No. 101961W/W-100036

Hiren Shah  
Partner  
Membership No. 100052  
UDIN:

Thrissur  
21-02-2024

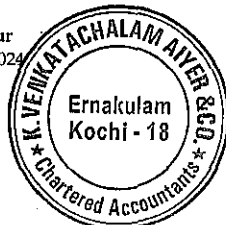


For K Venkatchalam Aiyer & Co

Chartered Accountants  
ICAI Firm Registration No. 004610S

Sreevats Gopalakrishnan  
Partner  
Membership No. 227654  
UDIN:

Thrissur  
21-02-2024



For and on behalf of Board of Directors

Thomas Joseph. K  
Executive Vice President

Chithra H  
Chief Financial Officer

Jimmy Mathew  
Company Secretary

P R Seshadri  
(Managing Director  
& CEO)  
(DIN : 07820690)



<b>THE SOUTH INDIAN BANK LIMITED</b>		
<b>SCHEDULES TO REFORMATTED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023</b>		
	As at March 31, 2023 ₹ in Crore	As at March 31, 2022 ₹ in Crore
<b>SCHEDULE 1 - CAPITAL</b>		
Authorised Capital 400,00,00,000 Equity shares of ₹ 1/- each	400.00	400.00
Issued, Subscribed and Paid up Capital 209,27,41,018 Equity shares of ₹ 1/- each (Previous year 209,27,41,018 equity shares of ₹ 1/- each) (Refer Note no. 3.ii of Schedule 18)	209.27	209.27
<b>TOTAL</b>	<b>209.27</b>	<b>209.27</b>
<b>Employees' Stock Options Outstanding</b>		
Employees' Stock Options Outstanding	0.88	1.29
Less: Deferred Employee Compensation Expense (unamortised)	-0.77	-
<b>TOTAL</b>	<b>0.11</b>	<b>1.29</b>
<b>SCHEDULE 2 - RESERVES AND SURPLUS</b>		
<b>I. Statutory Reserve</b>		
Opening Balance	1,168.04	1,156.79
Additions during the year	193.78	11.25
<b>Sub total</b>	<b>1,361.82</b>	<b>1,168.04</b>
<b>II. Capital Reserve</b>		
Opening Balance	909.83	837.70
Additions during the year*	4.57	-
Due to revaluation of Assets (net)	45.07	76.23
<b>Sub total</b>	<b>959.47</b>	<b>913.93</b>
Deductions during the year:		
Deductions during the year:		
Deduction from reserve to the extent of depreciation on revalued amount	-5.66	-4.10
Depreciation on Revaluation of Premises adjusted	-	-
<b>Sub total</b>	<b>953.81</b>	<b>909.83</b>
<b>III. Share Premium</b>		
Opening Balance	1,766.90	1,766.90
Additions during the year	-	-
Deductions during the year - Expenses relating to Rights Issue	-	-
<b>Sub total</b>	<b>1,766.90</b>	<b>1,766.90</b>
<b>IV. Revenue and Other Reserves</b>		
Opening Balance	1,836.96	1,831.87
Additions during the year :		
a) lapse of vested options	1.29	0.99
b) transfer of depreciation on revaluation	5.65	4.10
c) appropriation during the Year	314.39	-
<b>Sub total</b>	<b>2,158.29</b>	<b>1,836.96</b>
<b>V. Balance in Profit and Loss Account</b>		
<b>TOTAL</b>	<b>224.53</b>	<b>-38.04</b>
<b>TOTAL</b> [+ii+iii+iv+v]	<b>6,465.35</b>	<b>5,643.69</b>
* Includes Profit appropriated to Capital Reserve (net of applicable taxes and transfer to statutory reserve) on:		
a) Gain on sale of Held to Maturity Investments ₹9.48 Crore (Previous Year ₹ 156.08 Crore)		
b) Profit/(Loss) on sale of Fixed Assets (₹0.12) Crore (Previous Year ₹ 0.15 Crore)		





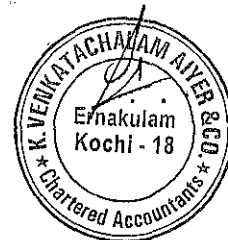
<b>THE SOUTH INDIAN BANK LIMITED</b>		
<b>SCHEDULES TO REFORMATTED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023</b>		
	As at March 31, 2023 ₹ in Crore	As at March 31, 2022 ₹ in Crore
<b>SCHEDULE 3 - DEPOSITS</b>		
<b>A. I. Demand Deposits</b>		
(i) From Banks	7.02	12.37
(ii) From Others	4,977.68	4,848.79
<b>II. Savings Bank Deposits</b>		
	25,241.08	24,739.85
<b>III. Term Deposits</b>		
(i) From Banks	334.57	2,228.72
(ii) From Others	61,089.72	57,312.01
<b>TOTAL</b>	<u>91,650.07</u>	<u>89,141.74</u>
<b>B. (i) Deposits of branches in India</b>		
	91,650.07	89,141.74
<b>(ii) Deposits of branches outside India</b>		
	Nil	Nil
<b>TOTAL</b>	<u>91,650.07</u>	<u>89,141.74</u>
<b>SCHEDULE 4 - BORROWINGS</b>		
<b>I. Borrowings in India</b>		
(i) Reserve Bank of India	275.00	-
(ii) Other Banks*	120.23	207.88
(iii) Other Institutions and Agencies*	6,419.31	2,873.82
<b>II. Borrowings outside India - from other banks</b>		
	179.31	212.79
<b>TOTAL</b>	<u>6,993.85</u>	<u>3,294.49</u>
Secured borrowings under Triparty repo, market repurchase transactions with banks and financial institutions and transactions under Liquidity Adjustment Facility and Marginal Standing Facility included above.		
	3,181.48	999.60
*Borrowings from other banks include Subordinated Debt of ₹47.36 Crore (Previous year ₹48.36 Crore) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹72.87 Crore (Previous year ₹ 159.52 Crore)		
#Borrowings from other institutions & agencies include Subordinated Debt of ₹992.64 Crores (Previous year ₹991.64 Crore) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹427.13 Crore (Previous year ₹340.48 Crores)		
<b>SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS</b>		
I. Bills Payable	102.85	125.20
II. Inter -Office adjustments (Net)	81.85	2.57
III. Interest Accrued	204.15	180.12
IV. Others (including provisions)*	1,989.66	1,453.50
<b>TOTAL</b>	<u>2,378.51</u>	<u>1,761.39</u>
*Includes :- Provision for standard assets ₹393.87 Crore (Previous year ₹ 464.54 Crore)		
<b>SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA</b>		
I. Cash in hand (Including foreign currency notes)	517.00	572.31
<b>II. Balances with Reserve Bank of India</b>		
a) In Current Account	4,122.22	3,104.30
b) Lending under Reverse Repo (including Standing Deposit Facility)	-	3,600.00
<b>TOTAL</b>	<u>4,639.22</u>	<u>7,276.61</u>



<b>THE SOUTH INDIAN BANK LIMITED</b>		
<b>SCHEDULES TO REFORMATTED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023</b>		
	As at March 31, 2023 ₹ in Crore	As at March 31, 2022 ₹ in Crore
<b>SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE</b>		
<b>I. In India</b>		
i) Balances with Banks		
(a) In Current Accounts	10.93	19.74
(b) In Other Deposit Accounts	94.57	28.94
ii) Money at call & short notice		
(a) With Banks	50.00	-
(b) With other Institutions	-	-
(c) Lending under Reverse Repo (Market & Tri party)	49.97	-
Sub total	<u>205.47</u>	<u>48.68</u>
<b>II. Outside India</b>		
(a) In Current Accounts	109.57	158.02
(b) In Other Deposit Accounts	1,972.08	3,524.35
(c) Money at call & short notice - with banks	154.15	195.77
Sub total	<u>2,235.80</u>	<u>3,878.14</u>
<b>TOTAL</b>	<u><b>2,441.27</b></u>	<u><b>3,926.82</b></u>
<b>SCHEDULE 8 - INVESTMENTS</b>		
<b>I. Investments in India in:</b>		
(i) Government Securities*	22,376.61	19,465.53
(ii) Other Approved Securities	-	-
(iii) Shares	218.33	54.56
(iv) Debentures and Bonds	1,297.95	571.84
(v) Subsidiaries and/or Joint Ventures	-	-
(vi) Others <sup>#</sup>	748.21	1,352.38
Sub total	<u>24,641.10</u>	<u>21,444.31</u>
<b>II. Investments outside India - Shares</b>	<u>0.20</u>	<u>0.20</u>
<b>TOTAL (I+II)</b>	<u><b>24,641.30</b></u>	<u><b>21,444.51</b></u>
<b>A. Gross Investments</b>		
(i) In India	26,013.51	22,533.31
(ii) Outside India	0.20	0.20
Sub total (A)	<u>26,013.71</u>	<u>22,533.51</u>
<b>B. Depreciation/Provision for investments</b>		
(i) In India	1,372.41	1,089.00
(ii) Outside India	-	0.00
Sub total (B)	<u>1,372.41</u>	<u>1,089.00</u>
<b>C. Net Investments</b>		
(i) In India	24,641.10	21,444.31
(ii) Outside India	0.20	0.20
<b>TOTAL (A-B)</b>	<u><b>24,641.30</b></u>	<u><b>21,444.51</b></u>
* Including Non SLR State Government bonds with Book Value ₹ 86.71 Crore (Previous Year: ₹ 105.28 Crore). Securities costing to ₹ 11,365.78 Crore (Previous Year ₹ 10,125.77 Crore) pledged for availment of fund transfer facility, clearing facility and margin requirements.		
<sup>#</sup> includes		
Security Receipts	165.98	703.04
Mutual	-	-
Certificate of Deposit	435.22	500.91
Commercial Paper	147.01	148.43
<b>TOTAL</b>	<u><b>748.21</b></u>	<u><b>1,352.38</b></u>



<b>THE SOUTH INDIAN BANK LIMITED</b>		
<b>SCHEDULES TO REFORMATTED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023</b>		
	As at March 31, 2023 ₹ in Crore	As at March 31, 2022 ₹ in Crore
<b>SCHEDULE 9 - ADVANCES</b>		
A. (i) Bills Purchased and Discounted	8,133.50	5,110.94
(ii) Cash Credits, Overdrafts and Loans repayable on demand	36,728.60	29,607.50
(iii) Term Loans	24,942.34	25,274.95
<b>TOTAL</b>	<b>69,804.44</b>	<b>59,993.39</b>
B. (i) Secured by tangible assets*	55,400.74	52,355.06
(ii) Covered by Bank/Government Guarantees	3,041.53	4,168.57
(iii) Unsecured	11,362.17	3,469.76
<b>TOTAL</b>	<b>69,804.44</b>	<b>59,993.39</b>
*advances secured by tangible assets includes advances against Book Debt		
C. I. Advances in India		
(i) Priority Sectors	29,613.49	29,493.22
(ii) Public Sector	1,000.55	313.58
(iii) Banks	-	-
(iv) Others	39,190.40	30,186.59
<b>TOTAL</b>	<b>69,804.44</b>	<b>59,993.39</b>
II. Advances outside India	Nil	Nil
<b>TOTAL</b>	<b>69,804.44</b>	<b>59,993.39</b>
<b>SCHEDULE 10 - FIXED ASSETS</b>		
I. Premises (including Land)		
Gross Block:		
At cost as on March 31, of the preceding year	594.72	594.69
Additions during the year		
Due to Revaluation of premises (Net)	-	-
Due to purchases/acquisitions	48.58	0.03
	643.30	594.72
Deductions during the year	0.06	-
Closing Balance	643.24	594.72
Depreciation		
As at beginning of the year	73.64	66.90
Charge of the year	8.31	6.74
Deductions during the year	-	-
Depreciation to date	81.95	73.64
Net Block	561.29	521.08
<b>Sub total</b>		
II. Capital Work in Progress		
At cost as on March 31, of the preceding year	59.05	40.50
Additions during the year	125.89	96.66
	184.94	137.16
Capitalisations during the year	60.94	78.11
	124.00	59.05
Depreciation to date	-	-
<b>Sub total</b>	<b>124.00</b>	<b>59.05</b>
III. Other Fixed Assets (Including furnitures and fixtures and Software)		
Gross Block:		
At cost as on March 31, of the preceding year	822.26	757.59
Additions during the year	44.24	83.31
	866.50	840.90
Deductions/adjustments during the year	41.83	18.64
Closing Balance	824.67	822.26
Depreciation		
As at beginning of the year	591.32	530.72
Charge of the year	79.18	77.28
Deductions during the year	38.47	16.68
Depreciation/adjustments to date	632.03	591.32
Net Block	192.64	230.94
<b>TOTAL [I+II+III]</b>	<b>877.93</b>	<b>811.07</b>



<b>THE SOUTH INDIAN BANK LIMITED</b>			
<b>SCHEDULES TO REFORMATTED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023</b>			
		As at March 31, 2023 ₹ in Crore	As at March 31, 2022 ₹ in Crore
<b>SCHEDULE 11 - OTHER ASSETS</b>			
I. Inter -Office adjustments (Net)		-	-
I. Interest Accrued		1,131.64	1,008.74
		-	-
II. Tax Paid in Advance/Tax Deducted at Source (Net of provisions)		267.65	307.38
III. MAT Credit Entitlement (Refer Note no. 10 of Schedule 18)	168.05	-	-
Less MAT Credit utilisation	29.80	138.25	-
IV. Deferred tax asset (net) (Refer Note no. 10 of Schedule 18)		21.42	234.47
V. Deferred Employee Benefits (Refer Note no.5.c.ii of Schedule 18)		-	24.57
VI. Deferred provision for fraud accounts		-	-
VI. Deferred provision for Non Banking Asset		-	-
VI. Stationery and Stamps		2.94	2.54
VII. Non-Banking Assets acquired in satisfaction of claims	0.00	-	0.00
Less: Provisions held	0.00	-	0.00
VIII. Others*		3,731.10	5,021.77
<b>TOTAL</b>		<b>5,293.00</b>	<b>6,599.47</b>
*Includes Priority Sector Shortfall Deposits amounting to ₹ 2,636.43 Crore (Previous year ₹3,790.89 Crore)			
<b>SCHEDULE 12 - CONTINGENT LIABILITIES (Refer Note no. 15 of Schedule 17)</b>			
I. Claims against the Bank not acknowledged as debts:			
(i) Direct Tax disputes		20.50	20.50
(ii) Indirect Tax disputes		22.03	22.72
(iii) Others		26.86	26.99
II. Liability on account of outstanding Forward Exchange Contracts <sup>1</sup>		22,517.21	30,894.64
III. Guarantees given on behalf of constituents in India			
(a) in India		1,697.82	1,542.40
(b) outside India		425.96	198.97
IV. Acceptances, endorsements and other obligations		925.38	836.34
V. Other items for which the bank is contingently liable:			
(i) Capital Commitments		36.84	38.44
(ii) Transfers to Depositor Education and Awareness Fund (DEAF)		218.64	183.70
<b>TOTAL</b>		<b>25,891.24</b>	<b>33,764.70</b>
<sup>1</sup> Represents notional amount			
<b>SCHEDULE 13 - INTEREST EARNED</b>			
I. Interest/Discount on Advances/Bills		5,712.15	5,069.34
II. Income on Investments		1,285.73	1,039.81
III. Net Profit/(Loss) on Revaluation of Investments		-	-
III. Interest on balances with Reserve Bank of India and Other Inter - Bank funds		132.10	333.73
IV. Others		103.20	143.66
<b>TOTAL</b>		<b>7,233.18</b>	<b>6,586.54</b>



<b>THE SOUTH INDIAN BANK LIMITED</b>			
<b>SCHEDULES TO REFORMATTED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023</b>			
		As at March 31, 2023 ₹ in Crore	As at March 31, 2022 ₹ in Crore
<b>SCHEDULE 14 - OTHER INCOME</b>			
I. Commission, Exchange and Brokerage		44.57	47.18
II. Profit on sale of Investments	88.00		346.26
Loss on sale of Investments	-17.99		-15.88
Prov for Depn on Investments	<u>-434.52</u>	<u>-364.51</u>	<u>66.17</u>
III. Profit on sale of land, buildings and other assets	1.19		0.87
Loss on sale of land, buildings and other assets	<u>-1.31</u>	<u>-0.12</u>	<u>0.15</u>
IV. Profit/(Loss) on Exchange/derivative transactions (net)		56.05	60.12
V. Miscellaneous Income*		1,075.38	860.28
<b>TOTAL</b>		<u><u>811.37</u></u>	<u><u>1,033.90</u></u>
* Includes Amount written off since recovered (₹ 247.20 Crore (Previous Year ₹ 104.75 Crore))			
<b>SCHEDULE 15 - INTEREST EXPENDED</b>			
I. Interest on Deposits		3,853.32	4,062.37
II. Interest on Reserve Bank of India/ Inter-Bank Borrowings		1.66	4.04
III. Others		366.12	280.37
<b>TOTAL</b>		<u>4,221.10</u>	<u>4,346.78</u>
<b>SCHEDULE 16 - OPERATING EXPENSES</b>			
I. Payments to and Provisions for Employees		1,308.03	1,198.29
II. Rent, Taxes and Lighting		138.82	128.80
III. Printing and Stationery		24.84	12.61
IV. Advertisement and Publicity		12.37	2.78
V. Depreciation on Bank's Property		87.49	84.02
VI. Directors fees, remuneration, allowances and expenses		2.32	1.98
VII. Auditors' fees and expenses		2.81	2.13
VIII. Law charges		22.22	14.53
IX. Postage, telegrams, telephones, etc.		57.28	50.52
X. Repairs and Maintenance		64.74	50.79
XI. Insurance		121.10	115.94
XII. Other Expenditure *		473.81	363.93
<b>TOTAL</b>		<u><u>2,315.83</u></u>	<u><u>2,026.32</u></u>
* Includes expenditure towards Corporate Social Responsibility ₹1.86 Crore (Previous year : ₹ 6.06 Crore)			



**The South Indian Bank Limited**

Schedules forming part of the Reformatted Consolidated Financial Statements for the year ended March 31, 2023

**SCHEDULE – 17**

**SIGNIFICANT ACCOUNTING POLICIES APPENDED TO AND FORMING PART OF THE REFORMATTED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**Background**

*The Bank*

The South Indian Bank Limited ('SIB' or the 'Bank'), incorporated on January 29, 1929 at Thrissur, as a private limited company and was later converted into a public limited company on August 11, 1939. SIB has a network of 940 branches in India and provides retail and corporate banking, para banking activities such as debit card, third party financial product distribution, in addition to Treasury and Foreign Exchange Business. SIB is governed by Banking Regulation Act, 1949, The Companies Act, 2013 and other applicable Acts/Regulations for Banks. Its shares are listed in BSE Limited and National Stock Exchange of India Limited.

The Bank is proposing to go for rights issue of equity shares. For this purpose the Bank has prepared the reformatted consolidated summary balance sheet as at March 31, 2023, the reformatted consolidated profit and loss account, the reformatted consolidated cash flow statement for the year then ended, and the reformatted notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (together comprising the "Reformatted Consolidated Financial Statements"). Accordingly the Reformatted Consolidated Financial Statements will be included in the Letter of Offer to be filed by the Bank with the National Stock Exchange of India Limited, and the BSE Limited (collectively, the "Stock Exchanges"), and with the Securities and Exchange Board of India ("SEBI") in connection with the proposed rights issue of the Bank.

*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 Reformatted Consolidated Financial Statements relate to The South Indian Bank ('SIB' or the 'Bank') and its subsidiary company. The details of subsidiary company is given below:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly as at March 31, 2023
SIB Operations and Services Ltd.	Wholly owned subsidiary	India	The South Indian Bank Ltd.	100%

- ii. The audited financial statements of the subsidiary company is drawn up to the same reporting date as that of the Bank, i.e. March 31, 2023.



**The South Indian Bank Limited**

Schedules forming part of the Reformatted Consolidated Financial Statements for the year ended March 31, 2023

- iii. The financial statements of the Bank and its subsidiary company have been combined on a line-by-line basis as per AS 21, Reformatted 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 Reformatted 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 Reformatted Consolidated Financial Statements as at and for the year ended March 31, 2023 are based on and have been extracted by the Management of the Bank from the audited financial statements of the Bank for the year ended March 31, 2023 (the "Audited Financial Statements"). The amounts reported in the Reformatted Consolidated Financial Statements have been modified from thousands to crore rounded to two decimals.

The Reformatted Consolidated Financial Statements of the Bank and its subsidiary have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP"), the circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time and the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (as amended) and the relevant provisions of the Companies Act, 2013 ("the Act") and current practices prevailing within the banking industry in India. Suitable adjustments are made to align with the format prescribed under the Banking Regulation Act, 1949. The Reformatted 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**

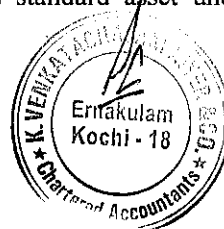
The preparation of the Reformatted Consolidated Financial Statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognized prospectively in the current and future periods.

**Significant Accounting Policies**

**1. Revenue recognition**

*The Bank*

- a) Interest / discount / other charges income from loans, advances and investments and deposits placed with banks and other institutions are 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



**The South Indian Bank Limited**

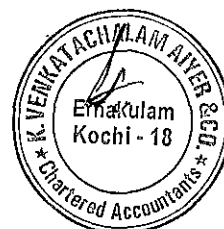
Schedules forming part of the Reformatted Consolidated Financial Statements for the year ended March 31, 2023

restructuring package, where in accordance with RBI guidelines the income is recognized only on realization.

- b) Interest income on loans bought out through the direct assignment route is recognized at their effective interest rate, except in case of such loans classified as non-performing advances.
- c) The recoveries made from NPA accounts are appropriated towards the order of demand applicable to borrowers accounts.
- d) Dividend on investments in shares and units of mutual funds are accounted when the bank's right to receive the dividend is established.
- e) Income on discounted instruments is recognized over the tenure of the instrument on a straight-line basis.
- f) Insurance claims and locker rent are accounted on receipt basis.
- g) Commission income on issuance of bank guarantee / letter of credit is recognized over the period of the guarantee/letter of credit.
- h) Processing fee/ upfront fee, handling charges or income of similar nature collected at the time of sanctioning or renewal of loan/ facility is recognized at the inception/renewal of loan.
- i) Other fees and commission income (including commission income on third party products) are recognized when due, except in cases where the bank is uncertain of ultimate collection.
- j) Unpaid funded interest on term loans are recognized on realization as per the guidelines of RBI.
- k) In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account in the year of sale. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.
- l) Fees received on sale of Priority Sector Lending Certificates is considered as Miscellaneous Income, while fees paid for purchase is expensed as other expenses in accordance with the guidelines issued by the RBI.
- m) The difference between the sale price and purchase cost of gold coins, received on consignment basis is included in other income and is recognised at the time of sale to the customers.
- n) Interest on income tax refund is recognised under "Other Income" in the year of passing of Assessment Orders.
- o) Legal expenses incurred on suit filed accounts are expensed in profit and loss account as per RBI guidelines. Such amount when recovered is treated as income
- p) In case of One Time settlement (OTS) accounts the recoveries are first adjusted to principal balance and sacrifice on settlement is accounted upfront.
- q) Penal interest is recognized as income on realization other than on running accounts where it is recognized when due.

*The Subsidiary*

Income from services rendered and other income are recognized on accrual basis; to the extent, the realisability thereof is certain.





## 2. Investments

### *The Bank*

#### A) Classification

- a) In accordance with the RBI guidelines, investments are categorized into "Held for Trading", "Available for Sale" and "Held to Maturity" and further classified under six groups, viz. Government Securities, Other Approved Securities, Shares, Debentures & Bonds, Subsidiaries and / or joint ventures and Other (to be specified) Investments for the purposes of disclosure in the Balance Sheet. Shifting amongst the categories is done in accordance with the RBI guidelines.
- b) Investments which are held for sale within 90 days from the date of purchase are classified as "Held for Trading".
- c) Investments which the bank intends to hold till maturity are classified as "Held to Maturity".
- d) Investments which are not classified in either of the above two categories are classified as "Available for Sale".

#### B) Acquisition cost

The cost of investments is determined on the weighted average basis. Broken period interest on debt instruments and government securities is treated as a revenue item. The transaction cost including brokerage, commissions etc. paid at the time of acquisition of investments are charged to the Profit and Loss Account.

#### C) Valuation

The valuation of investments is performed in accordance with the RBI Guidelines:

- a. Investments classified as HFT or AFS – Investments classified under the AFS and HFT categories are marked-to-market. The market/fair value of quoted investments included in the 'AFS' and 'HFT' categories is measured with respect to the Market Price of the Scrip as available from the trades/ quotes on the stock exchanges, pricelist of RBI or prices declared by Financial Benchmark India Private Limited etc. periodically. Net depreciation, if any, within each category of investment classification is recognized in Profit and Loss Account. The net appreciation, if any, under each category of Investment is ignored. Except in cases where provision for diminution other than temporary is created, the Book value of individual securities is not changed consequent to the periodic valuation of Investments.

Net depreciation on each type of investments falling under the residual category of 'Others' (i.e. mutual funds, PTCs, security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category.

The depreciation on securities acquired by way of conversion of outstanding loan is provided in accordance with the RBI guidelines. Provision for depreciation on investments is classified under Schedule 14 "Other Income". The book value of individual securities is not changed consequent to the periodic valuation of investments.

- b. Held to Maturity – These are carried at their acquisition cost unless it is more than the face value, in which case premium on acquisition is amortized over the remaining maturity of the security on straight line basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under Schedule 13 in Profit and Loss account. As per RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity. Any diminution, other than temporary, in the value of such securities is

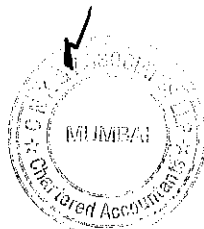


provided for.

- c. Treasury Bills, commercial paper, Cash management bills and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount amortized over the period to maturity.
- d. Units of Mutual Funds are valued at the latest repurchase price/net asset value declared by Mutual Fund.
- e. Market value of investments where current quotations are not available, is determined as per the norms prescribed by the RBI as under:
  - in case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity (YTM) for Government Securities as published by Financial Benchmark India Pvt Limited (FBIL) and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA are adopted for this purpose;
  - in case of bonds and debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by RBI;
  - Preference shares shall be valued on YTM basis. It shall be valued with appropriate mark-up over the YTM rates for Central Government Securities put out by the FBIL. The preference shares shall not be valued above its redemption value.
  - equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet. In case the latest Balance Sheet is not available, the shares are valued at ₹1/- per company;
  - In case of investment by the Bank in SRs issued against loans transferred by it is more than 10 percent of all SRs issued against the transferred asset, then the provision for depreciation in value is made at the higher of - provisioning rate required in terms of net asset value declared by the Reconstruction Company ('RC')/ Securitization Company ('SC') or the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the bank.
  - Non- Performing Investments are identified and valued based on RBI guidelines. Interest on non-performing investments is recognized on cash basis.
  - Investment in subsidiary as per RBI guidelines are categorized as HTM and assessed for impairment to determine permanent diminution, if any
- f. The Bank follows 'Settlement Date' accounting for recording purchase and sale transactions in securities. The investments in equity shares, they are accounted for on settlement date.

D) Repo and Reverse Repo transactions

In accordance with the RBI guidelines repo and reverse repo transactions in government securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are reflected as collateralized borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted for as interest expense and revenue on reverse repo is accounted for as interest income.



**The South Indian Bank Limited**

Schedules forming part of the Reformatted Consolidated Financial Statements for the year ended March 31, 2023

**E) Short Sales**

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is reflected as the amount received on sale and is classified under 'Other Liabilities'. The short position is marked to market and resultant mark-to-market gain/losses are accounted for as per the relevant RBI guidelines for valuation of investments.

**F) Transfer of securities between Categories**

Transfer of securities between categories is done at the lower of the acquisition cost / book value / market value on the date of the transfer and the depreciation, if any, on such transfer is fully provided for in accordance with RBI guidelines.

**G) Disposal of Investments**

- a. Investments classified as HFT and AFS – Profit or loss on sale / redemption is included in the Profit and Loss account.
- b. Investments classified as HTM – Profit on sale of / redemption of investments is included in the Profit and Loss Account and is appropriated to capital Reserve after adjustments for tax and transfer to Statutory Reserve. Loss on sale/redemption is charged to the Profit and Loss Account.

**H) Investment Fluctuation Reserve ('IFR')**

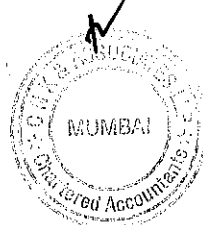
Investment Fluctuation reserve is accounted in line with the RBI guidelines issued from time to time

**3. Advances**

*The Bank*

**A) Valuation / Measurement**

- a) Advances are classified into performing assets (Standard) and non-performing assets ('NPAs') as per the RBI guidelines and are stated net of specific provisions made towards NPAs, sacrifice provisions on restructured advances, claims received from guarantee corporations and unrealised interest on NPAs. Interest on Non- Performing advances is not recognised in profit and loss account and transferred to an unrealised interest account until receipt. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Provisions for NPAs are made as per the guidelines and circulars of the RBI on matters relating to prudential norms.
- b) Non-performing advances are written-off in accordance with the Bank's policies. Amounts recovered against debts written off are recognised in the profit and loss account and included under "Other Income". The recovery of unrealised interest is accounted under "Interest on Loans & Advances" in the profit and loss account.
- c) For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by the RBI, which requires the diminution in the fair value of the assets to be provided at the time of restructuring. In respect of loans and advances accounts subjected to restructuring, the account is upgraded to standard only after the specified period i.e. a period of one year after the date when first payment of interest or of principal, whichever is later, falls due, subject to satisfactory performance of the account during the period.



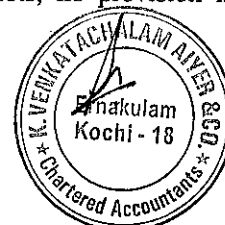
Additional provision for restructured accounts as per the relevant restructuring scheme announced by RBI for Micro, Small and Medium (MSME) sector, accounts affected by natural calamities and as per COVID 19 resolution framework are made as per extant RBI guidelines.

- d) For entities with Unhedged Foreign Currency Exposure(UFCE), provision is made in accordance with the guidelines issued by RBI, which requires to ascertain the amount of UFCE, estimate the extent of likely loss and estimate the riskiness of unhedged position. The Provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.
- e) The Bank maintains general provision for standard assets including credit exposures computed as per the current marked-to-market values of foreign exchange derivative contracts, in accordance with the guidelines and at levels stipulated by RBI from time to time. The Provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.
- f) The bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where bank is participating; the aggregate amount of participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the bank is participating, the aggregate amount of participation is shown as due from banks under advances.
- g) Loss on sale of assets to Asset Reconstruction Companies  
If the sale of non- performing advances is at a price below the net book value, the shortfall is charged to the Profit and Loss Account, spread over a period as specified in RBI guidelines. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.
- h) The Bank makes additional provisions as per RBI's guidelines on 'Prudential Framework on Resolution of Stressed Assets' dated June 7, 2019 on accounts in default and with aggregate exposure above the threshold limits as laid down in the said framework where the resolution plan is not implemented within the specified timeline.
- i) Loans reported as fraud are classified as loss assets and provided as per RBI guidelines.
- j) In the event of substantial erosion in value of loan and remote possibility of collection, non-performing loans with adequate provisions are evaluated for technical / prudential write off based on Bank's policy and the RBI guidelines. Such write off does not have an impact on the Bank's legal claim against the borrower. The Bank may also write off non-performing loans on one-time settlement ('OTS') with the borrower or otherwise.

#### 4. Country risk

##### *The Bank*

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country). The countries are categorised into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit as per Export Credit Guarantee Corporation of India Limited ("ECGC") guidelines and provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is



**The South Indian Bank Limited**

Schedules forming part of the Reformatted Consolidated Financial Statements for the year ended March 31, 2023

maintained on such country exposure. This provision if any, is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

**5. Fixed Assets (Property Plant & Equipment and Intangibles) and depreciation / amortization**

*The Bank*

- a) The Property Plant & Equipment and Intangibles (other than office premise, which are revalued) are stated at historical cost less accumulated depreciation/amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on asset put to use is capitalised only when it increases the future benefit / functioning capability from/of such assets. Gain or losses arising from the retirement or disposal of a Property Plant and Equipment / Intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of assets and recognised as income or expense in the Profit and Loss Account. Profit on sale of premises after adjustments for tax and transfer to Statutory, if any, is transferred to Capital Reserve as per the RBI guidelines.
- b) Portfolio of immovable properties is revalued periodically by independent valuers to reflect current market valuation. All land and building owned by the bank and used as branches or offices or office quarters are grouped under "Office Premises" in the Property Plant & Equipment. Appreciation, if any, on revaluation is credited to Revaluation Reserve under Capital Reserve. Additional depreciation on revalued asset is charged to Profit and Loss Account and appropriated from Revaluation Reserve to Revenue and other Reserves.
- c) Depreciation /Amortisation: Depreciation is provided on a pro-rata basis on a straight-line method over the estimated useful life of the fixed assets at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013, except for Vehicles which are depreciated over five years, based on technical estimates. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II of Companies Act, 2013. Computer software is amortised over its useful life, not more than 5 years.

*The Subsidiary*

- a) Tangible fixed assets

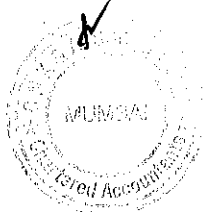
Tangible fixed assets are stated at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes all direct expenses incurred to bring an asset to working condition for its intended use.

- b) Intangible Assets

Intangible assets are recorded at the cost of acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

**Depreciation and Amortization**

- i) Depreciation on tangible assets, has been provided by adopting the useful lives prescribed as per Part C of Schedule II to the Companies Act, 2013 or based on the



technical evaluation done, as the case may be, retaining 5% of the original cost as residual value.

ii) License Cost of Website and EV SSL Certificate is treated as Intangible Assets and is amortized over a period of 9 years and 2 years respectively in accordance with Accounting Standard (AS) 26.

## 6. Impairment of Assets

### *The Bank*

The carrying values of assets at each balance sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Profit and Loss Account, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a reduction in revaluation to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Profit and Loss Account, to the extent the amount was previously charged to the Profit and Loss Account. In case of revalued assets such reversal is not recognised.

## 7. Non-Banking Assets

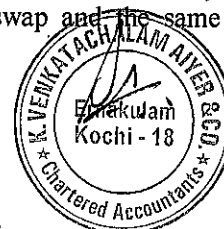
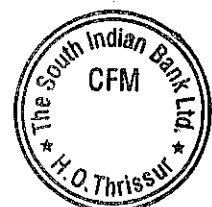
### *The Bank*

Non-banking assets (NBAs) acquired in satisfaction of claims is carried at lower of net book value and net realisable value. Specific provision is made on specific Non-banking assets acquired on debt asset swap arrangements as specified by RBI.

## 8. Transactions involving foreign exchange

### *The Bank*

- a) Foreign currency income and expenditure items are translated at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities outstanding at the Balance Sheet date are revalued at rates notified by Foreign Exchange Dealers Association of India [FEDAI] and resulting profits or losses are included in the Profit and Loss Account, as per the guidelines issued by RBI.
- b) Foreign exchange spot and forward Contracts outstanding as at the Balance Sheet date (except Forward Contracts taken to hedge FCNR Deposits/Overseas Borrowings) are revalued at the closing Spot and Forward Rates respectively as notified by FEDAI and at interpolated rates for contracts of interim maturities. For valuation of contracts having longer maturities, the forward points (for rates/tenures not published by FEDAI) are obtained from Reuters for valuation of the FX Deals. As directed by FEDAI to consider profit or loss on present value basis, the forward profit or loss on the deals are discounted till the valuation date using the discounting yields. The resulting profit or loss on valuation is recognised in the Profit and Loss Account in accordance with RBI/FEDAI Guidelines.
- c) Forward Contracts taken to hedge FCNR Deposits/Overseas Borrowings are translated at the prevailing spot rate at the time of swap. The Premium/ Discount on the swap arising out of the difference in the exchange rate of the swap date and maturity date of the underlying forward exchange contract is amortised over the period of the swap and the same is



**The South Indian Bank Limited**

Schedules forming part of the Reformatted Consolidated Financial Statements for the year ended March 31, 2023

recognized in the Profit and Loss Account.

- d) Contingent liabilities on account of foreign exchange contracts, guarantees, letters of credit, acceptances and endorsements are reported at closing rates of exchange notified by FEDAI as at the Balance Sheet date.

**9. Derivative transactions**

*The Bank*

The Bank recognizes all derivative contracts at fair value, on the date on which the derivative contracts are entered into and are remeasured at fair value as at the Balance sheet or reporting dates. Derivatives are classified as assets when the fair value is positive (Positive marked-to-market) or as liabilities when the fair value is negative (negative marked-to-market). Changes in the fair value of derivatives other than those designated as hedges are recognised in the Profit and Loss Account.

**10. Employee benefits**

*The Bank*

a) Provident Fund:

The contribution made by the Bank to "The South Indian Bank Ltd Employees Provident Fund", administered by the trustees is charged to Profit and Loss account. The fund is a defined contribution fund and the Bank has no further liability beyond the contribution made to the fund.

b) Pension Fund:

The contribution towards "The South Indian Bank Ltd Employees' Pension Fund Trust", managed by trustees, is determined on actuarial basis on projected unit credit method as on the Balance Sheet date and is recognised in the profit and loss account. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

Employees who had joined the services of the Bank with effect from April 1, 2010 are covered under Defined Contributory Pension Scheme (DCPS). In respect of such employees the bank contributes specified percentage of the Basic Pay plus Dearness Allowance and the expenditure thereof is charged to Profit and Loss account and the Bank has no further liability beyond the contribution to the fund on this account.

c) Gratuity:

The bank makes contribution to "The South Indian Bank Ltd Employees' Gratuity Trust" administered and managed by the trustees. The present value of the bank's obligation towards the same is actuarially determined based on the projected unit credit method as at the balance sheet date. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

d) Compensated absence on Privilege / Sick / Casual Leave and Leave Travel Concession (LTC):

The employees of the Bank are entitled to compensated absence on account of privilege / sick / casual leave as per the leave rules. The bank measures the long term expected cost of compensated absence as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuation and such costs are recognised in the profit and loss account. The actuarial gain or loss arising during the year is recognised in the



**Profit and Loss Account.**

The employees are also eligible for LTC as per the rules. The estimated cost of unused entitlement as on the Balance Sheet date based on actuarial valuation is provided for.

**e) Employees Stock Option Scheme (ESOS):**

The SIB ESOS 2008 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Managing Director of the Bank. The Scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021. The Bank followed intrinsic value method to account for its stock based employee compensation plans as per the Guidelines for all the options granted till the accounting period ending 31 March, 2021.

RBI issued a clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers /Material Risk Takers and Control Function Staff on 30 August, 2021, advising banks that the share-linked instruments are required to be fair valued on the date of grant using the Black-Scholes model. Accordingly, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognized the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. Options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant or at such a discount as may be approved by NRC/Board from time to time. The fair market price being the closing price of stock exchange which recorded the highest trading volumes in equity shares of the Bank and trading day immediately preceding the date on which the grant of options was approved and recommended to Board by Nomination and Remuneration Committee of Board.

**f) Other Employee Benefits:**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employee is recognised during the period when the employee renders the service. These benefits include performance incentives.

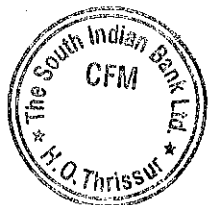
**g) New Pension Scheme ('NPS')**

In respect of employees who are covered under NPS, the Bank contributes certain percentage of the sum of basic salary and dearness allowance of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies and regulated by PFRDA. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue. The Bank has no liability other than its contribution, and recognises such contributions as an expense in the year incurred.

**11. Segment Reporting**

*The Bank*

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by RBI. Segmental expenses are allocated as per board approved policy.





## 12. Debit Card Reward Points

### *The Bank*

The Bank runs a loyalty program which seeks to recognise and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. The Bank estimates the probable redemption of such loyalty/reward points using an actuarial method at the Balance Sheet date by employing independent actuary. Provision for said reward points is then made based on the actuarial valuation report as furnished by the said independent Actuary.

## 13. Earnings Per Share (EPS)

The Bank & Subsidiary reports Basic and Diluted Earnings per Equity Share in accordance with Accounting Standard 20, prescribed under section 133 of the Companies Act, 2013 read together with the Companies (Accounting Standards) Rules, 2021. Basic EPS has been computed by dividing Net Profit for the year by the weighted average number of Equity Shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. A diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end. Potential equity shares which are anti-dilutive in nature are ignored.

## 14. Taxes on income

### *The Bank*

Income tax expense is the aggregate amount of current tax and deferred tax charge. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961, the rules framed there under and considering the material principles set out in Income Computation and Disclosure Standards and as per Accounting Standard 22 – “Accounting for Taxes on Income” respectively.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961, Accounting Standard 22 - “Accounting for Taxes on Income” and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Bank has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an



**The South Indian Bank Limited**

Schedules forming part of the Reformatted Consolidated Financial Statements for the year ended March 31, 2023

asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Bank.

**15. Accounting for Provisions, Contingent Liabilities and Contingent Assets**

*The Bank*

In accordance with Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets prescribed under section 133 of the Companies Act, 2013, the Bank recognises provisions when it has a present obligation as a result of a past event and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate of the amount of the obligation can be made.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

**16. Operating Lease**

*The Bank*

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account as per the lease terms.

**17. Cash and cash equivalents**

*The Bank*

Cash and cash equivalents include cash in hand, balances with Reserve Bank of India and balances with other banks/institutions and Money at Call and Short Notice (including the effect of changes in exchange rates on cash and cash equivalents in foreign currency).

**18. Share issue expenses**

*The Bank*

Share issue expenses are adjusted from Securities Premium Account as permitted by Section 52 of the Companies Act, 2013 and in line with the respective RBI guidelines issued from time to time.

**19. Corporate Social Responsibility**

*The Bank*

Expenditure towards Corporate Social Responsibility is recognized in accordance with Companies Act 2013.

**20. Accounting of Priority Sector Lending Certificate (PSLC)**

*The Bank*

The Bank vide RBI circular FIDD.CO.Plan.BC.23/04.09.01/2015-16 dated April 7, 2016 trades



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in priority sector portfolio by selling or buying PSLC, without transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income'.

**21. Accounting for Dividend**

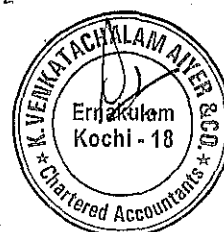
*The Bank*

In terms of revised Accounting Standard (AS) 4 "Contingencies and Events occurring after the Balance sheet date" as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016, Proposed Dividend or Dividend declared after balance sheet date are not shown as liability in current year balance sheet. The effect of the proposed dividend shall be reckoned in determining capital funds in the computation of capital adequacy ratios in Financial Year for which the dividend is declared. In case of interim dividend, the same shall be reckoned in the same quarter.

**22. Cash Flows**

*The Bank*

Cash flow Statement has been prepared under the Indirect Method.



**SCHEDULE - 18**

**NOTES ON ACCOUNTS FORMING PART OF THE REFORMATTED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

1. Reformatted Consolidated Financial Statements comprises the results of The South Indian Bank Limited (Parent) and the wholly owned non-financial subsidiary of SIB Operations and Services Limited for the year ended March 31, 2023.
2. Audited Financial Statements of the Subsidiary has been drawn up to the same reporting date as that of the Parent i.e. March 31, 2023.
3. **Share Capital**
  - i. Capital infusion

During the year ended March 31, 2023 and March 31, 2022 the Bank has not allotted any equity shares.

- ii. Details of movement in the paid-up equity share capital of the Bank are given below:

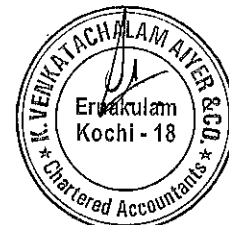
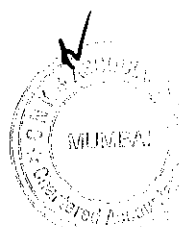
[₹. in Crore]

Particulars	March 31, 2023		March 31, 2022	
	No of shares	Amount	No of shares	Amount
Opening Balance	209,27,41,018	209.27	209,27,41,018	209.27
Additions pursuant to Stock Options exercised/preferential issue	-	-	-	-
Closing balance	209,27,41,018	209.27	209,27,41,018	209.27

**4. Accounting for Employee Share Based Payments.**

The company has provided various share based payment schemes to its employees. As on March 31, 2023, the following schemes were in operation;

	Tranche 12	Tranche 11	Tranche 8
Date of grant	01.03.2023	23.04.2022	06.12.2017
Date of Board approval	01.03.2023	23.04.2022	06.12.2017
Date of Shareholders approval	12-07-2022	12-07-2022	18.08.2008
Number of options granted	11,06,194	3,99,171	43,04,710
Method of settlement	Equity	Equity	Equity
Vesting period	01.03.2024 to 01.03.2026	23.04.2023 to 23.04.2025	06.12.2019 to 06.12.2021



The South Indian Bank Limited

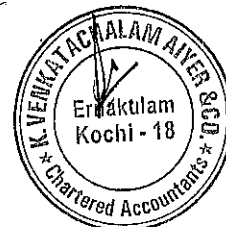
Schedules forming part of Reformatted Consolidated Financial Statements for the year ended March 31, 2023

Exercise period (for all Tranches)	The Grantee will be permitted to exercise their Options within five years from the date of vesting	The Grantee will be permitted to exercise their Options within five years from the date of vesting	Eligible to exercise the options during any one of the four specific periods (i.e., within 30 days after the end of each quarter) within one year from the date of vesting.
Manner of Vesting (for all Tranches)	30%, which will be vested on completion, of 1st 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	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.  40%, which will be vested on completion, of 3rd year from the date of grant	In a graded manner over a 5 year period with 30%, 30% and 40% of the grants vesting in each year commencing from the end of 5 years from the grant date.

Bank has changed its accounting policy from the intrinsic value method to the fair value method as per Black – Scholes model for all share-linked instruments granted after 31 March, 2021.

**Activity in the options outstanding under the ESOS**

Particulars	March 31, 2023		March 31, 2022	
	Options	Weighted average exercise price (₹)	Options	Weighted average exercise price (₹)
Options outstanding at the beginning of the year	1,005,872	18.72	1,797,019	18.72
Options granted during the year	15,05,365	14.34	-	-
Options exercised during the year	-	-	-	-
Forfeited / lapsed during the year	10,05,564	18.72	7,91,147	18.72
Options outstanding at the	15,05,673	14.34	1,005,872	18.72



The South Indian Bank Limited  
Schedules forming part of Reformatted Consolidated Financial Statements for the year ended March 31, 2023

end of the year				
Options Exercisable	308	18.72	1,005,872	18.72

Details of exercise price for stock options outstanding as at March 31, 2023

Particulars	Exercise price per share (₹)	Option Premium	Number of options outstanding	Remaining contractual life of options (in years)
Tranche 8	18.72	NA	308	0.20
Tranche 11	8.35	3.29	399171	2.16
Tranche 12	16.50	6.78	1106194	3.02

Details of exercise price for stock options outstanding as at March 31, 2022

Particulars	Exercise price per share (₹)	Number of options outstanding	Remaining contractual life of options (in years)
Tranche 8	18.72	1,005,872	0.68

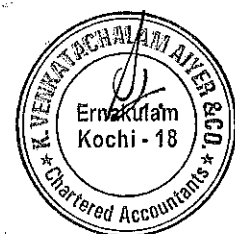
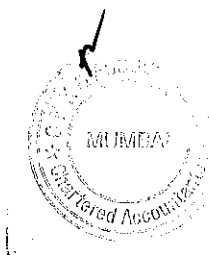
Effect of the ESOS on the profit and loss account and on its financial position: [₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
Opening of ESOS Liability	1.29	2.31
Liability on account of ESOS issued	0.88	0.00
Reversal on account of Exercise	0.00	0.00
Reversal on account of lapsed/forfeiture	(1.29)	(1.02)
Total Employee compensation cost pertaining to ESOS	0.88	1.29
Opening Deferred Compensation Cost	0.00	0.22
Deferred compensation cost on ESOS issued	0.88	0.00
Compensation Cost pertaining to ESOS amortized during the year	(0.11)	(0.22)
Reversal on account of lapse/ forfeiture	0.00	0.00
Deferred compensation cost	0.77	0.00

Impact of fair value method on net profit and on EPS

Had compensation cost for the ESOS outstanding being determined based on the fair value approach instead of intrinsic value method, the Bank's net profit and earnings per share would have been as indicated below: [₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
Net Profit as reported	775.09	44.98
Proforma Net profit based on fair value approach	775.09	45.00
Basic EPS as reported (₹)	3.70	0.21
Basic EPS (Proforma)( ₹)	3.70	0.22
Diluted EPS as reported(₹)	3.70	0.21
Diluted EPS (Proforma)( ₹)	3.70	0.22



In computing the above information, certain estimates and assumptions have been made by the management which has been relied upon by the auditors.

## 5. Employee Benefits

### a) Provident Fund:

Employees, who have not opted for pension plan are eligible to get benefits from provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid on retirement, death, incapacitation or termination of employment. Both the employee and the Bank contribute a specified percentage of the salary to the South Indian Bank Employees' Provident Fund. The Bank has no obligation other than the monthly contribution.

The Bank recognized ₹0.24 Crore (Previous Year: ₹0.24 Crore) for provident fund contribution in the Profit and Loss Account.

### b) New Pension Scheme

As per the industry level settlement dated April 27, 2010, employees who joined the services of the Bank on or after April 1, 2010 are not eligible for the existing pension scheme whereas they will be eligible for Defined Contributory Pension Scheme (DCPS) in line with the New Pension Scheme introduced for employees of Central Government. Employee shall contribute 10% of their Basic Pay and Dearness Allowance towards DCPS and the Bank will also make a contribution of 14%. There is no separate Provident Fund for employees joining on or after April 1, 2010.

The Bank recognized ₹45.05 Crore (Previous Year: ₹35.80 Crore) for DCPS contribution in the Profit and Loss Account.

### c) Retirement Benefits.

- i. The bank has recognized the following amounts in the Profit and loss account towards employee benefits as under:

Particulars	[₹. in Crore]	
	March 31, 2023	March 31, 2022
Pension Fund	116.35	244.71
Gratuity Fund	30.37	23.92
Compensation for absence on privilege/sick/casual leave	54.63	60.36

The employee benefits on account of pension, gratuity and Leave have been ascertained on actuarial valuation in accordance with Accounting Standard - 15 prescribed under section 133 of the Companies Act, 2013

### ii) Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks

“Reserve Bank of India vide letter dated October 4, 2021 has permitted all member banks of Indian Banks' Association covered under the 11th Bipartite Settlement to amortize the additional liability on account of revision in family pension over a period not exceeding five



years, beginning with the Financial Year ended March 31, 2022. The bank has recognized the entire additional liability estimated at ₹ 43 crores and opted to amortize the same over a period of seven quarters beginning with the quarter ended September 30, 2021. Accordingly, an amount of ₹ 24.57 Crore (Previous year ₹ 18.43 crore) has been written off during the year ended March 31, 2023 in respect of the said additional liability and the balance is ₹ Nil.

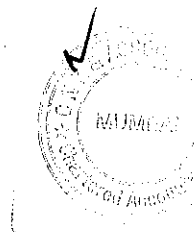
The following table as furnished by Actuary sets out the funded status of gratuity / pension plan and the amount recognized in the Bank's financial statements as at March 31, 2023.

**d) Changes in the defined benefit obligations** [₹. in Crore]

	Gratuity Plan		Pension Plan	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Projected defined benefit obligation, beginning of the year	254.48	245.42	1020.37	920.62
Current Service Cost	22.19	20.06	186.53	193.26
Past Service Cost	-	-	-	-
Interest Cost	17.89	16.55	65.47	57.17
Actuarial (gain)/ loss	8.85	4.13	(88.47)	82.37
Benefits paid	(33.15)	(31.67)	(199.08)	(233.05)
Projected defined benefit obligation, end of the year	270.27	254.49	984.81	1020.37
Liability (net) of fair value of plan asset at the end of the year	3.13	7.63	(5.69)	4.73

**e) Changes in the fair value of plan assets** [₹. in Crore]

	Gratuity Plan		Pension Plan	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Fair value of plan assets, beginning of the year	246.85	243.49	1015.64	894.16
Expected return on plan assets	18.63	17.07	68.34	65.89
Employer's contributions	34.88	18.21	102.21	291.00
Actuarial gain/ (loss)	(0.06)	(0.25)	3.40	(2.35)
Benefits paid	(33.15)	(31.67)	(199.08)	(233.05)
Fair value of plan assets, end of the year	267.14	246.85	990.50	1015.63





**f) Net Employee benefit expense (recognized in payments to and provisions for employees)**

[₹. in Crore]

	Gratuity Plan		Pension Plan	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Current Service Cost	22.19	20.06	186.53	193.26
Past Service Cost	-	-	-	-
Interest Cost	17.89	16.55	65.47	57.17
Expected return on plan assets	(18.62)	(17.07)	(68.34)	(65.89)
Net actuarial (gain)/ loss recognised in the year	8.92	4.38	(91.87)	84.72
Employee cost	30.37	23.92	91.78	269.26
Unamortized cost	-	-	-	-
Total	30.37	23.92	91.78	269.26
Actual return on plan assets	18.56	16.82	71.73	63.54

**g) Categories of plan assets as a percentage of the fair value of total plan assets**

	Gratuity Plan		Pension Plan	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Government Securities (Central & State)	-	-	-	-
High quality Corporate Bonds	-	-	-	-
Equity Shares of Listed Companies	-	-	-	-
Funds Managed by Insurer *	100%	100%	100%	100%
Others (PSU & Special Deposits)	-	-	-	-
Total	100%	100%	100%	100%

\* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

**h) Experience adjustments**

**(i) Gratuity**

[₹. in Crore]

	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Defined Benefit Obligations	270.27	254.49	245.41	232.65	216.44
Plan Assets	267.14	246.85	243.49	227.75	210.30
(Surplus)/Deficit	3.13	7.63	1.92	4.90	6.14
Unamortized	-	-	-	-	-
Net benefit expenses	3.13	7.63	1.92	4.90	6.14
Experience adjustments (gain) / loss on Plan Liabilities	9.16	12.43	32.70	(7.48)	5.25
Experience Adjustments gain / (loss) on Plan Assets	0.06	0.25	(0.97)	0.58	(1.49)



(ii) Pension

[₹. in Crore]

	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Defined Benefit Obligations	984.81	1,020.37	920.62	801.56	700.22
Plan Assets	990.50	1,015.63	894.15	747.52	674.56
(Surplus)/Deficit	(5.69)	4.73	26.47	54.05	25.66
Experience adjustments (gain) / loss on Plan Liabilities	(88.47)	82.37	138.80	42.33	(1.98)
Experience Adjustments gain / (loss) on Plan Assets	(3.40)	2.35	(4.77)	5.86	(1.20)

i) Assumptions used by the actuary in accounting for Gratuity/ Pension/Compensation for absence

	Gratuity Plan		Pension Plan		Compensation for absence	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Discount rate	7.53%	7.52%	7.52%	7.27%	7.53%	7.52%
Expected rate of return on plan assets	7.52%	7.21%	7.27%	7.11%	*	*
Increase in compensation cost	6.00%	6.00%	5.5%	5.5%	6.00%	6.00%

\*Not applicable

Notes:

- (i) Discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of obligations.
- (ii) Expected rate of return on plan assets is based on the average long term rate of return expected on investments of the funds during the estimated term of the obligations.
- (iii) The estimates of future salary increases, considered in actuarial valuation, taken in to account the inflation, seniority, promotion and other relevant factors.

j) Compensation for absence on Privilege / Sick / Casual Leave

The charge on account of compensation for privilege / sick / casual leave has been actuarially determined and an amount of ₹54.63 Crore (Previous year ₹60.36 Crore) has been debited to Profit and Loss account.

The above information is as certified by actuary and relied upon by the auditor.

6. Micro Small and Medium Industries

Under the Micro, Small and Medium enterprises development Act 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payment to micro, and small enterprises or of interest payments due to delays in such payments. The above is based on information available with the Bank which has been relied on by the auditors.



## 7. Segment reporting

Business Segments have been identified and reported taking into account, the target customer profile, the nature of product and services, the differing risks and returns, the organization structure, the internal business reporting system and guidelines issued by RBI from time to time. The Bank operates in the following business segments;

a) Treasury:

The treasury segment primarily consists of interest earnings on investments portfolio of the bank, gains or losses on investment operations and earnings from foreign exchange business. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

b) Corporate / Wholesale Banking:

The Corporate / Whole sale Banking segment provides loans to corporate segment identified on the basis of RBI guidelines. Revenues of this segment consist of interest earned on Loans made to corporate customers and the charges / fees earned from other banking services. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

c) Retail banking:

The Retail Banking segment provides loans to non-corporate customers identified on the basis of RBI guidelines. Revenues of this segment consist of interest earned on Loans made to non-corporate customers and the charges / fees earned from other banking services. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-2023 dated April 07, 2022 on establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as sub-segment of the Retail Banking Segment. Assets of DBU consists of mainly credit card, loan against deposits opened through digital mode etc.

d) Other Banking Operations:

This segment includes income from para banking activities such as debit cards, third party product distribution and associated costs. Segmental expenses are allocated as per board approved policy.

e) Unallocated

All items that cannot be allocated to reportable segments are included in unallocated portion.

### Geographic segment

The Bank operations are predominantly confined within one geographical segment (India) and accordingly this is considered as the only secondary segment. In accordance with RBI guidelines in regard to business segments of banks, the bank has determined the business segments and the required disclosures are as follows:



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[₹. in Crore]

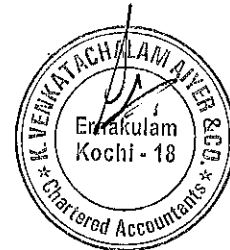
Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Particulars	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	1088.00	1499.70	2323.02	2065.04	4083.76	3,710.05	549.77	345.65	8044.55	7,620.44
Result	(158.42)	18.51	(101.70)	(656.82)	975.59	291.65	392.74	254.68	1108.21	(91.99)
Unallocated (Expenses)/ Income									0.29	(0.23)
Operating profit									1108.50	(92.21)
Income Taxes									333.19	(137.03)
Net Profit									775.31	44.82
Other Information:										
Segment Assets	26438.49	24,263.47	37973.84	31,599.90	39750.34	40,568.85	25.91	19.79	104188.58	96,452.01
Unallocated Assets									3508.58	3599.86
Total Assets									107697.16	1,00,051.87
Segment Liabilities	25038.41	23,258.48	36329.54	30,643.81	38027.83	39,341.02	-	-	99395.78	93,243.31
Unallocated Liabilities									1626.76	955.60
Total Liabilities									101022.54	94,198.91

Since the Bank operates only in domestic segment, the requirement of disclosure regarding geographical segment is not applicable.

\*RBI's Master Direction on Financial Statements-Presentation and Disclosures, requires to sub-divide 'Retail banking' into (a) Digital Banking (as defined in RBI Circular on Establishment of Digital Banking Units dated April 07, 2022) and (b) Other Retail Banking segment. Accordingly, the segmental results for retail banking segment for Q4 2022-23 is sub-divided as below.  
(Rs. In Crore)

Particulars	Segment Revenue for the year ended 31.03.2023	Segment Results (net of provisions) for the year ended 31.03.2023	Segment Assets as on 31.03.2023	Segment Liabilities as on 31.03.2023
Retail Banking				
(i) Digital Banking	302.53	73.17	3017.67	2887.01
(ii) Other Retail Banking	3781.23	902.42	36732.67	35140.82

Segment information is provided as per the MIS available for internal reporting purposes, which include certain estimates/assumptions. The methodology adopted in compiling and reporting the above information has been relied upon by auditors.



**8. Related party disclosure:**

The related parties of the bank are broadly classified as:

**a. Subsidiary**

Sl. No.	Name of the Entity	Nature of Relationship
1	SIB Operations and Services Limited	Wholly Owned Subsidiary ( WOS)

**b. Key Management Personnel (As per AS 18) – MD & CEO**

Sl. No.	Name of the Key Management Personnel	Relative of the Key Management Personnel
1	Mr. Murali Ramakrishnan, Managing Director and CEO	<ul style="list-style-type: none"> <li>• Mangala Santhanam</li> <li>• Charumathy Murali</li> </ul>

**Related Party Transaction Summary for the Financial year ended 31.03.2023**

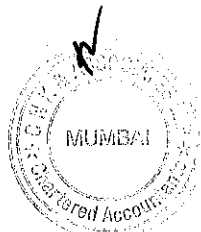
(Rs. In Crore)

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, 2023)	In case monies are due to either party as a result of the transaction	
					Opening Balance (as on April 1, 2022)	Closing Balance (as on March 31, 2023)
1	Wholly owned subsidiary (WOS)	Income received for providing management service	Note 6	1.24	0.20	0.81
2	Wholly owned subsidiary (WOS)	Income received for providing other services	Note 6	0.02	0.002	0.002
3	Wholly owned subsidiary (WOS)	Expense paid for HR services provided by WOS	Note 6	9.36	0.28	1.07
4	Directors	Sitting Fees (WOS)		0.02	0.004	-
5	Subsidiary Directors	Interest received		0.001	-	-
6	Subsidiary Directors	Interest Paid		0.09	-	-
7	Subsidiary Directors	Deposits	Note 5			



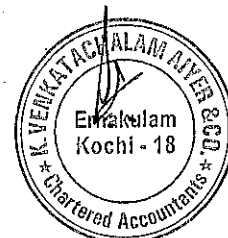
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				1.38	1.22	1.38
8	Subsidiary Directors' Relatives	Interest received		0.003	-	-
9	Subsidiary Directors' Relatives	Deposits	Note 5	4.632	4.45	4.63
10	Subsidiary Directors' Relatives	Interest Paid		0.18	-	-
11	KMPs including MD & CEO and Subsidiary Directors	Remuneration paid	As per Bank's Internal Policies/approved by Regulator	4.00	-	-
12	Directors	Sitting Fees including honorarium to Chairman		2.17	-	-
13	Directors	Deposits	Note 5	1.78	2.10	1.78
14	Directors	Interest received		0.06	-	-
15	Directors	Interest Paid		0.12	-	-
16	KMPs including MD & CEO	Deposits	Note 5	11.09	0.04	11.09
17	KMPs including MD & CEO	Interest received		0.04	-	-
18	KMPs including MD & CEO	Interest Paid		0.47	-	-
19	KMPs including MD & CEO and Subsidiary Directors	ESOS grant outstanding(Nos.)	Refer Note No 8	15,05,365.00	10,476.00	15,05,365.00
20	Relative/ Interested company- Directors	Deposits	Note 5	11.22	11.87	11.22
21	Relative/ Interested company- Directors	Interest Paid		0.64	-	-
22	Relative/ Interested company- Directors	Interest received		0.002	-	-
23	Relative of KMPs & MD & CEO	Deposits	Note 5	0.80	0.61	0.80
24	Relative of KMPs & MD & CEO	Interest Paid		0.06	-	-
25	MD & CEO	savings		0.002	0.19	0.002
26	Relative MD & CEO	savings		0.01	0.01	0.01



**Note:**

- 1) Transactions with WOS are shown excluding GST and TDS
- 2) In compliance with the guidelines given as per annexure to SEBI circular No SEBI/HO/CFD/CMD1/CIR/P/2021/662 November 22, 2021, The South Indian Bank Ltd, being a listed bank, is not required to provide the disclosures with respect to related party transactions involving loans, inter-corporate deposits, advances or investments made or given by the bank.
- 3) In compliance with the guidelines given as per annexure to SEBI circular No SEBI/HO/CFD/CMD1/CIR/P/2021/662 November 22, 2021 transactions such as acceptance of fixed deposits by banks, undertaken with related parties, at the terms uniformly applicable /offered to all shareholders/ public only are reported under deposit.
- 4) The Bank, being a scheduled commercial bank, as per RBI circular RBI/DBR/2015-16/19 dated March 03, 2016, has allowed additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or a term deposits of bank's staff and their exclusive associations as well as on deposits of Chairman, Managing Director and such other Executives appointed for a fixed tenure.
- 5) Value of the related party transaction for deposit is the balance in fixed deposit outstanding as on 31.03.2023.
- 6) Regulation 23 of Listing regulations, as amended from time to time, grant exemptions from seeking approval of the Audit Committee of the Board for the transactions entered into by and between the holding company and its wholly owned subsidiary company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- 7) None of the Directors/ KMPs/ relatives are holding substantial shares/ securities of the Bank.
- 8) As part of additional disclosure internal KMP data are also disclosed during the period ended 31.03.2023 in line with reporting made for the half year ended 30.09.2022.
- 9) Transactions with common directors of subsidiary and Bank is shown under Directors.
- 10) Mr. Parayil George John Tharakan (DIN-07018289), has retired from the office as a Non-Executive Independent Director of the Bank on November 24, 2022, upon completion of his 8-year term, as per Section 10A(2A) of Banking Regulation Act 1949, hence in the closing balance (Deposits) details of his/ his relatives' deposits were not included in reporting as the same will not be coming under the preview of RPT.
- 11) The CSR activity of Bank is carried out by a trust formed by Bank in this regard. Since the Trust is acting on behalf of Bank and amount are spent as Bank's CSR expenditure, these transactions are not treated as RPT



### 9. Earnings per Share

The Bank reports basic and diluted EPS in accordance with the Accounting Standard - 20 on "Earnings per Share"

Particulars	March 31, 2023	March 31, 2022
Weighted average number of equity shares used in computation of basic earnings per share	209,27,41,018	209,27,41,018
Potential equity shares arising out of the Employees Stock Option Scheme	-	-
Weighted average number of equity shares used in computation of diluted earnings per share	209,27,41,018	209,27,41,018
Earnings used in the computation of basic earnings per share (₹ in Crore)	775.31	44.82
Earnings used in the computation of diluted earnings per share (₹ in Crore)	775.31	44.82
Nominal Value of share (in ₹)	1.00	1.00
Basic earnings per share (in ₹)	3.70	0.21
Effect of potential equity shares for ESOS	-	-
Diluted earnings per share (in ₹)	3.70	0.21

### 10. Deferred Tax Assets (net)

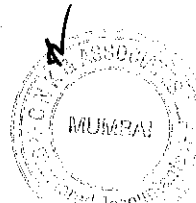
[₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
<b>Deferred Tax Asset (A)</b>		
Provisions for Loans/Investments/ others	324.82	370.86
Fixed Assets: on difference between book balances and tax balance of WDV of fixed assets	8.40	3.11
Preliminary expenses	0.00	0.01
Carried forward Business Loss/Depreciation Allowance	0.01	0.05
<b>Total (A)</b>	<b>333.23</b>	<b>374.03</b>
<b>Deferred Tax Liabilities (B)</b>		
Special Reserve created u/s 36(1)(viii) of Income Tax Act	167.52	139.56
Interest accrued but not due on investments	144.29	0.00
<b>Total (B)</b>	<b>311.81</b>	<b>139.56</b>
<b>Deferred Tax Asset (net) (A-B)</b>	<b>21.42</b>	<b>234.47</b>

### Provision for taxes during the year:

[₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
Current Tax (net of write back)	258.40	(5.95)
Deferred Tax (net)	213.05	(131.08)
MAT Credit	(138.26)	0.00
<b>Total</b>	<b>333.19</b>	<b>(137.03)</b>





The South Indian Bank Limited

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Tax provision is created in the books after adjusting for permanent differences in Income tax, accounting of MAT credit and deferred tax assets/liability. Based on favourable Income Tax orders received during the financial year, the excess provision for tax held for different assessment years in the books of account as on the balance sheet date amounting to a net sum of ₹54.81 Crore (Previous year ₹ 69.60 Crore) has been written back.

## 11. Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account:

[₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
Provision for NPAs (including write off, excluding technical write off)	623.07	1,161.40
Provision for NPIs	(137.54)	(7.91)
Provision for taxes (Net of write back) <sup>1</sup>	258.40	(5.95)
Deferred Tax (net)	213.05	(131.08)
MAT Credit	(138.26)	-
Provision for Standard Assets	(58.61)	175.57
Provision for Restructured Advances	(0.05)	1.22
Provision for FITL	(22.17)	69.67
Provision for unhedged foreign currency exposures	1.66	(1.06)
Provision for Non-Banking Asset <sup>2</sup>	(0.71)	(62.74)
Provision for Fraud / Other impaired assets	(6.53)	3.41
<b>TOTAL</b>	<b>732.31</b>	<b>1,202.53</b>

<sup>1</sup> Based on favourable Income Tax orders received during the financial year, the net excess provision for tax held in books amounting to ₹54.81 Crore (Previous year ₹ 69.60 Crore) has been written back.

<sup>2</sup> The Bank had acquired certain land parcels under a partial Debt Asset Swap transaction ("DAS") in earlier years aggregating ₹110 Crores and classified them as "Non-Banking Assets acquired in satisfaction of claims" in the Balance Sheet. During the FY 2022-23 Bank had sold certain properties and ₹0.71 Crore (Previous year ₹ 62.74 Crore) (after adjusting the expenses) was credited back to the provision.

## 12. Draw Down from Reserves

The Bank has not undertaken any drawdown from reserves during the years ended March 31, 2023 and March 31, 2022



**13. Penalties levied by the Reserve Bank of India**

The penalty imposed by RBI during the year ended March 31, 2023 was ₹15,90,650/-  
(Previous year ₹1,01,86,000/-)

**Penalties Imposed By RBI in FY 2022-23**

Sl No	Imposed date	Amount(Rs)	Nature of breach
1	28-03-2022	10,000.00*	ATM Cash-out penalty imposed by RBI.
2	07-04-2022	10,000.00	ATM Cash-out penalty imposed by RBI.
3	12-05-2022	10,000.00	ATM Cash-out penalty imposed by RBI.
4	13-05-2022	20,000.00	ATM Cash-out penalty imposed by RBI.
5	20-05-2022	20,000.00	ATM Cash-out penalty imposed by RBI.
6	24-05-2022	4,00,000.00	ATM Cash-out penalty imposed by RBI.
7	01-06-2022	70,000.00	ATM Cash-out penalty imposed by RBI.
8	03-06-2022	1,00,000.00	ATM Cash-out penalty imposed by RBI.
9	05-07-2022	50,000.00	ATM Cash-out penalty imposed by RBI.
10	21-07-2022	2,150.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
11	10-08-2022	150.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
12	03-08-2022	3,750.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
13	16-08-2022	1,200.00	Late fee due to delay in filing Form GSTR-6 return for the month of July 2022.
14	04-08-2022	10,000.00	Penalty imposed by RBI for non-reporting of ATM cash-out. Later, based on bank's representation, the penalty amount was reversed to our account.
15	22-08-2022	40,000.00	ATM Cash-out penalty imposed by RBI.
16	02-09-2022	60,000.00	ATM Cash-out penalty imposed by RBI.
17	06-09-2022	30,000.00	ATM Cash-out penalty imposed by RBI.
18	07-10-2022	30,000.00	ATM Cash-out penalty imposed by RBI.
19	03-11-2022	10,000.00	ATM Cash-out penalty imposed by RBI.
20	18-11-2022	4,850.00	Penalty imposed for discrepancies in Soiled Note Remittance / shortage in remittance by currency chest.
21	08-12-2022	10,000.00	ATM Cash-out penalty imposed by RBI.
22	12-12-2022	15,000.00	Penalty imposed by RBI for irregularities observed during their visit.
23	16-01-2023	15,000.00	Penalty imposed by RBI for irregularities observed during their visit.
24	29-12-2022	5,000.00	Penalty imposed by RBI for irregularities observed during their visit.
25	16-02-2023	90,000.00	ATM Cash-out penalty imposed by RBI.
26	27-02-2023	100.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
27	08-02-2023	950.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
28	08-03-2023	10,000.00	Penalty imposed by RBI for Non Frisking by Currency chest.
29	17-03-2023	12,500.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.-
30	10-03-2023	10,000.00	ATM Cash-out penalty imposed by RBI.
31	17-03-2023	10,000.00	ATM Cash-out penalty imposed by RBI.
32	29-03-2023	1,30,000.00	ATM Cash-out penalty imposed by RBI.



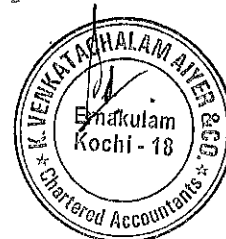
33	30-03-2023	4,00,000.00	ATM Cash-out penalty imposed by RBI.
	<b>Total</b>	<b>15,90,650.00</b>	

*\*This penalty was pertaining to the month of March 2022 (i.e. Q4 of FY 2021-22). This case was further analysed and reported in the month of April 2022. Hence the same has been reported in Q1 of FY 2022-23.*

**Penalties Imposed by RBI In FY 2021-22**

Sl No	Imposed date	Amount	Nature of Breach
1	06.07.2021	1,00,00,000.00	We were in receipt of a show cause notice from RBI dated 22nd January 2021 with respect to the account IL & FS Group companies with regards to non-adherence of RBI Circular IECD.No.29/08.12.01/98-99 dated May 25, 1999 on "Lending to Non-Banking Financial Companies (NBFCs)". Vide letter SIB/COMP/RBI/77/20-21 dated February 09,2021.
2	06.09.2021	35,000.00	We were in receipt of a Show Cause Notice on the following discrepancies observed during RBI Inspection in Currency Chest, 1. Non-Frisking of person entering/exiting the vault. 2. Non Maintenance of charge certificate 3. Delay in sorting of Soiled notes. 4. Grill Gate of strong room kept open during operation.
3	11.11.2021	200.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
4	28.12.2021	1,00,000.00	On 22.12.21, Short Sale amounting to Rs.45 crores was kept open for value 23.12.21. On 23.12.2021, inadvertently, purchase of Market Reverse Repo was not communicated to Money Market Desk by SLR Desk & thus they did not strike reverse repo deal to cover the security short sold. Hence, reverse repo for Rs.10 crores against the security short 6.67% GS 2035 was not taken. This lead to shortage of security balance by Rs.10 crores in Subsidiary General Ledger (SGL). The securities that were short, had to be bought under reverse repo to negate security short sold commitment to CCIL
5	18.01.2022	5,300.00	Penalty imposed on account of deficiencies noticed during RBI visit of currency chest.
6	07.03.2022	15,950.00	Penalty imposed on account of deficiencies noticed during RBI visit of currency chest.
7	10.03.2022	9,550.00	Penalty imposed for discrepancies in Soiled / forged / defective note Remittance by currency chest.
8	14.03.2022	10,000.00	ATM Cash-out penalty imposed by RBI.
9	17.03.2022	10,000.00	ATM Cash-out penalty imposed by RBI.
<b>Total</b>		<b>1,01,86,000.00</b>	

During the year, short sale of securities amounting to ₹ 45 Crore were kept open for value date 22.12. 2021. Market Reverse Repo for ₹ 35 Crore was taken against 45 Cr short sale and Purchase of Market Reverse Repo for ₹ 10 Crore against the securities short 6.67% GS 2035 was not taken which lead to shortage of security balance by ₹10 Crore in Subsidiary General Ledger (SGL). The same has been reported to the appropriate authority. There is no other such incidence incurred during the period. Further we also confirm that all investments and Forex transactions are in compliance with RBI directives and Banks Investment Policy.



#### 14. Fixed Assets

a) Fixed Assets as per Schedule 10 include Intangible Assets relating to Software and System Development Expenditure which are as follows:- [₹. in Crore]

Particulars	March 31,2023	March 31,2022
<b>Gross Block</b>		
At the beginning of the year	209.00	175.90
Additions during the year	3.25	33.10
Deductions during the year	0.25	-
Closing Balance	212.00	209.00
<b>Depreciation / Amortisation</b>		
At the beginning of the year	135.16	106.60
Charge for the year	29.68	28.56
Deductions during the year	-	-
Depreciation to date	164.84	135.16
<b>Net Block</b>	<b>47.16</b>	<b>73.84</b>

#### 15. Other Provisions and Contingencies

➤ Movement in provision for other contingencies: [₹. in Crore]

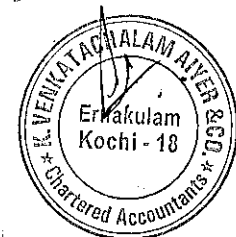
Particulars	March 31, 2023	March 31, 2022
Provision at the beginning of the year	20.32	17.38
Incremental expense during the year	21.85	3.11
Redemption during the year	19.14	0.17
Provision at the end of the year	23.03	20.32

➤ Movement in provision for debit card reward points: [₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
Provision at the beginning of the year	2.33	0.71
Provision made during the year	4.28	4.51
Reductions during the year	3.10	2.89
Provision at the end of the year	3.51	2.33

#### 16. Operating Lease

Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account as per the lease terms. During the year an amount of ₹ 108.86 Crore (Previous year: ₹ 100.62 Crore) was charged to Profit and loss account.



**17. Description of contingent liabilities\***

Sl. No	Contingent liability	Brief Description
1	Claims not acknowledged as debts	This includes liability on account of, and other legal cases filed against the bank. The bank is a party to various legal proceedings in the ordinary course of business and these are contested by the Bank and are therefore subjudice. The Bank does not expect the outcome of these proceedings to have a material adverse impact on the Bank's financial position.
2	Liability on account of outstanding forward contracts	The Bank enters into foreign exchange contracts with interbank participants on its own account and for its customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contract rate.
3	Guarantees on behalf of constituents in India and outside India, Acceptances, endorsements and other obligations	As a part of banking activities, the Bank issues Letter of Guarantees and documentary credit on behalf of its customers, with a view to augment the customer's credit standing. Through these instruments, the Bank undertakes to make payments for its customers' obligations, either directly or in case the customer fails to fulfill their financial or performance obligations.
4	Other items for which the bank is contingently liable	Includes capital commitments and amount transferred to RBI under the Depositor Education and Awareness Fund (DEAF).

\* Also refer schedule - 12

The Bank's pending litigations comprise of claims against the Bank by the clients and proceedings pending with Income Tax authorities/ Service Tax Authorities. The Bank has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities wherever applicable, in its financial statements. The Management believes that the possibility of outflow of resources embodying economic benefits in these cases is possible but not probable and hence no provision is required in these cases. However, the contingent liability has been disclosed with respect to these cases.

**18. Corporate social responsibility**

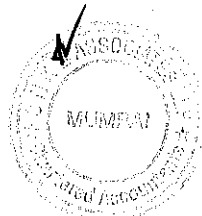
Operating expenses include ₹ 1.86 Crore (Previous Year ₹ 6.06 Crore) for the year ended March 31, 2023 towards Corporate Social Responsibility (CSR), in accordance with the Companies Act, 2013. The Bank has spent 2.02 % of its average net profit for the last three financial years as part of its CSR for the year ended March 31, 2023. The Bank is currently in the process of evaluating strategic avenues for CSR expenditure in order to deliver maximum impact.

Details of amount spent during the year towards CSR are as under:

For the year ended March 31, 2023

[₹. in Crore]

	Paid	Yet to be paid	Total
i) Construction / Acquisition of any assets	0.60	-	0.60
ii) For purposes other than (i) above	1.26	-	1.26



For the year ended March 31, 2022

[₹. in Crore]

	Paid	Yet to be paid	Total
i) Construction/ Acquisition of any assets	3.65	-	3.65
ii) For purposes other than (i) above	2.41	-	2.41

#### 19. Provision for long term contracts

The Bank has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the bank has reviewed and recorded adequate provision as required under any Law/Accounting Standards for material foreseeable losses on such long-term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements.

#### 20. Disclosure as to Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

The Bank, as part of its normal banking business grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are conducted after proper due diligence and ensuring adherence to all regulatory requirements including "Know Your Customer" guidelines.

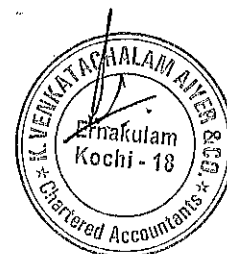
Other than the transactions described above which are carried out in the normal course of business, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or deposits or any other sources or kinds of funds) by the Bank to or in any other persons or entities, including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank ("Ultimate Beneficiaries"). The Bank has also not received any funds from any parties (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

#### 21. Proposed Dividend

The Board of Directors has proposed a dividend of Rs.0.30 per Equity share (30%) (Previous year Nil) for the year ended March 31, 2023, subject to the approval of the shareholders at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after Balance Sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, proposed dividend including dividend distribution tax of Rs.62.78 Crore is not recognized as liability as on March 31, 2023. However, effect of the proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratios as at March 31, 2023.

#### 22. Additional disclosure

Additional statutory information disclosed in the separate financial statements of the Bank and subsidiary have no material bearing on the true and fair view of the reformatted consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the reformatted consolidated financial statements.




23. Figures of the previous year have been regrouped to conform to the current year presentation wherever necessary.

In terms of our report attached

For and on behalf of  
Board of Directors

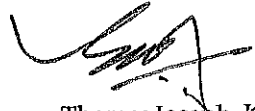
For CNK & Associates LLP

Chartered Accountants  
ICAI Firm Registration No. 101961W/W-100036

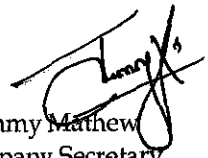
  
Hiren Shah  
Partner  
Membership No. 100052  
UDIN:



Thrissur  
21-02-2024


  
Thomas Joseph. K  
Executive Vice  
President

  
Cluthra.H  
Chief Financial Officer

  
Jimmy Mathew  
Company Secretary

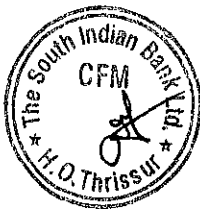
  
P R Seshadri  
(Managing Director  
& CEO)  
(DIN : 07820690)

For K Venkatachalam Aiyer & Co  
Chartered Accountants  
ICAI Firm Registration No. 004610S

  
Sreevats Gopalakrishnan  
Partner  
Membership No. 227654  
UDIN:



Thrissur  
21-02-2024



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

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

## **INDEPENDENT AUDITORS' REPORT**

**To the Board of Directors of  
The South Indian Bank Limited**

### **Report on the Reformatted Audited Standalone Financial Statements**

The accompanying Reformatted Audited Standalone Financial Statements of The South Indian Bank Limited (the "Bank"), comprising the reformatted audited standalone balance sheet as at March 31, 2023, and also the reformatted audited standalone profit and loss account and the reformatted audited standalone cash flow statement for the year then ended, and reformatted notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (together comprising the "Reformatted Audited Standalone Financial Statements") are derived from the audited standalone financial statements as at and for the year ended March 31, 2023 (the "Audited Standalone Financial Statements") of the Bank audited by us as detailed in paragraph below. The Audited Standalone Financial Statements, and the Reformatted Audited Standalone Financial Statements, do not reflect the effects of events that occurred subsequent to the date of our report on the Standalone Financial Statements except for the matters as mentioned under section "Basis of preparation" in Schedule 17 to the Reformatted Audited Standalone Financial Statements.

We expressed an unmodified audit opinion on the Audited Standalone Financial Statements, vide our report dated May 11, 2023.

### **Management's Responsibility for the Reformatted Audited Standalone Financial Statements**

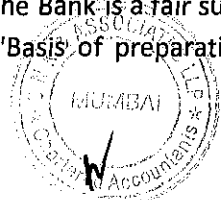
The Management is responsible for the preparation of the Reformatted Audited Standalone Financial Statements from the Audited Standalone Financial Statements on the basis described under section "Basis of preparation" in Schedule 17 to the Reformatted Audited Standalone Financial Statements.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Reformatted Audited Standalone Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

### **Opinion**

In our opinion, the Reformatted Audited Standalone Financial Statements derived from the Audited Standalone Financial Statements of the Bank is a fair summary of the Standalone Financial Statements on the basis described under section "Basis of preparation" in Schedule 17 to the Reformatted Audited Standalone Financial Statements.





**Restrictions on Use**

This report is addressed to and is provided to enable the Bank to include this report in the Letter of Offer in connection with the proposed rights issue, to be filed by the Bank with Securities and Exchange Board of India and that these Reformatted Audited Standalone Financial Statements may not be meaningful for any other purpose.

**For CNK & Associates LLP**

**Chartered Accountants**

Firm's Registration Number. 101961W/W-100036



**Hiren Shah**  
**Partner**

Membership No.100052



UDIN: 24100052BK FAGI6687

Place: Thrissur

Date: February 21, 2024

**For K Venkatachalam Aiyer & Co**

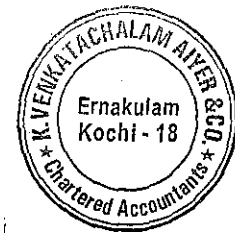
**Chartered Accountants**

Firm Registration Number: 004610S



**Sreevats Gopalakrishnan**  
**Partner**

Membership Number: 227654



UDIN: 24227654BKFTGX9239

Place: Thrissur

Date: February 21, 2024

THE SOUTH INDIAN BANK LIMITED			
REFORMATTED STANDALONE BALANCE SHEET AS AT MARCH 31, 2023			
	Schedule No	As at March 31, 2023 ₹ in Crore	As at March 31, 2022 ₹ in Crore
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	209.27	209.27
Employees' Stock Options Outstanding		0.11	1.29
Reserves and Surplus	2	6,465.31	5,643.86
Deposits	3	91,651.35	89,142.11
Borrowings	4	6,993.85	3,294.49
Other liabilities and provisions	5	2,378.29	1,761.40
	<b>TOTAL</b>	<b>1,07,698.18</b>	<b>1,00,052.42</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	4,639.22	7,276.61
Balances with banks and money at call and short notice	7	2,441.27	3,926.82
Investments	8	24,641.80	21,445.01
Advances	9	69,804.44	59,993.39
Fixed Assets	10	877.92	811.05
Other Assets	11	5,293.53	6,599.54
	<b>TOTAL</b>	<b>1,07,698.18</b>	<b>1,00,052.42</b>
Contingent Liabilities	12	25,891.24	33,764.70
Bills for collection		2,057.79	1,752.96
Significant Accounting Policies	17		
Notes on Accounts	18		

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

In terms of our report attached

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

Hiren Shah  
Partner  
Membership No. 100052  
UDIN:

Thrissur  
21-02-2024

For K Venkatachalam Aiyer & Co  
Chartered Accountants

ICAI Firm Registration No. 0046105

Sreevats Gopalakrishnan  
Partner  
Membership No. 227634  
UDIN:

Thrissur  
21-02-2024

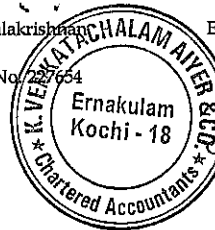
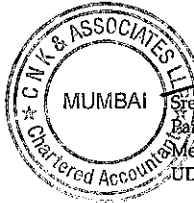
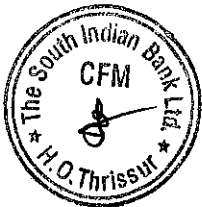
For and on behalf of Board of Directors

P R Seshadri  
(Managing Director & CEO)  
(DIN : 07820690)

Thomas Joseph K  
Executive Vice President

Chithra.H  
Chief Financial Officer

Jimmy Mathew  
Company Secretary



THE SOUTH INDIAN BANK LIMITED			
REFORMATTED STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023			
	Schedule No	Year ended March 31, 2023 ₹ in Crore	Year ended March 31, 2022 ₹ in Crore
<b>I. INCOME</b>			
Interest Earned	13	7,233.18	6,586.54
Other Income	14	812.63	1,034.10
<b>TOTAL</b>		<b>8,045.81</b>	<b>7,620.64</b>
<b>II. EXPENDITURE</b>			
Interest Expended	15	4,221.10	4,346.78
Operating Expenses	16	2,317.38	2,026.29
Provisions and Contingencies	18.A.14.e	732.24	1,202.59
<b>TOTAL</b>		<b>7,270.72</b>	<b>7,575.66</b>
<b>III. PROFIT/LOSS</b>			
Net Profit(Loss) for the year		775.09	44.98
Profit/(Loss) brought forward from previous year		-37.87	4.63
<b>Total</b>		<b>737.22</b>	<b>49.61</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		193.78	11.25
Transfer to Capital Reserve		4.57	76.23
Transfer to/(from) Revenue and Other Reserve		130.00	-
Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act		80.00	-
Transfer to Investment Fluctuation Reserve		104.39	-
Balance carried over to Balance Sheet		224.48	-37.87
<b>TOTAL</b>		<b>737.22</b>	<b>49.61</b>
<b>Earnings per share (Face value of ₹ 1 per share)</b>			
Basic (in ₹)	18.B.16	3.70	0.21
Diluted (in ₹)	18.B.16	3.70	0.21
Significant Accounting Policies	17		
Notes on Accounts	18		

Schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached

For CNK & Associates LLP  
Chartered Accountants

ICAI Firm Registration No. 101961W/W-100036

Hiren Shah  
Partner  
Membership No. 100052  
UDIN:

Thrissur  
21-02-2024

For K Venkatachalam Aiyer & Co  
Chartered Accountants

ICAI Firm Registration No. 004610S

Sreevats Gopalakrishnan  
Partner  
Membership No. 227654  
UDIN:

Thrissur  
21-02-2024

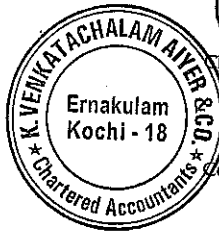
For and on behalf of Board of Directors

P R Seshadri  
(Managing Director & CEO)  
(DIN : 07820690)

Thomas Joseph. K  
Executive Vice President

Chitra.H  
Chief Financial Officer

Jimmy Mathew  
Company Secretary



THE SOUTH INDIAN BANK LIMITED			
REFORMATTED STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023			
		Year Ended March 31, 2023	Year Ended March 31, 2022
		₹ in Crore	₹ in Crore
<b>Cash flow from operating activities</b>			
Profit before tax as per Profit and Loss Account		1,108.21	(91.99)
Adjustments for:			
Depreciation		87.48	84.02
Amortisation of Premium on HTM Investments		312.41	256.54
Provision for Depreciation / Non Performing Investments		296.98	256.30
General Provisions against Standard Assets		(58.61)	175.57
Provision/write off for Non Performing Assets		623.07	1,161.41
Other Provisions		(27.81)	10.49
Employee Stock Options expense		0.11	0.20
Interest on Subordinated bonds		175.43	175.43
(Profit)/ Loss on sale of land, buildings and other assets		0.12	(0.16)
Operating profit before working capital changes	(A)	2,517.39	2,027.81
Changes in working capital:			
Increase / (Decrease) in Deposits		2,509.25	6,431.56
Increase / (Decrease) in Other liabilities and provisions		702.80	(7.31)
(Increase) / Decrease in Investments		(3,529.07)	66.80
(Increase) / Decrease in Advances		(10,434.08)	(3,099.54)
(Increase) / Decrease in Other Assets		1,191.53	(214.43)
Cash flow from operating activities before taxes	(B)	(9,559.57)	3,177.08
Direct Taxes paid	(A+B)	(7,042.18)	5,204.89
Net cash flow from/(used in) operating activities	(C)	(7,260.82)	5,165.32
<b>Cash flow from investing activities:</b>			
Purchase of Fixed Assets/Capital Work-in-Progress		(112.70)	(101.87)
Sale of Fixed/Non Banking Assets		3.76	64.85
(Purchase)/Sale of Investments (Held To Maturity)		(277.11)	(1,703.56)
Net cash flow from/(used in) investing activities	(D)	(386.05)	(1,740.58)
<b>Cash flow from financing activities:</b>			
Net proceeds/(repayments) in borrowings		3,699.36	(813.78)
Interest on Subordinated bonds		(175.43)	(175.41)
Net cash flow from/(used in) financing activities	(E)	3,523.93	(989.19)
Net increase/(decrease) in cash and cash equivalents	(C+D+E)	(4,122.94)	2,435.55
Cash and cash equivalents as at beginning of the year		11,203.43	8,767.88
Cash and cash equivalents as at the end of the year		7,080.49	11,203.43

In terms of our report attached

For CNK & Associates LLP

Chartered Accountants  
ICAI Firm Registration No. 101961W/W-100036

Hiren Shah  
Partner  
Membership No. 100052  
UDIN:

Thrissur  
21-02-2024

For K Venkatachalam Aiyer & Co

Chartered Accountants  
ICAI Firm Registration No. 004610S

Sreevats Gopalakrishnan  
Partner  
Membership No. 227654  
UDIN:

Thrissur  
21-02-2024

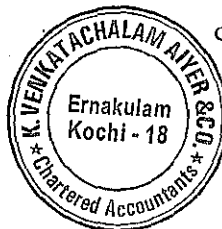
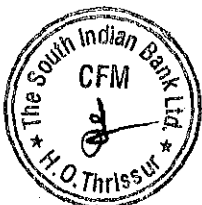
Thomas Joseph. K  
Executive Vice President

Chitra. H  
Chief Financial Officer

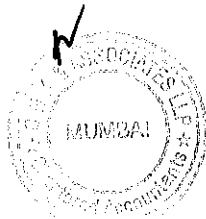
Jimmy Mathew  
Company Secretary

For and on behalf of  
Board of Directors

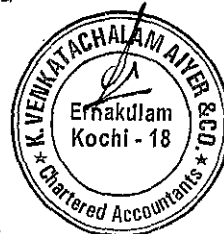
P R Seshadri  
(Managing Director &  
CEO)  
(DIN : 07820690)



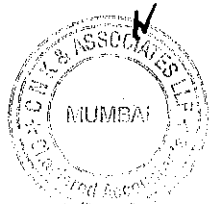
<b>THE SOUTH INDIAN BANK LIMITED</b>		
<b>SCHEDULES TO REFORMATTED STANDALONE BALANCE SHEET AS AT MARCH 31, 2023</b>		
	As at March 31, 2023 ₹ in Crore	As at March 31, 2022 ₹ in Crore
<b>SCHEDULE 1 - CAPITAL</b>		
Authorised Capital 400,00,00,000 Equity shares of ₹ 1/- each (Previous year 400,00,00,000 equity shares of ₹ 1/- each)	400.00	400.00
Issued, Subscribed and Paid up Capital	209.27	209.27
209,27,41,018 Equity shares of ₹ 1/- each (Previous year 209,27,41,018 equity shares of ₹ 1/- each) (Refer Note no. A.1.e of Schedule 18)	-	-
<b>TOTAL</b>	<b>209.27</b>	<b>209.27</b>
<b>Employees' Stock Options Outstanding</b>		
Employees' Stock Options Outstanding	0.88	1.29
Less: Deferred Employee Compensation Expense (unamortised)	-0.77	-
<b>TOTAL</b>	<b>0.11</b>	<b>1.29</b>
<b>SCHEDULE 2 - RESERVES AND SURPLUS</b>		
<b>I. Statutory Reserve</b>		
Opening Balance	1,168.04	1,156.79
Additions during the year	193.78	11.25
<b>Sub total</b>	<b>1,361.82</b>	<b>1,168.04</b>
<b>II. Capital Reserve<sup>#</sup></b>		
Opening Balance	909.83	837.70
Additions during the year <sup>*</sup>	4.57	76.23
Due to revaluation of Assets (net)	45.07	-
<b>Sub total</b>	<b>959.47</b>	<b>913.93</b>
Deductions during the year:		
Deduction from reserve to the extent of depreciation on revalued amount	-5.65	-4.10
<b>Sub total</b>	<b>953.82</b>	<b>909.83</b>
<b>III. Share Premium</b>		
Opening Balance	1,766.90	1,766.90
Additions during the year	-	-
<b>Sub total</b>	<b>1,766.90</b>	<b>1,766.90</b>
<b>IV. Revenue and Other Reserves<sup>§</sup></b>		
Opening Balance	1,836.96	1,831.87
Additions during the year:		
a) lapse of vested options	1.29	0.99
b) transfer of depreciation on revaluation	5.65	4.10
c) appropriation during the Year	314.39	-
<b>Sub total</b>	<b>2,158.29</b>	<b>1,836.96</b>
<b>V. Balance in Profit and Loss Account</b>		
<b>TOTAL</b>	<b>224.48</b>	<b>-37.87</b>
<b>[i+ii+iii+iv+v]</b>	<b>6,465.31</b>	<b>5,643.86</b>
* Includes Profit appropriated to Capital Reserve (net of applicable taxes and transfer to statutory reserve) on:		
a) Gain on sale of Held to Maturity Investments ₹9.48 Crore (Previous Year ₹ 156.08 Crore)		
b) Profit/ (Loss) on sale of Fixed Assets (₹0.12) Crore (Previous Year ₹ 0.15 Crore)		
<sup>#</sup> (Refer Note no. A.1.f of Schedule 18)		
<sup>§</sup> (Refer Note no. A.1.f of Schedule 18)		



<b>THE SOUTH INDIAN BANK LIMITED</b>		
<b>SCHEDULES TO REFORMATTED STANDALONE BALANCE SHEET AS AT MARCH 31, 2023</b>		
	As at March 31, 2023 ₹ in Crore	As at March 31, 2022 ₹ in Crore
<b>SCHEDULE 3 - DEPOSITS</b>		
<b>A. I. Demand Deposits</b>		
(i) From Banks	7.02	12.37
(ii) From Others	4,978.96	4,849.15
<b>II. Savings Bank Deposits</b>		
	25,241.08	24,739.85
<b>III. Term Deposits</b>		
(i) From Banks	334.57	2,228.72
(ii) From Others	61,089.72	57,312.02
<b>TOTAL</b>	<u>91,651.35</u>	<u>89,142.11</u>
<b>B. (i) Deposits of branches in India</b>		
	91,651.35	89,142.11
<b>(ii) Deposits of branches outside India</b>		
	Nil	Nil
<b>TOTAL</b>	<u>91,651.35</u>	<u>89,142.11</u>
<b>SCHEDULE 4 - BORROWINGS</b>		
<b>I. Borrowings in India</b>		
(i) Reserve Bank of India	275.00	-
(ii) Other Banks*	120.23	207.88
(iii) Other Institutions and Agencies <sup>#</sup>	6,419.30	2,873.81
<b>II. Borrowings outside India - from other banks</b>		
	179.32	212.80
<b>TOTAL</b>	<u>6,993.85</u>	<u>3,294.49</u>
Secured borrowings under Triparty repo, market repurchase transactions with banks and financial institutions and transactions under Liquidity Adjustment Facility and Marginal Standing Facility included above.		
	3,181.48	999.60
*Borrowings from other banks include Subordinated Debt of ₹47.36 Crore (Previous year ₹48.36 Crore) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹72.87 Crore (Previous year ₹159.52 Crore) [Refer Note no. 18.A.1.d]		
#Borrowings from other institutions & agencies include Subordinated Debt of ₹992.64 Crores (Previous year ₹991.64 Crore) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹427.13 Crore (Previous year ₹340.48 Crores) [Refer Note no. 18.A.1.d]		
<b>SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS</b>		
I. Bills Payable	102.85	125.20
II. Inter -Office adjustments (Net)	81.85	2.57
III. Interest Accrued	204.15	180.12
IV. Others (including provisions)*	1,989.44	1,453.51
<b>TOTAL</b>	<u>2,378.29</u>	<u>1,761.40</u>
*Includes :- Provision for standard assets ₹407.59 Crore (Previous year ₹464.54 Crore) (Refer Note no. A.4.a of Schedule 18)		
<b>SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA</b>		
<b>I. Cash in hand (Including foreign currency notes)</b>		
	517.00	572.31
<b>II. Balances with Reserve Bank of India</b>		
a) In Current Account	4,122.22	3,104.30
b) Lending under Reverse Repo (including Standing Deposit Facility)	-	3,600.00
<b>TOTAL</b>	<u>4,639.22</u>	<u>7,276.61</u>



<b>THE SOUTH INDIAN BANK LIMITED</b>		
<b>SCHEDULES TO REFORMATTED STANDALONE BALANCE SHEET AS AT MARCH 31, 2023</b>		
	As at March 31, 2023 ₹ in Crore	As at March 31, 2022 ₹ in Crore
<b>SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE</b>		
<b>I. In India</b>		
i) Balances with Banks		
(a) In Current Accounts	10.93	19.74
(b) In Other Deposit Accounts	94.57	28.94
ii) Money at call & short notice		
(a) With Banks	50.00	-
(b) With other Institutions	-	-
(c) Lending under Reverse Repo (Market & Tri party)	49.97	-
Sub total	<u>205.47</u>	<u>48.68</u>
<b>II. Outside India</b>		
(a) In Current Accounts	109.57	158.02
(b) In Other Deposit Accounts	1,972.08	3,524.35
(c) Money at call & short notice - with banks	154.15	195.77
Sub total	<u>2,235.80</u>	<u>3,878.14</u>
<b>TOTAL</b>	<u><b>2,441.27</b></u>	<u><b>3,926.82</b></u>
<b>SCHEDULE 8 - INVESTMENTS</b>		
<b>I. Investments in India in:</b>		
(i) Government Securities*	22,376.61	19,465.53
(ii) Other Approved Securities	-	-
(iii) Shares	218.33	54.56
(iv) Debentures and Bonds	1,297.95	571.85
(v) Subsidiaries and/or Joint Ventures	0.50	0.50
(vi) Others <sup>#</sup>	748.21	1,352.37
Sub total	<u>24,641.60</u>	<u>21,444.81</u>
<b>II. Investments outside India - Shares</b>		
TOTAL (I+II)	<u>0.20</u>	<u>0.20</u>
<b>TOTAL (I+II)</b>	<u><b>24,641.80</b></u>	<u><b>21,445.01</b></u>
<b>A. Gross Investments</b>		
(i) In India	26,014.01	22,533.81
(ii) Outside India	0.20	0.20
Sub total (A)	<u>26,014.21</u>	<u>22,534.01</u>
<b>B. Depreciation/Provision for investments</b>		
(i) In India	1,372.41	1,089.00
(ii) Outside India	-	0.00
Sub total (B)	<u>1,372.41</u>	<u>1,089.00</u>
<b>C. Net Investments</b>		
(i) In India	24,641.60	21,444.81
(ii) Outside India	0.20	0.20
TOTAL (A-B)	<u>24,641.80</u>	<u>21,445.01</u>
* Including Non SLR State Government bonds with Book Value ₹ 86.71 Crore (Previous Year: ₹ 105.28 Crore). Securities costing to ₹ 11,365.78 Crore (Previous Year ₹ 10,125.77 Crore) pledged for availment of fund transfer facility, clearing facility and margin requirements. [Refer Note no. A.3.d of Schedule 18].		
<sup>#</sup> includes		
Security Receipts	165.98	703.04
Certificate of Deposit	435.22	500.91
Commercial Paper	147.01	148.43
TOTAL	<u>748.21</u>	<u>1,352.38</u>



<b>THE SOUTH INDIAN BANK LIMITED</b>		
<b>SCHEDULES TO REFORMATTED STANDALONE BALANCE SHEET AS AT MARCH 31, 2023</b>		
	As at March 31, 2023 ₹ in Crore	As at March 31, 2022 ₹ in Crore
<b>SCHEDULE 9 - ADVANCES</b>		
A. (i) Bills Purchased and Discounted	8,133.50	5,110.94
(ii) Cash Credits, Overdrafts and Loans repayable on demand	36,728.60	29,607.50
(iii) Term Loans	24,942.34	25,274.95
<b>TOTAL</b>	<b>69,804.44</b>	<b>59,993.39</b>
B. (i) Secured by tangible assets*	55,400.74	52,355.06
(ii) Covered by Bank/Government Guarantees	3,041.52	4,168.57
(iii) Unsecured	11,362.18	3,469.76
<b>TOTAL</b>	<b>69,804.44</b>	<b>59,993.39</b>
*advances secured by tangible assets includes advances against Book Debt		
C. I. Advances in India		
(i) Priority Sectors	29,613.49	29,493.22
(ii) Public Sector	1,000.55	313.58
(iii) Banks	-	-
(iv) Others	39,190.40	30,186.59
<b>TOTAL</b>	<b>69,804.44</b>	<b>59,993.39</b>
II. Advances outside India	Nil	Nil
<b>TOTAL</b>	<b>69,804.44</b>	<b>59,993.39</b>
<b>SCHEDULE 10 - FIXED ASSETS</b>		
I. Premises (including Land)		
Gross Block:		
At cost as on March 31, of the preceding year	594.72	594.69
Additions during the year	-	-
Due to purchases/acquisitions	48.58	0.03
	643.30	594.72
Deductions during the year	0.06	-
Closing Balance	643.24	594.72
Depreciation		
As at beginning of the year	73.64	66.90
Charge of the year	8.31	6.74
	-	-
Depreciation to date	81.95	73.64
Net Block	561.29	521.08
<b>Sub total</b>		
II. Capital Work in Progress		
At cost as on March 31, of the preceding year	59.05	40.50
Additions during the year	125.89	96.66
	184.94	137.16
Capitalisations during the year	60.94	78.11
	124.00	59.05
<b>Sub total</b>		
III. Other Fixed Assets (Including furnitures and fixtures and Software)		
Gross Block:		
At cost as on March 31, of the preceding year	822.24	757.58
Additions during the year	44.23	83.30
	866.47	840.88
Deductions/adjustments during the year	41.83	18.64
Closing Balance	824.64	822.24
Depreciation		
As at beginning of the year	591.31	530.72
Charge of the year	79.17	77.28
Deductions during the year	38.47	16.68
	-	-
Depreciation/adjustments to date	632.01	591.32
Net Block	192.63	230.92
<b>TOTAL [I+II+III]</b>	<b>877.92</b>	<b>811.05</b>

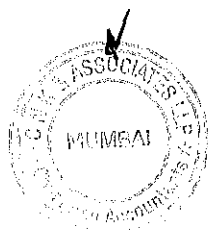




<b>THE SOUTH INDIAN BANK LIMITED</b>			
<b>SCHEDULES TO REFORMATTED STANDALONE BALANCE SHEET AS AT MARCH 31, 2023</b>			
	As at March 31, 2023 ₹ in Crore	As at March 31, 2022 ₹ in Crore	
<b>SCHEDULE 11 - OTHER ASSETS</b>			
I. Interest Accrued	1,131.64	1,008.74	
II. Tax Paid in Advance/Tax Deducted at Source (Net of provision)	267.65	307.38	
III. MAT Credit Entitlement (Refer Note no. B.3 of Schedule 18)	168.05		
Less MAT Credit utilisation	<u>29.80</u>	138.25	
IV. Deferred tax asset (net) (Refer Note no. B.3.b of Schedule 18)		21.41	234.41
V. Deferred Employee Benefits (Refer Note no. B.11.c.ii of Schedule 18)		-	24.57
VI. Stationery and Stamps		2.94	2.54
VII. Non-Banking Assets acquired in satisfaction of claims	13.45		14.19
Less: Provisions held	<u>13.45</u>	-	14.19
VIII. Others*		3,731.64	5,021.90
<b>TOTAL</b>	<u>5,293.53</u>	<u>6,599.54</u>	
*Includes Priority Sector Shortfall Deposits amounting to ₹ 2,636.43 Crore (Previous year ₹3,790.89 Crore)			
<b>SCHEDULE 12 - CONTINGENT LIABILITIES (Refer Note no. 15 of Schedule 17)</b>			
<b>I. Claims against the Bank not acknowledged as debts:</b>			
(i) Direct Tax disputes	20.50		20.50
(ii) Indirect Tax disputes	22.03		22.72
(iii) Others	26.86		26.99
II. Liability on account of outstanding Forward Exchange Contracts <sup>1</sup>	22,517.21		30,894.64
<b>III. Guarantees given on behalf of constituents in India</b>			
(a) in India	1,697.82		1,542.40
(b) outside India	425.96		198.97
IV. Acceptances, endorsements and other obligations	925.38		836.34
<b>V. Other items for which the bank is contingently liable:</b>			
(i) Capital Commitments	36.84		38.44
(ii) Transfers to Depositor Education and Awareness Fund (DEAF) *	218.64		183.70
<b>TOTAL</b>	<u>25,891.24</u>		<u>33,764.70</u>
* Represents notional amount			
*[Refer Note no. A.10 of Schedule 18]			
<b>SCHEDULE 13 - INTEREST EARNED</b>			
I. Interest/Discount on Advances/Bills	5,712.15		5,069.34
II. Income on Investments	1,285.73		1,039.81
III. Interest on balances with Reserve Bank of India and Other Inter - Bank funds	132.10		333.73
IV. Others	103.20		143.66
<b>TOTAL</b>	<u>7,233.18</u>		<u>6,586.54</u>



<b>THE SOUTH INDIAN BANK LIMITED</b>			
<b>SCHEDULES TO REFORMATTED STANDALONE BALANCE SHEET AS AT MARCH 31, 2023</b>			
	As at March 31, 2023 ₹ in Crore	As at March 31, 2022 ₹ in Crore	
<b>SCHEDULE 14 - OTHER INCOME</b>			
I. Commission, Exchange and Brokerage	44.57		47.18
II. Profit on sale of Investments	88.00	346.25	
Loss on sale of Investments	-17.98	-15.88	
Prov for Depn on Investments	-434.52	-264.21	66.16
III. Profit on sale of land, buildings and other assets	1.19	0.87	
Loss on sale of land, buildings and other assets	-1.31	-0.72	0.15
IV. Profit/(Loss) on Exchange/derivative transactions (net)	-	56.05	60.12
V. Miscellaneous Income*	1,076.63		860.49
<b>TOTAL</b>	<b>812.63</b>		<b>1,034.10</b>
* Includes Amount written off since recovered ₹ 247.20 Crore (Previous Year ₹ 104.75 Crore)			
<b>SCHEDULE 15 - INTEREST EXPENDED</b>			
I. Interest on Deposits	3,853.32		4,062.37
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	1.66		4.04
III. Others	366.12		280.37
<b>TOTAL</b>	<b>4,221.10</b>		<b>4,346.78</b>
<b>SCHEDULE 16 - OPERATING EXPENSES</b>			
I. Payments to and Provisions for Employees	1,300.36		1,197.89
II. Rent, Taxes and Lighting	138.80		128.80
III. Printing and Stationery	24.84		12.61
IV. Advertisement and Publicity	12.37		2.78
V. Depreciation on Bank's Property	87.48		84.02
VI. Directors fees, remuneration, allowances and expenses	2.30		1.98
VII. Auditors' fees and expenses	2.80		2.13
VIII. Law charges	22.22		14.53
IX. Postage, telegrams, telephones, etc.	57.28		50.52
X. Repairs and Maintenance	64.74		50.79
XI. Insurance	121.10		115.94
XII. Other Expenditure *	483.09		364.30
<b>TOTAL</b>	<b>2,317.38</b>		<b>2,026.29</b>
* Includes expenditure towards Corporate Social Responsibility ₹1.86 Crore (Previous year : ₹ 6.06 Crore) [Refer Note no. B.17 of Schedule 18]			



**The South Indian Bank Limited**

Schedules forming part of the Reformatted Standalone Financial Statements for the year ended March 31, 2023

**SCHEDULE – 17**

**SIGNIFICANT ACCOUNTING POLICIES APPENDED TO AND FORMING PART OF THE REFORMATTED STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**Background**

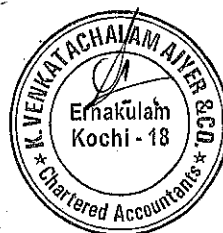
The South Indian Bank Limited ('SIB' or the 'Bank'), incorporated on January 29, 1929 at Thrissur, as a private limited company and was later converted into a public limited company on August 11, 1939. SIB has a network of 940 branches in India and provides retail and corporate banking, para banking activities such as debit card, third party financial product distribution, in addition to Treasury and Foreign Exchange Business. SIB is governed by Banking Regulation Act, 1949, The Companies Act, 2013 and other applicable Acts/Regulations for Banks. Its shares are listed in BSE Limited and National Stock Exchange of India Limited.

The Bank is proposing to go for rights issue of equity shares. For this purpose the Bank has prepared the reformatted standalone balance sheet as at March 31, 2023, the reformatted standalone profit and loss account, and the reformatted standalone cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (together comprising the "Reformatted Standalone Financial Statements"). Accordingly the Reformatted Standalone Financial Statements will be included in the Letter of Offer to be filed by the Bank with the National Stock Exchange of India Limited, and the BSE Limited (collectively, the "Stock Exchanges"), and with the Securities and Exchange Board of India ("SEBI") in connection with the proposed rights issue of the Bank.

**Basis of Preparation**

**The Reformatted Standalone Financial Statements as at and for the year ended March 31, 2023 are based on and have been extracted by the Management of the Bank from the audited financial statements of the Bank for the year ended March 31, 2023 (the "Audited Financial Statements"). The amounts reported in the Reformatted Standalone financial statements have been modified from thousands to crore rounded to two decimals.**

The audited financial statements used for the preparation of the Reformatted Standalone Financial Statements have been prepared in accordance with requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the bank used in the preparation of these financial statements conform in all material aspects to Generally Accepted Accounting Principles in India ("Indian GAAP"), the circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time and the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (as amended) and the relevant provisions of the Companies Act, 2013 ("the Act") and current practices prevailing within the banking industry in India. The Bank follows the historical cost convention and accrual method of accounting in the preparation of the audited financial statements, except where otherwise stated. The accounting policies adopted in the preparation of audited financial statements are consistent with those followed in the previous year. These Reformatted Standalone Financial Statements, do not reflect the effects of events that occurred subsequent to the date of the Auditor's report on the Audited Financial Statements except as mentioned in para 2(d) of schedule 17.



**The South Indian Bank Limited**

Schedules forming part of the Reformatted Standalone Financial Statements for the year ended March 31, 2023

**Use of estimates**

The preparation of the Reformatted Standalone 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 Reformatted Standalone Financial Statements. Actual results could differ from those estimates. The Management believes that the estimates used in the preparation of the Reformatted Standalone Financial Statements are prudent and reasonable. Any revisions to the accounting estimates are recognized prospectively in the current and future periods.

**Significant Accounting Policies**

**1. Revenue recognition**

- a) Interest / discount / other charges income from loans, advances and investments and deposits placed with banks and other institutions are recognized on accrual basis, except in respect of income relating to advances/ investments classified as non-performing advances/ investments, additional finance treated as standard asset under approved restructuring package, where the income is recognized only on realization in accordance with RBI guidelines.
- b) Interest income on loans bought out through the direct assignment route is recognized at their effective interest rate, except in case of such loans classified as non-performing advances.
- c) The recoveries made from NPA accounts are appropriated towards the order of demand applicable to borrowers accounts.
- d) Dividend on investments in shares and units of mutual funds are accounted when the bank's right to receive the dividend is established.
- e) Income on discounted instruments is recognised over the tenure of the instrument on a straight-line basis.
- f) Insurance claims and locker rent are accounted on receipt basis.
- g) Commission income on issuance of bank guarantee / letter of credit is recognised over the period of the guarantee/letter of credit.
- h) Processing fee/ upfront fee, handling charges or income of similar nature collected at the time of sanctioning or renewal of loan/ facility is recognised at the inception/renewal of loan.
- i) Other fees and commission income (including commission income on third party products) are recognised when due, except in cases where the bank is uncertain of ultimate collection.
- j) Unpaid funded interest on term loans are recognised on realisation as per the guidelines of RBI.
- k) In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account in the year of sale. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.
- l) Fees received on sale of Priority Sector Lending Certificates is considered as Miscellaneous Income, while fees paid for purchase is expensed as other expenses in accordance with the guidelines issued by the RBI.



**The South Indian Bank Limited**

Schedules forming part of the Reformatted Standalone Financial Statements for the year ended March 31, 2023

- m) The difference between the sale price and purchase cost of gold coins, received on consignment basis is included in other income and is recognised at the time of sale to the customers.
- n) Interest on income tax refund is recognised under "Other Income" in the year of passing of Assessment Orders.
- o) Legal expenses incurred on suit filed accounts are expensed in profit and loss account as per RBI guidelines. Such amount when recovered is treated as income
- p) In case of One Time settlement (OTS) accounts the recoveries are first adjusted to principal balance and sacrifice on settlement is accounted upfront.
- q) Penal interest is recognised as income on realisation other than on running accounts where it is recognised when due.

## 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



**The South Indian Bank Limited**

Schedules forming part of the Reformatted Standalone Financial Statements for the year ended March 31, 2023

'Others' (i.e. mutual funds, PTCs, security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category.

The depreciation on securities acquired by way of conversion of outstanding loan is provided in accordance with the RBI guidelines. Provision for depreciation on investments is classified under Schedule 14 "Other Income". The book value of individual securities is not changed consequent to the periodic valuation of investments.

- b. Held to Maturity – These are carried at their acquisition cost unless it is more than the face value, in which case premium on acquisition is amortized over the remaining maturity of the security on straight line basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under Schedule 13 in Profit and Loss account. As per RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity. Any diminution, other than temporary, in the value of such securities is provided for.
- c. Treasury Bills, commercial paper, Cash management bills and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount amortized over the period to maturity.
- d. Units of Mutual Funds are valued at the latest repurchase price/net asset value declared by Mutual Fund.
- e. Market value of investments where current quotations are not available, is determined as per the norms prescribed by the RBI as under:
- in case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity (YTM) for Government Securities as published by Financial Benchmark India Pvt Limited (FBIL) and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA are adopted for this purpose;
  - in case of bonds and debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by RBI;
  - Preference shares shall be valued on YTM basis. It shall be valued with appropriate mark-up over the YTM rates for Central Government Securities put out by the FBIL. The preference shares shall not be valued above its redemption value.
  - Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet. In case the latest Balance Sheet is not available, the shares are valued at 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.



**The South Indian Bank Limited**

Schedules forming part of the Reformatted Standalone Financial Statements for the year ended March 31, 2023

Interest on non-performing investments is recognised on cash basis.

- Investment in subsidiary as per RBI guidelines are categorized as HTM and assessed for impairment to determine permanent diminution, if any

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 securities between categories is done at the lower of the acquisition cost / book value/ market value on the date of the transfer and the depreciation, if any, on such transfer is fully provided for in accordance with RBI guidelines.

**G) Disposal of Investments**

- a. Investments classified as HFT and AFS – Profit or loss on sale / redemption is included in the Profit and Loss account.
- b. Investments classified as HTM – Profit on sale of /redemption of investments is included in the Profit and Loss Account and is appropriated to capital Reserve after adjustments for tax and transfer to Statutory Reserve. Loss on sale/redemption is charged to the Profit and Loss Account.

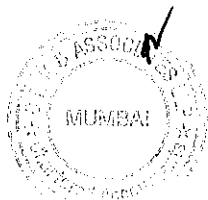
**H) Investment Fluctuation Reserve ('IFR'):**

Investment Fluctuation reserve is accounted in line with the RBI guidelines issued from time to time.

**3. Advances**

**A) Valuation / Measurement**

- a) Advances are classified into performing assets (Standard) and non-performing assets ('NPAs') as per the RBI guidelines and are stated net of specific provisions made towards NPAs, sacrifice provisions on restructured advances, claims received from guarantee corporations and unrealised interest on NPAs. Interest on Non- Performing advances is not recognised in profit and loss account and transferred to an unrealised interest account until receipt. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Provisions for NPAs are



**The South Indian Bank Limited**

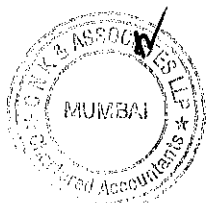
Schedules forming part of the Reformatted Standalone Financial Statements for the year ended March 31, 2023

made as per the guidelines and circulars of the RBI on matters relating to prudential norms.

- b) Non-performing advances are written-off in accordance with the Bank's policies. Amounts recovered against debts written off are recognised in the profit and loss account and included under "Other Income". The recovery of unrealised interest is accounted under "Interest on Loans & Advances" in the profit and loss account.
- c) For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by the RBI, which requires the diminution in the fair value of the assets to be provided at the time of restructuring. In respect of loans and advances accounts subjected to restructuring, the account is upgraded to standard only after the specified period i.e. a period of one year after the date when first payment of interest or of principal, whichever is later, falls due, subject to satisfactory performance of the account during the period.

Additional provision for restructured accounts as per the relevant restructuring scheme announced by RBI for Micro, Small and Medium (MSME) sector, accounts affected by natural calamities and as per COVID 19 resolution framework are made as per extant RBI guidelines.

- d) For entities with Unhedged Foreign Currency Exposure (UFCE), provision is made in accordance with the guidelines issued by RBI, which requires to ascertain the amount of UFCE, estimate the extent of likely loss and estimate the riskiness of unhedged position. The Provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.
- e) The Bank maintains general provision for standard assets including credit exposures computed as per the current marked-to-market values of foreign exchange derivative contracts, in accordance with the guidelines and at levels stipulated by RBI from time to time. The Provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.
- f) The bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where bank is participating; the aggregate amount of participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the bank is participating, the aggregate amount of participation is shown as due from banks under advances.
- g) Loss on sale of assets to Asset Reconstruction Companies  
If the sale of non-performing advances is at a price below the net book value, the shortfall is charged to the Profit and Loss Account, spread over a period as specified in RBI guidelines. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.
- h) The Bank makes additional provisions as per RBI's guidelines on 'Prudential Framework on Resolution of Stressed Assets' dated June 7, 2019 on accounts in default and with aggregate exposure above the threshold limits as laid down in the said framework where the resolution plan is not implemented within the specified timeline.
- i) Loans reported as fraud are classified as loss assets and provided as per RBI guidelines.





**The South Indian Bank Limited**

Schedules forming part of the Reformatted Standalone Financial Statements for the year ended March 31, 2023.

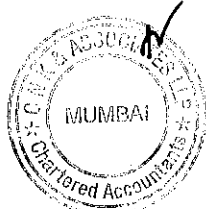
j) In the event of substantial erosion in value of loan and remote possibility of collection, non-performing loans with adequate provisions are evaluated for technical / prudential write off based on Bank's policy and the RBI guidelines. Such write off does not have an impact on the Bank's legal claim against the borrower. The Bank may also write off non-performing loans on one time settlement ('OTS') with the borrower or otherwise.

**4. Country risk**

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country). The countries are categorised into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit as per Export Credit Guarantee Corporation of India Limited ("ECGC") guidelines and provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposure. This provision if any, is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

**5. Fixed Assets (Property Plant & Equipment and Intangibles) and depreciation / amortization**

- a) The Property Plant & Equipment and Intangibles (other than office premise, which are revalued) are stated at historical cost less accumulated depreciation/amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on asset put to use is capitalised only when it increases the future benefit / functioning capability from/of such assets. Gain or losses arising from the retirement or disposal of a Property Plant and Equipment / Intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of assets and recognised as income or expense in the Profit and Loss Account. Profit on sale of premises after adjustments for tax and transfer to Statutory, if any, is transferred to Capital Reserve as per the RBI guidelines.
- b) Portfolio of immovable properties is revalued periodically by independent valuers to reflect current market valuation. All land and building owned by the bank and used as branches or offices or office quarters are grouped under "Office Premises" in the Property Plant & Equipment. Appreciation, if any, on revaluation is credited to Revaluation Reserve under Capital Reserve. Additional depreciation on revalued asset is charged to Profit and Loss Account and appropriated from Revaluation Reserve to Revenue and other Reserves.
- c) Depreciation /Amortisation: Depreciation is provided on a pro-rata basis on a straight-line method over the estimated useful life of the fixed assets at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013, except for Vehicles which are depreciated over five years, based on technical estimates. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II of Companies Act, 2013. Computer software is amortised over its useful life, not more than 5 years.



**The South Indian Bank Limited**

Schedules forming part of the Reformatted Standalone Financial Statements for the year ended March 31, 2023

**6. Impairment of Assets**

The carrying values of assets at each balance sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Profit and Loss Account, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a reduction in revaluation to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Profit and Loss Account, to the extent the amount was previously charged to the Profit and Loss Account. In case of revalued assets such reversal is not recognised.

**7. Non-Banking Assets**

Non-banking assets (NBAs) acquired in satisfaction of claims is carried at lower of net book value and net realisable value. Specific provision is made on specific Non-banking assets acquired on debt asset swap arrangements as specified by RBI.

**8. Transactions involving foreign exchange**

- a) Foreign currency income and expenditure items are translated at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities outstanding at the Balance Sheet date are revalued at rates notified by Foreign Exchange Dealers Association of India [FEDAI] and resulting profits or losses are included in the Profit and Loss Account, as per the guidelines issued by RBI.
- b) Foreign exchange spot and forward Contracts outstanding as at the Balance Sheet date (except Forward Contracts taken to hedge FCNR Deposits/Overseas Borrowings) are revalued at the closing Spot and Forward Rates respectively as notified by FEDAI and at interpolated rates for contracts of interim maturities. For valuation of contracts having longer maturities, the forward points (for rates/tenures not published by FEDAI) are obtained from Reuters for valuation of the FX Deals. As directed by FEDAI to consider profit or loss on present value basis, the forward profit or loss on the deals are discounted till the valuation date using the discounting yields. The resulting profit or loss on valuation is recognised in the Profit and Loss Account in accordance with RBI/FEDAI Guidelines.
- c) Forward Contracts taken to hedge FCNR Deposits/Overseas Borrowings are translated at the prevailing spot rate at the time of swap. The Premium/ Discount on the swap arising out of the difference in the exchange rate of the swap date and maturity date of the underlying forward exchange contract is amortised over the period of the swap and the same is recognized in the Profit and Loss Account.
- d) Contingent liabilities on account of foreign exchange contracts, guarantees, letters of credit, acceptances and endorsements are reported at closing rates of exchange notified by FEDAI as at the Balance Sheet date.

**9. Derivative transactions**



**The South Indian Bank Limited**

Schedules forming part of the Reformatted Standalone Financial Statements for the year ended March 31, 2023

The Bank recognizes all derivative contracts at fair value, on the date on which the derivative contracts are entered into and are remeasured at fair value as at the Balance sheet or reporting dates. Derivatives are classified as assets when the fair value is positive (Positive marked-to-market) or as liabilities when the fair value is negative (negative marked-to-market). Changes in the fair value of derivatives other than those designated as hedges are recognised in the Profit and Loss Account.

**10. Employee benefits**

a) **Provident Fund:**

The contribution made by the Bank to "The South Indian Bank Ltd Employees Provident Fund", administered by the trustees is charged to Profit and Loss account. The fund is a defined contribution fund and the Bank has no further liability beyond the contribution made to the fund.

b) **Pension Fund:**

The contribution towards "The South Indian Bank Ltd Employees' Pension Fund Trust", managed by trustees, is determined on actuarial basis on projected unit credit method as on the Balance Sheet date and is recognised in the profit and loss account. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

Employees who had joined the services of the Bank with effect from April 1, 2010 are covered under Defined Contributory Pension Scheme (DCPS). In respect of such employees the bank contributes specified percentage of the Basic Pay plus Dearness Allowance and the expenditure thereof is charged to Profit and Loss account and the Bank has no further liability beyond the contribution to the fund on this account.

c) **Gratuity:**

The bank makes contribution to "The South Indian Bank Ltd Employees' Gratuity Trust" administered and managed by the trustees. The present value of the bank's obligation towards the same is actuarially determined based on the projected unit credit method as at the balance sheet date. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

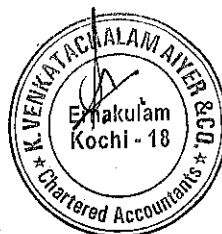
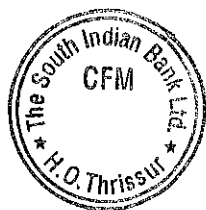
d) **Compensated absence on Privilege / Sick / Casual Leave and Leave Travel Concession (LTC):**

The employees of the Bank are entitled to compensated absence on account of privilege / sick / casual leave as per the leave rules. The bank measures the long term expected cost of compensated absence as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuation and such costs are recognised in the profit and loss account. The actuarial gain or loss arising during the year is recognised in the Profit and Loss Account.

The employees are also eligible for LTC as per the rules. The estimated cost of unused entitlement as on the Balance Sheet date based on actuarial valuation is provided for.

e) **Employees Stock Option Scheme (ESOS):**

The SIB ESOS 2008 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Managing Director of the Bank. The Scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021. The Bank followed intrinsic value method to account for its stock-based employee compensation plans as per the Guidelines for all the options granted till the accounting period ending 31 March, 2021.



**The South Indian Bank Limited**

Schedules forming part of the Reformattd Standalone Financial Statements for the year ended March31,2023

RBI issued a clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers /Material Risk Takers and Control Function Staff on 30 August, 2021, advising banks that the share-linked instruments are required to be fair valued on the date of grant using the Black-Scholes model. Accordingly, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognized the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. Options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant or at such a discount as may be approved by NRC/Board from time to time. The fair market price being the closing price of stock exchange which recorded the highest trading volumes in equity shares of the Bank and trading day immediately preceding the date on which the grant of options was approved and recommended to Board by Nomination and Remuneration Committee of Board.

**f) Other Employee Benefits:**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employee is recognised during the period when the employee renders the service. These benefits include performance incentives.

**g) New Pension Scheme ('NPS')**

In respect of employees who are covered under NPS, the Bank contributes certain percentage of the sum of basic salary and dearness allowance of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies and regulated by PFRDA. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue. The Bank has no liability other than its contribution and recognises such contributions as an expense in the year incurred.

**11. Segment Reporting**

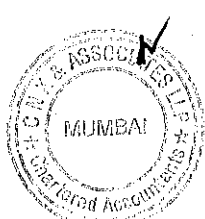
The disclosure relating to segment information is in accordance with the guidelines issued by RBI. Segmental expenses are allocated as per board approved policy.

**12. Debit Card Reward Points**

The Bank runs a loyalty program which seeks to recognise and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. The Bank estimates the probable redemption of such loyalty/reward points using an actuarial method at the Balance Sheet date by employing independent actuary. Provision for said reward points is then made based on the actuarial valuation report as furnished by the said independent Actuary

**13. Earnings Per Share (EPS)**

The Bank reports Basic and Diluted Earnings per Equity Share in accordance with Accounting Standard 20, prescribed under section 133 of the Companies Act, 2013 read together with the Companies (Accounting Standards) Rules, 2021. Basic EPS has been computed by dividing Net Profit for the year by the weighted average number of Equity Shares outstanding for the year.



Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. A diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end. Potential equity shares which are anti-dilutive in nature are ignored.

#### 14. Taxes on income

Income tax expense is the aggregate amount of current tax and deferred tax charge. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961, the rules framed there under and considering the material principles set out in Income Computation and Disclosure Standards and as per Accounting Standard 22 – “Accounting for Taxes on Income” respectively.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961, Accounting Standard 22 - “Accounting for Taxes on Income” and other applicable tax laws.

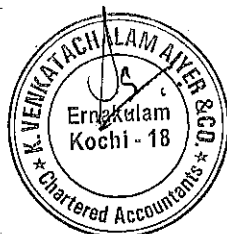
Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Bank has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Bank.

#### 15. Accounting for Provisions, Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets prescribed under section 133 of the Companies Act, 2013, the Bank recognises provisions when it has a present obligation as a result of a past event and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate of the amount of the obligation can be made.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the Reformatted Standalone Financial Statements.



## **16. Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account as per the lease terms.

## **17. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, balances with Reserve Bank of India and balances with other banks/institutions and Money at Call and Short Notice (including the effect of changes in exchange rates on cash and cash equivalents in foreign currency).

## **18. Share issue expenses**

Share issue expenses are adjusted from Securities Premium Account as permitted by Section 52 of the Companies Act, 2013 and in line with the respective RBI guidelines issued from time to time.

## **19. Corporate Social Responsibility**

Expenditure towards Corporate Social Responsibility is recognized in accordance with Companies Act 2013

## **20. Accounting of Priority Sector Lending Certificate (PSLC)**

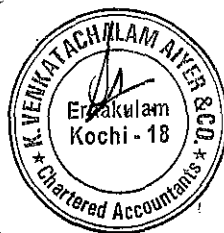
The Bank vide RBI circular FIDD.CO.Plan.BC.23/04.09.01/2015-16 dated April 7, 2016 trades in priority sector portfolio by selling or buying PSLC, without transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income'.

## **21. Accounting for Dividend**

In terms of revised Accounting Standard (AS) 4 "Contingencies and Events occurring after the Balance sheet date" as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016, Proposed Dividend or Dividend declared after balance sheet date are not shown as liability in current year balance sheet. The effect of the proposed dividend shall be reckoned in determining capital funds in the computation of capital adequacy ratios in Financial Year for which the dividend is declared. In case of interim dividend, the same shall be reckoned in the same quarter.

## **22. Cash Flows**

Cash flow Statement has been prepared under the Indirect Method.



**SCHEDULE - 18: NOTES ON ACCOUNTS FORMING PART OF THE  
REFORMATTED STANDALONE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED MARCH 31, 2023**

**A: Disclosures as per RBI's Master Directions on Disclosure in Reformatted Standalone  
Financial Statements**

Amounts in Notes forming part of the reformatted standalone financial statements for the year ended March 31, 2023 are denominated in Rupees Crore (unless specified otherwise) to conform to extant RBI guidelines.

**1. Regulatory Capital**

**a) Composition of regulatory Capital**

The Bank is subject to the capital adequacy guidelines stipulated by RBI, which are based on the framework of the Basel Committee on Banking Supervision. As per Basel III and RBI guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% {11.5% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier I (CET1) of 5.5% (8% including CCB). These guidelines on Basel III have been implemented completely. The minimum CRAR required to be maintained by the Bank as on 31st March 2023 is 11.50 %. The Capital Adequacy Ratio of the Bank calculated as per Basel III Capital Regulations is furnished below:

Particulars		March 31, 2023	March 31, 2022
i)	Common Equity Tier I Capital(CET 1)/Paid up share capital and reserves (net of deductions, if any)	6,315.63	5,550.94
ii)	Additional Tier 1 capital/Other Tier 1 capital	500.00	500.00
iii)	Tier 1 Capital (i+ii)	6,815.63	6,050.94
iv)	Tier 2 Capital	1,161.37	1,206.80
v)	Total Capital (Tier 1 +Tier 2)	7,977.00	7,257.74
vi)	Total Risk Weighted Assets (RWAs)	46,224.83	45,743.59
<b>Capital Adequacy Ratios under Basel III</b>			
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)/Paid-up share capital and reserves as percentage of RWAs	13.66%	12.13%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	14.74%	13.22%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.51%	2.64%
x)	Capital to Risk Weighted Asset Ratio (CRAR)(Total Capital as a percentage of RWAs)	17.25%	15.86%
xi)	Leverage Ratio	6.05%	5.83%
xii)	Percentage of the shareholding of Government of India	-	-
xiii)	Amount of paid up Equity Capital raised (Including share premium) through: Preferential Issue	-	-
xiv)	Amount of Non Equity Tier 1 capital raised during the year	-	-
xv)	Amount of Tier 2 capital raised;	-	-

In accordance with RBI Guidelines, banks are required to make Pillar 3 disclosures under Basel III Capital Regulations. The Bank has made these disclosures which are available on its website at the following link:

<http://www.southindianbank.com/content/viewContentLvl1.aspx?linkIdLvl2=854&LinkIdLvl3=880&linkId=880>



Pillar 3 disclosures have not been subjected to audit.

b) **Draw Down from Reserves:** The Bank has not undertaken any drawdown from reserves during the years ended March 31, 2023 and March 31, 2022.

c) **Credit to Reserve :** Nil (Previous year ₹ Nil)

**d) Additional Tier I Bonds:**

Additional Tier I Bonds outstanding and included under borrowings is as follows: [₹.in Crore]

Borrowings in India	March 31, 2023	March 31, 2022
From Banks	72.87	159.52
From Others	427.13	340.48
<b>Total</b>	<b>500.00</b>	<b>500.00</b>

**Tier II Bonds:**

Subordinated Tier II Bonds outstanding and included under borrowings is as follows:

[₹.in Crore]

Borrowings in India	March 31, 2023	March 31, 2022
From Banks	47.36	48.36
From Others	992.64	991.64
<b>Total</b>	<b>1,040.00</b>	<b>1,040.00</b>

Total Subordinated debt of ₹860 Crore (Previous Year: ₹920.00 Crore) is reckoned for Tier II capital as per RBI guidelines.

Particulars of Tier I and Tier II bonds

[₹.in Crore]

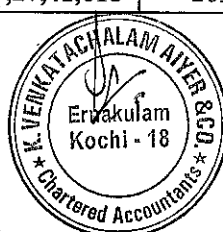
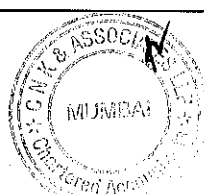
Name of instrument	Amount	Date of Issue	ROI	Date of Maturity
Tier II Bonds	300	30.09.2015	10.25%	31.10.2025
Tier II Bonds	490	28.11.2017	9.50%	28.05.2028
Tier II Bonds	250	26.03.2019	11.75%	26.06.2029
Tier I Bonds	500	24.01.2020	13.75%	Perpetual

**e) Capital Infusion:**

During the year ended March 31, 2023 and March 31, 2022 the Bank has not allotted any equity shares.

Details of movement in the paid-up equity share capital of the Bank are given below:

Particulars	March 31, 2023		March 31, 2022	
	No of shares	Amount (Rs. In Cr)	No of shares	Amount (Rs. In Cr)
Opening Balance	209,27,41,018	209.27	209,27,41,018	209.27
Additions pursuant to Stock Options exercised/preferential issue	-	-	-	-
Closing balance	<b>209,27,41,018</b>	<b>209.27</b>	<b>209,27,41,018</b>	<b>209.27</b>





f) Movement of Reserves clubbed under Capital Reserve, Revenue & Other Reserves

i) Movement of Capital Reserve

[₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
<b>Capital Reserve</b>		
Opening Balance	596.94	520.71
Additions during the year	4.57	76.23
<b>Closing Balance (A)</b>	<b>601.51</b>	<b>596.94</b>
<b>Asset Revaluation Reserve</b>		
Opening Balance	312.89	316.99
Addition due to Revaluation of Premises (net)	45.06	
Deduction from Revaluation Reserve to the extent of depreciation on revalued amount	(5.65)	(4.10)
<b>Closing Balance (B)</b>	<b>352.30</b>	<b>312.89</b>
<b>Total (A + B)</b>	<b>953.81</b>	<b>909.83</b>

ii) Movement in Revenue and other Reserves

[₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
Opening Balance	1,415.42	1,410.33
Addition during the year by way of lapse of vested option	1.29	0.99
Addition due to transfer of depreciation on revaluation	5.65	4.10
Additions During the year - current year contribution	130.00	0.00
<b>Closing Balance (A)</b>	<b>1,552.36</b>	<b>1,415.42</b>
<b>Investment Fluctuation Reserve</b>		
Opening Balance	22.15	22.15
Additions during the year	104.38	-
<b>Closing Balance (B)</b>	<b>126.53</b>	<b>22.15</b>
<b>Special Reserve</b>		
Opening Balance	399.39	399.39
Additions during the year	80.00	-
<b>Closing Balance (C)</b>	<b>479.39</b>	<b>399.39</b>
<b>Grand Total (A + B + C)</b>	<b>2158.28</b>	<b>1836.96</b>

Note: As per RBI circular the above reserves are clubbed in the schedule 2 of Balance sheet



**2. Asset Liability Management.**

**a) Maturity Pattern of Certain items of assets and liabilities:**

**i) As at March 31, 2023:**

Particulars	[₹. in Crore]											
	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	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	<b>91,651.35</b>
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	<b>69,804.44</b>
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	<b>24,641.80</b>
Borrowings	179.32	3,181.48	19.58	-	19.58	82.08	399.75	271.01	2,101.05	-	740.00	<b>6,993.85</b>
Foreign Currency-Assets	442.07	1,276.36	31.37	525.60	1,130.47	272.71	142.00	277.80	2.83	-	-	<b>4,101.20</b>
Foreign Currency-Liabilities	128.02	3.51	8.73	18.45	110.69	84.46	222.65	483.23	960.41	236.16	-	<b>2,256.31</b>

Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the returns submitted to the RBI, which has been relied upon by the auditors.

Advances as on March 31, 2023 include Rs 1300 Crore of Inter Bank Participation Certificate (IBPC), out of which Rs 550 Crore is bucketed in 31 days and up to 2 months bucket and Rs 750 Crore is bucketed in over 3 months and up to 6 months bucket.

Off balance sheet items are not considered in maturity pattern of assets and liabilities



The South Indian Bank Limited  
Schedules forming part of Reformatted Standalone Financial Statements for the year ended March 31, 2023

ii) As at March 31, 2022:

[₹. 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 year	Over 1 year and up to 3 years	Over 3 year and up to 5 years	Over 5 years	Total
Deposits	549.85	788.01	621.24	1,570.56	3,410.67	1,965.52	3,623.26	3,472.50	5,004.88	6,449.91	61,685.71	89,142.11
Advances	1,413.20	642.08	593.34	2,590.33	2,970.91	5,006.89	9,297.72	6,263.01	7,633.83	3,732.93	19,849.15	59,993.39
Investments	3,322.92	167.02	168.81	495.86	418.49	868.98	913.76	1,053.88	1,109.00	1,588.09	11,338.20	21,445.01
Borrowings	212.80	999.60	28.06	-	28.05	28.05	112.71	124.10	664.12	357.00	740.00	3,294.49
Foreign Currency-Assets	582.45	526.14	57.55	2,666.38	741.03	377.73	480.20	58.01	5.20	2.39	-	5,497.08
Foreign Currency-Liabilities	112.09	13.14	23.35	31.04	116.48	100.76	140.84	381.26	606.62	331.46	-	1,857.04

Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the returns submitted to the RBI, which has been relied upon by the auditors.

Advances as on March 31, 2022 include Rs 1300 Crore of Inter Bank Participation Certificate (IBPC), out of which Rs.700 Crore is bucketed in 15-30 days and Rs.600 Crore is bucketed in over 3 months and up to 6 months bucket.

Off balance sheet items are not considered in maturity pattern of assets and liabilities



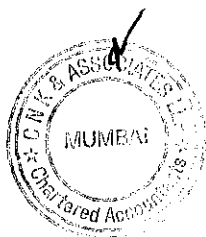
**b) Liquidity Coverage Ratio (LCR)**

**i) Qualitative Disclosure around LCR**

The Bank measures and monitors the LCR in line with the Reserve Bank of India's circular dated June 9, 2014 on "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards". The LCR guidelines aim to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken. Banks are required to maintain High Quality Liquid Assets of a minimum of 100% of its Net Cash Outflows from January 01, 2019. The daily average LCR of the bank for the quarter ended March 2023 is 199.46%.

The Bank has been maintaining HQLA primarily in the form of SLR investments over and above mandatory requirement, regulatory dispensation allowed up to 2% of NDTL in the form of borrowing limit available through Marginal Standing Facility (MSF) and 5% of NDTL as Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR). From February 2016 onwards, RBI has allowed Banks to reckon an additional 3% of NDTL as FALLCR. This has been further increased by 1% from July 2016, 2% from June 2018 and another 2% from October 2018, onwards. Further, towards harmonisation of the effective liquidity requirements of banks with the LCR, RBI has permitted banks to reckon an additional 2% of Government securities within the mandatory SLR requirement as FALLCR in a phased manner from April 04, 2019. As on March 31, 2023, FALLCR stands at 16.00%.

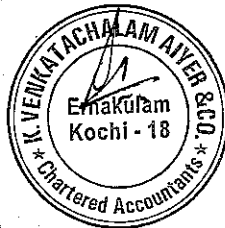
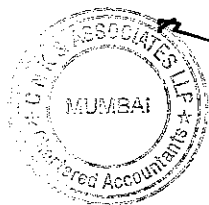
Bank has a well-diversified funding portfolio and has a lower dependence on wholesale funds. Retail deposits which are considered as stable deposits from a liquidity perspective forms the major funding source of the Bank. The Bank intends to fund the short term cash outflows from extremely liquid Government securities and funding for estimated cash outflows considered in LCR computation substantially flows from this source. The Bank is managing its liquidity from the centralized fund management cell attached to Treasury Department, Mumbai.



ii) Quantitative Disclosure around LCR

[₹. 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:	80554.95	7,755.52	77,166.37	7,440.99	72,181.54	6,993.86	71,793.84	6,965.87
(i) Stable deposits	5,995.54	299.78	5,512.98	275.65	4,485.86	224.29	4,270.28	213.51
(ii) Less stable deposits	74,559.41	7,455.94	71,653.38	7,165.34	67,695.68	6,769.57	67,523.56	6,752.36
3 Unsecured wholesale funding, of which:	7,705.44	6,657.83	6,200.95	4,906.24	3,043.95	3,000.55	3,117.65	3,071.56
(i) Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Non-operational deposits (all counterparties)	7,701.38	6,653.78	6,158.48	4,863.78	3,043.95	3,000.55	3,107.50	3,061.41
(iii) Unsecured debt	4.06	4.06	42.47	42.47	0.00	0.00	10.14	10.14
4 Secured wholesale funding		0.00		0.00		0.00		0.00
5 Additional requirements, of which	1.16	1.16	3.16	3.16	0.00	0.00	0.03	0.03



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(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	<b>TOTAL CASH OUTFLOWS</b>		15,440.97		13,225.24		11,113.18		11,472.60
<b>Cash Inflows</b>									
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	<b>TOTAL CASH INFLOWS</b>	<b>9,156.61</b>	<b>5,292.63</b>	<b>8,726.38</b>	<b>5,281.54</b>	<b>7,990.63</b>	<b>4,970.82</b>	<b>8,518.28</b>	<b>5,444.39</b>
13	<b>TOTAL HQLA</b>		20,241.80		18,937.37		20,648.30		19,616.62
14	<b>TOTAL NET CASH OUTFLOWS</b>		10,148.34		7,943.69		6,142.36		6,028.22
15	<b>LIQUIDITY COVERAGE RATIO (%)</b>		199.46%		238.39%		336.16%		325.41%

Note: The LCR for each quarter is calculated taking daily average.



The South Indian Bank Limited  
Schedules forming part of Reformatted Standalone Financial Statements for the year ended March 31, 2023

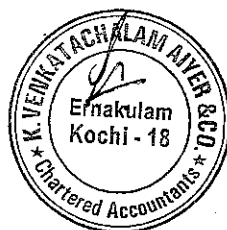
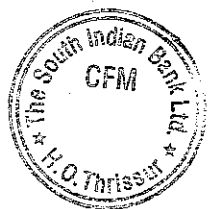
[₹. in Crore]

Particulars	Quarter ended March 31, 2022		Quarter ended December 31, 2021		Quarter ended September 30, 2021		Quarter ended June 30, 2021			
	Total Unweighted Value(Average)	Total Weighted Value(Average)	Total Unweighted Value(Average)	Total Weighted Value(Average)	Total Unweighted Value(Average)	Total Weighted Value(Average)	Total Unweighted Value(Average)	Total Weighted Value(Average)		
<b>High Quality Liquid Assets</b>										
1	<b>Total High Quality Liquid Assets (HQLA)</b>		21,566.17		24,532.80		22,523.78		21,556.39	
<b>Cash Outflows</b>										
2	Retail deposits and deposits from small business customers, of which:		69,819.71	6,774.68	68,578.96	6,653.54	67,364.81	6,533.44	66,041.48	6,399.83
(i)	Stable deposits		4,145.79	207.29	4,087.19	204.36	4,060.78	203.04	4,086.32	204.31
(ii)	Less stable deposits		65,673.92	6,567.39	64,491.78	6,449.18	63,304.03	6,330.40	61,955.15	6,195.51
3	Unsecured wholesale funding, of which:		2,785.45	2,729.51	3,401.75	3,330.65	3,104.13	3,057.54	2,942.14	2,887.05
(i)	Operational deposits (all counterparties)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non-operational deposits (all counterparties)		2,784.73	2,728.79	3,394.71	3,323.61	3,103.85	3,057.26	2,940.19	2,885.11
(iii)	Unsecured debt		0.71	0.71	7.04	7.04	0.28	0.28	1.94	1.94
4	Secured wholesale funding			0.00		0.00		0.00		0.00
5	Additional requirements, of which		0.23	0.23	1.25	1.25	0.00	0.00	5.85	5.85



The South Indian Bank Limited  
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(i)	Outflows related to derivative exposures and other collateral requirements	0.23	0.23	1.25	1.25	0.00	0.00	5.86	5.86
(ii)	Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Other contractual funding obligations	613.15	613.15	602.17	602.17	596.90	596.90	599.31	599.31
7	Other contingent funding obligations	2,120.83	509.08	2,188.72	536.59	2,050.71	419.80	2,293.76	495.32
8	<b>TOTAL CASH OUTFLOWS</b>		<b>10,626.65</b>		<b>11,124.20</b>		<b>10,607.68</b>		<b>10,387.36</b>
<b>Cash Inflows</b>									
9	Secured lending (e.g. reverse repos)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Inflows from fully performing exposures	4,304.87	2,152.43	4,556.56	2,278.28	4,751.38	2,375.69	4,558.15	2,279.07
11	Other cash inflows	1,826.47	1,724.14	2,938.40	2,827.18	3,363.19	3,271.05	2,784.49	2,752.08
12	<b>TOTAL CASH INFLOWS</b>	<b>6,131.34</b>	<b>3,876.57</b>	<b>7,494.96</b>	<b>5,105.46</b>	<b>8,114.57</b>	<b>5,646.74</b>	<b>7,342.64</b>	<b>5,031.15</b>
13	<b>TOTAL HQLA</b>		<b>21,566.17</b>		<b>24,532.80</b>		<b>22,523.78</b>		<b>21,556.39</b>
14	<b>TOTAL NET CASH OUTFLOWS</b>		<b>6,750.08</b>		<b>6,018.74</b>		<b>4,960.94</b>		<b>5,356.21</b>
15	<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>319.50%</b>		<b>407.61%</b>		<b>454.02%</b>		<b>402.46%</b>





c) Net Stable Funding Ratio (NSFR)

i) Qualitative Disclosure

The Basel Committee on Banking Supervision (BCBS) had introduced the Net Stable Funding Ratio (NSFR) in order to ensure that banks maintain a stable funding profile in relation to the composition of their assets, liabilities and off-balance sheet activities. NSFR ensures resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding.

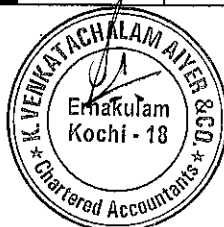
NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. "Available stable funding" is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of stable funding required ("Required stable funding") of the Bank is a function of the liquidity characteristics and residual maturities of the various assets as well as the off-balance sheet (OBS) exposures of the Bank. As per the RBI Guideline, Bank is required to maintain a minimum NSFR of 100% on an ongoing basis effective from October 1, 2021.

The NSFR of the Bank as on 31st March 2023 is at 158.92% as against the regulatory minimum of 100% and the table given below sets out the details of NSFR of the Bank as on the aforesaid date.

ii) NSFR Quantitative Disclosure Template

[₹. in Crore]

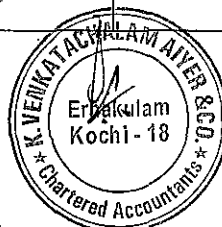
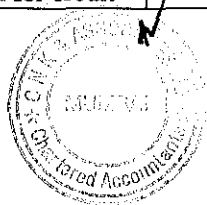
NSFR Disclosure Template						
		Unweighted value by residual maturity				Weighted value
		No maturity *	< 6 months	6 months to < 1yr	≥ 1yr	
<b>Available Stable Funding Item (ASF)</b>						
1	Capital: (2+3)	6,697.25	-	-	1,540.00	8,237.25
2	Regulatory capital	6,697.25	-	-	1,360.00	8,057.25
3	Other capital instruments	-	-	-	180.00	180.00
4	Retail deposits and deposits from small business customers: (5+6)	28,937.89	13,218.52	18,610.19	-	54,909.47
5	Stable deposits	2,156.41	1,034.22	1,200.12	-	4,171.21
6	Less stable deposits	26,781.47	12,184.29	17,410.07	-	50,738.26
7	Wholesale funding: (8+9)	-	1,006.22	2,766.73	-	1,886.48
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	1,006.22	2,766.73	-	1,886.48
10	Other liabilities: (11+12)	1,757.53	4,716.56	-	25,977.01	25,977.01
11	NSFR derivative					



The South Indian Bank Limited

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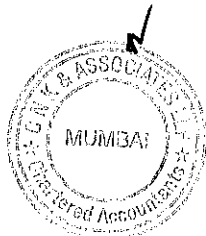
	liabilities					
12	All other liabilities and equity not included in the above categories	1,757.53	4,716.56	-	25,977.01	25,977.01
13	<b>Total ASF (1+4+7+10)</b>					<b>91,010.20</b>
<b>Required Stable Funding Item(RSF)</b>						
14	Total NSFR high-quality liquid assets (HQLA)					989.15
15	Deposits held at other financial institutions for operational purposes	-	2,391.30	-	-	1,195.65
16	Performing loans and securities: (17+18+19+21+23)	-	31,288.79	13,570.58	25,829.26	43,392.58
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	1313.24	187.23	5,423.54	5714.14
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	29,140.68	12,953.10	15,813.77	33,742.08
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	3,732.58	2,426.18
21	Performing residential mortgages, of which:	-	0.93	3.42	3,547.88	2,418.52
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit	-	-	-	2,996.78	1,947.91



The South Indian Bank Limited  
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	risk					
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	833.94	426.83	1,044.06	1,517.84
24	Other assets: (sum of rows 25 to 29)	997.11	510.14	657.16	8,315.74	10,418.55
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	410.62	349.03
27	NSFR derivative assets	-	-	-	11.29	11.29
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	6.90	6.90
29	All other assets not included in the above categories	997.11	510.14	657.16	7,886.92	10,051.33
30	Off-balance sheet items	-	-	-	27,270.77	1,273.21
31	Total RSF (14+15+16+24+30)	-	-	-	-	57,269.14
32	Net Stable Funding Ratio (%)	-	-	-	-	158.92%

\* Items to be reported in the 'no maturity' time bucket does not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

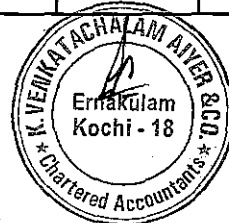


**3. Investments**

**a) Composition of Investment Portfolio**

[₹.in Crore]

As at 31.03.2023												
	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	
<b>Held to Maturity</b>												
Gross	19,687.13	-	-	-	0.50	-	19,687.63	-	-	-	-	19687.63
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>19,687.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.50</b>	<b>-</b>	<b>19,687.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19687.63</b>
<b>Available for Sale</b>												
Gross	2,436.59	-	304.95	1,334.08	-	1,995.77	6,071.39	-	-	0.20	0.20	6071.59
Less: Provision for depreciation and NPI	-	-	88.69	36.13	-	1,247.56	1,372.37	-	-	-	-	1372.37
<b>Net</b>	<b>2436.59</b>	<b>-</b>	<b>216.26</b>	<b>1297.95</b>	<b>-</b>	<b>748.21</b>	<b>4669.02</b>	<b>-</b>	<b>-</b>	<b>0.20</b>	<b>0.20</b>	<b>4669.22</b>
<b>Held for Trading</b>												



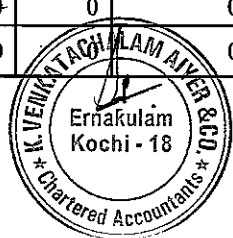
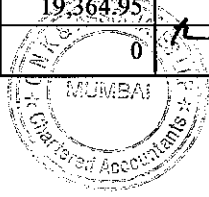
The South Indian Bank Limited  
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Gross	252.89	-	2.10	-	-	-	254.99	-	-	-	-	254.99
Less: Provision for depreciation and NPI	-	-	0.03	-	-	-	0.03	-	-	-	-	0.03
Net	252.89	-	2.07	-	-	-	254.96	-	-	-	-	254.96
<b>Total Investments</b>	<b>22,376.61</b>	<b>-</b>	<b>307.05</b>	<b>1,334.08</b>	<b>1,995.77</b>	<b>26,014.01</b>	<b>-</b>	<b>-</b>	<b>0.20</b>	<b>0.20</b>	<b>26014.21</b>	
Less: Provision for non- performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	88.72	36.13	-	1,247.56	1,372.41	-	-	-	-	1372.40
Net	<b>22,376.61</b>	<b>-</b>	<b>218.33</b>	<b>1,297.95</b>	<b>0.50</b>	<b>748.21</b>	<b>24,641.61</b>	<b>-</b>	<b>-</b>	<b>0.20</b>	<b>0.20</b>	<b>24641.81</b>

[₹.in Crore]

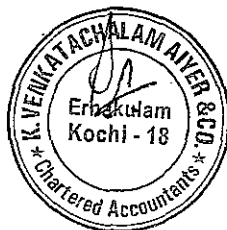
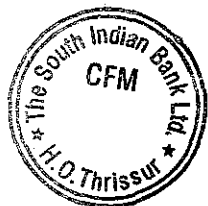
As at 31.03.2022

	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	
<b>Held to Maturity</b>												
Gross	19,364.95	0	0	0	0.5	0	19,365.45	0	0	0	0	19,365.45
Less:	0	0	0	0	0	0	0	0	0	0	0	0



The South Indian Bank Limited  
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Provision for non-performing investments (NPI)													
<b>Net</b>	<b>19,364.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.5</b>	<b>-</b>	<b>19,365.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,365.45</b>
<b>Available for Sale</b>													
Gross	16.1	0	211.81	588.32	0	2219.69	3,035.92	0	0	0.2	0.2	0.2	3,036.12
Less: Provision for depreciation and NPI	0	0	160.28	40.72	0	887.25	1,088.25	0	0	0	0	0	1,088.25
<b>Net</b>	<b>16.1</b>	<b>0</b>	<b>51.53</b>	<b>547.59</b>	<b>0</b>	<b>1,332.45</b>	<b>1,947.67</b>	<b>0</b>	<b>0</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>1,947.87</b>
<b>Held for Trading</b>													
Gross	84.48	0	3.03	25	0	19.93	132.44	0	0	0	0	0	132.44
Less: Provision for depreciation and NPI	0	0	0	0.75	0	0	0.75	-	-	-	-	0	0.75
<b>Net</b>	<b>84.48</b>	<b>0</b>	<b>3.03</b>	<b>24.25</b>	<b>0</b>	<b>19.93</b>	<b>131.69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>131.69</b>
<b>Total Investments</b>	<b>19,465.53</b>	<b>0</b>	<b>214.84</b>	<b>613.31</b>	<b>0.5</b>	<b>2,239.62</b>	<b>22,533.8</b>	<b>0</b>	<b>0</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>22,534.01</b>
Less: Provision for non-performing investments	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	160.28	41.47	0	887.25	1089	0	0	0	0	0	1,089.00
<b>Net</b>	<b>19,465.53</b>	<b>-</b>	<b>54.56</b>	<b>571.85</b>	<b>0.50</b>	<b>1,352.37</b>	<b>21,444.81</b>	<b>-</b>	<b>-</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>21,445.01</b>



**b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve**

[₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	899.03	634.82
b) Add: Provisions made during the year	445.60	267.33
c) Less: Write off / write back of excess provisions during the year	24.65	3.12
d) Closing balance	1,319.98	899.03
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	22.15	22.15
b) Add: Amount transferred during the year	104.38	0.00
c) Less: Drawdown	0.00	0.00
d) Closing balance	126.53	22.15
iii) Closing balance in IFR as a percentage of closing balance of investments* in AFS and HFT/Current category	2.55%	1.06%

\* Carrying value less net depreciation

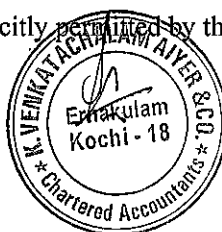
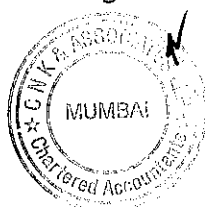
**c) Sale and transfer to/from HTM category/Permanent Category**

During the year ended March 31, 2023, the aggregate book value of sales and transfer of securities to/from HTM category did not exceeded 5% of the book value of investments held in HTM category at the beginning of the year.

In accordance of RBI guidelines, the 5% threshold limit referred to above is excluding the following:

- i) The one-time transfers of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks at the beginning of the accounting year.
- ii) Additional shifting of securities explicitly permitted by the Reserve Bank of India from time to time and direct sales from HTM for bringing down SLR holdings in HTM category consequent to a downward revision in SLR requirement by RBI.
- iii) Sales to Reserve Bank of India under pre-announced open market auctions.
- iv) Repurchase of Government Securities by Government of India from banks.
- v) Repurchase of State Development Loans by respective state governments under buyback/switch operations and

vi) Additional shifting of securities explicitly permitted by the Reserve Bank of India.



**d) Disclosure in respect of Non-SLR investments:**

i) Issuer composition of Non-SLR investments as at March 31, 2023: [₹. in Crore]

No	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
[1]	[2]	[3]	[4] <sup>1</sup>	[5] <sup>1,2</sup>	[6] <sup>1,2</sup>	[7] <sup>1,2</sup>
(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 <sup>3</sup>	1514.92	1514.92	-	-	-
(vii)	Total Book Value of investments	3724.31				
(viii)	Less: Provision for NPI	(52.43)				
(ix)	Less: Provision held towards depreciation	(1319.98)				
	<b>Total</b>	<b>2351.90</b>	<b>3467.85</b>	<b>27.19</b>	<b>27.19</b>	<b>5.00</b>

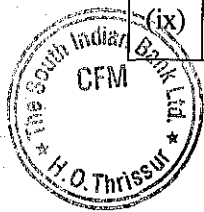
<sup>1</sup>Amounts reported under Columns 4, 5,6 and 7 above are not mutually exclusive.

<sup>2</sup>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.

<sup>3</sup>Includes Non SLR State Government special bonds with Book Value ₹ 86.71Crore

(ii) Issuer composition of non-SLR investments as at March 31, 2022: [₹. in Crore]

No	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
[1]	[2]	[3]	[4] <sup>1</sup>	[5] <sup>1,2</sup>	[6] <sup>1,2</sup>	[7] <sup>1,2</sup>
(i)	PSUs	40.34	35.34	-	-	-
(ii)	FIs	534.95	265.39	9.96	9.96	-
(iii)	Banks	502.94	500.91	-	-	-
(iv)	Private Corporate	384.80	383.76	20.00	20.00	5.00
(v)	Subsidiaries/ Joint Ventures	0.50	0.50	-	-	-
(vi)	Others <sup>3</sup>	1,710.23	1,710.23	-	-	-
(vii)	Total Book Value of investments	3,173.77				
(viii)	Less: Provision for NPI	(189.97)				
(ix)	Less: Provision held towards depreciation	(899.03)				





<b>Total</b>	<b>2,084.77</b>	<b>2,896.13</b>	<b>29.96</b>	<b>29.96</b>	<b>5.00</b>
--------------	-----------------	-----------------	--------------	--------------	-------------

<sup>1</sup>Amounts reported under Columns 4, 5,6 and 7 above are not mutually exclusive.

<sup>2</sup>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.

<sup>3</sup>Includes Non SLR State Government special bonds with Book Value ₹105.28 Crore

**Non-SLR investments as on 31.03.2023**

[₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
A Shares	218.53	54.76
B Debentures & Bonds <sup>1</sup>	1384.66	677.14
C Subsidiaries/ joint ventures	0.50	0.50
D Others	748.21	1,352.37
<b>E Total</b>	<b>2351.90</b>	<b>2,084.77</b>

<sup>1</sup> Including Non SLR State Government special bonds with Book Value ₹ 86.71 Crore (Previous Year: ₹105.28Crore).

**(i) Non- Performing Non-SLR investments**

[₹. in Crore]

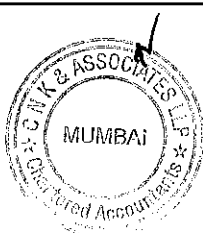
Particulars	March 31, 2023	March 31, 2022
Opening Balance	218.35	267.74
Additions during the year	1.66	-
Reductions during the year	167.58	49.39
Closing balance	52.43	218.35
<b>Total provisions held</b>	<b>52.43</b>	<b>189.97</b>

**e) Repo Transactions:**

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
<b>A) Securities sold under RBI Repos</b>				
i) Government Securities	100.00	900.00	30.63	275.00
ii) Corporate Debt Securities	-	-	-	-
<b>Securities purchased under RBI Reverse Repos</b>				
i) Government Securities	1800.00	3600.00	224.55	-
ii) Corporate Debt Securities	-	-	-	-
<b>B) Securities sold under Market Repos</b>				
i) Government Securities	1.02	762.02	56.12	307.92
ii) Corporate Debt Securities	-	-	-	-



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<b>Securities purchased under Reverse Market Repos</b>				
i) Government Securities	4.75	111.23	7.88	-
ii) Corporate Debt Securities	-	-	-	-
<b>C) Securities sold under Tri Party Repos</b>				
i) Government Securities	99.97	4503.14	1733.48	2598.56
ii) Corporate Debt Securities	-	-	-	-
<b>Securities purchased under Tri Party Reverse Repo</b>				
i) Government Securities	49.97	1009.28	41.87	49.97
ii) Corporate Debt Securities	-	-	-	-

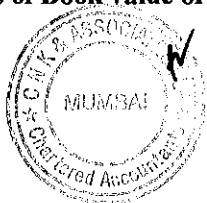
b) Transacted during the Financial year 2021-22:

[₹. in Crore]

Particulars [Book value]	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As on March 31, 2022
<b>A) Securities sold under RBI Repos</b>				
i) Government Securities	8.00	1,913.00	9.73	-
ii) Corporate Debt Securities	-	-	-	-
<b>Securities purchased under RBI Reverse Repos</b>				
i) Government Securities	858	12,061.00	5,917.39	3,600.00
ii) Corporate Debt Securities	-	-	-	-
<b>B) Securities sold under Market Repos</b>				
i) Government Securities-	107.69	107.69	0.29	-
ii) Corporate Debt Securities	-	-	-	-
<b>Securities purchased under Reverse Market Repos</b>				
i) Government Securities	4.95	169.29	22.30	-
ii) Corporate Debt Securities	-	-	-	-
<b>C) Securities sold under Tri Party Repo</b>				
i) Government Securities-	29.99	4,999.58	1,797.59	999.59
ii) Corporate Debt Securities	-	-	-	-
<b>Securities purchased under Tri Party Reverse Repo</b>				
i) Government Securities	60.69	1,695.01	26.39	-
ii) Corporate Debt Securities	-	-	-	-

D) Details of Book value of Investments in Security Receipts\*

[₹. in Crore]



Particulars	Backed by NPAs sold by the bank as underlying		Backed by NPAs sold by other banks/ financial institutions/ non-banking financial companies as underlying		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Book value of investments in security receipts	1396.79	1,573.54	-	-	1396.79	1,573.54

Note- In addition to the above, Bank holds security receipt of ₹16.75 Crore (Previous Year ₹16.75 Crore) which are backed by Standard assets sold by the Bank. Bank was holding investments in the Security Receipts issued by a Trust managed by an Asset Reconstruction Company (ARC).

\*Amount represents gross book value of Security Receipts held

**g) Details of ageing of Investments held as Security Receipts:**

**(i) As at March 31, 2023:**

[₹. in Crore]

Particulars		SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
i)	Book value of SRs backed by NPAs sold by the bank as underlying	459.47	884.53	52.79#
	Provision held against (i)*	293.49	884.53	52.79
ii)	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	-
	Provision held against (ii)	-	-	-
<b>Total (i) + (ii)</b>		<b>459.47</b>	<b>884.53</b>	<b>52.79</b>

# In addition to the above, Bank holds security receipt of ₹16.75 Crore which are backed by Standard assets sold by the Bank. The bank maintains 100% provision of ₹16.75 Crore against the same.

\*Provision amount represents Depreciation as per latest rating of SR/Provision as per RBI norms whichever is higher

**(ii) As at March 31, 2022:**



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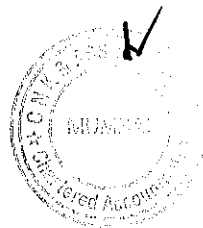
		[₹. in Crore]		
Particulars		SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
i	Book value of SRs backed by NPAs sold by the bank as underlying	554.10	1,019.44	-
	Provision held against (i)*	235.51	634.99	-
ii	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	-
	Provision held against (ii)	-	-	-
<b>Total (i) + (ii)</b>		<b>554.10</b>	<b>1,019.44</b>	<b>-</b>

# In addition to the above, Bank holds security receipt of ₹16.75 Crore which are backed by Standard assets sold by the Bank. The bank maintains 100% provision of ₹16.75 Crore against the same.

\*Provision amount represents Depreciation as per latest rating of SR/Provision as per RBI norms whichever is higher

**h) Details of Non-Performing financial assets purchased/ sold** [₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
Non performing financial assets purchased/ sold (from/to banks)	Nil	Nil



4. Asset Quality

a) Classification of advances and provisions held as on 31.03.2023

[₹. in Crore]

	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	58167.67	1350.48	2225.17	72.44	3648.09	61815.76
Add: Additions during the year					1513.22	
Less: Reductions during the year					1453.05	
Closing balance	68383.80	712.27	2847.84	148.15	3708.26	72092.06
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	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	464.54	485.44	1274.88	60.25	1820.57	2285.11
Add: Fresh provisions made during the year					1222.17	
Less: Excess provision reversed/ Write-off loans					756.87	
Closing balance of provisions held	407.59*	144.43	2011.29	130.15	2285.87	2693.46
<b>Net NPAs</b>						
Opening Balance		865.04	912.73	0.00	1,777.77	
Add: Fresh additions during the year					954.01	
Less: Reductions during the year					1438.17	
Closing Balance of Net NPAs		544.42	749.19	0.00	1293.61	
<b>Floating Provisions</b>						
Opening Balance						
Add: Additional provisions made during the year						
Less: Amount drawn down during the year						
Closing balance of floating provisions						0.00
<b>Technical write-offs and the recoveries made thereon</b>						
Opening balance of Technical/ Prudential written-off accounts						2189.93
Add: Technical/ Prudential write-offs during the year						53.02



Less: Recoveries made from previously technical/ prudential written-off accounts during the year #	379.39
Closing balance of Technical Write off	1863.56

# includes Reduction due to sale of NPAs to ARCs from previously technical/prudential written-off accounts during the year and Sacrifice made from previously technical/prudential written-off accounts during the year

**Classification of advances and provisions held as on 31.03.2022** [₹. in Crore]

	Standard		Non-Performing			Total
	Total Standard Advances	Sub-standa rd	Doubtful	Loss	Total Non-Performing Advances	
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	55,275.16	2,245.38	1,866.15	31.71	4,143.24	59,418.40
Add: Additions during the year					2,159.23	
Less: Reductions during the year					2,654.38	
Closing balance	58,167.67	1,350.48	2,225.17	72.44	3,648.09	61,815.76
Reductions in Gross NPAs due to:						
i) Upgradation					801.66	
ii) Recoveries (excluding recoveries from upgraded accounts)					1,151.08	
iii) Technical/ Prudential Write-offs					101.35	
iv) Write-offs other than those under (iii) above					600.29	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	290.03	405.36	936.93	19.04	1,361.33	1651.36
Add: Fresh provisions made during the year					1,586.68	
Less: Excess provision reversed/ Write-off loans					1,127.44	
Closing balance of provisions held	464.54*	485.44	1,274.88	60.25	1,820.57*	2285.11
<b>Net NPAs</b>						
Opening Balance		1,840.01	894.51	0.00	2,734.52	
Add: Fresh additions during the year					1,636.34	
Less: Reductions during the year					2,593.09	



The South Indian Bank Limited  
Schedules forming part Reformatted Standalone Financial Statements for the year ended March 31, 2023

Closing Balance		865.04	912.73	0.00	1,777.77
<b>Floating Provisions</b>					
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
<b>Technical write-offs and the recoveries made thereon</b>					
Opening balance of Technical/ Prudential written-off accounts					2,482.12
Add: Technical/ Prudential write-offs during the year					101.35
Less: Recoveries made from previously technical/ prudential written-off accounts during the year #					393.54
Closing balance					2,189.93

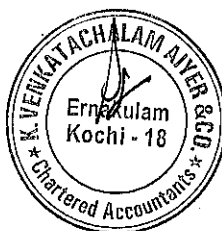
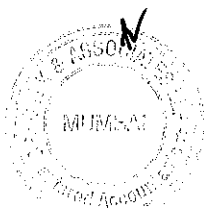
# includes Reduction due to sale of NPAs to ARCs from previously technical/prudential written-off accounts during the year and Sacrifice made from previously technical/prudential written-off accounts during the year

Ratios	March 31, 2023	March 31, 2022
Gross NPA to Gross Advances	5.14%	5.90%
Net NPA to Net Advances	1.86%	2.97%
Provision coverage ratio (Including technical / prudential written off accounts)	76.78%	69.55%
Provision coverage ratio (Excluding technical / prudential written off accounts)	65.12%	51.27%

**\*Provisions on Standard Assets**

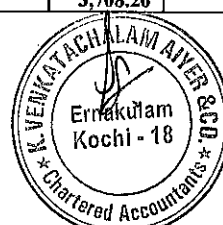
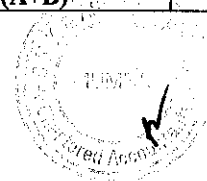
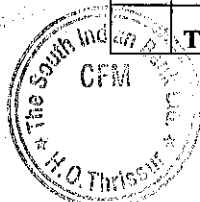
[₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
Provisions towards Standard Assets (including provision towards stressed sector)	252.02	208.72
Standard Restructured Accounts under MSME - Restructuring Scheme	75.40	111.98
Provision for Specific Standard Assets on Stressed Sectors	1.53	1.85
Standard Restructured Accounts under other Restructuring schemes	3.40	5.21
Standard Restructured Accounts under COVID 19 restructuring scheme	61.52	124.72
<b>Subtotal</b>	<b>393.87</b>	<b>452.48</b>
Provision for Unhedged Foreign Currency Exposure of Borrowers	13.72	12.06
<b>Grand Total (Refer Schedule 5.Point 4- Other liabilities and provisions)</b>	<b>407.59</b>	<b>464.54</b>



**b) Sector-wise Advances and Gross NPAs** [₹. in Crore]

Sl. No	Sector	2022-23			2021-22		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
<b>A</b>	<b>Priority Sector</b>						
1	Agriculture and allied activities	14,746.22	668.89	4.54%	12,709.12	654.44	5.15%
2	Advances to industries sector eligible as priority sector lending	5,960.15	372.71	6.25%	6,587.59	569.19	8.64%
2.a	Textile	1,495.10	77.92	5.21%	1,809.99	162.90	9.00%
2.b	Basic Metal	762.00	35.58	4.67%	715.35	46.17	6.45%
2.c	Infra	95.47	1.11	1.16%	68.36	0.43	0.63%
3	Services	8,413.02	811.92	9.65%	9,812.47	1,155.69	11.78%
3.a	Professional	1,687.35	144.55	8.57%	2,054.39	158.10	7.70%
3.b	Trade	4,857.60	497.72	10.25%	5,798.62	721.40	12.44%
3.c	NBFC	298.77	-	0.00%	170.51	-	0.00%
4	Personal loans	1,462.99	58.71	4.01%	1,722.28	84.73	4.92%
4.a	Housing Loan	1,208.67	37.76	3.12%	1,411.01	55.44	3.93%
4.b	Other Personal loans incl. Gold Loans	254.32	20.95	8.24%	311.27	29.29	9.41%
	<b>Sub-total (A)</b>	<b>30,582.38</b>	<b>1,912.23</b>	<b>6.25%</b>	<b>30,831.46</b>	<b>2,464.05</b>	<b>7.99%</b>
<b>B</b>	<b>Non Priority Sector</b>						
1	Agriculture and allied activities	695.54	31.37	4.51%	468.61	34.41	7.34%
2	Industry	12,116.76	608.51	5.02%	6,363.65	306.65	4.82%
2.a	Textile	735.56	169.70	23.07%	826.47	59.34	7.18%
2.b	Basic Metal	2,866.64	18.00	0.63%	1,042.87	28.69	2.75%
2.c	Infra	3,251.18	221.03	6.80%	1,840.35	132.35	7.19%
3	Services	15,541.83	777.89	5.01%	13,408.50	455.19	3.39%
3.a	Professional	1,848.71	72.76	3.94%	2,107.88	43.25	2.05%
3.b	Trade	4,175.96	565.03	13.53%	2,227.60	162.22	7.28%
3.c	NBFC	5,763.52	13.15	0.23%	5,444.04	60.49	1.11%
4	Personal loans	13,155.55	378.26	2.88%	10,743.54	387.79	3.61%
4.a	Housing Loan	2,679.40	126.21	4.71%	2,670.98	147.90	5.54%
4.b	Other Personal loans incl. Gold Loan	10,476.15	252.05	2.41%	8,072.56	239.89	2.97%
	<b>Sub-total (B)</b>	<b>41,509.68</b>	<b>1,796.03</b>	<b>4.33%</b>	<b>30,984.30</b>	<b>1,184.04</b>	<b>3.82%</b>
	<b>Total (A+B)</b>	<b>72,092.06</b>	<b>3,708.26</b>	<b>5.14%</b>	<b>61,815.76</b>	<b>3,648.09</b>	<b>5.90%</b>





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, 2023	March 31, 2022
1.	No of Accounts where Resolution Plan was implemented	0	1
2.	Exposure to accounts as on date of Implementation of Resolution Plan.	0	8.38

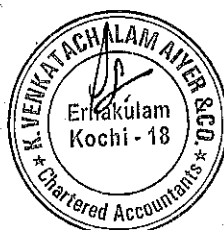
II) Details of accounts subjected to restructuring

[₹. in Crore]

		Agriculture and allied activities		Corporates Excluding MSMEs		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		Mar' 23	Mar' 22	Mar' 23	Mar' 22	Mar' 23	Mar' 22	Mar' 23	Mar' 22	Mar' 23	Mar' 22
Standard	Number of Borrowers	0	0	14	24	215	316	438	500	667	840
	Gross Amount	0.00	0.00	347.78	725.07	907.80	1412.81	260.63	279.12	1516.21	2417.00
	Provision held	0.00	0.00	34.89	96.66	76.39	113.67	29.04	31.56	140.32	241.89
Sub Standard	Number of Borrowers	0	53	2	1	48	72	12	66	62	192
	Gross Amount	0.00	4.33	10.82	43.03	195.58	252.88	5.96	5.99	212.36	306.23
	Provision held	0.00	1.02	2.49	6.45	50.63	105.65	1.50	4.52	54.62	117.64
Doubtful (Including Loss Assets)	Number of Borrowers	66	35	5	4	155	134	156	188	382	361
	Gross Amount	16.40	3.27	344.51	187.60	355.73	224.98	29.78	14.45	746.42	430.30
	Provision held	9.02	1.21	339.60	148.24	218.52	136.90	13.96	14.45	581.10	300.80
Total	Number of Borrowers	66	88	21	29	418	522	606	754	1111	1393
	Gross Amount	16.40	7.60	703.11	955.70	1459.11	1890.67	296.37	299.56	2474.99	3153.53
	Provision held	9.02	2.23	376.98	251.35	345.54	356.22	44.50	50.53	776.04	660.33

e) Disclosure on Divergence in Asset Classification and Provisioning for NPAs:

RBI annual supervision process is not completed for the FY 2022-23 and hence no disclosure is made in this regard.



**f) Disclosure of Transfer of Loan Exposures**

Disclosures as per Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions 2021 dated September 24, 2021 for the loans transferred/acquired during the year ended March 31, 2023 are given below:

## i. Details of loans not in default acquired through assignment are given below

[₹. in Crore]

Aggregate amount of loans acquired	2146.10
Weighted average residual maturity (in months)	38.95
Weighted average holding period by originator (in months)	6.13
Retention of beneficial economic interest by the originator	10.00%
Tangible security coverage	162.30%

The Loans acquired are not rated as these are of non-corporate borrowers.

## ii. Details of Non-Performing Assets transferred are given below;

[₹. in Crore]

Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	3	-	-
Aggregate principal outstanding of loans transferred	19.23	-	-
Weighted average residual tenor of the loans transferred in months	-	-	-
Net book value of loans transferred (at the time of transfer)	8.05	-	-
Aggregate consideration	16.86	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
Provision reversed to the profit and loss account on account of sale of stressed loans	8.81	-	-

iii. During the year ended March 31, 2023, the bank did not acquire any stressed loans or transfer any loan not in default / Special Mention Accounts (SMA)

## iv. Details of recovery ratings assigned to Security Receipts as at March 31, 2023

[₹. in Crore]

Recovery Ratings *	Anticipated Recovery as per Recovery Rating	Book value
NR1 / R1 +/RR1 +	> 150%	0.00
NR2/ R1 /RR1	100% - 150%	0.00
NR3/ R2 / RR2	75% - 100%	525.72
R3/ NR4 / RR3	50% - 75%	34.87
NR5 / RR4 / R4	25% - 50%	783.41
NR6 / RR5 / R5	0% - 25%	52.79
Yet to be rated #	-	0.00
Unrated	-	16.75
Total		1,413.54

\* Recovery Rating is as assigned by various external rating agencies

# Recent purchases whose statutory period not yet elapsed.



**g) Fraud accounts**

	March 31, 2023	March 31, 2022
Number of frauds reported during the year	417	402
Amount involved in fraud* (₹ Crore)	77.74	40.31
Amount of provision made for such frauds (₹ Crore)*	44.79	35.48
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ Crore)		NA

\* 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 <sup>1</sup>	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year <sup>2</sup>
Personal Loans <sup>#</sup>	308.19	23.93	0.00	5.76	278.50
Corporate persons*	297.24	92.73	0.00	12.63	191.87
Of which, MSMEs	0.10	0.00	0.00	0.10	0.00
Others	112.62	0.00	0.00	22.12	90.51
<b>Total</b>	<b>718.05</b>	<b>116.66</b>	<b>0.00</b>	<b>40.51</b>	<b>560.88</b>

\* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

<sup>#</sup> Includes Rs.8.12 Crores which was restructured during earlier period.

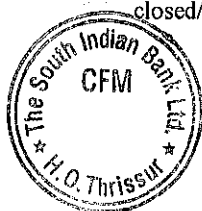
<sup>1</sup>Amount paid by the borrower during the half year is net of additions in the borrower account including additions due to interest capitalization.

<sup>2</sup>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	6	2.81
Corporate Persons	0	0.00
Of which MSMEs	0	0.00
Others	0	0.00
<b>Total</b>	<b>6</b>	<b>2.81</b>

There were 6 borrowers having an aggregate exposure of ₹2.81 Crore to the Bank, where Resolution Plan has been implemented under RBI's Resolution Framework 1.0 dated August 06, 2020 and modified under RBI's Resolution Framework 2.0 dated May 05, 2021. Accounts where modification has been done subsequently closed/upgraded to standard category not included here.



## 5. Exposures

### a) Exposures to Real Estate Sector

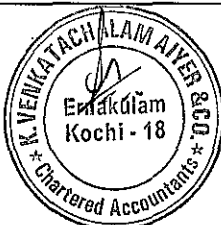
[₹. in Crore]

Category	March 31, 2023	March 31, 2022
<b>1) Direct Exposure</b>		
(a) Residential Mortgages -	4005.08	4,209.54
Lending fully secured by mortgages on residential property that is or will be occupied by the borrowers or that is rented; <i>of which Individual housing loans eligible for inclusion in priority sector advances .Exposure would also include non-fund based(NFB) limits.</i>	1228.73	1,435.28
(b) Commercial Real Estate -	514.96	832.23
Lending secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure include Non-Fund Based (NFB) limits		
(c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures -		
a. Residential	Nil	Nil
b. Commercial Real Estate	Nil	Nil
<b>2) Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	2614.52	1,008.49
<b>Total Exposure to Real Estate Sector</b>	<b>7134.56</b>	<b>6,050.26</b>

### b) Exposure to Capital Market sectors

[₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
(i) Direct Investments in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;*	152.86	27.34
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds and convertible debentures and units of equity oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-



Particulars	March 31, 2023	March 31, 2022
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers:	7.78	7.25
(vi) Loans sanctioned to corporate against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows/ issues	-	-
(viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>Total Exposure to Capital Market</b>	<b>160.64</b>	<b>34.59</b>

\*Shares acquired by banks as a result of Conversion of debt under CDR mechanism for ₹139.73 Crore (Previous Year ₹108.39 Crore) is excluded in line with extant RBI guidelines.

**c) Risk category wise country exposure:**

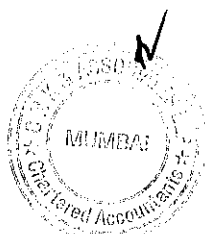
Country Risk exposure has been classified on the following basis:

[₹. in Crore]

Risk Category*	Exposure (net) as at March 31, 2023	Provision held as at March 31, 2023	Exposure (net) as at March 31, 2022	Provision held as at March 31, 2022
Insignificant	1901.28	-	3,270.85	-
Low	1342.08	-	1,478.33	-
Moderately Low	23.39	-	4.55	-
Moderate	9.19	-	0.02	-
Moderately High	8.81	-	5.20	-
High	12.47	-	-	-
Very High	-	-	-	-
<b>TOTAL</b>	<b>3297.22</b>	<b>-</b>	<b>4,758.95</b>	<b>-</b>

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, 2023	March 31, 2022
Total unsecured advances of the bank	11404.93	3,584.52
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	0.00	76.73
Estimated value of such intangible securities	0.00	76.73

e) Factoring Exposure- Nil.

f) Intra-Group Exposure - Nil.

**g) Unhedged Foreign Currency Exposure**

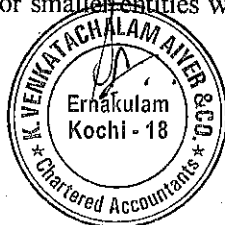
The Bank has in place a policy on managing credit risk arising out of unhedged foreign currency exposures of its borrowers. The objective of this policy is to maximize the hedging on foreign currency exposures of borrowers by reviewing their foreign currency product portfolio and encouraging them to hedge the unhedged portion. In line with the policy, assessment of unhedged foreign currency exposure is a part of assessment of borrowers and is undertaken while proposing limits or at the review stage.

Further, the Bank reviews the unhedged foreign currency exposure across its portfolio on a periodic basis. The Bank also maintains incremental provision towards the unhedged foreign currency exposures of its borrowers in line with the extant RBI guidelines. The Bank has maintained provision of ₹13.72 Crore and additional capital of ₹ 14.96 Crores on account of Unhedged Foreign Currency Exposure of its borrowers as at March 31, 2023.

**Movement of Unhedged Foreign Currency Exposure**

Date	Category	No. of borrowers with provision for UFCE	Unhedged Foreign Currency Exposure [₹. in Crore]	Provision [₹. in Crore]
31.03.2022	Above Rs.5.00Cr	42	6308.25	4.76
	Below Rs.5.00Cr	15906	-	7.30
<b>Total</b>				<b>12.06</b>
30.06.2022	Above Rs.5.00Cr	41	9841.98	5.87
	Below Rs.5.00Cr	15784	-	7.12
<b>Total</b>				<b>12.99</b>
30.09.2022	Above Rs.5.00Cr	46	8838.84	4.35
	Below Rs.5.00Cr	15675	-	7.01
<b>Total</b>				<b>11.36</b>
31.12.2022	Above Rs.5.00Cr	39	5957.79	4.62
	Below Rs.5.00Cr	15543	-	6.95
<b>Total</b>				<b>11.57</b>
31.03.2023	Above Rs.5.00Cr	64	69116.00	7.03
	Below Rs.5.00Cr	15683	-	6.69
<b>Total</b>				<b>13.72</b>

\* As per RBI guideline, for exposures to smaller entities which are having unhedged foreign currency exposure, banks may have the option of following a standardised method which would require an incremental provisioning of 10 bps over and above extant standard asset provisioning. Banks following standardised method for smaller entities will not be required to get UFCE data from these



entities. Smaller entities are entities on which total exposure from banking system is at ₹ 50 Crore or less.

As per bank's Board approved policy, it was decided to collect UFCE data from all customers who are having exposure above ₹ 5.00 Crore and for exposure below Rs.5.00 Crore bank is not collecting UFCE data. However for such accounts the bank is maintaining an incremental provision of 10bps over and above the extant standard asset provision on the outstanding balance.

## 6. Concentration of Deposits, Advances, Exposures and NPAs

### a) Concentration of Deposits [₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
Total Deposits of twenty largest depositors	2572.31	4,343.56
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	2.81%	4.87%

### b) Concentration of Advances\* [₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
Total Advances to twenty largest borrowers	9109.98	6,261.62
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	9.45%	7.50%

\*Advance is computed as per definition of Credit Exposure including derivatives furnished in RBI's Master Circular on Exposure Norms

### c) Concentration of Exposures\* [₹. in Crore]

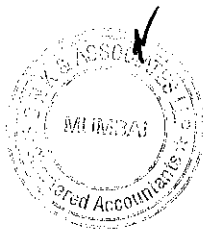
Particulars	March 31, 2023	March 31, 2022
Total Exposure to twenty largest borrowers/customers	9906.67	6,361.19
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	8.09%	6.00%

\*Exposure is computed based on credit and investment exposure as prescribed in RBI's Master Circular on Exposure Norms

### d) Concentration of NPAs\* [₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
Total Exposure to the top twenty NPA accounts	778.85	685.21
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	21.00%	18.78%

\*Represents funded balance



**7. Derivatives:**

**a) Forward Rate Agreement / Interest Rate Swap.**

Particulars		March 31, 2023	March 31, 2022
i)	The notional principal of swap agreements	150.00	
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	0.00	
iii)	Collateral required by the bank upon entering into swaps	0.00	Nil
iv)	Concentration of credit risk arising from the swaps	0.00	
v)	The fair value of the swap book	(0.07)	

The nature and terms of the IRS as on March 31, 2023 are set out below:

Nature	Nos	Notional Principal	Benchmark	Terms
Trading	6	150.00	MIOIS	Fixed Receivable/ Floating Payable

**b) Exchange Traded Interest Rate Derivatives.**

Sr.	Particulars	March 31, 2023	March 31, 2022
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)		
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2023 (instrument wise)		
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	Nil	Nil
(iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)		

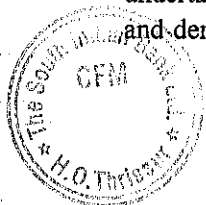
The bank had dealt in exchange traded currency futures during the financial year ended March 31, 2023. As at March 31, 2023 the open contracts on the exchange was Nil.

**c) Disclosures on Risk Exposure in Derivatives.**

**i) Qualitative Disclosure.**

The Bank undertakes over the counter and exchange traded derivative transactions for Balance Sheet management and also for proprietary trading/ market making. Bank offers derivative products to the customers to enable them to hedge their exposure within the prevalent regulatory guidelines.

These transactions expose the Bank to various risks primarily credit, market, operational, legal, and reputation. There is functional separation between the Front Office, risk and Back Office for undertaking derivative transactions. The derivative transactions are governed by the Investment, forex and derivative policy and market risk management policy of the Bank as well as by the extant RBI





guidelines. Various operational/risk limits are set up and actual exposures are monitored vis-à-vis the limits allocated. Risk Limits are in place for risk parameters viz. VaR, Stop Loss, Dealer Limit, Deal size limit. Actual positions are monitored against these limits on a daily basis and breaches, if any, are reported promptly. The MTM position of the derivative portfolio is monitored on a regular basis. The impact on derivative portfolio on account of the probable market movements are assessed on regular basis.

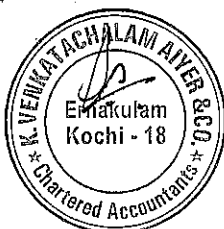
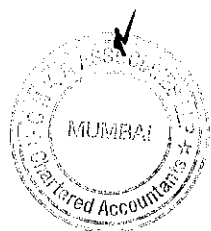
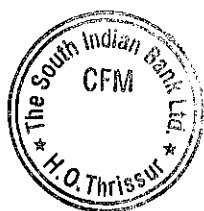
Bank deals in derivatives for hedging foreign currency assets/liabilities subject to the prevailing regulatory guidelines. Transactions for hedging and trading are recorded separately. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of the transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Transactions related to foreign exchange forwards, Currency futures etc. are marked to market (MTM) on the reporting dates and the MTM is accounted in the books. Collateral requirements for derivative transactions are determined based on usual credit appraisal process. For the purpose of credit risk mitigation, most of the deals have been contracted with Banks/ Major primary dealers and no default risk is anticipated on the deals with them.

## ii) Quantitative Disclosures:

[₹. in Crore]

Sl. No	Particulars	March 31, 2023		March 31, 2022	
		Currency Derivatives*	Interest rate derivatives	Currency Derivatives*	Interest rate derivatives
1	Derivatives (Notional Principal Amount)	-	-	-	-
	a) For hedging	-	-	-	-
	b) For trading	-	150.00	-	-
2	Marked to Market Positions	-	-	-	-
	a) Asset (+)	-	-	-	-
	b) Liability (-)	-	0.07	-	-
3	Credit Exposure	-	0.75	-	-
4	Likely impact of one percentage change in interest rate (100*PV01)	-	-	-	-
	a) on hedging derivatives	-	-	-	-
	b) on trading derivatives	-	1.32	-	-
5	Maximum and Minimum of 100*PV01 observed during the year	-	-	-	-
	a) on hedging	-	-	-	-
	b) on trading	-	-	-	-
	Max (100*PV01)-Trading	7.37	9.03	-	1.38
	Min (100*PV01)-Trading	0	0	0	0

\*Only Currency futures are reported in currency derivatives. There was no contract outstanding as on 31-03-2023.



Foreign exchange forward contract has not been included in the above disclosure. The notional principal amount of foreign exchange contracts classified as trading on March 31, 2023 amounted to ₹16,269.20 Crore (Previous Year ₹24,286.43 Crore) and mark to market position was asset of ₹123.15 crore (previous year ₹139.11 Crore) and liability of ₹ 102.64 crore (Previous year ₹94.51 crore). The notional principal amount of Foreign exchange contacts classified as hedging on March 31 2023 amounted to ₹ 3334.66 Crore (Previous year ₹ 2865.58 Crore).

The notional principal amounts of derivatives reflect the volume of transactions outstanding as at the Balance Sheet date and do not represent the amounts at risk. Interest rate derivative represents interest rate swaps.

**d) Credit Default Swaps**

The bank has not undertaken any transactions in credit default swaps during the year ended March 31, 2023 and March 31, 2022.

**8. Securitisation Transactions**

The Bank has not undertaken any securitisation transactions during the year ended March 31, 2023 and March 31, 2022.

**9. Off-balance Sheet SPVs sponsored**

There are no SPVs sponsored by the Bank as at March 31, 2023 and March 31, 2022.

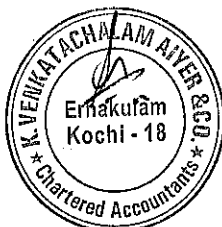
**10. Transfers to Depositor Education and Awareness Fund (DEA Fund):**

In accordance with the guidelines issued by the RBI, the Bank transfers the amount to the credit of any account which has not been operated upon for a period of ten years or any deposits or any amount remaining unclaimed for more than ten years to DEAFund.

Details of amounts transferred to DEAFund are set out below:

[₹. in Crore]

Particulars	March 31,2023	March 31,2022
Opening balance of amounts transferred to DEA Fund	183.70	149.85
Add : Amounts transferred to DEA Fund during the year	39.99	37.25
Less : Amounts reimbursed by DEA Fund towards claims	5.05	3.40
Closing balance of amounts transferred to DEA Fund	218.64	183.70

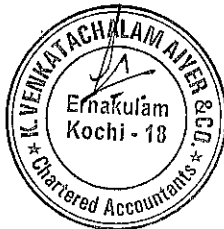


**11. Status of Complaints****a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman**

Sr. No	Particulars	March 31, 2023	March 31, 2022
<b>Complaints received by the bank from its customers</b>			
1.	Number of complaints pending at beginning of the year	1446	1,175
2.	Number of complaints received during the year	43091	43,099
3.	Number of complaints disposed during the year	43677	42,828
3.1	Of which, number of complaints rejected by the bank	8761	9,396
4.	Number of complaints pending at the end of the year	860	1,446
<b>Maintainable complaints received by the bank from Office of Ombudsman</b>			
5.	Number of maintainable complaints received by the bank from Office of Ombudsman	279	251
5.1	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	162	129
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	117	121
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	0	1
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0
Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme. Previous year figures updated wherever considered necessary so as to align the same with current year data.			

**b) Top five grounds of complaints received by the bank from customers**

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Current Year</b>					
ATM/Debit Card	409	15898	-23.62	123	
Internet Banking/Mobile Banking/Electronic Banking	430	12692	46.98	287	
Account Opening /difficulty	9	2876	49.17	33	



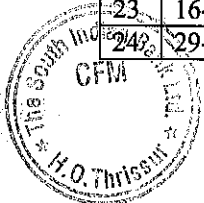
in operation of accounts					
Charges	61	1181	84.82	76	
Credit Cards	1	416	1385.71	4	
Others	536	10028	-4.15	337	
<b>Total</b>	<b>1446</b>	<b>43091</b>	<b>-0.018</b>	<b>860</b>	
Previous Year					
ATM/Debit Card	122	20,817	35.25	409	-
Internet Banking/Mobile Banking/Electronic Banking	389	8,635	15.70	430	-
Account Opening /difficulty in operation of accounts	64	1,928	83.61	9	-
Charges	36	639	18.11	61	-
Loans and Advances	23	617	-12.97	15	1
Others	541	10,463	-3.75	522	17
<b>Total</b>	<b>1,175</b>	<b>43,099</b>	<b>19.64</b>	<b>1,446</b>	<b>18</b>

## 12. Penalties levied by the Reserve Bank of India

The penalty imposed by RBI during the year ended March 31, 2023 was ₹15,90,650/- (Previous year ₹1,01,86,000/-)

### Penalties Imposed By RBI in FY 2022-23

Sl No	Imposed date	Amount(Rs)	Nature of breach
1	28-03-2022	10,000.00*	ATM Cash-out penalty imposed by RBI.
2	07-04-2022	10,000.00	ATM Cash-out penalty imposed by RBI.
3	12-05-2022	10,000.00	ATM Cash-out penalty imposed by RBI.
4	13-05-2022	20,000.00	ATM Cash-out penalty imposed by RBI.
5	20-05-2022	20,000.00	ATM Cash-out penalty imposed by RBI.
6	24-05-2022	4,00,000.00	ATM Cash-out penalty imposed by RBI.
7	01-06-2022	70,000.00	ATM Cash-out penalty imposed by RBI.
8	03-06-2022	1,00,000.00	ATM Cash-out penalty imposed by RBI.
9	05-07-2022	50,000.00	ATM Cash-out penalty imposed by RBI.
10	21-07-2022	2,150.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
11	10-08-2022	150.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
12	03-08-2022	3,750.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
13	16-08-2022	1,200.00	Late fee due to delay in filing Form GSTR-6 return for the month of July2022.
14	04-08-2022	10,000.00	Penalty imposed by RBI for non-reporting of ATM cash-out. Later, based on bank's representation, the penalty amount was reversed to our account.
15	22-08-2022	40,000.00	ATM Cash-out penalty imposed by RBI.
16	02-09-2022	60,000.00	ATM Cash-out penalty imposed by RBI.
17	06-09-2022	30,000.00	ATM Cash-out penalty imposed by RBI.
18	07-10-2022	30,000.00	ATM Cash-out penalty imposed by RBI.
19	03-11-2022	10,000.00	ATM Cash-out penalty imposed by RBI.
20	18-11-2022	4,850.00	Penalty imposed for discrepancies in Soiled Note Remittance / shortage in remittance by currency chest.
21	08-12-2022	10,000.00	ATM Cash-out penalty imposed by RBI.
22	12-12-2022	15,000.00	Penalty imposed by RBI for irregularities observed during their visit.
23	16-01-2023	15,000.00	Penalty imposed by RBI for irregularities observed during their visit.
24	29-12-2022	5,000.00	Penalty imposed by RBI for irregularities observed during their visit.



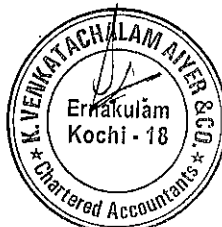
25	16-02-2023	90,000.00	ATM Cash-out penalty imposed by RBI.
26	27-02-2023	100.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
27	08-02-2023	950.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
28	08-03-2023	10,000.00	Penalty imposed by RBI for Non Frisking by Currency chest.
29	17-03-2023	12,500.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.-
30	10-03-2023	10,000.00	ATM Cash-out penalty imposed by RBI.
31	17-03-2023	10,000.00	ATM Cash-out penalty imposed by RBI.
32	29-03-2023	1,30,000.00	ATM Cash-out penalty imposed by RBI.
33	30-03-2023	4,00,000.00	ATM Cash-out penalty imposed by RBI.
<b>Total</b>		<b>15,90,650.00</b>	

*\*This penalty was pertaining to the month of March 2022 (i.e. Q4 of FY 2021-22). This case was further analysed and reported in the month of April 2022. Hence the same has been reported in Q1 of FY 2022-23.*

**Penalties Imposed by RBI In FY 2021-22**

Sl No	Imposed date	Amount	Nature of Breach
1	06.07.2021	1,00,00,000.00	We were in receipt of a show cause notice from RBI dated 22nd January 2021 with respect to the account IL & FS Group companies with regards to non-adherence of RBI Circular IECD.No.29/08.12.01/98-99 dated May 25, 1999 on "Lending to Non-Banking Financial Companies (NBFCs)". Vide letter SIB/COMP/RBI/77/20-21 dated February 09,2021.
2	06.09.2021	35,000.00	We were in receipt of a Show Cause Notice on the following discrepancies observed during RBI Inspection in Currency Chest, 1. Non-Frisking of person entering/exiting the vault. 2. Non Maintenance of charge certificate 3. Delay in sorting of Soiled notes. 4. Grill Gate of strong room kept open during operation.
3	11.11.2021	200.00	Penalty imposed for discrepancies in Soiled Note Remittance by currency chest.
4	28.12.2021	1,00,000.00	On 22.12.21, Short Sale amounting to Rs.45 crores was kept open for value 23.12.21. On 23.12.2021, inadvertently, purchase of Market Reverse Repo was not communicated to Money Market Desk by SLR Desk & thus they did not strike reverse repo deal to cover the security short sold. Hence, reverse repo for Rs.10 crores against the security short 6.67% GS 2035 was not taken. This lead to shortage of security balance by Rs.10 crores in Subsidiary General Ledger (SGL). The securities that were short, had to be bought under reverse repo to negate security short sold commitment to CCIL
5	18.01.2022	5,300.00	Penalty imposed on account of deficiencies noticed during RBI visit of currency chest.
6	07.03.2022	15,950.00	Penalty imposed on account of deficiencies noticed during RBI visit of currency chest.
7	10.03.2022	9,550.00	Penalty imposed for discrepancies in Soiled / forged / defective note Remittance by currency chest.
8	14.03.2022	10,000.00	ATM Cash-out penalty imposed by RBI.
9	17.03.2022	10,000.00	ATM Cash-out penalty imposed by RBI.
<b>Total</b>		<b>1,01,86,000.00</b>	

During the year, short sale of securities amounting to ₹ 45 Crore were kept open for value date 22.12. 2021. Market Reverse Repo for ₹ 35 Crore was taken against 45 Cr short sale and Purchase of Market



Reverse Repo for ₹ 10 Crore against the securities short 6.67% GS 2035 was not taken which lead to shortage of security balance by ₹10 Crore in Subsidiary General Ledger (SGL). The same has been reported to the appropriate authority. There is no other such incidence incurred during the period. Further we also confirm that all investments and Forex transactions are in compliance with RBI directives and Banks Investment Policy.

### 13. Disclosures on Remuneration

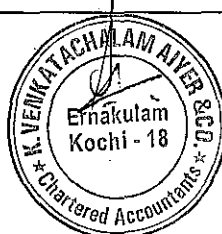
#### a) Information relating to the composition and mandate of the Nomination & Remuneration Committee.

##### Composition:

The Nomination & Remuneration committee of the Board consists of three members and all three members are members of Risk Management committee of the Board to facilitate effective governance of compensation.

The roles and responsibilities of the Nomination & Remuneration Committee inter-alia includes the following:

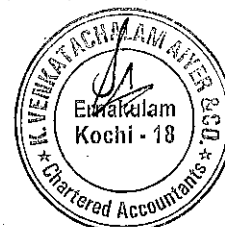
Sl. No.	Name of Agenda item
1	Scrutinizing the declarations received from persons to be appointed as Directors as well as from the existing Directors seeking re-appointment and to decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors. and make references to the appropriate authority/persons to ensure compliance with the requirements indicated by Reserve Bank of India vide their directive dated May 23, 2011 on Fit & Proper Criteria of the Banks.
2	Recommend to the Board for its consideration and approval on the size and composition of the Board taking into account the available and needed diversity and balance in terms of experience, knowledge, skills, and judgment of the Directors
3	To devise a Succession Planning Policy for the Board and Senior Management.
4	To formulate a Nomination policy of the Board to guide the Board in relation to appointment/re-appointment/removal of Directors.
5	To identify persons who are qualified to become Directors/ KMPs and who may be appointed in senior management as defined in the Succession Policy in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
6	To formulate the criteria for evaluation of Independent Directors and the Board/Committees.
7	To devise a policy on Board diversity.
8	To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
9	To perform such other functions as may be necessary or appropriate for the performance of its duties.
10	To oversee the framing, review and implementation of Bank's overall compensation structure and related policies on remuneration packages payable to the WTDs/MD & CEO and other staff including performance linked incentives, perquisites, Stock option scheme etc. with a view to attracting, motivating and retaining employees and review compensation levels vis-a-vis other Banks and the industry in general.
11	The Committee shall work in close coordination with the Risk Management Committee of the Bank, in order to achieve effective alignment between remuneration and risks. The Committee will also ensure that the cost/income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.
12	With respect to the variable pay, both cash and non-cash Performance Linked Incentive Schemes, the Committee is empowered to: <ol style="list-style-type: none"> <li>Draw up terms and conditions and approve the changes, if any, to the Performance Linked Incentive schemes;</li> </ol>



	<p>b) Moderate the scheme on an ongoing basis depending upon the circumstances and link the same with the recommendations of Audit Committee;</p> <p>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;</p> <p>d) On completion of the year, finalize the criteria of allotment of marks to ensure objectivity/equity.</p> <p>e) To identify Material Risk Takers (MRTs) as per the recommendations made by MD &amp; 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.</p>
13	The Committee shall also function as the Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits) Regulations, 2014 and is empowered to formulate detailed terms and conditions of the Scheme, administer, supervise the same and to allot shares in compliance with the guidelines and other applicable laws.
14	To obtain necessary clearances and approvals from regulatory authorities, appoint Merchant Bankers and do such other things as may be necessary in respect of the Employees Stock Option Scheme.
15	To oversee the administration of Employee benefits, such as Provident Fund, Pension Fund, Gratuity, Compensation for absence on Privilege/Sick/Casual Leave etc., which are recognized in accordance with Accounting Standard-15 (revised) specified in the Companies (Accounting Standards) Rules, 2006.
16	The Committee may suggest amendments to any stock option plans or incentive plans, provided that all amendments to such plans shall be subject to consideration and approval of the Board.
17	Any other matters regarding remuneration to WTDs/MD & CEO and other staffs of the Bank as and when permitted by the Board.
18	To conduct the annual review of the Compensation Policy.
19	To fulfil such other powers and duties as may be delegated to it by the Board.
20	To review HR Strategy aligning with business strategy of the Bank.
21	To review the skill gaps and talent pool creation.
22	To do any other matters regarding remuneration to whole-time directors/ non-executive directors /part-time chairman, Chief Executive Officers / Material Risk Takers (MRTs) and employees (risk control and compliance staff and all other categories of staff) of the Bank including signing/ joining bonus occurring in the context of hiring new staff and be limited to first year, in the form of share-linked instruments only, as and when permitted by the Board. Such bonus will neither be considered part of fixed pay nor part of variable pay.

**b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.**

- The Bank has formed the compensation policy based on the Reserve Bank of India guidelines vide its Circular No. DBOD.No.BC.72/29.67.001/2011-12 dated January 13, 2012.
- The fixed remuneration and other allowances including retirement benefits of all subordinate, clerical and officers up to the rank of General Manager (Scale VII) is governed by the industry level wage settlement under Indian Banks Association (IBA) pattern. In respect of officers above the cadre of General Manager, the remuneration is fixed by Board / Committee.
- Further, the compensation structure for the Whole Time Directors (WTDs) / Managing



Director & Chief Executive Officer (MD & CEO) of the bank are subject to approval of Reserve Bank of India in terms of Section 35 B of the Banking Regulation Act, 1949. The payment of compensation also requires approval of the shareholders of the Bank in the General Meeting pursuant to clause 95 of Articles of Association of the Bank read with Section 197 of the Companies Act, 2013 and Section 35B (1) of Banking Regulation Act 1949.

- The Reserve Bank of India vide circular DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019 issued a detailed revised Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff. Accordingly, the Compensation Policy has been modified by incorporating the revised provisions of the RBI circular.

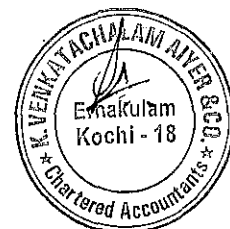
**c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It will include the nature and type of the key measures used to take account of these risks.**

The Board of Directors through the NRC shall exercise oversight and effective governance over the framing and implementation of the Compensation Policy. Human Resource Management under the guidance of MD & CEO shall administer the Compensation and Benefit structure in line with the best suited practices and statutory requirements as applicable.

**For Material Risk Takers:**

The Bank will refer to the Basel Committee on Banking Supervision (BCBS) report entitled Range of Methodologies for Risk and Performance Alignment of Remuneration published in May 2011 for guidance wherever required. It intends to enhance the banks' and supervisors' understanding of risk-adjusted remuneration. This report, by providing some clarification on design of risk-adjusted remuneration schemes, will support and facilitate the greater adoption of sound practices in the banking sector. Some of the key stipulations of the report are as under:

1. In order for incentive-based remuneration to work, the variable part of remuneration will be truly and effectively variable and can even be reduced to zero in line with the symmetry principle defined by the FSB. A key element that supervisors expect is the ability for banks to demonstrate that the methodologies they developed to adjust variable remuneration to risk and performance are appropriate to their specific circumstances.
2. The methodologies for adjusting remuneration to risk and performance will also be consistent with the general risk management and corporate governance framework.
3. Performance measures and their relation to remuneration packages will be clearly defined at the beginning of the performance measurement period to ensure that the employees perceive the incentives mechanism. The usual annual determination of bonuses will be based on rules, processes and objectives known in advance, recognizing that some discretion will always be needed.
4. Bank will use a combination of financial and non-financial measures to assess employee performance and adapt the measurement to each employee's specific situation. Qualitative factors (like knowledge, skills or abilities), might play an important role when it comes to judging and rewarding some activities- particularly when these serve to reinforce the bank's risk management goals.
5. The nature and extent to which risk adjustments are needed depends first on the extent to which performance measures capture risks, but in all cases, some form of risk adjustment is needed as remuneration is often awarded before the final outcome of an activity is known. Risks taken need





to be estimated (ex ante), risk outcomes observed (ex post) and both ex ante estimates and ex post outcomes will affect payoffs.

6. Risk adjustments need to take into account the nature of the risks involved and the time horizons over which they could emerge. The impact of remuneration adjustments will be linked to actions taken by employees and/or business units, and their impact on the level of risk taken on by the bank.
7. The nature of the award process, which links the variable remuneration of each individual employee with bonus pools and the total amount of variable remuneration at a bank's level, is also an area that will be carefully considered by banks and supervisors, as it directly influences how and when performance and risk adjustment are or can be used.
8. Considering the above parameters, the Board may approve suitable methodologies for fixing of risk adjusted remuneration, as appropriate, based on the recommendations of Risk Management committee and review/approval of the Nomination and Remuneration Committee on the same.

**The compensation structure for the *Whole-Time Directors/ Chief Executive Officers / Material Risk Takers (MRTs)* of the bank shall be as under:**

**Fixed Pay and Perquisites**

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

**Variable Pay**

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

**d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.**

- a) The factors taken in to account for the annual review and revision in the variable pay and performance bonus are:
  - The performance of the Bank
  - The performance of the business unit
  - Individual performance of the employee
  - Other risk perceptions and economic considerations.

The criteria for identification of MRTs are subject to the following:

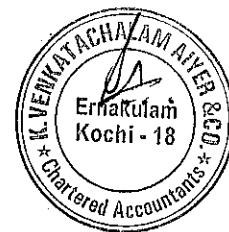
The persons who satisfy the qualitative criteria and any one of the quantitative criteria as detailed below:

(I) Standard Qualitative Criteria:

- Relate to the role and decision-making power of staff members (e.g., General manager, member of management body) having jointly or individually, the authority to commit significantly to risk exposures, etc.

and

(II) Standard Quantitative Criteria:



- Their total remuneration exceeds a certain threshold (to be recommended by MD & CEO to NRC for approval); the determination of which may be done prudently by the bank,
- or
- They are included among the 0.3% of staff with the highest remuneration in the bank,
- or
- Their remuneration is equal to or greater than the lowest total remuneration of senior management and other risk-takers.

MD & CEO is considered as Material Risk Taker, whose compensation will be guided by the provisions applicable to WTD/CEO as per the policy. However the Board, on recommendation of NRC, will specify additional Material Risk Takers (MRTs) whose actions have a material impact on the risk exposure of the bank from time to time.

**e) A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.**

➤ **Variable Pay**

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

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

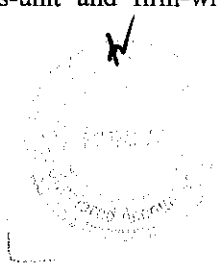
**a. Limit on Variable Pay:**

**A. For Whole-Time Directors and Chief Executive Officers**

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

**B. For Material Risk Takers (MRTs)**

- i. In compliance to the RBI Guidelines and other applicable rules & regulations 50% of total pay for all MRTs should be variable pay and paid on the basis of individual, business-unit and firm-wide measures that adequately measure performance.



- ii. 50% of the variable pay should be via non-cash instruments.
- iii. The deterioration in the financial performance of the bank should generally lead to a contraction in the total amount of variable compensation, which can even be reduced to zero.

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

**b. Deferral of Variable Pay**

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

**c. Period of Deferral Arrangement**

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

**d. Vesting:**

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

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

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

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

**e. Share-linked Instruments**

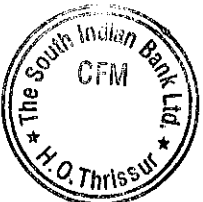
Such instruments shall be included as a component of variable pay. Norms for grant of share-linked instruments should be framed by banks in conformity with relevant statutory provisions and should form part of the bank's compensation policy. The details of share-linked instruments granted should also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

**Malus / Clawback**

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

- i) Applying of Malus / Clawback arrangement on entire variable pay on occurrence of the following Situations:

- identified fraud / misconduct by the executive (whole-time directors, Chief Executive Officers / Material Risk Takers (MRTs)) pertaining to the corresponding period for which the clause to be applied.



- ii) Applying of Malus / Clawback arrangement on unvested portion of deferred variable pay on occurrence of the following situation:
- Reporting of operating loss or more than 50% fall in operating profit in any year
- iii) Applying of Malus clause on unvested portion of deferred variable pay on occurrence of the following situation:
- Wherever the assessed divergence in bank's provisioning for Non-Performing Assets (NPAs) or asset classification exceeds the prescribed threshold for public disclosure as detailed below: (As referred in RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019, as amended from time to time),
    - a. the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period, and
    - b. the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period

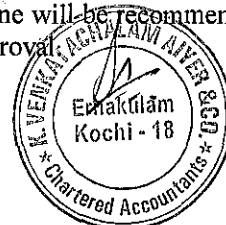
Further, in such situations, no proposal for increase in variable pay (for the assessment year) shall be entertained. In case the bank's post assessment Gross NPAs are less than 2.0%, these restrictions will apply only if criteria for public disclosure are triggered either on account of divergence in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

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

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

Members of staff engaged in financial and risk control, including internal audit, should be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the bank. Effective independence and appropriate authority of such staff are necessary to preserve the integrity of financial and risk management's influence on incentive compensation. Back office and risk control employees play a key role in ensuring the integrity of risk measures. If their own compensation is significantly affected by short-term measures, their independence may be compromised. If their compensation is too low, the quality of such employees may be insufficient for their tasks and their authority may be undermined. The mix of fixed and variable compensation for control function personnel should be weighted in favour of fixed compensation. Therefore, the requirement of minimum 50% of total compensation to be paid in the form of variable pay will not be applicable for this category of staff. However, a reasonable proportion of compensation has to be in the form of variable pay, so that exercising the options of malus and/or clawback, when warranted, is not rendered infructuous.

For calculating the Variable Pay of Risk Control and Compliance Staff the 'Key Performance Indicators' (KPI) will be totally different and the modalities of the same will be recommended by the Nomination and Remuneration Committee to the Board for approval



**f) Description of the different forms of variable remuneration (i.e. cash and types of share linked instruments) that the bank utilizes and the rationale for using these different forms.**

**For Material Risk Takers**

*both cash and non-cash* Performance Linked Incentive Schemes to those employees who are eligible for incentives.,

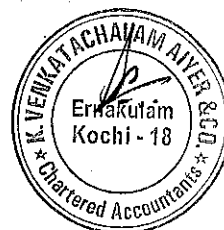
In this regard the Committee is empowered to:

- i) Draw up terms and conditions and approve the changes, if any, to the Performance Linked Incentive schemes;
- ii) Moderate the scheme on an ongoing basis depending upon the circumstances and link the same with the recommendations of Audit Committee;
- iii) Coordinate the progress of growth of business vis -a- vis the business parameters laid down by the Board and Audit Committee and effect such improvements in the scheme as are considered necessary;
- iv) On completion of the year, finalize the criteria of allotment of marks to ensure objectivity/equity.
- v) To identify Material Risk Takers (MRTs) as per the recommendations made by MD & CEO and to fix variable pay and other terms of payment including component (Cash and non-cash), deferment and divergence clause in line with compensation policy and other RBI guidelines and other policies and guidelines of the bank.

**For Others**

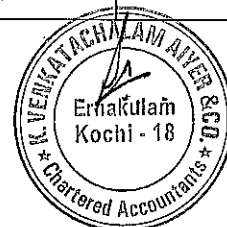
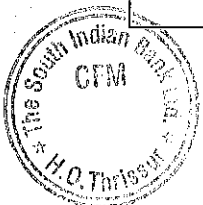
The Board will from time to time specify the Risk Control and Compliance Staff.

- a) Based on the recommendations of the Committee, Board may fix the variable pay not exceeding 50% of the fixed pay in a year. Within this ceiling, at higher levels of responsibility, the proportion of variable pay will be higher. The variable pay may be in cash, or stock linked instruments or a mix of both.
- b) 'Variable pay' means the compensation as fixed by the Board on recommendation of the Committee, which is based on the performance appraisal of an employee in that role, that is, how well they accomplish their goals. It may be paid as:
  - i. Performance Linked Incentives' to those employees who are eligible for incentives.
  - ii. Ex-gratia for other employees who are not eligible for Performance linked Incentives.
  - iii. Bonus for those staff members who are eligible for bonus under the Payment of Bonus Act, 1965
  - iv. Any other incentives, by whatever name called having the features similar to the above.
- c) The Board may adopt principles similar to that enunciated for WTDs/CEOs, as appropriate, for variable pay-timing, Malus/Clawback, guaranteed bonus and hedging.
- d) Employee Stock Option Scheme/Employee Stock Option Plan as may be framed by the Board from time to time in conformity with relevant statutory provisions and SEBI guidelines as applicable.



[₹. in Crore]

		2022-23	2021-22	
Quantitative disclosures	(a)	i. Number of meetings held by the Remuneration Committee during the financial year	10	12
		ii. Remuneration paid to its members	0.15	0.21
	(b)	i. Number of employees having received a variable remuneration award during the financial year.	1	1
		ii. Number and total amount of sign-on awards made during the financial year.		
		o Number	Nil	Nil
		o Total amount	Nil	Nil
		iii. Details of guaranteed bonus if any	Nil	Nil
		iv. Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil
	(c)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	ESOS:0.88 Cash:0.38	Nil
		(ii) Total amount of deferred remuneration paid out in the financial year.	Nil	Nil
(d)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.			
	i. Fixed*	1.66	1.65	
	ii. Variable	1.50	0.13	
	• Deferred	1.12	Nil	
	• Non Deferred	0.38	0.13	
	* 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:0.38	Nil	
	(ii) Total amount of reductions during the financial year due to ex- post explicit adjustments.	Nil	Nil	
	(iii) Total amount of reductions during the financial year due to ex- post implicit adjustments.	Nil	Nil	
(f)	Number of MRTs identified.	1*	1*	
(g)	• Number of cases where malus has been exercised.	Nil		
	• Number of cases where clawback has been exercised.	Nil	Nil	
	• Number of cases where both malus and clawback have been exercised.	Nil		



<b>General Quantitative Disclosure</b>	(h)	The mean pay for the bank as a whole (excluding sub-staff) and	0.10	0.09
		The deviation of the pay of each of its WTDs <sup>§</sup> from the mean pay.	1.93	1.70
<sup>§</sup> Gross remuneration paid to MD & CEO is considered for this purpose, which excludes the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Bank as a whole				

\*Mr. Murali Ramakrishnan, Managing Director & Chief Executive Officer is identified as MRT

#### 14. Other Disclosures

##### a) Business ratios

Particulars	March 31, 2023	March 31, 2022
(i) Interest Income as a percentage to Working Funds <sup>1</sup>	6.86%	6.57%
(ii) Non-interest income as a percentage to Working Funds <sup>1</sup>	0.77%	1.03%
(iii) Cost of Deposits	4.35%	4.75%
(iv) Net Interest Margin	3.30%	2.62%
(v) Operating Profit as a percentage to Working Funds <sup>1</sup>	1.43%	1.24%
(vi) Return on Assets [Based on Working Fund] <sup>1</sup>	0.73%	0.04%
(vii) Business (Customer Deposits plus Advances) per employee <sup>2, 3</sup> (₹ in Crore)	17.24	16.48
(viii) Profit per employee <sup>2</sup> (₹ In Crore)	0.082	0.005

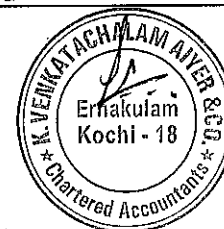
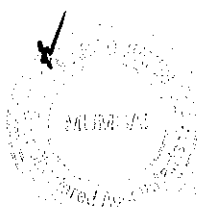
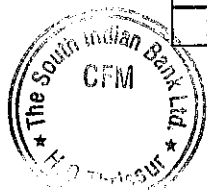
- For the purpose of computing the ratio, Working Fund represents the average of total assets as reported in Form X to RBI under Section 27 of the Banking Regulation Act, 1949.
- For the purpose of computing the ratios number of employees (excluding Part time employees) as on Balance Sheet date is considered.
- For the purpose of this ratio, business per employee has been recorded as gross advance plus deposits (excluding interbank deposits).

##### b) Bancassurance Business

Income from Bancassurance Business acquired during the FY :

[₹. in Crore]

Sl. No.	Nature of Income	March 31, 2023	March 31, 2022
1	From Selling Life Insurance Policies	43.88	27.89
	i. Traditional/Regular	41.48	25.12
	ii. Single	1.25	1.16
	iii. ULIP Regular	1.15	1.61
2	From Selling Non-Life Insurance	8.12	6.49



	Policies		
	i.General Insurance	3.74	3.36
	ii.Stand-alone Health Insurance	4.38	3.13
3	From Selling Govt. Security Schemes (PMJJBY & PMSBY)	0.05	0.17
4	Others	Nil	Nil
5	<b>Total</b>	52.05	34.55

**c) Marketing and Distribution**

Banks has received following fees/remuneration in respect of the marketing and distribution function (excluding Bancassurance business) undertaken by the bank. [₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
Centralized Direct Debit Services	2.87	3.48
NPS	0.26	0.19
APY/NPS -Lite	0.25	0.43
Demat	0.19	0.22
Sibertrade	0.90	1.21
Mutual Funds	2.97	1.94
Capital Gain Bonds	0.05	0.04
ASBA	0.07	0.07
SGB	0.18	0.19
PIS	0.64	0.44
Travel Card	0.37	0.14
SBI-South Indian Bank Co-branded Credit card	0.22	0.35
<b>Total Income-</b>	<b>8.97</b>	<b>8.70</b>

**d) Priority sector lending certificates**

[₹. in Crore]

Sl No.	Type of PSLCs	March 31, 2023		March 31, 2022	
		Purchase	Sale	Purchase	Sale
1	PSLC – Agriculture	0.00	0.00	0.00	600.00
2	PSLC – Small and Marginal Farmers	0.00	5100.00	0.00	3300.00
3	PSLC – Micro Enterprises	750.00	0.00	745.00	0.00
4	PSLC – General	0.00	0.00	0.00	8,800.00
<b>Total</b>		<b>750.00</b>	<b>5100.00</b>	<b>745.00</b>	<b>12,700.00</b>





**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, 2023	March 31, 2022
Provision for NPAs (including write off, excluding technical write off)	623.07	1,161.40
Provision for NPIs	(137.54)	(7.91)
Provision for taxes (Net of write back) <sup>1</sup>	258.38	(5.95)
Deferred Tax (net)	213.00	(131.02)
MAT Credit	(138.26)	-
Provision for Standard Assets	(58.61)	175.57
Provision for Restructured Advances	(0.05)	1.22
Provision for FITL	(22.17)	69.67
Provision for unhedged foreign currency exposures	1.66	(1.06)
Provision for Non-Banking Asset <sup>2</sup>	(0.71)	(62.74)
Provision for Fraud / Other impaired assets	(6.53)	3.41
<b>TOTAL</b>	<b>732.24</b>	<b>1,202.59</b>

<sup>1</sup> Based on favourable Income Tax orders received during the financial year, the net excess provision for tax held in books amounting to ₹54.81 Crore (Previous year ₹ 69.60 Crore) has been written back.

<sup>2</sup> The Bank had acquired certain land parcels under a partial Debt Asset Swap transaction ("DAS") in earlier years aggregating ₹110 Crores and classified them as "Non-Banking Assets acquired in satisfaction of claims" in the Balance Sheet. During the FY 2022-23 Bank had sold certain properties and ₹0.71 Crore (Previous year ₹ 62.74 Crore) (after adjusting the expenses) was credited back to the provision.

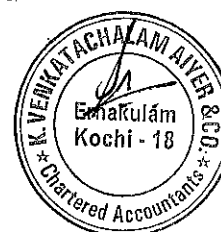
**f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)**

The Ministry of Corporate Affairs (MCA), Government of India has notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015. Further, a Press Release was issued by the MCA on January 18, 2016 outlining the roadmap for implementation of Indian Accounting Standards (IND AS) converged with International Financial Reporting Standards (IFRS) for banks. As per earlier instructions, banks in India were required to comply with the IND AS for financial statements for accounting periods beginning from April 01, 2018 onwards, with comparatives for the periods ending March 31, 2018 or thereafter. Progressing towards IND AS, the Bank had prepared pro forma financials as on June 30, 2017 as per extant regulatory guidelines and submitted the same to the RBI. On April 05, 2018, the RBI had announced deferment of implementation date by one year with IND AS being applicable to banks for accounting periods beginning April 01, 2019 onwards. In preparation for the same, the Bank has been submitting quarterly pro-forma financials to the RBI from quarter ended June 30, 2018. On March 22, 2019, the RBI has announced deferment of the implementation of IND AS by banks till further notice. However, the Bank continues to submit to the RBI proforma financials on half year basis

**g) Payment of DICGC Insurance Premium**

[₹. in Crore]

Sl. No.	Particulars	March 31, 2023	March 31, 2022
i)	Payment of DICGC Insurance Premium (excl. GST)	105.25	99.69
ii)	Arrears in payment of DICGC premium	0.00	0.00

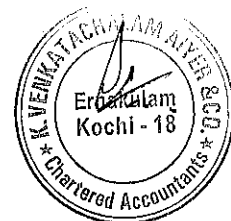
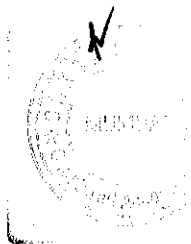


**h) Disclosure of facilities granted to directors and their relatives**

Bank has not extended any fund or non-fund (guarantees, Letter of Credit, etc) facilities to directors, their relatives, companies or firms in which they are interested for the Financial year 2022-23 as per section 20 of BR Act, 1949.

**i) Details of Single Counterparty Limit / Limit for Group of Connected Counterparties exceeded by the Bank**

RBI has prescribed limits linked to bank's eligible capital base in respect of exposure to single counter party and group of connected counter parties. During the year ended March 31, 2023 and March 31, 2022, the Bank was within the limits prescribed by the RBI.



**B. Additional Disclosure****1.Details of Single Borrower Limit, Group Borrower Limit exceeded by the Bank**

As on March 31, 2023, the bank has not exceeded the credit exposure to single borrower and group borrowers limit as per prudential exposure limit prescribed by RBI.

**2.Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances:**

[₹. in Crore]

Particulars	During FY 2022-23		During FY 2021-22	
	No of accounts	Amount	No of Accounts	Amount
MSME Restructured Accounts	Nil	Nil	177	657.74

As permitted by RBI vide its Circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020, DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 and DOR.STR.REC.12/21.04.048/2021-22 dated May 05, 2021 the bank has not restructured any accounts during the year (Previous year 177 accounts). Additional Standard Asset provision of Nil (Previous year ₹67.87 crore) is maintained in the books towards such accounts.

**3.Disclosure relating to tax****a) Provision for taxes during the year:**

[₹. in Crore]

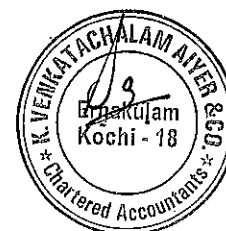
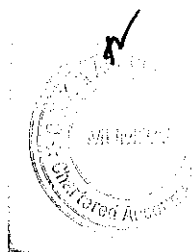
Particulars	March 31, 2023	March 31, 2022
Current Tax (net of write back)	258.38	(5.95)
Deferred Tax (net)	213.00	(131.02)
MAT Credit	(138.26)	0.00
<b>Total</b>	<b>333.12</b>	<b>(136.97)</b>

Tax provision is created in the books after adjusting for permanent differences in Income tax, accounting of MAT credit and deferred tax assets/liability. Based on favourable Income Tax orders received during the financial year, the excess provision for tax held for different assessment years in the books of account as on the balance sheet date amounting to a net sum of ₹54.81 Crore (Previous year ₹ 69.60 Crore) has been written back.

**b) Deferred Tax Assets (net)**

Other Assets include deferred tax asset and the breakup of the same is shown below: [₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
<b>Deferred Tax Asset (A)</b>		
Provisions for Loans/Investments/ others	324.82	370.86
Fixed Assets: on difference between book balances and tax balance of WDV of fixed assets	8.40	3.11
<b>Total (A)</b>	<b>333.22</b>	<b>373.97</b>
<b>Deferred Tax Liabilities (B)</b>		
Special Reserve created u/s 36(1)(viii) of Income Tax Act	167.52	139.56
Interest accrued but not due on investments	144.29	0.00
<b>Total (B)</b>	<b>311.81</b>	<b>139.56</b>
<b>Deferred Tax Asset (net) (A-B)</b>	<b>21.41</b>	<b>234.41</b>



**4. Movement in provision for debit card reward points:**

[₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
Provision at the beginning of the year	2.33	0.71
Provision made during the year	4.28	4.51
Reductions during the year	3.10	2.89
Provision at the end of the year	3.51	2.33

**5. Movement in provision for other contingencies:**

[₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
Provision at the beginning of the year	20.32	17.38
Incremental expense during the year	21.85	3.11
Redemption during the year	19.14	0.17
Provision at the end of the year	23.03	20.32

**6. Letter of Comfort (LoCs) issued by Banks:**

The Bank has not issued any reportable Letter of Comfort on behalf of subsidiaries during the year ended March 31, 2023 and March 31, 2022 respectively.

**7. Inter-bank participation with risk sharing**

The aggregate amount of participation purchased by the Bank, shown as advances as per regulatory guidelines, outstanding as of March 31, 2023 was ₹. 1300.00 Crores (Previous Year: ₹1,300.00 Crore).

**8. Fixed Assets**

a) Fixed Assets as per Schedule 10 include Intangible Assets relating to Software and System Development Expenditure which are as follows:

[₹. in Crore]

Particulars	March 31,2023	March 31,2022
<b>Gross Block</b>		
At the beginning of the year	208.98	175.90
Additions during the year	3.25	33.08
Deductions during the year	0.25	-
Closing Balance	211.98	208.98
<b>Depreciation / Amortisation</b>		
At the beginning of the year	135.16	106.60
Charge for the year	29.66	28.56
Deductions during the year	-	-
Depreciation to date	164.83	135.16
<b>Net Block</b>	<b>47.15</b>	<b>73.82</b>

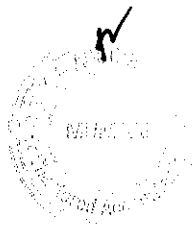


**9. Accounting for Employee Share Based Payments.**

The company has provided various share based payment schemes to its employees. As on March 31, 2023, the following schemes were in operation;

	Tranche 12	Tranche 11	Tranche 8
Date of grant	01.03.2023	23.04.2022	06.12.2017
Date of Board approval	01.03.2023	23.04.2022	06.12.2017
Date of Shareholders approval	12-07-2022	12-07-2022	18.08.2008
Number of options granted	11,06,194	3,99,171	43,04,710
Method of settlement	Equity	Equity	Equity
Vesting period	01.03.2024 to 01.03.2026	23.04.2023 to 23.04.2025	06.12.2019 to 06.12.2021
Exercise period (for all Tranches)	The Grantee will be permitted to exercise their Options within five years from the date of vesting	The Grantee will be permitted to exercise their Options within five years from the date of vesting	Eligible to exercise the options during any one of the four specific periods (i.e., within 30 days after the end of each quarter) within one year from the date of vesting.
Manner of Vesting (for all Tranches)	30%, which will be vested on completion, of 1st 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	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.  40%, which will be vested on completion, of 3rd year from the date of grant	In a graded manner over a 5 year period with 30%, 30% and 40% of the grants vesting in each year commencing from the end of 5years from the grant date.

Bank has changed its accounting policy from the intrinsic value method to the fair value method as per Black – Scholes model for all share-linked instruments granted after 31 March, 2021.



**Activity in the options outstanding under the ESOS**

Particulars	March 31, 2023		March 31, 2022	
	Options	Weighted average exercise price (₹)	Options	Weighted average exercise price (₹)
Options outstanding at the beginning of the year	1,005,872	18.72	1,797,019	18.72
Options granted during the year	15,05,365	14.34	-	-
Options exercised during the year	-	-	-	-
Forfeited / lapsed during the year	10,05,564	18.72	7,91,147	18.72
Options outstanding at the end of the year	15,05,673	14.34	1,005,872	18.72
Options Exercisable	308	18.72	1,005,872	18.72

**Details of exercise price for stock options outstanding as at March 31, 2023**

Particulars	Exercise price per share (₹)	Option Premium	Number of options outstanding	Remaining contractual life of options (in years)
Tranche 8	18.72	NA	308	0.20
Tranche 11	8.35	3.29	399171	2.16
Tranche 12	16.50	6.78	1106194	3.02

**Details of exercise price for stock options outstanding as at March 31, 2022**

Particulars	Exercise price per share (₹)	Number of options outstanding	Remaining contractual life of options (in years)
Tranche 8	18.72	1,005,872	0.68

**Effect of the ESOS on the profit and loss account and on its financial position: [₹. in Crore]**

Particulars	March 31, 2023	March 31, 2022
Opening of ESOS Liability	1.29	2.31
Liability on account of ESOS issued	0.88	0.00
Reversal on account of Exercise	0.00	0.00
Reversal on account of lapsed/forfeiture	(1.29)	(1.02)
Total Employee compensation cost pertaining to ESOS	0.88	1.29
Opening Deferred Compensation Cost	0.00	0.22
Deferred compensation cost on ESOS issued	0.88	0.00
Compensation Cost pertaining to ESOS amortized during the year	(0.11)	(0.22)
Reversal on account of lapse/ forfeiture	0.00	0.00
Deferred compensation cost	0.77	0.00



**Impact of fair value method on net profit and on EPS**

Had compensation cost for the ESOS outstanding being determined based on the fair value approach instead of intrinsic value method, the Bank's net profit and earnings per share would have been as indicated below:

[₹. in Crore]

Particulars	March 31, 2023	March 31, 2022
Net Profit as reported	775.09	44.98
Proforma Net profit based on fair value approach	775.09	45.00
Basic EPS as reported (₹)	3.70	0.21
Basic EPS (Proforma)( ₹)	3.70	0.22
Diluted EPS as reported(₹)	3.70	0.21
Diluted EPS (Proforma)( ₹)	3.70	0.22

In computing the above information, certain estimates and assumptions have been made by the management which has been relied upon by the auditors.

**10. Related party disclosure:**

The related parties of the bank are broadly classified as:

**a. Subsidiary**

Sl. No.	Name of the Entity	Nature of Relationship
1	SIB Operations and Services Limited	Wholly Owned Subsidiary ( WOS)

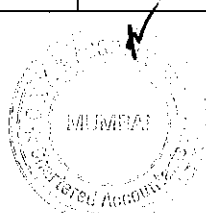
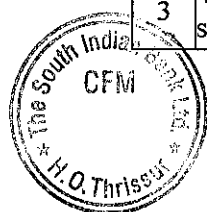
**b. Key Management Personnel (As per AS 18) – MD & CEO**

Sl. No.	Name of the Key Management Personnel	Relative of the Key Management Personnel
1	Mr. Murali Ramakrishanan, Managing Director and CEO	<ul style="list-style-type: none"> <li>• Mangala Santhanam</li> <li>• Charumathy Murali</li> </ul>

**Related Party Transaction Summary for the Financial year ended 31.03.2023**

(Rs. 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, 2023)	In case monies are due to either party as a result of the transaction	
					Opening Balance (as on April 1, 2022)	Closing Balance (as on March 31, 2023)
1	Wholly owned subsidiary (WOS)	Income received for providing management service	Note 6	1.24	0.20	0.81
2	Wholly owned subsidiary (WOS)	Income received for providing other services	Note 6	0.02	0.002	0.002
3	Wholly owned subsidiary (WOS)	Expense paid for HR services	Note 6	9.36	0.28	1.07



The South Indian Bank Limited

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		provided by WOS				
4	Directors	Sitting Fees (WOS)		0.02	0.004	-
5	Subsidiary Directors	Interest received		0.001	-	-
6	Subsidiary Directors	Interest Paid		0.09	-	-
7	Subsidiary Directors	Deposits	Note 5	1.38	1.22	1.38
8	Subsidiary Directors' Relatives	Interest received		0.003	-	-
9	Subsidiary Directors' Relatives	Deposits	Note 5	4.632	4.45	4.63
10	Subsidiary Directors' Relatives	Interest Paid		0.18	-	-
11	KMPs including MD & CEO and Subsidiary Directors	Remuneration paid	As per Bank's Internal Policies/approved by Regulator	4.00	-	-
12	Directors	Sitting Fees including honorarium to Chairman		2.17	-	-
13	Directors	Deposits	Note 5	1.78	2.10	1.78
14	Directors	Interest received		0.06	-	-
15	Directors	Interest Paid		0.12	-	-
16	KMPs including MD & CEO	Deposits	Note 5	11.09	0.04	11.09
17	KMPs including MD & CEO	Interest received		0.04	-	-
18	KMPs including MD & CEO	Interest Paid		0.47	-	-
19	KMPs including MD & CEO and Subsidiary Directors	ESOS grant outstanding(Nos.)	Refer Note No 8	15,05,365.00	10,476.00	15,05,365.00
20	Relative/ Interested company- Directors	Deposits	Note 5	11.22	11.87	11.22
21	Relative/ Interested company- Directors	Interest Paid		0.64	-	-
22	Relative/ Interested company- Directors	Interest received		0.002	-	-
23	Relative of KMPs & MD & CEO	Deposits	Note 5	0.80	0.61	0.80





24	Relative of KMPs & MD & CEO	Interest Paid		0.06	-	-
25	MD & CEO	savings		0.002	0.19	0.002
26	Relative MD & CEO	savings		0.01	0.01	0.01

**Note:**

- 1) Transactions with WOS are shown excluding GST and TDS
- 2) In compliance with the guidelines given as per annexure to SEBI circular No SEBI/HO/CFD/CMD1/CIR/P/2021/662 November 22, 2021, The South Indian Bank Ltd, being a listed bank, is not required to provide the disclosures with respect to related party transactions involving loans, inter-corporate deposits, advances or investments made or given by the bank.
- 3) In compliance with the guidelines given as per annexure to SEBI circular No SEBI/HO/CFD/CMD1/CIR/P/2021/662 November 22, 2021 transactions such as acceptance of fixed deposits by banks, undertaken with related parties, at the terms uniformly applicable /offered to all shareholders/ public only are reported under deposit.
- 4) The Bank, being a scheduled commercial bank, as per RBI circular RBI/DBR/2015-16/19 dated March 03, 2016, has allowed additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or a term deposits of bank's staff and their exclusive associations as well as on deposits of Chairman, Managing Director and such other Executives appointed for a fixed tenure.
- 5) Value of the related party transaction for deposit is the balance in fixed deposit outstanding as on 31.03.2023.
- 6) Regulation 23 of Listing regulations, as amended from time to time, grant exemptions from seeking approval of the Audit Committee of the Board for the transactions entered into by and between the holding company and its wholly owned subsidiary company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- 7) None of the Directors/ KMPs/ relatives are holding substantial shares/ securities of the Bank.
- 8) As part of additional disclosure internal KMP data are also disclosed during the period ended 31.03.2023 in line with reporting made for the half year ended 30.09.2022.
- 9) Transactions with common directors of subsidiary and Bank is shown under Directors.
- 10) Mr. Parayil George John Tharakan (DIN-07018289), has retired from the office as a Non-Executive Independent Director of the Bank on November 24, 2022, upon completion of his 8-year term, as per Section 10A(2A) of Banking Regulation Act 1949, hence in the closing balance (Deposits) details of his/ his relatives' deposits were not included in reporting as the same will not be coming under the preview of RPT.
- 11) The CSR activity of Bank is carried out by a trust formed by Bank in this regard. Since the Trust is acting on behalf of Bank and amount are spent as Bank's CSR expenditure, these transactions are not treated as RPT



## 11. Employee Benefits

### a) Provident Fund:

Employees, who have not opted for pension plan are eligible to get benefits from provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid on retirement, death, incapacitation or termination of employment. Both the employee and the Bank contribute a specified percentage of the salary to the South Indian Bank Employees' Provident Fund. The Bank has no obligation other than the monthly contribution.

The Bank recognized ₹0.24 Crore (Previous Year: ₹0.24 Crore) for provident fund contribution in the Profit and Loss Account.

### b) New Pension Scheme

As per the industry level settlement dated April 27, 2010, employees who joined the services of the Bank on or after April 1, 2010 are not eligible for the existing pension scheme whereas they will be eligible for Defined Contributory Pension Scheme (DCPS) in line with the New Pension Scheme introduced for employees of Central Government. Employee shall contribute 10% of their Basic Pay and Dearness Allowance towards DCPS and the Bank will also make a contribution of 14%. There is no separate Provident Fund for employees joining on or after April 1, 2010.

The Bank recognized ₹45.05 Crore (Previous Year: ₹35.80 Crore) for DCPS contribution in the Profit and Loss Account.

### c) Retirement Benefits.

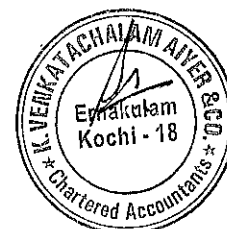
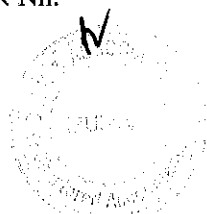
- i) The bank has recognized the following amounts in the Profit and loss account towards employee benefits as under:

Particulars	[₹. in Crore]	
	March 31, 2023	March 31, 2022
Pension Fund	116.35	244.71
Gratuity Fund	30.37	23.92
Compensation for absence on privilege/sick/casual leave	54.63	60.36

The employee benefits on account of pension, gratuity and Leave have been ascertained on actuarial valuation in accordance with Accounting Standard - 15 prescribed under section 133 of the Companies Act, 2013

### ii) Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks

“Reserve Bank of India vide letter dated October 4, 2021 has permitted all member banks of Indian Banks' Association covered under the 11th Bipartite Settlement to amortize the additional liability on account of revision in family pension over a period not exceeding five years, beginning with the Financial Year ended March 31, 2022. The bank has recognized the entire additional liability estimated at ₹ 43 crores and opted to amortize the same over a period of seven quarters beginning with the quarter ended September 30, 2021. Accordingly, an amount of ₹ 24.57 Crore (Previous year ₹ 18.43 crore) has been written off during the year ended March 31, 2023 in respect of the said additional liability and the balance is ₹ Nil.



The following table as furnished by Actuary sets out the funded status of gratuity / pension plan and the amount recognized in the Bank's financial statements as at March 31, 2023.

**d) Changes in the defined benefit obligations** [₹. in Crore]

	Gratuity Plan		Pension Plan	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Projected defined benefit obligation, beginning of the year	254.48	245.42	1020.37	920.62
Current Service Cost	22.19	20.06	186.53	193.26
Past Service Cost	-	-	-	-
Interest Cost	17.89	16.55	65.47	57.17
Actuarial (gain)/ loss	8.85	4.13	(88.47)	82.37
Benefits paid	(33.15)	(31.67)	(199.08)	(233.05)
Projected defined benefit obligation, end of the year	270.27	254.49	984.81	1020.37
Liability (net) of fair value of plan asset at the end of the year	3.13	7.63	(5.69)	4.73

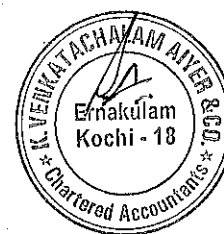
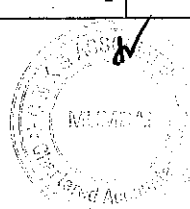
**e) Changes in the fair value of plan assets** [₹. in Crore]

	Gratuity Plan		Pension Plan	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Fair value of plan assets, beginning of the year	246.85	243.49	1015.64	894.16
Expected return on plan assets	18.63	17.07	68.34	65.89
Employer's contributions	34.88	18.21	102.21	291.00
Actuarial gain/ (loss)	(0.06)	(0.25)	3.40	(2.35)
Benefits paid	(33.15)	(31.67)	(199.08)	(233.05)
Fair value of plan assets, end of the year	267.14	246.85	990.50	1015.63

**f) Net Employee benefit expense (recognized in payments to and provisions for employees)**

[₹. in Crore]

	Gratuity Plan		Pension Plan	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Current Service Cost	22.19	20.06	186.53	193.26
Past Service Cost	-	-	-	-
Interest Cost	17.89	16.55	65.47	57.17
Expected return on plan assets	(18.62)	(17.07)	(68.34)	(65.89)
Net actuarial (gain)/ loss recognised in the year	8.92	4.38	(91.87)	84.72
Employee cost	30.37	23.92	91.78	269.26
Unamortized cost	-	-	-	-



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Total	30.37	23.92	91.78	269.26
Actual return on plan assets	18.56	16.82	71.73	63.54

**g) Categories of plan assets as a percentage of the fair value of total plan assets**

	Gratuity Plan		Pension Plan	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Government Securities (Central & State)	-	-	-	-
High quality Corporate Bonds	-	-	-	-
Equity Shares of Listed Companies	-	-	-	-
Funds Managed by Insurer *	100%	100%	100%	100%
Others (PSU & Special Deposits)	-	-	-	-
Total	100%	100%	100%	100%

\* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

**h) Experience adjustments**

(i) Gratuity

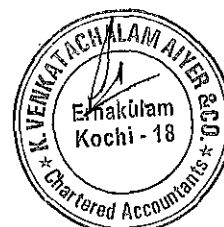
[₹. in Crore]

	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Defined Benefit Obligations	270.27	254.49	245.41	232.65	216.44
Plan Assets	267.14	246.85	243.49	227.75	210.30
(Surplus)/Deficit	3.13	7.63	1.92	4.90	6.14
Unamortized	-	-	-	-	-
Net benefit expenses	3.13	7.63	1.92	4.90	6.14
Experience adjustments (gain) / loss on Plan Liabilities	9.16	12.43	32.70	(7.48)	5.25
Experience Adjustments gain / (loss) on Plan Assets	0.06	0.25	(0.97)	0.58	(1.49)

(ii) Pension

[₹. in Crore]

	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Defined Benefit Obligations	984.81	1,020.37	920.62	801.56	700.22
Plan Assets	990.50	1,015.63	894.15	747.52	674.56
(Surplus)/Deficit	(5.69)	4.73	26.47	54.05	25.66
Experience adjustments (gain) / loss on Plan Liabilities	(88.47)	82.37	138.80	42.33	(1.98)
Experience Adjustments gain / (loss) on Plan Assets	(3.40)	2.35	(4.77)	5.86	(1.20)



**i) Assumptions used by the actuary in accounting for Gratuity/ Pension/Compensation for absence**

	Gratuity Plan		Pension Plan		Compensation for absence	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Discount rate	7.53%	7.52%	7.52%	7.27%	7.53%	7.52%
Expected rate of return on plan assets	7.52%	7.21%	7.27%	7.11%	*	*
Increase in compensation cost	6.00%	6.00%	5.5%	5.5%	6.00%	6.00%

\*Not applicable

Notes:

- (i) Discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of obligations.
- (ii) Expected rate of return on plan assets is based on the average long term rate of return expected on investments of the funds during the estimated term of the obligations.
- (iii) The estimates of future salary increases, considered in actuarial valuation, taken in to account the inflation, seniority, promotion and other relevant factors.

**j) Compensation for absence on Privilege / Sick / Casual Leave**

The charge on account of compensation for privilege / sick / casual leave has been actuarially determined and an amount of ₹54.63 Crore (Previous year ₹60.36 Crore) has been debited to Profit and Loss account.

The above information is as certified by actuary and relied upon by the auditor.

**12. Micro Small and Medium Industries**

Under the Micro, Small and Medium enterprises development Act 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payment to micro, and small enterprises or of interest payments due to delays in such payments. The above is based on information available with the Bank which has been relied on by the auditors.

**13. Segment reporting**

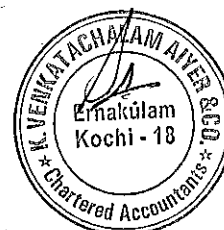
Business Segments have been identified and reported taking into account, the target customer profile, the nature of product and services, the differing risks and returns, the organization structure, the internal business reporting system and guidelines issued by RBI from time to time. The Bank operates in the following business segments;

a) Treasury:

The treasury segment primarily consists of interest earnings on investments portfolio of the bank, gains or losses on investment operations and earnings from foreign exchange business. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

b) Corporate / Wholesale Banking:

The Corporate / Whole sale Banking segment provides loans to corporate segment identified on the basis of RBI guidelines. Revenues of this segment consist of interest earned on Loans made to corporate customers and the charges / fees earned from other banking services. The principal



expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

c) Retail banking:

The Retail Banking segment provides loans to non-corporate customers identified on the basis of RBI guidelines. Revenues of this segment consist of interest earned on Loans made to non-corporate customers and the charges / fees earned from other banking services. The principal expenses of the segment consist of interest expense on funds borrowed and other expenses. Segmental expenses are allocated as per board approved policy.

In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-2023 dated April 07, 2022 on establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as sub-segment of the Retail Banking Segment. Assets of DBU consists of mainly credit card, loan against deposits opened through digital mode etc.

d) Other Banking Operations:

This segment includes income from para banking activities such as debit cards, third party product distribution and associated costs. Segmental expenses are allocated as per board approved policy.

e) Unallocated

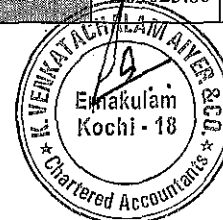
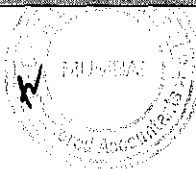
All items that cannot be allocated to reportable segments are included in unallocated portion.

**Geographic segment**

The Bank operations are predominantly confined within one geographical segment (India) and accordingly this is considered as the only secondary segment. In accordance with RBI guidelines in regard to business segments of banks, the bank has determined the business segments and the required disclosures are as follows:

[₹. in Crore]

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Particulars	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	1088.00	1499.70	2323.02	2065.04	4083.76	3,710.05	551.03	345.85	8045.81	7,620.64
Result	(158.42)	18.51	(101.70)	(656.82)	975.59	291.65	392.74	254.67	1108.21	(91.99)
Unallocated (Expenses)/ Income									-	-
Operating profit									1108.21	(91.99)
Income Taxes									333.12	(136.97)
Net Profit									775.09	44.98
Other Information:										
Segment Assets	26438.99	24,263.97	37973.84	31,599.90	39750.34	40,568.85	25.91	19.79	104189.08	96,452.51
Unallocated Assets									3509.10	3599.91
Total Assets									107698.18	1,00,052.42
Segment Liabilities	25038.41	23,258.48	36329.54	30,643.81	38029.11	39,341.39	-	-	99397.06	93,243.68
Unallocated Liabilities									1626.54	955.61
Total									101023.60	94,199.29



Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Particulars										
Liabilities										

Since the Bank operates only in domestic segment, the requirement of disclosure regarding geographical segment is not applicable.

\*RBI's Master Direction on Financial Statements-Presentation and Disclosures, requires to sub-divide 'Retail banking' into (a) Digital Banking (as defined in RBI Circular on Establishment of Digital Banking Units dated April 07, 2022) and (b) Other Retail Banking segment. Accordingly, the segmental results for retail banking segment for Q4 2022-23 is sub-divided as below.

[₹. in Crore]

Particulars	Segment Revenue for the year ended 31.03.2023	Segment Results (net of provisions) for the year ended 31.03.2023	Segment Assets as on 31.03.2023	Segment Liabilities as on 31.03.2023
Retail Banking				
(i) Digital Banking	302.53	73.17	3017.67	2887.01
(ii) Other Retail Banking	3781.23	902.41	36732.67	35142.10

Segment information is provided as per the MIS available for internal reporting purposes, which include certain estimates/assumptions. The methodology adopted in compiling and reporting the above information has been relied upon by auditors.

#### 14. Description of contingent liabilities\*

Sl. No	Contingent liability	Brief Description
1	Claims not acknowledged as debts	This includes liability on account of, and other legal cases filed against the bank. The bank is a party to various legal proceedings in the ordinary course of business and these are contested by the Bank and are therefore subjudice. The Bank does not expect the outcome of these proceedings to have a material adverse impact on the Bank's financial position.
2	Liability on account of outstanding forward contracts	The Bank enters into foreign exchange contracts with interbank participants on its own account and for its customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contract rate.
3	Guarantees on behalf of constituents in India and outside India, Acceptances, endorsements and other obligations	As a part of banking activities, the Bank issues Letter of Guarantees and documentary credit on behalf of its customers, with a view to augment the customer's credit standing. Through these instruments, the Bank undertakes to make payments for its customers' obligations, either directly or in case the customer fails to fulfill their financial or performance obligations.
4	Other items for which the bank is contingently liable	Includes capital commitments and amount transferred to RBI under the Depositor Education and Awareness Fund (DEAF).

\* Also refer schedule - 12

The Bank's pending litigations comprise of claims against the Bank by the clients and proceedings pending with Income Tax authorities/ Service Tax Authorities. The Bank has reviewed all its



pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities wherever applicable, in its Reformatted summary 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 Reformatted summary financial statements.

#### 16.Earnings Per Share

The Bank reports basic and diluted EPS in accordance with the Accounting Standard - 20 on "Earnings per Share"

Particulars	March 31, 2023	March 31, 2022
Weighted average number of equity shares used in computation of basic earnings per share	209,27,41,018	209,27,41,018
Potential equity shares arising out of the Employees Stock Option Scheme	-	-
Weighted average number of equity shares used in computation of diluted earnings per share	209,27,41,018	209,27,41,018
Earnings used in the computation of basic earnings per share (₹ in Crore)	775.09	44.98
Earnings used in the computation of diluted earnings per share (₹ in Crore)	775.09	44.98
Nominal Value of share (in ₹)	1.00	1.00
Basic earnings per share (in ₹)	3.70	0.21
Effect of potential equity shares for ESOS	-	-
Diluted earnings per share (in ₹)	3.70	0.21

#### 17.Corporate social responsibility

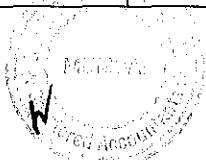
Operating expenses include ₹ 1.86 Crore (Previous Year ₹ 6.06 Crore) for the year ended March 31, 2023 towards Corporate Social Responsibility (CSR), in accordance with the Companies Act, 2013. The Bank has spent 2.02 % of its average net profit for the last three financial years as part of its CSR for the year ended March 31, 2023. The Bank is currently in the process of evaluating strategic avenues for CSR expenditure in order to deliver maximum impact.

Details of amount spent during the year towards CSR are as under:

For the year ended March 31, 2023

[₹. in Crore]

	Paid	Yet to be paid	Total
i) Construction / Acquisition of any assets	0.60	-	0.60





ii) For purposes other than (i) above	1.26	-	1.26
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For the year ended March 31, 2022

[₹. in Crore]

	Paid	Yet to be paid	Total
i) Construction/ Acquisition of any assets	3.65	-	3.65
ii) For purposes other than (i) above	2.41	-	2.41

### 18. Investor education and protection fund

There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Bank.

### 19. Operating Leases

Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account as per the lease terms. During the year an amount of ₹ 108.86 Crore (Previous year: ₹ 100.62 Crore) was charged to Profit and loss account.

### 20. Disclosure as to Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

The Bank, as part of its normal banking business grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are conducted after proper due diligence and ensuring adherence to all regulatory requirements including "Know Your Customer" guidelines.

Other than the transactions described above which are carried out in the normal course of business, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or deposits or any other sources or kinds of funds) by the Bank to or in any other persons or entities, including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank ("Ultimate Beneficiaries"). The Bank has also not received any funds from any parties (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries..

### 21. Proposed Dividend

The Board of Directors has proposed a dividend of Rs.0.30 per Equity share (30%) (Previous year Nil) for the year ended March 31, 2023, subject to the approval of the shareholders at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after Balance Sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, proposed dividend including dividend distribution tax of Rs.62.78 Crore is not recognized as liability as on March 31, 2023. However, effect of the proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratios as at March 31, 2023.



22. Figures of the previous year have been regrouped to conform to the current year presentation wherever necessary.

In terms of our report attached

For and on behalf of  
Board of Directors

For CNK & Associates LLP

Chartered Accountants  
ICAI Firm Registration No. 101961W/W-100036



Hiren Shah  
Partner  
Membership No. 100052  
UDIN:

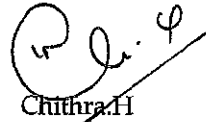


Thrissur  
21-02-2024

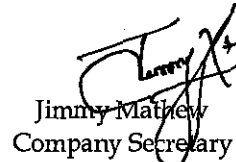


Thomas Joseph. K

Executive Vice President



Chithra.H  
Chief Financial Officer

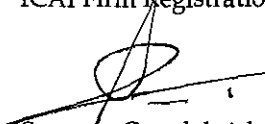


Jimmy Mathew  
Company Secretary



P R Seshadri  
(Managing Director &  
CEO)  
(DIN : 07820690)

For K Venkatachalam Aiyer & Co  
Chartered Accountants  
ICAI Firm Registration No. 004610S



Sreevats Gopalakrishnan  
Partner  
Membership No. 227654  
UDIN:



Thrissur  
21-02-2024



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

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

## INDEPENDENT AUDITORS' REVIEW REPORT

To The Board of Directors of  
The South Indian Bank Limited

### Review Report on The Unaudited Interim Condensed Consolidated Financial Statements

We have reviewed the accompanying Unaudited Interim Condensed Consolidated Financial Statements of The South Indian Bank Limited (the "Bank") and its Subsidiary (the Bank and its Subsidiary, together referred to as "Group") as at and for the nine month period ended December 31, 2023, which comprise the unaudited interim condensed consolidated balance sheet as at December 31, 2023, the unaudited interim condensed consolidated statement of profit and loss and the unaudited interim condensed consolidated statement of cash flows for the nine month period ended December 31, 2023, and summary of select explanatory notes (collectively, the "Unaudited Interim Condensed Consolidated Financial Statements").

### Management's Responsibility for the Unaudited Interim Condensed Consolidated Financial Statements

The Bank's management is responsible for preparation and presentation of the Unaudited Interim Condensed Consolidated Financial Statements in accordance with accounting principles generally accepted in India and the recognition and measurement principles laid down in Accounting Standard for "Interim Financial Reporting" (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time ("RBI Guidelines"), and other accounting principles generally accepted in India.

### Auditors' Responsibility

Our responsibility is to issue a report on the Unaudited Interim Condensed Consolidated Financial Statements based on our review.

We conducted our review of the Unaudited Interim Condensed Consolidated Financial Statement in accordance with the Standard on Review Engagements (SRE) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of the Unaudited Interim Condensed Consolidated Financial Statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit, Accordingly, we do not express an audit opinion.



Our review primarily is conducted on the basis of review of the books of account and records of the Bank. We have also relied on the information and explanations furnished to us by the Bank and the returns as considered necessary by us for the review.

### Conclusion

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Interim Condensed Consolidated Financial Statement have not been prepared, in all material respects, in accordance with accounting principles generally accepted in India and the recognition and measurement principles laid down in Accounting Standard for "Interim Financial Reporting" (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder in so far as they apply to the Banking Companies and Circulars and Guidelines Issued by the Reserve Bank of India from time to time, or that it contains any material misstatement.

### Other Matter

The Unaudited Interim Condensed Consolidated Financial Statements include the unaudited interim financial statements of one subsidiary, whose financials statements / financial results/ financial information reflect total assets of Rs 2.90 crores as at December 31, 2023, total revenue of Rs. 10.45 crores and total net profit after tax of Rs. 0.34 crores for the year ended December 31, 2023 as considered in the Unaudited Interim Condensed Consolidated Financial Statements, which have been reviewed by another independent auditor whose report has been furnished to us by the management. Our opinion on the Unaudited Interim Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the reports of such auditors and the procedures performed by us.

### Restrictions on Use

This report is addressed to and is provided to enable the Bank to include this report in the Letter of Offer in connection with the rights issue, to be filed by the Bank with Securities and Exchange Board of India in accordance with the provisions of the SEBI ICDR Regulations and that these Unaudited Interim Condensed Consolidation Financial Statement may not be meaningful for any other purpose.

**For CNK & Associates LLP**

**Chartered Accountants**

Firm's Registration Number. 101961W/W-100036



**Hiren Shah**

**Partner**

Membership No.100052



UDIN: 24100052BKFAGH3607

Place: Thrissur

Date: February 21, 2024

**For K Venkatachalam Aiyer & Co**

**Chartered Accountants**

Firm Registration Number: 004610S



**Sreevats Gopalakrishnan**

**Partner**

Membership Number: 227654



UDIN: 24227654BKFTGW7605

Place: Thrissur

Date: February 21, 2024

**THE SOUTH INDIAN BANK LIMITED**

**UN AUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2023**

	As at December 31, 2023 ₹ in Crore	As at December 31, 2022 ₹ in Crore
<b>CAPITAL AND LIABILITIES</b>		
Capital	209.27	209.27
Employees' Stock Options Outstanding	1.78	0.05
Reserves and Surplus	7,185.42	6,140.61
Deposits	99,153.32	90,670.78
Borrowings	4,212.54	4,772.72
Other liabilities and provisions	2,751.02	2,039.37
<b>TOTAL</b>	<b>1,13,513.35</b>	<b>1,03,832.80</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India	5,055.80	5,411.18
Balances with banks and money at call and short notice	1,823.36	1,407.35
Investments	25,334.11	22,924.67
Advances	75,339.87	67,920.21
Fixed Assets	930.78	877.54
Other Assets	5,029.43	5,291.85
<b>TOTAL</b>	<b>1,13,513.35</b>	<b>1,03,832.80</b>
Contingent Liabilities	37,523.96	23,572.48
Bills for collection	2,071.97	1,923.55

In terms of our report attached

For and on behalf of  
Board of Directors

For CNK & Associates LLP

For K Venkatachalam Aiyer & Co

Thomas Joseph. K  
Executive Vice  
President

P R Seshadri  
(Managing Director &  
CEO)

Chartered Accountants

Chartered Accountants

ICAI Firm Registration No. 101961W/W-100036

ICAI Firm Registration No. 0046105

Chithra.H  
Chief Financial Officer

(DIN : 07820690)

Hiren Shah

Partner

Membership No. 100052

UDIN:

Sreevats Gopalakrishnan

Partner

Membership No. 227654

UDIN:

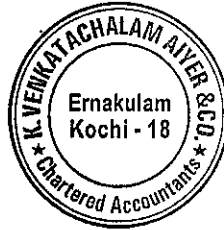
Jimmy Mathew  
Company Secretary

Thrissur

21-02-2024

Thrissur

21-02-2024



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**THE SOUTH INDIAN BANK LIMITED**

**UN AUDITED INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE NINE MONTHS ENDED  
DECEMBER 31, 2023**

	Nine Months ended December 31, 2023 ₹ in Crore	Nine Months ended December 31, 2022 ₹ in Crore
<b>I. INCOME</b>		
Interest Earned	6,338.13	5,260.22
Other Income	1,168.64	466.83
<b>TOTAL</b>	<b>7,506.77</b>	<b>5,727.05</b>
<b>II. EXPENDITURE</b>		
Interest Expended	3,880.75	3,105.32
Operating Expenses	2,191.42	1,675.17
Provisions and Contingencies	651.75	504.78
<b>TOTAL</b>	<b>6,723.92</b>	<b>5,285.27</b>
<b>III. PROFIT/LOSS</b>		
Net Profit(Loss) for the period	782.85	441.78
Profit/(Loss) brought forward from previous year	224.53	-38.04
<b>TOTAL</b>	<b>1,007.38</b>	<b>403.74</b>
<b>IV. APPROPRIATIONS</b>		
Transfer to Statutory Reserve	-	-
Transfer to Capital Reserve	-	-
Transfer to/(from) Revenue and Other Reserve	-	-
Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act	-	-
Transfer to Investment Fluctuation Reserve	-	-
Balance carried over to Un audited interim condensed consolidated Balance Sheet	1,007.38	403.74
<b>TOTAL</b>	<b>1,007.38</b>	<b>403.74</b>
Earnings per share (Face value of ₹ 1 per share)		
Basic (in ₹)	3.74	2.11
Diluted (in ₹)	3.74	2.11

Selected explanatory Notes (Provided below)

In terms of our report attached

For CNK & Associates LLP

Chartered Accountants  
ICAI Firm Registration No. 101961W/W-100036

Hipen Shah  
Partner  
Membership No. 100052  
UDIN:

Thrissur  
21-02-2024

For K Venkatachalam Aiyer & Co

Chartered Accountants  
ICAI Firm Registration No. 0046105

Sreevats Gopalakrishnan  
Partner  
Membership No. 227654  
UDIN:

Thrissur  
21-02-2024

For and on behalf of  
Board of Directors

Thomas Joseph. K  
Executive Vice  
President

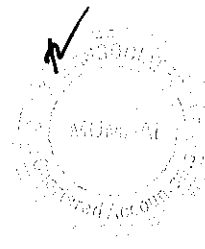
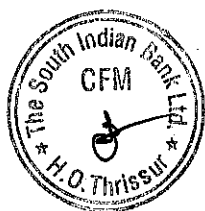
P R Seshadri  
(Managing Director &  
CEO)  
(DIN : 07820690)

Chithra.H  
Chief Financial Officer

Jimmy Mathew  
Company Secretary



<b>THE SOUTH INDIAN BANK LIMITED</b>		
<b>UN AUDITED INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2023</b>		
	<b>Nine months Ended December 31, 2023 Rs. in Cr</b>	<b>Nine months Ended December 31, 2022 Rs. in Cr</b>
<b>Cash flow from operating activities</b>		
Profit before tax as per Profit and Loss Account	1,136.30	586.44
Adjustments for:		
Depreciation	65.90	64.20
Amortisation of Premium on HTM Investments	210.64	237.70
Provision for Depreciation / Non Performing Investments	39.79	273.30
General Provisions against Standard Assets	(28.08)	(40.37)
Provision/write off for Non Performing Assets	364.82	489.29
Other Provisions	(35.58)	(7.35)
Employee Stock Options expense	1.67	0.05
Interest on Subordinated bonds	132.17	117.27
(Profit)/Loss on sale of land, buildings and other assets	(0.68)	(0.55)
<b>Operating profit before working capital changes (A)</b>	<b>1,886.95</b>	<b>1,719.98</b>
<b>Changes in working capital:</b>		
Increase / (Decrease) in Deposits	7,503.25	1,529.04
Increase / (Decrease) in Other liabilities	360.84	268.93
(Increase) / Decrease in Investments	2,161.56	(2,626.53)
(Increase) / Decrease in Advances	(5,900.25)	(8,416.12)
(Increase) / Decrease in Other Assets	185.94	1,183.95
	<b>(B) 4,311.34</b>	<b>(8,060.73)</b>
<b>Cash flow from operating activities before taxes (A+B)</b>	<b>6,198.29</b>	<b>(6,340.75)</b>
Direct Taxes paid	(275.65)	(20.83)
<b>Net cash flow from operating activities (C)</b>	<b>5,922.64</b>	<b>(6,361.58)</b>
<b>Cash flow from investing activities:</b>		
Purchase of Fixed Assets/Capital Work-in-Progress	(120.98)	(77.51)
Sale of Fixed Assets	7.27	1.95
(Purchase)/Sale of Investments (Held To Maturity )	(3,104.80)	635.37
<b>Net cash flow from investing activities (D)</b>	<b>(3,218.51)</b>	<b>559.81</b>





<b>Cash flow from financing activities:</b>		
Dividend paid including Corporate Dividend Tax	(62.78)	-
Net proceeds/(repayments) in borrowings	(2,781.32)	1,478.23
Interest on Subordinated bonds	(61.36)	(61.36)
<b>Net cash flow from financing activities (E)</b>	<b>(2,905.46)</b>	<b>1,416.87</b>
<b>Net increase in cash and cash equivalents (C+D+E)</b>	<b>(201.33)</b>	<b>(4,384.90)</b>
<b>Cash and cash equivalents as at beginning of the period</b>	<b>7,080.49</b>	<b>11,203.43</b>
<b>Cash and cash equivalents as at the end of the period</b>	<b>6,879.16</b>	<b>6,818.53</b>

In terms of our report attached

For and on behalf of  
Board of Directors

For CNK & Associates LLP

For K Venkatachalam Aiyer & Co

Thomas Joseph. K  
Executive Vice  
President

P R Seshadri  
(Managing Director &  
CEO)  
(DIN : 07820690)

Chartered Accountants  
ICAI Firm Registration No. 101961W/W-100036

Chartered Accountants  
ICAI Firm Registration No. 004610S

Chithra.H.  
Chief Financial Officer

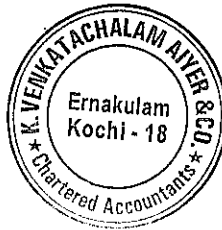
Jimmy Mathew  
Company Secretary

Hiren Shah  
Partner  
Membership No. 100052  
UDIN:

Sreevats Gopalakrishnan  
Partner  
Membership No. 227654  
UDIN:

Thrissur  
21-02-2024

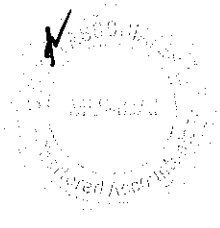
Thrissur  
21-02-2024



**UN AUDITED INTERIM CONDENSED CONSOLIDATED SEGMENT WISE RESULTS**

*Rs.in Cr*

Particulars	Nine Months ended	Nine Months ended
	31.12.2023	31.12.2022
	Unaudited	Unaudited
<b>1. Segment Revenue</b>		
a) Treasury	1,491.30	797.00
b) Corporate/ Wholesale Banking	2,086.88	1,642.79
c) Retail Banking	3,610.37	2,925.92
(i) Digital Banking	494.63	
(ii) Other Retail Banking	3,115.74	
d) Other Banking Operations	318.22	361.34
<b>Total</b>	<b>7,506.77</b>	<b>5,727.05</b>
Less : Inter segment Revenue		
<b>Net Income from Operations</b>	<b>7,506.77</b>	<b>5,727.05</b>
<b>2. Segment Results (net of provisions)</b>		
a) Treasury	102.85	(113.22)
b) Corporate/ Wholesale Banking	(11.63)	(101.82)
c) Retail Banking	818.66	544.42
(i) Digital Banking	97.54	
(ii) Other Retail Banking	721.12	
d) Other Banking Operations	225.95	256.27
<b>Total</b>	<b>1,135.83</b>	<b>585.65</b>
Less: unallocated expenditure	(0.47)	(0.79)
<b>Profit/(Loss) Before Tax</b>	<b>1,136.30</b>	<b>586.44</b>
<b>3. Segment Assets</b>		
a) Treasury	27,028.85	24,591.74
b) Corporate/ Wholesale Banking	41,803.71	36,223.99
c) Retail Banking	40,882.34	39,769.12
(i) Digital Banking	3,656.50	
(ii) Other Retail Banking	37,225.84	
d) Other Banking Operations	25.47	18.10
e) Un allocated	3,772.98	3,229.85
<b>Total</b>	<b>1,13,513.35</b>	<b>1,03,832.80</b>
<b>4. Segment Liabilities</b>		
a) Treasury	25,465.42	23,335.34
b) Corporate/ Wholesale Banking	39,781.54	34,786.93
c) Retail Banking	38,903.40	38,190.46
(i) Digital Banking	3,479.63	
(ii) Other Retail Banking	35,423.77	
d) Other Banking Operations	-	-
e) Un allocated	1,968.30	1,170.19
<b>Total</b>	<b>1,06,118.66</b>	<b>97,482.92</b>
<b>5. Capital Employed [Segment Assets - Segment Liabilities]</b>		
a) Treasury	1,563.43	1,256.40
b) Corporate/ Wholesale Banking	2,022.17	1,437.06
c) Retail Banking	1,978.94	1,578.66
(i) Digital Banking	176.87	
(ii) Other Retail Banking	1,802.07	
d) Other Banking Operations	25.47	18.10
e) Un allocated	1,804.68	2,059.66
<b>Total</b>	<b>7,394.69</b>	<b>6,349.88</b>



For the above segment reporting, the reportable segments are identified into Treasury, Corporate/Wholesale Banking, Retail Banking (including Digital Banking) and Other Banking Operations in Compliance with the revised RBI Guidelines. The Bank operates in India.

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 interim condensed consolidated segmental results for retail banking segment since March 2023 is shown above. Previous period figures have been regrouped and reclassified, wherever necessary, to make them comparable with current period figures.

In terms of our report attached

For and on behalf of  
Board of Directors

For CNK & Associates LLP

For K Venkatachalam Aiyer & Co

Chartered Accountants

ICAI Firm Registration No. 101961W/W-100036

Chartered Accountants

ICAI Firm Registration No. 004610S

Hirex Shah  
Partner

Membership No. 100052

UDIN:

Thrissur  
21-02-2024

Sreevats Gopalakrishnan  
Partner

Membership No. 227654

UDIN:

Thrissur  
21-02-2024

Thomas Joseph. K  
Executive Vice  
President

P R Seshadri  
(Managing Director &  
CEO)  
(DIN : 07820690)

Chithra H  
Chief Financial Officer

Jimmy Mathew  
Company Secretary



Selected explanatory Notes (Provided below)

- 1 These Unaudited Interim Condensed Consolidated Financial Statements have been prepared solely in connection with raising of funds through Rights Issue (the "Issue") of equity shares of face value of ₹ 1 each (the "Equity Shares") of the bank, in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (hereinafter referred to as "the SEBI ICDR Regulations")
- 2 The interim condensed consolidated Financial Results comprise the interim condensed standalone financial results of The South Indian Bank Ltd and it's subsidiary SIB Operations and Services Ltd.
- 3 Group has consistently applied its significant accounting policies in the preparation of its interim condensed consolidated financial results during the quarter and nine months ended December 31, 2023 as compared to those followed for the year ended March 31, 2023. The above interim condensed consolidated results are prepared in accordance with the principles set out in Accounting Standard 21 - Consolidated Financial Statements as notified under Section 133 of the Companies Act, 2013.
- 4 Other Income includes Profit on sale of investments (net), provision for depreciation on investments, earnings from foreign exchange and derivative transactions, commission from non - fund based banking activities, income from sale of PSL Certificates, income from card business, recoveries from advances technically written off etc.
- 5 Other expense includes Insurance, Rent, Repair, Depreciation, Communication expenses, Outsourced manpower charges, premium paid on PSLC purchase, CSR, ATM outsourcing, Card expenses etc.
- 6 During the quarter ended December 31, 2023, bank had identified certain irregularities in the nature of fraud at one of the branches and the loss is determined at Rs.28.63 Crore. Bank had provided the entire amount of Rs.28.63 Crore during the quarter ended December 31, 2023.
- 7 Previous period's figures have been regrouped / reclassified, wherever necessary to conform to current period's classification and also the amounts / ratios for the previous period / year have been regrouped / reclassified pursuant to the requirement of Master Direction on Financial Statements - Presentation and Disclosure issued by Reserve Bank of India dated August 30, 2021, as amended and wherever considered necessary.
- 8 Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

Rs.in Cr

Particulars	Nine Months ended	
	31.12.2023	31.12.2022
	Unaudited	Unaudited
Provision for NPAs (including write off, excluding technical write off)	364.82	489.29
Provision for NPIs	(2.87)	(81.44)
Provision for Income Tax	252.42	194.41
Deferred Tax (net)	101.03	(49.75)
Provision for Standard Assets	(28.08)	(40.37)
Provision for Restructured Advances	(0.00)	0.00
Provision for FITL	(55.05)	(5.97)
Provision for unhedged foreign currency exposures	(2.74)	(0.50)
Provision for Non-Banking Asset	(4.41)	(0.71)
Provision for Fraud / Other impaired assets	26.63	(0.18)
<b>TOTAL</b>	<b>651.75</b>	<b>504.78</b>

In terms of our report attached

For and on behalf of  
Board of Directors

For CNK & Associates LLP

For K Venkatachalam Aiyer & Co

Thomas Joseph K  
Executive Vice  
President

P R Seshadri  
(Managing Director &  
CEO)  
(DIN : 07820690)

Chartered Accountants

ICAI Firm Registration No. 101961W/W-100036

Chartered Accountants

ICAI Firm Registration No. 004610S

Chithra H  
Chief Financial Officer

Hiren Shah

Partner

Membership No. 100052

UDIN:

Thrissur

21-02-2024

Sreevats Gopalakrishnan

Partner

Membership.No. 227654

UDIN:

Thrissur

21-02-2024

Jimmy Mathew  
Company Secretary



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

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

## INDEPENDENT AUDITORS' REVIEW REPORT

To The Board of Directors of  
The South Indian Bank Limited

### Review Report on The Unaudited Interim Condensed Standalone Financial Statements

We have reviewed the accompanying Unaudited Interim Condensed Standalone Financial Statements of The South Indian Bank Limited (the "Bank") as at and for the nine month period ended December 31, 2023, which comprise the unaudited condensed standalone balance sheet as at December 31, 2023, the unaudited interim condensed standalone statement of profit and loss and the unaudited interim condensed standalone statement of cash flows for the nine month period ended December 31, 2023, and summary of select explanatory notes (collectively, the "Unaudited Interim Condensed Standalone Financial Statements").

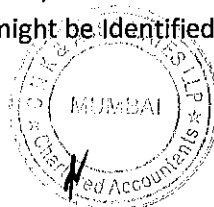
### Management's Responsibility for the Unaudited Interim Condensed Standalone Financial Statements

The Bank's management is responsible for preparation and presentation of the Unaudited Interim Condensed Standalone Financial Statements in accordance with accounting principles generally accepted in India and the recognition and measurement principles laid down in Accounting Standard for "Interim Financial Reporting" (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time ("RBI Guidelines"), and other accounting principles generally accepted in India.

### Auditors' Responsibility

Our responsibility is to issue a report on the Unaudited Interim Condensed Standalone Financial Statements based on our review.

We conducted our review of the Unaudited Interim Condensed Standalone Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of the Unaudited Interim Condensed Standalone Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we express an audit opinion.



Our review primarily is conducted on the basis of review of the books of account and records of the Bank. We have also relied on the information and explanations furnished to us by the Bank and the returns as considered necessary by us for the review.

### Conclusion

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Interim Condensed Standalone Financial Information has not been prepared, in all material respects, in accordance with accounting principles generally accepted in India and the recognition and measurement principles laid down in Accounting Standard for "Interim Financial Reporting" (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder in so far as they apply to the Banking Companies and Circulars and Guidelines Issued by the Reserve Bank of India from time to time, or that it contains any material misstatement.

### Restrictions on Use

This report is addressed to and is provided to enable the Bank to include this report in the Letter of Offer in connection with the rights issue, to be filed by the Bank with Securities and Exchange Board of India in accordance with the provisions of the SEBI ICDR Regulations and that these Unaudited Interim Condensed Standalone Financial Statements may not be meaningful for any other purpose.

**For CNK & Associates LLP**

**Chartered Accountants**

Firm's Registration Number. 101961W/W-100036



**Hiren Shah**  
**Partner**

Membership No.100052



UDIN: 24100052BKFAGG1508

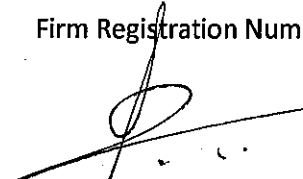
Place: Thrissur

Date: February 21, 2024

**For K Venkatachalam Aiyer & Co**

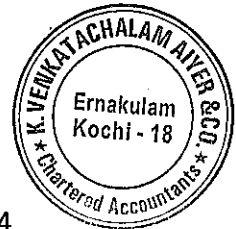
**Chartered Accountants**

Firm Registration Number: 004610S



**Sreevats Gopalakrishnan**  
**Partner**

Membership Number: 227654



UDIN: 24227654BKFTGV2131

Place: Thrissur

Date: February 21, 2024

**THE SOUTH INDIAN BANK LIMITED**

**UN AUDITED INTERIM CONDENSED STANDALONE BALANCE SHEET AS AT DECEMBER 31, 2023**

	As at December 31, 2023 ₹ in Crore	As at December 31, 2022 ₹ in Crore
<b>CAPITAL AND LIABILITIES</b>		
Capital	209.27	209.27
Employees' Stock Options Outstanding	1.78	0.05
Reserves and Surplus	7,185.03	6,140.19
Deposits	99,154.66	90,671.74
Borrowings	4,212.54	4,772.72
Other liabilities and provisions	2,750.86	2,039.28
<b>TOTAL</b>	<b>1,13,514.14</b>	<b>1,03,833.25</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India	5,055.80	5,411.18
Balances with banks and money at call and short notice	1,823.36	1,407.35
Investments	25,334.61	22,925.17
Advances	75,339.87	67,920.21
Fixed Assets	930.78	877.53
Other Assets	5,029.72	5,291.81
<b>TOTAL</b>	<b>1,13,514.14</b>	<b>1,03,833.25</b>
Contingent Liabilities	37,523.96	23,572.48
Bills for collection	2,071.97	1,923.55

In terms of our report attached

For and on behalf of  
Board of Directors

For CNK & Associates LLP

For K Venkatachalam Aiyer & Co

Chartered Accountants  
ICAI Firm Registration No. 101961W/W-100036

Chartered Accountants  
ICAI Firm Registration No. 0046105

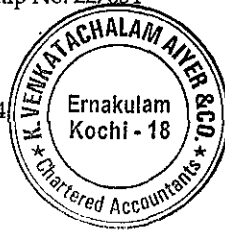
Hiren Shah  
Partner  
Membership No. 100052  
UDIN:



Thrissur  
21-02-2024

Sreevats Gopalakrishnan  
Partner  
Membership No. 227654  
UDIN:

Thrissur  
21-02-2024



Thomas Joseph, K  
Executive Vice President

P R Seshadri  
(Managing Director &  
CEO)  
(DIN : 07820690)

Chithra H  
Chief Financial Officer

Jimmy Mathew  
Company Secretary



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THE SOUTH INDIAN BANK LIMITED		
UN AUDITED INTERIM CONDENSED STANDALONE PROFIT AND LOSS ACCOUNT FOR THE NINE MONTHS ENDED DECEMBER 31, 2023		
	Nine Months ended December 31, 2023 ₹ in Crore	Nine Months ended December 31, 2022 ₹ in Crore
<b>I. INCOME</b>		
Interest Earned	6,338.13	5,260.22
Other Income	1,169.49	467.26
<b>TOTAL</b>	<b>7,507.62</b>	<b>5,727.48</b>
<b>II. EXPENDITURE</b>		
Interest Expended	3,880.75	3,105.32
Operating Expenses	2,192.74	1,676.38
Provisions and Contingencies (Refer Note 8 below)	651.61	504.58
<b>TOTAL</b>	<b>6,725.10</b>	<b>5,286.28</b>
<b>III. PROFIT/LOSS</b>		
Net Profit(Loss) for the period	782.52	441.20
Profit/(Loss) brought forward from previous year	224.49	-37.87
<b>TOTAL</b>	<b>1,007.01</b>	<b>403.33</b>
<b>IV. APPROPRIATIONS</b>		
Transfer to Statutory Reserve	-	-
Transfer to Capital Reserve	-	-
Transfer to/(from) Revenue and Other Reserve	-	-
Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act	-	-
Transfer to Investment Fluctuation Reserve	-	-
Balance carried over to Un audited interim condensed standalone Balance Sheet	1,007.01	403.33
<b>TOTAL</b>	<b>1,007.01</b>	<b>403.33</b>
Earnings per share (Face value of ₹ 1 per share)		
Basic (in ₹)	3.74	2.11
Diluted (in ₹)	3.74	2.11

Selected explanatory Notes (Provided below)

In terms of our report attached

For CNK & Associates LLP

Chartered Accountants  
ICAI Firm Registration No. 101961W/W-100036

Hiren Shah  
Partner  
Membership No. 100052  
UDIN:

Thrissur  
21-02-2024



For K Venkatachalam Aiyer & Co

Chartered Accountants  
ICAI Firm Registration No. 0046105

Sreevats Gopalakrishnan  
Partner  
Membership No. 227654  
UDIN:

Thrissur  
21-02-2024



For and on behalf of  
Board of Directors

Thomas Joseph. K

Executive Vice President

Chithra.H  
Chief Financial Officer

Jimmy Mathew  
Company Secretary

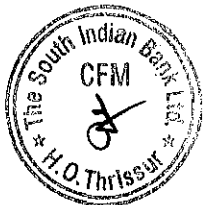
P R Seshadri  
(Managing Director &  
CEO)  
(DIN : 07820690)



**THE SOUTH INDIAN BANK LIMITED**

**UN AUDITED INTERIM CONDENSED STANDALONE CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2023**

	Nine months Ended December 31, 2023 Rs. in Cr	Nine months Ended December 31, 2022 Rs. in Cr
<b>Cash flow from operating activities</b>		
Profit before tax as per Profit and Loss Account	1,135.83	585.66
Adjustments for:		
Depreciation	65.90	64.19
Amortisation of Premium on HTM Investments	210.63	237.70
Provision for Depreciation / Non Performing Investments	39.79	273.29
General Provisions against Standard Assets	(28.08)	(40.37)
Provision/write off for Non Performing Assets	364.82	489.29
Other Provisions	(35.58)	(7.35)
Employee Stock Options expense	1.67	0.05
Interest on Subordinated bonds	132.17	117.27
(Profit)/Loss on sale of land, buildings and other assets	(0.69)	(0.54)
<b>Operating profit before working capital changes (A)</b>	<b>1,886.46</b>	<b>1,719.19</b>
<b>Changes in working capital:</b>		
Increase / (Decrease) in Deposits	7,503.31	1,529.63
Increase / (Decrease) in Other liabilities	361.01	268.98
(Increase) / Decrease in Investments	2,161.56	(2,626.53)
(Increase) / Decrease in Advances	(5,900.25)	(8,416.12)
(Increase) / Decrease in Other Assets	186.17	1,183.88
	<b>(B) 4,311.80</b>	<b>(8,060.16)</b>
<b>Cash flow from operating activities before taxes (A+B)</b>	<b>6,198.26</b>	<b>(6,340.97)</b>
Direct Taxes paid	(275.63)	(20.61)
<b>Net cash flow from operating activities (C)</b>	<b>5,922.63</b>	<b>(6,361.58)</b>
<b>Cash flow from investing activities:</b>		
Purchase of Fixed Assets/Capital Work-in-Progress	(120.98)	(77.51)
Sale of Fixed Assets	7.27	1.95
(Purchase)/Sale of Investments (Held To Maturity )	(3,104.80)	635.37
<b>Net cash flow from investing activities (D)</b>	<b>(3,218.51)</b>	<b>559.81</b>



<b>Cash flow from financing activities:</b>		
Dividend paid including Corporate Dividend Tax	(62.78)	-
Net proceeds/(repayments) in borrowings	(2,781.31)	1,478.23
Interest on Subordinated bonds	(61.36)	(61.36)
<b>Net cash flow from financing activities (E)</b>	<b>(2,905.45)</b>	<b>1,416.87</b>
<b>Net increase in cash and cash equivalents (C+D+E)</b>	<b>(201.33)</b>	<b>(4,384.90)</b>
Cash and cash equivalents as at beginning of the period	7,080.49	11,203.43
Cash and cash equivalents as at the end of the period	6,879.16	6,818.53

In terms of our report attached

For and on behalf of  
Board of Directors

For CNK & Associates LLP

For K Venkatachalam Aiyer & Co

Thomas Joseph. K

P R Seshadri  
(Managing Director &  
CEO)  
(DIN : 07820690)

Chartered Accountants

Chartered Accountants

Executive Vice President

ICAI Firm Registration No. 101961W/W-100036

ICAI Firm Registration No. 004610S

Hiren Shah  
Partner  
Membership No. 100052  
UDIN:



Sreevats Gopalakrishnan  
Partner  
Membership No. 227654  
UDIN:

Chithra.H  
Chief Financial Officer

Jimmy Mathew  
Company Secretary

Thrissur  
21-02-2024

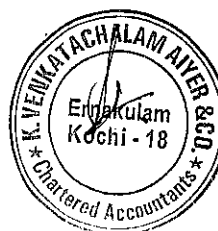
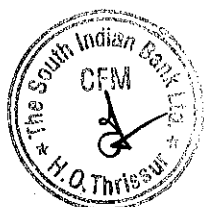
Thrissur  
21-02-2024



**UN AUDITED INTERIM CONDENSED STANDALONE SEGMENT WISE RESULTS**

Rs.in Cr

Particulars	Nine Months ended	
	31.12.2023	31.12.2022
	Unaudited	Unaudited
<b>1. Segment Revenue</b>		
a) Treasury	1,491.30	797.00
b) Corporate/ Wholesale Banking	2,086.88	1,642.79
c) Retail Banking	3,610.37	2,925.92
(i) Digital Banking	494.63	
(ii) Other Retail Banking	3,115.74	
d) Other Banking Operations	319.07	361.77
<b>Total</b>	<b>7,507.62</b>	<b>5,727.48</b>
Less : Inter segment Revenue	-	-
<b>Net Income from Operations</b>	<b>7,507.62</b>	<b>5,727.48</b>
<b>2. Segment Results (net of provisions)</b>		
a) Treasury	102.85	(113.22)
b) Corporate/ Wholesale Banking	(11.63)	(101.82)
c) Retail Banking	818.66	544.42
(i) Digital Banking	97.54	
(ii) Other Retail Banking	721.12	
d) Other Banking Operations	225.95	256.28
<b>Total</b>	<b>1,135.83</b>	<b>585.66</b>
Less: unallocated expenditure	-	-
<b>Profit/(Loss) Before Tax</b>	<b>1,135.83</b>	<b>585.65</b>
<b>3. Segment Assets</b>		
a) Treasury	27,029.35	24,592.24
b) Corporate/ Wholesale Banking	41,803.71	36,223.99
c) Retail Banking	40,882.34	39,769.12
(i) Digital Banking	3,656.50	
(ii) Other Retail Banking	37,225.84	
d) Other Banking Operations	25.47	18.10
e) Un allocated	3,773.27	3,229.80
<b>Total</b>	<b>1,13,514.14</b>	<b>1,03,833.25</b>
<b>4. Segment Liabilities</b>		
a) Treasury	25,465.42	23,335.34
b) Corporate/ Wholesale Banking	39,781.54	34,786.93
c) Retail Banking	38,904.74	38,191.41
(i) Digital Banking	3,479.63	
(ii) Other Retail Banking	35,425.11	
d) Other Banking Operations	-	-
e) Un allocated	1,968.14	1,170.11
<b>Total</b>	<b>1,06,119.84</b>	<b>97,483.79</b>
<b>5. Capital Employed (Segment Assets-Segment Liabilities)</b>		
a) Treasury	1,563.93	1,256.90
b) Corporate/ Wholesale Banking	2,022.17	1,437.06
c) Retail Banking	1,977.60	1,577.71
(i) Digital Banking	176.87	
(ii) Other Retail Banking	1,800.73	
d) Other Banking Operations	25.47	18.10
e) Un allocated	1,805.13	2,059.69
<b>Total</b>	<b>7,394.30</b>	<b>6,349.46</b>



For the above segment reporting, the reportable segments are identified into Treasury, Corporate/Wholesale Banking, Retail Banking (including Digital Banking) and Other Banking Operations in Compliance with the revised RBI Guidelines. The Bank operates in India.

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 interim condensed standalone segmental results for retail banking segment since March 2023 is shown above. Previous period figures have been regrouped and reclassified, wherever necessary, to make them comparable with current period figures.

In terms of our report attached

For and on behalf of  
Board of Directors

For CNK & Associates LLP

For K Venkatachalam Aiyer & Co

Thomas Joseph. K

P R Seshadri  
(Managing Director &  
CEO)  
(DIN : 07820690)

Chartered Accountants

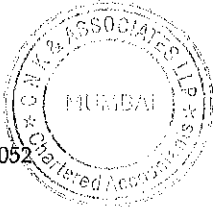
Chartered Accountants

Executive Vice President

ICAI Firm Registration No. 101961W/W-100036

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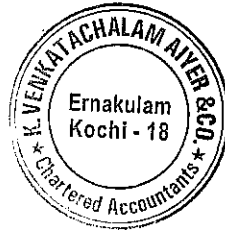
Hiren Shah  
Partner  
Membership No. 100052  
UDIN:



Sreevats Gopalakrishnan  
Partner  
Membership No. 227654  
UDIN:

*(Handwritten signature of Sreevats Gopalakrishnan)*

Thrissur  
21-02-2024



*(Handwritten signature of Chithra H)*

Chithra H  
Chief Financial Officer

Jimmy Mathew  
Company Secretary

Thrissur  
21-02-2024



Selected explanatory Notes (Provided below)

1. These Unaudited Interim Condensed Standalone Financial Statements have been prepared solely in connection with raising of funds through Rights Issue (the "Issue") of equity shares of face value of ₹ 1 each (the "Equity Shares") of the bank, in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (hereinafter referred to as "the SEBI ICDR Regulations")
2. The Bank has consistently applied its significant accounting policies in the preparation of its interim condensed standalone financial results during the quarter and nine months ended December 31, 2023 as compared to those followed for the year ended March 31, 2023.
3. The interim condensed standalone financial results have been arrived at after considering provision for standard assets (including requirements for exposures to entities with unhedged foreign currency exposures), provision for non-performing assets (NPAs), provision for non-performing investments, provision for income-tax (net adjusted for earlier years) and other usual and necessary provisions.
4. Other Income includes Profit on sale of investments (net), provision for depreciation on investments, earnings from foreign exchange and derivative transactions, commission from non - fund based banking activities, income from sale of PSL Certificates, income from card business, recoveries from advances technically written off etc.
5. Other expense includes Insurance, Rent, Repair, Depreciation, Communication expenses, Outsourced manpower charges, premium paid on PSLC purchase, CSR, ATM outsourcing, Card expenses etc.
6. During the quarter ended December 31, 2023, bank had identified certain irregularities in the nature of fraud at one of the branches and the loss is determined at Rs. 28.63 Cr. Bank had provided the entire amount of Rs. 28.63 Cr during the quarter ended December 31, 2023.
7. Previous period's figures have been regrouped / reclassified, wherever necessary to conform to current period's classification and also the amounts / ratios for the previous period / year have been regrouped / reclassified pursuant to the requirement of Master Direction on Financial Statements - Presentation and Disclosure issued by Reserve Bank of India dated August 30, 2021, as amended and wherever considered
8. Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

Rs.in Cr

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	Unaudited	Unaudited
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Provision for NPIs	(2.87)	(81.44)
Provision for Income Tax	252.28	194.26
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Provision for Standard Assets	(28.08)	(40.37)
Provision for Restructured Advances	(0.00)	0.00
Provision for FITL	(55.05)	(5.97)
Provision for unhedged foreign currency exposures	(2.74)	(0.50)
Provision for Non-Banking Asset	(4.41)	(0.71)
Provision for Fraud / Other impaired assets	26.63	(0.18)
<b>TOTAL</b>	<b>651.61</b>	<b>504.58</b>

In terms of our report attached

For CNK & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101961W/W-100036

Hiren Shah

Partner

Membership No. 100052

UDIN:

Thrissur

21-02-2024



For K Venkatachalam Aiyer & Co

Chartered Accountants

ICAI Firm Registration No. 004610S

Sreevats Gopalakrishnan

Partner

Membership No. 227654

UDIN:

Thrissur

21-02-2024



For and on behalf of  
Board of Directors

Thomas Joseph. K

Executive Vice President

Chithra.H  
Chief Financial Officer

Jimmy Mathew  
Company Secretary

P R Seshadri

(Managing Director &  
CEO)

(DIN : 07820690)