

Sustain Build Scale

Annual Report 2021-22



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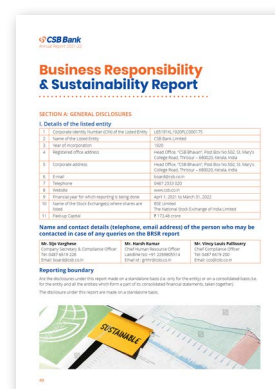
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Disclaimer

Statements in this report that describe the Bank's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Bank cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include cyclical demand in the Bank's principal markets, changes in Government & RBI regulations, economic developments within the countries in which the Bank conducts business, and other factors relating to the Bank's operations, such as litigation, labour negotiations and fiscal regimes.

01

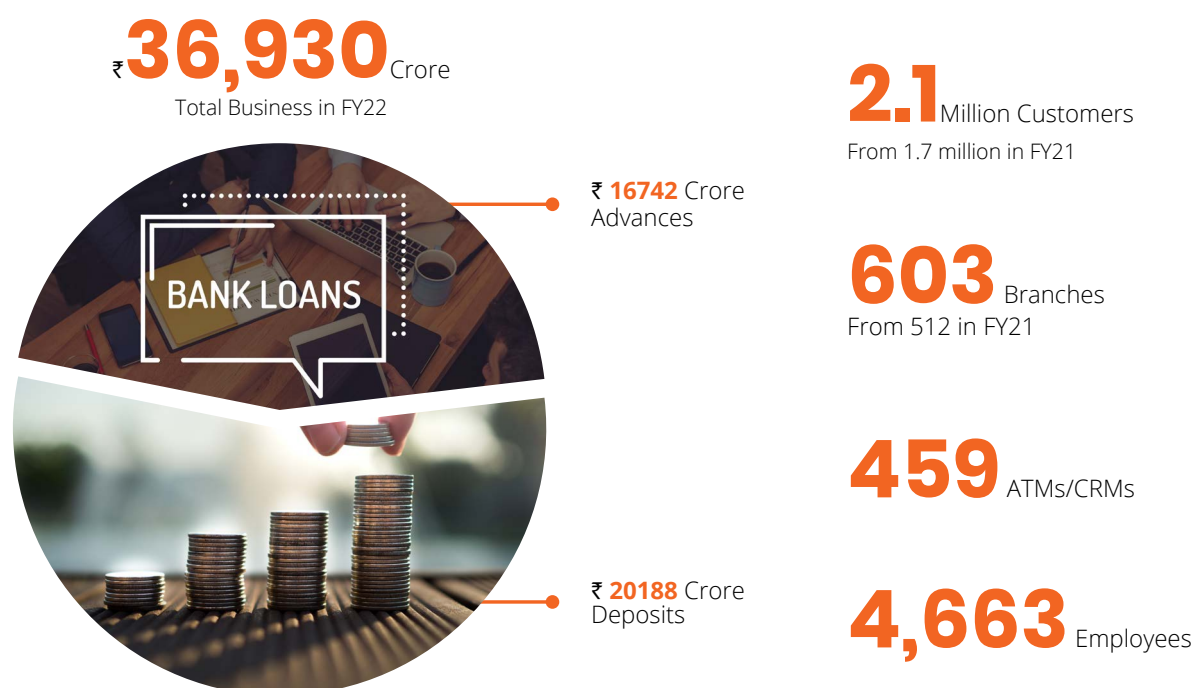
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overview

About CSB Bank

Established in 1920, CSB Bank Ltd (Formerly The Catholic Syrian Bank Limited) is one of the fastest growing private sector banks in India with a significant branch presence in South and steadily increasing network across India with a special thrust on Northern and Western part of the country. The Bank has four segment verticals, namely, SME Banking, Retail banking, Wholesale Banking and Treasury operations. In recent years, the Bank accelerated its transformation process to become a new-age, profit making Bank with innovative leadership, product development, digital banking technology and risk management capabilities.

As the future road map is set to sustain, now our endeavour is to further build and scale the operations with a strong governance structure by increasing the focus on environmental and social banking initiatives in parallel.



FY22 Key Highlights

During the year, the performance of the Bank improved in the majority of the segment verticals with a thrust on asset quality, earnings, liquidity and capital.

₹ 1,153 Crore | NII

At ₹ 1,153 crore, the Net Interest Income has crossed ₹ 1,000 crore mark for the first time in the history of the Bank, by posing a robust growth of 23% on a YOY basis.

33.66% | CASA Ratio

CASA ratio stood at 33.66% as on 31.03.2022 as against 32.19% as on 31.03.2021, on a YOY basis

4.31% | COD

The cost of deposits improved to 4.31 % from 5.07% on a YOY basis

+9% | Gross Advances

Total gross advances grew by 9% on a YOY basis to touch a level of ₹ 16,742 crore. The yield on advances improved to 11.21% from 10.97% on a YOY basis

39.2%

Gold loan portfolio stood at 39.2% as on 31.03.2022, registering a growth of 7.16% on a YOY basis

0.68%

Net NPA at a new low level, below 1%

154% | LCR

LCR at 154% against the stipulation of 100% by RBI

25.90% | CRAR

Capital adequacy ratio at an all-time high level of 25.90%

Board of Directors



Pralay Mondal
Managing Director & CEO
(Interim)
Date of Joining:
February 17, 2022.

Experience: He has over three decades of banking experience across multiple business and functions including retail assets, retail liabilities, business banking, products and technology. Mr. Mondal has been instrumental in building up various facets in leading banks such as Axis Bank, Yes Bank, HDFC Bank and Standard Chartered Bank. He was holding the position as President (Retail, SME, Technology and Operations) in the Bank with effect from September 23, 2020 and was elevated as Deputy Managing Director with effect from February 17, 2022. He was appointed as MD & CEO (Interim) of the Bank with effect from April 1, 2022.

Qualification: Engineering graduate (Hons.) from IIT, Kharagpur and PGDBM, specialised in Marketing from IIM, Calcutta.



Madhavan Menon
Non-Executive Director
Date of Joining:
September 3, 2018.

Experience: He has over three decades of experience in the finance and banking sector. He was the Part Time Chairman of the Bank for the period April 22, 2019 and up to July 21, 2020. He has previously worked with ANZ Grindlays Bank Limited, Citibank N.A., Emirates Bank International, Birla Capital International AMC Limited in the past. He is currently the Managing Director of Thomas Cook (India) Limited.

Qualification: Bachelor's Degree and a Master's Degree in Business Administration from the George Washington University.



Sharmila Abhay Karve
Independent Director
Date of Joining:
July 20, 2020.

Experience: She has over three decades of association with the Network of Price Waterhouse firms in India in various capacities till she retired on 30th of June 2019. She held the position of Ethics and Business Conduct Leader for the firms and was also elected to the Partnership Oversight Committee (POC) which is responsible for governance and oversight. By 2017, she was holding the position as the Diversity & Inclusion Leader for the PwC Global network and was on the Global Leadership Team and the Global Human Capital Team.

Qualification: Qualified Chartered Accountant and holds Bachelor's Degree in Commerce from the University of Mumbai.



Sudhin Choksey
Independent Director
Date of Joining:
March 30, 2021.

Experience: He has over four decades of professional experience in India and abroad. He was the former MD & CEO of GRUH Finance Ltd which merged with Bandhan Bank. As a part of the scheme of merger, joined Bandhan Bank as ED (Designate) in October 2019 and retired in February, 2021. At Bandhan Bank, he was the vertical Head of housing finance.

As CEO of GRUH Finance, he worked in the mortgage finance business with skills in lending. He has over 26 years of working with GRUH Finance and had held various positions up to the top notch position of MD& CEO.

Qualification: A fellow Member of the Institute of Chartered Accountants of India and Bachelor's Degree in Commerce from Mumbai University.



Sumit Maheshwari
Non-Executive Director
Date of Joining:
September 3, 2018

Experience: He is the Managing Director of Fairbridge Capital since May 2018 and is responsible to source, evaluate negotiate, execute and exit investment opportunities for the Fairfax Group. He serves on the Board of directors of many of Fairfax's portfolio companies. He is also responsible to monitor the portfolio companies of the group.

Prior to joining Fairbridge Capital, Mr. Maheshwari worked with KPMG in India and the UK in their audit and accounting advisory functions.

Qualification: Qualified Chartered Accountant, has completed the Post Graduate Programme in Management from the Indian School of Business, Hyderabad, and holds Master's Degree in Commerce from the University of Mumbai.



Bhama Krishnamurthy
Independent Director
Date of Joining:
September 3, 2018

Experience: She has over three decades of experience in Banking and is a seasoned banker with a sparkling career in IDBI Ltd., (presently IDBI Bank) and SIDBI. She retired as Country Head and Chief General Manager from SIDBI in December 2014. She has also Served on the Boards of several companies, venture funds and CIBIL. Her main areas of specialisation are Resource Raising and Management (Rupee and Forex), Integrated Treasury operations, Credit Dispensation and Management, Risk management, etc.

Qualification: Master's Degree in Science from the University of Mumbai.



Sunil Srivastav
Independent Director
Date of Joining:
June 8, 2021.

Experience: He has almost four decades of experience in banking. Held various positions in SBI since 1980 and retired as Deputy Managing Director of Corporate Banking in 2018. He has ample experience in Credit Risk, Project and Corporate Finance, International Banking, Investment Banking, Corporate Strategy, National/Elite Banking, Corporate, Digital and Retail Banking.

Qualification: Bachelor's Degree in Science from Delhi University and MBA from Banaras Hindu University. He is also a Certified Associate of Indian Institute of Bankers.



Sharad Kumar Saxena
Independent Director
Date of Joining:
February 19, 2022.

Experience: He has over three decades of experience in banking and had held almost all the leadership positions in ICICI Bank technology group, like, heading the technology function for Corporate Banking, Commercial Banking, Asset products including Corporate & Retail Loans, International Banking, Credit Cards, Cash Management Services, Payment Systems, Core Banking, Switching, HR, CRM and Compliance & Fraud Management, Head of IT Infrastructure group including Networks and Head of Technology Compliance for interfacing all audits and inspections.

Qualification: Engineering graduate in Electronics & Telecommunication. He is also a Certified Information System Auditor (CISA) from ISACA, US, and a Certified ISO 27001 Implementer and Certified Senior Examiner for Quality Management for the Indian Merchant's Chamber.

Corporate Information

Board of Directors

Pralay Mondal
Managing Director & CEO (Interim)

Madhavan Menon
Non-Executive Director

Sumit Maheshwari
Non-Executive Director

Bhama Krishnamurthy
Independent Director

Sharmila Abhay Karve
Independent Director

Sudhin Choksey
Independent Director

Sunil Srivastav
Independent Director

Sharad Kumar Saxena
Independent Director

Key Managerial Personnel

Pralay Mondal
Managing Director & CEO (Interim)

B. K Divakara
Chief Financial Officer

Sijo Varghese
Company Secretary

Stock Exchanges

BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400001.
Scrip Code: 542867

National Stock Exchange of India Ltd.
Exchange Plaza, 5th floor,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400051.
Scrip Code: CSBBANK

Corporate Identity Number

L65191KL1920PLC000175

Senior Management Team

Narendra Dixit
Head - Retail Banking

Kesava Naidu Rayar
Head - Treasury

Harsh Kumar
Chief Human Resources Officer

Shyam Chandher Mani
Head- SME and NRI Business

Manish Agarwal
Chief Credit Officer

Rajesh Choudhary
Chief Technology Officer

Vincy Louis Palliserry
Chief Compliance Officer

Arvind Sharma
Chief Risk Officer

Arun Kumar Ramchandran
Head-Audit & Inspection

K Chandrasekhar
Head - Operations

Jaikumar S
Chief Vigilance Officer

Runa Das
Head - Wholesale Banking

Greeny
Head - Recovery

Sreelatha M.
Head - Strategy & Planning

Raju Kumar Ojha
Business Planner

Registered Office

CSB Bhavan,
Post Box No. 502,
St. Mary's College Road,
Thrissur - 680 020, Kerala, India.
Telephone: 0487 2333 020
Fax: 0487 2338 764
Email: board@csb.co.in
Website: www.csb.co.in

Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd
Surya 35, May Flower Avenue,
Behind Senthil Nagar,
Sowripalayam Road,
Coimbatore - 641028.
Tel : 0422 - 2314 792, 2315 792
Fax: 022-49186060
Email : coimbatore@linkintime.co.in

Statutory Auditors

B S R & CO. LLP
14th Floor, Central Wing, Tower 4,
Nesco Center, Western Express Highway,
Goregaon (East), Mumbai - 400 063
Telephone: +91 22 6257 1000

Mukund M. Chitale & Co

2nd Floor, Kapur House, Paranjape B
Scheme Road No.1, Vile Parle (East),
Mumbai - 400057
Telephone: +91 22 2663 3500

Secretarial Auditors

SVJS & Associates
Company Secretaries
65/2364 A, Ponoth Road, Kaloar,
Kochi- 682 017, Kerala, India.
Telephone: +91 484 2950007 ,2950009
Email: svjsassociates@gmail.com

International Securities Identification Number (ISIN)

INE679A01013

Ratings

CRISIL Ratings

Certificate of Deposits :
CRISIL A1+

Short Term Fixed Deposits:
CRISIL A1+

Tier II, Basel III compliant bonds :
CRISIL A/ Stable

India Ratings & Research

Tier II, Basel III compliant bonds :
IND A/ Stable

Message from Chairman

The Bank started transforming in 2016-17 and turned around in 2020 to become a benchmark performer in India's banking sector. The capabilities gained during these years would focus on sustaining ongoing pursuit of excellence and growth



Dear Shareholder,

I am happy to address investors and stakeholders of the Bank as we had an excellent year during which the Bank progressed on all the operational and financial performance parameters. This is indeed commendable as the

banking sector across the world has been in a surfeit of external challenges since the outbreak of the pandemic. At CSB, we continue to be resilient.

How the Bank started transforming in 2016-17 and turned around in 2020 to become a benchmark

performer in India's banking sector is known to most of you. The capabilities we gained during these years and the way forward are encapsulated in this year's report which would focus on sustaining its ongoing pursuit of excellence and growth.

Macro-economic conditions

While the economies across the world were in a process of recovery from the aftermath of the pandemic, the Russia-Ukraine conflict is indeed an unanticipated negative development. The outbreak of the war and the resultant supply chain constraints and trade embargos are propelling commodity prices upwards, from petroleum products and gas to edible oil and food grains. I hope the Russia-Ukraine conflict would not prolong any further failing which its tailspin will have a very adverse impact on the global economy, which is recovering from the debilitating impact of the global pandemic.

The Government of India as well as the Reserve Bank of India (RBI) responded to these developments very cautiously. RBI has been compelled to raise policy rates twice

Chairman's Message Cont...

to contain inflation. The rationale behind this decision was the upside risks to India's inflation trajectory. The Monetary Policy Committee also voted unanimously to remain focused on the withdrawal of accommodation to ensure that inflation remains within the range going forward while supporting the growth. The twin rate increase will indeed have an impact on interest rates across loan portfolios. However, during such unforeseen situations, repo rate increases are expected and considered the most pragmatic way of dealing with the inflationary pressures. The Government's increased outlay on developmental initiatives like infrastructure development and strong rebound across all other business sectors post COVID, are creating advantageous opportunities for the Banking Sector. I am happy that the FY23 budget has brought a major relief for the MSME sector as the Hon'ble finance minister announced an extension of the Emergency Credit Line Guarantee Scheme (ECLGS) until March 2023.

Our performance

The performance of the Bank has been excellent during the year. A

few performance indicators that I would like to highlight are the 23% growth in Net Interest Income and 110% in Profit After Tax. Earnings per Share improved to ₹ 26.40 YoY (111%) from ₹ 12.60 in the previous year. Return on Assets and Return on Equity improved to 1.91% and 21.28% which is up by 92 bps and 875 bps, respectively. Net Interest Margin improved to an all-time high of 5.27% and is up by 54 bps. Gross Non-Performing Asset (GNPA) and Net Non-Performing Asset (NNPA) as on 31.3.2022, stood at 1.81% as against 2.68% in the previous year and 0.68% as against 1.17% in the previous year, respectively.

Board level changes

Mr. C. V R. Rajendran, the erstwhile MD & CEO came on board during one of the most turbulent times in the Bank's history. He was able to put the Bank on a transformation and growth trajectory. On 31st March, 2022, he took early retirement on health grounds. As stakeholders of the Bank, we are indebted to him. I wish to place on record the Board's and my gratitude for his contributions to the Bank's turnaround with his vision, tireless efforts, and steadfast implementation of strategies.

I am happy that Mr. Pralay Mondal has been elevated as Deputy Managing Director w.e.f. February 17, 2022, from the position of President (Retail, SME, Operations, and IT) of the Bank. Mr. Mondal comes with multiple years of experience in universal banking and his stint includes leading banks like HDFC and Axis Bank. I also welcome Mr. Sharad Kumar Saxena as an Independent Director on the Board. Both of them have many years of Banking and IT related experience, which will surely help your Bank to reach the next level.

Recap of the journey so far and way forward

During the past few years, the leadership of the Bank through their sheer resolve and perseverance scripted a turnaround for the Bank.

The Bank would continue to focus on gold, retail, SME, and Agri advances as its course for growth while taking a cautious approach when it comes to expanding in corporate banking. Other business drivers as visualised includes, the expansion of our branch networks which will continue full-fledged with a focus on more branches to be opened in the Central and Northern parts of the country, growth driven through business verticals' model, enhancing business per branch using the current infra, leveraging of fixed costs, digitization and technology, etc.

The pandemic-induced constraints have thrown new operational challenges for Banks in terms of providing uninterrupted customer service, in addition to the competition against multiple NBFCs and Fintechs, apart from competing

WE HAVE TAKEN EARNEST EFFORTS TO BLEND THE ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) PRINCIPLES WITH BUSINESS ACROSS. EVERY OPPORTUNITY IS SEEN WITH AN ESG LENS THEREBY PRESERVING THE CORE VALUES, WITHOUT DILUTING THE PRINCIPLES OF SUSTAINABLE DEVELOPMENT.

with each other. Sensing the sway in customer preference towards digital banking, your Bank continues to invest in cutting-edge technologies to enhance its customer experience, facilitate secure transactions and improve the reach of its products.

In its quest for reducing the average age of employees, your Bank has onboarded recruits and freshers, who would be trained and placed according to their potential. Nearly 84% of the total number of employees are under the age of 40 as of March 31, 2022.

Governance, Social and Environmental

Your Bank has a robust governance structure with an experienced Board. Your Bank believes that sound corporate governance is critical to enhancing and retaining investor confidence. Your Bank always follows the best practices in corporate governance. It is committed to transparency in all its dealings and places uncompromising emphasis on integrity and regulatory compliance.

Your Bank plays a very crucial role in social development especially

when it comes to low and middle-income groups. As a responsible citizen, the CSR initiatives of the Bank this year were mainly focused on improving health-related matters in the backdrop of the pandemic in addition to humanising living conditions of the underprivileged, marginalized sections of the society and supporting similar Government initiatives. During the financial year under review, we have supported varied activities - including education, health care, flood relief camps, free COVID vaccination drives, etc. All this and more, we hope to accomplish while expanding our community outreach through our well-thought-out CSR initiatives, to create a more enabling environment for the sustenance and development of all vulnerable sections, both locally and nationally.

At CSB Bank, we have taken earnest efforts to blend the Environment, Social and Governance (ESG) principles with business across. Every opportunity is seen with an ESG lens thereby preserving the core values, without diluting the principles of sustainable development and a better

understanding of diverse social and environmental risks. Strategic decisions form a vital part of all policies of the Bank and the same is reviewed on a periodical basis, thereby striking a balance between society and compliance through a continuous evaluation basis. Your Bank continues its journey of excellence, protecting all stakeholders within the ESG assessment framework on a 360 degree. The CSR programmes initiated by Bank are invested in social causes and projects to support education and health measures for vulnerable groups.

Concluding Remarks

I would like to conclude by thanking all our customers, associates, partners and other well-wishers for their continued patronage. I wish to mention my gratitude to RBI, SEBI, stock exchanges, Central Government and State Governments for their guidance and support. I thank our senior management team for their execution capabilities and all the staff members for their committed hard work and determination, which helped us unlock this proud and satisfying period for the Bank. While expressing my gratitude and respect for every employee who risked his life and served the Bank during this pandemic, I would also like to extend my heartfelt condolences to the families of those staff members, who lost their lives due to the COVID-19 pandemic.

Warm regards,

Madhavan Aravamathan
Chairman*

THE BANK WOULD CONTINUE TO FOCUS ON GOLD, RETAIL, SME, AND AGRI ADVANCES AS ITS COURSE FOR GROWTH WHILE TAKING A CAUTIOUS APPROACH WHEN IT COMES TO EXPANDING IN CORPORATE BANKING.

Message from Interim Managing Director & CEO



Dear Shareholder,

It is with great delight that I am addressing you as Interim Managing Director and Chief Executive Officer of the Bank. It is my pleasure and privilege to be a part of this esteemed institution that has a tradition spanning more than a century in existence, a rare achievement in corporate history.

We had a smooth transfer of responsibilities from

Mr. C.V.R. Rajendran who led the Bank during the critical years of transformation. We are indebted to him for the remarkable turnaround and for creating a new performance legacy for the Bank.

SBS-2030

We at CSB are embarking on a journey of SBS 2030 (Sustain - Build -Scale) model whereby, your Bank aims to **Sustain** our strong

foundation and critical strengths, **Build** a future ready franchise and **Scale** your Bank to the next level of Growth and Excellence.

We will achieve this by implementing best in class technology, leveraging loyal partnerships, offering all products and services across our business verticals and creating a customer focus mindset among our employees to deliver best in class products and services.

How we Performed

Our Bank has progressed on all performance parameters over the past few years. Our initiatives in creating efficiencies, building robust risk management practices and expanding distribution are delivering the desired outcomes to our stakeholders.

After COVID lockdowns and resultant slowdowns in FY21, there has been a widespread rebound in the economies across the globe. Vaccination and other measures have helped this recovery. Nevertheless, COVID 19, with its new variants, remains an unmitigated risk to the wellbeing of people and health of economies. Despite the impact of continued challenges triggered by COVID-19, the Bank performed exceedingly well in FY22.

As an outcome of our operational efficiency, margins and key ratios showed year-on-year progress across Key Performance Indicators (KPI). Operating Profit this FY is at ₹ 614 crore as against ₹ 516 Crore in the previous financial year, up by 19% YoY. Profit after Tax has increased to ₹ 459 Crore from ₹ 218 Crore in the previous year, up by 110% YoY. The yield on advances

increased to 11.21% up by 24 bps. As on 31.03.2022, the cost of deposits is at 4.31%, down by 76 bps YoY. Return on Assets and Return on Equity improved to 1.91% and 21.28% which is up by 92 bps and 875 bps, respectively. Earnings per Share improved to ₹ 26.4 YoY (111%) from ₹ 12.6 and book value per share to ₹ 144 (up by 23%) from ₹ 117.

Net Interest Income is at ₹ 1,153 crores, which grew by 23% in FY22. Net Interest Margin improved to an all-time high of 5.27% and is up by 46 bps. Non-interest income is at ₹ 247 crore which is down by 19%, primarily on account of lower treasury income. However, Ex-treasury profits, and Core Non-Interest Income grew by 17%.

Backed by our expansion of operational capabilities, gross advances and deposits registered year-on-year improvement. In line with our branch expansion plan, we have opened 100 new branches during the financial year, taking the total branch count to 603 as on March 31, 2022. Of the new branches opened so far in 2022, many are in the Northern and Western States and we will be further opening more branches there, thus expanding our Pan India presence.

Our total deposits stood at ₹ 20,188 crore with an increase of 5.5% YoY and CASA book is at ₹ 6,795 Crores, up by 10.2%. Our net advances increased by 9.53% to ₹15,815 crores.

The Bank continues to improve its asset quality. Gross NPA percentage has improved by 87 bps to 1.81% during the financial year. The

Net NPA percentage of 0.68% has improved by 49 bps over the previous FY. PCR stood at around 90%. We are holding a standard asset provision of ₹ 107 Crores as on 31.03.2022 over and above RBI requirements and if we consider this, PCR is close to 100%.

Prevailing economic backdrop

Russia – Ukraine conflict that started in February 2022 has severely impacted crude oil prices and has triggered inflation. US sanctions on Russia and lockdowns in major cities in China have added to the woes of scarcity of food grains, raw materials and finished goods. US FED, Reserve Bank of India and other central banks have resorted to raising policy interest rates to contain inflation.

India's economy would continue to be impacted by global volatility and uncertainties. Factors like the geopolitical tension, pace of monetary tightening by central banks and the overall global economic slowdown will have a bearing on India's economy too. The inflationary trends and consequent rate hikes may lead to compression in spreads if Banks are not able to pass on the increase in the cost of funds to the borrowers given the competitive scenario in the banking ecosystem.

Looking Ahead

Your Bank against the backdrop of challenging economic conditions would focus on sustaining its ongoing pursuit of excellence and growth. While preparing to embrace more stringent capital adequacy norms applicable in Basel IV, the key drivers as envisaged in our

mission-SBS 2030 encompasses the expansion of our branch networks across India, driving growth through business verticals-both existing and new, enhancing business per branch leveraging fixed costs, digitization and technology. We are committed to give a transformed experience to our customers by ensuring that design thinking is well entrenched in the organisation.

CSB Bank through "SBS 2030" will have an enhanced focus on Environment, Social and Governance (ESG) for value creation across our stakeholders. Operations sticking to ESG parameters facilitate top-line growth, reduce costs, improve certifications from regulators, minimise legal complications and help in reduction of carbon footprint. Superior ESG execution can provide access to new markets, which ultimately accelerates the momentum for inclusive growth.

I assure all our stakeholders that CSB Bank is certainly emerging as a significant player in India's banking sector. We will continue to scale up the business by sustaining and building our turnaround strategies. I take this opportunity to place my gratitude to all our customers and shareholders and thank the Board for guiding the Bank to our Vision of SBS 2030. I also thank each CSBian for their commitment to our customers as we embark on this journey to grow and scale your Bank in this decade and beyond.

Warm Regards,

Pralay Mondal
Managing Director & CEO (Interim)

YOUR BANK AIMS TO SUSTAIN OUR STRONG FOUNDATION AND CRITICAL STRENGTHS, BUILD A FUTURE-READY FRANCHISE AND SCALE YOUR BANK TO THE NEXT LEVEL OF GROWTH AND EXCELLENCE

Highlights of the Performance

Total Assets

(₹ In Crores)



Total Income

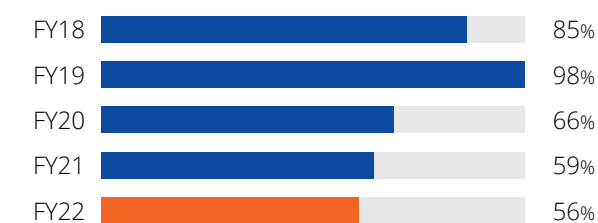
(₹ In Crores)



Provision Coverage Ratio



Cost to Income Ratio



Total Advances (Net)

(₹ In Crores)



Total Deposits

(₹ In Crores)



NIM



Gross NPA

(₹ In Crores)



Yield on Advances

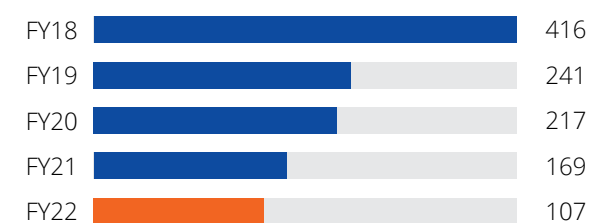


Cost of Deposits



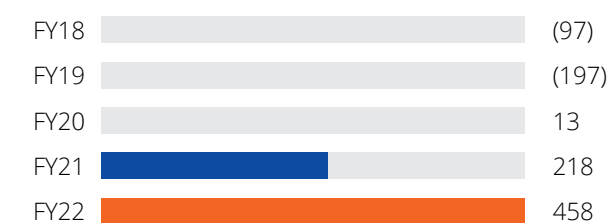
Net NPA

(₹ In Crores)



Net Profit

(₹ In Crores)



Net Interest Income

(₹ In Crores)



CRAR



Retail Banking

CSB Bank's retail banking portfolio includes a wide range of deposits, loans, wealth management products and services to domestic and NRI customers. In the segment, the Bank offers need based products ranging from personal to business requirements including loans against gold jewellery (Gold Loans), two wheeler and motor vehicle loans, housing loans, loan against property and overdrafts on mortgage/ hypothecation/pledge, small business loans (MSME loans), agricultural loans and microfinance

Deposit products comprise of current accounts, savings accounts, fixed deposits, recurring deposits, and corporate salary accounts. For enabling fund transfer services required by NRI customers, the Bank has remittance and rupee drawing arrangements with major exchange houses in the Middle East. Apart from that, it also has tieups with major money transfer agents, which enhances its capability to provide inward remittance services to the customers and strengthens its NRI business. For the benefit of the customers, the Bank also has bancassurance tie ups with leading life and non-life insurance companies. In the retail loans sector, the Bank offers a variety of personal and business loans including, loans against gold jewellery (Gold Loans), two wheeler and motor vehicle loans, housing loans and overdrafts on mortgage/ hypothecation/pledge, small business loans (MSME loans), agricultural loans and microfinance.

Total Retail Loans (₹ In Crores)



Gold Loans

CSB has several gold loan schemes such as Akshaya Gold Loan and CSB Double Power. The Bank also offers general gold loans and overdrafts. In addition, it offers gold loans for retail traders classified under priority sectors and for agricultural activities.

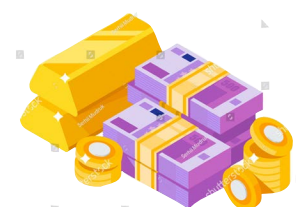
Gold Loan Portfolio of your Bank as on March 31, 2022, stood at ₹ 6570 crore from ₹ 6131 crore as on March 31, 2021, registering a growth of 7.16 % on a y-o-y basis.

Gold Loans (₹ In Crores)



₹ 5.42 Lakh

Number of Gold loan accounts as on 31.03.2022.



SME Banking

CSB Bank has many tailor-made solutions to SME sector with a specialized team focused on driving further penetration by sourcing additional [SME] business and strengthening its core. With a vision to become one of the best SME friendly banks in the country, Bank is working on various strategic initiatives streamlining its products and processes, and thereby, implementing such ascendancies.



₹ 2,463 Crore - SME Loans

82% SME Advances are rated as Low/Medium risk categories

Corporate Banking

Under Corporate banking, Bank caters to large and mid-size corporates and other business entities. The product offerings are suitably structured taking into account of client's risk profile and customised to meet their specific needs

Corporate banking services include Corporate accounts, salary accounts, funding of capex requirements by extending long term loans, project finance, short term funding including working capital requirements and trade finance.

Managed by a inter-disciplinary teams with great success, Wholesale Banking Division has achieved an overall growth of 15% in asset book, closing at ₹ 6180 crore as on March 31, 2022 as compared to ₹ 5378 crore as on March 31, 2021

₹ 4,089 Crore

FY22 Corporate Loans
+5.6% YoY

97%

Corporate advances are externally rated - of which 64% are having A & above rating.



02

Review of Strategies

External Drivers

The Indian banking sector is poised for robust growth. A fourth of India's 1.4 billion population is under the age of 30. About 160 million Indians are still considered to be credit underserved. The collective net profit of listed banks for FY22 is ₹ 1.57 Trillion, the highest in history

Personal Loans

Personal loans witnessed a nearly two-fold growth in originations (value) from ₹75,088 crore in FY19 to ₹147,236 crore in FY22. The rise was much higher in terms of volumes. The originations (volumes) rose four-fold from 3.99 million accounts in FY19 to 15.8 million accounts in FY22.





MSMEs

India has more than 7.9 million micro, small and medium enterprises (MSMEs), as of the end of March, 2022, according to the Ministry of Micro, Small & Medium Enterprises. MSMEs are one of the key priority sectors for banks for advances as well as deposits.

Increasing Digital Payments

The digital payment transactions were increased to 7,422 Crore during the FY 22 from 5,554 Crore in FY 21, an increase of 33% on a YOY basis. Digital banking technology adoption by PSBs, private sector banks and SFBs coupled with increased internet penetration, E-commerce and usage of smartphones has driven the growth in digital payments.

Review of Strategies

Key Priority
 BRANCH DISTRIBUTION
 BUILDING A LARGE CUSTOMER FRANCHISE
 CAPITAL & LIQUIDITY
 ASSET QUALITY

Strategy	Key Performance Indicators FY22	Goals
Expanding the branch network with a focus on non-Kerala – Non-South Branches	Added 100 branches in FY22 taking the total number of branches to 603. As on March 31, 2022, the share of non-South branches increased to 20% and 56% of branches are outside Kerala.	Continue to increase the number of branches with a distinctive business focus for metro, urban and semi-urban locations. Continued focus on the rationalisation of unviable branches and turnaround of loss-making branches.
Focus on repeat business from existing customers and increasing the new customer base through branches/digital mode/tie-ups and by expanding the product offerings. Stabilizing the existing verticals and formation of new verticals.	Increase in the number of customers from 1.7 million to 2.1 million+ in FY22. Net advances grew by 9.5% during the year and Deposits by 5.5% Among the expanded loan portfolio of verticals, Gold, SME, Agri, MFI, TW and Corporate/Assignment Loans registered year-on-year improvement.	Continue to focus on Retail and MSME clients. To roll out/re-launch retail business through a robust technology framework.
Maintaining a robust capital and liquidity base for ensuring growth	Bank's capital position continues to be strong with a CRAR of 25.90 % and a leverage ratio of 9.12%. The liquidity position is ultra-comfortable with an LCR of 154% as on 31.03.2022	Continue to maintain robust capital and liquidity position
Reduce NPAs and increase provisions	GNPA ratio 1.81% - improved by 87 bps Net NPA ratio 0.68% - improved by 49 bps PCR 89.65% - up by 476 bps	Continued credit risk management, recovery process and conservative provisioning.

Competitive Advantages

Since the acquisition of 51% stake in the Bank by FIH Mauritius Investments Ltd (FIHM) in 2019 and further turnaround story scripted by the Bank in 2020 through the transformation journey, Bank strengthened its leadership skills, human capital capabilities, risk management process, credit assessment process, rationalisation, strong sales verticalisation along with embarking on a digital journey.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT WITH AMPLE EXPOSURE, DIVERSE EXPERIENCE AND SKILLS

Board of Directors with ample exposure and diverse experience in banking, business management and risk management. The senior management team comprises of experienced hands from new generation private sector banks, foreign banks and NBFCs along with a strong internal team.

STRONG CHANNEL NETWORK AND TRUSTED BRAND IN NICHE MARKET, WITH A VISION FOR A PAN INDIA PRESENCE

With a legacy of over 100 years, Bank has developed a well-recognised and trusted brand in south India.

100 + years

STRONG CAPITAL BASE FOR GROWTH

Since the infusion of capital in 2019 by FIHM, the promoter, Bank has exponentially increased its capital base.

25.90 %

Capital Adequacy Ratio as on 31.03.2022, up from 9.91% in FY 2018.

NETWORK EXPANSION

The Bank is focusing to spread its reach in states other than Kerala and Tamil Nadu. There is a substantial increase in number of outside Kerala branches, from 37% in FY 20 to 56% in FY 22

56 % Non Kerala Branches
Up from 37% in FY20

STRONG BALANCE SHEET AND SUPERIOR ASSET QUALITY

From ₹ 15,870 crore in FY 2018, the Bank has improved its Balance Sheet size on a consistent basis to ₹ 25,356 crore in FY 2022. The Gross NPA ratio and Net NPA ratio substantially improved to 1.81% and 0.68% from 7.89% and 4.46% respectively.

25,356 Crore

ROBUST GOLD LOAN PORTFOLIO

Consistent growth in gold loan portfolio on a y-o-y basis

6,570 Crore
+7.2% YoY

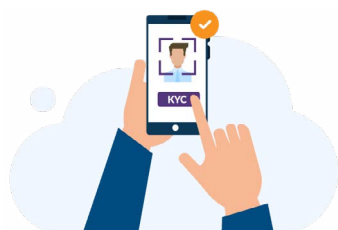
WELL ESTABLISHED SME AND MSME CLIENT BASE

Small and micro businesses are the key focus areas of the Bank. Bank has also created a hub-and-spoke model, thereby identifying 42 key [hub] branches which can be collectively termed as 'SME Branches' linking 220 spoke branches respectively.

Digital Banking

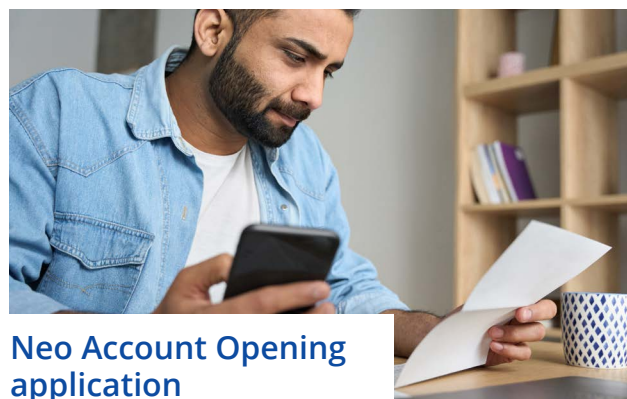
Digital Banking products have played a key vital role in providing convenient and cost-effective 24*7 banking facility to the customers and thereby providing customer stickiness to brand CSB. Digital Transaction penetration improved to 86.89% from 78.70% on a YOY basis.

Customer Onboarding



Video KYC-based Account Opening

Video KYC / V-CIP is an alternate method for Customer Identification / KYC verification with facial recognition and the application also comes with account opening features. Through this new platform customers can open a full KYC account without visiting the branch. This solution is deployed on the Bank's server. This application went live in Q4 and will be used widely across the bank in FY23.



Neo Account Opening application

This is a newly introduced digital customer account opening solution. The Bank open approximately 700-900 accounts per day using this application. About 1.3 lac accounts have been opened so far using the Neo account opening application.

Payments and Remittance

CSB Bank eMandate (NACH) solution

Customers can authorize their NACH mandates (EMI requests) electronically through Debit Card/Net Banking (Both Sponsor & Destination module). NACH application Integrates with NPCI and uses banks debit card/net banking application for authorization. CSB is the first bank in the industry to go live with the new flow of E-Mandate registration through Debit card authentication.

Recent and Favourite transactions in netbanking

This new feature in netbanking enables fund transfer in just 2 clicks. Customer can choose the recently performed transactions or they also have an option to mark some transactions as favourite and then complete the transaction with the password and OTP.



Enhancing DATA Security

IBM Data power API Security gateway

IBM Datapower solution is procured for securing the APIs shared with different vendors. Datapower follows the OWASP based security standards and filters any vulnerabilities in the API requests. APIs accessed from public network/cloud servers are mandatorily routed through Datapower. 44 public facing APIs are currently integrated into Datapower and each of the vendor application is getting migrated to the platform one by one.

Multifactor authentication for fund transfer in Retail netbanking

To enhance the security of fund-transfer in retail netbanking, multi factor authentication has been introduced – where an OTP will be sent to the customer's mobile number for validating the transaction during fund transfer.

Experian Hunter – Fraud data validation

Experian provides customer credit reporting service, which can be used for doing the fraud check before processing any Loan requests. Experian accepts input in a specific format only. Hence an application is developed for converting the raw data to the required Experian format. Multiple user access and bulk upload features are provided in the portal so that applications can be entered from different branches and the processing can be done centrally.



ATM Banking



Intra Bank Fund Transfer in ATM

Intra Bank Fund transfer (IFT) is enabled in CSB bank ATMs, which can be used for sending money within CSB Bank account holders

IMPS in ATM

Now IMPS fund transfer is extended to ATM. Customers can instantly transfer money to the beneficiary using any of the ATMs through IMPS.

STOP CHEQUE in ATM


Stopping issued cheque is now easy as customers have one more option for stopping the issued cheque using any of the CSB ATMs. Customers need to provide the reason for stopping the cheque like stolen/lost/incorrect entry/insufficient funds etc.

Cardless Cash Withdrawal in ATM

CSB customers can withdraw cash from CSB ATM, without carrying a physical card by enabling cardless withdrawal transaction in CSB mobile banking. Withdrawal transactions can be performed with the Reference number and secret key.

CASH Deposit

Now CSB customers can deposit money using the Cash Recycler machine. This is one of value added services for our customers to reduce waiting time in the branch.



E-Commerce Card Tokenization

Using this mandate service, card details will not be saved anywhere for E-Commerce transaction. Customer can save the card using token value and do the secured E-Commerce transaction.

Rupay E-Commerce with BEPG (Bharath E-Commerce Payment Gateway)

BEPG is one of the NPCI Mandate project, which will pass Secured E-Commerce transaction details to Bank Network with Merchant Name, Amount and Currency code. This is server-to-server communication to avoid transaction failure in Redirection Methods.

Digital Banking Key Highlights

3.40 Lakhs
Net Banking Users

13.66 Lakhs
Mobile Banking Transactions

16.54 Lakhs
Internet Banking Transactions

418.53 Lakhs
UPI Transactions

Others

Quick Pay in Mobile Banking

Customers will be able to do the fund transfer without adding the beneficiary. Maximum of up to ₹ 2,000/- is allowed to transfer in a single instance.

Online Dispute Resolution system

A system for online dispute registration is developed in house as per the RBI mandate, the portal brings the transactions from the core banking and allows the customer to mark a specific transaction from the list as fraud. Data will be passed to an automatic reconciliation system developed by AGS using API.

03

Review of Environmental, Social and Governance (ESG)

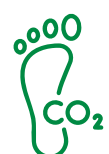
About the ESG Report

This ESG disclosure covers the Bank's operations in three areas: environmental, social and governance

ESG disclosures provide a snapshot of the Bank's impact on these three areas and how the Bank fulfills the environmental, social and governance responsibilities.

CSB Bank has a legacy embedded with the trust of over 100 years. Ethics, trust, and transparency are the founding legacies of the Bank. The transformation of the Bank into a profit-making entity, execution of a successful IPO and the accolades received in recent years are all testimonies of the Bank's ability to strictly adhere to governance and regulatory norms while delivering performance in an environment-friendly manner with a special thrust on the social framework in which it operates. CSB Bank always believed and stood for customers who are in the need-based category of society, built its business over a century by supporting effectively through the delivery of basic banking products responsibly and transparently, thereby making a significant difference in the livelihood of the segments it serves.

Bank, without losing its focus on business and other key areas, always emphasized on issues related to environment, social and governance which is very evident and reflected through its approach and activities, maintaining exemplary corporate governance standards through transparency and disclosures.



Managing **ENVIRONMENTAL** footprint



Supporting a sustainable and inclusive growth through **SOCIAL** support



Corporate **GOVERNANCE** and accountability

Managing Environmental Footprint

CSB Bank always stressed the "E factor" for environment, by utilising its resources across the Board. To meet the desired results, factors like energy efficiency, climate changes, carbon emissions, quality of air, water and waste management were considered and given importance as far as possible.

Environmental Impacts

The Bank being a service-oriented industry, its products are not posing any material risk to environment, but rather its products provide growth opportunities. Bank is committed towards enhancing the business and other core activities with minimal impacts to environment and society. The Bank has a focus on digitization of various manual activities, thereby reducing the usage of natural resources at a minimal level. Bank offers a wide range of banking products to fulfil customer expectations through an extensive network of branches, ATMs and through technologies like Mobile Banking, WhatsApp Banking, Internet Banking, Doorstep banking, Point of sale services, e-passbook and UPI.

Bank has taken Green initiatives such as Document Management System, E-passbook, video KYC etc. The Bank's digital banking initiatives enables the customers to do banking activities, without being physically present at Bank's branch/ office, which substantially reduces unnecessary travel, wastage of time and energy, resulting in the minimisation of carbon footprint. These products are safe and secure to use and contribute to sustainability throughout their life cycle.

Being a Banking company, its products and services offered will have limited adverse impact on environmental issues and thereby society as a whole. Bank has put in place various measures for minimal usage of material resources that affect the environment, thereby reducing the carbon footprint.

Digital Banking

The Bank during the year has successfully completed new projects and enhancements. Digital Banking products played a key role in providing convenient and cost-effective 24*7 banking facility to the customers and thereby cementing customer loyalty with brand 'CSB'.

In FY22, the number of mobile transactions increased to 13.66 lakhs from 9.48 lakhs in FY 21 and internet banking transactions increased to 16.54 lakhs in FY 22 from 14.93 lakhs in FY 21. The total Digital Transaction penetration improved to 86.89% as on March 31, 2022. Customers are migrating to Digital Channels, thereby contributing to a reduction in operating costs.

Mobile banking

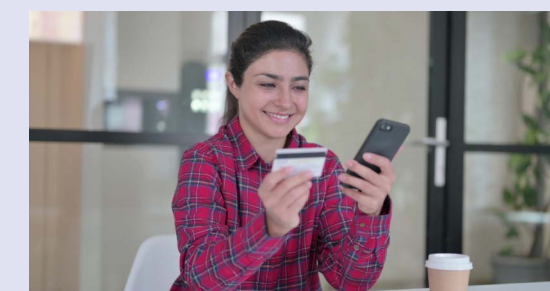
(In Lakhs)

FY21	9.48
FY22	13.66

Internet banking

(In Lakhs)

FY21	14.93
FY22	16.54



Sustainable Development Practice

The Bank has a Sustainable Development Practice in place, which maintains excellence in both environmental and social systems. Bank's Sustainable Development Policy affirms the commitment towards community development, financial and credit counselling, lays down credit policy guidelines that ensure sustainable development and deal with environmental issues such as global warming, greenhouse effect, etc.



Waste Management

Bank follows a sustainable waste management programme for the effective disposal of waste generated. Wherever possible, Bank is taking assistance from local bodies for waste disposal.



Water management

Bank is not into any manufacturing / factory related activities and hence water consumption is restricted to individual /personal usage of employees only. Water is not consumed for any commercial operations.



Energy Intensity

Efforts are being made to reduce energy consumption by installing LED lights and star-rated equipments in a phased manner across all our branches/offices. During the year, the Bank has initiated Energy Audit Process.

ENGAGEMENT WITH CUSTOMERS TO MITIGATE ENVIRONMENT RISK FACTORS

Bank, as a part of credit dispensation to viable projects, ensures that the borrowing entity has necessary pollution control equipment either online or at the end of the pipeline for pollution abatement and has necessary approval in place from regulatory authorities.

To our Corporate customers who are into textile manufacturing and other related sectors, we have guided them for installation of renewable energy sources and based on their requirements have funded their captive power projects.

CREDIT POLICY GUIDELINES WITH FOCUS ON ESG

Loans are granted only if approvals from the relevant statutory board and other authorities including the pollution control board etc., wherever applicable are obtained and produced before the Bank. The Bank prefers to extend credit facilities for eco-friendly projects like sources of alternative energy such as solar and windmill power etc. The Bank shall extend credit facility, if the SME business adheres to certain environmental commitments such as not producing/consuming Ozone Depleting Substances, avoidance of production/trade of radioactive materials (unless the transaction pertains to medical equipment, etc.), complete absence of child labour, etc.

As a policy matter, to reduce the greenhouse effect, the Bank does not finance borrowers for setting up new units producing/consuming Ozone Depleting Substances (ODS) and small/medium scale units engaged in the manufacturing of aerosol units using Chlorofluorocarbons (CFC) which enable a reduction in the greenhouse effect.

Supporting Sustainable and Inclusive Growth

CSB Bank always preferred to be at the centre of society, its people and culture to evolve a sustainable corporate culture that blends inclusivity of diversified groups, employee engagement, customer delight, data protection and privacy, community relations and human rights

People

The Bank through its HR Department strives hard to ensure efficient as well as effective management of its Human Resources. Bank thrives to align the professional goals of the individual employees with the vision of the Bank. The Bank encourages all employees to express any grievance related to their work life or personal

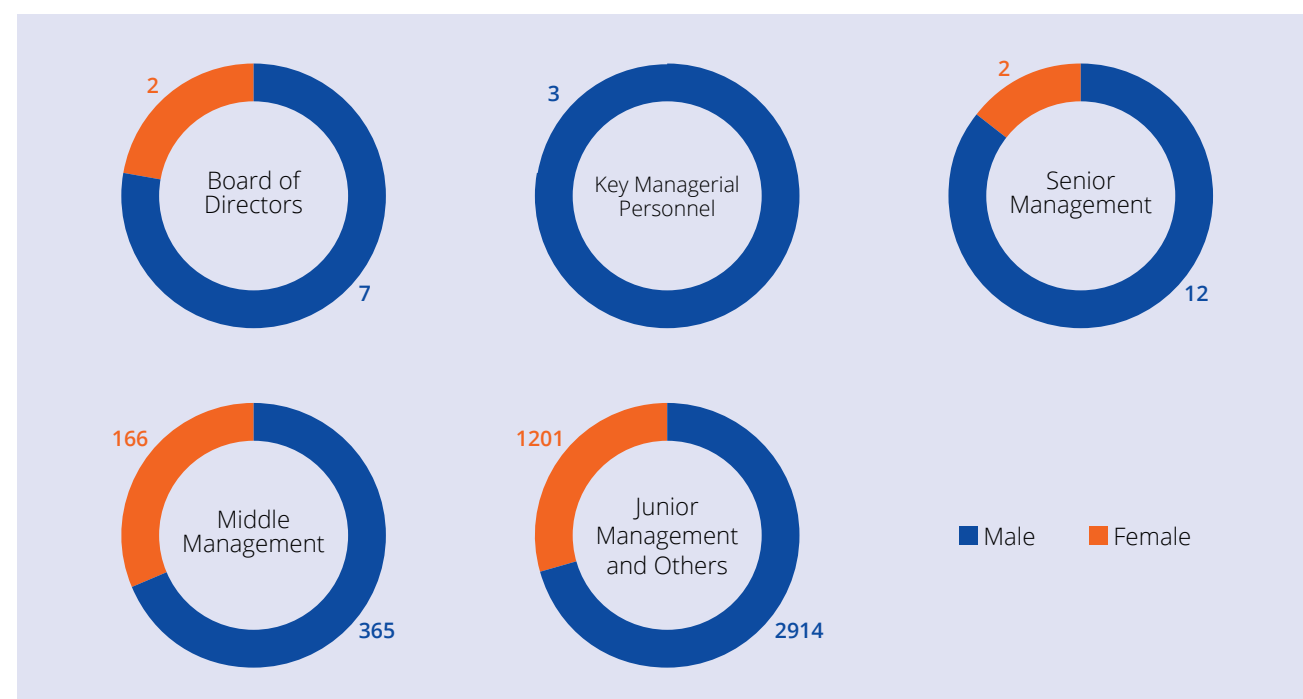
life. Disassociation from the work desk has been made compulsory to maintain a healthy work life balance as part of imbibing a compliance culture.

The total number of employees in the Bank during the end of FY 2022 is 4663 compared to 4180 in the previous financial year.

Age Diversity



Gender Diversity*



*position as on March 31, 2022.

Human rights

The Bank realizes and respects the human rights of all its stakeholders. The Bank does not promote any kind of discrimination between its employees, customers, shareholders and other stakeholders on the basis of race, caste, religion, sex, etc. The Bank is committed to uphold the dignity of every individual engaged or associated with them.

All employees are required to follow code of ethics and business conduct, which also documents the ethical practices to be followed by them. There are separate mechanisms to address the grievances of employees/customers and also on the complaints of sexual harassment at workplace. An Internal Complaints Committee ("ICC") has been in force in order to receive and address the complaints of any sort of sexual harassment from women in a time-bound and extremely confidential manner. Bank has various ICC's constituted at different locations.

Bank also encourages the employees and directors to report genuine concerns including about illegal or unethical practices or behaviour and also maintain complete confidentiality. Further, the Bank sensitise the employees through internal communications and training programmes on a periodical basis for prevention of sexual harassment at workplaces. The grievance of Employees in various aspects are attended by appropriate authorities entrusted by the Bank.

The Bank pays equal remuneration to men and women employees as enacted in the Equal Remuneration Act, 1976 for prevention of discrimination on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto.



Labour standards

Bank has various employee welfare, rights and safety protection policies and initiatives such as staff loans, education scholarships for the children of the employees, grievance redressal mechanism, Covid Vaccination reimbursement/free of cost, Health Insurance and family welfare measures in the event of death/ incapacitation of an employee.

The Bank continues to take all measures for employee safety. Across its branches, the employee response to safety guidelines was monitored. After the second wave of COVID, with lockdown imposed in most parts of the country, work from home facility was provided to employees to the extent as feasible without much discomfort to the Customers. To encourage minimal workforce at branches, staggered work shifts were also provided to the extent as possible.

THE BANK HAS VARIOUS EMPLOYEE WELFARE, RIGHTS AND SAFETY PROTECTION POLICIES AND INITIATIVES SUCH AS STAFF LOANS, POSH ACT, COVID VACCINATION, HEALTH INSURANCE, MEDICAL REIMBURSEMENTS AND EDUCATION SCHOLARSHIP FOR THE CHILDREN OF THE EMPLOYEES

Customer Relations

CSB Bank always believed and prioritised customers as their patrons and maintained exemplary relationship with them



Customer rights

Bank considers each customer as a relationship and intensely focuses on customer relationship management. This approach has helped in substantial reduction of pending customer grievances.

The Customer Service Committee Meetings at branches are being conducted by the 15th of every month, under the close supervision of Zonal Managers/Cluster Heads. The suggestions are pooled at Cluster/Zonal level and being collated centrally at Branch Service Department, Head Office. Based on the feedback, Bank revisits the products and processes and initiates corrective steps. Further, customer feedback are tracked and monitored

at Zonal Office level on a quarter on quarter basis and an analysis is conducted on the same, so as to ensure ownership at the lower level while handling customer complaints/grievances.

Further, the Bank conducts meeting of Standing Committee on customer service as per RBI guidelines to review the customer service aspects prevalent in the Bank and to take necessary corrective action on an ongoing basis.

As a part of customer-centric approach, the Bank has appointed an Internal Ombudsman (IO) as an independent authority to review complaints that were partially or wholly rejected by the Bank. The IO mechanism was set up to strengthen the internal grievance redressal system of the Bank and to ensure that the complaints of the customers are redressed at the level of the Bank itself by an authority placed at the highest level of the Bank's grievance redressal mechanism, to minimize the need for the customers to approach external forums for redressal.

All efforts are taken to address any kind of customer complaints and immediate resolution for the same. The Bank follows the code issued by the Banking Codes and Standards Board of India, to ensure protection of customers' rights.

The resolution of customer complaints improved to 98.8% in the current year compared to 97% in the previous year.

Customer complaints: Status

	Pending as on 31.03.2021	2021-22		% of cases resolved satisfactorily	Pending as on 31.03.2022
		Received	Redressed		
Customer Complaints (other than ATM complaints)	97	5478	5513	98.8%	62
Consumer cases	39	10	3	6.12%	46

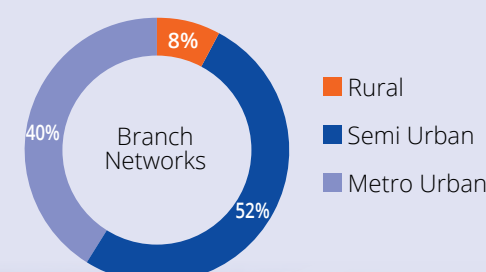
How We Support a Sustainable Inclusive Economy

A Large number of our account holders are from the middle, lower middle class and low-income strata of the society

Banks play a vital role in society by acting as an intermediary providing and advising on a wide range of financing and savings solutions and payment services for all types of customers. Large number of our account holders are from the middle, lower middle class and low-income strata of the society. The Bank provides them with saving solutions, loans and also provides payment and remittance solutions. A large number of our retail customers are small traders, self-employed and micro enterprises. Apart from this, in FY22, the Bank has loan exposure of ₹ 3528 crore among SMEs, Agriculture and MFIs up from ₹ 2876 crore in FY21, a growth of 23% year on year.

Our Branch Locations

AS ON 31ST MARCH 2022, 40% OF THE BRANCHES WERE LOCATED IN URBAN AND METRO AREAS WHEREAS 60% ARE LOCATED IN THE RURAL AND SEMI URBAN AREAS



As on 31st March 2022, 40% of the branches were located in urban and metro areas whereas 60% is located in rural and semi urban areas. A large chunk of transactions in rural areas are outside formal banking channels with the predominant presence of cash based exchange. Our Key strategy of penetrating rural and urban markets, mainly in unbanked areas presently dominated by unorganized players has worked well for both new business acquisition and yield. Under Financial Inclusion, the Bank is rendering services to the disadvantaged, rural/semi-urban section of the society by providing basic banking services at their doorstep. The Bank has appointed Business Correspondents to service the banking requirements of such disadvantaged society.

Our network of 603 branches are spread across metro, urban, semi urban and rural locations so as to ensure that the branches are accessible to people from all income strata/demographics.



Social and Environmental Financing

The Bank since FY20 has exponentially grown in the social and environment financing

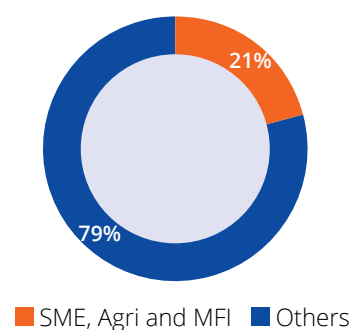


Total number of beneficiaries under this segment has gone up to 353868 in FY22 from 121510 in FY20, a growth of 191% since FY2020. Social beneficiaries of these advances include, MSMEs, Women Entrepreneurs, Differently abled and students, mostly in the MIG/ LIG strata (for affordable housing loans), farmers. Environment finance include those advances for renewable energy.

₹ 300 crore
MFI portfolio outstanding as on 31st March, 2022

1,30,000+
Families benefitted from small value credit through microfinance loans as on 31st March, 2022

₹ 900+ crore
Agri+MFI loan growth from FY20



Micro Loans to women

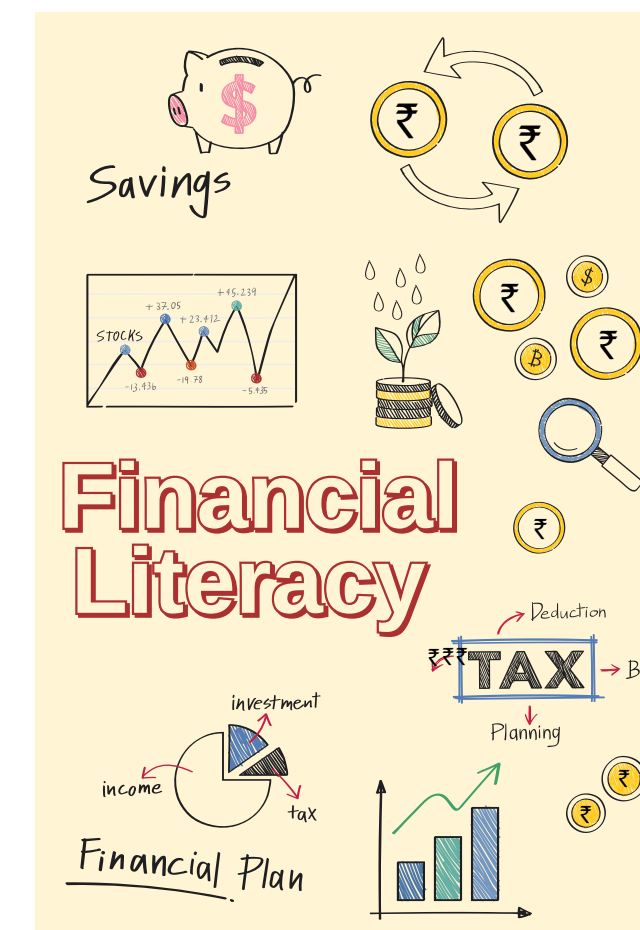
The Bank had tied up with 10 Business Correspondents to distribute Microfinance loans to eligible women beneficiaries. The business is spread across India and presently we have extended the MFI loans to 81,000+ women beneficiaries. The borrower and the nominee are covered under credit insurance. MFI Portfolio outstanding as on 31st March 2022 is ₹ 300 crore. We are also enrolling the customers in Social Security Schemes, Viz. PMJJBY, PMSBY and APY were introduced by the Govt. of India.



81,000+
Women beneficiaries

Financial Literacy and Credit Counselling

Our Bank has taken initiatives to open FLCCs (Financial Lending and Credit Counselling Centres) in a few locations with the sole objective of providing free financial literacy, education and sound credit counselling to persons primarily in rural and urban areas. These centres act as a conduit for promoting responsible borrowing, proactive and early savings and debt counselling to anyone who is indebted to unorganised financial sectors. Bank has a dedicated team of Credit Counsellors at each of the FLCC set up as part of the programme.

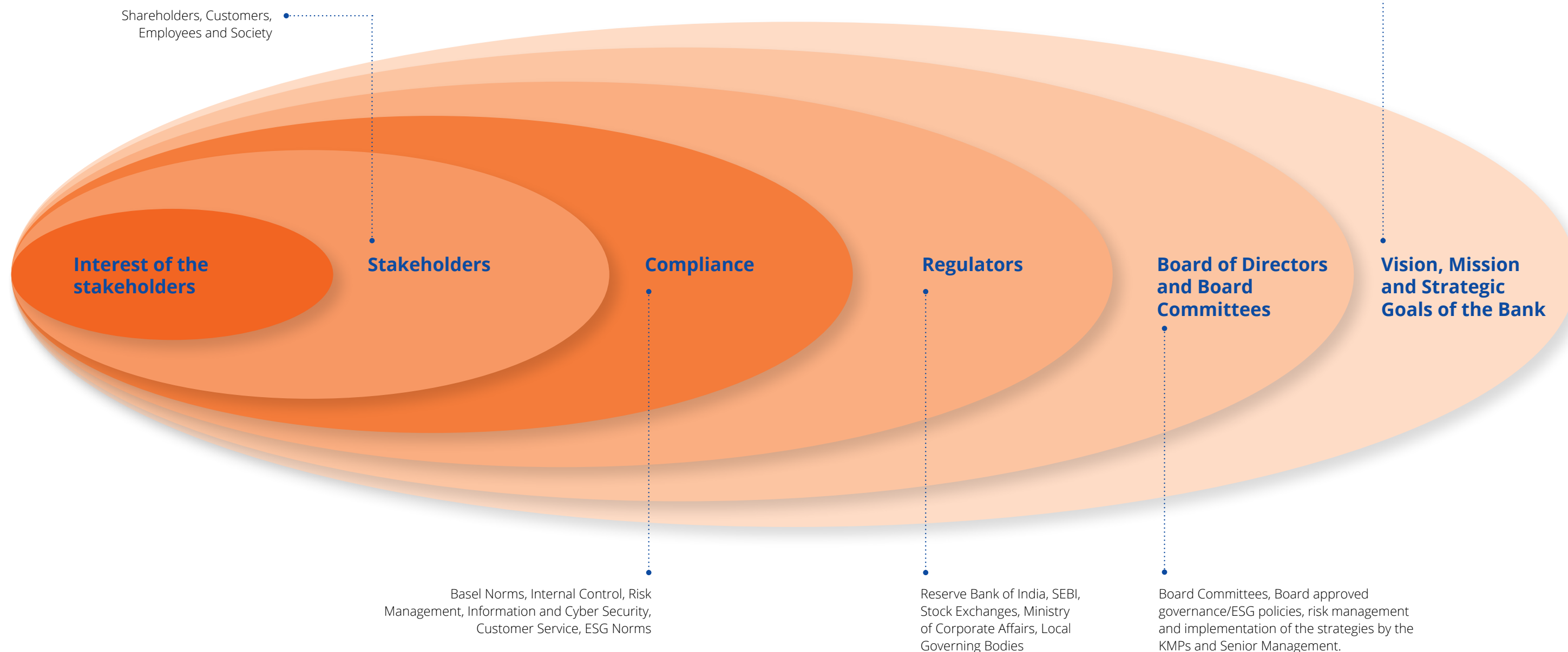


3467
Number of participants in financial literacy initiatives in FY22

Corporate Governance and Accountability

CSB Bank fundamentally stood strong on Corporate Governance principles and standards and made it a practice throughout its period of journey that exceeded a century. Bank maintained transparency in disclosures and zero level of non-compliance, for which adequate internal systems and controls, processes and procedures were laid down and implemented, thereby ensuring compliance at all levels of Governance. Various policies in the Bank ensure proper prevention of such untoward actions and wrongdoers are held accountable.

CSB endeavours to be a leading Bank striving to excel in bringing products that satisfy the needs of targeted client segments, backed by excellent service – through our branches and technology driven initiatives in a compliant and regulated manner. For our employees, we want to create a culture of pride – driven by performance and productivity that should eventually result in sustainable growth in business and deliver superior returns to our Shareholders.



Corporate Governance Philosophy



Corporate governance approach at CSB



The Corporate Governance philosophy of the Bank ensures that a system of rules, practices and policies are put in place and consistently monitored to ensure corporate fairness, business excellence, transparency, accountability, integrity, social responsibility and regulatory compliance, thus enhancing long-term value creation for all stakeholders. CSB Bank believes that Corporate Governance is not just limited to creating checks and balances; it is more about creating organizational excellence leading to increasing employee, customer satisfaction and shareholder value. Bank further believes and recognizes the fact that they are the custodians of public money and to fulfil its fiduciary

obligations and responsibilities, it has to maintain highest standards of corporate governance to seamlessly enjoy the trust and goodwill of the public at large. Therefore, the Bank is fully committed to ensuring strict adherence not only to the statutory requirements, but also to the exemplary corporate governance system of the Bank, which stems not only from the letter of law, but also from the Bank's inherent belief in doing business the right way.

The Board functions as the governing body of the Bank, evaluates its operational, strategic, financial performances and provides strategic and corrective directions, ensures the effectiveness of the Bank's management policies, evaluates risks and opportunities as well as its conduct.

The Board also functions through the various Committees constituted to oversee specific areas. Policy formulation, setting up and review of goals, annual evaluation of performance of the Board and its Committees, etc., and control functions are vested with the Board. The Committees have oversight of operational and supervisory issues assigned to them by the Board, from time to time.

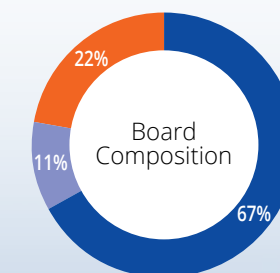
As on March 31, 2022, 9 out of 10 Committees were chaired by Independent Directors. Further, some of the Committees were exclusively constituted by Independent Directors.

Board of Directors

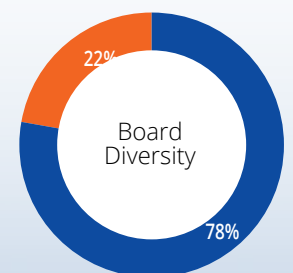
Board of Directors having multiple years of experience in banking, capital markets, financial auditing and information technology

Board of directors consists of a team of 9 members, the composition of which reflects a diverse means of thought, backgrounds, skills, experiences and expertise and a range of tenures that are appropriate given the Bank's current and anticipated circumstances and that collectively, enables the Board to perform its oversight function effectively with thrust on its corporate governance principles.

Out of the 9 (nine) directors of the Board, 6 (six) directors are independent directors, of which 2 (two) are women directors. The composition of the Board of Directors encourages important corporate governance principles such as transparency, accountability and sufficiency of disclosures.



■ Independent Director
■ Executive Director
■ Non Executive Director



■ Men
■ Women



Board Procedure and Policies

The Board functions as the governing body, evaluates its operational, strategic, financial performances and provides strategic and corrective directions, effectiveness of the Bank's management policy, risks and opportunities as well as its conduct. The Board and its Committees, oversees that the management serves long-term objectives and enhances stakeholder value.

Executive compensation

The Nomination and Remuneration Committee is the body which oversees the remuneration aspects of the Bank. The compensation practices followed in the Bank are strictly in accordance with the Compensation Policy of the Bank, in line with the regulatory requirements.

Internal controls

Internal Audit Department (IAD) performs independent and objective assessment to ensure adequacy, effectiveness and adherence to internal control systems and procedures laid down by the management and compliance of extant regulations.

Board Committees

Management Committee

Audit Committee

Stakeholders Relationship Committee

Customer Service Committee

Nomination & Remuneration Committee

Shareholder rights

Investor's grievances are redressed either directly by the Bank or through Bank's Registrar and Transfer Agents, M/s Link Intime India Pvt Ltd. Complaints received on SCORES (a centralized web-based complaint redressal system of SEBI) are attended within stipulated time.

The details of the Investor Complaints during the FY 2021-22 are as below:

Investor Complaints : 2021 -22

2021-22		% of cases resolved satisfactorily	Pending as on 31.03.2022
Received	Redressed		
1*	1	100%	NIL

* Investor complaint received through SEBI Scores platform of Bank's Registrar and Share Transfer Agent

Risk Management Committee

NPA Management Committee

Committee for Monitoring Large Value Frauds

Corporate Social Responsibility Committee

IT Strategy Committee

Committees monitor the activities falling within their respective terms of reference as detailed in the Corporate Governance Report, which forms part of the Annual Report .



CODE OF CONDUCT AND ETHICS

The Bank is committed to acting professionally, fairly and with integrity in all its dealings across. The Bank, has adopted a Code of Conduct and Ethics for its Board and Senior Managerial Personnel and adhere to the highest standards of honest and ethical conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationship. An annual confirmation of the Code of Conduct is taken from all the Directors and Senior Managerial Personnel.

The Code of conduct is available at <https://www.csb.co.in/pdf/Code-of-Corporate-Governance-Senior-Management-Personnel.pdf>.

Similarly, the Bank has put in place a Code of Conduct and Ethics which is applicable to all its employees as per instructions laid out in the 'Books of Instructions'. This articulates the ethical principles and acceptable behaviour that the Bank's employees are expected to imbibe and demonstrate towards upholding the Bank's values.



WHISTLEBLOWER PROGRAM

Bank's Whistle Blower Policy / Vigil Mechanism may be made use of to report concerns about unethical behaviour, violations of system and procedures in the Bank, violation of law, questionable business practices or grave misconduct by employees of the Bank that could lead to financial loss or reputation to the Bank, actual or suspected fraud and others. As per the Policy /Mechanism, Directors and employees of the Bank, customers, stakeholders, Non-Governmental Organizations (NGO) and others can lodge complaints / disclosures.

The whistle blower policy may be accessed at <https://www.csb.co.in/pdf/Whistle-Blower-Policy02022022.pdf>.



ANTI-BRIBERY & ANTI-CORRUPTION POLICY

Bank has put in place Anti-Bribery & Anti-Corruption Policy to ensure that neither the Bank nor any of its employees (whether full-time or contractual employees and including trainees and interns), directors, agents, associates, vendors, consultants, advisors, representatives or intermediaries indulge in any acts of 'Bribery' or 'Corruption', either in their own name or in the name of the Bank.

The Bank's Anti-Bribery & Anti-Corruption Policy may be accessed at <https://www.csb.co.in/pdf/ABC-Policy-website-version-17052022.pdf>.

The Bank did not incur any monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations.

Expertise of Directors

The Board, in tune with regulatory prescriptions have identified the Core Skills/ Practical Experience/Special Knowledge/ Competencies as required in the context of its business(es) and sector(s) for it to function effectively. For appointment of independent directors, the balance of skills, knowledge and experience on the Board will also be considered. The core skillsets represented by the Directors on the Board are as follows:

Name	Category	Core Skills and Experience
Madhavan Aravamuthan	Independent Director [Part-time Chairman]*	
Pralay Mondal	Managing Director & CEO (Interim)	
Sumit Maheshwari	Non-Executive Director	
Madhavan Menon	Non-Executive Director	
Bhama Krishnamurthy	Independent Director	
Sharmila Abhay Karve	Independent Director	
Sudhin Choksey	Independent Director	
Sunil Srivastav	Independent Director	
Sharad Kumar Saxena	Independent Director	

*Mr. Madhavan Aravamuthan's tenure of appointment as Part-Time Chairman of the Bank shall end at the close of office hours on June 28, 2022, as per the terms of approval by RBI.

Banking Economics Finance Information Technology Payment & Settlements Business Management
Accountancy Agriculture Rural Economy Risk Management Small Scale Industry Human Resource

Risk Management Framework

Risk Management is a vital constituent in the Bank's governance. The Bank has a well-experienced risk management team with specialized knowledge in various areas to handle the risk management functions. Our team of professionals possess relevant industry expertise in varied verticals, which are paramount to our Bank. Further, the Bank has policies and procedures in place to measure, manage and control the various risks to which the Bank is exposed. Bank's important risk policies such as Asset-Liability Management Policy, Risk Based Internal Audit Policy and Integrated Risk Management Policy, to name a few, covers the charters of risk management.

Our credit risk policy is periodically reviewed and updated to incorporate changes in the industry, geography and regulatory guidelines. We have an asset liability management committee for managing market risk; a credit risk management committee for managing credit risk; Information Security Committee for managing cyber security and control and to secure information from inadvertent or malicious changes and deletions, and an operational risk management committee for managing operations risk. We are focused on maintaining high standards of asset quality through risk management and mitigation practices.

At CSB Bank, strengthening of Risk Management has improved Bank's overall critical parameters and Asset quality.

Asset quality

CRAR

(₹ In Crores)



Provision Coverage Ratio



Gross NPA

(₹ In Crores)



154%

Liquidity coverage ratio



Community Relations CSR Outreach

Bank, as part of CSR outreach, is committed to sustainable development and responsible banking with a clear understanding that the Bank has a key role in upliftment of the society, especially vulnerable and marginalized groups in the society. CSR is generally understood to be the way an organization achieves a balance between economic, environmental and social imperatives while addressing the expectations of its shareholders and stakeholders

The Bank has successfully utilized the whole of the CSR budget earmarked for FY 2022, for the purpose of undertaking various CSR activities in line with the annual action plan as approved by the CSR Committee and the Board within the framework of CSR Policy of the Bank and applicable provisions of the Companies Act, 2013.

CSR outreach 2021-22



PREVENTIVE HEALTH CARE



HOMES AND HOSTELS FOR WOMEN



COVID-19 VACCINATION



PROMOTION OF EDUCATION



DISASTER MANAGEMENT INCLUDING RELIEF AND REHABILITATION

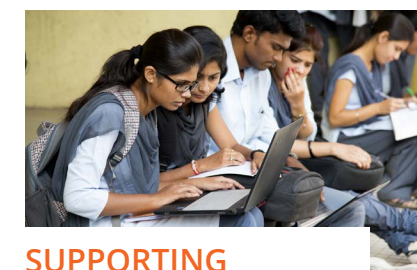


PROMOTING HEALTH CARE



CONTRIBUTION TOWARDS 'PROJECT DIALYSIS'

CSB Bank joined hands with Fairfax India Charitable Foundation to be part of public charitable activities, by donating ₹ 47,28,995.78 for providing affordable, quality dialysis services to patients in various parts of India where the services are limited/non-existent for dialysis infrastructure.



SUPPORTING EDUCATIONAL INSTITUTION

Sree Durga Vilasam Higher Secondary School is in existence over a century and CSB Bank supported the School in its refurbishing project by supplying projectors and whiteboards required for 8 smart classrooms and a new audio system for the school. The total cost of the materials supplied is ₹ 4.75 lac.



SUPPORTING FLOOD RELIEF CAMP

The coastal areas of Kanyakumari district were devastated by cyclonic storm, leaving the poor homeless and without essential materials required for daily life. CSB Bank supported the relief camp at Kalkulam, Kanyakumari District, Tamil Nadu by donating bed sheets and mats, at a cost of ₹ 1,11,980/- which was very much helpful to many of poor public who were badly affected in the area.



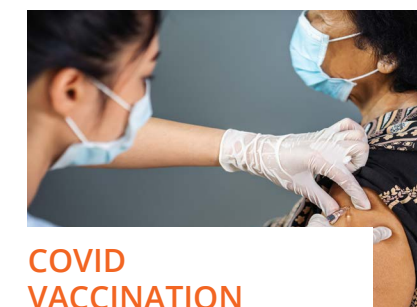
FINANCIAL AID TOWARDS HOUSING PROJECTS FOR THE POOR

CSB Bank through implementing agency, "Swanthanam", a trust promoted by The Archdiocese of Thrissur supported in building home for the poor and needy sector of the society. Two houses were built and handed over to eligible families at a total cost of ₹ 10 lac.



DONATES AMBULANCE

CSB Bank through its CSR initiative, supported the Director of Public Health and Preventive Medicine, Dindigul, Tamil Nadu by donating one Ambulance to the Kallimanthayam Primary Health Centre near Oddanchathram for the purpose of utilising the vehicle for all schemes and conducting medical camps and other medical related activities. The cost of the ambulance is ₹ 13.15 lac.



COVID VACCINATION DRIVE

CSB Bank provided a helping hand to fight the pandemic, by supporting Thrissur District Medical Office through sponsorship of two vaccination camps (at Guruvayur Municipal Town Hall and YMCA Hall, Thrissur) to general public at a cost of ₹ 7,99,400/-. More than 1000 vaccination doses were provided to the general public through these camps free of cost.

Senior Management Team



Narendra Dixit
Head – Retail Banking



B K Divakara
Chief Financial Officer



Kesava Naidu Rayar
Head - Treasury



Harsh Kumar
Chief Human Resources Officer



Shyam Chandher Mani
Head- SME and NRI Business



Manish Agarwal
Chief Credit Officer



Rajesh Choudhary
Chief Technology Officer



Vincy Louis Pallissery
Chief Compliance Officer



Arvind Sharma
Chief Risk Officer



Arun Kumar Ramchandran
Head-Audit & Inspection



K Chandrasekhar
Head – Operations



Jaikumar S
Chief Vigilance Officer



Sijo Varghese
Company Secretary



Runa Das
Head – Wholesale Banking



Greeny
Head – Recovery



Raju Kumar Ojha
Business Planner

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L65191KL1920PLC000175
2	Name of the Listed Entity	CSB Bank Limited
3	Year of incorporation	1920
4	Registered office address	Head Office, "CSB Bhavan", Post Box No.502, St. Mary's College Road, Thrissur – 680020, Kerala, India
5	Corporate address	Head Office, "CSB Bhavan", Post Box No.502, St. Mary's College Road, Thrissur – 680020, Kerala, India
6	E-mail	board@csb.co.in
7	Telephone	0487 2333 020
8	Website	www.csb.co.in
9	Financial year for which reporting is being done	April 1, 2021 to March 31, 2022
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Limited
11	Paid-up Capital	₹ 173.48 crore

Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

Mr. Sijo Varghese Company Secretary & Compliance Officer Tel: 0487 6619 228 Email: board@csb.co.in	Mr. Harsh Kumar Chief Human Resource Officer Landline No: +91 2269805514 Email id : gmhr@csb.co.in	Mr. Vincy Louis Pallissery Chief Compliance Officer Tel: 0487 6619 200 Email: cco@csb.co.in
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Reporting boundary

Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).

The disclosure under this report are made on a standalone basis.



Annexure II to the Board's Report

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1	Financial and Insurance Service	Banking activities by Central, Commercial and Saving banks	100

15. Products /Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of total Turnover Contributed
1	Bank operates in four business verticals –Wholesale Banking, Retail Banking , SME Banking and Treasury Management. All the products and services are offered under these segments. For details, please refer to the 'Management Discussion and Analysis ' section of the Annual Report.	64191	100

III. Operations

16. Number of locations where Branches or operations/offices of the entity are situated:

Location	Number of plants	Number of Branches	Number of ATMs/CDMs	Number of offices	Total
National*	NA	603	459	10	1072
International	NA	NIL	NIL	NIL	NA

*As on March 31, 2022

For catering to low and middle class income groups with products such as gold loans and housing loans, the Bank has most of its branches in city suburbs and smaller towns. Out of 603 branches, 315 are in semi urban locations and 46 are in rural locations. Besides, the Bank extends banking operations through Business Correspondent Model (BC Model) and Financial Literacy and Credit Counselling Centers(FLCCs).

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	16 States and 4 union territories.
International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Being a banking company, the products or services are offered to its customers for their foreign exchange related requirements, viz. Exports, Imports, other overseas payments and inward remittances.

Bank caters to the need of exporters by providing pre and post shipment credit facilities. Packing Credit Loan, both in Rupee and Foreign Currency, facilitates the customers for seamless procurement of their raw materials and Post shipment credit facilities, viz. Export Bills negotiation under LC terms, advance against export bills, etc.

c. A brief on types of customers

The Bank offers various types of Deposits to its customers including fixed deposits, Reinvestment deposit plans, recurring deposits, Savings Bank and Current accounts. On the Advances/ Asset side, the Bank offers Gold Loans, Two-Wheeler Loans, Business Loans (MSME), Home Loans, Loans against Property, Education Loans, Microfinance Loans and Agriculture Loans. The Bank also offers Micro, Small and Medium Enterprise loans to various businesses across geographies of India. The Existing Product offering is in the form of Term loans, cash credits and overdraft against collateral to self-employed businesses. Further, Bank through its branches offers third party products (TPP), viz. Life Insurance, General and Health Insurance products and other investment avenues for its customers like Mutual Funds, online trading accounts, etc. by tie-up with selected corporates in respective business.

Under Priority sector advance to Agriculture, Small & Marginal Farmers, Weaker Sections and Micro- Enterprises, the Bank offers loans to farmers, micro & small enterprises, education, housing, social infrastructure, etc. Under Financial Inclusion scheme, the Bank offers Pradhan Mantri Jan Dhan Yojana (PMJDY) and three social security schemes namely Pradhan Mantri Jeevan Jyothi Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Atal Pension Yojana (APY).

Under Corporate Lending, the Bank caters to corporate clients, primarily medium-sized enterprises, Capital Markets, Securitisation and Supply Chain Finance division consisting of Working Capital Financing, Corporate Loans, Term Loans, Trade Credit, Bill Financing, Supply Chain Financing, Securitisation Transactions, TReDS, etc.

IV. Employees

18. Details as at the end of Financial Year, ended March 31, 2022.

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D) #	4663	3294	70.65%	1369	29.35%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	4663	3294	70.65%	1369	29.35%
WORKERS®						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	Total Associates (F + G)	NA	NA	NA	NA	NA

which includes 31 employees who are on a contract basis.

@Being a banking company, the entire workforce is categorized as 'Employees' and none as 'Workers'. Hence in all sections, details sought of the 'Workers' category are not applicable to the Bank.

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	NIL	NIL	NIL	NIL	NIL
2.	Contract employees (E)	NIL	NIL	NIL	NIL	NIL
3.	Total differently abled employees (D + E)	NIL	NIL	NIL	NIL	NIL
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than permanent (G)	NA	NA	NA	NA	NA
6.	Total differently abled workers (F + G)	NA	NA	NA	NA	NA

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors*	10	2	20%
Key Managerial Personnel (KMP)	3	0	0%
Material Risk Takers (MRT) other than KMP	9	1	11.11%
Senior Management Personnel (SMP) other than KMP & MRT	4	1	25.00%

* Mr. C. VR. Rajendran, Managing Director & CEO took early retirement from the position after office hours on March 31, 2022.

Key Managerial Personnel (KMP): Managing Director & CEO, Chief Financial Officer (CFO) and Company Secretary (CS).

Material Risk Takers: Material Risk Takers are defined under the Reserve Bank of India Compensation guidelines dated November 4, 2019.

Senior Management Personnel is defined as per Regulation 16(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8 out of 9 MRT's meet the criteria of SMPs.

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years) (Numbers shown in the table are in %)

	FY 2021-22 (Turnover rate in current FY)			FY2020-21 (Turnover rate in previous FY)			FY 2019-20 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.72	18.07	17.11	17.46	17.23	17.39	28.95	26.45	28.24
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / Subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
No Subsidiary associate companies				

VI. CSR Details

22. (₹ In crore)

(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013	:	Yes
(ii)	Turnover	:	2285.11
(iii)	Net worth	:	2416.51

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2021-22			FY 2020-21		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	YES https://www.csb.co.in/pdf/Sustainable%20Development%20Policy.pdf https://www.csb.co.in/pdf/CSR%20Policy_Final_-30032022.pdf https://www.csb.co.in/pdf/Whistle-Blower-Policy02022022.pdf	NIL	NIL	NIL	NIL	NIL	NIL
Investors (other than shareholders)	NIL https://www.csb.co.in/pdf/Whistle-Blower-Policy02022022.pdf	NIL	NIL	NIL	NIL	NIL	NIL
Shareholders	YES As per SEBI Listing Regulations	1	0	Investor complaint received through SEBI Scores platform of Bank's Registrar and Share Transfer Agent	3	0	One related to Initial Public offering of shares of the Bank completed in FY 2019-20
Employees and workers	YES, as per internal policies and https://www.csb.co.in/pdf/Whistle-Blower-Policy02022022.pdf	4	4	Bank has initiated timely measures for an effective redressal of grievances.	NIL	NIL	NIL
Customers	YES Various polices on customer rights as provided in the following link https://www.csb.co.in/bank-policies https://www.csb.co.in/pdf/Whistle-Blower-Policy02022022.pdf	9071	70	The pending cases are under process and will be settled in a timely manner.	6555	138	Nil
Value Chain Partners	YES https://www.csb.co.in/pdf/ABC-Policy-website-version-17052022.pdf https://www.csb.co.in/pdf/Whistle-Blower-Policy02022022.pdf	NIL	NIL	NIL	NIL	NIL	NIL
Other (please specify)	NA	NA	NA	NA	NA	NA	NA

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	Incase of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Risk Crop Failure:	Risk	It has direct impact on the business. Borrowers are unable to repay the loan amount due to natural hazards like flood, draught, irregular rainfall etc.	There are targets for banks for the priority sector. Hence these risks cannot be eliminated. However, with proper product composition, portfolio mix, geographic diversification, support from the government, risk can be mitigated to certain extend.	Negative
2	Climate Change Credit Risk	Risk Opportunity	Credit Risk due to climate change can emerge from exposures to units having high carbon emission, units following technologies which fails to shift and comply with ESG guidelines. Further collapse of real estate prices due to natural hazards will have serious impact leading to higher LGD when impairment happens. Bank has wide scope lending money to the Development and use of emerging technologies such as renewable energy, battery storage, energy efficiency, making advances in LED lighting technology, industrial motor technology, electrical vehicles	As a policy matter, to reduce the greenhouse effect, the Bank does not finance borrowers for setting up new units producing/ consuming Ozone Depleting Substances (ODS) and small/ medium scale units engaged in the manufacturing of aerosol units using Chlorofluorocarbons (CFC) which enables a reduction in the greenhouse effect.	Negative Positive
3	Corporate Governance – Board oversight, Conflict of Interest, Ethics, Risk and Compliance, Succession Planning	Risk	Strong corporate governance is core to achieving the organisation's mission and any risks can undermine stakeholder trust, damage reputation and disrupt business.	Bank has put in place strong corporate governance framework as per regulatory guidelines. The Bank has in place a fair, transparent & accountable Corporate Governance structure across its hierarchy to safeguard the interests of all stakeholders. • There is an effective mechanism, supported by strong policies to supervise the Executive Management and oversee the critical functions of the Bank. • There is an effective grievance redressal mechanism for customer to address their concerns.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	Incase of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Social Responsibility		The business must be rooted in community and be in alignment with the community's larger interests. Any adverse relationship can hurt the company's ability to create longer term value. Improve the CSB brand equity by promoting/ structuring products and services to uplift society and improve social/living standards	Fostering communities, job creation, skill development, supporting local relief efforts wherever required in times of crisis and paying taxes. Bank has created separate verticals for promoting educational loans, housing loans, MSME, Agri and Micro segments, targeting its responsibility towards upliftment of society through serving the needs of those who aspire for higher education, building houses, starting micro/small enterprises. The bank is also in a big way extending loans to SHG/JLG to cater the needs of weaker and socially backward society. Through gold loans, the bank addresses urgent needs of public. The portfolio of the bank also includes direct assignment transaction wherein the ultimate beneficiary is the economically weak borrowers	Negative Negative
5	Environmental Risk – Waste management	Risk	Non-compliance with the emerging regulations around recycling and waste management can lead to penalties and reputational risk	Reduction in waste generation, creation of awareness among employees Bank has taken Green initiatives such as Document Management System, E-passbook, video KYC, etc.	Negative
6	Climate Risk	Risk	Extreme weather events due to climate change pose physical risk of disruption to the bank's operation and safety and wellbeing of its employees.	Bank has put in place the BCP framework which is a guiding document in case of any such eventuality	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:



Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.



Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe.



Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains.



Principle 4

Businesses should respect the interests of, and be responsive to all its stakeholders.



Principle 5

Businesses should respect and promote human rights.



Principle 6

Business should respect and make efforts to protect and restore the environment.



Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.



Principle 8

Businesses should promote inclusive growth and equitable development.



Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P 1	P 2	P^ 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
	Policies of the Bank are recommended by respective Committees of the Board and approved by the Board. The Policies of the Bank are signed by the respective departmental Heads and Managing Director & CEO before placing it to the Committee and Board for approval /annual review.								
c. Web Link of the Policies, if available	Y	Y	Y	Y	Y	Y	NA	Y	Y
	The policies are available in Bank's website at https://csb.co.in/investor-relations and https://csb.co.in/bank-policies The policies other than those which are available in the Bank's website, being internal documents are available only to the employees through the Bank's intranet.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
	Guidelines and Standard Operating Procedures have been framed to the extent required in line with and covering 8 principles related to the respective policy.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
	In general No. However, specifically applicable wherever the same policies have been incorporated specifically in the Memorandum of Understanding executed between Bank and value chain partners.								
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	No specific National or International standards are applicable for the policies framed, but all the same comply with the statutory guidelines to the extent as applicable. However, the policies based on NGRBC are adhered to, as far as applicable to the Banking industry. Bank focus to maintain highest standards of quality through innovative technology platforms thereby ensuring superior services to customers and other stakeholders. Bank is having ISO 27001:2013 certification for IT, IS and data-centres and the rating awarded for Bank's information security system is 'very good' by rating agency, STORMS. Learning Department consistently lookout for innovation and technological improvements and has retained its ISO 9001:2015 certification obtained during the previous year, 2020-21.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The nature of business being banking and not involved into any manufacturing or factory related activities, Bank is committed for enhancing the business and other core activities with minimal impacts to environment and society. The Bank has a focus on digitization of various manual activities thereby reducing the usage of natural resources and minimizing the carbon footprints.								

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>There have been no reported adverse impact to the environment due to the business activities. All efforts are being made for limited usage of material resources which affects the environment and society as a whole. Substantial reduction in paper use is achieved through Go Green initiative and reduction in power usage through installation of energy saving equipment in major centres.</p> <p>Bank offers a wide range of banking products to fulfil customer expectations through an extensive network of branches, ATMs, and through technologies like Mobile Banking, WhatsApp Banking, Internet Banking, Point of sale services and UPI. Bank has taken Green initiatives such as Document Management System, E-passbook, video KYC etc. The Bank's digital banking initiatives enables the customers to do banking activities, without being physically present at Bank's branch/office, which substantially reduces carbon footprint, unnecessary travel, wastage of time and energy . These products are safe and secure to use and contribute to sustainability throughout their life cycle.</p>		
Governance, leadership and oversight			
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements <i>(listed entity has flexibility regarding the placement of this disclosure)</i>			
<i>Bank is committed to make the business truly sustainable and socially responsible. Further details of the same are provided in the Banks' ESG Report on page No. 25 , Chairman's letter on page No. 07 and MD's message on page No. 10.</i>			
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>Name :Mr. Pralay Mondal (DIN : 00117994)</p> <p>Role : Managing Director & CEO (Interim),</p> <p>Tel: 0487 2336461</p> <p>Email: mdceo@csb.co.in</p>		
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The Corporate Social Responsibility Committee of the Bank is responsible for decision making on the sustainability related issues. The members of the Committee are as under:		
	DIN	Name	Designation
	02196839	Bhama Krishnamurthy, Independent Director	Chairperson
	00117994	Pralay Mondal, Managing Director & CEO (Interim)	Member
	00036085	Sudhin Choksey, Independent Director	Member
	06920646	Sumit Maheshwari, Non-Executive Director	Member

10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	NA	Y	Y	Annually.								
The Board and its Committees meet periodically inter alia, for evaluating the performance of the Bank and the said policies as part of NGRBC principles to the extent as applicable by review of the said policies.																		
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Bank complies with all applicable laws of the land Bank operates in. Statutory Compliance Certificate on applicable laws is provided by the CEO/ Chief Compliance Officer /Chief Financial Officer/ Company Secretary and other responsible officials as the case may be, to the Board of Directors.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9									
	NO	NO	NO	NO	NO	NO	NA	No	NO									
	Evaluation is done through internal mechanism and seeks external assistance and advice as and when required. The policies are annually reviewed /approved by the Board. Compliance Department reviews the policies periodically for submission to the Committee and Board and the concerned department monitors adherence to implementation of policy mandated by RBI and other regulators.																	
^ In line with the general laws and regulations and sound ethical practices followed nationally, the Bank has adopted employee oriented policies covering areas such as employee benefits and prevention of sexual harassment at the workplace which endeavor to provide an environment of care, nurturing and opportunity to accomplish professional aspirations.																		
12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:																		
Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7*	P 8	P 9									
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable. *In the case of Principle No. 7, the Bank does not engage in policy advocacy, but is actively involved in consultation/ discussion forums with the government and other bodies in the banking industry.																	
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)																		
The entity does not have the financial or human and technical resources available for the task (Yes/No)																		
It is planned to be done in the next financial year (Yes/ No)																		
Any other reason (please specify)																		

PRINCIPLE-WISE POLICIES

Principle 1

Code of Conduct and Ethics for Board of Directors and Senior Management Personnel of the Bank, Whistle Blower Policy, Compliance Policy, Policy to deal with Staff Members who are directly and incidentally part of the Fraud related accounts, Code of Conduct and Ethics for all the employees, Code of Fair Disclosure and Conduct, Fraud Risk Management Policy, Customer Rights policy and Customer Protection Policy, Anti-Bribery & Anti-Corruption Policy.

Principle 2

Sustainable Development Policy

Principle 3

HR Policies

Principle 4

Corporate Social Responsibility Policy, Sustainable Development Policy, Business Correspondent Policy, FLCC policy, Loan Policy –Agriculture, MSME and Financial inclusion, Policy Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises [MSMEs].

Principle 5

HR Policies, Human Rights Statement, Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women Employees at Workplace and Policy for General Management of Branches.

Principle 6

Corporate Social Responsibility Policy, Sustainable Development Policy

Principle 7

NIL

Principle 8

Corporate Social Responsibility Policy, Sustainable Development Policy, Business Correspondent Policy, FLCC policy, Loan Policy –Agriculture, MSME and Financial inclusion.

Principle 9

Customer Rights Policy, Customer Protection Policy, Grievance Redressal /Complaints Policy, Compensation Policy – Customers, Banking Codes and Standards Board of India (BCSBI) and Citizen Charter.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.



Essential Indicators



Leadership Indicators

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.



PI



Essential Indicators

P1 - Essential Indicator 1

Percentage coverage by training and awareness programmes on any of the Principles during the financial year FY 2021-22.

Segment	Total Number of Trainings and Awareness Programmes Held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	5	Principle 1 Information Technology, Cyber Security, Corporate Governance, Corporate Law and Compliances.	100 % in respective cases
Key Managerial Personal	10	Principle 1 Information Technology, Cyber Security, Corporate Governance.	100 % in respective cases
Employees other than Board of Directors and KMPs	269	Covering all Principles except Principle 7 Compliance functions, Cyber Security, Financial Literacy, Prevention of fraud, Managing risk under Basel 3, ESG and Climate Risk, PoSH/Whistle Blower Policy, Soft skills like stress / Time Management, Motivation, Change readiness etc.	100 % in respective cases
Workers	NA	NA	NA

PI - Essential Indicator 2

Details of fines/ penalties/punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year in the following format: (Note: the entity shall make Disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty / Fine	NA	NA	NA	NA	NA
Settlement	NA	NA	NA	NA	NA
Compounding fee	NA	NA	NA	NA	NA
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA

PI – Essential Indicator 3.

Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the Regulatory/ enforcement agencies/ judicial institutions
NA	NA

PI – Essential Indicator 4.

Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Bank does have a specific policy viz. Anti-Bribery & Anti-Corruption Policy. Your Bank is committed to upholding the highest moral and ethical standards, and does not tolerate bribery or corruption in any form. The policy is available on the Bank's website at <https://www.csb.co.in/pdf/ABC-Policy-website-version-17052022.pdf>.

PI – Essential Indicator 5.

Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2021-22	FY 2020-21
Directors	NIL	NIL
Key Managerial Personnel	NIL	NIL
Employees	1	NIL
Workers	NA	NA

PI – Essential Indicator 6

Details of complaints with regard to conflict of interest:

	FY 2021-22		FY 2020-21	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors.	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs.	NIL	NA	NIL	NA

PI – Essential Indicator 7

Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable



PI – Leadership Indicators 1

Awareness programmes conducted for value chain partners on any of the principles during the financial year.

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
NIL	NA	NA

PI – Leadership Indicators 2

Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No). If Yes, provide details of the same.

Yes, the Bank has a process in place to monitor / manage conflict of interests involving members of the Board. As part of the process, the Bank obtains declaration on an annual basis from the Board of Directors on the entities they are interested in. Any changes in interests are also immediately obtained, including approvals required under the statute and as per Bank's policies before transacting with any individuals and entities in which Directors are interested.

The 'Code of conduct and Ethics for Board of Directors and senior management personnel of the Bank' and Policy document on corporate governance, principles and procedures are applicable to the Board members and senior management which includes, explaining the circumstances to avoid which may likely lead to conflict of interest. Further Bank obtains an annual declaration from all Independent Directors to the effect that they meet the criteria of independence as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. Further, the Bank in compliance with 'Para 10(ii) of RBI Circular No. DBOD.No.BP.BC.71/21.01.01/2004-05 dated February 28, 2005 – Guidelines on Ownerships and Governance in Private Sector Banks', conducts fit and proper exercise on all the directors on an annual basis, with a cutoff date of March 31, to ensure that all the directors meet with the 'Fit and Proper' criteria in order to continue to hold the office of directorship of the Bank.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Bank is committed towards lesser adverse impact on environment and society through its operations. Though being into financial services, Bank has put in place a Sustainable Development Policy document which covers on Global Warming, Green House Effect, Community Development, Financial Inclusion, Financial Literacy and Credit Counselling, etc. Banks operations have least direct Impact on the environment. However, as part of the Bank's Go Green initiatives, Bank is committed to adopting energy conserving processes by exploring the options of purchasing Solar Roof Top systems. Some of our branches and ATMs have immensely benefited by using electrical fittings such as LED lightings, low energy consuming/rated electrical equipment, thereby reducing the carbon footprint.

Bank encourages its customers to explore the options of various digital banking products and services being offered and this help the customers to meet many of their requirements without being actually present at Bank branches.

P2 • • • Essential Indicators

P2 – Essential Indicators 1

Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2021-22	FY 2020-21	Details of improvements in environmental and social impacts
R & D	Bank is into financial services and hence no R & D investments were made for improving the environmental and social impacts, which have very less relevance. Being a banking company, the avenues and scope for investments in R & D through specific technologies to improve environmental and social impacts of banking products and processes were observed as very minimal.		
Capex	Bank's capital investments in Information Technology for digital services, viz. Mobile banking, Internet Banking, various ATM's/CRM's, other digital initiatives reduce the impact on environmental and social issues, thereby indirectly reducing the carbon footprints.		

P2 – Essential Indicators 2

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)-
No. Being a banking company, consumption of resources is limited to its service related operations.
- If yes, what percentage of inputs were sourced sustainably? – N.A

P2 Essential Indicators 3

Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

As the Bank is into financial services, it does not engage in any manufacturing process. Bank follows sustainable waste management for the effective disposal of generated waste.

- Plastics (including packaging) – The plastic waste is transported to Local Government bodies/vendors for processing and disposal.
- E- Waste – Handling E-Waste is crucial not only from security point of view, but also from the environment angle. Computers and related accessories are handed over to vendors or to certified disposal agencies.
- Hazardous Waste – There is no hazardous waste generation owing to the nature of business.
- Other waste – Not relevant, given the nature of business of the Bank.

P2 Essential Indicators 4

Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities. If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, Extended Producer Responsibility is not applicable to the Bank.

P2 • • • Leadership Indicators

P2 Leadership Indicators 1

Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? (If yes, provide details in the following format)

NIC Code	Name of the Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not applicable, given the nature of business.					

P2 Leadership Indicators 2

If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of the Product/Service	Description of Risk/ Concern	Action taken
Not Applicable	Not Applicable	Not Applicable

P2 Leadership Indicators 3

Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate Input Material	Recycled or re-used input material to total material
FY 2021-22	FY 2020-21
Not applicable. Bank has deployed proper digital solutions and progressed to paperless operations wherever possible.	

P2 Leadership Indicators 4

Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed, as per the following format:

	FY 2021-22			FY 2020-21		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable, since there is no manufacturing activity involved. However, Plastic wastes generated out of normal /routine operations are disposed through Local bodies or vendors. E-waste are returned to the respective vendors in most of the locations. No hazardous waste generation due to the nature of activity.					
E-waste						
Hazardous waste						
Other Waste						

P2 Leadership Indicators 5

Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not applicable. Being a Banking Company, it does not manufacture any products.	

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

P3 Essential Indicators

P3 Essential Indicators 1

a. Details of measures for the well-being of employees

Category	% of employees covered by Insurance Policies										
	Total A	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Numbers (B)	% (B/A)	Numbers (c)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	3294	3294	100%	3294	100%	NA	NA	-	-	3294	100%
Female	1369	1369	100%	1369	100%	1369	100%	NA	NA	1369	100%
Total	4663	4663	100%	4663	100%	1369	100%	-	-	4663	100%
Other than Permanent Employees											
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

b. Details of measures for the well-being of workers

Category	% of workers covered by Insurance Policies										
	Total A	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Numbers (B)	% (B/A)	Numbers (c)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent Workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Being a banking company, the entire workforce is categorized as 'Employees' and none as 'Workers'. Hence in all sections, details sought of the 'Workers' category are Not Applicable to the Bank.

P3 Essential Indicators 2

Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2021- 22			FY 2020-21		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and Deposited with The authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and Deposited with The authority (Y/N/N.A.)
PF or Pension including NPS@	100%	NA	Y	100%	NA	Y
Gratuity #	100%	NA	Y	100%	NA	Y
ESI ^	NA	NA	NA	NA	NA	NA
Others	NA	NA	NA	NA	NA	NA

@ Employees who are part of National Pension Scheme are not covered under PF Scheme of the Bank.

Subject to the eligibility criteria as prescribed in the Payment of Gratuity Act, 1972, as amended.

^ Not applicable, given the nature of business of the Bank.

P3 Essential Indicators 3

Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

If not, whether any steps are being taken by the entity in this regard.

As per the regulatory requirements, all branch/office premises are designed and provided for easy access to differently abled employees. Ramps are facilitated wherever possible in the premises of Bank branches and ATMs.

P3 Essential Indicators 4

Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Though no formal policy is in place, Bank's HR department ensures equal opportunity as per the Act. Bank provides opportunities for physically challenged persons to get profitable employment.

P3 Essential Indicators 5

Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	66 employees	92%	NA	NA
Female	78 employees	92%	NA	NA

P3 Essential Indicators 6

Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Details of the Mechanism
Permanent workers	NA
Other than permanent workers	NA
Permanent employees	Yes, the Bank has put in place a grievance redressal mechanism which includes policy frame work in the form of POSH Policy, Whistle Blower Policy, Anti-Corruption and Anti-Bribery Policy, as applicable, for the employees to raise their concerns . Further, the Bank has internal guidelines to attend the grievances of all employees. Transfer Grievance Committee is available for award staff to attend transfer related grievances. The committee comprises of a group of executives to review the grievance and will recommend the course of action based on merit of each case.
Other than permanent employees	NA

P3 Essential Indicators 7

Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2021-22			FY 2020-21		
	Total Employees / Workers (A)	No of employees or workers who are part of the association (B)	% B/A	Total Employees / Workers (A)	No of employees or workers who are part of the association (B)	% B/A
Total Permanent Employees	4663	1225	26.27%	4180	1458	34.88%
- Male	3294	767	23.28%	2988	917	30.68%
- Female	1369	458	33.45%	1192	541	45.38%
Total Permanent Workers	NA	NA	NA	NA	NA	NA
- Male	NA	NA	NA	NA	NA	NA
- Female	NA	NA	NA	NA	NA	NA

P3 Essential Indicators 8

Details of training given to employees and workers

Category		FY 2021-22					FY 2020- 21			
	Total A	On health and safety measures		On skill upgradation		Total A	On health and safety measures		On skill upgradation	
		No. B	% B/A	No. C	% C/A		No. B	% B/A	No. C	% C/A
Employees										
Male	3294	2628	79.80	3162	96.00	2988	43	1.43	65	2.17
Female	1369	1158	84.60	1099	80.30	1192	17	1.49	13	1.09
Total	4663	3786	82.20	4261	91.40	4180	60	1.44	78	1.67
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

P3 Essential Indicators 9

Details of performance and career development reviews of employees and workers

Category	FY 2021-22			FY 2020- 21		
	Total A	Total B	B/A %	Total A	Total B	B/A %
Employees						
Male	3294	2409	73.13%	2988	1843	61.68%
Female	1369	1003	73.26%	1192	690	57.88%
Total	4663	3412	73.17%	4180	2533	60.59%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

* As per the policy, the performance review is mandatory for all the employees who are on the payroll of the Bank as on March 31, of every year provided they have joined the Bank on or before September 30, of the same financial year .

P3 Essential Indicators 10

Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?
Owing to the nature of business, there are no major possibilities or significant occupational health risks in the operating premises. However, in general, Bank has a definite standard set for the well-being of its employees. The Bank ensures the effectiveness of internal safety systems periodically, including that of the safety alarms, fire extinguishers and CCTV equipment.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
Being a banking company, no major threats envisaged. However, there is a system for conducting periodic fire drills for assessing the risk. Employees are provided access to first aid mechanisms.
- Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)
Being into a service industry, no work-related hazards are envisaged. The employees are made aware of any eventuality to protect them from any untoward happenings in the normal course.
- Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
Yes. The employees are made aware of various non-occupational medical and healthcare services for ensuring physical and mental well-beings. Employees are covered under Group Medical Insurance scheme.

P3 Essential Indicators -11

Details of Safety Related Incidents in the following format:

Considering the nature of activity and not being into any factory unit or manufacturing process, no such incidents occurred.

Safety Incident /Number	Category	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	No	No
	Workers	NA	NA
Total recordable work-related injuries	Employees	No	No
	Workers	NA	NA
No of Fatalities	Employees	No	No
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	No	No
	Workers	NA	NA

P3 Essential Indicators -12

Describe the measures taken by the entity to ensure a safe and healthy work place.

Bank ensures that it is committed for being a responsible business entity by providing fair and safe working environment for all its employees through various initiatives detailed in principle 3.

P3 Essential Indicators -13

Number of Complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	Filed During the Year	Pending Resolutions end of the year	Remarks	Filed During the Year	Pending Resolutions end of the year	Remarks
Working Conditions	NIL	NIL	NA	NIL	NIL	NA
Health & Safety	NIL	NIL	NA	NIL	NIL	NA

P3 Essential Indicators -14

Assessments of the year

	% of your plants and Offices/Branches that were assessed (by the entity or by the authorities or third parties)
Health & Safety Practices	Generally not applicable, given the nature of business.
Working Conditions	

P3 Essential Indicators – 15

Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not applicable.



P3 Leadership Indicators – 1

Does the entity extend any life insurance or any compensatory package in the event of death of

- | | | |
|---------------------|---|------|
| (A) Employees (Y/N) | - | Yes |
| (B) Workers (Y/N) | - | N.A. |

P3 Leadership Indicators – 2

Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Bank ensures that statutory dues, wherever applicable are deducted and paid to respective authorities by the Bank.

P3 Leadership Indicators – 3

Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	No of affected employees/ workers		No of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Employees	NIL Being part of financial services industry, the chances of work-related injury is near zero.			
Workers	NA	NA	NA	NA

P3 Leadership Indicators-4

Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? **(Yes/No)**

Yes, the Bank provides employment to talented retired employees by recruiting them back with proper fitment and package, subject to internal policy guidelines. However, the Bank will not offer any such facility to the terminated employees under any circumstances.

P3 Leadership Indicators-5

Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Health & Safety Practices	Most of the value chain partners provide the services within the premises of the Bank by their bona-fide employees. Further, Bank being into financial service sector, there are no major safety concerns. Hence, there is no practice to conduct any due diligence on the health and safety aspects and working conditions for the value chain partners.
Working Conditions	

P3 Leadership Indicators-6

Provide details of any corrective actions taken / underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.



P4 Essential Indicator – 1

Describe the processes for identifying key stakeholder groups of the entity.

Being a banking company, the stakeholders are investors, regulators, employees, customers and community at large. Bank follows structured processes for identification and prioritization of stakeholder groups. Bank focuses more about creating organizational excellence leading to increasing employee, customer satisfaction and shareholder value. Further, the Bank through high standards of corporate governance, ensures to balance the interests of diverse stakeholder groups in all strategic decision-making process and timely respond to their concerns.

P4 Essential Indicator – 2

List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half Yearly/ Quarterly/ Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customer	No	E-mail, SMS's, Customer meets. Official communication channels: Advertisements, publications, website and social media, Conferences, events, Phone calls, emails and meetings.	Frequent and as and when required	Services , digital banking operations and customer satisfaction
Employees	No	Intranet portal, Newsletters, Employee satisfaction surveys – Emails and meetings, Training programs, Performance appraisal, Grievance redressal mechanisms, Notice boards	Intranet – Daily Newsletter – Quarterly Emails – Otherwise as and when required	Performance Appraisal, Career growth, fair remuneration, skill developments, employee satisfaction and grievance
Suppliers	No	Vendor assessment and review, Official communication channels:, website and social media	As and when required	Service and existing business
Investors/ Shareholders/ Analyst	No	E-mail, website, newspaper releases, Analyst meets and conference calls, Annual General Meeting, A, publications, and social media, roadshows	Quarterly/ Annually or otherwise on event based/ corporate action	Financial Performance and other relevant information including corporate action.
Institutions & Industry Bodies	No	Networking through meetings, sessions, discussions, etc.	As and when required	Networking so as to be abreast of new opportunities in sector and drive change
Governments & Regulatory Authorities	No	Press release, publications, website and social media, Phone calls, emails and meetings, Regulatory audits/ inspections	As and when required	Highest standards of Corporate Governance, Compliance
Communities & Civil Society/ NGOs	No	E-mail, Newspaper, Advertisements, publications, website and social media, Complaints and grievance redressal mechanism	Frequent and as when required	Support CSR projects, Financial inclusion and other relevant matters affecting the communities and the Bank's involvement therein.

P4 Leadership Indicators

P4 Leadership Indicator 1

Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Bank regularly communicates with all stakeholders through stakeholders' relationship committee, corporate social responsibility committee and customer service committee meetings which spread from branch to board levels. Bank takes note of their suggestions for the benefit of long term value generation.

P4 Leadership Indicator 2

Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, through the proactive engagement with the stakeholder groups, the Bank identified key focus areas, especially CSR intervention. Further, the inputs and suggestions of shareholders are being incorporated into the policies and activities wherever considered feasible.

P4 Leadership Indicator 3

Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Bank is guided by Reserve Bank of India (RBI) prescribed guidelines on priority sector lending, lending to small and marginal farmers, lending to weaker section, etc. and government-led initiatives to improve access to financial services, to disadvantaged, vulnerable and marginalised stakeholders.

Under Financial Inclusion, the Bank is rendering services to the disadvantaged, rural/semi-urban section of the society by providing basic banking services at their doorstep. The Bank has appointed Business Correspondents to service the banking requirement of such disadvantaged society. In addition, the Bank has also engaged Financial Literacy Counsellors at 7 blocks in the State of Kerala for financial literacy activities.

Apart from the above, there are CSR initiatives of the Bank with the intention to improve the living conditions of the under-privileged and marginalized sections of the society.

PRINCIPLE 5. Businesses should respect and promote human rights.

P5 Essential Indicators

P5 Essential Indicator-1

Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format.

Category	FY 2021-22			FY2020-21		
	Total A	No of Employees/ workers covered (B)	% (B/A)	Total A	No of Employees/ workers covered (B)	% (B/A)
Employees						
Permanent	4663	1392	30%	4180	637	15%
Other than permanent	0	0	0	0	0	0
Total Employees	4663	1392	30%	4180	637	15%
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA

P5 Essential Indicator -2

Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2021-22					FY 2020-21				
	Total (A)	Equal to Minimal Wage		More than Minimal Wages		Total (D)	Equal to Minimal Wage		More than Minimal Wages	
		(B)	% (B/A)	(C)	% (C/A)		(E)	% E/D	(F)	% F/D
Employees										
Permanent	4663	2	0.04%	4661	99.96%	4180	0	0%	4180	100.00%
Male	3294	1	0.03%	3293	99.97%	2988	0	0%	2988	100.00%
Female	1369	1	0.07%	1368	99.93%	1192	0	0%	1192	100.00%
Other than Permanent	0	0	0.00%	0	0.00%	0	0	0%	0	0.00%
Male	0	0	0.00%	0	0.00%	0	0	0%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0	0%	0	0.00%
Workers										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

P5 Essential Indicator -3

Details of remuneration /salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD) – Part-time Chairman and WTD^%@	3	2,71,36,013	0	NA
Key Managerial Personnel (KMP) – other than WTD	2	38,97,551	0	NA
Material Risk Takers##	8	99,65,696	1	53,84,917
Senior Management Personnel	4	20,97,716	1	19,67,671
Employees other than BoDs, KMPs, MRTs and SMPs #	4747	2,83,442	1919	2,39,747
Workers	NA	NA	NA	NA

^ - Sitting fee paid to Part Time Chairman was not considered for calculation of median remuneration.

@ - Mr. C.VR. Rajendran, Managing Director & CEO took early retirement from the position, after office hours on March 31, 2022.

% - Remuneration paid to Mr. Pralay Mondal in the financial year 2021-22 is in the capacity as 'President - Retail, SME, Technology and Operations' and approval of RBI is awaited on the terms and conditions of his appointment including remuneration as Deputy Managing Director with effect from February 17, 2022.

- Remuneration paid to all employees who were on the rolls during the financial year 2021-22 was considered.

8 out of 9 MRT's meet the criteria of SMPs.

P5 Essential Indicator – 4

Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **(Yes/No)**

Yes. The employees can raise their concerns related to human rights issues directly with HR department, also through the windows permitted, viz. Whistle Blower Policy, Anti-Corruption and Anti-bribery policies, POSH Act, etc.

P5 Essential Indicator – 5

Describe the internal mechanisms in place to redress grievances related to human rights issues.

Every staff of the Bank have the right to be treated with dignity and respect. For any grievances on human rights issues, the employees have the access to raise their concerns through HR department apart from the mechanisms as mentioned in P3 E6, as above.

P5 Essential Indicator 6

Number of Complaints on the following made by employees and workers:

Complaints	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolutions end of the year	Remarks	Filed during the year	Pending resolutions end of the year	Remarks
Sexual Harassment	4	4	#Pending	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labor	0	0	NA	0	0	NA
Forced labor/Involuntary labor	0	0	NA	0	0	NA
Wages	NA	NA	NA	NA	NA	NA
Other human rights related issues	0	0	NA	0	0	NA

#Bank has initiated timely measures for an effective redressal of grievances.

P5 Essential Indicator-7

Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Bank has in place an appropriate policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the provisions of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to prevent sexual harassment of its employees. An Internal Complaints Committee (“ICC”) has been in force in order to receive and address the complaints of any sort of sexual harassment from women in a time-bound and extremely confidential manner. The ICC have the adequate power to investigate the sexual harassment complaints and redress them in the manner enumerated under the PoSH Act and PoSH Rules. Bank have various ICC’s constituted at different locations. Bank also encourages the employees and directors to report genuine concerns including about illegal or unethical practices or behavior and also maintain complete confidentiality.

Further, Bank sensitizes the employees on prevention of sexual harassment and discrimination at workplace periodically through internal communications and awareness programmes.

P5 Essential Indicator-8

Do human rights requirements form part of your business agreements and contracts? **(Yes/No)**

Yes. The business agreements and contracts do include Bank’s expectations on/ respect for human rights to the extent as required as per the relevant laws.

P5 Essential Indicator 9

Assessments of the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	NIL. Bank does not engage any child labour in the operations and ensures the same by periodic examination. However, no external audit was conducted during the reporting period.
Forced/Involuntary Labour	NIL. Bank does not engage any forced labour in the operations and ensures the same by periodic examination. However, no external audit was conducted during the reporting period.
Sexual Harassment	NIL No external audit was conducted during the reporting period. As per the POSH Act, a statutory report is submitted to local district authorities on an annual basis and the necessary disclosures will be made in the Annual Report on an annual basis .
Discrimination at workplace	NIL. However, no external audit was conducted during the reporting period.
Wages	Not applicable
Others – please specify	NIL

P5 Essential Indicator 10

Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable.

P5 Leadership Indicators

P5 Leadership Indicator-1

Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Bank through its various policies on human rights, viz. POSH, Anti-corruption and bribery related etc., protects the rights of employees in raising their concerns through proper mechanism in place and thereby prevent unethical activities at work place. No modifications carried out in the business process as a result of addressing human rights/grievances/complaints during the reporting period.

P5 Leadership Indicator-2

Details of the scope and coverage of any Human rights due-diligence conducted.

The details and coverage of human rights due-diligence is covered in the essential indicators of the principle 5.

P5 Leadership Indicator-3

Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. All offices, premises, branches and ATMs are accessible to differently abled visitors to the extent as possible. Ramp are provided wherever feasible to accommodate aged senior citizens, physically challenged customers/visitors.

P5 Leadership Indicator-4

Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Bank does not conduct any assessment of value chain partners.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

P5 Leadership Indicator-5

Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

P6 Essential Indicators

P6 Essential Indicators-1

Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Bank's branches and other offices are spread across 600+ locations and the energy bills are paid individually/separately at the same locations itself. The process of centralization of accounting of energy bills will be planned in the coming years. Hence, currently no consolidated data in terms of units on energy consumption is available at the central office level. However, the total cost of energy bills and usage of diesel generator across all offices is available at the central office level. Henceforth bank will go for implementing a system for capturing and monitoring the energy units and consumption from all offices and undertake to put in place a proper mechanism for normalizing the power usage.

Parameter	FY 2021-22	FY 2020-21
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	-	-
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	₹8,55,67,299/-	₹ 7,66,64,396/-
Energy intensity (optional) – the relevant metric may be selected by the entity	--	-

Note: Indicate if any Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No.

P6 Essential Indicators-2

Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No.

P6 Essential Indicators -3

Provide details of the following disclosures related to water in the following format:

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
i. Surface Water	Bank is not into any manufacturing / factory related activities and hence water consumption is restricted to individual /personal usages of employees only. Water is not consumed for any commercial operations.	
ii. Ground Water		
iii. Third party water		
iv. Seawater / Desalinated water		
v. Others		
Total Volume of Water Withdrawn (in kilolitres) (i+ii+iii+iv+v)		
Total volume of water consumption (in kilolitres)		
Water Intensity per rupee of turnover (Water consumed/ turnover)		
Water Intensity (optional) - the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

P6 Essential Indicators-4

Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No, due to nature of activity, Bank has not implemented any mechanism for Zero Liquid Discharge.

P6 Essential Indicator-5

Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: -

Parameter	Please specify Unit	FY 2021-22	FY 2020-21
NOx		Not applicable, as there are no other emissions other than GHG emissions.	
Sox			
Particular Matter (PM)			
Persistent Organic Pollutants (POP)			
Volatile Organic Compounds (VOC)			
Hazardous air pollutants (HAP)			
Others - please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

P6 Essential Indicator-6

Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2021-22	FY 2020-21
Total Scope 1 emissions	Metric tonnes of CO2 equivalent		
(Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)			
Total Scope 2 emissions	Metric tonnes of CO2 equivalent		
(Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)			
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity			

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

P6 Essential Indicator-7

Does the entity have any project related to reducing Green House Gas emissions? If Yes, then provide details

Not applicable.

P6 Essential Indicator-8

Provide details related to waste management by the entity, in the following format:

Parameter	FY 2021-22	FY 2020-21
Plastic Waste (A)	<p>Bank branches are spread across various locations and waste management are carried out through diverse methods from captive disposal to tie-ups with local bodies. E-wastes are returned to the vendors itself. Plastic waste materials are disposed-off through Local Government bodies. Further, there is no hazardous and radioactive waste generation owing to the nature of business.</p> <p>Further details, please refer to P2-E3 of the Report.</p>	
E-Waste (B)		
Bio Medical Waste (C)		
Construction and Demolition Waste (D)		
Battery Waste (E)		
Radioactive Waste (F)		
Other Hazardous waste (G)		
Other Non-hazardous Waste generated (H) . Please specify, if any. <i>(Break-up by composition i.e. by materials relevant to the sector)</i>		
Total (A+B+C+D+E+F+G+H)		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	<p>As the Bank is into financial services, it does not engage in any manufacturing process. Bank follows sustainable waste management policy for the effective disposal of generated waste, viz. The plastic waste including packaging is transported to Local Government bodies/ vendors for processing and disposal.</p> <p>E-Waste like Computers and related accessories are handed over to vendors or to certified disposal agencies.</p>	
(ii) Re-Used		
(iii) Other recovery options		
Total		
Category of Waste		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

P6 Essential Indicator-9

Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Being a Banking Company, no hazardous and toxic chemicals used in operations and hence no generation of such wastes. For further details, please refer to P2 EI 3.

P6 Essential Indicator-10

If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Locations of operations / Offices	Type of Operations	Whether the conditions of Environmental approval /Clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
			Not Applicable. The Bank does not have any facilities in and around ecologically sensitive areas and as such no special environmental/ clearances are required. However, in case of Bank's offices situated near to ecologically sensitive areas (ESA), the local body/statutory clearances are obtained by Bank for its own property and same is obtained by landlord for leased premises.

P6 Essential Indicator-11

Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification number	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-----NA-----					

P6 Essential Indicator-12

Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S No	Specify the law/ regulation /guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / Action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Yes, the Bank is compliant with the applicable environmental law/regulations/guidelines in India to the extent as applicable.			

P6 • • • **Leadership Indicators**

P6 Leadership Indicator-1

Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2021-22	FY 2020-21
From Renewable Sources		
Total electricity consumption (A)	Energy from renewable sources are used at very minimal levels only.	
Total Fuel consumption (B)		
Energy consumption through other sources (C)		
Total Energy consumed from renewable sources (A+B+C)		
From Non Renewable Sources		
Total electricity consumption (D)	Bank's branches and other offices are spread across 600+ locations and the energy bills are paid individually/separately at the same locations itself. The process of centralization of accounting of energy bills will be planned in the coming years. Hence, currently no consolidated data in terms of units on energy consumption is available at the Central Office level. However, the total energy consumption cost including fuel consumption is available at the Central Office level. Henceforth Bank will go for implementing a system for capturing and monitoring the energy units and consumption from all offices and undertake to put in place a proper mechanism for normalizing the power usage.	
Total Fuel consumption (E)		
Energy consumption through other sources (F)		
Total Energy consumed from non-renewable sources (D+E+F)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

P6 Leadership Indicator-2

Provide the following details related to water discharged:

Parameter	FY 2021-22	FY 2020-21
Water discharge by destination and level of treatment (in Kilolitres)		
(i) To Surface Water	Bank's operations are outside the purview of any manufacturing/ factory activity and hence the water discharge is limited to normal domestic discharges out of office and personal use only. Accordingly, the clause is not strictly applicable to the Bank.	
- No treatment		
- With Treatment – please specify level of treatment		
(ii) To Ground Water		
- No treatment		
- With Treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With Treatment – please specify level of treatment		
(iv) Sent to third parties		
- No treatment		
- With Treatment – please specify level of treatment		
(v) Other		
- No treatment		
- With Treatment with Level of Treatment		
Total Water Discharged (In Kiloliters)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

P6 Leadership Indicator 3

Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/ plant located in areas of water stress, provide the following information:

- Name of the area
- Nature of operations
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
i. Surface Water	Being a banking company and service industry, water consumption is limited to office and personal usage only.	
ii. Ground Water		
iii. Third party water		
iv. Seawater / Desalinated water		
v. Others		
Total Volume of Water Withdrawn (in Kiloliters)		
Total volume of water consumption (in Kiloliters)		
Water Intensity per rupee of turnover (Water consumed/ turnover)		
Water Intensity (optional) - the relevant metric may be selected by the Entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface Water	Generally, not applicable, given the nature of business.	
- No treatment		
- With Treatment – please specify level of treatment		
(ii) Into Ground Water		
- No treatment		
- With Treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With Treatment – please specify level of treatment		
(iv) Sent to third parties		
- No treatment		
- With Treatment – please specify level of treatment		
(v) Other		
- No treatment		
- With Treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

P6 Leadership Indicator-4

Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2021-22	FY 2020-21
Total Scope 3 emissions	Metric tonnes of CO2 equivalent	The activity is banking at various outlets and no chance of emission of effluent gases, since no production facilities are carried out. However, there are diesel generators made available at various branch offices which would be causing emissions. To mitigate this, Bank is carrying out periodic servicing of diesel generators through AMC and using mostly star rated equipments.	
(Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)			
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (<i>optional</i>) - the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

P6 Leadership Indicator-5

With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable.

P6 Leadership Indicator-6

If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives as per the following format:

Sr No	Initiative Undertaken	Details of the initiative (Web-link, if any may be provided along-with summary)	Outcome of the initiative
Not Applicable. As mentioned above, the usages are normal and limited for personal /office usage only.			

P6 Leadership Indicator-7

Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Bank is having a comprehensive Business Continuity Plan (BCP) to ensure continuity of critical business operations of the Bank identified through criticality assessment using Business impact analysis (BIA) at times of disruptions. In line with the Business Continuity Plan, Bank has constituted a BCP Committee incorporating the heads of all major departments to exercise, maintain and invoke business continuity plan as needed. A core team called Emergency Operation Team is also in place to act immediately upon a crisis and for the supervision of recovery under alternative operations arrangements during a disaster and the team ensures that the business functions are back to normalcy with minimum delay. During the pandemic, Bank was able to work seamlessly as bank has BCP plans in place with defined BCP locations and resources for critical applications. Secured Work from home facilities are provided for critical teams. Disaster Recovery drill for the core banking system (CBS) and critical systems of the Bank is conducted at regular intervals to ensure the competence of the same during emergencies apart from undertaking periodical testing of recovery speed of critical applications from alternate locations.

P6 Leadership Indicator-8

Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures taken by the entity in this regard.

No significant adverse impact envisaged due to the nature of business activities and arrangement with value chain partners.

P6 Leadership Indicator-9.

Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable.

PRINCIPLE 7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

P7 • • • Essential Indicators

P7 Essential Indicator-1

- Number of affiliations with trade and industry chambers/ associations
Four
- List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Banks' Association	National
2	Banking Codes and Standards Board of India	National
3	Fixed Income Money Market & Derivatives Association	National
4	Foreign Exchange Dealers Association of India	National

P7 Essential Indicator 2

Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of the authority	Brief of the case	Corrective Action Taken
No incidents of anti-competitive behavior reported during the review period.		

P7 • • • Leadership Indicators

P7 Leadership Indicator-1

Details of public policy positions advocated by the entity

S No	Public Policy Advocated	Method Resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/Quarterly /Others –please specify)	Web Link if available
No, the Bank does not engage in policy advocacy, but is actively involved in consultation/ discussion forums with the government and other bodies in the banking industry.					

PRINCIPLE 8. Businesses should promote inclusive growth and equitable development

P8 • • • Essential Indicators

P8 Essential Indicator-1

Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA notification number	Date of Notification	Whether conducted by independent external agency (Yes/No)	Results communicated in Public domain (Yes/ No)	Relevant web link
None					

P8 Essential Indicator-2

Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S No	Name of project for which R&R is ongoing	State	District	No of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in FY (in INR)
Not applicable owing to the business nature.						

P8 Essential Indicator-3

Describe the mechanisms to receive and redress grievances of the community.

Bank has systems in place to receive and redress grievances of various stakeholder groups including customer complaints. The stakeholders can register their grievances through various modes by accessing Bank's website. The Bank has a mechanism in place to monitor the implementation of the CSR projects and the concerns of the beneficiary community. The Bank may undertake assessment by external agency on the impact of the projects and its reach, if necessary.

P8 Essential Indicator-4

Percentage of input material (inputs to total inputs by value) sourced from suppliers.

	FY 2021-22	FY 2020-21
Directly sourced from MSMEs/ small producers	Not applicable in view of the nature of business carried out.	
Sourced directly from within the district and neighboring districts		

P8 Leadership Indicators

P8 Leadership Indicator-1

Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impacts identified	Corrective Action Taken
Not applicable	

P8 Leadership Indicator-2

Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

S No	State	Aspirational District	Amount Spent (in INR)
None			

P8 Leadership Indicator-3

- Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
Not applicable, considering the nature of business.
- From which marginalized /vulnerable groups do you procure?
Not applicable, considering the nature of business.
- What percentage of total procurement (by value) does it constitute?
Not applicable.

P8 Leadership Indicator-4

Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

S No	Intellectual Property based on traditional Knowledge	Owned/ Acquired (Yes/No)	Benefit Shared (Yes/No)	Basis of Calculating Benefit Share
NIL				

P8 Leadership Indicator-5

Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of Authority	Brief of the case	Corrective action taken
Not applicable		

P8 Leadership Indicator-6

Details of Beneficiaries of CSR Projects

S No.	CSR Project	No of Persons Benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Ambulance to Govt. Primary Health Centre, Oddanchathram, Dindigul Dist. Tamil Nadu	Various	Various
2	COVID -19 Vaccination Drive in Thrissur District, Kerala	1142	Not assessed, however, the drive was targeted mainly for vulnerable and marginalized groups
3	Supply of relief /essential materials to Flood Relief Camp in Kalkulam, Kanyakumari through Kanyakumari District Collector	786	100%
4	Financial aid to Santhwanam, Apostolate, Thrissur, Kerala	10	100%
5	Education Support to Sree Durga Vilasam Higher Secondary School, Peramanagalam, Thrissur District, Kerala	2,500	Not assessed, but it covers the students from vulnerable and marginalized groups
6	Project Dialysis- Fairfax India Charitable Foundation, Mumbai	Various	Not assessed. However, the project targeted mainly for vulnerable and marginalized groups.

For further details, please refer the page no. 144 Annexure III – Annual Report on CSR Activities of the Bank for the financial year 2021-22.

PRINCIPLE 9. Businesses should engage with and provide value to their consumers in a responsible manner

P9 Essential Indicators

P9 Essential Indicator-1

Describe the mechanisms in place to receive and respond to customer complaints and feedback.

As per RBI guidelines, Bank has in place a three-tier structure for handling the customer complaints. Customers in general, approach the Branch for redressal of their grievances. Those within the powers of Branch Managers are resolved at Branch level itself. Other complaints are escalated to Zonal Office and Head Office level for Customer Service

Redressals. Bank has taken various initiatives to handle the customer complaints promptly and Complaint Management System (CMS) portal is an effective tool in handling customer complaints to track and ensure proper resolution. Branch Service Department at Head Office is following up with branches / departments to ensure early resolution / closure of complaints and sharing weekly MIS on pending complaints. Customers can also reach out Call Centre / Customer Care number of the Bank and register their grievances.

The Bank conducts online customer satisfaction survey and the result of the survey is being continuously monitored. The Bank also conducts branch level customer service committee meetings at all branches within 15th of every month. During these meetings, customer feedback, suggestions, etc. about various products are directly collected and consolidated. Feasible suggestions for improvements on service/products are implemented and are monitored at various forums including standing committee on customer service and Customer Service Committee of the Board.

Bank has appointed Principal Nodal Officer for Grievances, Nodal Officer for Complaints and Zonal Nodal Officers at respective Zones. Bank also appointed Internal Ombudsman under the Banking Ombudsman Scheme.

P9 Essential Indicator-2

Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

	As a percentage to total turnover
Environmental and social parameters relevant to the product	This aspect is not applicable as the Bank is not a manufacturing company. The Bank complies with disclosure requirements relating to its products and services to the extent as applicable. Further in general, public are made aware of various safety measures to be adopted by customers for preventing ATM frauds, Phishing attacks, etc., by sending bulk SMSs, e-mails, auto voice calls from call centers to reiterate not to share ATM PIN, Internet/Mobile banking passwords, One Time Passwords (OTP), etc.
Safe and responsible usage	
Recycling and/ or safe disposal	

P9 Essential Indicator-3

Number of consumer complaints in respect of the following:

	FY 2021-22		Remarks	FY 2020-21		Remarks
	Received During the Year	Pending Resolution at the end of the year		Received During the Year	Pending Resolution at the end of the year	
Data Privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber Security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of Essential Services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other (Customer Complaints including ATMs related complaints)	9071	70	Nil	6555	138	Nil

P9 Essential Indicator-4

Details of instances of product recalls on account of safety issues.

	Number	Reason for Recall
Voluntary Recalls	Not applicable due to nature of the products /service being offered	
Forced Recalls		

P9 Essential Indicator-5

Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. Bank is ISO 27001:2013 certified for its IT, IS and Datacenters. Bank is following zero trust architecture and access is provided only on need base and have robust security tools in place to secure the systems. Data leakage prevention solution for endpoints, web and email is in place. External drives/USB's are blocked in Bank's network. Internet access is restricted through Proxy and only whitelisted websites can be accessed. DNS Security solution is in place to prevent C&C calls and data exfiltration through Domain generation algorithms and tokenization. Data is encrypted as per industrial standards at rest, in use and in transit. User Behavior analysis and sandbox enabled Endpoint Detection and response solution is available in all endpoints to detect and prevent malicious activities. Have AI and ML based SIEM in place for incident detection and response.

The web-link of the policy: <https://www.csb.co.in/pdf/PolicyonCustomerProtectionLimiting.pdf>

P9 Essential Indicator-6

Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

The Bank always strives to have a cordial relationship with its customers and attempts to have an amicable settlements of any disputes. In the ordinary course of banking business, some customers may raise disputes with Bank which could result in their filing a civil suit or a customer complaint against the Bank alleging deficiency of services. In such cases, the Bank intervenes and sorts unresolved issues amicably. But only in rare instances, where the issues cannot be settled mutually, legal recourse is resorted. Further no complaints were received on cyber security and data privacy in the reporting period. Rest of the cases are not applicable, considering the nature of business

P9 Leadership Indicators

P9 Leadership Indicator-1

Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

All information regarding business and products and services being offered can be accessed through the Bank's website www.csb.co.in and in its periodic disclosures such as the annual report. Link - <https://www.csb.co.in/investor-relations>.

P9 Leadership Indicator-2

Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Bank through its website, WhatsApp messages and e-mails, promotional materials like brochures and by SMS's, educate customers on its various products and services. Further in general, public are made aware of various safety measures to be adopted by customers for preventing ATM frauds, Phishing attacks, etc., by sending bulk SMSs, e-mails, auto voice calls from call centers to reiterate not to share ATM PIN, Internet/Mobile banking passwords, One Time Passwords (OTP), etc.

P9 Leadership Indicator-3

Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Bank informs the customers in the event of any disruption/discontinuation of essential services via e-mails and SMSs.

P9 Leadership Indicator-4

Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief.

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

Bank through its brochures and posters displayed within the branches communicates the various features of products to its customers at large. Further, on opening of an account, a welcome voice call will be originated from call centre/

centralized hub detailing the product features and other criteria in maintaining the account. Further, Bank through its website, WhatsApp messages and e-mails, educate customers on its various products and services and also mark caution to avoid sharing of ATM PIN, Internet Banking passwords, OTPs, etc.

P9 Leadership Indicator-5

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

As mandated by regulators, Bank carries out customer feedback and customer surveys. The Bank conducts online customer satisfaction survey and the result of the survey is being continuously monitored. Further, Bank has successfully implemented the Net Promoter Assessment (NPS) Survey. The Survey is conducted through digital channels.

P9 Leadership Indicator-6 .

Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact
None.
- b. Percentage of data breaches involving personally identifiable information of customers
Not applicable.

By Order of the Board

Sd/-
Madhavan Aravamuthan
Chairman
(DIN: 01865555)

Place: Thrissur
Date : June 28, 2022

04

Statutory Reports

Management Discussion and analysis

GLOBAL ECONOMY

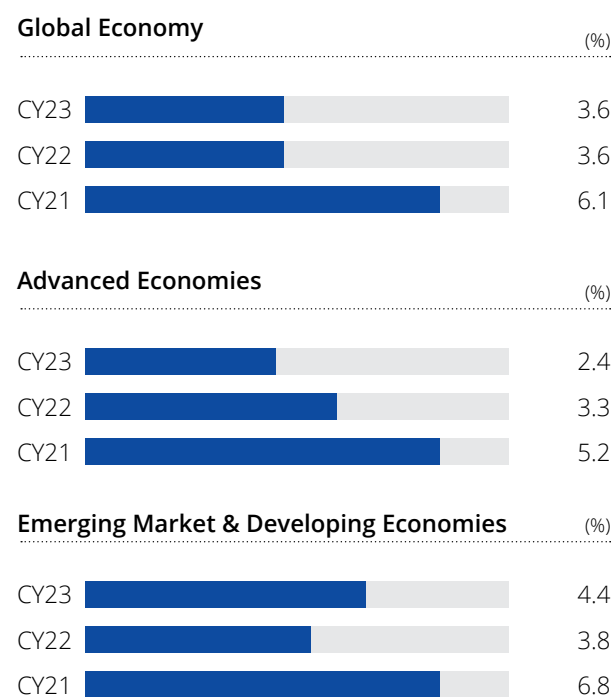
In the beginning of year 2021, the global economy was on a path to recovery. But recurring Covid-19 waves acted as hurdles on the way. The second wave of the pandemic led to lockdowns and travel restrictions leading to supply chain disruptions and asynchronous growth in most part of the world. Developed and developing economies seemed to be on an opposite trajectory of recovery in 2021 as the developed economies started to come out of the pandemic on the back of good vaccination rates and fiscal support. The emerging and low-income countries faced public health challenges when the highly transmissible second wave hit their economy. As per the earlier estimates of IMF, developed economies are expected to bounce back to almost pre-pandemic levels of growth. The developing economies are expected to lag by around 5% than pre-pandemic levels.

However, the war in Ukraine has triggered a costly geopolitical crisis. The economic damage from the conflict has triggered cost escalation across constituents of the food chain. Since the beginning of the war, fuel and

food prices have increased rapidly hitting the vulnerable populations across the world and developing economies. Further, the World economy is also facing supply hit as China battles Covid again. Since the Omicron variant of the coronavirus arrived in China, a two-month lockdown in Shanghai, and sporadic lockdowns elsewhere have hampered assembly lines, trapped workers, snarled logistics and confined millions of consumers to their homes. The global economy already struggling with war in Ukraine and the stagflation risks it's fanning, is bracing for greater disruption as China scrambles to contain its worst outbreak of Covid-19.

IMF in January, 2022 had expected global growth to moderate from 5.9 percent in 2021 to 4.4 percent in 2022 but in April 2022 the forecast has been downwardly reversed to 3.6 percent in 2022 and 2023, mainly due to Russia-Ukraine conflict. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging markets and developing economies—1.8 percent and 2.8 percentage points higher than projected in January 2022.

World Economic Outlook IMF April 2022



GLOBAL BANKING SCENARIO

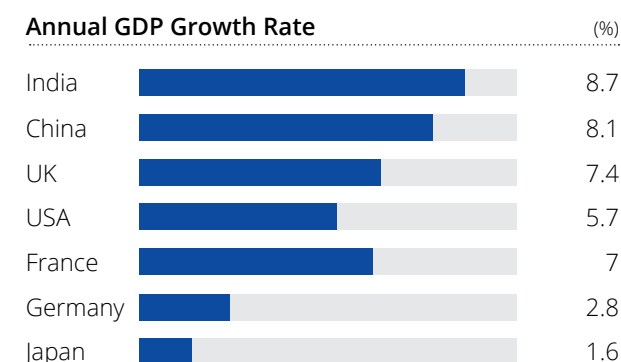
The pandemic did not trigger the expected harmful financial effects on the global banking industry. On the other side, it had plenty of positive outcomes such as accelerated digital banking, reduced cash transactions, increased savings, remote working, and focus on environment and sustainability. The global banking system is at least as solid as it was before the pandemic—and much healthier than after the last crisis.

In Year 2022 so far, in response to the ongoing conflicts central banks across the world took varied positions on interest rate hike. Central banks of some large economies including US and UK have increased interest rate following higher inflation and steady macroeconomic data.

The US Fed raised the Fed's fund rate by 50 bps to 0.75-1%, the largest increase since early 2000s. It also laid down the map to start running down its balance sheet by USD 47.5 bn beginning June 2022 and then increasing it to USD 95 bn from September onwards. Central banks of many countries including European Central Bank and Bank of Japan (BoJ) had followed suit and increased the rate.

Going forward, Central Banks are likely to take a combative stand looking at the inflation data points amid ongoing geopolitical issues. Further supply disruptions due to Covid-19 related lockdowns in China would be important variable for further policy action. Apart from hike in the policy rates, market would be tracking the impact of expected liquidity tapering, which is likely to have direct impact on equity valuations.

INDIAN ECONOMY IN FY22



IMF Projections. FY22 for India and CY21 for other countries

After a subdued growth in FY21 due to the pandemic, the Indian economy was heading towards a comeback in FY22. The GDP had contracted by 7.3% for FY21. As per the advance estimates released by NSO on 14 February 2022, the country is expected to witness real GDP growth of 8.9 % in FY22. Index of Industrial Production (IIP) for the manufacturing sector grew at 12.9% year on year during April-Feb FY2022 as compared to negative growth of 12.5 percent during the same period, last year. Mining and electricity also witnessed year on year growth during the same period. Purchasing Managers' Index-Manufacturing, a widely used growth indicator has been in the expansionary zone since January 2021 with the exception of one month during the second wave.

Agriculture slowed to 3% in FY22 compared to a growth of 3.3% in last fiscal. India's merchandise exports and imports rebounded strongly and surpassed pre-COVID levels during FY22. Services accounts for more than half of the Indian economy, was the highest impacted sector especially activities dependent on contact such as retail, hospitality and logistics. Sub components such as Finance/ Real Estate and the Public Administration segments surpassed pre-COVID levels while segments like Travel, Trade and Hospitality are on the path to recovery.

The overall GDP growth recorded for the financial year 2021-22 is estimated at 8.7% as against the contraction of 6.6% in FY21. The Gross monthly GST collections have crossed 1 lakh crore consistently since July 2021 which points that the Government will comfortably meet its targets for the year while maintaining the support, and ramping up capital expenditure which can be seen as supply and demand enhancing initiative.

Two years of BoP surplus has allowed RBI to accumulate US\$ 634 billion as on Dec'21 which is equivalent to 13.2 months of merchandise imports and is higher than the country's external debt.

Challenges: India is a large consumer of oil much of which is imported, the impact of higher oil prices will be visible not only on trade deficit and currency but also will trigger inflation and affect fiscal situation adversely. Rupee has come under pressure due to higher oil prices. Higher oil prices lead to burgeoning trade deficit and hence adversely impact the external stability leading to currency depreciation.

Opportunities: The Western world's reduced dependence on Russia and China, could open newer avenues for India.

Russia and Ukraine together have a 25% share in the global wheat market. Since the war, the world is looking at India to fill the void in the global wheat demand.

Currently EU accounts for only 4% of India's total exports. According to a Forbes Report, EU is dependent on imports from Russia for 83 commodities and India has the competitive advantage in supplying these commodities to the world market. These 83 commodities are currently estimated to constitute 25% of India's exports.

However, most of the war triggered opportunities are temporary and could change on easing of the crises.

BANKING AND FINANCE – DOMESTIC

In FY2022 the banking sector continued to be resilient. The banking sector was cushioned against the disruptions caused by the pandemic by adequate liquidity support and various regulatory dispensations provided by the Reserve Bank of India.

Banks bolstered their capital to augment risk absorbing capacity, aided by continued recapitalisation plan of the Government of India and as part of the plan, the Government has infused ₹ 4,600 crore in FY 2021-22 in case of public sector banks (PSBs) along with capital raising from the market and retention of profits by both PSBs and private sector banks. The gross non-performing assets (GNPA) ratio of all scheduled commercial banks (SCBs) moderated to its lowest level in six years, aided by due efforts towards recoveries and technical write-offs. Bank credit growth has begun to pick up to track nominal GDP growth and banks are regaining bottom lines.

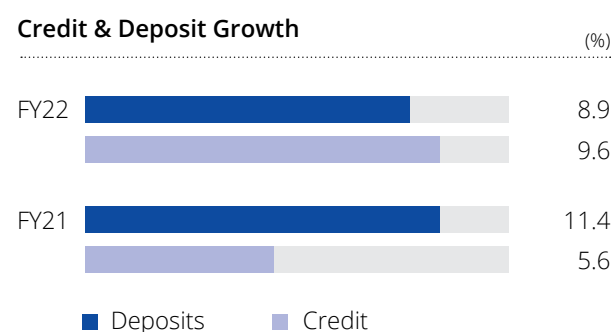
The future performance of the banking system hinges quite clearly on the recovery of the economic performance in FY23 and beyond.

Stepping into FY23 Govt of India as well as Reserve Bank of India (RBI) responded to the inflationary pressures. RBI has been obliged to raise policy interest rates twice to contain inflation. The rationale behind this decision

was the upside risks to India's inflation trajectory. On 21st May, the RBI hiked the cash reserve ratio by 50 basis points, to 4.5 per cent of net demand and time liabilities. Further on 8th June, RBI hiked the rates 50 basis points thereby taking the repo rate to 4.90 per cent.

Consequently, the standing deposit facility (SDF) rate stands adjusted to 4.65 per cent and the marginal standing facility (MSF) rate and the bank rate to 5.15 per cent. The MPC also voted unanimously to remain focused on the withdrawal of accommodation to ensure that inflation remains within range going forward, while supporting growth the twice rate increase will indeed have an impact on interest rates across loan portfolios however during such unforeseen situations repo rate increase is expected and considered as the most pragmatic way of dealing with the inflationary pressures.

Indian banking sector is fully capable of surmounting geo political impacts as the banks are prudently monitoring the NPA levels very closely. The collection efficiencies have improved across banks. Banks have raised substantial capital during Covid and going forward, various banks have their capital raising programmes.



Credit scenario

Overall Bank credit grew 7.9 per cent to 115.45 lakh crore in FY22. Growth in the bank credit during the year was driven by personal loans and credit to agriculture and allied activities. While advances to large industry fell, lending to the micro, small & medium enterprise segments grew. Growing credit drives the economic growth of the country. Non-food bank credit grew 9.7 per cent in March 2022 as compared to a rise of 4.5 per cent reported a year ago. Credit growth to micro and small industries accelerated to 19.9 per cent to ₹4.84 lakh crore; Credit to large industries recorded a marginal growth of 0.5 per cent against a contraction of 0.6 per cent during the same period.

As per the estimates of NABARD, banks and cooperatives have disbursed ₹ 17.09 trillion worth of agriculture credit during 2021-22 against a target of ₹ 16.5 trillion. The share of crop loans is about ₹ 10 trillion and the remaining ₹ 7 trillion is disbursed for agri-infra and other long-term projects. However, NPAs in agriculture stood at ₹ 6,573 crore in FY22 up by 15% YoY mainly due to erratic

and prolonged rainfall. The NPA share from crop loans is estimated to be ₹ 2,808 crore and agriculture loans at ₹ 3,764 crore during FY22.

Deposit Scenario:

Bank deposits stood at ₹164.7 lakh crore - an increase of 13.5 lakhs crore during FY22. Deposit growth however slowed to 8.9% in FY22 as against 11.4% growth in FY21.

MONETARY POLICY AND OTHER KEY INITIATIVES

Policy Rates

In the financial year 2021-22, the RBI Repo Rate was 4%. The impact of the revision will be felt across banks on the interest rates.

On May 4, 2022, RBI announced a 40-basis point hike in the repo rate to 4.40 per cent. On 21st May, the RBI hiked the cash reserve ratio by 50 basis points, to 4.5 per cent of net demand and time liabilities. Further on 8th June, RBI hiked the rates 50 basis points thereby taking the repo rate to 4.90 per cent. The central bank also announced a 0.50 per cent increase in the cash reserve ratio (CRR). RBI attributed this increase in rates to increasing prices across commodities and global inflation. Going forward, the RBI has given clear indication of further increase in the rates.

MSME relief measures

Budget Allocation for FY 2021-22 for the MSME had more than doubled to ₹15700 crore vis a vis ₹7572 crore in 2020-21. Further, the Finance Minister in the FY 2022-23 budget speech has announced extension of Emergency Credit Line Guarantee Scheme (ECLGS) to March 2023. The 2022-23 budgetary allocation for MSMEs has been increased to ₹ 21,422 crore up by 26.71%.

Capital Expenditure

Effective capital expenditure of the Central Government is estimated at ₹ 10.68 lakh crore in 2022-23, which is about 4.1 percent of GDP. The ₹ 10.68 lakh crore allocated for 2022-23 is 27 percent higher than the revised estimate of ₹ 8.4 lakh crore spent in 2021-22.

Central Bank Digital Currency

In a way to boost the digital economy, Government has proposed RBI to launch digital rupee starting 2022-23 using blockchain and other technology which would lead to efficient and cheaper currency management system.

OPPORTUNITIES AND THREATS

Opportunities

- Revival of domestic economy from the pandemic induced contraction, is expected to witness improved credit growth and stronger balance

sheets in FY 23 with the support of entire ecosystem which is aligned for supporting growth.

- Continued expansion mode in both manufacturing and services sector with optimism on further growth in demand.
- Expansion in the job landscape in the context of business revival, is stimulating further growth prospects.
- Budgetary priorities of the Government of India for boosting economic activities as given below will open up tremendous opportunities for banking sector.
- The master plan envisaged under PM Gatishakti scheme for world class modern infrastructure will give banks decent funding opportunities.
- Resilient growth seen in the Agriculture and Food Processing segment despite the pandemic and the brighter outlook and focus on the sector will help in massive expansion.
- Identification of MSME as a key segment for accelerated growth and banks will have a major role to play.
- The tremendous drive to the Education sector can be encashed by the Education Loans vertical, with a view to building smart India with quality skills.
- The thrust of focus in Health segment will give opportunities for banks to cater to the financial needs of this segment by carving out a separate HCF vertical on a larger scale.
- Enhanced digital push including setting up of digital banking units (DBUs)/digital currency will create a win-win situation for banks and customers in terms of experience and costs.
- The nimble, proactive and well-timed actions from the Central bank towards rebalancing liquidity conditions, managing inflation and ensuring growth will support the expansion of the domestic economy in the desired direction.
- The decision on enhancing the existing HTM limit will support the banks in improving the treasury incomes.
- The portfolio stress and provisions have reduced considerably due to growth and rebound of economy, leading to improved profitability.
- Fintech enabled banking sector growth is decreasing unbanked population in the country. Banks can leverage the Fintechs to create mobility platform on which customers will have better service and better on the flight products. Banks will benefit from these Fintech's transaction volumes, which are ever increasing. Partnering with Fintechs will also increase the customer franchise base for the Banks.

Threats

- The resurgence of COVID-19 infections in some major economies in March and the associated lockdowns run the risk of further aggravating the global supply bottlenecks and input cost pressures.
- Economic activity is hovering barely over its pre-pandemic levels and has not fully recovered.
- The geopolitical unrest and the resultant sanctions are causing supply disruptions and impacting the commodity as well as financial markets across the globe.
- Risk aversion towards assets of emerging market economies (EMEs) has increased, leading to large capital outflows and a depreciating bias in their currencies, resulting in heightened Inflationary pressures and adversely impacting the output across geographies.
- The possibility of economy plunging into stagflation owing to compression in spreads.

OUTLOOK & BUSINESS STRATEGY

When the global economy seemed to be taking a rebound after leaving the worst of the COVID-19 pandemic behind, the geo political unrest crept in. The consequent financial sanctions and political pressures pushed the commodity prices with unpredictable and undesired implications on the global financial system and economy. Investors are shoring up their money into safer-haven assets while equity markets in emerging countries are witnessing heavy capital outflows. Many countries relooked at their growth projections and revised it downwards. There is little visibility into how long the conflict will last; but could hurt future growth.

In 2022-23, India's GDP is expected to rise above 7%, owing to broad vaccine coverage, gains from supply-side reforms and regulatory ease, healthy export growth, and the availability of fiscal space to ramp up capital spending. Despite the third wave of COVID-19, overall economic activity remained stable, as India could cope with virus-related restrictions. In addition, the Union Budget commitment to asset creation (public infrastructure development) in 2022-23 will re-energize the virtuous cycle of investment and crowd in private investment with huge multiplier effects, boosting inclusive and sustainable growth. Consumption will rise up sharply once the uncertainty and worry caused by the Covid-19 virus has passed, and the demand rebound will allow the private sector to step in with investments to boost production to satisfy the rising demand. This scenario should play out well for the Indian economy in 2022-23.

The focus for the Bank would be to catch up on the volume front with retail and SME leading the growth. Sustain, Build and Scale will be the strategy followed by the Bank. All efforts will be taken to build a profitable

franchise and to sustain the same. New platforms as required for growth will be built and the business will be scaled up with the required guardrails in place. In the retail front, the task would be to ensure last mile connectivity in product launches, process improvements and digitization drives. For asset growth, the Bank will adopt a strategy that focusses on leveraging our Branch distribution along with partnership tie-ups with simplified processes and technology enablement.

Our vision is to become the Bank of the future – a full service Bank-with the right business mix, technology architecture, customer centricity, governance, compliance culture, partnerships, digitization, digital eco system, etc.

BUSINESS SEGMENT/PRODUCT OVERVIEW

Retail Banking

Your Bank offers a wide range of deposits, loans, wealth management products and services to domestic and NRI customers, under retail banking business. In the retail loan segment, the Bank offers need based products ranging from personal to business requirements including loans against gold jewellery (Gold Loans), two wheeler and motor vehicle loans, housing loans, loan against property and overdrafts on mortgage/ hypothecation/pledge, small business loans (MSME loans), agricultural loans and microfinance.

Deposit products include current accounts, savings accounts, Non-Resident accounts, fixed deposits, recurring deposits, and corporate salary accounts. For facilitating fund transfer services required by NRI customers, the Bank has remittance and rupee drawing arrangements with major exchange houses in the Middle East and also has tie ups with major money transfer agents, which enhances its capability to provide inward remittance services to the customers and strengthens its NRI business. The Bank also has Bancassurance tie ups with leading life and non-life insurance companies for the benefit of the customers. Bank also provides demat services in tie-up with partners for CSB customers, where CSB holds the savings bank account and demat and trading account will be provided by the partner.

SME Banking

Bank is committed towards offering timely, adequate and hassle free business solutions to SME sector and in this connection has a specialized SME team to strengthen marketing in order to source additional SME business and drive further penetration.

In our vision to make the Bank as one of the best SME friendly bank of the Country, we have been working on various strategic initiatives to streamline the products, process and implementing such initiatives on ground to improve SME business. The Bank has focused on

leveraging Branch channel to reach out to potential customers. Bank has created a hub and spoke model and identified 42 key hub branches which can be termed as SME Branches and linked to 220 respective spoke branches. In addition to this, one key aspect of the strategy is to work on simplifying policy and process through technology enablement.

Bank has a specialized SME team to strengthen marketing in order to source additional SME business and drive further penetration.

The SME franchise of the Bank plans to focus on product per customer so as to improve the client level profitability by working closely with customers through a robust relationship management structure that would focus on portfolio Hygiene and wallet share.

Wholesale Banking

The Wholesale Banking Segment caters to corporate clients, primarily medium-sized enterprises. Wholesale Banking comprises of Corporate Lending, Capital Markets, Securitisation and Supply Chain Finance divisions.

Your Bank offers a range of Commercial Banking products and services such as Working Capital Financing, Corporate Loans, Term Loans, Trade Credit, Bill Financing, Supply Chain Financing, Securitisation Transactions, TReDS, etc. The division also provides banking services to Financial Institutions, viz. NBFCs, Banks, Insurance Companies, Mutual Funds, Brokers, etc.

Treasury Management

Bank's treasury operations primarily consist of statutory reserves management, asset liability management, liquidity management, investment and trading in fixed income securities and money market instruments and foreign exchange operations. Treasury operations are aimed at maintaining an optimum level of liquidity, while complying with the RBI mandated CRR and SLR. Bank maintains SLR through a portfolio of dated securities and treasury bills of the Government of India, state development loans, and other securities as may be permitted by the RBI from time to time. In addition, the portfolio is churned to optimize yield and reap benefit from price movements. Apart from sovereign debt instruments, Treasury also invests and trades in commercial papers, bonds and debentures, mutual funds, alternate investment funds, pass through certificates, certificates of deposits and equity to manage short-term surplus liquidity and to further optimize yield and generate profits thereon.

REVIEW OF PERFORMANCE

Total Business

Total business of the Bank stood at ₹ 36,931 crore as on March 31, 2022, as against ₹ 34,528 crore a year before, registering a y-o-y growth of 6.96%.

Total Assets

Total Assets have increased by ₹ 2,018.92 crore and stood at ₹ 25,356.27 crore as on March 31, 2022 as against ₹ 23,337.35 crore as on March 31, 2021, registering a growth of 8.65 % on an annual basis.

Total Deposits

Total deposits of the Bank crossed ₹ 20,000 mark and stood at ₹ 20,188 crore as on March 31, 2022, compared to previous year level of ₹ 19,140 crore, registering a growth of 5.50% on a y-o-y basis.

CASA Position

During the period under review, CASA has reached a figure of ₹ 6795.17 crore as on March 31, 2022, from ₹ 6161.80 crore as on March 31, 2021, registering a growth of 10.28 % on an annual basis and ₹ 633.37 crore in absolute terms.

CASA ratio has improved from 32.19% in the previous financial year 2021 to 33.66% at the end of Financial Year 2022.

The aggregate NRI deposits of the Bank at the end of FY22 stood at ₹ 4525.47 crore, compared to previous year level of ₹ 4,308.50 crore, registering a moderate growth of 5.03%.

CASA Strategy

The Branch Banking Vertical is focused on Deposits (including low cost deposits) and cross selling to existing customer products including insurance, money transfer and all other asset products of the Bank. Revamping of products has been initiated like recurring deposit to garner granular retail long-term deposit. Current account acquisition has been the key focus post restrictions imposed by RBI on opening Current Accounts by borrowers resulting in large reduction in Current Accounts base. Bank has initiated key alliances with companies like Worldline India Pvt Ltd, Pine labs Private Ltd and Digit Insurance Company for products like POS, QR code and general insurance. POS and QR code product solution has resulted in 5000 plus activation of CA customers. Recurring Deposit has been re-launched with minimum amount of ₹5,000/- for 1 year with complimentary accidental insurance being offered by Digit Insurance to the customers of the Bank. Retail Forex transaction as a strategy has been initiated towards increasing fee income as well as enhancing CA balances.

Over the year, the Bank has introduced new products and propositions and focused on digitization of its processes with a view to improve the quality. Demat and Trading facility is being extended to CSB customers through 3-in-1 tie up with M/s IIFL Securities Ltd. CSB Bank customers can open IIFL trading account digitally in just 3 minutes. Under this arrangement, the CA/SA account is maintained with CSB Bank while demat and trading account facility are provided by M/s IIFL Securities Ltd. Fund transfer from customers CA/SA account to the trading account is enabled through the net banking platform

of the Bank through API integration whereas the fund transfers from trading account to customer's bank account with CSB Bank is executed by the brokerage, based on customer instruction. Under the referral arrangement, the leads generated by CSB Bank branches are passed on to M/s IIFL Securities Ltd for on-boarding the customer.

The branches are more focused on providing better customer experiences through efficient customer services and products to all categories of customers of the Bank and thereby generating cross selling opportunities and revenue. On-boarding of customers has been revamped to enhance customer experience and CRM solution as a tool, is actively used by customer interfacing staff which helps in increasing the sales productivity effectively. The sales and customer relationship team comprising of Business Development Executives, Relationship Managers/ Officers and Customer Relationship Executives as customer interfacing staff have been strengthened to achieve the sales and service objectives of the Bank. Bank is aggressively focussing on acquiring High net worth customers and high value accounts to build premium CASA franchise.

Bank has received Agency bank license from RBI to undertake general banking businesses of central and state governments as per the guidelines framed by RBI. Specialized teams are built up for key growth segments including Government business, TASC and other potential growth segments.

₹ 6795 crore
CASA (+10.28 YoY)

Classification Of Deposits Portfolio (₹ In Cr)

	FY 21	FY 22	Growth	Growth %
Demand Deposits	1192.37	1336.32	143.95	12.07%
Savings Deposits	4969.43	5458.85	489.42	9.85%
CASA	6161.80	6795.17	633.37	10.28%
Term Deposits	12978.24	13393.13	414.89	3.20%
Total Deposits	19140.04	20188.30	1048.26	5.48%

Advances

Bank's total advances (gross) stood at ₹ 16,742 crore as on March 31, 2022, as against ₹ 15,388 crore as on March 31, 2021, registering a growth of 8.80%.

The gross CD ratio of the Bank improved from 80.40% to 82.93% in the financial year 2021-22.

Advances (₹ crore)



Retail Assets

The Bank has a diversified product suit for all its customer segments – Gold Loans, Two-Wheeler Loans, Business Loans (MSME), Home Loans, Loans against Property, Education Loans, Microfinance Loans and Agriculture Loans. The core strategy in Retail Assets has been deepening the existing product offering within existing branches coupled with identifying the right target segments and keeping the associated risks under control.

Your Bank have a strong retail credit management function which focuses on growth and maintenance of a healthy retail asset portfolio with a balance striking between risk and return. Along with robust underwriting practises, our credit risk management team also evaluates the internal scoring models for determining the acceptability of risk and the maximum exposure ceiling prescribed. Large exposures within retail segment are independently evaluated by the respective higher Credit Committees whereas small, template driven exposures are appraised and sanctioned as per Board approved policies on various products.

Gold Loans

Gold Loan Portfolio of your Bank as on March 31, 2022, stood at ₹ 6570 crore from ₹ 6131 crore as on March 31, 2021, registering a growth of 7.16 % on a y-o-y basis.

Sudden drop in gold prices and shift in LTV from 90% to 75%, as per regulatory norms had certain impact in

portfolio growth during the first half of financial year 21-22. However, CSBs proven strategies of new client acquisition has helped us to grow our client base by 27% and gold loan portfolio during the second half of the financial year. Gold Loans continue to be the mainstay for the Bank on the advances side and continues to constitute over 39.24 % of total advances as on March 31, 2022.

Bank has engaged different entities as Business Correspondents to penetrate the rural and other markets dominated by unorganised players.

Gold Loans (₹ crore)



Other Retail Loans (Excluding Gold Loans)

The other Retail Loan portfolio of the Bank (excluding gold) stood at ₹ 1049 crore as on March 31, 2022, as compared to ₹ 1,201 crore as on 31st March 2021. This book largely comprises of loans to two wheelers, advances under Agri & MFI sector and MSME loans.

Two Wheeler Loans

Two-wheeler sales continued to remain under pressure, especially at the entry-level motorcycle segment, due to the sharp rise in acquisition costs after the transition to BS VI emission norms and the economic impact of the second wave of the pandemic in rural markets. Two-wheeler sales fell 10.90% to 134.66 lakh units last fiscal - the lowest volumes recorded in the last 10 years. The steep increase in commodity prices such as aluminium, copper, zinc, etc., along with supply issues related to electronic components, pose challenge for the industry.

Since formation of a separate vertical in 2018, the Bank has acquired 39,604 customers and disbursed ₹ 314.65 crores. In the fiscal year of 2021-22, 10,995 new customers were added with a disbursement of ₹ 90.09 crores. Two Wheeler Loans book of the Bank stood at ₹ 175 crore as on 31st March 2022, compared to ₹ 171 crore as on 31st March 2021.

Portfolio quality of the book is satisfactory with robust collection capabilities. Bank had entered into an agreement with one of the leading credit bureau companies for development of score card based approval for two wheeler loans and the same is expected to be implemented in FY 2023.

Agri/MFI Banking

Agriculture and allied sectors are playing a major role in the economy of India, which is the largest livelihood provider, where more than 50% of the work force is engaged in. The most resilient sector during the COVID pandemic was Agriculture. It continues to contribute

a significant figure to the Gross Domestic Product. Sustainable agriculture, in terms of food security, rural employment, and environmentally sustainable technologies such as soil conservation, sustainable natural resource management and biodiversity protection, are essential for holistic rural development.

Your Bank caters to each segment of the Agri value chain – individuals (farmers, professionals and self-employed), traders (dealers/distributors, aggregators), processors and rural institutions using customised proposition across product segments. The Bank meets the credit related requirements of its agriculture customers through its unique set of products such as Kisan Credit Cards, Investment credit, Financing Agri Allied activities and Agri Ancillary units. These initiatives are designed to support the farmers engaged in agri & allied activities for maximization of their agricultural income by ensuring optimum utilization of their farm assets.

The increased presence of the Bank's branches in rural and semi-urban areas provides a great opportunity to your Bank for improving its exposure to Agriculture and Priority sector. The Agri & MFI vertical could grow from ₹ 567 crore in FY 2021 to ₹ 1064 crore in FY 2022, registering a growth of ₹ 497 crore in absolute terms or 88% on a y-o-y basis.

Your Bank has a variety of tailor-made schemes to meet emerging market demands and for better credit delivery. Bank has deployed a handful of specialized Relationship Managers and Agricultural Officers to cater to the needs of our valued farmer clients at their doorsteps. Your Bank is committed to continue the growth in this portfolio with improved vigour and increase its contribution in the upward trajectory of Bank's business.

MSME Loans

MSME sector being the backbone of our country's economy, there are a large number of entrepreneurs and workers who are part of these micro, small and medium enterprises. Equity and debt capital support is vital for these MSMEs as they go through many opportunities and risks in business. Scheduled banks and SME development banks have been playing a vital role to make this sector thrive.

MSME Loans (₹ crore)



The Bank offers Micro, Small and Medium Enterprise loans to various businesses various parts of India. The Existing Product offering is in the form of term loan, cash credit and overdraft against collateral to self-employed businesses.

The MSME advances of the Bank stood at 210.15 crore as on March 31, 2022, as compared to 178.29 crore as on March 31, 2021, clocking a growth of 17.87% during FY 22.

Priority Sector Loans (PSL)

Your Bank also plays a vital role in priority sector lending, meant for the overall development of the economy. Lending to the vital players of the economy such as farmers, micro & small enterprises, education, housing, social infrastructure, etc., as part of priority sector lending, is the core strength of your Bank. Bank adopted various measures with reinforced focus on lending to small & marginal farmers, micro enterprises and weaker sections of the Country. Separate verticals are formed to cater to these segments with the support of experienced and specialised teams under the verticals.

PSL as on 31st March, 2022 (₹ crore)



Quarterly Average PSL (₹ crore)



Achievement (Quarterly average) (%)



Priority sector advance improved by 62.08% compared to 2021. Disbursement of Priority sector loans are achieved at 50.85 % of Adjusted Net Bank credit, which is against 40% prescribed by Reserve Bank of India. Your Bank has also achieved the sub-targets under Agriculture, Small & Marginal Farmers, Weaker Sections and Micro-Enterprises.

Your Bank could sell PSLC Agriculture category to the tune of ₹ 700.00 crore, PSLC Small & Marginal Category to the tune of ₹ 850.00 crore and purchased PSLC Micro Enterprise category to the tune of ₹ 650 crore during the year under review.

Financial Inclusion

The objective of financial inclusion is to extend financial services to the large unserved population of the country to unlock its growth potential. It also strives to achieve more inclusive growth by making finance available to the poor in particular by bringing the low income groups within the perimeter of formal banking sector. The

financial inclusion initiatives of the banks provide access to formal credit system and provide credit support for consumption and investment and thereby leading to strong and sustainable livelihood for individuals and households. The implementation of Financial Inclusion Schemes is a national priority and banks are playing a vital role in achieving these objectives of government. RBI has formalised National Strategy for Financial Inclusion to achieve these objectives across the country. The vision of National Strategy for Financial Inclusion is Universal Access to Financial Services, Providing Bouquet of Financial Services, Effective Coordination, Customer Protection and Grievance Redressal, Financial Literacy and Education and Access to Livelihood and Skill Development.

Through the methods like Financial Literacy and Credit Counselling Centres (FLCCs) and by extending the banking outreach through Business Correspondents, your Bank has enabled the channels for encouraging the savings of the unserved population of the country and offers new business avenues for lending to this group.

Your Bank has 46 Rural Branches and 7 FLCC's to strengthen the financial literacy activities at the field level. As part of financial inclusion initiative, your Bank has reached out to approx. 130000 families to extent small value credit through micro finance loans.

Pradhan Mantri Jan Dhan Yojana (PMJDY)

Bank has 161513 BSBDAs (Basic Savings Bank Deposit Accounts), 2102 KCC Accounts (Kisan Credit Card) outstanding as on 31.03.2022. Out of the BSBDAs accounts opened, 77430 accounts are opened under Pradhan Mantri Jan Dhan Yojana.

PMJJBY, PMSBY and APY

Three social security schemes namely Pradhan Mantri Jeevan Jyothi Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Atal Pension Yojana (APY) were launched by Hon'ble Prime Minister on April 8, 2015. Bank has 7992 PMJJBY, 30360 PMSBY and 4744 APY accounts outstanding as on March 31, 2022.

Business Through Business Correspondent (BC) Model

As part of the commitment towards sustainable 'inclusive growth' in the rural and semi-urban segment, your Bank has always focused on key partnerships to create viable business models, while providing 'access to finance' to the bottom-of-the-pyramid (BOP) customers. In this background, your Bank has developed sustainable livelihood programmes to provide financial and non-financial services through business correspondents. The model developed is to empower financially excluded class of people. It also promotes socio-economic development at the grass root level through community-based approach, through Self Help Groups (SHG) and Joint Liability Groups (JLG).

During the period under review, the Bank has extended credit to 81000 women borrowers through the micro lending programmes through Business Correspondents model. Your Bank has reached out to more than 130000 families through this initiative with the support of 9 Business Correspondents empanelled by the Bank across the geographies. Total business outstanding as on 31st March 2022, in Micro Finance business under BC model is ₹300 Crores.

Corporate Lending

The Corporate Banking Segment caters to corporate clients, primarily medium sized enterprises, offering range of products to meet the working capital requirements of corporate customers. Bank also take active participation in funding capex requirements of its customers by extending term loans and project finance. The product offerings are suitably structured taking into account of client's risk profile and specific needs specified by them.

Your Bank follows a risk adjusted return philosophy in the wholesale banking and is focused on growing mid-size corporate assets. The Bank is committed to continuously improve its efficiency and processes for a better experience of clients, leading to mutually beneficial relationship.

Managed by small tight-knit, inter-disciplinary PAN-India teams with great success, Wholesale Banking Division has achieved an overall growth of 15% in asset book, closing at ₹ 6180 crore as on March 31, 2022 as compared to ₹ 5378 crore as on March 31, 2021.

Corporate Loan Book		(₹ crore)
FY22		4,089
FY21		3,873

The Bank's corporate book closed at ₹ 4089 crore as on March 31, 2022, as compared to ₹ 3873 crore as on March 31, 2021, registering a y-o-y growth of 5.58% and the corporate non-fund based book grew by 106% to ₹ 760 crore as on March 31, 2022 from ₹ 368 crore as on March 31, 2021.

While the funded book has grown by 8%, achieving around ₹3500 crores of business through medium-ticket sized transactions with loyal set of legacy customers as well as several newly on-boarded clients, growth was offset by heavy run-downs due to anticipated repayments and prepayment in our funded loan-heavy portfolio.

Direct Assignment & Securitisation business has also witnessed a 48% increment this Financial Year.

As we enter into year three of living with the constantly-evolving pandemic and recent ongoing war in Ukraine, we anticipate growth in the economy and corporate sectors to pick up at an uneven pace. We intend to build value through customer-centric focus on maintaining

existing portfolio quality, and through identification of key focus sectors for calculated market development and penetration to ensure sustainable asset growth and profitability. We are also constantly looking to streamline and improve the quality of our business credit underwriting, disbursement processes and operations to improve TAT and experience. We continue to focus on Mid-Market enterprises as a key segment for corporate lending to maintain granular ticket size and better Net Interest Margin. We intend to focus on rapid increase in manpower to cater to our steadily increasing client base and diversified focus in sub-segments, building strength in our regional teams while also attempting to roll out new corporate product offerings to cater to the diverse needs of our valued customers.

A few of the client-focused corporate banking services as under:

Supply Chain Finance:

The supply chain finance division of the corporate banking team has focused on products mainly TReDS-Trade Receivables e-Discounting System. TReDS would facilitate the discounting of trade receivables of MSMEs from corporates and other buyers including Government departments and Public Sector Undertakings (PSUs).

TReDS being a complete digital platform helps the Bank to considerably reduce the cost of acquisition of customers. The funding of MSMEs on the TReDS platform qualifies for priority sector lending which enhances the compliance of our Bank. TReDS is one of the many digital steps taken by your Bank to reach out to its customers.

TReDS portfolio stood at ₹ 101 crore as on March 31, 2022, as against ₹ 109 crore during previous financial year.

LCBD portfolio de-grew by 28% in FY 2021-22 to ₹ 277 crore as compared to ₹ 383 crore as on 31st March 2021, mainly due to market conditions.

Structured Finance:

Bank helps NBFC clients by acquiring their existing assets pools by Direct Assignment (DA) /Pass Through Certificates (PTC). This also helps Bank to achieve PSL targets.

The assignments loans grew by 48% in FY 2021-22 to ₹ 954 crore as compared to ₹ 645 crore as on 31st March 2021.

Cash Management Services:

Your Bank offers Cash / Cheque Collection facility for all clients. This facility helps in timely depositing of cash as well as cheques in your Bank account and is backed by proper MIS that helps in reconciling and managing funds efficiently.

E-Collection which is part of Cash Management services facilitates customers to get the payer details and credit information for recurring inward Real Time Gross

Settlement (RTGS) and National Electronic Funds Transfer (NEFT) transactions in the current account.

Bank plans to offer full range of advanced Cash Management products that would help its business to process clients' Receivable and Payable, efficiently. These products will help the Bank in optimizing client's cash flow position and ensure effective management of their business operation.

SME Lending

Bank is committed towards offering timely and hassle free business solutions to SME sector with a specialized team focused on driving further penetration by sourcing additional [SME] business and strengthening its core.

With a vision to become one of the best SME friendly banks in the country, Bank is working on various strategic initiatives such as streamlining our products and processes, and thereby, implementing such ascendencies. The Bank has simultaneously focused on reaching out to all the potential customers by leveraging branch channel(s).

Bank has also created a hub-and-spoke model, thereby identifying 42 key [hub] branches which can be collectively termed as 'SME Branches' linking 220 spoke branches respectively. In addition to this, one key aspect of the strategy is to work on simplifying the policies and processes through advanced technological enablement.

The SME franchise of the Bank plans to focus on 'product per customer' so as to improve the client level profitability by working closely with all customers through a robust relationship management structure that would focus on portfolio Hygiene and wallet share.

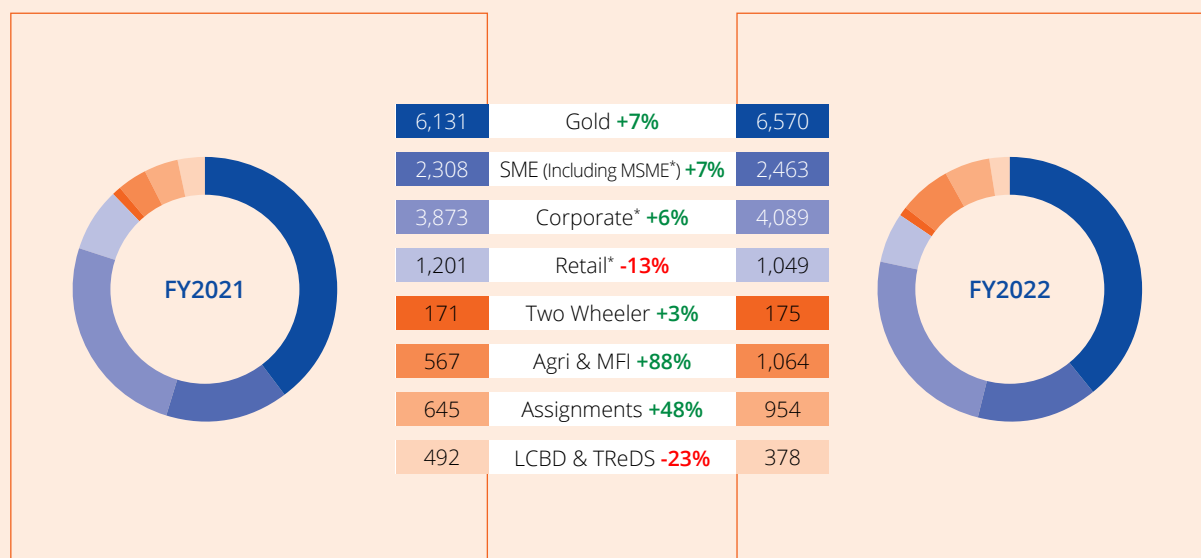
With India emerging as one of the leading economies of the world aiming to become a US\$ 5 trillion economy, major impetus is being given to strengthen the SME sector.

Bank's SME business has a traditional sourcing model driven through RM – SME, Portfolio Managers – SME and Relationship Executive – SME. This structure is steered by SME Cluster Heads/ Regional heads. SME business are driven in 42 SME hubs primarily through 220 identified branches. Under SME banking, the Bank offers a wide range of products including term loans, working capital loans, invoice/bill discounting, letters of credit and bank guarantees.

Broadly Bank's SME strategy and initiatives are getting revolved around few major areas as shown below:

- Leverage Branch distribution channel to increase SME business penetration and align with market.
- Focus on building market aligned Products and processes to deliver hassle free financing to SMEs.
- Providing superior Customer experience by continuing to work on simplifying processes and

Classification of Gross Advances Portfolio (₹ in crore)



*Figures for FY 21 post re-classification

improving the overall ecosystem through adoption of class leading technology solutions.

- Segment & industry based lending approach.
- Create robust analytics & data support to help business.
- Focus on increasing wallet share and profitability at Customer level by offering customized solutions through superior relationship management.

Your Bank continues to stay committed to bring in new product and processes for supporting SMEs and some of recent initiatives in the front are shown as below:

- Parameterized products with segment and industry approach.
- Bank has launched Shubh Mangal Credit, a parameterized fast-track loan product with 3 variants: Smart OD, GST OD and Flexi OD to provide hassle free loan to small business including traders and manufacturers.
- Offering sector/industry specific business solution through partnering with industry trade bodies/ associations.
- Process improvement initiatives through technology enablement to enhance operational efficiency and improve turn-around time and ensure faster delivery to Customers.

The SME advances of the Bank (including MSME) stood at 2463 crore as on 31.03.2022 as compared to 2308 crore as on 31.03.2021, clocking a growth of 7 % during FY 22.

Integrated Treasury Operations

Domestic market transactions

During the first half of this financial year, domestic financial markets remained vibrant, mostly on account of easy liquidity conditions, accommodative monetary policies and forward guidance promising continuation of these policies despite the deadly impact of the virulent second wave of the pandemic in April. The Benchmark 10-year G-sec yield touched a low of 6.10 % in July aided by a lower than expected inflation print for June. During the second half of the financial year, G-sec yields started hardening driven by higher international crude oil prices, domestic inflation and rise in government bond yields in major economies including the US. During the end of the Second half year, yield firmed up further on higher-than-expected indicative calendar of market borrowings of State Governments/Union Territories and the planned market borrowings by the Centre indicated in the Union Budget 2022-23. Sharp rise in US yields and soaring international crude oil and other commodity prices over escalating geopolitical tensions also impacted yields. The cancellation of two consecutive central government bond auctions in March, however, mildly tempered the domestic yields and 10 year Bench mark closed at 6.84%.

Equity market scaled new highs in the first half, lifted by the gradual normalisation of economic activity post the second wave, strong corporate earnings, and pick-up in the vaccination drive. The exuberance in the equity market was also reflected in the IPO segment. Domestic equity markets corrected marginally in second half on account of high volatility triggered by the outbreak of the

Omicron variant of COVID-19, hawkish monetary policy stances of global central banks, elevated crude oil prices and escalating geopolitical tensions. Domestic equities witnessed sharp selloffs in the second half of February and early March 2022 over Ukraine-Russia tensions but recovered in the second half of March. The BSE Sensex gained 18.29% in FY 22 to close at 58,568 and NIFTY gained 18.89 % to close at 17,464 levels.

During these challenging market situations, Bank's Integrated Treasury at Mumbai successfully managed the investment and trading operations of the Bank, proactively managed the liquidity position and maintained Statutory Reserve requirements at optimal levels. The Fixed Income & Money Market Desk at Integrated Treasury actively traded in Government securities, Certificates of Deposits, Commercial Paper, Corporate Bonds & Debentures and Alternate Investment Instruments maximising the Bank's trading profit. In view of rising inflationary trends and consequently upward movement in the interest rate, the Bank has repositioned its investment portfolio to take advantage of the expected spike in yield leading to a gradual increase in interest income and also resulting in avoiding provisioning requirement on the investment portfolio.

The Equity desk undertook equity trading operations and participated actively in select IPOs and contributed to Banks revenue. Treasury has raised low cost resources through borrowings from money markets, including issuance Certificate of Deposits. Arbitrage opportunities in Money markets and Forex markets were also utilised which further added to Bank's revenue.

Bank made a profit of ₹ 17.77 crore on sale of investments during the FY 2021-22.

Foreign exchange transactions

The Indian rupee (INR) exhibited two-way movements in first half where it traded with a depreciating bias in April 2021 and touched INR 75.32 per US dollar on April 15 amidst FPI outflows and appreciation of the US dollar. The depreciating bias quickly reversed as FPI flows rebounded with a sharp fall in domestic COVID-19 cases and a weakening US dollar. By May 28, the INR appreciated to INR 72.31. In the following months, Rupee depreciated amidst FPI outflows, the strengthening US dollar, increasing market expectations of a faster than anticipated monetary policy normalisation by the US Fed, rise in crude oil prices and escalating geopolitical tensions, touching a low of INR 76.97 per US Dollar on March 7, 2022. The INR reversed some of these losses in the subsequent days with the correction in crude oil prices and closed at INR 75.79 on March 31, 2022. The forward premia have largely remained stable and closely aligned to the interest rate differential.

Forex Merchant Desk of the Integrated Treasury provided centralised cover operations for exchange positions

originating from branches and also extended advisory services to Corporates, SME and MSME customers for effective management of their foreign exchange exposures. The proprietary trading desk of the Integrated Treasury is active in forex trading operations in various major currencies. The desk also utilises arbitrage opportunities available between domestic and overseas markets augmenting Bank's revenue.

During the financial year 2021-22, the Bank earned an income of ₹ 11.82 crore from foreign exchange operations. Of the total income earned, exchange profit accounted for ₹ 8.71 crore and commission from forex transactions accounted for ₹ 3.11 crore.

Bancassurance

Bancassurance provides the customers with a complete financial solution based their specific need. It provides a one stop solution to the customers wherein they can get their insurance products along with a combination of other financial services under one roof. Providing integrated financial services strengthens customer relationships and builds better customer loyalty and retention levels. Bancassurance further generate risk-free income for the banks in the form of the commissions from insurers. The Bank has Corporate Agency tie ups with seven insurers for distribution of Life insurance, General insurance and Standalone Health insurance, as per the open architecture.

Life Insurance

The Bank is providing a wide range of insurance products across various segments of the customers. Various life insurance products help in catering to different requirements of policy holders, helping them to cover for risk of loss of life, along with long-term savings, goal-based planning and tax savings benefit. The Bank acts as a Corporate Agent with M/s. Edelweiss Tokio Life Insurance Company Limited, M/s. ICICI Prudential Life Insurance Co. Ltd. and M/s. HDFC Life Insurance Co. Ltd. for life insurance. In FY 2021-22, overall Life Insurance grew by 84% with a premium of ₹ 140.15 Crore against ₹ 76.11 Crore in the corresponding previous Financial Year. The Life Insurance income grew by 69% over the previous year with a revenue of ₹ 32.72 crore against ₹ 19.39 crore in the corresponding previous financial year.

Non-Life Insurance

The Bank has tied up with M/s Aditya Birla Health Insurance Co. Ltd. as our Standalone Health Insurance partner in FY 2021-22. The Bank is providing our customers varied Non-Life Insurance options ranging from Fire and Allied Perils, Motor, Health, Marine, Asset, Travel Insurance, etc. The Bank acts as a Corporate Agent with M/s. Reliance General Insurance Company Ltd., M/s Go Digit General Insurance Co. Ltd., M/s. ICICI Lombard General Insurance Company Ltd., for offering new and

innovative general insurance products and M/s Aditya Birla Health Insurance Co. Ltd. for health insurance. In FY 2021-22, overall Non-Life Insurance grew by 119% with a premium of ₹ 11.86 crore against ₹ 5.42 crore in the corresponding previous Financial Year. The Non-Life insurance income grew by 73% over the previous year with a revenue of ₹ 0.76 crore against ₹ 0.44 crore in the corresponding previous financial year.

Overall Bancassurance income grew by 69% over the previous year with a revenue of ₹ 33.48 crore as against ₹ 19.83 crore in the corresponding previous Financial Year.

FINANCIAL PERFORMANCE WITH RESPECT TO THE OPERATIONAL PERFORMANCE

Pursuant to the requirement of Master Direction on Financial Statements - Presentation and disclosure issued by RBI dated August 30, 2021, 'Provision for Depreciation on Investments' hitherto classified as part of 'Provisions and Contingencies' have been netted off in 'Profit on Revaluation of investment' under 'Other Income'. Bank has also changed the classification of recoveries from written off accounts included as part of 'Other Income' as a credit to 'Provisions and Contingencies' and there is no change in the Net Profit for the previous period. Accordingly previous year's figures have been regrouped and reclassified wherever necessary to conform to current year's presentation.

During the fiscal 2021-22, the Interest income rose to ₹ 2,038.31 crores as against ₹ 1,872.29 crores of previous fiscal, reflecting growth of 8.87%. Interest expenses decreased by 4.93% and stood at ₹885.01 crore as against the previous year figure of ₹930.91 crore. Even though there is increase in the amount of deposit, the decreased cost of deposit resulted in reduction in interest expense. The Net Interest Income increased to ₹1153.30 crore from ₹941.39 crore y-o-y growth of 22.51%. Non-Interest Income decreased from ₹303.13 crore to ₹246.80 crore in FY22 due to decrease in treasury income. Non-interest income other than treasury income increased by 16.97% from 201.17 crore to 235.30 crore for the year ended March 31, 2022.

For the year ended March 31, 2022 the Net Interest Margin of the Bank rose by 46 basis points from 4.81% to 5.27%, compared to the previous fiscal.

Your Bank reported an Operating Profit of ₹613.72 crore compared to ₹ 515.52 crore in the previous fiscal, reported an increase of 19.05%. The increase was primarily due to increase in the net interest income.

Operating Revenue of your Bank reported a y-o-y growth of 5.04% and stood at ₹ 2,285.11 crore as against previous year figure of ₹ 2,175.42 crore. The operating

expenses increased to ₹786.38 crore from ₹729.00 crore reporting an increase of 7.87% mainly on account of increase in expenses under business correspondent (MFI) tie ups.

Your Bank has posted a Net Profit of ₹ 458.49 crore in FY 2021-22 as against Net Profit of ₹218.40 crore in FY 2020-21. The increase in profit was mainly on account of increased yield on advance and decrease in cost of deposits.

Cost Income ratio of the Bank improved to 56.17% in the year ended March 31, 2022 compared to 58.58% of the previous year.

The Return on Assets was 1.90 % at the end of the fiscal under report as against 0.99 % in the previous fiscal.

The Earning per Share (EPS) and Book value of share as on March 31, 2022, stood at ₹26.43 and ₹152.83 respectively as against ₹12.59 and ₹125.67 as on March 31, 2021. The Bank's Return on Equity improved to 21.28% as against 12.48 % for the previous fiscal FY 21.

Income

Total income of the Bank has increased by ₹109.69 crore and stood at ₹2285.11 crore as on March 31, 2022. Net Interest Income of the Bank increased to ₹ 1,153.30 crores from ₹941.39 crores registering a growth of 22.51%. Yield on advances increased to 11.21% in FY 2022 from 10.97% in FY 2021 and cost of deposit decreased from 5.07% in FY 2021 to 4.31% in FY 2022.

Non-Interest Income decreased from ₹303.13 crore to ₹246.80 crore in FY22 due to decrease in treasury income. Non-interest income other than treasury income increased by 16.97% from 201.17 crore to 235.30 crore for the year ended March 31, 2022.

Expenditure

The interest expenditure reduced from ₹930.91 crore in FY 2021 to ₹885.01 crore in FY 2022, registering decline of 4.93%. The decline in cost of deposit resulted in reduced interest expenses even though the total amount of deposit has increased in the FY 2022 on comparison with FY 2021. Operating expenses increased from ₹729.00 crore in FY 2021 to ₹786.38 crore in FY 2022 mainly on account of increase in expenses under business correspondent (MFI) tie ups. Cost of Deposits decreased to 4.31% in FY 2022 from 5.07% in FY 2021.

Key Financial Ratio

- (a) Details of significant changes (i.e. change of 25 % or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor or sector specific equivalent ratios, as applicable are given below:

Particulars	March 31st 2022	March 31st 2021
Capital Adequacy Ratio (CRAR)% Basel – III	25.90	21.37
Earnings per share (in ₹)	26.43	12.59
Book value per share (in ₹)	152.83	125.67
Net Interest Margin%	5.27	4.81
Cost–Income Ratio%	56.17	58.58
Return On Assets (ROA)%	1.90	0.99
Return On Equity (ROE)%	21.28	12.48
Gross NPA %	1.81	2.68
Net NPA %	0.68	1.17
Leverage Ratio	9.12	8.11
Interest Income as a % to working funds	8.47	8.51
Operating profits as a % to working funds	2.55	2.34

Capital Adequacy ratio increased to 25.90% compared to 21.37% due to increase in capital fund from ₹ 2100.58 crores to ₹2581.39 crore.

Net Interest Income (NII) increased from ₹ 941.39 crore to ₹1153.30 crore due to improved yield on advances and reduced cost of deposits. Improvement in net interest margin contributed to improved net profits. Resultant to which the EPS, ROA, ROE, Leverage ratio and Book value per Share have progressed upward. Increase in NIM also helped to reduce the cost to income ratio of the current year even though the operating costs have risen by 7.87%. Growth in standard advances and recovery of Non Performing Advances contributed to reduced Gross NPA % and Net NPA %.

- (b) Details of any change in Return on Net worth as compared to the immediately previous financial year along with a detailed explanation thereof.
- Return on net worth increased to 21.28% from 12.48% of the previous year on account of increase in net profit from ₹218.40 crore as on March 31, 2021 to ₹458.49 crore as on March 31, 2022.

DISCLOSURE OF ACCOUNTING POLICY

The significant accounting policy of the Bank is mentioned in Schedule 17 of the financial statements.

The Bank has followed the same accounting policies in the preparation of these financial results as followed in the annual financial statements for the year ended March 31, 2021, except policy on NPA recovery and policy related to accounting of the share-linked instruments, issued under the employee stock option scheme of the Bank.

Previously, recovery in NPA was first appropriated towards interest and balance, if any, towards principal, except in the case of Suit Filed Accounts, sale to Asset Reconstruction Companies and accounts under one time settlement where recovery was appropriated based on the court decree/terms of agreement. From May 01, 2021, the Bank amended the policy on NPA recovery to appropriate recovery on all NPA first towards principal and balance if any towards interest. Impact of the above change in the financial results for the quarter and year ended March 31, 2022, is not material.

Reserve Bank of India, vide its clarification dated August 30, 2021, on Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff, advised all the banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending March 31, 2021. 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 March 31, 2021. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model and is recognised as compensation expense over the vesting period. The Bank granted 6,18,286 stock options since April 1, 2021, under its Employee Stock Option Scheme, 2019 and as a result, provision for 'Employees cost' for the year ended March 31, 2022, is higher by ₹2.47 Crore and with a consequent reduction in profit before tax by the said amount.

NPA MANAGEMENT

Covid-19 has led to significant structural and behavioural changes in the form of social distancing, drive for economic rejuvenation and increased regulatory and government interventions. These changes, such as disruptions to physical operations, impact on asset quality and liquidity have posed challenges to the Indian banks across key functions.

However, our Banks have remained resilient amid the pandemic recording an improved asset quality and a decline in NPA ratios. According to an RBI report, the asset quality of Indian banks is strong enough to mitigate and handle future shocks arising out of any future outbreaks of Covid 19 variants. The probability of a decline in bad loans still remains high since banks have been able to manage stress in their asset portfolio to a great extent in the worst possible circumstances.

Your Bank's increased focus on prevention of fresh slippages and recovery of NPAs through intensive recovery actions despite the adversities have paid rich dividends in the area of NPA recovery and containment. Through effective persuasion, encouraging compromise/ one time settlements, initiating and taking forward recovery steps to the extent possible, the bank could

upgrade / recover substantial amounts locked up in Non-Performing Assets during the year.

The initiatives taken by the Bank have resulted in cash recovery and upgradation of NPAs to the tune of ₹82.12 Crore and ₹45.63 Crore respectively during the year. The Gross NPA level of the Bank as on March 31, 2022, stood at a level of ₹289.51 Crore as compared to ₹393.49 Crore in the corresponding period of the previous financial year. The Gross NPA and Net NPA ratios are at 1.81% and 0.68% respectively as against 2.68% and 1.17% respectively, in the previous financial year. The Provision Coverage Ratio (PCR) as on March 31, 2022, improved to 89.65% from the level of 84.89% in the previous year.

Further, during the period under review, your Bank could recover ₹77.14 Crore from the prudentially written off portfolio. Interest recovery during the period amounted to ₹18.13 Crore.

Your Bank would continue to focus on arresting fresh slippages through close monitoring and recovery of NPAs by initiating appropriate and timely recovery steps.

RISK MANAGEMENT

Overview –

A robust risk management system ensures long-term financial security and stability. The overall responsibility of setting our risk appetite and effective risk management rests with our Bank's Board.

The Board focuses on

- Approving and relooking Risk Management Framework and policies, which are subjected to review and up-gradation on an ongoing basis, in tune with regulatory guidelines and best practices in the Industry.
- Assessing the effectiveness of the risk mitigation plan implemented by the Integrated Risk Management Department.
- Providing strategic guidance on various initiatives undertaken / to be undertaken by us towards management and mitigation of various risks.

The Integrated Risk Management Department is headed by a Chief Risk Officer who coordinates various risk management functions of the Bank. The Bank has a well-experienced risk management team with specialized knowledge in various areas to handle the risk management functions. Our team of professionals possess relevant industry expertise in varied verticals, which are paramount to our Bank.

The objective of risk management is to have an optimum balance between risk and return. The Risk Management functions of the bank focus on taking a risk by choice rather than by chance. The Bank has aligned its business strategies to a Risk Appetite Framework to maximise

return on capital. A risk related pricing structure has thus been made operative to handle the pricing of loans to evaluate returns vis-à-vis risks assumed. The Bank has put in place a robust Risk Appetite Framework and has various business tolerance levels in sync with Business plans. The framework ensures business heads operate within the guardrails of risk management. The major risks are credit and market risks, including the interest rate and liquidity, information and cyber security, and other operational risks. Bank has established robust policies, procedures, methodologies, and frameworks to manage material risks systematically.

The Bank has a proactive approach to risk management. Its risk philosophy involves developing and maintaining a healthy portfolio within its risk appetite and regulatory framework. The Bank has policies and procedures to measure, assess, monitor, and manage risks systematically across all its portfolios. The Bank is committed to creating an environment of increased risk awareness at all levels. It also aims at constantly upgrading risk controls and security measures, including cyber security measures, to ensure avoidance or mitigation of various risks.

The Chief Risk Officer reports directly to the MD & CEO / Risk Management Committee (RMC) of the Board. Risk Management is a Board driven function in the Bank with the Risk Management Committee (RMC) at the apex level supported by operational level committees of top executives for managing various risks.

The Board of Directors of the Bank approves the Risk appetite and Risk policies for the Bank. The RMC supervises the implementation of the risk strategy and policies, reviews the level and direction of risk, prudential ceilings, and portfolio diversification and monitors the risk reporting. The risk strategy and policies are effectively communicated to all branches and offices of the Bank.

The Integrated Risk Management Department coordinates and administers the risk management functions in the Bank. The Risk Department has four divisions for managing the main risk streams, Credit Risk, Market Risk, Operational Risk and Information Security Risk. Dedicated teams within the divisions are responsible for assessing, monitoring, and reporting various material risks.

Credit Risk:

Credit Risk is managed through a Board-approved framework that sets out policies, procedures and reporting in line with international best practices.

Mitigation:

The Credit Risk Management Committee (CRMC) oversees the credit risk function in the Bank. In line with its asset quality management objective, Bank strives to maintain a strong asset quality through disciplined credit risk management. Bank has a well-defined credit

appraisal mechanism and risk assessment practices for identification, measurement and monitoring. Bank has various instruments for credit risk management, including credit risk management policies, Credit approval Committee, Prudential exposure limits, Risk Rating system, Risk-based pricing and Portfolio Management.

Bank has a well-defined internal rating /scoring models for SME, MSME, Retail and Corporate Credit Risk Assessment. The major part of the internal rating is carried out by expert rating models provided/vetted by CRIS, the subsidiary of CRISIL.

Segment-wise and borrower category-wise exposure limits are fixed and monitored by the Bank to address concentration risk. Bank has a standardised and well-defined approval process for all advances and adopts a committee approach for credit sanctions, and has approval committees at various levels.

The Bank has various credit risk mitigation measures such as exposure limits for single and group borrowers, exposure limits for sensitive sectors, benchmark financial ratios, hurdle rates, etc.

Bank has also put in place Altman's Z score models to know the strength and weaknesses of credit proposals.

The Bank is implementing Centralized Rating Solutions by CRISIL (CRISIL RAM), hosting rating models in a web-based solution and revamping rating models. The upgrade will enable the bank to smoothen the rating process and adopt the best industry practices.

Market Risk:

Market risk arises mainly from Bank's statutory reserve management and trading activity in interest rate instruments, equity and forex markets. The Bank has a well-developed framework comprising Board-approved policies and established practices for managing market risk. The Bank has set its risk appetite and Value-at-Risk limits to measure and control interest rate, equity price, forex, liquidity, and other market-related risks.

Market risk addresses the risk that the value of 'on' or off-balance-sheet positions will be adversely affected by changes in market interest rates, currency exchange rates, equity and commodity prices and the possibility of resultant loss to the Bank. The focal point of market risk management is to assist the business verticals in maximising risk-adjusted return by providing analytics-driven inputs regarding market risk exposures, portfolio performance vis-à-vis risk exposures and comparable benchmarks.

Bank to measure and control market risk, interest rate risk, equity price risk and forex risk, the bank uses various tools like stress testing, modified duration, PVBP, VaR, position limits, stop-loss limits, NOOP limits, AGL etc. Bank has established an independent Mid-Office at the floor

of Treasury, as part of Market Risk Management Division, which reports directly to the Head of Market Risk and functions as the risk control unit for the treasury activities.

Mitigation:

The Mid Office scrutinises the treasury deals and transactions from the market and operational risk perspectives. The Bank has put vibrant policies for the smooth conduct of businesses exposed to market risk and effective management of all market risk exposures.

The policies and practices also monitor and control liquidity risk arising out of its banking book, trading book, and off-balance sheet exposures.

The capital charge for market risk is currently computed under the Standardized Duration Approach. Value-at-Risk (VaR) is used to monitor Bank's trading portfolio risk. According to Bank's policy prescriptions, the VaR and Stressed VaR for market portfolios are monitored periodically.

Liquidity & Interest Rate Risk:

Liquidity risk is the potential inability to fund an increase in assets, decrease in liabilities or meet obligations as they fall due without incurring unacceptable losses. Interest rate risk is the chance that a change in interest rates will negatively impact the value of an investment. Liquidity risk is monitored through Liquidity Coverage Ratio (LCR), Structural Liquidity Statements, Dynamic Liquidity Monitoring, Liquidity Ratio Analysis, prudential limits for negative gaps in various time buckets etc.

Interest rate risk is the risk where changes in market interest rates affect our earnings through changes in our net interest income (NII) and the market value of equity through changes in the economic value of our interest rate sensitive assets, liabilities and off-balance sheet positions. Interest rate risk on Trading Portfolios is monitored daily through Market Risk Measurement tools such as VaR, PV01, etc.

Mitigation:

- Our Asset Liability Management Policy provides a framework for managing liquidity risk and interest rate risk. The Bank has approved risk appetite limits and other liquidity and interest rate risk tolerance limits. Further, our Bank has the necessary framework to manage intraday liquidity risk.
- Bank's Asset Liability Management Committee (ALCO) is responsible for monitoring adherence to liquidity risk and interest rate risk limits.
- While the maturity gap and stock ratio limits help manage liquidity risk, assessing the impact on the net interest income and economic value of equity help to mitigate interest rate risk. This is

complemented by a stress testing program covering liquidity and interest rate risk.

- Bank also undertakes various studies to assess the behavioral pattern of non-contractual assets and liabilities and embedded options available to customers, which are used while managing maturity gaps.
- Liquidity Coverage Ratio (LCR), a global standard to assess an organization's ability to meet its payment obligations, is used to measure a bank's liquidity position. LCR level ensures that we have adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash quickly and immediately to meet the liquidity needs under a 30-day liquidity stress scenario. Based on Basel III norms, RBI has mandated banks to maintain a minimum LCR of 100 % from Jan 1, 2019.
- The Bank has a healthy Contingency Funding Plan (CFP) for taking action to ensure that the Bank has adequate liquid financial resources to meet its liabilities as they fall due. CFP is also periodically reviewed.
- RBI has also mandated a minimum Net Stable Funding Ratio (NSFR) of 100 % from Oct 1, 2021. NSFR indicates that the Bank maintains a stable funding profile regarding the composition of its assets and off-balance sheet activities. As a prudent risk management practice, the Bank has monitored this ratio and is adequately prepared to adhere to RBI mandated requirements.

The Bank has also put in place a Stress Testing policy wherein sensitivity/scenario analyses are carried out to know the impact on PBT and Net-worth of the Bank. Back testing of stress-tested results ensure the efficacy of the Stress Testing Model.

During FY 2021-22, we have introduced a new model to assess the behavioural pattern of non-maturity deposits. Other features include automation of bucketing of Off-Balance sheet exposures based on data analytics and behaviour, Regulatory reporting of NSFR as per RBI mandated template.

Our Bank's Liquidity Coverage Ratio Dash Board throws light on the Top Management to gauge the Bank's liquidity position comprising availability of High-quality liquid assets and likely outflow of funds.

Operational Risk:

The Bank has a well-defined Operational Risk Management framework for effective management of Operational Risk in the organisation, whose implementation is supervised by the Operational Risk Management Committee (ORMC) and reviewed by the Risk Management Committee (RMC) of the Board.

Mitigation:

In conformity with RBI guidelines, the Bank has evolved a robust Operational Risk Management Policy. This policy provides the framework to identify, assess, monitor, control, and report operational risks arising from the failure of internal processes, people, systems and external events.

Key elements of the Bank's Operational Risk Management, among others, include timely Incident reporting, ongoing review of Systems and Controls, enhancing risk awareness through Risk & Control Self-Assessment (RCSA), and monitoring of Key Risk Indicators (KRIs) and aligning Risk Management activities with Business Strategy. The Bank created a repository of Internal Loss Data as part of Operational Risk Management and carried out Root Cause Analysis.

The Bank has a detailed Business Continuity Plan (BCP) to ensure continuity of operations at the Branches and Offices during disruptions. BCP enabled us to ensure minimum business disruption during the year's natural disasters, such as the floods in the southern part and the disruption caused by the COVID-19 pandemic.

As part of the Change Management framework, all new/modified products/processes are screened through the Product/Process Evaluation Committee (PEC), mainly from Compliance, Legal, Information Technology/Security, Accounts, Inspection & Audit and Risk point of view.

Climate Risk:

Climate change risk has become a crucial challenge to the financial industry. The Bank is committed to reducing the impact of climate change risk. It is consciously working towards sustainable development of its banking operations to achieve economic growth while maintaining the quality of environmental and social ecosystems.

Mitigation:

As a policy matter, to reduce the greenhouse effect, the Bank does not finance borrowers for setting up new units producing/consuming Ozone Depleting Substances (ODS) and small/medium scale units engaged in the manufacturing of aerosol units using Chlorofluorocarbons (CFC) which enables a reduction in the greenhouse effect.

Cyber Risk:

Cyber Risk can be defined as the risk of financial loss, disruption or reputational damage to an organisation resulting from the failure of its IT systems. These episodes include malicious cyber incidents (cyber-attacks) where the threat actor intends to harm (e.g. ransom ware attacks, hacking incidents, or employee data theft).

It pertains to online business activity such as Internet Banking, Mobile Banking, Electronic Systems and storage of sensitive information over computer networks. Common categories of Cyber Risk include

inter-alia, Hacker Attacks, Data Breach, Virus / Malware transmission and Cyber Extortion. Financial gain continues to be a primary driver of the most sophisticated criminal offences. It presents evolving challenges as criminal networks reinvest their revenue into developing more advanced capabilities.

Cyber Risk can drive up costs and impact revenue. It can harm an organisation's ability to innovate and gain and maintain customers. Cyber risk poses commercial losses and public relations problems, disruption of operations and the possibility of extortion. Cyber-attacks also expose an organisation to negligence claims, the inability to meet contractual obligations and a damaging loss of trust among customers. A data breach will affect the Bank's brand name and influence the customer's confidence in the Bank. Protecting key information assets is critical to the sustainability and competitiveness of business today. Financial institutions like banks are taking the front foot regarding their cyber preparedness.

Third-party risk and supply chain risk are also adding to cyber risk. Third-party risk is the potential threat to employee and customer data, financial information and operations from the organization's supply chain and other outside parties that provide products and services and have access to privileged systems. This is especially significant since often, these external parties do not have the same security standards and protection as our Bank holds and, as a result, are used as a conduit into the organization. Cybercriminals have become highly sophisticated and specific when targeting banks and their users. They often work to identify weak links that will enable access to highly confidential data, such as financials and customer data. Repeatedly organizations are breached due to the security weaknesses introduced by third parties that possess sensitive information or are granted access to systems.

Managing this risk is a crucial component of protecting companies' data and must be a continuous, real-time process that includes review, monitoring, and management of vendors throughout the entirety of the relationship.

Mitigation:

To safeguard the Bank from cyber threats and supply chain attacks, the Bank has set up the cyber security framework and follows multi-layered architecture for cyber defence mechanisms starting from endpoint security to perimeter security. The Bank has a strong incidence response team to detect and respond to cyber incidents. The Bank is continuously creating cyber security awareness among employees and customers. Risk assessment of IT assets and the third party is done regularly and gaps identified are fixed in a time-bound manner. Senior management and board-level meetings are conducted every quarter to analyse the Bank's security posture and mitigate the identified gaps.

Cyber Security Framework

Cyber security risks are products of three elements: threat, vulnerability and impact. The Bank has a holistic risk picture based on periodic vulnerability assessments and threat intelligence from advisory bodies such as CERT-In (Indian Computer Emergency Response Team) and IB-CART (Indian Banks – Centre for Analysis of Risks and Threats). The Bank has invested in advanced systems such as antivirus / anti-malware, threat protection, WAF, Anti-DDOS, PIM, NAC, NextGen firewalls, Web application firewalls, Email Security, Anti-APT with sandbox, DNS Security, API gateways and Endpoint detection and response in all the endpoints which have user behaviour analytics. Bank continues to invest in enhancing the overall effectiveness of the Bank's security posture to enable the Bank to prioritise and align its resources to detect and respond to cyber incidents quickly and prevent emerging cyber security risks. The bank is assessing the Bank's security posture by third parties like BitSight and STORMS. They have given an excellent rating for Banks' cyber security posture. Bank's IT, Information Security and data centres are ISO 27001:2013 certified.

Information Security Management Department is headed by Chief Information Security Officer (CISO) to address cyber security risks. As part of the cyber security framework, proactive security measures adopted by the Bank are Managed Security Operations Centre, advanced anti-phishing, anti-malware and anti-roguer services, Privileged Identity Management Solution, Web Application Firewall, Intrusion Detection and Prevention System for protecting network-level threats and for preventing unwanted and malicious network transmissions, Network Access Control which will allow only authorised users to connect to Banks network, Data Leakage Prevention solution to prevent data leakage, through email, web and endpoints, DDoS mitigation service to avoid the denial of services, DMARC & SPF protection to enhance the email security standards, Vulnerability Assessment and Penetration Testing, with dedicated VAPT tools like Tenable and Burfsuit, SSL encryption for data transfers, Deep Server Security to enhance security at server levels, API gateway Security Solution to authenticate and provide secure API connections, Email Security Solutions to strengthen email security using Anti –APT solution with sandboxing, Artificial Intelligence based SIEM, User Behaviour analysis based End Point Detection and Response (EDR) solution and dedicated VPN solution with security controls, Hard disk encryption and data leakage protection solutions at endpoint, network and email to vent data leakage etc. The Bank continues to invest in advanced technologies to enhance the systems to mitigate Zero-day threats.

The Bank is conducting VAPT by an external agency to identify the vulnerabilities and mitigate them. Information Security audits are conducted by an external agency every year to determine the vulnerabilities/ bugs in

various IT applications and mitigate them. An external agency does source code audits of critical applications to identify the vulnerabilities in the applications and necessary steps to minimise the same. To evaluate Bank's preparedness against cyber-attacks, Bank participated in the cyber-drill conducted by IDRBT.

To assess the security posture and incident response bank is conducting red team exercises to penetrate the systems by third party. Table top exercise related to Ransom ware is undertaken to determine the preparedness against ransom attacks, and necessary steps are taken to mitigate the same. Necessary measures are taken to assess third party and supply chain risk, and actions are taken to minimise the same. The Bank has always taken continuous steps to create cyber security awareness among employees and customers through training/ Newsletters/SMS/Emails. The information security team is conducting red team exercises like Phishing campaigns related to Ransom ware etc., creating and gauging the incident response and awareness among employees. Special cyber security awareness programs are conducted for Executives of the Bank (AGM and above) and the Bank's IT Team. Necessary communications for creating cyber awareness among customers are done through SMS/ Email and videos. A dedicated Fraud Risk Monitoring team is available to monitor customer transactions and report frauds in the customer accounts.

As part of the Bank's Cyber Security Policy and Cyber Crisis Management Plan, Bank has availed of Cyber Risk Insurance to cover any losses arising from cyber risks/ threats.

Disclosures

In compliance with the Reserve Bank of India guidelines on Basel II – Pillar 3 – Market Discipline, the Bank has put in place a Disclosure Policy duly approved by the Board of Directors and the disclosures on a quarterly / Half-yearly / Annual basis, as per the policy are displayed on the Bank's Website / Annual Report.

Compliance Risk:

Compliance risk is the risk of legal or regulatory sanctions, material financial loss, or loss of reputation which a bank may suffer due to its failure to comply with laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to its banking activities.

Compliance laws, rules and standards have various sources, including primary legislation, regulations and standards issued by legislators and supervisors, market conventions, codes of practice promoted by industry associations, and internal codes of conduct applicable to the staff members of the Bank will be the critical sources for compliance laws, rules and standards. These rules and standards may go beyond what is legally binding.

Compliance laws, rules and standards generally cover matters such as observing proper standards of market conduct, managing conflicts of interest, treating customers fairly, and ensuring the suitability of customer advice. They also include specific areas such as preventing money laundering and terrorist financing. They must contain transparency and disclosure norms and may extend to tax laws relevant to structuring of banking products or customer advice.

The Compliance Function envisages strict observance of all statutory provisions contained in various legislations such as the Banking Regulation Act, Reserve Bank of India Act, Foreign Exchange Management Act, Prevention of Money Laundering Act, etc., as well as to ensure observance of other regulatory guidelines issued from time to time; standards and codes prescribed by IBA, FEDAI, FIMMDA, BCSBI, etc., and also Bank's internal policies and fair practices code.

Mitigation:

A good Compliance Culture is built to maintain the reputation and win the trust of customers, investors and regulators. Such culture is an essential element in the safe and sound functioning of the Bank and, if not followed effectively, may adversely affect the Bank's risk profile. Compliance with core elements like following the laws, rules, regulations, and various codes of conduct and being in adherence with fair practice codes, managing conflict of interest and treating customers fairly to assist build a true Compliance Culture is ensured.

The Bank promotes awareness of compliance obligations and ethical values to maintain an appropriate compliance culture throughout its businesses. Compliance is not to be seen as an activity of the Compliance Department alone but as a culture that shall pervade across the Bank. As a part of the Compliance framework of the Bank, it is envisaged to embed compliance in every department of the Bank effectively as a part of the corporate culture that emphasises standards of honesty and integrity. The organisation holds itself to high standards when carrying on business and, at all times, strives to observe the spirit as well as the letter of the law.

Risk Appetite And Risk Management Practices:

The overall responsibility of setting the Bank's risk appetite and effective risk management policies and strategies rests with the Board of Directors. The Bank has put in place a vibrant Risk Appetite Framework. In tune with the guidelines of RBI, the Board has constituted a Risk Management Committee of the Board (RMC). The major risks namely Credit, Market, Liquidity and Operational risk are managed through following Sub Committees of RMC namely; Credit Risk Management Committee (CRMC), Operational Risk Management Committee (ORMC), Asset Liability Management Committee (ALCO) and IT Security Committee. The

Committees described above work within the overall guidelines and policies approved by the Board. Several meetings of Risk Management Committee (RMC) and executive-level risk committees have been conducted during the year.

COMPLIANCE WITH BASEL II AND BASEL III FRAMEWORK:

The Bank has been calculating capital ratios every quarter as per Basel III norms, along with Basel II norms, since April 1, 2013. The Bank has also been in line with the regulatory guidelines on Pillar I of Basel II and III Norms. It has computed the capital charge for credit risk as per the Standardized Approach and for market risk by the Standardized Duration Method. The capital charge for operational risk has been as per the Basic Indicator Approach.

Our Bank has put in place a robust Stress Testing Framework. It consists of a series of sensitivity and scenario tests on various risk areas like default risk, credit concentration risk, interest rate risk in the banking book, and market risk, among others.

BUSINESS CONTINUITY PLAN

The Bank is having a comprehensive Business Continuity Plan (BCP) to ensure continuity of critical business operations of the Bank identified through criticality assessment using Business impact analysis (BIA) at times of disruptions. In line with the Business Continuity Plan, Bank has constituted a BCP Committee incorporating the heads of all major departments to exercise, maintain and invoke business continuity plan as needed. A core team called Emergency Operation Team is also in place to act immediately upon a crisis and for the supervision of recovery under alternative operations arrangements during a disaster and the team ensures that the business functions are back to normalcy with minimum delay. During the pandemic, Bank was able to work seamlessly as Bank has BCP plans in place with defined BCP locations and resources for critical applications. Secured Work from home facilities are provided for critical teams. Disaster Recovery drill for the core banking system (CBS) and critical systems of the Bank is conducted at regular intervals to ensure the competence of the same during emergencies apart from undertaking periodical testing of recovery speed of critical applications from alternate locations.

INTERNAL CONTROL, INTERNAL AUDIT

A sound internal audit function plays an important role in contributing to the effectiveness of the internal control system. The audit function should provide high quality counsel to Board of Directors and Management on the effectiveness of risk management and internal controls including regulatory compliance by the Bank.

Internal Audit Department (IAD) performs independent and objective assessment to ensure adequacy, effectiveness and adherence to internal control systems and procedures laid down by the management, in safeguarding its assets and compliance of extant regulations.

In line with the latest RBI Guidelines related to Strengthening the Governance arrangements with regard to RBIA framework, Head Internal Audit reports directly to ACB. IAD which represents the third line of defence in the Internal Control system is independent of Business and Risk functions.

Key issues emanating from Audit Reports are discussed in the Audit Committee of the Board after discussing compliance and design level controls in the Audit Committee of Executives. ACB provides guidance and direction on improving the controls across the organisation.

Internal Audit carries out Risk Based Internal Audit of Branches / businesses / support functions as envisioned under Risk Based Supervision of RBI redirecting the scope of Internal Audit to assess the appropriateness and effectiveness of risk management processes and internal control systems in banks. While focusing on effective risk management and controls, in addition to appropriate transaction testing, the risk-based internal audit would offer suggestions for mitigating current risks and play an important role in protecting the bank from various risks.

Risk Based Internal Audit (RBIA) is conducted across the various units / businesses / branches as per the audit plan approved by the ACB. Bank's operations are subjected to Concurrent Audit by a large and experienced Chartered Accountant Audit firm to complement its Internal Audit function. Concurrent Audit of selected branches are done by Audit firm taking into account risk perception besides also covering critical functions like Treasury, Compliance, CPC - General, Credit Monitoring, Asset recovery and business functions like Two Wheeler finance, Retail Advances, Advances under SME & MSME ensuring coverage of all areas as prescribed by RBI. Synopsis of Concurrent Audit Reports for the entire Bank are placed before the Audit Committee of the Board.

Considering the high risk nature of Gold Loan, Gold loan audits were nearly doubled to 1271 in FY: 2021-2022 as against 555 Gold Loan Audits in FY: 2020 – 2021. These Audits identify gaps in appraisal & monitoring processes for prompt corrective actions are taken by management.

Internal Audit has helped to initiate offsite surveillance in six Business / line / Support verticals besides IAD also reviewing these areas. IAD has also carried out thematic audits of Critical ratios, NPA and Income Recognition norms and Internal Office Accounts during the year. Outsourced Vendors and Currency Chests of the Bank

are also subjected to audit at periodic intervals as per the extant guidelines.

Information System audits of critical areas in Information Technology including IT Governance, IT security, Critical applications, Vulnerability Assessments and Penetration Testing are also conducted periodically.

VIGILANCE FUNCTION

Vigilance Department of the Bank control the incidents of fraud in the Bank. The department covers the functions of preventive vigilance as well as investigations related matters. The frauds or suspected instances of fraud are detected through regular Internal Inspections, Surprise Inspections, Offsite Surveillance, Revenue Audits, Concurrent Audits, Preventive Vigilance Audits and Complaints from customers and other sources. Vigilance Department conduct a detailed investigation into the incidents with the permission of Managing Director & CEO. The synopsis of the investigation report will be submitted to the Managing Director & CEO for further action. If an element of fraud is recognized / suspected, the incident will be reported to RBI as fraud / suspected fraud. The Bank will also initiate actions to book the culprit and recover the amount. The Department will analyse the root cause of the fraud and suggests corrective measures for improving the systems & controls to avoid similar frauds in future. If lapses are observed on the part of Bank staff, explanations will be called from such employees. Examination of staff accountability is conducted after obtaining reply from the concerned staff. If disciplinary proceedings are to be initiated against the staff, the file will be transferred to the HR Department for further action. If third parties such as gold appraisers,

Chartered Accountants, valuers, legal advisors, etc., are involved in the fraud or lapses are observed on their part, explanations will be called from them. If their reply is not satisfactory and they are found accountable, they will be immediately removed from Bank's approved panel. In applicable cases, their names will be referred to IBA to include them in the Caution List of IBA.

Bank has appointed a Part time Advisor for advising the Bank in all Vigilance & Departmental proceedings related matters including processing of individual Vigilance and disciplinary proceedings cases. Advisor, Vigilance will also act as Chief of Internal Vigilance (CIV) of the Bank.

Vigilance Department plays a dynamic role and has implemented various steps in prevention of frauds. Preventive measures include spreading awareness on potential fraudulent activities and instigating a compliant environment among all employees of the Bank. Vigilance Department has started effective fraud prevention mechanism by conducting Preventive Vigilance Audits. Wherever deficiencies are observed, the same will be intimated to the respective branches and Zonal Offices for rectification and to avoid recurrence of similar deficiencies. In cases where there are severe deficiencies, explanations will be called from those responsible for such deficiencies. If their reply are not found satisfactory, the file will be transferred to the HR Department for initiating disciplinary proceedings against them.

Vigilance Department also issue caution advises on a regular basis on modus operandi of various frauds in the banking industry including that has happened in our Bank. This will enable the Branches / Offices to prevent similar kind of fraudulent attempts in future.

BRANCH EXPANSION PROGRAMME

As part of the branch expansion strategy/ plan of the Bank, your Bank has opened 100 branches in the financial year 2022. The Bank also had opened 100 more branches in the previous financial year as part of the same strategy.

96 out of the 100 branches opened were outside Kerala predominantly in Tamil Nadu, Andhra Pradesh and Telengana states and parts of Western India as part of the strategy of the Bank to expand beyond the home state to reduce the concentration risk. Newly opened branches since FY 21 have contributed to a total business of more than ₹1,750 Crores as on 31st March, 2022.

In addition to 100 new branches opened in 2021-22, as part of expanding network to cover more geographies and provide a national presence, the plans are afoot to open another set of new branches PAN India, targeting the locations with CASA, Gold, Agri and SME/MSME focus and the same is expected to be completed by the end of FY 2022-23.

WIDENING OF ATM NETWORK

During the year, your Bank installed 144 more new ATM/CRMs making the total to 459 onsite and off-site ATM/CRMs. For increasing the Security Controls at ATMs and for securing card transactions, multiple layers of security features were incorporated and EMV roll out has been completed in all Diebold and Vortex ATMs. With this, all ATMs of the Bank have become EMV complied. The Bank has implemented One Time Combination Lock for all ATMs. The newly opened ATM Kiosks are aesthetically designed with colour code and special ambience to increase customer pride, footfall and loyalty.

BRANCH AND ATM RATIONALISATION STATUS

During the financial year, your Bank has merged 9 existing branches with nearby branches as part of its rationalisation strategy and further re-located 34 ATM's in the same period of which 32 were replaced with CRM's and 2 ATM's were re-located due to low hits.

CURRENCY CHEST

Bank's Currency Chests are situated in Market Road, Ernakulam and Singanellur, Coimbatore. These chests are providing adequate support by supply of cash to branches and ATMs. The role of currency chest in providing effective and timely customer service is phenomenal.

Currency Chests play a vital role in adhering to Clean Note Policy of RBI and help branches to accept soiled and mutilated notes from general public and from customers over the cash counters.

TECHNOLOGY ADOPTION

As part of Digital Banking initiatives, your Bank has successfully completed many new Projects and Enhancements in the current financial year. Listed are a few of the major projects and change requests of the year 2021-22, and also provided a quick glance on some of the important projects which were taken up in the current financial year and work is in progress.

1. Video KYC based Account Opening

Video KYC / V-CIP is an alternate method of Customer Identification / KYC verification with facial recognition and the application also has account opening feature, where the customers can open a full KYC compliant account – without visiting the branch. Solution is deployed in Bank's own server. Application interacts with core banking using the API integration. Solution went live in Q4 and will be used widely across the Bank in FY23.

2. CSB Bank e-Mandate (NACH) solution

Our customers can authorize their NACH mandates (EMI requests) electronically through Debit Card/Net Banking (Both Sponsor & Destination module). NACH application Integrates with NPCI and uses banks debit card/net banking application for authorization by using API integration. We are the first Bank in the industry to go live with the new flow of E-Mandate registration through Debit card authentication i.e., the card details are captured in the NPCI page itself, instead of redirecting to the destination Bank's webpage for debit card authentication, thus significantly reducing the cycle time for the E-Mandate setup.

3. Neo Account Opening application

This is digital customer account opening solution. This is key account opening solution for the bank. We are opening approximately 700-900 accounts per day using this application. About 1.3 lac accounts have been opened so far using the Neo account opening application.

4. Multifactor authentication for fund transfer in Retail net banking

To enhance the security of fund-transfer in retail net banking, multi factor authentication has been introduced – where an OTP will be sent to customer's mobile number for validating the transaction during fund transfer.

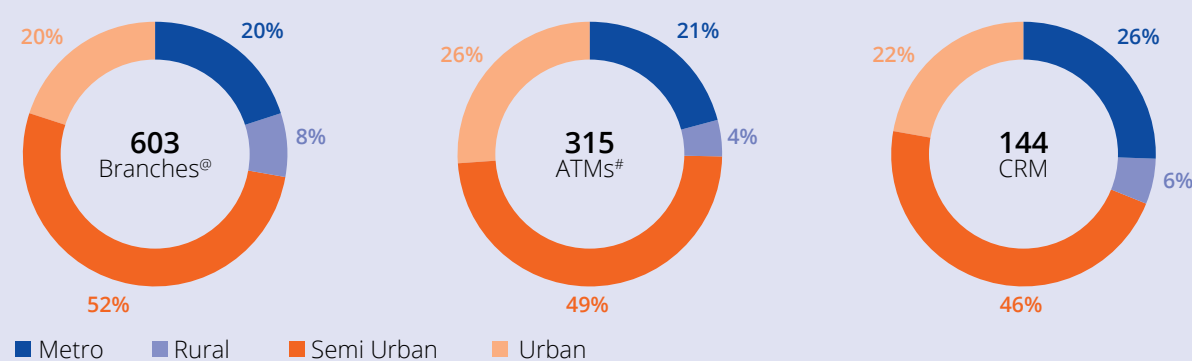
5. Recent and Favourite transactions in net banking

We have launched a new feature in net banking for doing the fund transfer in just 2 clicks, which will allow the customers to complete the

BRANCH AND ATM NETWORK STATUS

In the Financial year 2021-22, Bank has expanded its outreach to the customers by opening 100 new branches and 144 ATMs/CRMs at various locations, pan India. As on 31.03.2022, the Bank has 609 branches including 3 service branches, 3- Asset Recovery Branches and 459 ATMs/CRMs spread across 16 states and 4 union territories.

The Bank's branch and ATM network as on March 31, 2022 is given below:



@Excluding: 3 – Service Branch & 3- Asset Recovery Branch | 9 - Branches Merged in the FY 2021-22
#34 ATM's were re-located in the FY 2021-22

transaction faster. Customer can choose the recently performed transactions or they also have an option to mark some transactions as favourite. Rest, it is just two more clicks for entering the transaction password and OTP to complete the transaction.

6. Intra Bank Fund Transfer in ATM

Intra Bank Fund transfer (IFT) is enabled in CSB Bank ATMs, which can be used for sending money with in CSB Bank account holders.

7. IMPS in ATM

We have the IMPS fund transfer feature already available in mobile and internet banking. Now it is extended to one more channel – ATM. Customers can instantly transfer money to beneficiary using any of the CSB ATM through IMPS.

8. STOP CHEQUE in ATM

Stopping issued cheque is now easy as customers have one more option for stopping the issued cheque using any of the CSB ATMs. Customers need to provide the reason of stopping the cheque like stolen/lost/incorrect entry/insufficient funds, etc.

9. Cardless Cash Withdrawal in ATM

CSB customers can withdraw cash from CSB ATM, without carrying the physical card by enabling cardless withdrawal transaction in CSB mobile banking. Withdrawal transaction can be performed with Reference number and secret key.

10. CASH Deposit

Now CSB customer can deposit money using Cash Recycler machine. This is one of value added services for our customer to reduce waiting time in branch.

11. Quick Pay in Mobile Banking

Customers will be able to do the fund transfer without adding the beneficiary. Maximum up to 2000/- is allowed to transfer in a single instance.

12. Card Tokenization

Using this mandate service, card details will not be saved anywhere for E-Commerce transaction. Customer can save the card using token value and do the secured E-Commerce transaction.

13. Rupay E-Commerce with BEPG (Bharath E-Commerce Payment Gateway)

BEPG is one of the NPCI Mandate project, which will pass Secured E-Commerce transaction details

to bank Network with Merchant Name, Amount and Currency code. This is server-to-server communication to avoid transaction failure in Redirection Methods.

14. IIFL Gold Loan

We have provided the solution for opening gold loan accounts in CSB, which are sourced in the IIFL platform. Account opening happens using the Gold Loan APIs, which are hosted in Datapower.

15. Online Dispute Resolution system

A system for online dispute registration is developed in house as per the RBI mandate, the portal brings the transactions from the core banking and allows the customer to mark a specific transaction from the list as fraud. Data will be passed to automatic reconciliation system developed by AGS using API.

Cyber Security Framework in Banks vide notification dated 2nd June, 2016 issued by RBI.

As per the Cyber Security Frameworks in Banks, the Bank implemented the following measures:

- The Bank has also formulated Cyber Security Policy and Cyber Crisis Management Plan. The policy will highlight the risks from cyber threats and the measures to address/mitigate these risks. These policies are reviewed by the Board annually.
- The Bank has also identified the inherent risks and the controls in place to adopt appropriate cyber-security framework.
- To improve the Security posture of the Bank, implemented Managed-Security operation centre, Anti- phishing, Anti-malware and Anti-Rogue services, PIM (Privileged Identity Management) solution, Active Directory, Intrusion Detection and Prevention System, Network Access Control, Data leakage Prevention system, Deep Server Security, End Point Detection and Response, DDOS (Distributed Denial of Service) Mitigation Appliance, Refreshed internal and external firewalls at DC and DR with next generation Firewalls, Implemented Link load Balancers for Internet leased lines at DC and DR, Upgrade of Link Load Balancer for replication links at DC and DR, implemented email security with Barracuda gateway and Anti-APT solution, implemented DDI solution(DNS, DHCP, and IPAM), API gateway security solution is implemented, Hard Disk encryption to prevent data leakage, etc.
- Conducting VAPT by an external agency every half year to identify the vulnerabilities and mitigating

them. Conducting Information Security Audit by an external agency every year to identify the vulnerabilities/bugs in various IT applications and mitigating them. Conducting Source code audit of critical applications by an external agency to identify the vulnerabilities in the applications and mitigating them. Internal team is also conducting vulnerability assessment of servers and the vulnerabilities identified are mitigated by regularly patching the system.

- Red team exercises are conducted frequently by external agency to assess the security posture and incident response of the Bank. Table top exercise related to Ransom ware is conducted to assess the ransom ware preparedness of the Bank and necessary action plans are defined to mitigate the gaps.
- Bank is participating in the cyber drills conducted by IDRBT to assess the security preparedness of the Bank.
- Bank has taken cyber insurance to mitigate the residual risk.
- Bank implemented Managed Security Operation Centre (SOC) and logs are collected from all critical systems to correlate and identify the cyber-attacks. All the critical alerts generated from SOC are being reviewed and appropriate action is being initiated to close the alerts regularly.
- All Public facing applications' traffic is routed through Web Application Firewall and any malicious traffic is quarantined.
- Bank is continuously educating its staff and customers on precautions to be taken while performing online transactions through SMS/ E-mails/Newsletters, etc. Phishing exercises are being conducted to test the Cyber Security awareness among the employees and also guiding the employees on DO's and Don'ts.
- Role based cyber security training programs are conducted. Separate training programs are done for executives of the Bank (AGM and above).
- Bank's Senior executives and directors have attended cyber security program conducted by IDRBT.
- Bank is assessing the security posture by external rating agencies like Bitsight and STORMs and agency has given excellent rating to the Bank based on their assessment.
- Bank security controls are in alignment with CIS controls

STRATEGY FOR DIGITAL PENETRATION AND CUSTOMER ENGAGEMENT

Digital Banking products have played a key vital role in providing convenient and cost-effective 24*7 banking facility to the customers and thereby providing customer stickiness to brand CSB. Your Bank has been introducing a bundle of Digital Products from time to time, ranging from full-fledged Debit Cards, ATM/Cash Deposit Machines, Internet Banking Suite, QR Payments, POS, Prepaid Cards, UPI, e-Passbook, Missed Call Balance Enquiry, up-gradation of Mobile Banking Application with more security and value-added features like Card Control Tools, ASBA, UPI enabled payment services, Scan & Pay, Quick payments, Mini statements, Zero Cost fund transfers, etc. The Bank has also provided best in class facilities like WhatsApp Banking and Green PIN based options to its customers.

In terms of growth in digital transactions, Bank has fared very well this year when compared to previous years.

As on March 2021, the total **Digital Transaction** penetration when compared to branch transactions was **78.70%**. This Financial Year, it has improved to **86.89%** as on March 2022. Customers are migrating to Digital Channels thereby contributing to a reduction in operating costs.

ONLINE BROKING SERVICES

Demat and Trading facility is being extended to the Bank's customers through 3-in-1 tie up with broking firm namely M/s IIFL Securities Ltd.

Under the 3-in-1 tie up, the current/savings account is maintained with the Bank while demat and trading account facility are provided by the third-party service providers. Fund transfer from customers CA/SA accounts to the trading account is enabled through the net banking platform of the Bank through API integration whereas the fund transfers from trading account to customer's bank account with CSB is executed by the brokerage, based on customer instruction. Under the referral arrangement, the leads generated by the Bank's branches are passed on to the brokerage firms for on boarding the customer.

COMPLIANCE FUNCTION

Compliance means "the adherence to laws, regulations, rules, related self-regulatory organization standards and codes of conduct in matters concerned observing proper standards of market conduct, managing conflicts of interest and specifically dealing with matters such as prevention of money laundering and terrorist financing, and investigations of alleged breaches and fraudulent behavior". The Bank has a full-fledged Compliance Cell that envisages strict observance of all statutory

provisions contained in various legislations such as the Banking Regulation Act, Reserve Bank of India Act, Foreign Exchange Management Act, PMLA Act, etc. It also ensures observance of other regulatory guidelines issued from time to time, standards and codes prescribed by IBA, BCBSI, etc., as well as the Bank's internal policies. The purpose of the compliance function is to assist the Bank in managing its compliance risk which can be defined as *"the risk of legal or regulatory sanctions, material financial loss, or loss to reputation a Bank may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct applicable to its Banking activities"*. Strong compliance culture is a pre-requisite for an effective compliance function. It is very important for the Bank to demonstrate a good Compliance Culture to maintain the reputation and win the trust of customers, investors and regulators. Such culture is essential element in the safe and sound functioning of the Bank and if not followed effectively may adversely affect the Bank's risk profile. Bank will ensure to be in compliance with core elements like following the laws, rules, regulations, and various codes of conducts and also to be in adherence with fair practice codes, managing conflict of interest and treating customers fairly to assist build a true Compliance Culture. As a part of the Compliance framework of the Bank, it is envisaged to embed compliance in every department of the Bank in an effective way as a part of the corporate culture that emphasizes standards of honesty and integrity.

Compliance Officers have been appointed at all Departments/Offices so as to effectively ensure compliance and report to the Chief Compliance Officer through the appointed Principal Officer of the Bank. The Chief Compliance Officer is the nodal point of contact between the Bank and the Regulator and in turn assists the top management in effectively managing the AML & Compliance risks faced by the Bank and will also be a participant in the quarterly informal discussions held with RBI. He will ensure that all new products are subjected to intensive monitoring for the first six months of introduction by the concerned departments and that the indicative parameters of compliance risk are adequately monitored. The compliance function shall aim to measure compliance risk by using performance indicators during compliance risk assessment. They shall use quantitative and qualitative criteria as a gauge to check the adequacy of compliance within the Bank. The risks shall be classified into high, medium and low categories based on agreed parameters to mitigate them by appropriate level of attention of the management. Appropriate softwares have also been put in place to monitor compliance of regulations and submission of returns effectively. Apart from the routine KYC/AML/CFT training conducted, the Compliance Cell also imparts annual training on compliance functions to the compliance officers. Compliance department of the Bank shall re-emphasize

the need to comply with instructions meticulously among all the staff in the Bank through continuous and mandatory training to all staff on compliance aspects, appropriate disciplinary measures through staff accountability framework/ policies for non-compliance, etc. The Bank shall not see compliance as an activity of the compliance department alone but as a culture that pervades across the Bank. Bank has put in place a Board approved policy and procedural guidelines on Know Your Customer (KYC) / Anti Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) measures in line with the guidelines issued by Reserve Bank of India, Prevention of Money laundering Amendments and the FATF. This Policy ensures that the appropriate AML procedures are implemented effectively, including customer acceptance policy, customer due diligence, record-keeping, ongoing monitoring, timely reporting of suspicious transactions and combating the financing of terrorism. It also ensures that all employees are aware of the reporting institution's AML measures, including control policies, control mechanism and the channel of reporting. A dedicated PMLA Cell is functioning at the Head Office to oversee the compliance of KYC/ AML/CFT norms and the Bank has comprehensive AML software that processes all transactions and indicative trends handled by our branches on a day to day basis and suspicious transactions/trends found if any, will be reported to FIU-IND, New Delhi. The Managing Director & CEO is the Designated Director and the Head of the PMLA Cell is the Principal Officer for the purpose of KYC/ AML/CFT compliance and FATCA/CRS reporting in the Bank. To ensure that the employees are kept abreast on the subject, necessary training on Compliance/KYC/ AML/CFT is imparted to all members in coordination with Bank's Institute of Learning and Development on an ongoing basis. Members' awareness is also effectively enhanced through General E-learning, Targeted Online Trainings, Circulars, FAQ's, etc., and the Staff members are also encouraged to undertake Subject awareness Quiz programmes, Certification courses in KYC/AML/ CFT by granting incentives/benefits upon passing the programmes/certifications.

CUSTOMER SERVICE

Customer satisfaction always plays an important role in the growth of any organization, especially in a service industry like banking. In the present day competitive environment, customers have umpteen number of choices and customer retention is a challenging task. It is a well-known fact that satisfied customers will give word of mouth publicity, which will help in the customer acquisition efforts of a Bank. Success of any business depends upon the fast and prompt service rendered to the customers. It is needless to mention that success of a service industry like banking is largely dependent on the level of customer satisfaction.

Your Bank ensures that customer complaints received through various sources are resolved within the shortest possible time and to the best satisfaction of the customers. Your Bank has always endeavoured to provide excellent service to customers and focused on keeping up with the industry trends.

The advances in technology has brought in a paradigm shift in the way banking business is conducted. Leveraging on the technology platform, there has been a manifold increase in the penetration, productivity and efficiency of banking products and services. Technology has also transformed the way in which Banks approach customer service. With multifarious modes of communication and 24*7 availability towards understanding customer issues and improving the customer experience, the Bank has put in place a well-defined Customer Grievances Redressal System, wherein customers can approach Bank through multiple channels for redressal of their grievances – Bank's Branches, 24*7 Call Centre or register their complaints online on Bank's Complaint Management System.

Imbibing new technologies and the many ways they can be used to offer more convenient, secure and simply better service to their customers, your Bank is committed to reaching out to the customers. Keeping abreast with the latest trends in Banking, your Bank has launched a number of products and services that are aimed at satisfying specific needs of its clientele. Your Bank has always been receptive to Customer feedback and has fine-tuned the products and services to a very large extent. Customer service will continue to be the focal point in maintaining and improving the Bank's role within the Banking Industry.

Your Bank has already constituted a sub-committee of the Board, (known as the Customer Service Committee of the Board) in line with RBI directives, besides having an Executive Level Committee on Customer Service which has representation from customer groups. The functions of the sub- committee of the Board include, inter alia, suggesting, implementing and reviewing measures for enhancing the quality of customer services and improving the level of satisfaction for all the categories of clientele at all times. To ensure constant focus, the Board of Directors periodically reviews the functioning of this sub-committee.

Customer Satisfaction Surveys is an exercise to identify gaps, initiating corrective action and improving customer experience. Feedback from the survey is a source for evaluating customer's rating of services extended, ways and means for improving customer service, providing infrastructure at branches, and greater awareness on Bank's products and facilities. Your Bank has also introduced NPS system to identify the satisfaction level of services.

In order to carry the message of importance of customer service to the employees, especially the frontline staffs, efforts are taken for sensitizing staff members at branches, through proper training. Redressal of customer complaints mostly starts at branch level. Only cases which are beyond the purview of branch are forwarded to the Nodal Officer at Zonal Office. And those even beyond the purview of the Zonal Office are escalated to Branch Service Department at Head Office. Head of Branch Service Department is the Nodal Officer for Customer Grievances Redressal. Bank also identified a senior most officer as Principal Nodal Officer under Banking Ombudsman Scheme.

RBI has introduced Internal Ombudsman Scheme, and in line with this, your Bank has appointed an Internal Ombudsman. The Internal Ombudsman examines customer complaints which are in the nature of deficiency in service that are partly or wholly being rejected by the Bank. The Bank internally escalates all complaints which are not fully redressed to the Internal Ombudsman, before communicating the final decision to the customer.

All efforts are taken to address any kind of customer complaints and immediate resolution for the same. Your Bank believes that, satisfied customer is the Brand Ambassador of the Bank and CSB Bank will always ensure and deliver Customer Service at its Best.

Disposal statistics of Customer Complaints (Other than ATM) for the FY under review is given below:

		31.03.2022	31.03.2021
a)	No. of complaints pending at the beginning of the year	97	134
b)	No. of complaints received during the year	5478	3313
c)	No. of complaints redressed during the year	5513	3350
d)	No. of complaints pending at the end of the year	62	97

The resolution of customer complaints improved to 98% in the current year compared to 97% in the previous year.

HUMAN RESOURCE - AN OVERVIEW

HR Department of the Bank plays a pivotal role in ensuring effective utilisation of its Human Resources who are considered to be the backbone of the Organization as a whole. The HR function assumes a critical role in enhancing employee performance and leveraging their potential in order to achieve the desired business outcomes. HR Department's role is to act as a driving

force, ensuring balance and synergy between the Organization's vision and the interests of the workforce.

The Bank through its HR Department strives hard to ensure efficient as well as effective management of its Human Resources. As the entire work philosophy is shifting towards a modernized and automated approach, it is the duty of HR Department to develop effective HR frameworks and programs with a 360° view on all aspects of Human Resource Management.

Bank had implemented various modules under HRMS through software vendor M/s PeopleStrong. Most of the modules are stabilised during the FY 2021-22 due to continuous improvements made basis feedback from various stakeholders. New modules like Training, Transfer, Exit, Recruitment, On-boarding, Reimbursement etc., are being used extensively and has resulted in reduced manual work and reduced use of papers. Consolidated single app named "SuperApp" with improved look and feel has been introduced, eliminating the need to install multiple Apps for multiple modules. There is improved user experience after implementation of SuperApp. The Bank is also planning to migrate the employee queries to the chatbot named "Jinie". The day to day queries made by employees to HR have been fed to Jinie along with answers. Jinie will be fed with new questions and answers on an ongoing basis depending upon un-answered queries from the employees.

Further, the Bank encourages all employees to express any grievance related to their work life or personal life. Disassociation from work desk has been made compulsory to maintain a healthy work life balance as part of imbibing compliance culture.

As a long term strategy, our Bank plans on expanding its branch banking network beyond the present borders and affirm its presence Pan India. In order to achieve our goal, talents have been pooled Pan India and qualified candidates matching each job role have been hired after rigorous recruitment process. These candidates are recruited on Cost to Company (CTC) basis and their remuneration is fixed on par with the Industry standards. More recruitment is on the cards, in alignment with the organization's requirements.

HR Policy - Facts and Figures

HR Policies are formal rules and procedures that dictate as to how certain matters should be addressed in the workplace including employee rights and duties. HR Policies are tied to employment laws. To avoid non-compliance and penalties from the government, employer must adhere to HR policies.

Our HR Policies cover the entire gamut of Human Resource processes in the Bank, including and not limited to Recruitment and Selection Policy, Internal Hiring Policy, Succession Planning Policy, Policy on Employment of Relatives, Background Verification Policy, Employee

referral Policy, Induction Policy, Compensation Policy, Policy on Granting of Incentives/ Benefits to Staff, Policy on Training and Development, Policy on disassociation from work desk, Travel Policy, Policy on POSH (Prohibition of Sexual Harassment of Women at Workplace), Transfer Policy, Promotion Policy, Performance Appraisal Policy, Welfare Aspects of HRM Policy in the Bank, Reward/ Recognition System, Management of Industrial Relations, Work Culture/ Effectiveness Policy, Employee Exit Policy, Code of conduct for Employees while using social media, Employee Grading and Banding Policy, Mediclaim Policy, Leave and Working Hours Policy, Dress Code Policy, the Buddy programme Policy and Staff Exit Policy.

The Policy on Code of Conduct while using Social Media educates Bank's employees, customers, stakeholders & general public about the do's and don'ts to be kept in mind while putting a comment, post, idea or concern on social media.

The Policy on Employment of Relatives lays down procedures to effectively manage potential Conflict of Interest involving relatives employed in the Bank and also restricts new hiring of relatives of Employees.

The total number of employees in the Bank during the end of FY 2022 is 4663 compared to 4180 in the previous financial year end. Rigorous talent acquisition in the recent years, especially in the fields of Sales portfolios such as CASA, Gold, etc., has contributed towards the increase in total employee count.

Financial Year	No. of employees recruited in the FY		No. of branches including Service and Recovery branches
	Operations	Sales	
2022	344	1920	609

The Total Hiring for the Financial Year is as follows:

Sl No	Cadre	No. of New Recruits
1	Officers (Including RSM/ASM/RE) etc.	944
2	Direct Selling Agents (BDE's, RME's, CRE's/CRO's)	1320
	Total	2264

Welfare Aspects of Human Resource Management

Staff Loans:

The Bank offers various perquisites to its staff which include staff loans at concessional rate of interest, viz. Housing Loan, Motor Vehicle Loan, etc. Such loans are considered to be secure and ensures prompt repayment. Concessional rate of interest is offered to employees for availing Educational Loan for their children for higher studies.

POSH for Women:

Women Employees are offered protection against sexual harassment at workplace, in accordance with the

provisions of POSH Act passed by the Government of India in the year 2013.

Covid Prevention:

In view of the Employees' well-being, Covid Vaccination Campaigns were conducted at various locations in coordination with Hospitals in those locations at Bank's expense. The Outsourced Employees and contract Staff also got vaccinated through these campaigns. Sanitizers and Masks were facilitated to Employee. Those infected with the disease are sanctioned with special leave for a period of seven days.

Health Insurance and Term Policies:

Facilities such as medical reimbursement and cashless hospitalisation are provided to all employees. The scheme undertaken by the Indian Banks' Association under arrangement with National Insurance Co. Ltd has been implemented and maintained successfully for IBA Employees. All Officers irrespective of their grade are covered for a Sum insured of ₹ 4,00,000/- and all Award Staff are covered for a Sum Insured of ₹ 3,00,000/-. Insurance Premium is paid by the Bank. Option available for both IBA & CTC Employee to opt for top-up of the sum insured if desired, wherein the premium amount for such portion is collected from the Employees' salary. The scheme cover the Employees and their dependents.

Group Insurance scheme is facilitated for IBA Employees with a death cover of ₹2.00 lakh for accidental death and ₹1.00 Lakh otherwise. One of the group schemes facilitate death cover only, whereas the scheme GSLI, facilitates survival benefit where in the Employees are reimbursed with a certain sum at the time of exit from the organization.

Officers in IBA of Grade IV and above are covered under a Group personal accident policy for a sum insured of ₹7.50 lakh, for which the premium amount is borne by the Bank.

CTC Employees' Group Medical Insurance is administered by New India Assurance Company Limited. Graded Sum Insured is ₹ 3.00 lakh/ ₹4.00 lakh covering Employee + Spouse + 4 dependent Children. Apart from the medical insurance cover extended to employees by the Bank at its cost, we have also introduced Voluntary Parental Medical Insurance cover for all CTC employees, with premium at a very attractive rate, borne by the employees.

We have also introduced a Voluntary Top-up option on the Group Medical Insurance Policy for additional coverage at very competitive premium borne by the employees.

All CTC employees, irrespective of their age have also been extended comprehensive annual health check-up package without any additional cost. This offer

has been extended to the Bank by Family Health Plan Insurance TPA limited which is also the TPA (Third Party Administrator) for the Group Medical Insurance with New India Assurance Company Limited.

All Employees of the Bank are covered under a term Policy offered by Bajaj Allianz Life Insurance Co. Ltd. with a life cover of 2 times of CTC with a ceiling of ₹20.00lakh

Medical Check-up:

All IBA officers of the Bank, who have attained the age of 40 years, are eligible for reimbursement of expenses incurred for medical check-up once in a financial year, even without hospitalisation. Medical reimbursement and cashless hospitalisation is offered to CTC employees under arrangement with ICICI Lombard.

Education Scholarship:

Children of employees who excel in their studies are provided with scholarship. Course fee and incentives are given to employees for passing various examinations/ courses conducted by the Indian Institute of Banking & Finance (IIBF).

National Pension Scheme:

The Bank promotes National Pension Scheme shortly known as NPS, a social security initiative by the Central Government, encouraging people to invest in a pension account at regular intervals during the course of Employment. During the year 2021-22, an online solution has been introduced for Employees to instantly open their PRAN accounts under this scheme.

ID Cum debit card:

The Employees are provided with an ID card which also features an ATM debit card linked to their salary account.

LEARNING AND DEVELOPMENT

Learning in the Bank has undergone a radical redesign during the Financial Year 2021-22. Every L&D initiative is now linked to the Bank's business priorities. This is ensured through the framing of *learning objectives* that explicitly reflect the direct impact on business related performance that is being targeted. The efficacy of L&D is now measured by the achievement of these incremental changes, known as *Deltas*.

This year too, as per RBI's Capacity Building Policy, the Bank had made it mandatory for officials in Top and Senior Management and Board Members to qualify a Certificate Course. The course on Certification in IT & Cyber Security, conducted by IDRBT, was completed successfully by the mandated numbers of CXOs, Senior Management, and Board Members.

Training programs were designed for specific role holders and it was ensured that the program objectives were relevant to their activities. The Bank has its "Institute of

Learning and Development” (ILD) at Ollur, Thrissur. Due to the Covid19 pandemic, only a few training programs, requiring physical presence of participants, could be organized at the CSBILD. Instead, a majority of programs were held via online meeting platforms. Arrangements were made so that employees could attend the training sessions from their own locations.

E Learning has stabilized and a number of E Courses, along with assessment tests have been assigned to employees during the year.

Newly recruited employees are taken through induction programs immediately on joining the Bank. The Bank also avails of training programs offered by renowned institutions like National Institute of Bank Management, Pune; Indian Institute of Banking & Finance, Institute for Development and Research in Banking Technology, Hyderabad; Southern India Banks’ Training College, Bangalore; etc.

Corporate Goals

CSB Bank is continuously engaged in improving the focus of its employees on linking their actions with the corporate goals. Our L&D Department’s mission is to develop the Bank into a Focused Learning Organization. CSBILD has achieved its highest coverage of employees during the year, through online virtual classes and e-learning methodology. We are constantly on the look-out for innovation and technological improvements. The L&D Department has retained its ISO 9001:2015 certification obtained during the previous year.

Our proposed setting up of a training centre under the Deen Dayal Upadhyay Grameen Kaushalya Yojana (DDUGKY) scheme of the Government of India is awaiting the recommencement of awarding of projects by the State Government. Meanwhile, the Bank has already begun efforts to recruit apprentices under the Government of India’s Apprentice Act.

Role based certification of key role holders has already commenced, with a blend of E-Lessons and online Tests for ensuring the provision of realistic Balanced Score Card entries related to Learning.

A certification program on compliance was held over a 13 day window, with 3303 employees clearing the assessment.

Branch Heads, Senior Relationship Managers/ Relationship Managers/ Customer Relationship Officers, Branch Operations Managers, Business Development Executives, Gold Loan Officers, and other role holders were covered by training during the year. In all, 200 E-Lessons were uploaded and assigned to 4675 employees, and 195 Online programs with 16,141 participants, 9 physical programs with 129 participants, and 46 external programs with 113 participants were conducted, ensuring a staff coverage of many times over

100%, and an increase of 164% in participation, Year on Year. Employee strength as on 19/3/2022 was 4688.

A new initiative of L&D for disseminating daily nuggets of learning through WhatsApp Broadcast channels, under the brand “Sparks”, has become immensely popular within the Bank.

The L&D Department co-creates the annual training calendar through discussions with the different Business Verticals and other departments agreeing on the training objectives and related deltas. In this manner, L&D acts as a partner to the Business Verticals in facilitating achievement of their goals.

H R Verticalisation

The organization has embarked on the path to improve customer experience, without compromising on quality and efficiency of existing processes. To ensure that this happens, HR jointly with all senior management is transforming existing businesses into vertical structures, which is contemporary to current outlook in the industry and is backed by technology. This is being done in order to create higher efficiency and reduced operational / credit risk, improvement on customer service as well as responsiveness and indeed trying to achieve and create better benchmarks on an ongoing basis.

In the structure being introduced, monitoring and review is also being done with the help of Performance Score Cards for assessment at individual, Unit, Business / Functional level. Clear and concise Job descriptions are available for 73% unique job roles; 82% of the Bank employees are covered under scorecard based performance evaluation.

Education /Communication with regards to creating clarity on expectations is being delivered through regular/ objective feedback to employees/units/functions and feedback from them during appraisals which enables the organization to change what is needed for aiding faster growth. PMS workshops were conducted for supervisors to enable them to conduct fair and objective appraisals. Performance Improvement Program (PIP) process along with quarterly and mid-year reviews were introduced to strengthen the Banks performance management processes.

HR is also ensuring that all its effort is directed towards attaining the said objectives, creating a winning solution for all stake holders. In furtherance of this objective, monthly virtual HR Connect sessions were introduced in October 2021, to facilitate smooth on-boarding of new joiners at various levels.

Industrial Relations

The Bank is having 4663 employees on its fold as on 31/03/2022. Out of 4663 employees, 1349 employees both officers and Award Staff are governed under IBA pay

structure. Whereas 3283 employees are governed under Cost to Company basis. Bank has been deploying retired officers from Nationalised Banks in identified areas to improve the necessary skill set and expertise in the Bank. The number of employees deployed under contract basis in the Bank is 31. The average age of the employees of the Bank is 33.94 years.

Financial Year	Total No. of Employees				Average Age (in Years)
	End of FY	IBA	CTC	Contract Basis	
2020-21	4180	1544	2528	108	34
2021-22	4663	1349	3283	31	33.94

The officers in Scale I to III under IBA pay structure 786 are affiliated to Officers’ Associations. There are two Officers’ Associations functioning in the Bank. There are three trade unions representing the Award Staff members (Clerks, Sub Staff and Part- time Sweepers) of the Bank.

Last financial year, the Officers’ Association and Employees’ Union have been demanding unconditional implementation of the 11th Bi-Partite Settlement/ 8th Joint

Note. The Management called for bilateral discussions and suggested for wage revision on the basis of the achievement of certain business parameters. The suggestion put forth by the Management has been declined by the Officers’ Association and Employees’ Union. They conducted strike for 14 days demanding unconditional implementation.

Workforce Protection

The Bank continues to take all measures for the employee safety. Across its branches the employee response to safety guidelines is being monitored. After the second wave, with lock down imposed in most parts of the country, work from home facility has been provided to employees to the extent as feasible without much discomfort to the Customers. To encourage minimal workforce at branches, staggered work shifts are also provided to the extent as possible.

Covid Impact on the workforce (As on March 31, 2022)

Total Work force	Tested positive	Recovered	Deaths
4663	964	961	3

By Order of the Board

Sd/-
Madhavan Aravamuthan
Chairman
(DIN: 01865555)

Place: Thrissur
Date : June 28, 2022

Board's Report

Dear Shareholders,

Your Directors have great pleasure in presenting you the 101st Annual Report of the Bank together with the Audited Financial Statements, Independent Auditors' Report and the Report on the business and operations of the Bank for the financial year ended March 31, 2022.

FINANCIAL SUMMARY AND STATE OF AFFAIRS

The financial performance of the Bank for the fiscal 2021-22 is as given below:

(₹ In Cr)

Particulars	March 31, 2022	March 31, 2021
Deposits	20,188.30	19,140.04
Borrowings-Tier II Bonds	Nil	Nil
Net Advances	15,814.68	14,438.12
Total Assets/Liabilities	25,356.27	23,337.35
Interest Income	2,038.31	1,872.29
Net Interest Income (NII)	1,153.30	941.39
Non-Interest Income	246.80	303.13
Operating Profit/ (Loss)	613.72	515.52
Provisions and Contingencies (Other than tax)	(0.51)	222.97
Profit /(Loss) before Tax	614.23	292.55
Provision for taxes	155.74	74.15
Net Profit /(Loss)	458.49	218.40
Add: Surplus/(Deficit) brought forward from last year	(509.49)	(513.96)
Profit & Loss Account balance before appropriations	(51.00)	(295.56)
Appropriations		
Statutory Reserve u/s 17 of the Banking Regulation Act, 1949.	114.62	54.60
Capital Reserve	9.83	117.67
Special Reserve	4.30	1.66
Investment Fluctuation Reserve	19.08	40.00
Balance carried over to Balance Sheet	(198.83)	(509.49)

Particulars	March 31, 2022	March 31, 2021
Key Performance Indicators		
Capital Adequacy Ratio (CRAR)% Basel – III	25.90	21.37
Earnings per share (in ₹)	26.43	12.59
Book value per share (in ₹)	152.83	125.67
Net Interest Margin%	5.27	4.81
Cost-Income Ratio%	56.17	58.58
Return On Assets (ROA)%	1.90	0.99
Return On Equity (ROE)%	21.28	12.48
Gross NPA %	1.81	2.68
Net NPA %	0.68	1.17

COVID-19 UPDATES

In the initial months of FY 22, the COVID – 19 pandemic which broke out towards the end of FY 21 continued to pose a stiff challenge creating nationwide disruption. The second wave which started in March 2021 peaked during April-May overpowering the various medical facilities and infrastructure throughout the country. There were shortages for medical beds and oxygen stock due to massive demand-supply mismatch. The death toll shook the entire country to alarming levels. The state wide and regional lockdowns where the Bank has significant presence affected the daily working of branches and other offices. Many employees were forcefully restricted to be at their home/living spaces. Your Bank could extend timely support to the employees by facilitating work from home without discomfort to customers, ensuring minimal workforce at branches through staggered work shifts. Medical support was extended wherever possible, ensuring employee's and their families' safety. Across all branches and offices, the employee response to safety guidelines were monitored. Vaccination drive was initiated for all employees of the Bank.

PERFORMANCE OVERVIEW

The performance of the Bank during the year under review was exceedingly well, despite the break out of COVID 19 pandemic all over the country especially in southern states of Kerala, Tamil Nadu and Karnataka where the Bank has significant presence, which was followed by stringent lockdown measures enforced locally and widely. The Bank

was able to sustain the tempo of growth albeit slowdown in growth momentum in the gold loan portfolio.

In the Financial year 2021-22, the total income increased by ₹109.69 crore to ₹2,285.11 crore from ₹2,175.42 crore in the corresponding previous financial year. In the same period, Interest income increased by ₹166.02 crore to ₹2,038.31 crore from ₹1,872.29 crore and Non-Treasury Other Income increased by ₹ 34.13 Crore to ₹235.30 Crore from ₹201.17 Crore in the corresponding previous financial year. In the same period, Net Treasury Income decreased by ₹ 94.46 crore to ₹11.50 Crore from ₹101.96 Crore in the corresponding previous financial year.

In the same period, the total Operating Profit of the Bank increased by ₹98.20 crore to ₹613.72 crore from ₹515.52 crore and Net Profit increased by ₹240.09 crore to ₹458.49 crore from ₹218.40 crore in the corresponding previous financial year.

In the same period, your Bank reported a record net profit of ₹458.49 crore in the financial year 2021-22 compared to ₹218.40 crore in the corresponding previous financial year. The profit came in the back drop of a strong growth in net interest income (NII) supported by increased yield on advance and decrease in the cost of deposits. Non-interest income was backed by recovery in written off accounts, processing fee, commissions on selling third party products and PSLC (priority sector lending certificate) income.

In the same period, the Bank's total advances grew by ₹1,355.43 crore to ₹16,742.39 crore led by 7.2% growth in gold loans to ₹6570 crore, from ₹6131 crore and 87.5% growth in Agriculture and MFI loans to ₹1065 crore from ₹568 crore and Deposits grew by ₹1,048.26 crore to ₹20,188.30 Crore from ₹19,140.04 crore in the corresponding previous financial year.

Gross non-performing assets (GNPAs) decreased by ₹103.98 crore to ₹289.51 crore as on March 31, 2022 from ₹393.49 crore as on March 31, 2021. Net non-performing assets (Net NPAs) decreased by ₹61.62 crore to ₹106.99 crore as on March 31, 2022 from ₹ 168.61 crore as on March 31, 2021. The gross NPA as percentage of advances fell by 87 basis points to 1.81% as on March 31, 2022 as against 2.68% as on March 31, 2021. Net NPAs also fell to 0.68% as of March 31, 2022 from 1.17% as on March 31, 2021. Provision coverage ratio improved to 89.65% at the end of the financial year from 84.89% in the corresponding previous financial year.

Total Assets have increased by ₹2,018.92 crore and stood at ₹25,356.27 crore as on March 31, 2022 as against ₹23,337.35 crore as on March 31, 2021. Net Advances have increased by ₹1,376.56 crore and stood at ₹15,814.68 crore as on March 31, 2022 as against ₹14,438.12 crore as on March 31, 2021.

TOTAL BUSINESS

Total business of the Bank stood at ₹36,930.68 crore as on March 31, 2022, as against ₹34,528 crore a year before, registering a y-o-y growth of 6.96%.

CASA DEPOSITS

Total CASA deposits grew by ₹633.37 crore to ₹6,795.17 crore as on March 31, 2022 from ₹6,161.80 crore as on March 31, 2021. Total Term Deposits grew by ₹414.89 crore to ₹13,393.13 crore in the same period from ₹12,978.24 crore of the corresponding previous financial year. Total Non-Resident Deposits grew by ₹216.97 crore to ₹4,525.47 crore in the same period from ₹4,308.50 crore of corresponding previous year.

ADVANCES

Total advances of the Bank stood at ₹16,742.39 crore as on March 31, 2022 as against ₹15,388 crore as on March 31, 2021, registering a y-o-y growth of 8.81 %. The gross CD Ratio of the Bank as on March 31, 2022 stood at 82.93 % as against 80.40 % in the corresponding previous financial year.

Gold loan portfolio grew by 7.2% to ₹6,570 crore as on March 31, 2022 from ₹6,131 crore as on March 31, 2021, whereas Direct Assignment and Agri & MFI portfolio grew by 47.9% and 87.5% respectively in the same period.

PRIORITY SECTOR LENDING

Priority Sector Advance extended by the Bank grew by ₹ 3,061.03 crore to ₹ 7,991.62 crore from ₹ 4,930.59 crore of corresponding previous financial year, registering a y-o-y growth of 62.08%.

ASSETS QUALITY

Asset quality of Indian banks have showed signs of improvement amid the Covid-19 pandemic, cushioned by policy and regulatory support in the just concluded fiscal. Balance Sheets of banks remain strong and capital and liquidity buffers are being bolstered to mitigate future shocks. By and large, the Indian banks have remained resilient recording an improved asset quality and a decline in the ratio of non-performing assets.

Close monitoring of Special Mention Accounts (SMA) including SMA-0 accounts, was one of the Bank's focus area during the year in its pursuit of improving asset quality. Multi-level monitoring of SMA portfolio, effective response to the signals thrown up by the automated Early Warning System (EWS), monitoring of stressed accounts in the SME segment by dedicated Relationship Managers, tele calling for improving collection of retail loans and collection through external agencies in some of the business segments have paid rich dividends in the area of stress containment and asset quality improvement during the year.

By initiating appropriate recovery steps in a time bound manner, the Bank could recover / upgrade substantial amounts of NPAs during the year. Account by account follow up of large value NPAs at Head Office level has also proved to be very effective in recovery maximisation.

Compromise / One Time Settlement of NPAs was vigorously pursued by the Bank for NPA recovery during the year. Major chunk of the NPA recovery achieved by the Bank was through negotiated settlements. Organising Recovery Melas / Camps, participating in LOK Adalats, referring of small value accounts for recovery under Revenue Recovery Act in the State of Kerala, repossession and sale of secured assets under SARFAESI Act, 2002 and pursuing legal action by filing suits in Civil Courts / DRT etc., have been the strategies pursued by the Bank for recovery maximisation during the year.

The initiatives taken by the Bank have helped in containing the SMA portfolio at all-time lows. During the period under review, your Bank could achieve cash recovery / up-gradation of NPAs to the tune of ₹127.75 Crore. The recovery from the PWO portfolio and interest cash recovery amounted to ₹77.14 Crore and ₹18.13 Crore, respectively.

The Gross NPA of the Bank as on March 31, 2022 stood at a level of ₹289.51 Crore as compared to ₹393.49 Crore in the corresponding period of the previous financial year. The Gross NPA and Net NPA ratios are at 1.81% and 0.68% respectively as against 2.68% and 1.17% respectively in the previous financial year. The provision coverage ratio as on March 31, 2022 improved to 89.65% from the level of 84.89% in the previous financial year.

Your Bank continues to focus on arresting fresh delinquencies through close monitoring and recovery of NPAs by initiating appropriate and timely recovery steps.

FINANCIAL PERFORMANCE

Net Interest Income (NII) increased to ₹1,153.30 Crore in FY 2021-22 as against ₹941.39 Crore in FY 2020-21. Non-Treasury Other Income increased to ₹235.30 Crore in FY 2021-22 from ₹201.17 Crore in FY 2020-21. Net Treasury Income decreased to ₹11.50 Crore in FY 2021-22 from ₹101.96 Crore in FY 2020-21.

Provision other than taxes decreased by ₹223.48 crore from ₹222.97 crore to ₹(0.51) crore. The Operating Profit for the financial year 2021-22 was ₹613.72 crore before taxes and provisions as against ₹515.52 crore in the financial year 2020-21 mainly on account of increased net interest income and other income excluding treasury profits.

The Net Profit for the financial year 2021-22 was ₹458.49 crore as compared to a Net Profit of ₹218.40 crore in the financial year 2020-21.

DIVIDEND

The Board of Directors of the Bank have expressed their inability to recommend dividend for the financial year ended March 31, 2022 in view of the restrictions under Section 123 (1) of the Companies Act, 2013 that no company shall declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the company for the current year and also inadequacy of profits available for dividend after the mandatory appropriations to the reserves.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is available on the Bank's website at https://www.csb.co.in/pdf/CSB_Dividend_Policy.pdf.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Bank.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE BANK

There are no material changes and commitments, affecting the financial position of the Bank which has occurred between the end of the financial year of the Bank i.e., March 31, 2022 and the date of the Directors' Report i.e. June 28, 2022.

PAID-UP CAPITAL AND RESERVES

As on March 31, 2022, the Paid-up Equity Capital of the Bank stood at ₹173.48 crore comprising 17,34,85,827 fully paid-up Equity Shares of ₹10/- each.

The free reserves and surplus after adjusting debit balance in Profit and Loss Account stood at ₹1,901.97 crore as on March 31, 2022 as against ₹1,580.21 crore as on March 31, 2021.

The Bank's Net owned funds grew to ₹2,416.51 crore from ₹1,892.23 crore as of the previous financial year and the Market Capitalization of the Bank stood at ₹3,663.15 crore as on March 31, 2022.

CAPITAL ADEQUACY

As per the Basel III Capital Adequacy Framework, the Capital to Risk Weighted Assets Ratio (CRAR), as assessed by the Bank as on March 31, 2022, is 25.90%. This is much higher than the minimum CRAR of 11.5% stipulated by the Reserve Bank of India.

The Tier I and Common Equity CRAR stood at 24.35% as on March 31, 2022, well above the minimum of 7% and 5.5% respectively.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, confirm that

- In the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year 2021-22 and of the profit and loss of the Bank for that period.
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities.
- The directors had prepared the annual accounts for the financial year ended on March 31, 2022 on a going concern basis.
- The directors had laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ALLOTMENT OF SHARES

The Bank has not allotted any shares during the financial year 2021-22, and as a result, the paid up capital of the Bank remains unchanged, i.e., ₹1,73,48,58,270/-.

PROMOTER HOLDING – FIH MAURITIUS INVESTMENTS LTD

FIH Mauritius Investments Ltd (FIHM), promoter of the Bank holds 49.72 % in the paid up capital of the Bank which is in line with Reserve Bank of India vide Master Direction No. DBR. PSBD. No.56/16.13.100/2015-16 dated November 19, 2015 on 'Prior approval for acquisition of shares or voting rights in Private Sector Banks' and Reserve Bank of India Master Direction DBR.PSBD.No.95/16.13.100/2015-16 dated May 12, 2016 on 'Ownership in Private Sector Banks Directions, 2016'.

FIHM holding in the Bank is subject to the dilution schedule as mandated by Reserve Bank of India and the relevant RBI guidelines as applicable.

QUALITY INITIATIVES

Bank focuses on maintaining highest standards of quality through innovative technology platforms thereby ensuring superior services to customers and other stakeholders. Bank is having ISO 27001:2013 certification for IT, IS and data-centers and the rating awarded for Bank's information security system is 'very good' by rating agency, STORMS.

CSB Institute of Learning & Development (CSBILD) has undergone a radical redesign in the FY 21-22 and continued its focus on enhancing the individual and collective leadership capabilities. CSBILD has achieved its highest coverage of employees during the year, through online virtual classes and e-learning methodology. Learning Department consistently look-out for innovation and technological improvements and has retained its ISO 9001:2015 certification obtained during the previous year, 2020-21.

CREDIT RATINGS

CRISIL, vide letter dated May 30, 2022, has reaffirmed the rating 'CRISIL A1+' to the ₹ 2,000 crore Certificate of Deposits Programme and ₹ 2,000 crore Short Term Fixed Deposits Programme of the Bank.

CRISIL, vide letter dated May 30, 2022 has reaffirmed 'CRISIL A /Stable' rating to the proposed ₹500 Crore Tier II, Basel III compliant bonds issue Programme of the Bank.

India Ratings and Research, vide letter dated August 19, 2021 has assigned 'IND A /Stable' rating to the proposed ₹500 Crore Tier II, Basel III compliant bonds issue Programme of the Bank.

The Bank has not yet issued any bonds as part of the programme.

DEPOSITS ISSUANCE PROGRAMME

Bank under the Certificate of Deposits Programme, raised ₹520.22 crore from various Mutual funds during the period under review and the same amount of ₹520.22 Crore was outstanding as on 31.03.2022.

Bank has not raised deposits under the Short Term Fixed Deposits Programme.

ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS

As on the date of this Report, the Bank has not issued any equity shares with differential voting rights.

ISSUE OF SWEAT EQUITY SHARES

As on the date of this Report, the Bank has not issued any sweat equity shares.

EMPLOYEES STOCK OPTION SCHEME

CSB Employees Stock Option Scheme 2019

The Bank, on receipt of approval of the shareholders by postal ballot on May 4, 2019, has formulated a stock option scheme called “CSB Employees Stock Option Scheme 2019” (“ESOS 2019” or “Scheme”). The Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 which was subsequently repealed and replaced with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The Scheme was effective from May 4, 2019. The scheme is intended to enable the employees, present and future, to get a share in the value that they help to create for the organization over a period of time, aligning the objectives of an individual with those of the Bank as well as to attract and retain critical senior talents with Employee Stock Options as a compensation tool. The Scheme shall be administered through an employee stock option trust (“ESOS Trust”) in the nature of an irrevocable employee welfare trust in due compliance with the applicable laws. Under the Scheme, the Bank, on July 12, 2019, allotted 50,00,000 equity shares to CSB ESOS Trust, at an issue price of ₹10/- per share.

Under the trust route, the Bank allots shares to the ESOS Trust and the ESOS Trust will transfer the shares to the eligible employees at the time of exercise of option by eligible employees on meeting terms of grant fixed by the Nomination & Remuneration Committee. In case of trust route of issuance of stock options, the ESOS Trust on its own will not have funds to be able to acquire the shares from the Bank as the ESOS Trust is not a business trust and is specifically created with the objective of issuance of stock options to the employees. ESOS Trust has to find out other avenues for sourcing of fund for purchasing shares from the Bank. In terms of Section 20 of the Banking Regulation Act, 1949, the Bank cannot lend to trust to purchase its own shares.

Being a Pre-IPO Scheme, in terms of Regulation 12(1) of the erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”), any fresh grant of Options can be made under ESOS 2019 provided such ESOS 2019 is in compliance with the SEBI SBEB Regulations and ratified by the members of the Bank post IPO. Accordingly, the ESOS 2019 was placed before the members at the Annual General Meeting held on July 20, 2020, post listing of shares on December 4, 2019, for ratification though the ESOS 2019 and as well as the ESOS Trust as originally introduced were already in conformity with the SEBI SBEB Regulations and ratification obtained. No options were granted prior to the amendment/ratification of the scheme/listing of shares of the Bank.

The first amendment was made in the Scheme at the Annual General meeting of the Bank held on July 20, 2020,

inter alia, to increase the Options Reserve by an additional quantum of 1,16,72,791. The source of corresponding number of shares equivalent to 1,16,72,791 options shall be in the form of (i) fresh issue of shares up to 30,00,000 shares and (ii) secondary acquisition by the Trust up to 86,72,791 shares. With this, the total Options Reserve under ESOS 2019 stood at 1,66,72,791 options. A few other modifications were also made in the scheme as per the prevailing regulations and also to effect change of name of the Bank in the Scheme document.

The second amendment was made in the Scheme at the Annual General meeting of the Bank held on August 12, 2021, permitting vesting of unvested employee stock options after the date of retirement/early retirement as per original Vesting schedule as specified in the Grant Letter, subject to the provision of the applicable laws and at the discretion of the Nomination and Remuneration Committee of the Board.

None of the amendments made were detrimental to the interests of any existing option grantees, at the respective times.

Under the Scheme, 6,18,286 stock options were granted in the financial year 2021-22. Out of these, 2,50,000 options that carry an exercise price of ₹ 10/- (at face value) were granted to Mr. Pralay Mondal on April 28, 2021 in the capacity as ‘President- Retail, SME, Technology and Operations’, 40,000 options that carry an exercise price of ₹ 10/- (at face value) to Mr. Rajesh Choudhary, Chief Technology Officer on August 30, 2021 and 3,28,286 options that carry an exercise price of ₹261.65/- (at market price) were granted to Mr. C. VR. Rajendran, Managing Director & CEO on December 17, 2021. Options granted to Managing Director & CEO were pursuant to receipt of the approval of Reserve Bank of India dated November 24, 2021.

All the options granted have to be vested subject to the vesting conditions/ malus and claw back arrangements and be exercised within the period as per the terms of the respective grant and the Scheme.

Amendment proposed in the CSB Employees Stock Option Scheme 2019.

No amendment was proposed to the CSB Employees Stock Option Scheme 2019 in the ensuing Annual General Meeting of the Bank.

CSB Employees Stock Option Scheme – Statutory Compliance

A Certificate of Secretarial Auditors pursuant to Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, that the CSB Employees Stock Option Scheme 2019 has been implemented in the Bank in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the resolution passed by the

Shareholders for the Scheme, will be placed to the Annual General Meeting for the scrutiny of Shareholders.

The disclosures as required as per rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 in respect of the stock options granted by the Bank under the schemes forms part of this report as **Annexure-I**.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In compliance with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Business Responsibility and Sustainability Report (BRSR) of the Bank for the FY 2021-22, in the format as specified by SEBI, describing the initiatives taken by the Bank from an environmental, social and governance perspective, forms part of this Report as **Annexure-II**.

The Bank has provided BRSR, in lieu of the Business Responsibility Report (BRR) which indicates the Bank’s performance against the nine principles of the ‘National Guidelines on Responsible Business Conduct’. Reporting under each principle is divided into essential and leadership indicators. The essential indicators are required to be reported on a mandatory basis while the reporting of leadership indicators is on a voluntary basis.

The same has also been hosted on the website of the Bank and can be accessed at <https://csb.co.in/investor-relations>General meetings>Annual General Meeting – 2022>.

BUY-BACK OF SHARES OR PROVISION OF FINANCIAL ASSISTANCE FOR PURCHASE OF THE BANK’S SHARES

The Bank has not effected any buy-back of its shares or provided any financial assistance for purchase of its shares, to any persons including directors and employees of the Bank in terms of Section 67 of the Companies Act, 2013.

REDEMPTION OF CSBL BONDS

Bank has not issued any bonds during the period under review. Bonds issued by the Bank in earlier periods were redeemed as per the redemption schedule and no bonds were outstanding at the beginning and end of the financial year.

DEPOSITS

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

SUBSIDIARY COMPANY

The Bank does not have any subsidiaries, joint ventures or associate companies. There are no companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year under review.

Bank has formulated a Policy for determining material subsidiaries pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is displayed on the website of the Bank at: <https://www.csb.co.in/pdf/2.Policy-for-Determining-Material-Subsidiary.pdf>

RISK MANAGEMENT POLICY

The Bank has a comprehensive policy framework which contains separate policies for identification, measurement, monitoring & control and mitigation of all material risks including but not limited to credit, market, operational, liquidity and other Pillar– II risks. The Bank has put in place an integrated risk management policy which ensures independence of the risk governance structure. IRMD Charter is included in the Integrated Risk Management policy. The risk management policy details the principles, rules and guidelines to be adopted by the Bank for managing and controlling various kinds of risks through various sub-policies. The policies are implemented in an uninterrupted, reliable and comprehensive manner across the entire Bank. The details of risk management practices are provided in the Management Discussion and Analysis Report annexed to the Director’s Report.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

Bank has put in place a Whistle Blower Policy / Vigil Mechanism to report concerns about unethical behaviour, violations of system and procedures of our Bank, violation of law, questionable business practices or grave misconduct by employees of the Bank that could lead to financial loss or reputation to the Bank, actual or suspected fraud and others. Whistle Blower Policy is published in the website of the Bank and thereby awareness is given to all the stakeholders about the same so as to make the said Policy and the Scheme an effective tool in the reporting and prevention of frauds. As per the Policy /Mechanism, Directors and employees of the Bank, customers, stakeholders, Non-Governmental Organizations (NGO) and others can lodge complaints / disclosures. The Audit Committee of the Board will oversee the vigil mechanism through the Committee processes. The Policy /Mechanism provides reassurance of protection to the whistle blower from victimisation, discrimination or reprisals for having blown the whistle in the interest of the Bank with good faith. The Chairman of Audit Committee shall directly hear grievances of victimisation of employees and directors, who used vigil mechanism to report genuine concerns. The Bank affirms that no employee has been denied access

to the Audit Committee of the Board under the Whistle Blower/ Vigil Mechanism in the Bank. The investigations on whistle blower complaints shall be completed within three months from the date of receipt of the complaint and the report should be placed to Audit Committee of the Board.

A topic on Whistle Blower Policy available in the Bank, and Ethics & Code of conduct has been included in every session of the training programme conducted at the Bank's staff Training College for enhancing awareness of fraud risk and for promoting a culture of compliance among the employees. Bank is ensuring that the systems and procedures are scrupulously followed by all the employees of the Bank. Bank is taking stringent actions against employees who do not comply the instructions of the Bank. A reference to the Whistle Blower Policy/Vigil Mechanism is made in every caution note issued by the Vigilance Department.

Bank, based on RBI directions, has put in place a Fraud Risk Management Policy that covers the various controlling, monitoring and surveillance mechanism of the Bank to prevent frauds and to manage the risk of loss in the event of a fraud. As a part of Vigilance all the cases of frauds reported in the Bank are investigated in detail.

Lacunae if any, observed during the course of investigation are plugged and cases where systemic corrections are required, are placed before the Audit Committee for corrective measures / necessary directions. Fraud Risk Management Policy is reviewed every year by the Board and suitably amended, if required.

Apart from investigation of fraud, Vigilance Department also conducts Preventive Vigilance Audits to ensure the effectiveness of fraud prevention mechanism in the Bank. This will promote a culture of compliance among the employees. Wherever deficiencies are observed, the branches are suitably cautioned so that such deficiencies do not recur and incidents of frauds can be minimized. Vigilance Department also issues caution advises on a regular basis that disseminates various modus operandi of frauds in the banking industry including that has happened in our Bank. This will enable the Branches / Offices to prevent similar kind of fraudulent attempts in future.

Bank has taken all efforts to prevent frauds by strengthening the existing control measures and by reiterating the systems and procedures to update and alert the employees. Bank has a well-organized Inspection Department which conducts regular and comprehensive inspections (RBIA) of branches and offices at specified intervals and also oversees all other Audits and Inspections of the Bank. Over the last few years, the Bank has taken several measures to plug the gaps in the areas of appraisal, monitoring, internal systems, etc., to strengthen the overall control system on loan assets. The Bank had strengthened the internal

audit system, functions of vigilance department and put in place appropriate mechanism, information systems and required infrastructure to prevent recurrence, early detection of frauds on an ongoing basis.

Bank's Anti-Bribery and Anti-Corruption Policy is to ensure that neither the Bank nor any of its employees (whether full-time or contractual employees and including trainees and interns), directors, agents, associates, vendors, consultants, advisors, representatives or intermediaries indulge in any acts of 'Bribery' or 'Corruption' in discharge of their official duties towards the Bank, either in their own name or in the name of the Bank.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2)(e) of the SEBI Listing Regulations is presented in a separate section forming part of this Report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Bank has designed and implemented adequate procedures and internal control systems which provide reasonable assurance regarding reliability of financial reporting and preparation of financial statements. Bank is operating in a fully computerized environment with Core Banking System supported by diverse application platforms for handling special business such as treasury, trade finance, retail loans, etc. The process of recording of transactions in each application platform is subject to various forms of control such as in-built system checks, maker – checker authorisations and independent post transaction reviews, etc. The financial statements are prepared based on computer system outputs. Responsibility of preparations of financial statements is entrusted to a dedicated unit which is independent of business.

For the year ended March 31, 2022, the Board is of the opinion that the Bank has sound Internal Financial Controls to commensurate with the nature and size of its business operations wherein controls are in place and operating effectively and no material weaknesses exist.

The Bank has a process in place to continuously monitor the existing controls and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Bank's operation.

CORPORATE GOVERNANCE

The Bank continues its endeavour to adopt the best prevalent Corporate Governance Practices. A separate section on Corporate Governance standards followed by your Bank and the relevant disclosures as stipulated under SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and Companies Act, 2013 and the rules made thereunder are enclosed as part of Annual Report.

UPDATE ON IND AS IMPLEMENTATION

Reserve Bank of India (RBI) vide press release RBI/2018-2019/146 DBR.BP.BC.No.29/ 21.07.001/2018-19, dated March 22, 2019, advised all scheduled commercial Banks about deferment of implementation of Ind AS till further notice in the context of legislative amendments recommended by RBI on implementation of Ind AS were under consideration of the Government of India.

Your Bank is gearing itself to bring the necessary systems in place to facilitate submission of the Proforma IND AS financial statements to RBI. With respect to the various instructions from Ministry of Corporate Affairs and Reserve Bank of India (RBI), the Bank has taken following action in this connection:

- Bank has set up a Steering Committee comprising members from cross-functional areas of the Bank to initiate the implementation process.
- Bank is in the process of implementing changes as required in existing IT architecture and other processes to enable smooth transition to Ind AS.
- As directed by the RBI, the Bank is submitting quarterly Proforma Ind AS financial statements to the RBI within the stipulated timeline.
- Training to the employees is imparted in a phased manner.

The Bank will continue its preparedness towards adoption of 'IND AS' as per regulatory requirement and to liaise with RBI and industry bodies on various aspects pertaining to IND AS implementation.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE BANK

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions with related parties in the ordinary course of business and on arm's length basis requires approval of the Audit Committee of the Board. Omnibus approval is required from the Audit Committee for transactions which are repetitive in nature and the same are reviewed on periodical basis.

As per the Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions, Audit

Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Bank pursuant to each of the omnibus approval given and such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year.

As per the amendments made in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2022, all related party transactions *and subsequent material modifications* shall require prior approval of the Audit Committee of the Bank, review of the same by the Board and further all the material related party transactions and subsequent material modifications as defined by the Audit Committee shall require the prior approval of the members of the Bank. Accordingly, your Bank has obtained prior approvals of the Audit Committee, the Board, and the members of the Bank via postal ballot resolutions for all the related party transactions/material related party transactions as per the said amendments, with effect from April 1, 2022.

There were no materially significant related party transactions with the Bank's Directors, Management or their relatives, which could have had a potential conflict with the interests of the Bank.

None of the transactions with related parties fall under the scope of Section 188(1) of the Companies Act, 2013 for the period under review. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, in Form AOC-2 is not applicable to the Bank for FY 2022 and hence does not form part of this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Bank recognizes the society as one of its chief stakeholders, and has always been eager to serve and contribute towards the well-being of the society in which it operates. The Bank, in terms of the requirements of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, has set up a Corporate Social Responsibility (CSR) Committee to supervise the CSR initiatives of the Bank. The CSR Committee, shall (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy as per Section 135 of the Companies Act, 2013 and further in accordance with Schedule VII of the said Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. (b) recommend the amount of expenditure to be incurred on the activities as part of the CSR programme of the Bank; (c) monitor the corporate social responsibility policy of the Bank from time to time and (d) formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy.

The main objective of CSR policy of the Bank is to make CSR a key business process for sustainable development of the society. The CSR Policy will serve as a guiding document to help identify, execute and monitor CSR projects in accordance with the spirit of the statute.

The CSR policy of the Bank aims to identify and support all projects/programs undertaken as part of the Bank's Corporate Social Responsibilities/commitments within the framework of the Companies Act, 2013, as amended, Schedule VII of the said Act, as amended and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, from time to time.

During the financial year 2021-22, your Bank has spent the requisite amount in terms of Section 135 of the Companies Act, 2013 towards CSR activities as per annual action plan approved, spread across areas like promoting healthcare including preventive healthcare and COVID-19 vaccination programmes/drives, promotion of education, disaster management, including relief and rehabilitation, setting up homes and hostels for women and orphans, etc., among which the area of health was given top priority for the financial year, and accordingly, the major portion of the CSR spend during the financial year was towards healthcare. As a responsible citizen, the Bank will continue with a slew of measures for fulfilment of its commitment to the society as a whole.

The Annual Report on Corporate Social Responsibility Activities of the Bank for the financial year 2021-22 has been provided in **Annexure - III** to this report.

AUDITORS

a) Statutory Auditors

In terms of Reserve Bank of India Guidelines No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, regarding "Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) in Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)" read with FAQ dated June 11, 2021, the statutory audit of the entities with asset size of ₹15,000 crore and above as at the end of previous year, should be conducted under joint audit of a minimum of two audit firms and accordingly the Bank decided to engage two audit firms from financial year 2021-22 onwards as per the guidelines. Accordingly, the members of the Bank in the 100th Annual General Meeting held on August 12, 2021 approved the appointment of B S R & CO. LLP, Chartered Accountants, Mumbai- 400011, Firm Regn. Number: 101248W/W- 100022 for a period of two (2) years together with Mukund M. Chitale & Co, Chartered Accountants, Mumbai – 400057, Firm Registration Number : 106655W for a period of three (3) years as the Joint Statutory Auditors of the Bank, to hold office from the conclusion of 100th Annual General Meeting till the conclusion of the

102nd and 103rd Annual General Meetings of the Bank respectively, subject to the specific approval of Reserve Bank of India for each year during their tenure in terms of Section 30(1A) of the Banking Regulation Act, 1949.

Bank in terms of Section 30(1A) of the Banking Regulation Act, 1949, seeks approval of Reserve Bank of India for appointment of B S R & CO. LLP, Chartered Accountants Mumbai, Firm Regn. Number: 101248W/W-100022 and Mukund M. Chitale & Co, Chartered Accountants, Mumbai Firm Regn. Number: 106655W as the Joint Statutory Central Auditors of the Bank for the financial year 2022-23 for their third year and second year, respectively.

Pursuant to the amendment made to Rule 3 of the Companies (Audit and Auditors) Rules, 2014 via the Companies (Audit and Auditors) Amendment Rules, 2018, effective from May 07, 2018, the requirement of seeking ratification of the members for the re-appointment of the Statutory Auditors has been withdrawn from the Statute. Hence, ratification of the members for re-appointment of B S R & Co. LLP, Chartered Accountants, Mumbai and Mukund M. Chitale & Co. Chartered Accountants, Mumbai as the Joint Statutory Auditors of the Bank at the ensuing AGM is not being sought for.

However, the Bank will seek approval of the shareholders for payment of audit fees/remuneration for the financial year 2022-23 in the ensuing Annual General Meeting as the Bank sought approval for payment of audit fees for FY 2021-22 only while seeking approval of the shareholders for their appointment for a period of two and three years as the case may be in the Annual General meeting held on August 12, 2021.

Pursuant to the Regulation 33(1) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Joint Statutory Auditors have confirmed that they are subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and that they hold a valid certificate issued by the Peer Review Board of ICAI.

b) Independent Auditors' Report

B S R & CO. LLP, Chartered Accountants, Mumbai and Mukund M. Chitale & Co, Chartered Accountants, Mumbai, Joint Statutory Auditors of the Bank, have audited the accounts of the Bank for the FY 2021-22 and their Report is annexed.

Pursuant to Section 143(3)(i) of the Companies Act, 2013, the Statutory Auditors have also reported on the adequacy and operating effectiveness of the internal financial controls system over financial reporting, which has been enclosed as "Annexure A" to Independent Auditor's Report.

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report for the FY 2021-22.

c) Secretarial Auditors and Secretarial Audit Report

Pursuant to Section 204 of the Companies Act 2013, the Bank appointed SVJS & Associates, Company Secretaries, Kochi as its Secretarial Auditors to conduct the secretarial audit of the Bank for the Financial Year 2021-22. The Bank produced all necessary records to the Secretarial Auditors for the smooth conduct of their Audit.

The Report of Secretarial Auditor for the said period is annexed to this report as **Annexure -IV**. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditors in their report for the FY 2021-22.

d) Secretarial Compliance Report

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019, issued by SEBI, the Bank has obtained Secretarial Compliance Report for the financial year ended March 31, 2022, from the Practicing Company Secretaries viz. SVJS & Associates, Company Secretaries, Kochi, the Secretarial Auditors of the Bank on compliance of all applicable SEBI Regulations and circulars/guidelines issued thereunder and the copy of the same was submitted with the Stock Exchanges on May 24, 2022.

COMPLIANCE TO SECRETARIAL STANDARDS

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) related to the Board Meetings and the General Meeting have been complied with by the Bank. Further, the Bank has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

TRANSFER OF UN-CLAIMED/UN-PAID DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Dividend transferred to Unpaid Dividend account and remaining unpaid or unclaimed for a period of seven years from the date of such transfer, has to be transferred to Investor Education and Protection Fund as per Section 124 (5) of the Companies Act, 2013.

In compliance with above, the Bank on November 11, 2021, transferred ₹10,38,330/- to the above Fund, being the unclaimed dividend for the financial year 2013-14.

TRANSFER OF EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY

In terms of the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended) and other applicable rules, notifications and circulars, if any, every company is required to transfer the shares, in respect of which dividend remains unpaid / unclaimed for a period of seven (7) consecutive years, to the Investor Education Protection Fund (IEPF) Authority.

To comply with the above, the Bank had on November 23, 2021, transferred 2,50,989 shares, in respect of which dividend was not claimed for consecutive 7 years from the date of transfer to unpaid dividend account of the Bank for the respective year(s) to Investor Education and Protection Fund Authority through M/s. Central Depository Services (India) Limited (CDSL).

UNCLAIMED SHARE APPLICATION MONEY

There is no unclaimed Share application money pending with the Bank or to be transferred to Investor Education and Protection Fund.

COMPENSATION/ REMUNERATION POLICY

The Bank has formulated a Compensation Policy which deals with the compensation and benefits of all the employees of the Bank and Directors including Part-time Chairman, Managing Director & CEO, Executive and Non-Executive Directors.

The Policy formulates the criteria for determining the remuneration of directors, key managerial personnel, senior management and other employees of the Bank. The details of the policy have been included in the Report on Corporate Governance, which forms part of this Report. The Policy was reviewed by the Nomination and Remuneration committee and the Board in their respective meetings held on February 24, 2022.

NOMINATION POLICY

The Bank has adopted Nomination policy for appointment and orderly succession of appointment of Part-time Chairman, Managing Director & CEO, Directors, Key Managerial Personnel and Senior Management team in the Bank. The Policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director. The details of the same have been included in the Report on Corporate Governance, which forms part of this Annual Report.

The Nomination Policy was reviewed by the Nomination and Remuneration Committee and the Board in their respective meetings held on December 17, 2021 and the same is displayed on the website of the Bank at: <https://www.csb.co.in/pdf/NominationPolicy.pdf>

PARTICULARS OF EMPLOYEES

The Bank had 4663 employees as on March 31, 2022. The disclosure under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended are given below:

1. Disclosure as per rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

SI No.	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Bank for the financial year 2021-22	Part-time Chairman (Non-Executive Independent) Mr. Madhavan Aravamuthan	6.65 x
		Managing Director & CEO Mr. C. VR. Rajendran*	100.31 x
		Deputy Managing Director Mr. Pralay Mondal#	NA
2	The percentage increase in remuneration of each director, CEO, CFO, CS in the financial year 2021-22	Part-time Chairman (Non-Executive Independent) Mr. Madhavan Aravamuthan^	NA
		Managing Director & CEO Mr. C. VR. Rajendran@	(10.46) %
		Deputy Managing Director Mr. Pralay Mondal §	NA
		Chief Financial Officer Mr. B K Divakara ##	(17.53) %
		Company Secretary Mr. Sijo Varghese	12.50 %
3	The percentage increase/ (decrease) in the median remuneration of employees in the financial year 2021-22	Median remuneration of the employees in the financial year was decreased by 16.35% as compared to corresponding previous financial year 2020-21.	
4	The number of permanent employees on the rolls of the Bank as on March 31, 2022	Bank has 4663 permanent employees as on March 31, 2022.	
5	Average percentile increase/ (decrease) already made in the salaries of employees other than the managerial personnel in the financial year 2021-22 and its comparison with the percentile increase/ (decrease) in the managerial remuneration and justification thereof. Point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average percentage of salaries of the employees other than the managerial personnel in the financial year 2021-22 has been increased by 20.51% due to increase in head count during the said financial year and hiring at senior management level. The average percentage of the salaries of the managerial personnel (Managing Director & CEO, Chief Financial Officer and Company Secretary) in the FY 2021-22 has been increased by 2.96 % and increase is due to arrears of the previous period was paid in the Financial Year 2021-22. There are no exceptional circumstances for increase in the managerial remuneration.	
6	Affirmation that the remuneration is as per the remuneration policy of the Bank.	The Bank has Board approved Compensation Policy, which is in line with the RBI guidelines. We affirm that the remuneration paid to employees is as per the Compensation Policy of the Bank.	

*Took early retirement from the post of Managing Director & CEO and relieved him from the services on the close of office hours on March 31, 2022.

Appointed as Deputy Managing Director of the Bank with effect from February 17, 2022.

^ Shri. Madhavan Aravamuthan was appointed as the Part-time Chairman of the Bank with effect from August 10, 2020. Since his remuneration in the capacity as Chairman is only for a part of the year in the FY 21 and there is no change in the pay scale in the financial year 2022, the percentage increase in remuneration is NIL as far as Mr. Madhavan Aravamuthan is concerned in the FY 2022.

@ The decrease in remuneration for financial year 2021-22 than the previous financial year 2020-21 is due to the arrears salary and Variable pay- Cash Bonus of the previous years were paid in FY20-21 on receipt of approval of Reserve Bank of India.

Pursuant to the approval of Reserve Bank of India, Nomination and Remuneration Committee of the Board on December 17, 2021, granted 3,28,286 stock options @ ₹ 261.65 per option which was at a market price, to Shri. C. VR. Rajendran, Managing Director & CEO of the Bank as performance grant for the FY 2020-21 under CSB Employee Stock Option Scheme 2019.

Reserve Bank of India, vide letter dated May 30, 2022, accorded its approval for payment of variable pay of ₹ 2,10,00,000, all in the form of cash, to Shri. C. VR. Rajendran Managing Director & CEO of the Bank for the financial year 2021-22 and the same was not factored in the remuneration disclosed above as the approval was received after March 31, 2022.

§ Remuneration paid to Mr. Pralay Mondal was in the capacity as 'President – Retail, SME, Technology and Operations' and approval of RBI is awaited on the terms and conditions of his appointment as Deputy Managing Director, hence disclosure was made as NA

##The decrease in salary for financial year 2021-22 than the previous financial year 2020-21 is due to the arrears salary for the previous financial years was paid in FY20-21 and the Bank consistently follows the practice of payment pf remuneration in any form to whole time directors on approval basis only

Note:

The remuneration for the purpose of this table includes Gross Salary only excluding exceptional items in the nature of LFC, etc., and Stock Options.

'X' denotes the median remuneration of the employees in the Financial Year.

The details of the remuneration disclosed in the table are on payment basis since the approval of Reserve Bank of India is required for payment of remuneration to the Whole Time Directors and Part-time Chairman. Hence, for the sake of uniformity across, all remuneration was disclosed on payment basis.

The sitting fees paid to Independent Directors is not considered for calculation of median remuneration.

No remuneration/sitting fee was paid to the Non-Executive Non-Independent Directors.

2. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in an Annexure and forms part of this report. In terms of Section 136(1) of the Companies Act, 2013, the annual report and the financial statements are being sent to the Members excluding the aforesaid Annexure. The said Annexure is available for inspection and any Member interested in obtaining a copy of the Annexure may write to the Company Secretary of the Bank.

BOARD OF DIRECTORS

The composition of the Board of Directors is governed by the Banking Regulation Act, 1949, Circulars and Guidelines issued by the Reserve Bank of India, from time to time, the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the best practices in corporate governance adopted by the Bank.

As on the date of this report, the Board comprises of Nine (9) Directors. The Directors possess rich experience and specialized knowledge in various areas of relevance to the Bank.

The Board functions as the governing body and also through various Committees constituted to oversee specific areas. Policy formulation, setting up of goals, evaluation of performance and control functions vest with the Board. The Committees have oversight of operational and supervisory issues assigned to them by the Board, from time to time.

Appointment/changes in the Board Directors of the Bank since the last Board's Report dated July 5, 2021 and up to the date of the Report is as given under:

RE-APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Director Mr. Madhavan Menon (DIN: 00008542), liable to retire by rotation, was re-appointed at the Annual General Meeting dated August 12, 2021.

APPOINTMENT OF INDEPENDENT DIRECTORS

Mrs. Sharmila Abhay Karve (DIN: 05018751) was appointed as an Additional Director (Non- Executive, Independent category) of the Bank for a tenure of 3 (three) years with effect from July 20, 2020 (i.e., from July 20, 2020 to July 19, 2023), pursuant to the recommendation of the Nomination and Remuneration Committee, subject to the approval of the Shareholders of the Bank in terms of the provisions of Section 149 and 161 of the Companies Act, 2013 and Rules made thereunder. The approval of the shareholders was obtained in the 100th Annual General Meeting of the Bank on August 12, 2021 for the appointment of Mrs. Sharmila Abhay Karve as Independent Director with effect from July 20, 2020. Mrs. Sharmila Abhay Karve is representing 'Majority Sector –Accountancy and Finance' on the Board.

Mr. Sudhin Bhagwandas Choksey (DIN: 00036085) was appointed as an Additional Director (Non-executive, Independent category) of the Bank for a period from March 30, 2021 to January 30, 2024, pursuant to the recommendation of the Nomination and Remuneration Committee, subject to the approval of the Shareholders of the Bank in terms of the provisions of Section 149 and 161

of the Companies Act, 2013 and Rules made thereunder. The approval of the shareholders was obtained in the 100th Annual General Meeting of Bank on August 12, 2021 for the appointment of Mr. Sudhin Bhagwandas Choksey as Independent Director with effect from March 30, 2021. Mr. Sudhin Bhagwandas Choksey is representing 'Minority Sector –Accountancy, Finance and Banking' on the Board.

Mr. Sunil Srivastav (DIN: 00237561) was appointed as an Additional Director (Non-executive, Independent category) of the Bank for a tenure of 3 (three) years with effect from June 8, 2021 (i.e., from June 8, 2021 to June 7, 2024), pursuant to the recommendation of the Nomination and Remuneration Committee, subject to the approval of the Shareholders of the Bank in terms of the provisions of Section 149 and 161 of the Companies Act, 2013 and Rules made thereunder. The approval of the shareholders was obtained in the 100th Annual General Meeting of Bank on August 12, 2021 for the appointment of Mr. Sunil Srivastav as Independent Director with effect from June 8, 2021. Mr. Sunil Srivastav is representing 'Majority Sector –Agriculture, Rural Economy, Business Management and Banking' on the Board.

Mr. Sharad Kumar Saxena (DIN: 08238872) was appointed as an Additional Director (Non-executive, Independent category) of the Bank for a tenure of 3 (three) years with effect from February 19, 2022 (i.e., from February 19, 2022 to February 18, 2025), pursuant to the recommendation of the Nomination and Remuneration Committee, subject to the approval of the Shareholders of the Bank in terms of the provisions of Section 149 and 161 of the Companies Act, 2013 and Rules made thereunder. The approval of the shareholders was obtained for the appointment of Mr. Sharad Kumar Saxena as Independent Director with effect from February 19, 2022 by postal ballot resolution dated March 30, 2022. Mr. Sharad Kumar Saxena is representing 'Majority Sector –Banking, Information Technology, Payment and Settlement System' on the Board.

RE-APPOINTMENT OF INDEPENDENT DIRECTORS

Mr. Madhavan Aravamuthan (DIN: 01865555) was re-appointed as a Non-Executive Independent Director of the Bank, for the second term, at the Annual General Meeting of the Bank held on August 12, 2021, for a period of three consecutive years with effect from June 29, 2022 to June 28, 2025, not liable to retire by rotation. His first term as Non-Executive Independent Director of the Bank ends on June 28, 2022. Mr. Madhavan Aravamuthan is representing 'Majority Sector –Banking, Economics, Finance, Information Technology, Payment and Settlement System' on the Board.

Mrs. Bhama Krishnamurthy (DIN: 02196839) was re-appointed as a Non-Executive Independent Director of the Bank, for the second term, at the annual general meeting of the Bank held on August 12, 2021, for a period of three consecutive years with effect from September 29, 2021 to September 28, 2024, not liable to retire by

rotation. Her first term as Non-Executive Independent Director of the Bank ended on September 28, 2021. Mrs. Bhama Krishnamurthy is representing 'Majority Sector – Banking, Small Scale Industry, Human Resources and Risk Management' on the Board.

APPOINTMENT OF MR. PRALAY MONDAL AS DEPUTY MANAGING DIRECTOR

Pursuant to the recommendation of the Nomination and Remuneration Committee of the Board, the Board at its meeting held on June 8, 2021, approved the appointment of Mr. Pralay Mondal (DIN: 00117994) as a Director and the Deputy Managing Director of the Bank, for a period of 5 (five) years, with effect from the date of approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949. Reserve Bank of India vide letter dated February 17, 2022, conveyed their approval in terms of Section 35 B of the Banking Regulation Act, 1949, to the appointment of Mr. Pralay Mondal as the Deputy Managing Director of the Bank, for a period of three years from the date of approval letter cited above as against recommendation made for five years.

The approval of the shareholders was obtained in the 100th Annual General Meeting of the Bank on August 12, 2021 for the appointment of Mr. Pralay Mondal as Deputy Managing Director with effect from the date of approval of Reserve Bank of India. The approval of the shareholders of the Bank was also obtained in the same meeting for the appointment of Mr. Pralay Mondal as director of the Bank, liable to retire by rotation for the period which is co-terminus with his term of appointment as Deputy Managing Director of the Bank.

EARLY RETIREMENT OF MR. C. VR. RAJENDRAN, MANAGING DIRECTOR & CEO

Mr. C. VR. Rajendran (DIN: 00460061), Managing Director & CEO, took early retirement from the position of Managing Director & CEO from the close of office hours on March 31, 2022 on health grounds.

Mr. Rajendran has been holding the position of Managing Director & CEO since December 9, 2016 and was re-appointed for the position since December 9, 2019 and up to December 8, 2022. Mr. Rajendran was instrumental in turning around the Bank. Under his leadership, the Bank registered an impressive performance and returned back to the path of profitability in Q1 –FY 20, after incurring losses for many consecutive quarters. The Bank showed overall excellence especially in terms of improved profitability, balance sheet/risk management, NPA reduction, building provisioning buffers and expanding its markets, especially in niche areas and select locales during his tenure.

Mr. Rajendran was instrumental in bringing ₹ 1,208 crore of equity capital in the Bank from FIH Mauritius Investments Ltd (a subsidiary of Fairfax India Holdings

Corporation). He was also the key driver in spearheading the Bank through a successful initial public offering which was oversubscribed by 87 times and listing of shares on December 4, 2019.

The Board places on record all the good works done and valuable contributions made by Mr. C. VR. Rajendran, which had helped the Bank to turn around and reach the present strong position, on all parameters. The Board is very much confident that the Bank will build on the good work done by Mr. Rajendran.

The Bank has submitted a panel of names to Reserve Bank of India on March 29, 2022, for appointing the next Managing Director & CEO of the Bank and is awaiting the approval of the Reserve Bank of India in this regard.

INTERIM ARRANGEMENT- APPOINTMENT OF MR. PRALAY MONDAL, DEPUTY MANAGING DIRECTOR AS MANAGING DIRECTOR & CEO - INTERIM

Pursuant to the recommendation of the Nomination and Remuneration Committee of the Board, the Board at its meeting held on March 8, 2022, approved the appointment of Mr. Pralay Mondal (DIN: 00117994), Deputy Managing Director as interim Managing Director & CEO of the Bank as per the requirements of Section 10 B (9) of the Banking Regulation Act, 1949 read with Section 35 B of the said act for carrying out the duties of the Managing Director & CEO in the Bank and to look after the day-to-day affairs, with effect from April 1, 2022, for a period of four months or till the date of appointment of the next Managing Director & CEO in the Bank, whichever is earlier.

Reserve Bank of India, vide letter dated March 23, 2022, conveyed their approval for the appointment of Mr. Pralay Mondal, Deputy Managing Director as interim Managing Director & CEO of the Bank, for a period of three months with effect from April 1, 2022, or till the appointment of a regular Managing Director & CEO in the Bank, whichever is earlier.

Since the term of Mr. Pralay Mondal as interim Managing Director & CEO of the Bank is up to June 30, 2022 and the proposal of the Bank for appointment of the next Managing Director & CEO in the Bank is under consideration of Reserve Bank of India, the Bank as an abundant caution, approached RBI for extension of term of Mr. Pralay Mondal as interim Managing Director & CEO for a further period of three months with effect from July 1, 2022, or till the appointment of a regular Managing Director & CEO in the Bank, whichever is earlier, for a continued interim arrangement. The Bank is awaiting further communication from RBI in the matter.

PART-TIME CHAIRMAN

Mr. Madhavan Aravamuthan's (DIN: 01865555) tenure of appointment as Part-Time Chairman of the Bank shall end

at the close of office hours on June 28, 2022, as per the terms of approval by RBI.

The Board places on record its appreciation of the valuable contributions, advises and services of Mr. Madhavan Aravamuthan during his tenure as the Part-time Chairman of the Bank.

As part of the succession planning process of the Bank, the Board of Directors of the Bank in their meeting held on June 24, 2022, pursuant to the recommendation of Nomination and Remuneration Committee of the Bank, considered and approved the appointment of Mrs. Bhama Krishnamurthy, Non-Executive Independent Director, as the Non-Executive Independent (Part-time) Chairperson of the Bank, for a period with effect from the date of approval of Reserve Bank of India in terms of Section 10B (1A) (i) of the Banking Regulation Act, 1949, up to September 28, 2024 (both days inclusive) which is coterminous with her term of appointment as Independent Director of the Bank, for a second term.

WOMAN DIRECTOR

In terms of the provisions of Section 149(1) of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, the Bank is required to have at least one independent woman Director on the Board. Currently, there are two independent women directors on the Board of the Bank. Mrs. Bhama Krishnamurthy (DIN: 02196839) was appointed as a Director since September 3, 2018 and Mrs. Sharmila Abhay Karve (DIN: 05018751) since July 20, 2020.

DIRECTORS RETIRING BY ROTATION

In terms of Section 152 of the Companies Act, 2013, Non-Executive Director, Mr. Sumit Maheshwari (DIN: 06920646) shall retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting (AGM).

Mr. Sumit Maheshwari was at first appointed as an Additional Director of the Bank with effect from September 03, 2018 under Section 161(1) of the Companies Act, 2013 and his appointment was regularized at 97th AGM held on September 29, 2018 and he was liable to retire by rotation.

Mr. Sumit Maheshwari was reappointed as director to retire by rotation at the 98th Annual General Meeting held on June 29, 2019 in terms of Section 152 of the Companies Act, 2013. He was again reappointed as director to retire by rotation at the 99th Annual General Meeting held on July 20, 2020 in terms of Section 152 of the Companies Act, 2013.

Approval of the members of the Bank is being requested for re-appointment of Mr. Sumit Maheshwari as Non-Executive, Non-Independent Director of the Bank. The detailed profile of Mr. Sumit Maheshwari recommended for reappointment in the ensuing Annual General

Meeting will be provided in the Notice of the Annual General Meeting for the benefit of shareholders as per the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2).

INDEPENDENT DIRECTORS - COMPLIANCE STATUS

The Bank fully satisfies the requirements of Section 149 of the Companies Act, 2013 in connection with the appointment of Independent Directors and the following are the Independent Directors of the Bank as on the date of this report.

Sl. No	Name of the Independent Director	Term	Term of appointment is up to
1	Mrs. Bhama Krishnamurthy (DIN: 02196839)	Second	September 28, 2024
2	Mr. Madhavan Aravamuthan (DIN: 01865555)	Second	June 28, 2025
3	Mrs. Sharmila Abhay Karve (DIN: 05018751)	First	July 19, 2023
4	Mr. Sudhin Bhagwandas Choksey (DIN: 00036085)	First	January 30, 2024
5	Mr. Sunil Srivastav (DIN: 00237561)	First	June 7, 2024
6	Mr. Sharad Kumar Saxena (DIN: 08238872)	First	February 18, 2025

The performance of the Independent Directors is subject to evaluation as per Section 149(8) of the Companies Act, 2013 and read with Schedule IV to the said Act.

Pursuant to Rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, all Independent directors of the Bank have registered in the Independent Directors Data Bank, as required under rule 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended.

The Board is confident about their integrity, expertise and experience in the relevant functional areas.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have confirmed of having complied with the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that they meet the

criteria of independence laid down thereunder. Further, they have also complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013 and the Code of Conduct and Ethics for Board of Directors and Senior Management Personnel of the Bank. Based on the declarations submitted by the Independent Directors, Board is of the opinion that, they fulfil the conditions specified in the Act and SEBI LODR and are independent of the management. There has been no change in the circumstances affecting their status as independent directors of the Bank.

Pursuant to rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Independent Directors of the Bank have affirmed that, they had registered as an Independent Director in the Independent Directors Data Bank as required under rule 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and had also complied with the requirements of passing the online proficiency self- assessment test/ exempted from online proficiency self- assessment test in terms of Rule 6(4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended.

Board is of the opinion that Independent Directors appointed since the date of last report and up to the date of this report are persons of integrity, and has the necessary knowledge, experience and expertise and further, the Board has ensured that the independent directors have also complied with the requirements of passing the online proficiency self-assessment test/exempted from online proficiency self-assessment test in terms of Rule 6(4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended for being appointed/continue to be appointed as an Independent Director of the Bank.

FAMILIARIZATION PROGRAMMES OF INDEPENDENT DIRECTORS

All directors including Independent Directors are familiar with their roles, rights and responsibilities in the Bank at the time of appointment and also on a recurrent basis. The Bank facilitates familiarisation programme and other programmes including Certification programme in IT and Cyber Security for its directors.

The details of various programmes undertaken/arranged for familiarizing the Independent Directors and other programmes arranged for the directors are disclosed in the Report on Corporate Governance, which forms part of this Report.

APPOINTMENT/ CHANGES IN KEY MANAGERIAL PERSONNEL

Mr. Pralay Mondal who was appointed as Deputy Managing Director of the Bank with effect from February 17, 2022 for a period of three years has been designated as Key Managerial Personnel with effect from the said date.

Mr. C. VR. Rajendran, Managing Director & CEO, ceased to be Key Managerial Personnel post early retirement from the position of Managing Director & CEO of the Bank, after office hours on March 31, 2022.

Mr. B. K. Divakara, Chief Financial Officer and Mr. Sijo Varghese, Company Secretary continue to be the Key Managerial Personnel as per the provisions of the Companies Act, 2013.

BOARD AND ITS COMMITTEES

Board and Number of Meetings

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. Due to business exigencies, certain decisions are taken by Board through resolution passed by circulation from time to time.

The Board met Sixteen (16) times during the FY 2021-22 on the following dates: April 28, 2021; May 08, 2021; June 08, 2021; July 05, 2021; July 22, 2021; September 22, 2021; October 25, 2021; December 17, 2021; December 27, 2021; January 08, 2022; January 21, 2022; February 24, 2022; March 08, 2022; March 24, 2022; March 28, 2022 and March 29, 2022 and the gap between the said meetings did not exceed the limit of 120 days, as prescribed under the relevant regulations.

Detailed information on the meetings of the Board is included in the report on Corporate Governance, which forms part of this Report.

Committees of the Board

The Bank has various sub-committees of the Board as given below, have been formed as part of the best corporate governance practices and/or in compliance with the requirements of the relevant provisions of applicable laws and the regulatory prescriptions.

1. Audit Committee.
2. Nomination & Remuneration Committee.
3. Corporate Social Responsibility Committee.
4. Risk Management Committee.
5. IT Strategy Committee.
6. Stakeholders' Relationship Committee.
7. Customer Service Committee.
8. Management Committee.
9. NPA Management Committee.
10. Committee for Monitoring Large Value Frauds (CMF)

The details with respect to the compositions, powers, roles, terms of reference, etc., of the above Committees are given in detail in the 'Report on Corporate Governance' which forms part of this Report.

AUDIT COMMITTEE

Constitution of Audit Committee in the Bank is in terms of the extant guidelines of Reserve Bank of India (RBI), provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee consists of four members as on date of the Report. The Committee is chaired by Mrs. Sharmila Abhay Karve, Independent Director, who is a Chartered Accountant. The other members of the Committee are Mr. Madhavan Menon (Non-Executive, Non-Independent), Mrs. Bhama Krishnamurthy (Non-executive, Independent) and Mr. Sharad Kumar Saxena (Non-Executive, Independent).

The Committee discharges the functions laid down in the Companies Act, 2013 and those prescribed by the Reserve Bank of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It also discharges the functions delegated by the Board of Directors from time to time. The ACB, which held 11 meetings during the year, has been closely overseeing and monitoring the Internal Control System and Procedures, Inspection and audit functions including follow-up and compliance of inspection audit reports. It has also interacted with the Auditors. The ACB acts as an effective tier to the Board in the matters of inspection, audit and internal control system.

ANNUAL EVALUATION OF PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also in line with Board evaluation policy, Bank has put in place criteria for annual evaluation of performance of Chairperson, Managing Director & CEO, Executive Directors, Non-executive Directors, Independent Directors, Board Level Committees and the Board as a whole.

The performance of the members of the Board other than independent Directors and the Board as a whole has been evaluated separately at the meeting of the Independent Directors.

The performance of the independent Directors has been reviewed by the Board as provided for under Section 149(8) read with Schedule IV of the Companies Act, 2013.

The Statement indicating the manner in which formal annual evaluation of the Directors, Committees of the Board and the Board are given in detail in the report on Corporate Governance, which forms part of the Annual Report.

The Board evaluation policy is displayed on the website of the Bank at: <https://www.csb.co.in/pdf/PolicyonEvaluationoftheBoard.pdf>

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of activities of the Bank, with respect to the provisions of Section 134(3)(m) of the Companies Act, 2013 relating to conservation of energy and technology adoption, the Bank is constantly pursuing and making all-out efforts to achieve the desired goals as contained in the Act.

Ensuring compliance of the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014, the relevant disclosures to be made are as under:

a) Conservation of Energy

All attempts are being made to reduce energy consumption to the maximum extent possible. As part of these measures, the Bank is installing LED lights and other energy saving equipments in a phased manner across.

b) Technology Absorption

The required technology absorption is being made considering the nature of activities undertaken by the Bank.

c) Foreign Exchange Earnings and Outgo

Foreign Exchange earnings and outgo are part of the normal banking business of the Bank. Being an Authorised Dealer in Foreign Exchange, the Bank has been taking all possible steps to augment export credit.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Bank's operations in future.

MAINTENANCE OF COST RECORDS

Being a Banking Company, the Bank is not required to make and maintain such accounts and cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS

During the year under report, there were no instances of frauds reported / reportable by the Auditors, to the Audit Committee, the Board of Directors or the Central Government under Section 143(12) of the Companies Act, 2013.

CEO & CFO CERTIFICATION

Compliance Certificate issued by Mr. Pralay Mondal, Managing Director & CEO (Interim) and Mr. B.K. Divakara, Chief Financial Officer of the Bank, for the financial year ended March 31, 2022, was placed before the Board at its meeting held on May 6, 2022, in terms of Regulation 17(8) of the SEBI Listing Regulations.

INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Bank has complied with the provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The information relating to complaints received and redressed during the financial year 2021-22 is disclosed in the Report on Corporate Governance, which forms part of the Annual report.

STRICTURES AND PENALTIES

During the last 3 years, there were no penalties or strictures imposed on the Bank by the Stock Exchange(s) and/or SEBI and/or any other statutory authorities on matters relating to capital market activities.

DISCLOSURE ON MATERIALLY SIGNIFICANT TRANSACTION

The Bank has not entered into any materially significant transaction during the year, which could have a potential conflict of interest between the Bank and its directors, management and /or their relatives, etc., other than the transactions carried out in the normal course of business.

DISCLOSURE UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Being a banking company, the disclosures required as per Rule 8(5)(xi)&(xii) of the Companies (Accounts) Rules, 2014, on the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year and the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, are not applicable to the Bank.

ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013, read with Rule 11 of the Companies (Management and

Administration) Rules, 2014, as amended, the Annual Return (MGT-7) as on March 31, 2022 will be displayed on the website of the Bank at: <https://csb.co.in/investor-relations> > General meetings > Annual General Meeting – 2022.

ACKNOWLEDGEMENTS AND APPRECIATIONS

The Board of Directors is grateful to the Government of India, Reserve Bank of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, Stock Exchanges, Insurance Regulatory and Development Authority of India, the domestic banking community, the Registrar and Share Transfer Agents, Depositories and rating agencies for their continued support and guidance. The Board of Directors would like to take this opportunity to express sincere thanks to its valued clients and customers for their continued patronage.

The Board also expresses its deep sense of appreciation and heartfelt thanks to every member of the CSB family for their strong work ethics, excellent performance, professionalism, teamwork, commitment and initiatives which has led the Bank towards reinforcing its customer

centric image and making commendable progress in today's challenging environment. The Board looks forward to their continued, dedicated and sincere services to take the Bank to greater heights.

Your Directors would like to convey their heartfelt condolences to the families of those staff members, who lost their lives due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their lives and served the Bank during this pandemic.

The Board also expresses its solidarity and gratitude towards medical professionals, bankers, police, armed forces, and other frontline covid warriors who have cemented their position as the foremost champions of humanity. We salute their courage, valour and selflessness in serving the society.

Finally, the Board of Directors wish to record their deep sense of obligation and gratitude to all the Shareholders, well-wishers and all other stakeholders of the Bank for their patronage, and look forward to continuing this mutually supportive and beneficial relationship in future as well.

By Order of the Board

Sd/-

Madhavan Aravamuthan

Chairman

(DIN: 01865555)

Place: Thrissur

Date : June 28, 2022

Annexure-I

DISCLOSURES UNDER SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 AND/OR THE COMPANIES ACT, 2013

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A. SUMMARY OF STATUS OF ESOS GRANTED

The position of the existing scheme is summarized as under:

Particulars		CSB Employee Stock Option Scheme 2019/ ESOS 2019
1	Date of Shareholders' Approval	May 4, 2019
2	Total Number of Options approved under ESOS	Total options reserve stood at 1,66,72,791 options and sourcing of corresponding number of shares shall be from (i) fresh issue of up to 80,00,000 equity shares to the ESOS Trust and (ii) secondary acquisition of up to 86,72,791 shares by the Trust.
3	Vesting Requirements	Vesting Period for any Options granted under this Scheme shall be subject to statutory minimum period of 1 (One) year from the date of Grant during which no Vesting shall be allowed. Subject to this statutory minimum period, any staggered Vesting prescribed for any Grant shall be over a Vesting schedule of minimum of 3 (Three) years and maximum of 10 (Ten) years from the date of Grant.
4	Exercise Price or Pricing Formula	The Exercise Price per Option shall be determined by the Nomination and Remuneration Committee which shall not be lesser than the face value of Shares as on date of Grant.
5	Maximum Term of Options Granted	The exercise period in respect of a vested option shall be a period commencing from the relevant vesting date of such option and shall end with the expiry of 10 (Ten) years or such other shorter period as approved by the Committee from the date of grant of such option. Thus, expiry of exercise period in respect of options granted in a tranche of grant shall be same for all options in such tranche of grant.
6	Source of Shares (primary, secondary or combination)	Primary and Secondary
7	Variation in terms of options	Being a Pre-IPO Scheme, in terms of Regulation 12(1) of the erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), any fresh grant of Options can be made under ESOS 2019 if the scheme is in compliance with the SEBI SBEB Regulations and ratified by the members of the Bank post IPO. Accordingly, the ESOS 2019 was placed before the members at the Annual General Meeting held on July 20, 2020, post listing of shares on December 4, 2019 for ratification, and the same was obtained. The ESOS 2019 as well as the Trust as originally introduced were in conformity with the SEBI SBEB Regulations. No options were granted prior to the amendment/ ratification of the scheme/listing of shares of the Bank. The first amendment was made in the Scheme at the Annual General meeting of the Bank held on July 20, 2020, inter alia, to increase the Options Reserve by an additional quantum of 1,16,72,791. The source of corresponding number of shares equivalent to 1,16,72,791 options shall be in the form of (i) fresh issue of shares up to 30,00,000 shares and (ii) secondary acquisition by the Trust up to 86,72,791 shares. With this, the total Options Reserve under ESOS 2019 stood at 1,66,72,791 options. A few other modifications were also made in the scheme as per the prevailing regulations and also to effect change of name of the Bank in the Scheme document.

		The second amendment was made in the Scheme at the Annual General meeting of the Bank held on August 12, 2021, permitting vesting of unvested employee stock options after the date of retirement as per original Vesting schedule as specified in the Grant Letter, subject to the provision of the Applicable Laws and at the discretion of the Nomination and Remuneration Committee. None of the amendments made were detrimental to the interests of any existing option grantees, at the respective times.
8	Method used to account for ESOS – Intrinsic or fair value	Intrinsic Value Method till March 31, 2021 and thereafter Fair Value Method by using Black-Scholes Model.

Note :

- (i). The quantum of secondary acquisition is capped at 5 % (Five percent) of the paid-up equity share capital of the Bank as on March 31, 2020, which is line with the statutory ceiling prescribed under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations")
- (ii). Acquisition of shares by the Trust in any financial year shall not exceed the ceilings, which is currently two per cent of the paid up equity capital as at the end of the previous financial year, prescribed in 'SEBI SBEB & SE Regulations' as amended from time to time. Trust shall not deal in derivatives, and shall undertake only delivery based transactions for the purposes of secondary acquisition and for the purpose of the Plan.

9(1)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed.	Grant of stock options made up to and including March 31, 2021																									
		Grant	Intrinsic Value (₹)	Fair Value (₹)	Difference	No. of Options	Total Difference (₹)																				
		Grant – I	215.10	218.86	3.76	3,55,000	13,35,483.24																				
		Grant – II	210.35	214.10	3.75	1,00,000	3,75,185.37																				
		Grant – III	163.35	176.73	13.38	4,33,150	57,94,253.47																				
9(2)	The impact of this difference on profits and on EPS of the Bank shall also be disclosed.	Grant of stock options made after March 31, 2021 : NA																									
		Bank, in terms of Reserve Bank of India Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff, dated November 4, 2019, fair valued the stock options on the date of grant, using Black-Scholes model and further in terms of clarification dated August 30, 2021 on the Guidelines, recognised and expensed the fair value thus arrived on the options granted, beginning with the accounting period for which approval has been granted.																									
		Grant of stock options made up to and including March 31, 2021																									
		The stock-based compensation cost calculated as per the intrinsic value method for the period April 1, 2021 to March 31, 2022 before tax is ₹ 8.97 Crore. If the stock-based compensation cost was calculated as per the fair value method prescribed by SEBI, the total cost to be recognised in the financial statements for the period April 1, 2021 to March 31, 2022 before tax would be ₹9.58 Crore. The effect of adopting the fair value method on the net income and earnings per share is presented below:																									
		<table><tr><th>Particulars</th><th>March 31,2022</th></tr><tr><td>Net Profit (as reported) (₹ in crores)</td><td>458.49</td></tr><tr><td>Add: Stock based employee compensation expense included in net income (₹ in crores)</td><td>8.97</td></tr><tr><td>Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹ in crores)</td><td>9.58</td></tr><tr><td>Net Profit (Proforma) (₹ in crores)</td><td>457.88</td></tr><tr><td>Earnings per share: Basic (in ₹)</td><td></td></tr><tr><td>As reported</td><td>26.43</td></tr><tr><td>Proforma</td><td>26.39</td></tr><tr><td>Earnings per share: Diluted (in ₹)</td><td></td></tr><tr><td>As reported</td><td>26.43</td></tr><tr><td>Proforma</td><td>26.39</td></tr></table>						Particulars	March 31,2022	Net Profit (as reported) (₹ in crores)	458.49	Add: Stock based employee compensation expense included in net income (₹ in crores)	8.97	Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹ in crores)	9.58	Net Profit (Proforma) (₹ in crores)	457.88	Earnings per share: Basic (in ₹)		As reported	26.43	Proforma	26.39	Earnings per share: Diluted (in ₹)		As reported	26.43
Particulars	March 31,2022																										
Net Profit (as reported) (₹ in crores)	458.49																										
Add: Stock based employee compensation expense included in net income (₹ in crores)	8.97																										
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Proforma	26.39																										
Earnings per share: Diluted (in ₹)																											
As reported	26.43																										
Proforma	26.39																										

	Grant made after March 31, 2021 : NA
	Not applicable as the Bank follows Fair Value Method by using Black-Scholes model for valuation as well as for expensing of the options granted, in line with Reserve Bank of India Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff, dated November 4, 2019 and clarification thereon dated August 30, 2021. In line with clarification, the fair value thus arrived at should be recognised as expense beginning with the accounting period for which approval has been granted.

B. OPTION MOVEMENT DURING THE FINANCIAL YEAR 2021-22

Sr. No	Particulars	Options details	Weighted Avg. Exercise Price (₹)
1	Number of Options Outstanding at the Beginning of the period	8,88,150	41.70
2	Number of Options Granted during the Year	6,18,286	143.62
3	Number of Options Forfeited during the Year	0	NA
4	Number of Options Vested during the Year	1,44,369	75
5	Number of Options Exercised during the Year	0	NA
6	Number of Options Lapsed during the Year	0	NA
7	Number of Shares arising as a result of Exercise of Options	0	NA
8	Money realised by Exercise of Options (INR), if scheme is implemented directly by the Bank	NA	NA
9	Loan repaid by the Trust during the year from exercise price received	Not applicable for the FY 22	Not applicable for the FY 22
10	Number of Options Outstanding at the End of the Year	15,06,436	83.53
11	Number of Options Exercisable at the End of the Year	1,44,369	75

C. THE WEIGHTED AVERAGE MARKET PRICES OF OPTIONS EXERCISED DURING THE FINANCIAL YEAR: NA

D. WEIGHTED AVERAGE EXERCISE PRICES OF OPTIONS GRANTED DURING FINANCIAL YEAR 2021-22 WHOSE

(Amount in ₹)

(a)	Exercise price equals market price (₹) of the share	261.65
(b)	Exercise price is greater than market price of the share	NA
(c)	Exercise price is less than market price of the share	10

E. WEIGHTED AVERAGE FAIR VALUES OF OPTIONS GRANTED DURING FINANCIAL YEAR 2021-22 WHOSE

(Amount in ₹)

(a)	Exercise price equals market price (₹) of the share	74.63
(b)	Exercise price is greater than market price of the share	NA
(c)	Exercise price is less than market price of the share	252.88

F. EMPLOYEE-WISE DETAILS OF OPTIONS GRANTED DURING THE FINANCIAL YEAR 2021-22 TO:

(i) Senior Managerial Personnel

		No. of options granted during the financial year	Exercise Price (₹)	% to total options granted during the financial year
Mr. C. VR. Rajendran	Managing Director & CEO*	3,28,286	261.65	53.10%
Mr. Pralay Mondal	Deputy Managing Director^	2,50,000	10	40.43%
Mr. Rajesh Choudhary	Chief Technology Officer	40,000	10	6.47%

* Took early retirement from the position of Managing Director & CEO of the Bank, after office hours on March 31, 2022.

^Options were granted to Mr. Pralay Mondal on April 28, 2021 in the capacity as 'President - Retail, SME, Technology and Operations'

(ii) Any other employees who receives a grant in any one year of option amounting to 5% or more of option granted during that year;

Name	Designation	No. of Options Granted during the financial year	Exercise Price (₹)	% to total options granted during the financial year
NIL				

(iii) Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Bank at the time of grant.

Name	Designation	No. of options granted during the financial year	Exercise Price (₹)	% to total options granted during the financial year
NIL				

G. A DESCRIPTION OF THE METHOD AND SIGNIFICANT ASSUMPTIONS USED DURING THE YEAR TO ESTIMATE THE FAIR VALUE OF OPTIONS:

The fair value has been calculated by using the Black- Scholes Option Pricing model. The fair value of options granted under the ESOS 2019 during the financial year 2021-22 has been estimated on the date of grant using the Black Scholes option pricing model with the following assumptions:

Variables	Date of grant (April 28, 2021)	Date of grant (August 30, 2021)	Date of grant (December 17, 2021)
No. of Options	2,50,000	40,000	3,28,286
Average Dividend Yield	0%	0%	0 %
Expected Volatility	48.65 %	47.45%	36.15 to 44.97 %
Risk free interest rate	5.11 % to 6.60 %	4.96% to 6.61%	3.90% to 5.01%
Expected option life	5-9 years	5-9 years	1.25 – 3.25 years
Expected forfeiture	NIL	NIL	NIL
Stock Price	₹ 253.05	₹ 296.65	₹ 261.65

H. ASSUMPTIONS

Weighted average value of share price/ Stock Price	Latest available closing price on a recognised stock exchange on which the shares of the company are listed on the date immediately prior to the relevant date. If such shares are listed on more than one recognised stock exchange, then the closing price on the recognised stock exchange having higher trading volume shall be considered as the market price
--	--

Expected Volatility/ Determination of expected volatility, including an explanation of the extent to which expected volatility was based on historical volatility	Expected volatility is a measure of the amount by which the equity share price is expected to fluctuate during a period. The measure of volatility used in Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of returns on the shares over a period of time. Expected volatility has been computed by considering the historical data on daily volatility in Bank's share price.
Risk-free Interest Rate	The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.
Exercise Price	Exercise Price of each specific grant has been considered.
Time to Maturity/Expected life of options	Time to Maturity / Expected Life of options is the period for which the Bank expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.
Expected Dividends	0 %
Any other features of the option granted, if incorporated into the measurement of fair value, such as a market condition/how such features were incorporated	Not applicable
Method used and assumptions made to incorporate effects of expected early exercise	Bank doesn't anticipate an early exercise of options granted. Bank expects the options granted to be exercised by the grantee within the Exercise Period as per the terms of grant and as per para 8.2 (b) of ESOS 2019.

I. DISCLOSURES IN COMPLIANCE WITH THE GUIDANCE NOTE ON ACCOUNTING FOR EMPLOYEE

SHARE BASED PAYMENTS AS ON 31ST MARCH 2022:

Bank uses Intrinsic Value Method for accounting the value of Options granted under the Scheme up to and including March 31, 2021 and thereafter Fair Value Method by using Black-Scholes model, for accounting the value of Options granted as per the requirements in terms of Reserve Bank of India Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff, dated November 4, 2019 and clarification thereon dated August 30, 2021. Further details, refer to the para 3.4 of the Notes forming part of the financial statement for the year ended March 31, 2022, of the Annual Report. (Disclosures are provided in accordance with para 42 of the guidance note (GN (A) 18 (Issued 2005), Guidance Note on Accounting for Employee Share-based Payments) read with the Indian Accounting Standard (Ind AS) 102 on Share based payment.

(i) Description of the ESOS

Particulars	
Vesting requirements	Vesting Period for any Options granted under this Scheme shall be subject to statutory minimum period of 1 (One) year from the date of Grant during which no Vesting shall be allowed. Subject to this statutory minimum period, any staggered Vesting prescribed for any Grant shall be over a Vesting schedule of minimum of 3 (Three) years and maximum of 10 (Ten) years from the date of Grant.
Maximum term of options granted	The exercise period in respect of a vested option shall be a period commencing from the relevant vesting date of such option and shall end with the expiry of 10 (Ten) years or such other shorter period as approved by the Committee from the date of grant of such option. Thus, expiry of exercise period in respect of options granted in a tranche of grant shall be same for all options in such tranche of grant.
Method of Settlement	Equity Settled.

(ii) Number and Weighted Average Exercise price of options

(a) Option Movement during the financial year 2021-22

Sr. No	Particulars	Options details	Weighted Avg. Exercise Price (₹)
1	Number of Options Outstanding at the Beginning of the period	8,88,150	41.70
2	Number of Options Granted during the Year	6,18,286	143.62
3	Number of Options Forfeited during the Year	0	NA
4	Number of Options Vested during the Year	1,44,369	75
5	Number of Options Exercised during the Year	0	NA
6	Number of Options Lapsed during the Year	0	NA
7	Number of Shares arising as a result of Exercise of Options	0	NA
8	Money realised by Exercise of Options (INR), if scheme is implemented directly by the Bank	NA	NA
9	Loan repaid by the Trust during the year from exercise price received	Not applicable for the FY 22	Not applicable for the FY 22
10	Number of Options Outstanding at the End of the Year	15,06,436	83.53
11	Number of Options Exercisable at the End of the Year	1,44,369	75
12	Weighted Average share price of Options exercised during the year	NA	NA

(b) Range of Exercise price and weighted average remaining contractual life of Outstanding Options

Scheme	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price (₹)	Range of Exercise Price (₹)
ESOS 2019	1506436	4.16	83.53	10-261.65

J. DETAILS RELATED TO TRUST

(i) General information on all schemes

The CSB ESOS Scheme 2019 shall be administered through an employee stock option trust ("ESOS Trust") in the nature of an irrevocable employee welfare trust, set up in May 2019 in due compliance with the applicable laws. Under the Scheme, the Bank can allot a maximum of 50 lakh shares to the Trust, over a period of time. Accordingly, the Bank, on July 12, 2019, allotted 50,00,000 equity shares to CSB ESOS Trust, at an issue price of ₹ 10 /- per share.

The Scheme was amended at the Annual General meeting of the Bank held on July 20, 2020, inter alia, to increase the Options Reserve from 50,00,000 equity shares by an additional quantum of 1,16,72,791. The sourcing of corresponding number of additional shares shall be from (i) fresh issue of shares up to 30,00,000 shares and (ii) secondary acquisition by the Trust up to 86,72,791 shares. With this, the total Options Reserve under ESOS 2019 stood at 1,66,72,791 options. A few other modifications were also made in the scheme as per the prevailing regulations and also to effect change of name of the Bank in the Scheme document.

Under the trust route, the Bank allots shares to the trust and the trust will transfer the shares to the eligible employees at the time of exercise of option by eligible employees on meeting terms of grant fixed by the Nomination & Remuneration Committee of the Board. The details of the CSB ESOS Trust as required under Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is furnished below:

SI No.	Particulars	Details
1.	Name of the Trust	CSB ESOS Trust
2.	Details of the Trustee(s)	1. Mr. S.S. Narayanan, CSB Bank Limited, CSB Bhavan, St. Mary's College Road, Thrissur – 680020 , Kerala, India. 2. Mr. Ragesh M, CSB Bank Limited, CSB Bhavan, St. Mary's College Road, Thrissur – 680020 , Kerala, India.
3.	Amount of loan disbursed by Bank / any company in the group, during the year	Nil [^]
4.	Amount of loan outstanding (repayable to Bank / any company in the group) as at the end of the year	Nil [^]
5.	Amount of loan, if any, taken from any other source for which Bank / any company in the group has provided any security or guarantee*	Nil [^]
6.	Any other contribution made to the Trust during the year	NIL Initial contribution in the form of Corpus funding of ₹ 1,00,000/- was made in the financial year 2019-20

* CSB ESOS Trust has borrowed ₹ 5,80,81,631/- from M/s IIFL Finance Limited on July 29, 2020 -to close the loan, equal to the borrowed amount, initially availed from M/s Edelweiss Finvest Pvt Ltd for the purpose of acquisition of 50,00,000 shares from CSB Bank Limited and in this connection, 8,20,000 equity shares out of 50,00,000 allotted to the trust were pledged with M/s IIFL Finance Limited.

[^] In terms of Reserve Bank of India Master circular- Loans and Advances- Statutory and other Restrictions dated July 1, 2015, the banks are not allowed to extend advances to employees trusts set up by them for the purpose of purchasing their own shares under ESOS/ESOP / from the secondary market.

(ii) Brief details of transactions in shares by the Trust

SI No.	Particulars	Details		
1.	Number of shares held at the beginning of the year (April 1, 2021) ;	50,00,000		
2.	Number of shares acquired during the year		Primary Issuance	Secondary Acquisition
		Number of shares acquired during the year	NIL	NIL
		Number of shares acquired during the year as a percentage of paid up equity capital as at the end of the previous financial year	NA	NA
		Weighted average cost of acquisition per share	NA	NA
3.	Number of shares transferred to the employees / sold along with the purpose thereof;	Nil		
4.	Number of shares held at the end of the year(March 31, 2022)	50,00,000		

(iii) In case of secondary acquisition of shares by the Trust:

The quantum of secondary acquisition is capped at 86,72,791 shares which constitute 5 % (Five percent) of the paid-up equity share capital of the Bank as on March 31, 2020, which is in tune with the statutory ceiling prescribed under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 which was subsequently repealed with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations").

Secondary Acquisition of shares by the Trust in any financial year shall not exceed two percent of the paid up equity capital as at the end of the previous financial year as per SEBI SBEB & SE Regulations as amended from time to time.

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	Nil
Acquired during the year	Nil
Sold during the year	Nil
Transferred to the employees during the year	Nil
Held at the end of the year	Nil

By Order of the Board

Sd/-
Madhavan Aravamuthan
Chairman
(DIN: 01865555)

Place: Thrissur
Date : June 28, 2022

Annexure-III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Bank.

The CSR policy of the Bank aims to identify and support all projects/programs/subjects undertaken as part of the Bank's Corporate Social Responsibilities/commitments within the framework of the Companies Act, 2013, as amended and the Schedule VII of the said Act, as amended read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, from time to time.

The policy will serve as a guiding principle/document to help identify, execute and monitor CSR projects/activities as well as formulation of the annual action plan in pursuance and in keeping with the spirit of the policy.

The annual action plan for CSR activities of the Bank includes the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act, the manner of execution of such projects or programmes, the modalities of utilisation of funds and implementation schedules for the projects or programmes, monitoring and reporting mechanism for the projects or programmes, etc.

The Bank will undertake activities in the areas or subjects in line with Schedule VII of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended and the CSR policy adopted by the Bank.

Bank as part of CSR Policy, is committed to continued focus towards sustainable development and responsible banking with a clear understanding that Bank has a key role of job and wealth creation in the society. CSR is generally understood to be the way an organization achieves a balance between economic, environmental and social imperatives while addressing the expectations of shareholders and stakeholders.

2. Composition of CSR Committee:

Constitution of the Corporate Social Responsibility Committee (CSR Committee) in the Bank is in line with Section 135 of the Companies Act, 2013 and rules made thereunder. The Committee is empowered to monitor the CSR activities as per the policy and plan and the Committee is responsible for overall governance of CSR activities in the Bank as per the policy.

The composition of the CSR Committee during the financial year 2021-22 was as follows:

Sl No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Bhama Krishnamurthy [^] , Independent Director	Chairperson	2	2
2.	Mr. C. VR. Rajendran ^{\$} , Managing Director & CEO	Member	3	3
3.	Mr. Sumit Maheshwari, Non-Executive Director	Member	3	3
4.	Mr. Sudhin Choksey [*] , Independent Director	Member	3	3
5.	Mr. Madhavan Menon [#] , Non-Executive Director	Member	1	1
6.	Mr. Syed Nagoor Ali Jinnah [@] , Independent Director	Chairperson	0	0

[^] Inducted as a Member and appointed Chairperson of the Committee with effect from July 6, 2021.

^{\$} Ceased to be member of the Committee due to early retirement from the position of Managing Director & CEO of the Bank, after office hours on March 31, 2022.

^{*} Inducted as a Member and appointed Chairperson of the Committee with effect from April 29, 2021; ceased to be the Chairperson of the Committee and continued as a member with effect from July 6, 2021.

[#] Ceased to be a member of the Committee with effect from July 6, 2021.

[@] Ceased to be the Chairperson of the Committee due to resignation as an independent director on April 19, 2021.

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Bank	Composition of CSR committee	:	https://www.csb.co.in/pdf/Committee-List-w.e.f July-2022.pdf	
	CSR Policy	:	https://www.csb.co.in/pdf/CSR%20Policy Final_30032022.pdf	
	CSR projects approved by the Board	:	https://www.csb.co.in/csr	
4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)	Not Applicable			
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.	Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
	-----Not applicable-----			
6. Average net profit/(loss) of the Bank as per section 135(5):	Financial Year 2018-19		:	₹ (300.09) Crore
	Financial Year 2019-20		:	₹ 133.99 Crore
	Financial Year 2020-21		:	₹ 292.55 Crore
	Average Net Profit/ (Loss) before tax of the Bank for the Last 3 Financial Years		:	₹ 42.15 Crore
7.				
a) Two percent of average net profit of the Bank as per section 135(5)	₹ 0.84 Crore			
b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL			
c) Amount required to be set off for the financial year, if any	NIL			
d) Total CSR obligation for the financial year (7a+7b-7c).	₹ 0.84 Crore			

8.

a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 84,30,375.78	-----Nil-----				

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

1.	2.	3.	4.	5.		6.	7.	8.	9.	10.	11.	
Sl No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
-----Nil-----												

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

1.	2.	3.	4.	5.		6.	7.	8.	
Sl No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number.
1	Ambulance to Govt. Primary Health Centre, Oddanchathram, Dindigul Dist. Tamil Nadu	Preventive health care	Yes	Tamil Nadu	Dindigul	13,15,000.00	Yes	NA	NA
2	COVID -19 Vaccination Drive in Thrissur District, Kerala	Covid-19 Vaccination programme/ drive - preventive health care	Yes	Kerala	Thrissur	7,99,400.00	Yes	NA	NA
3	Supply of relief / essential materials to Flood Relief Camp in Kalkulam, Kanyakumari through Kanyakumari District Collector	Disaster management, including relief and rehabilitation	Yes	Tamil Nadu	Kanyakumari	1,11,980.00	Yes	NA	NA
4	Financial aid to Santhwanam, Apostolate, Thrissur, Kerala	Setting up homes and hostels for women and orphans	Yes	Kerala	Thrissur	10,00,000.00	No	Santhwanam (Social Apostolate Centre), Archdiocese of Trichur	CSR00016016
5	Education Support to Sree Durga Vilasam Higher Secondary School, Peramanagalam, Thrissur District, Kerala	Promotion of education	Yes	Kerala	Thrissur	4,75,000.00	Yes	NA	NA
6	Project Dialysis-Fairfax India Charitable Foundation, Mumbai	Promoting health care including preventive health care	Yes	Maharashtra	Mumbai	47,28,995.78	No	Fairfax India Charitable Foundation, Mumbai	CSR00005441
Total						84.30.375.78			

d)	Amount spent in Administrative Overheads	:	Nil
e)	Amount spent on Impact Assessment, if applicable	:	Not Applicable
f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	:	₹ 0.84 Crore
g)	Excess amount for set off, if any	:	Nil
Sl. No.	Particular	Amount (in ₹)	
(i)	Two percent of average net profit of the Bank as per Section 135(5)	Not applicable	
(ii)	Total amount spent for the Financial Year	Not applicable	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not applicable	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not applicable	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Not applicable	

9.

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the Reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
-----Not applicable-----							

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

1.	2.	3.	4.	5.	6.	7.	8.	9.
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount Allocated for the Project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of Reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
Not applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year	:	a)	Date of creation or acquisition of the capital asset(s)	:	Nil
	:	b)	Amount of CSR spent for creation or acquisition of capital asset.	:	NA
	:	c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.	:	NA
	:	d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	:	NA
11. Specify the reason(s), if the Bank has failed to spend two per cent of the average net profit as per section 135(5).	:	Not applicable.			
The Bank has successfully utilized the whole of the CSR budget earmarked, for the purpose of undertaking various CSR activities in line with the annual action plan as approved by the CSR Committee and the Board within the framework of the Companies Act, 2013 and Schedule VII of the said Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, from time to time.					

Sd/-
Pralay Mondal
Managing Director & CEO (Interim)
(DIN: 00117994)

Sd/-
Bhama Krishnamurthy
Chairperson - CSR Committee
(DIN: 02196839)

Sd/-
Madhavan Aravamuthan
Chairman
(DIN: 01865555)

Place: Thrissur
Date: June 28, 2022

Annexure-IV

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
CSB BANK LIMITED
Head Office, "CSB Bhavan",
Post Box No.502, St. Mary's College Road,
Thrissur -680020

We, SVJS & Associates, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CSB Bank Limited [CIN: L65191KL1920PLC000175]** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **CSB Bank Limited** ("the Company") for the financial year ended on 31.03.2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder to the extent applicable;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) As informed to us, the following other laws are specifically applicable to the Company.
 - 1. The Banking Regulation Act, 1949 and the Banking Regulation (Companies) Rules, 1949
 - 2. Reserve Bank of India Act, 1934
 - 3. Banking Ombudsman Scheme 2006
 - 4. The Bankers' Books Evidence Act, 1891
 - 5. The Banking Companies (Period of Preservation of Records) Rules, 1985
 - 6. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 and The Security Interest (Enforcement) Rules, 2002
 - 7. The Prevention of Money-Laundering Act, 2002 and The Prevention of Money-Laundering (Maintenance of Records) Rules, 2005

- 8. The Deposit Insurance and Credit Guarantee Corporation Act, 1961 and The Deposit Insurance and Credit Guarantee Corporation General Regulations, 1961.
- 9. The Recovery of Debts Due to Banks and Financial Institutions Act, 1993
- 10. Credit Information Companies (Regulation) Act, 2005.

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

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

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

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and at shorter notice in certain cases in accordance with the provisions of the Act and Secretarial Standards and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

During the period, the Bank has obtained approval of shareholders for the following:

Sl. No.	Subject	Mode of Approval	Date of Approval	Particulars of approval
1	To approve amendment in 'CSB Employee Stock Option Scheme 2019'	Shareholders' approval by way of Special resolution in the Annual General Meeting	12.08.2021	Approval of shareholders for amendment in 'CSB Employee Stock Option Scheme 2019'
2	To approve . Material related party transactions	Shareholders' approval by way of ordinary resolution through Postal Ballot	30.03.2022	To approve Material related party transactions pertaining to acquisition of gold loan receivables by way of Direct Assignment Transactions /Pass Through Certificates by the Bank with IIFL Finance Limited
3	To approve Material related party transactions	Shareholders' approval by way of ordinary resolution through Postal Ballot	30.03.2022	To approve Material related party transactions pertaining to engagement of IIFL Finance Limited as Business Correspondent of the Bank
4	To approve Material related party transactions	Shareholders' approval by way of ordinary resolution through Postal Ballot	30.03.2022	To approve Material related party transactions pertaining to investment in Non-Convertible Debentures of IIFL Finance Limited.

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

Peer Review Certificate No.648 /2019
For SVJS & Associates
Company Secretaries

Sd/-
CS Vincent P.D.
Managing Partner
CP No.: 7940, FCS: 3067
UDIN: F003067D000537370

Place: Kochi
Date: June 28, 2022

Annexure A

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To
The Members,
CSB BANK LIMITED
Head Office, "CSB Bhavan",
Post Box No.502, St. Mary's College Road,
Thrissur -680020

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

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

Peer Review Certificate No.648 /2019
For SVJS & Associates
Company Secretaries

Place: Kochi
Date: June 28, 2022

Sd/-
CS Vincent P.D.
Managing Partner
CP No.: 7940, FCS: 3067
UDIN: F003067D000537370

Report on Corporate Governance

BANK'S PHILOSOPHY ON CODE OF GOVERNANCE

The Corporate Governance Philosophy of the Bank emphasises the need to promote corporate fairness, business excellence, transparency, accountability, integrity, social responsibility and regulatory compliance so as to enhance long-term value creation for all stakeholders. This philosophy is realized through the Bank's endeavour in working towards portfolio, operational and reputation excellence ensuring better systems and controls. Your Bank has adapted and accepted to changes in corporate governance norms thereby aiming towards aligning corporate governance standards to global best practices.

Your Bank believes that Corporate Governance is not just limited to creating checks and balances; it is more about creating organizational excellence leading to increasing employee, customer satisfaction and shareholder value. The Bank always endeavours to leverage its all available and accessible resources to translate opportunities into reality, create awareness of corporate vision and mission, spark dynamism and entrepreneurship among all resources. Your Bank also believes that sound corporate governance is critical to enhance and retain confidence of all stakeholders. Your Bank always seeks to follow the best practices in corporate governance and in tune with the regulatory prescriptions, ensuring compliance with zero tolerance at all levels.

Your Bank being guardian of public money, maintains the highest standards of corporate governance with a commitment to ensure accountability, fairness, diversity and transparency and takes exceptional care in governance matters so as to enjoy the trust and goodwill of the public at large. This approach is designed as central, with Board of Directors functioning as the brain laying down strong principles, foundation, policies and processes for the day-to-day functioning of the Bank and in implementation of its business strategy maintaining high ethical standards. Your Bank is committed to transparency in all its dealings and places uncompromising emphasis on integrity and regulatory compliance.

Your Bank's adherence to Corporate Governance stems not only from the letter of law but also from inherent belief in doing business the right way through constantly and consistently monitoring the policies, practices, actions and decisions of top management and all affected stakeholders.

BOARD COMPOSITION

The Bank recognizes that a well-balanced Board creates a culture of leadership to provide long-term vision, ensure governance as well as protect the interest of all stakeholders. The composition of the Board reflects a diverse means of thought, backgrounds, skills, experiences and expertise and a range of tenures that are appropriate given the Bank's current and anticipated circumstances and that collectively, enable the board to perform its oversight function effectively. Bank's Corporate Governance Philosophy emphasises Directors' independence which is vital and critical to effective Corporate Governance, and providing objective independent judgment that represents the interests of all stakeholders is at the core of the Board's oversight function. In the process of composition of Board and sub-committees, practices and principles of Good Corporate Governance have been evolved and your Bank is ready to adopt further changes to strengthen it, particularly on ensuring independence in spirit of Independent Directors and their active participation in functioning of the Bank, improving safeguards and disclosures pertaining to Related Party Transactions, issues in accounting and auditing practices, improving effectiveness of Board Evaluation practices, addressing issues faced by investors on voting and participation in general meetings, disclosure and transparency related issues. Corporate Governance Philosophy of the Bank clearly defines and understands the respective roles of the Board, management and shareholders; their relationships with each other; and their relationships with all the stakeholders.

Your Bank has a broad-based Board, constituted in line with the Corporate Governance Philosophy and Principles and in compliance with the provisions of Section 10A (2) (a) of the Banking Regulation Act, 1949 and the extant guidelines issued by RBI from time to time, the Companies Act, 2013 and rules made thereunder, Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the Articles of Association of the Bank and all other applicable laws and in accordance with the best practices in corporate governance.

The Composition of Board comprises of directors, majority of them from Banking domain with different skill-sets, expertise and competence, representing the areas/sectors like Agriculture, Rural Economy, Banking, Accountancy,

Co-operation, Information Technology, Economics, Finance, MSME, Law, etc., and also having special knowledge or practical experience useful to banking companies such as Information Technology, Payment & Settlement Systems, Human Resources, Risk Management and Business Management as these are the Core Skills/Practical Experience/Special Knowledge /Competencies as required in the context of its business(es) and sector(s) for it to function effectively.

The Board functions as the governing body and also through various Committees constituted to oversee specific areas. Policy formulation, setting up and review of goals, annual evaluation of performance of the Board and its Committees, etc., and control functions vested with the Board. The Committees have oversight of operational and supervisory issues assigned to them by the Board, from time to time.

Board exercise its powers, duties and responsibilities as envisaged in line with the Banking Regulation Act, 1949, the extant guidelines issued by RBI from time to time, the Companies Act, 2013 and rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Articles of Association of the Bank and all other applicable laws and in accordance with the best practices in corporate governance.

The Bank, as on March 31, 2022, has Ten (10) directors on its Board chaired by the Non-Executive-Independent Part-time Chairman and the Composition of Board are furnished as under:

Sl.No.	Name of the Director	Nature of Directorship	Category
1	Mr. Madhavan Aravamuthan	Part-time Chairman [#]	Independent
2	Mr. C.VR. Rajendran	Managing Director & CEO *	Executive
3	Mr. Pralay Mondal	Deputy Managing Director	Executive
4	Mr. Madhavan Menon	Non – Executive Director	Non– Independent
5	Mr. Sumit Maheshwari	Non – Executive Director	Non– Independent
6	Ms. Bhama Krishnamurthy	Non – Executive Woman Director	Independent
7	Ms. Sharmila Abhay Karve	Non – Executive Woman Director	Independent
8	Mr. Sudhin Choksey	Non – Executive Director	Independent
9	Mr. Sunil Srivastav	Non – Executive Director	Independent
10	Mr. Sharad Kumar Saxena	Non – Executive Director	Independent

* Took early retirement from the position of Managing Director & CEO of the Bank with effect from the close of office hours on March 31, 2022.

[#]Tenure of appointment as Part-Time Chairman of the Bank shall end at the close of office hours on June 28, 2022

POLICY ON BOARD DIVERSITY

Your Bank believes that a diversified Board will enhance the quality of the decisions made at the Board level by utilizing the different skills, qualification, professional experience, gender, knowledge, etc., of the members of the Board, necessary for achieving sustainable and balanced development.

Accordingly, Policy on Board Diversity of the Bank sets out the approach to ensure diversity on the Board in terms of thought, experience, knowledge, perspective and gender, based on the Listing Regulations, the Banking Regulation Act, 1949, Companies Act, 2013 as well as other laws, rules and regulations applicable to the Bank subject to satisfying the Fit and Proper Criteria for directors as per the regulatory requirement of RBI and the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of the Board as designed according to the policy, reflects a diversity of thought, backgrounds, skills, experiences and expertise and a range of tenures that are appropriate given the Bank's current and anticipated

circumstances and that collectively, enable the Board to perform its oversight functions effectively.

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

The Nomination & Remuneration Committee has responsibilities for leading the process for Board appointments and for identifying and nominating, for approval by the Board, candidates for appointment to the Board. The benefits of diversity continue to influence succession planning and continue to be the key criteria for the search and nomination of directors to the Board.

Board appointments are based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board,

including gender. While making Board appointments, the requirement as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment of at least one woman director on the Board of the Bank is also considered.

PROFILE OF DIRECTORS

Mr. Madhavan Aravamuthan
DIN: 01865555
Non – Executive Independent (Part-Time) Chairman
Education: Master's Degree in Economics and a Certified Associate of Indian Institute of Bankers.
Date of joining the Board: December 13, 2018
Areas of skill/expertise: Banking, Economics, Finance, Information Technology and Payment & Settlement System

Mr. Madhavan Aravamuthan was appointed as Part-time Chairman of the Bank effective from August 10, 2020 and continues to be the Part-time Chairman of the Bank till June 28, 2022. He has been associated with the Bank since December 13, 2018. He is a seasoned Banker having served Reserve Bank of India for over thirty-seven years in various Banking areas and capacities in RBI.

He is a Post graduate in Economics from Madras University and a Certified Associate of Indian Institute of Bankers.

His skill-sets include deep knowledge of IT Systems, Payment & Settlement Systems, Offsite surveillance of Banks, etc. E-Kuber CBS system for the Reserve Bank of India was conceptualised, implemented and rolled out after effecting Business Process Re-engineering by Mr. Madhavan Aravamuthan. He had also significantly contributed in the preparation of RFP for RTGS and HRMS solutions of the Reserve Bank. He was earlier on the Board of erstwhile Bank of Rajasthan as Additional Director appointed by Reserve Bank of India.

Mr. C.VR. Rajendran
DIN: 00460061
Managing Director and Chief Executive Officer [Retired on March 31, 2022]
Education: Master's Degree in commerce, ICWA- Inter and is an associate of the Indian Institute of Bankers
Date of joining the Board: December 09, 2016
Areas of skill/expertise: Banking

Mr. C.VR. Rajendran was appointed as the Managing Director & CEO of the Bank with effect from December 9, 2016 and re-appointed for a period of three years with effect from December 9, 2019 after completion of his initial term on December 8, 2019. Mr. Rajendran is a seasoned banker with solid grassroots level Indian banking experience spanning more than three and a half decades. He has hands-on cross functional experience in every aspects

of banking spread across Branch Operations, NPA / Asset Quality Management, Business Process Re-engineering, Productivity Enhancement, Corporate Industrial Finance, Merchant Banking, Treasury Operations, International Banking, Primary Dealership, Collection and Payment Services and Information Technology.

Mr. Rajendran was holding the position of Chief Executive Officer of the Association of Mutual Funds in India prior to joining the Bank. Prior to this, he has held other key positions like Chairman & Managing Director of Andhra Bank (December 2013 – April 2015) and as Executive Director at Bank of Maharashtra (March 2012 – December 2013). He has also held various positions including that of General Manager in the Corporation Bank (1978 – 2012).

Mr. C. VR. Rajendran, Managing Director & CEO, took early retirement from the position, after office hours on March 31, 2022 on health grounds.

Mr. Pralay Mondal
DIN: 00117994
Deputy Managing Director
Education: Engineering from IIT, Kharagpur and Management graduate from IIM, Calcutta
Date of joining the Board: February 17, 2022
Areas of skill/expertise: Banking

Mr. Pralay Mondal was appointed as the Deputy Managing Director of the Bank with effect from February 17, 2022. Subsequently, he was appointed as Managing Director & CEO (Interim) of the Bank with effect from April 1, 2022 as per the requirements of Section 10 B (9) of the Banking Regulation Act, 1949. His first appointment in the Bank was as President (Retail, SME, Technology and Operations) since September 23, 2020.

Mr. Pralay is an Engineer from IIT, Kharagpur and a Management graduate from IIM, Calcutta.

Prior to joining CSB Bank, Mr. Pralay was Executive Director & Head of Retail Banking at Axis Bank. He has around 30 years of banking experience across multiple business and functions including retail assets, retail liabilities, business banking, products and technology. Before joining Axis Bank, Mr. Pralay was the Senior Group President and Head of Retail and Business Banking at Yes Bank. He was instrumental in setting up the entire retail franchise in that bank in a short period of time. At Yes Bank, Mr. Pralay used to frequently meet the Investors and Analysts and have been part of the core group engaging with relevant people in India and overseas to represent the bank for raising capital. Prior to that he had a successful 12 years stint at HDFC Bank and was earlier associated with Standard Chartered Bank, Wipro InfoTech and Colgate Palmolive. Mr. Pralay's achievements include pioneering efforts in doorstep banking and direct sales, creating deep geography distribution, and building and scaling up of

retail businesses. He is also credited with building capital market, wealth management, private banking, NBFC, credit cards, payments and digital businesses, from scratch.

Mr. Madhavan Menon
DIN: 00008542
Non-Executive Non-Independent Director
Education: Master's Degree in Business Administration from the George Washington University
Date of Joining the Board: September 03, 2018
Areas of skill/expertise: Banking, Finance, Human Resource and Business Management

Mr. Madhavan Menon is a Non – Executive Director of the Bank and has been associated with the Bank since September 3, 2018. Mr. Madhavan Menon was the Part Time Chairman of the Bank for the period from April 22, 2019 to July 21, 2020.

He has a varied background having commenced his career in ANZ Grindlays Bank and subsequently worked in Citibank, Emirates Bank and in the Financial Services Division of the Aditya Birla Group. His areas of interest include Treasury, Corporate Lending, Operations, Corporate Governance and Strategic Planning. Mr. Menon is presently the Managing Director of Thomas Cook (India) Ltd (TCIL), a Fairfax Company, which is the leading integrated travel and travel related financial services company in the country, offering a broad spectrum of services that include Foreign Exchange, Corporate Travel, MICE, Leisure Travel, Insurance, Visa & Passport Services and E-Business. Mr. Menon holds Directorships in various subsidiaries of TCIL and is also the Chairman of the Fairfax India Charitable Foundation that focuses on bringing down the cost of treating kidney related ailments in the country.

Mr. Sumit Maheshwari
DIN: 06920646
Non-Executive Non-Independent Director
Education: Master's Degree in Commerce, Master of Business Administration & Member of the ICAI
Date of Joining the Board: September 03, 2018
Areas of skill/expertise: Finance, Accountancy and Business Management

Mr. Sumit Maheshwari is a Non – Executive Director of the Bank and has been associated with the Bank since September 3, 2018.

He is a qualified Chartered Accountant, has completed the Post Graduate Programme in Management from the Indian School of Business, Hyderabad, and holds Masters Degree in Commerce from the University of Mumbai.

Mr. Maheshwari joined Fairbridge Capital in 2011 and has been the Managing Director of Fairbridge Capital since May 2018. Mr. Maheshwari is responsible to source, evaluate,

negotiate, execute and exit investment opportunities. He is also responsible to monitor the portfolio companies. Mr. Maheshwari has been involved in the investments of Bangalore Airport, Sanmar Group, CSB Bank, Fairchem Organics, Seven Islands Shipping, Thomas Cook, Quess Corp and Sterling Holidays amongst others. Mr. Maheshwari serves on the board of directors of many of Fairfax's portfolio companies. Prior to joining Fairbridge Capital, Mr. Maheshwari worked with KPMG in India and the UK in their audit and accounting advisory functions. Mr. Maheshwari is a resident of Mumbai, Maharashtra, India.

Ms. Bhama Krishnamurthy
DIN: 02196839
Non – Executive Independent Director
Education: Master's Degree in Science
Date of Joining the Board: September 03, 2018
Areas of skill/expertise: Banking, Human Resource, Risk Management and Small Scale Industry

Ms. Bhama Krishnamurthy is an Independent Director of the Bank and has been associated with the Bank since September 3, 2018.

Ms. Bhama Krishnamurthy is a seasoned banker with a sparkling career spanning over 35 years in IDBI (presently IDBI Bank) and SIDBI, an Apex Development Bank for MSMEs in India covering almost all areas of development banking operations, viz., Resource Raising and Management (Rupee and Forex), Integrated Treasury operations, Credit Dispensation and Management, Risk Management, Management of Associates and Subsidiaries, etc. not only from policy perspectives but implementation aspects, besides direct credit functions including as Head of Branch operations and member of various credit committees. She has also handled Human Resources Development division covering recruitment, training and promotion aspects. She retired as Country Head and Chief General Manager from SIDBI in December 2014. She has also served on the Boards of several companies venture funds and CIBIL as Nominee of SIDBI. Ms. Bhama Krishnamurthy was instrumental in bringing about several policy changes in various State Financial Corporations, while serving on the Boards, as nominee of SIDBI.

Ms. Sharmila Abhay Karve
DIN: 05018751
Non – Executive Independent Director
Education: Bachelor's Degree in Commerce & Member of the ICAI
Date of Joining the Board: July 20, 2020
Areas of skill/expertise: Finance and Accountancy

Ms. Sharmila Abhay Karve is an Independent Director of the Bank and has been associated with the Bank since July 20, 2020.

Ms. Sharmila Abhay Karve is a member of The Institute of Chartered Accountants of India and is also a Commerce Graduate from Mumbai University.

Ms. Sharmila has over three decades of association with the Network of Price Waterhouse firms in India in various capacities till she retired on 30 June, 2019. In the Price Waterhouse India network, Ms. Sharmila held various positions. She was an audit partner for several Indian and Multinational clients for many years. She was appointed as the Ethics and Business Conduct Leader for the firms and was also elected to the Partnership Oversight Committee (POC) which is responsible for governance and oversight. Later, she took over as the Head of Audit. She has also been the Head for Risk & Quality, which restructured the risk profile of their clients' products and services and implemented mitigating controls. In 2017, she was appointed as the Diversity & Inclusion Leader for the PwC Global network and was on the Global Leadership Team and the Global Human Capital Team.

Mr. Sudhin Choksey
DIN: 00036085
Non – Executive Independent Director
Education: Bachelor's Degree in Commerce and also a fellow Member of the ICAI
Date of Joining the Board: March 30, 2021
Areas of skill/expertise: Banking, Finance and Accountancy

Mr. Sudhin Choksey is an Independent Director of the Bank and has been associated with the Bank since March 30, 2021.

Mr. Sudhin Choksey has an overall 42 years of professional experience, both in India and Overseas. Mr. Sudhin Choksey was the former Managing Director of GRUH Finance Ltd. which was merged with Bandhan Bank. As a part of the scheme of merger, Mr. Sudhin Choksey joined Bandhan Bank as Executive Director (Designate) in October 2019 and retired on February 16, 2021. Mr. Sudhin Choksey was an experienced CEO at GRUH Finance with a demonstrated history of working in the mortgage finance business and skilled in lending business. During the span of 26 years of working with GRUH Finance, he has held various positions including that of General Manager, Executive Director, Chief Executive Director and Managing Director. At Bandhan Bank, he was the vertical head of the housing finance business. Mr. Sudhin Choksey has also served as an Independent Director on the Boards of many listed and unlisted companies.

Mr. Sudhin Choksey is a fellow member of the Institute of Chartered Accountants of India and has done his graduation in Commerce (Honours) from The Sydenham College of Commerce & Economics, Bombay University. He was the recipient of BUSINESS LEADER – FINANCIAL SERVICES Award for 2015 from The Institute of Chartered Accountants of India, New Delhi.

Mr. Sunil Srivastav
DIN: 00237561
Non – Executive Independent Director
Education: Bachelor's Degree in Science, MBA from Banaras Hindu University and a Certified Associate of Indian Institute of Bankers.
Date of Joining the Board: June 8, 2021
Areas of skill/expertise: Banking, Business Management and Agriculture & Rural Economy

Mr. Sunil Srivastav is an Independent Director of the Bank and has been associated with the Bank since June 8, 2021.

Mr. Srivastav was associated with the State Bank of India for more than 38 years. He had joined State Bank of India in 1980 as a probationary officer and held various positions in State Bank of India until he retired as Deputy Managing Director of Corporate Banking from State Bank of India, in 2018. Mr. Srivastav's rich experience in banking includes Credit Risk, Project Finance, Corporate Finance, International Banking, Investment Banking, Corporate Strategy, National/elite Banking, Corporate Banking and Digital & Retail Banking with varied experience across geographies in India & abroad, having been a part of various cycles in the development of the Indian economy. Mr. Srivastav was a keen analyst and commentator on developments in the field of Corporate Finance and Banking. Post retirement in April 2018, Mr. Srivastav has been engaged as a Senior Advisor (Part time) with Edelweiss Group, Vedanta India, and The World Bank - Energy and Extractives program in India. Mr. Srivastav is currently on the Board as Independent Director, in few companies. Mr. Srivastav had previously served on the Boards of Gillanders Arbuthnot Ltd., SBICAP Trustee and Custodial Services, West Bengal Financial Development Corp., National Payments Corporation of India and as a Member of Global Advisory Board of Master Card, to name a few. He also has a deep understanding of the NBFC Sector, gained while heading the Corporate Banking function of the SBI. He is currently serving as Independent Director on the Board of many companies.

Mr. Sunil Srivastav is a Graduate in Science from Delhi University and has done his Masters' in Business Administration from Banaras Hindu University. He has also done "Negotiation Dynamics" from INSEAD, Paris. He is a Certified Associate of Indian Institute of Bankers.

Mr. Sharad Kumar Saxena
DIN: 08238872
Non – Executive Independent Director
Education: Engineering graduate in Electronics & Telecommunication and Certified Information System Auditor (CISA) from ISACA, US.
Date of Joining the Board: February 19, 2022
Areas of skill/expertise: Banking, Information Technology and Payment & Settlement System

Mr. Sharad Kumar Saxena is an Independent Director of the Bank and has been associated with the Bank since February 19, 2022.

Mr. Sharad Saxena has more than 30 years of experience and had held almost all the leadership positions in ICICI Bank technology group, like, heading the technology function for Corporate Banking, Commercial Banking, Asset products including Corporate & Retail Loans, International Banking, Credit Cards, Cash Management Services, Payment Systems, Core Banking, Switching, HR, CRM and Compliance & Fraud Management, Head of IT Infrastructure group including Networks and head of Technology Compliance for interfacing all audits and inspections. Some of his key accomplishments were execution of numerous business and productivity enabling projects, transformation and migration of live Data Centers across the cities, migration of large applications and technology platforms, co-creating new technology enabled business models, setting up of IT Governance and Compliance function within IT, etc. As a member of the core technical committees of RBI for the following initiatives, he was in-charge of automation of Regulatory Returns filing, NG-RTGS, RBI Core Banking and Interface with Government Departments and Managing Outsourcing Risks. Later, as Chief Technology Officer for amalgamated Bank of Baroda, as the Chief Technology Officer and the head of IT of Bank of Baroda, erstwhile Vijaya Bank, and erstwhile Dena Bank, successfully led the most complex and the biggest bank merger in the country. Made a strategic roadmap for IT landscape of the amalgamated bank to sustain its business strategies for the next five years. This included movement to cloud, renewal of IT infrastructure, development of big data lake platform, consolidation and movement of data centers and large-scale digitization.

Mr. Sharad Saxena is an Engineering graduate in Electronics & Telecommunication from Government Engineering College, Jabalpur. He is also a Certified Information System Auditor (CISA) from ISACA, US, and a Certified ISO 27001 Implementer and Certified Senior Examiner for Quality Management for the Indian Merchant's Chamber.

RESIGNATION OF INDEPENDENT DIRECTOR

Mr. Syed Nagoor Ali Jinnah (DIN: 05238633) resigned from the position of the Non-Executive Independent Director of the Bank with effect from April 19, 2021 on personal grounds of health.

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 read with Clause 7B of Part A of Schedule III, Mr. Syed Nagoor Ali Jinnah confirmed that there are no material reasons for his resignation from the position of Independent Director of the Bank other than on personal grounds of health.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

None of the Directors of the Bank are related to one another.

LIST OF CORE SKILLS/EXPERTISE/COMPETENCIES IDENTIFIED BY THE BOARD

Board, in tune with the provisions of Section 10A (2) (a) of the Banking Regulation Act, 1949 and the extant guidelines issued by RBI from time to time, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations have identified Accountancy, Agriculture, Rural Economy, Banking, Co-operation, Economics, Finance, SSI, Law, Information Technology, Payment & Settlement Systems, Human Resources, Risk Management and Business Management as the Core Skills/ Practical Experience/Special Knowledge/ Competencies as required in the context of its business(es) and sector(s) for it to function effectively. For appointment of independent directors, the balance of skills, knowledge and experience on the Board will also be considered while filling up position on the Board of the Bank.

Nature of interest/ core skills/expertise/ competencies	Name of the Director having the identified Skill/Expertise/ Competencies
Banking	1. Mr. Madhavan Aravamuthan
	2. Mr. C. VR. Rajendran
	3. Mr. Pralay Mondal
	4. Mr. Madhavan Menon
	5. Ms. Bhama Krishnamurthy
	6. Mr. Sudhin Choksey
	7. Mr. Sunil Srivastav
	8. Mr. Sharad Kumar Saxena
Economics	1. Mr. Madhavan Aravamuthan
Finance	1. Mr. Madhavan Aravamuthan
	2. Mr. Madhavan Menon
	3. Mr. Sumit Maheshwari
	4. Ms. Sharmila Abhay Karve
	5. Mr. Sudhin Choksey
Information Technology	1. Mr. Madhavan Aravamuthan
Payment and Settlement Systems	1. Mr. Madhavan Aravamuthan
	2. Mr. Sharad Kumar Saxena
Accountancy	1. Mr. Sumit Maheshwari
	2. Ms. Sharmila Abhay Karve
	3. Mr. Sudhin Choksey
Human Resources	1. Ms. Bhama Krishnamurthy
	2. Mr. Madhavan Menon
Risk Management	1. Ms. Bhama Krishnamurthy
Business Management	1. Mr. Sumit Maheshwari
	2. Mr. Sunil Srivastav
	3. Mr. Madhavan Menon
Small Scale Industry	1. Ms. Bhama Krishnamurthy
Agriculture and Rural Economy	1. Mr. Sunil Srivastav

DETAILS OF ATTENDANCE OF EACH DIRECTOR AT BOARD MEETINGS AND AT THE LAST YEAR'S ANNUAL GENERAL MEETING:

Name of Director	Executive / Non – Executive Director	Independent / Non- Independent Director	No. of Board Meetings Held during the Tenure	No. of Board Meetings Attended	% of Attendance	Attendance of last AGM held on 12.08.2021
Part-time Chairman- Independent						
Mr. Madhavan Aravamuthan [!]	Non – Executive	Independent	16	16	100%	Present
Managing Director & CEO						
Mr. C. VR. Rajendran [*]	Executive	Non– Independent	16	15	93.75%	Present
Deputy Managing Director						
Mr. Pralay Mondal [%]	Executive	Non– Independent	5	3	60%	NA
Non – Executive Directors						
Mr. Madhavan Menon ^{\$}	Non – Executive	Non– Independent	16	15	93.75%	Present
Mr. Sumit Maheshwari	Non – Executive	Non– Independent	16	16	100%	Present
Independent Directors						
Ms. Bhama Krishnamurthy [^]	Non – Executive	Independent	16	16	100%	Present
Ms. Sharmila Abhay Karve ^{&}	Non – Executive	Independent	16	15	93.75%	Present
Mr. Sudhin Choksey [#]	Non – Executive	Independent	16	15	93.75%	Present
Mr. Sunil Srivastav [@]	Non – Executive	Independent	13	13	100%	Present
Mr. Sharad Kumar Saxena ^{@@}	Non – Executive	Independent	5	5	100%	NA

[!] Reappointed at the Annual General Meeting held on August 12, 2021, for a period of three consecutive years with effect from June 29, 2022 to June 28, 2025.

^{*} took early retirement from the position of Managing Director & CEO and relieved him from the position, after office hours on March 31, 2022.

[%] Appointed as Deputy Managing Director w.e.f. February 17, 2022.

^{\$} Reappointed at the Annual General Meeting held on August 12, 2021, liable to retire by rotation at the Annual General Meeting.

[^] Reappointed at the Annual General Meeting held on August 12, 2021, for a period of three consecutive years with effect from September 29, 2021 to September 28, 2024.

[&] Appointed at the Annual General Meeting held on August 12, 2021, for the period of three consecutive years with effect from July 20, 2020 to July 19, 2023.

[#] Appointed at the Annual General Meeting held on August 12, 2021, with effect from March 30, 2021 to January 30, 2024.

[@] Appointed at the Annual General Meeting held on August 12, 2021, for a period of three consecutive years with effect from June 08, 2021 to June 07, 2024.

^{@@} Appointed as an Independent Director for a period of three consecutive years with effect from February 19, 2022 to February 18, 2025, through resolution passed by means of Postal Ballot on March 30, 2022.

BOARD MEETINGS

During the Financial Year 2021–22, your Bank had 16 Board Meetings as detailed below:

28.04.2021	08.05.2021	08.06.2021	05.07.2021	22.07.2021	22.09.2021	25.10.2021	17.12.2021
27.12.2021	08.01.2022	21.01.2022	24.02.2022	08.03.2022	24.03.2022	28.03.2022	29.03.2022

DIRECTORSHIP DETAILS OF THE DIRECTORS IN THE LISTED ENTITIES AS ON MARCH 31, 2022

Sl. No.	Name of the Director	Names of the Listed Entities in which he/she is Director including the Bank	Category Directorships
1	Mr. Madhavan Aravamuthan	1. CSB Bank Limited	Independent Director
2	Mr. C. VR. Rajendran	1. CSB Bank Limited	Managing Director & CEO
3	Mr. Pralay Mondal	1. CSB Bank Limited	Deputy Managing Director
4	Mr. Madhavan Menon	1. CSB Bank Limited 2. Thomas Cook (India) Limited	Non-Executive Director Managing Director
5	Mr. Sumit Maheshwari	1. CSB Bank Limited 2. Fairchem Organics Limited 3. Thomas Cook (India) Limited	Non-Executive Director Nominee Director Director
6	Ms. Bhama Krishnamurthy	1. CSB Bank Limited 2. Reliance Industrial Infrastructure Limited 3. Network18 Media & Investments Limited 4. Cholamandalam Investment and Finance Company Limited 5. Thirumalai Chemicals Limited	Independent Director Independent Director Independent Director Independent Director Independent Director
7	Ms. Sharmila Abhay Karve	1. CSB Bank Limited 2. Syngene International Limited 3. EPL Limited 4. Thomas Cook (India) Limited	Independent Director Independent Director Independent Director Independent Director
8	Mr. Sudhin Choksey	1. CSB Bank Limited 2. Fairchem Organic Limited	Independent Director Independent Director
9	Mr. Sunil Srivastav	1. CSB Bank Limited 2. SIS Limited 3. Star Paper Mills Limited	Independent Director Independent Director Independent Director
10	Mr. Sharad Kumar Saxena	1. CSB Bank Limited	Independent Director

COMMITTEE MEMBERSHIP AND CHAIRPERSONSHIP DETAILS OF THE DIRECTORS IN THE LISTED ENTITIES AS ON MARCH 31, 2022

Sl. No.	Name of the Director	No. of other Directorships in Public Limited Companies including the Bank	No. of Committee Memberships		No. of Committee Chairpersonship	
			ACB	SRC	ACB	SRC
1	Mr. Madhavan Aravamuthan	1	0	0	0	0
2	Mr. C. VR. Rajendran	1	1	1	0	0
3	Mr. Pralay Mondal	1	0	0	0	0
4	Mr. Madhavan Menon	5	2	1	0	1
5	Mr. Sumit Maheshwari	8	3	0	0	0
6	Ms. Bhama Krishnamurthy	9	8	0	1	0
7	Ms. Sharmila Abhay Karve	6	6	2	3	1
8	Mr. Sudhin Choksey	3	0	2	0	0
9	Mr. Sunil Srivastav	5	2	2	1	1
10	Mr. Sharad Kumar Saxena	1	1	0	0	0

*Chairpersonship and Membership in committees denotes Audit Committee of the Board (ACB) and Stakeholders Relationship Committee (SRC) only, including membership details in the Bank.

AFFIRMATION

Affirmation in terms of Regulations 17A and 26 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as under:

- None of the Directors of the Bank were members in more than ten committees or act as chairperson of more than five committees across all listed entities including public companies in which he/she is a director.
- None of the Independent Directors of the Bank held Directorship in more than seven listed companies.
- Whole Time Director of the Bank is not serving as an Independent Director in any other listed company.

BOARD PROCEDURE

The Board functions as the governing body, evaluates its operational, strategic, financial performances and provides strategic and corrective directions, effectiveness of the Bank's management policies, risks and opportunities as well as its conduct. Board exercise their powers, duties and responsibilities as envisaged in line with the Banking Regulation Act, 1949, the extant guidelines issued by RBI from time to time, the Companies Act, 2013 and rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Bank and all other applicable laws and in accordance with the best corporate governance practices by clearly setting out the policy guidelines within which they expect the management to operate through clearly defined processes to get the desired results. Given the pivotal role, the Board and its Committees, oversees that the management serves long-term objectives and enhances stakeholder value. The Board has complete access to all the relevant information within the Bank.

The date, time and venue of the meetings are advised to all Directors well in advance. The agenda papers which provide all relevant, adequate, material information, explanatory notes, etc., are sent to the Board of Directors in compliance with the provisions of the Companies Act, 2013, Secretarial Standards and Listing Regulations. The Board is presented with the information on various important aspects of business operations, risk, new initiatives, budgets, financial results, human resources, compliance, financial inclusion, customer protection, information technology, audit and minutes of the Committees of the Board and such other matters as are required to be placed before the Board in tune with the regulatory and statutory guidelines / instructions. The Bank follows the Reserve Bank of India circular no. DBR No.BC.93/29.67.001/2014-15 dated May 14, 2015, which advises banks to review/discuss seven critical themes prescribed by the Nayak Committee namely, business strategy, financial reports and their integrity, risk, compliance, customer protection, financial inclusion

and human resources. The members of the Board exercise due diligence in performance of their functions as Directors of the Bank and follow highest degree of business ethics, transparent practices and code of good governance amidst cordial environment.

Directors are being provided with all the agenda of the meetings of the Board and Committees in soft format by uploading the same to a digital meeting platform for exclusive use by them and the invitees to the meetings. Directors and members of the Committee are provided with video conferencing facility to participate in the meetings of the Board and Committees.

Due to the outbreak of COVID-19, to adhere to the social distancing norms and the restriction on travel/ physical movements, video conferencing facility is used effectively to facilitate participation of Directors, who are unable to attend the meetings in person, complying with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board and Committees also pass resolutions by circulation along with necessary papers which are circulated to enable the Directors for informed decision making and to seek clarification as may be required which are due to exigent business matters and the said resolutions are noted in the subsequent Board/ Committee Meetings.

Minutes of the Board and Board Committees are being circulated to all the Board and Committee Members within the timelines prescribed under the Companies Act, 2013 and other regulatory guidelines. The Bank has in place, a post meeting follow-up procedure, which tracks the observations/ decision taken by the Board/ Board Level Committee Meeting till the closure of such observations/ decision. An Action Taken Report (ATR) is being placed before the Board/ Board Level Committee on regular intervals. Periodical Compliance Report on various compliances as insisted under the Companies Act, 2013, SEBI Listing Regulations and as per the extant guidelines issued by the Bank, is placed to the Board and various committees for review and for rectifying instances of non-compliance, if any.

REMUNERATION OF THE DIRECTORS

1. Part-time Chairman

Mr. Madhavan Aravamuthan (DIN: 01865555) was appointed as Part-time Chairman of the Bank with effect from August 10, 2020 for the term up to June 28, 2022. Mr. Madhavan Aravamuthan was re-appointed as Non-Executive Independent Director of the Bank, not liable to retire by rotation, for the second term, at the Annual General Meeting of the Bank held on August 12, 2021, for a period of three consecutive years with effect from June 29, 2022 to June 28, 2025.

The payment of remuneration/ honorarium and sitting fees to Mr. Madhavan Aravamuthan, Part-time Chairman is in accordance with the terms of appointment as approved by Reserve Bank of India and shareholders of the Bank.

Details of remuneration paid to Mr. Madhavan Aravamuthan, Part-time Chairman for the financial year 2021-22 are given below:

Name of the Chairman	Total Remuneration paid for the period from 01.04.2021 to 31.03.2022		Total
	Honorarium	Sitting fee	
Mr. Madhavan Aravamuthan	18,00,000	18,25,000	36,25,000

2. Managing Director & CEO

Mr. C.VR. Rajendran (DIN: 00460061) was re-appointed as the Managing Director & CEO of the Bank for a term of three years with effect from December 9, 2019 up to December 8, 2022.

Mr. C.VR. Rajendran, Managing Director & CEO, took early retirement from the position, after office hours on March 31, 2022 on health ground, as mutually agreed by the Board in their meeting held on January 8, 2022.

The remuneration paid to Managing Director & CEO is in accordance with the terms of appointment/ re-appointment as approved by Reserve Bank of India and shareholders of the Bank and the service contract executed with him in this connection.

Pursuant to the approval of Reserve Bank of India, received on November 24, 2021 in terms of Section 35B of the Banking Regulation Act, 1949, the fixed pay and perquisites of Mr. C.VR. Rajendran was increased from ₹2,00,00,000 p.a., to ₹ 2,10,00,000 p.a., with effect from April 1, 2020.

The Bank, on November 24, 2021, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949 for grant/ payment of variable pay of ₹3,67,50,000/-, out of which

₹ 2,45,00,000/- shall be in non-cash form (stock options) and balance in the form of cash bonus, for the performance period FY 2020-21 to Mr. C. VR. Rajendran, Managing Director & CEO, which is subject to malus/claw back arrangements for the deferral payments. Accordingly, the Nomination & Remuneration Committee of the Board in line with the approval of Reserve Bank of India dated November 24, 2021, granted 3,28,286 stock options @ ₹ 261.65 per option at market price, on December 17, 2021 to Mr. C. VR. Rajendran, Managing Director & CEO of the Bank as performance grant for the FY 2020-21 under CSB Employee Stock Option Scheme 2019. The vesting schedule of the said granted Options has been deferred over a period of 3 (three) years from the date of Grant and the same are to be exercised within a period of 3 (three) months from the date of each vesting.

The service contract, dated December 9, 2016, executed with the Managing Director & CEO covering all the terms and conditions of the appointment has been amended/modified on December 9, 2019, post re-appointment of him as the Managing Director & CEO, for a period of three years with effect from the said date. The service contract was amended in the financial year 2021-22 on December 17, 2021 to incorporate the revision in the fixed pay and perquisites with effect from April 1, 2020, payment of variable pay for the FY 2020- 21 including grant of 3,28,286 stock options @ ₹261.65/- per option, made on December 17, 2021 to him. The Service contract was further amended in the same financial year on February 24, 2022 in the context of his decision to take early retirement from the position of Managing Director & CEO of the Bank, after office hours on March 31, 2022.

The proposal of the Bank to grant additional 13,53,250 stock options to Mr. C.VR. Rajendran, Managing Director & CEO at an exercise price of ₹ 75 per options for the period from December 9, 2016 and up to March 31, 2020 was not acceded to by Reserve Bank of India.

Details of remuneration paid to Mr. C.VR. Rajendran, Managing Director & CEO for the financial year 2021-22 are given below:

Name of the Managing Director & CEO	Fixed Pay	Variable Pay		Total	Non-Cash Component
		Cash Component			
		Upfront	Deferred		
Mr. C.VR. Rajendran	2,08,25,113	61,25,000	15,33,333	2,84,83,446	3,28,286 stock options @ ₹ 261.65 per option*

*Pursuant to the approval of Reserve Bank of India, Nomination and Remuneration Committee of the Board on December 17, 2021, granted 3,28,286 stock options @ ₹ 261.65 per option which was at market price, to Mr. C. VR. Rajendran, Managing Director & CEO of the Bank as performance grant for the FY 2020-21 under CSB Employee Stock Option Scheme 2019.

Bank on May 30, 2022, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949 for payment of variable pay of ₹ 2,10,00,000/- all in the form of cash to Mr. C.VR. Rajendran for the financial year 2021-22 subject to 40% (Rs.84,00,000/-) of the pay being paid upfront and rest ₹1,26,00,000/- (60%) being deferred over a period of three years from the date of upfront payment.

3. Deputy Managing Director

Mr. Pralay Mondal was appointed as the Deputy Managing Director of the Bank with effect from February 17, 2022, pursuant to the approval received from Reserve Bank of India on the same date. His prior appointment in the Bank was as President (Retail, SME, Operations and IT) of the Bank since September 23, 2020.

Remuneration paid to Mr. Pralay Mondal in the financial year 2021-22 and disclosed below is in the capacity as 'President – Retail, SME, Technology and Operations' and approval of RBI is awaited on the terms and conditions of his appointment including remuneration as Deputy Managing Director with effect from February 17, 2022.

Name of the Deputy Managing Director	Fixed pay and Perquisites	Variable Pay	Total	Non-Cash Component
Mr. Pralay Mondal	2,60,00,004	1,10,00,000	3,70,00,004	2,50,000 stock options that carry an exercise price of ₹ 10/- per option*

*2,50,000 stock options were granted @ ₹ 10/- per option (at face value) on April 28, 2021 under CSB Employee Stock Option Scheme 2019.

4. Non-Executive Directors

Non-Executive Independent Directors were paid sitting fees at ₹ 75,000/- for attending the Board Meeting and ₹45,000/- for attending Management Committee, Audit Committee and Risk Management Committee Meetings and ₹ 20,000/- for attending rest of the Committee Meetings with effect from July 6, 2021. Prior to that, Non-Executive-Independent Directors were paid sitting fees at ₹ 50,000/- for attending the Board Meeting, ₹ 30,000/- for Management Committee, Audit Committee and Risk Management Committee Meetings and ₹ 10,000/- for rest of the Committee Meetings

No remuneration/ sitting fee was paid during the financial year 2021-22 to the Non-executive, Non-Independent Directors on the Board of the Bank for attending the Board and committee meetings.

The Bank did not pay any amount to directors by way of salary and perquisites except to the Managing Director & CEO/Whole time Directors. However, remuneration/honorarium was paid to Mr. Madhavan Aravamuthan, Part-time Chairman in accordance with the terms of his appointment as Part-time Chairman, approved by Reserve Bank of India and shareholders of the Bank.

During the year under review, there were no other pecuniary relationships or transactions of Non-Executive Directors and Non-Executive Independent Directors vis-à-vis the Bank except normal banking transactions, payment of sitting fees, reimbursement of expenses, if any and related party transactions, if any, which are disclosed in the Report to the extent as required.

The criteria of making payments to Non-Executive Directors and Non-Executive Independent Directors, is displayed on the website of the Bank <https://www.csb.co.in/pdf/Remuneration-criteria-for-Non-Executive-or-Independent-Directors-27042022-.pdf>

Details of remuneration/sitting fee paid to Non-Executive Directors for attending Board and Committee Meetings for the fiscal 2021-22 are given below:

Name of the Directors	Amount
Mr. Madhavan Aravamuthan^	Part-time Chairman
Mr. Madhavan Menon*	18,25,000
Mr. Sumit Maheshwari*	Non-Executive Directors
Ms. Bhama Krishnamurthy	NIL
Ms. Sharmila Abhay Karve	22,20,000
Mr. Sudhin Choksey	16,10,000
Mr. Sunil Srivastava	18,20,000
Mr. Sharad Kumar Saxena	16,70,000
	4,85,000

^ Excluding the remuneration, honorarium amounting ₹18,00,000 was paid to Mr. Madhavan Aravamuthan in the capacity as Part-time Chairman of the Bank.

*No remuneration/sitting fee was paid to the Non-Executive Non-Independent Directors.

SHAREHOLDING OF DIRECTORS

Except Mr. Madhavan Menon and Mr. Sudhin Choksey, no other directors of the Bank hold shares of the Bank and the details of their shareholding in the Bank as on March 31, 2022 are given below:

SI No.	Name of the Director	No. of shares	Percentage of holding
1	Mr.Madhavan Karunakaran Menon	9897	0.0057 %
2	Mr. Sudhin Choksey	7521	0.0043 %

CRITERIA FOR APPOINTMENT AS DIRECTOR OF THE BANK

Nomination & Remuneration Committee (NRC) of the Board shall identify and ascertain the qualification, expertise, experience, track record, integrity, etc., of the person who is considered for being appointed/ reappointed as Director of the Bank and shall carry out the prescribed due diligence exercise in compliance of the extant guidelines of the Reserve Bank of India on Fit and Proper criteria, applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may; Use the services of external agencies, if required; Consider candidates from a wide range of backgrounds, having due regard to diversity; and Consider the time commitments of the candidates.

TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS

Appointment of Independent Directors and terms and conditions of the appointment shall be governed by the provisions of the Companies Act, 2013, the rules made thereunder, Listing Regulations from time to time, the provisions of the Banking Regulation Act, 1949, as amended from time to time and the extant guidelines of RBI and Articles of Association of the Bank.

The Bank will issue a formal Letter of Appointment to Independent Directors at the time of their appointment covering the terms and conditions of the appointment.

The terms and conditions of appointment of Independent Directors has been disclosed on the website of the Bank at https://www.csb.co.in/pdf/Independent-Directors_Terms_and_Conditions.pdf

AFFIRMATION BY INDEPENDENT DIRECTORS

The Independent Directors have confirmed that they have met the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and the rules made thereunder. They have also confirmed in terms of Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that they have also met the criteria of independence as provided in clause (b) of sub-regulation (1) of regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. On the basis of this, the Board of Directors opines that the Independent Directors of the Bank fulfils the conditions specified in Companies Act, 2013 and Listing Regulations and are independent of the management.

Further, pursuant to rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Independent Directors of the Bank had affirmed that, they had registered as an Independent Director in the Independent Directors Data Bank as required under rule 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and had also complied with the requirements of passing the online proficiency self-assessment test/ exempted from online proficiency self-assessment test in terms of Rule 6(4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended.

Board is of the opinion that Independent Directors appointed since the date of last report and up to the date of the report are persons of integrity, and possess the necessary skills, knowledge, experience and expertise and have also complied with the requirements of passing the online proficiency self-assessment test/exempted from online proficiency self-assessment test in terms of Rule 6(4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended for being appointed as an Independent Director of the Bank.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Directors of the Bank are encouraged to attend the training programmes being organized by various regulators/bodies/institutions on roles, rights, responsibilities in the Bank, nature of the banking industry, business model, risk management system and technology of the Bank. This enables the Directors to make informed decisions in the interest of the Bank and its stakeholders.

Directors are provided with a formal letter of appointment with all materials related to their roles, rights, responsibilities in the Bank as well as with the nature of industry and business model of the Bank at the time of their appointment as Director and through periodical presentations on economy & industry overview, key regulatory developments, strategy and performance. This enables the Directors to have a clear picture of the Bank and make informed decisions in the interest of the Bank and its stakeholders. Along with the letter of appointment, a welcome kit containing the brief history of the Bank, Memorandum and Articles of Association, Copy of Code of Conduct to Directors and Senior Management, criteria of Independence applicable to Independent Directors, deed of covenant, Do's and Don'ts for the Directors of the Bank as per Reserve Bank of India Circular, Copy of Internal Code of Conduct for Prevention of Insider Trading, Copy of Internal Code of Conduct for dealing in securities of other Listed or to be Listed entities, Copy of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Copy of the Audited Accounts for that FY, Asset and Liability Products of the Bank in brief, Copy of Credit Policy of the Bank are provided to every Director inducted on the Board.

Pursuant to the Listing Regulations, your Bank is required to impart familiarisation programme for Independent Directors of the Bank every year. Various training programme including IT and Cyber Security were also extended to all the directors of the Bank.

The details of familiarisation programmes arranged in the FY 2022 are available in the website of the Bank at the link <https://www.csb.co.in/pdf/familiarisation-programmes02082022.pdf>

SUCCESSION PLANNING

Succession planning policy of the Bank aims to identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives. The policy also ensures the systematic and long-term development of individuals in the senior management level to replace whenever a need arises due to deaths, disabilities, retirements or any other unexpected occurrence.

Succession planning at the Bank includes the identification of Board, Key Management positions, Senior Managerial personnel and other specialized areas/functions which

are critical for the Bank's business continuity, operations and growth. Succession planning at the Bank ensures that the Bank is prepared with a plan to support operations and business continuity and ensures the building up and nurturing of a talent pool of qualified, experienced and motivated employees for taking on higher roles and responsibilities as and when gaps arise. Careful planning and preparation is also necessary to manage the changes that result from a generational transfer of leadership as well as the ongoing changes that occur regularly when key personnel leave the Bank. The Succession Planning Policy of the Bank, seeks to do so.

Nomination and Remuneration Committee of the Bank works with the Board on the leadership succession plan and also prepares contingency plans for succession in case of any exigencies. The NRC periodically reviews and considers the list of senior managerial personnel due for retirement/attrition within the year. The Committee shall also consider the new vacancies that may arise out of business needs/up-gradation of Department(s)/ Regional Office(s). Considering the above, the Committee shall assess the availability of suitable candidates for the Bank's future growth and development. The Committee is guided by Succession Planning Policy which involve assessing the likely gap in Board/leadership/management, developing the succession planning model, implementation of the plan and continuous evaluation and assessment. The Policy guide to identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.

In the event of any unexpected vacancy in the Board at the Executive level, particularly the position of the Managing Director & CEO, which may affect the day-to-day operations/ functioning of the Bank, NRC shall meet and recommend to the Board to entrust Executive Director, if any, or from a select pool of persons in case there is no Executive Director, with such designation as may be assigned, post event, to carry out the said functions on an interim basis, in line with section 10B (9) of the Banking Regulation Act, 1949.

DIRECTORS AND OFFICERS INSURANCE

Pursuant to the Regulation 25(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Bank had undertaken Directors and Officers insurance ('D & O insurance') for all its Independent Directors, as well as other Directors and such officers, for risks as determined by the Board of Directors of the Bank from time to time.

BOARD'S COMMITTEES

The Committees of the Board are constituted under the provisions of the Companies Act, 2013, Listing Regulations, the Banking Regulation Act, 1949 and RBI Rules, Circulars & Recommendations, to deal with specific areas / activities as

stipulated therein. These Committees of Directors have been constituted by the Board for taking informed decisions in the best interest of the Bank. These Committees monitor the activities falling within their respective terms of reference. Some of the Committees of the Board were reconstituted and terms of reference were revised to align with the provisions of the Companies Act, 2013, Listing Regulations, the Banking Regulation Act, 1949 and the relevant RBI guidelines in this regard.

No recommendation of the Committees, which is mandatorily required to be accepted, have been rejected by the Board in the financial year under review.

MEETING ATTENDANCE SUMMARY OF DIRECTORS FOR FY 2021-22

Sl. No	Name of the Director	MC	RMC	ACB	NPAMC	SRC	CMF	CSC	CSR	NRC	ITSC
Total No. of Meetings held		11	4	11	3	4	4	4	3	17	4
1	Mr. Madhavan Aravamuthan	NM	4	4	3	NM	NM	NM	NM	17	4
2	Mr. C.VR. Rajendran	11	4	NM	3	4	4	4	3	NM	4
					SI						
3	Mr. Pralay Mondal	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
4	Mr. Madhavan Menon	NM	4	11	3	4	1	1	1	17	1
5	Mr. Sumit Maheshwari	11	1	NM	NM	NM	4	4	3	4	4
		3	4	7	NM	1	3	NM	2	17	NM
6	Ms. Bhama Krishnamurthy										
7	Ms. Sharmila Abhay Karve	NM	NM	11	3	NM	4	1	NM	NM	NM
8	Mr. Sudhin Choksey	11	3	NM	NM	4	4	NM	3	NM	NM
9	Mr. Sunil Srivastav	8	NM	NM	NM	NM	3	3	NM	NM	3
10	Mr. Sharad Kumar Saxena	NM	NM	2	NM	NM	NM	NM	NM	NM	NM

NM Not a Member

SI Special Invitee

Chairpersonship of the Committee as at 31.03.2022

Audit Committee of the Board

The Audit Committee of the Board (ACB) was constituted by a resolution of the Board at their meeting held on June 6, 1994 and was last reconstituted on February 21, 2022.

1. The objectives and Key Functions:

- Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Oversight of the integrity of the Bank's financial statements;
- Oversight of the Bank's systems of disclosure controls and procedures, internal controls over financial reporting and compliance with ethical standards adopted by the Bank;
- Oversight of auditing processes of the Bank, both internal and external and independence of the audit function in the Bank;
- Oversight of the performance of the Bank's independent auditor, internal audit and compliance functions;

- Oversight of the Bank's compliances with legal and regulatory requirements.

2. Duties and responsibilities

- Reviewing with the management, the quarterly and annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices, and reasons for the same;
 - management letters/letters of internal control weaknesses issued by the statutory auditors/ internal auditors of the Bank;
 - major accounting entries involving estimates based on the exercise of judgment by management;

- significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; the follow up and compliance of inspection/audit reports;
 - Reviewing the inspection reports of specialized and extra-large branches and all branches with unsatisfactory ratings, obtaining and reviewing half yearly reports from the compliance officers appointed in the Bank, following up on all the issues raised in the long form audit report and following up on all the issues/concerns raised in the inspection reports of RBI;
 - Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process; Recommendation for appointment, remuneration and terms of appointment of auditors of the Bank;
 - Evaluation of internal financial controls and risk management systems;
 - Approval of payments to statutory auditors for any other services rendered by the statutory auditors;
 - Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - Discussion with internal auditors of any significant findings and follow up there on;
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - Reviewing the periodical reviews/returns/ statements placed before it as per the approved calendar of items.
 - Approval or any subsequent modification of transactions of the Bank with related parties;
- Review internal audit reports relating to internal control weaknesses;
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - consider and comment on rationale, cost- benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Bank and its shareholders.

3. Other Responsibilities

- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- Review of Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7).
- Review the functioning of the whistle blower mechanism;
- Oversight over the vigil mechanism established by the Bank and the Chairman of Audit Committee shall directly hear grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns;
- Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Approval of the appointment of the chief financial officer after assessing the qualifications, experience and background, etc., of the candidate;
- Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- Approval or any subsequent modification of transactions of the Bank with related parties;
- To define the term "material modifications" and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions;
- Scrutiny of inter-corporate loans and investments;

- k) Valuation of undertakings or assets of the company, wherever it is necessary;
- l) Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee;
- m) To review Management discussion and analysis of financial condition and results of operations.

Composition of Audit Committee:

The Composition of the Audit Committee and details of participation of the Members at the Meetings of the Committee during the year were as under:

Name of the Director	No. of meetings held during the tenure	Meetings attended
Ms. Sharmila Abhay Karve, Chairperson	11	11
Mr. Madhavan Menon	11	11
Ms. Bhama Krishnamurthy*	7	7
Mr. Madhavan Aravamuthan^	4	4
Mr. Syed Nagoor Ali Jinnah#	N.A	N.A
Mr. Sharad Kumar Saxena\$	2	2

* appointed as a member of the Committee w.e.f July 6, 2021.

^ ceased to be a member of the Committee w.e.f July 6, 2021.

ceased to be a member of the Committee w.e.f April 19, 2021 due to resignation.

\$ appointed as a member of the Committee w.e.f February 21, 2022.

The Company Secretary acts as the Secretary to the Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Bank held on August 12, 2021.

During the year under review, there were no instances of non-acceptance of the recommendation of the Audit Committee, by the Board of Directors.

During the year, Audit Committee met 11 times and not more than one hundred and twenty days lapsed between two consecutive meetings of the Audit Committee of the Board. The dates of the meetings are as under:

28.04.2021	08.05.2021	08.06.2021	05.07.2021	22.07.2021	24.03.2022
14.09.2021	25.10.2021	17.12.2021	21.01.2022	24.02.2022	

Management Committee

Terms of reference

a) Sanctioning Credit facilities

The Committee shall discharge and exercise the Credit sanctioning powers delegated to it under Discretionary Powers for Sanctioning of Credit Facilities by the Board. The Committee also reviews the periodical Reviews/ Returns/ Statements placed before it as per the approved calendar of items.

A monthly consolidated statement of Credit sanctioning powers, etc., exercised by the Committee is put up to the Board for information and control purposes.

b) HR and Admin Functions

The Committee shall discharge and exercise the powers and functions, inter alia administrative, including financial matters related to human resource management.

c) Other functions

- Reviews the periodical Reviews/ Returns/ Statements placed before it as per the approved calendar of items.
- Assist/support the Board and Management to develop business ideas and optimize the operations in a better and most efficient manner.
- Empowered with the powers to take investment strategy/decision in Financial Markets.
- Functioning as Review Committee in the mechanism for identification of borrowers as wilful defaulters.
- Discharge such functions and other responsibilities as may be delegated by the Board of Directors from time to time.

Composition

Name of the Director	No. of meetings held during the tenure	Meetings attended
Mr. Sunil Srivastav, Chairman*	8	8
Mr. C. VR. Rajendran\$	11	11
Mr. Sumit Maheshwari	11	11
Mr. Sudhin Choksey	11	11
Ms. Bhama Krishnamurthy^	3	3

* Inducted as a Member and appointed as the Chairman of the Committee w.e.f July 6, 2021.

\$ Ceased to be member of the Committee due to early retirement from the position of Managing Director & CEO of the Bank, after office hours on March 31, 2022.

^ Ceased to be the Chairperson and member of the Committee w.e.f July 6, 2021.

The Committee met 11 times during the financial year 2021-22 and the dates of the meetings are as under:

28.04.2021	08.06.2021	05.07.2021	26.08.2021	14.09.2021	23.03.2022
10.11.2021	14.12.2021	20.01.2022	08.02.2022	07.03.2022	

Risk Management Committee

Terms of reference

Risk Management Committee, the apex body of the Bank's risk management architecture, is responsible for aligning various risk management policies of the Bank with the risk appetite and risk philosophy articulated by the Board.

The role of the Committee shall, inter alia, include the following:

- To formulate a detailed risk management policy and strategy which shall include:
 - A framework for identification of internal and external risks specifically faced by the Bank, in particular including credit, financial, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
 - Devise a process to contain operational risk and manage risks which are critical to the Bank's operations including non-financial risks and Strategic Risks.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Bank;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy and plan, every year, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- To effectively co-ordinate between the credit risk management committee, asset liability management committee and other risk management committees of the Bank, if any;
- The Committee functions as the Managerial and Supervisory Committee of Directors for asset liability management functions;
- To review cyber security related matters;
- To review the periodical returns/reviews/statements placed before it as per the approved calendar of items;
- To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- To maintain close co-ordination with Nomination & Remuneration Committee in order to achieve effective alignment between remuneration and risks;
- To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors;
- To review Stress Testing Results & Back-testing report;
- To review the Asset Liability Management (ALM) of the Bank on a regular basis; and
- Any other functions as may be stipulated by SEBI, Ministry of Corporate Affairs, RBI, Stock Exchanges and any other statutory authorities from time to time.

Composition

Name of the Director	No. of meetings held during the tenure	Meetings attended
Mr. Sudhin Choksey, Chairman*	3	3
Mr. C. VR. Rajendran [§]	4	4
Ms. Bhama Krishnamurthy	4	4
Mr. Madhavan Menon	4	4
Mr. Madhavan Aravamuthan	4	4
Mr. Sumit Maheshwari [^]	1	1

* Inducted as a member and appointed as the Chairman of the Committee w.e.f July 6, 2021.

[§]Ceased to be member of the Committee due to early retirement from the position of Managing Director & CEO of the Bank, after office hours on March 31, 2022.

[^] Ceased to be the Chairman and member of the Committee w.e.f July 6, 2021.

The Committee met 4 times during the financial year 2021–22 and the dates of the meetings are as under:

30.06.2021	30.08.2021	26.11.2021	23.03.2022
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NPA Management Committee

Terms of reference

To lay added thrust on NPA recovery, a separate Committee of the Board named 'NPA Management Committee' has been formed exclusively for considering and sanctioning compromise settlement proposals of NPA accounts, for a speedy consideration and quick disposal of such proposals. The Committee shall be vested with discretion to consider and sanction all compromise settlement proposals of NPA accounts falling under the discretionary powers of the erstwhile Credit Committee and the Board of Directors.

The Committee also reviews the periodical Reviews/ Returns/Statements placed before it as per the approved calendar of items.

Composition

Name of the Director	No. of meetings held during the tenure	Meetings attended
Mr. Madhavan Aravamuthan, Chairman	3	3
Mr. Madhavan Menon	3	3
Ms. Sharmila Abhay Karve	3	3
Mr. C. VR Rajendran (Special Invitee) [§]	3	3

[§]Ceased to be member of the Committee due to early retirement from the position of Managing Director & CEO of the Bank, after office hours on March 31, 2022.

The Committee met 3 times during the financial year 2021–22 and the dates of the meetings are as under:

30.06.2021	26.11.2021	23.03.2022
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Stakeholders Relationship Committee

Terms of reference

- Resolving the grievances of the security holders of the Bank including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the registrar and share transfer agent;
- Review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Bank;
- Issue and allotment of shares subject to the provisions of the Section 39 of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, Section 46 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014 and subject to the Memorandum and Articles of Association of the Bank;
- To transfer, transposition and transmission of securities;
- To consider and approve, split, consolidation and duplication of shares or other securities;
- To approve dematerialization and re-materialization of shares;

- To seek any information it requires from the employees, directors of the Bank in order to perform its functions;
- To do all such other things as are necessary thereto pursuant to and in accordance with the employee stock option schemes and the decision of the Board in connection with allotment of shares under the schemes;
- Investor relations and redressal of shareholders' grievances in general and relating to non-receipt of dividends, interest, non-receipt of balance sheet etc.; and
- Such other matters as may be, from time to time, required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Composition

Name of the Director	No. of meetings held during the tenure	Meetings attended
Mr. Madhavan Menon, Chairman*	4	4
Mr. C. VR. Rajendran [§]	4	4
Mr. Sudhin Choksey [^]	4	4
Ms. Bhama Krishnamurthy [#]	1	1
Mr. Syed Nagoor Ali Jinnah [@]	0	0

* Appointed as the Chairman of the Committee w.e.f July 6, 2021.

[§]Ceased to be member of the Committee due to early retirement from the position of Managing Director & CEO of the Bank, after office hours on March 31, 2022.

[^] Appointed as a member and Chairman of the Committee w.e.f April 24, 2021 and Ceased to be the Chairman w.e.f July 6, 2021, but continued as a member.

[#] Ceased to be a member of the Committee w.e.f July 6, 2021.

[@] Ceased to be the Chairman and member of the Committee w.e.f April 19, 2021 due to resignation.

Mr. Sijo Varghese, Company Secretary is designated as the Compliance Officer.

The Committee met 4 times during the financial year 2021–22 and the dates of the meetings are as under:

30.06.2021	14.09.2021	26.11.2021	08.02.2022
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SEBI Investor Complaints Redressal System (SCORES)

SCORES platform of SEBI facilitates online filing of investor grievance/ complaints and online view of the status of the same. The Bank endeavours to redress the grievance/ complaints of the Investors within the prescribed time frame, from the date of lodgement of complaint in SCORES platform. The details of each grievance /complaint (category wise) received and redressed are furnished to the Stakeholders Relationship Committee of the Board (SRC) and to the Board on a quarterly basis.

Status of the investor complaints

Status of the Investor complaints received during the period from April 1, 2021 and up to March 31, 2022 are given under:

Number of Investor Complaints including through SEBI SCORES platform received during the period 01.04.2021 to 31.03.2022	No. of Complaints
Investor complaints pending as on 01.04.2021	Nil
Investor complaints received during the period	
1. Investor complaints pertaining to Initial Public Offering of the shares of the Bank	NIL
2. Investor complaints received through SEBI SCORES Platform of the Bank	NIL
3. Other Investor complaints received*	1
Total number of complaints disposed off	1
Complaints pending as on 31.03.2022	NIL

*Investor complaint received through SEBI Scores platform of Bank's Registrar and Share Transfer Agent

Committee for Monitoring Large Value Frauds

Terms of reference

Pursuant to the directives of the RBI, the Bank has constituted a Committee for Monitoring Large Value Frauds (CMF) for monitoring the cases of frauds involving amounts of ₹ 1 Crore and more. The Committee is also entrusted with the duty of monitoring and follow up of Red Flagged Accounts and Fraud Accounts (Accounts beyond the threshold limit of ₹ 50 crore and above).

The other major functions of the Committee are to;

- Identify the systemic lacunae, if any, that facilitated perpetration of the fraud and put in place measures to plug the same.
- Identify the reasons for delay, if any, in detection and reporting to top management of the Bank and RBI.
- Monitor progress of CBI/Police Investigation and recovery position.

- Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
- Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls.
- Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.
- To monitor and follow up Red Flagged Accounts and Fraud Accounts (Accounts beyond the threshold limit of ₹ 50 crores and above).
- Such other functions as may be decided/delegated by the Board of Directors/advised by the Reserve Bank of India, from time to time.

The meeting of the Committee has to be scheduled once in a quarter, and as and when a fraud involving an amount of ₹ 100 lakh and above comes to light.

Composition

Name of the Director	No. of meetings held during the tenure	Meetings attended
Mr. Sunil Srivastav, Chairman*	3	3
Mr. C. VR. Rajendran^^	4	4
Mr. Sumit Maheshwari	4	4
Ms. Bhama Krishnamurthy^	3	3
Ms. Sharmila Abhay Karve#	4	4
Mr. Sudhin Choksey®	4	4
Mr. Madhavan Menon §	1	1
Mr. Syed Nagoor Ali Jinnah **	0	0

* Inducted as a Member and appointed as Chairman of the Committee w.e.f July 6, 2021.

^^Ceased to be member of the Committee due to early retirement from the position of Managing Director & CEO of the Bank, after office hours on March 31, 2022.

^ Appointed as a member of the Committee w.e.f July 6, 2021.

Appointed as the Chairperson of the Committee w.e.f April 29, 2021 and ceased to be the Chairperson w.e.f July 6, 2021, but continued as a member.

® Appointed as a member of the Committee w.e.f April 29, 2021.

§ Ceased to be a member of the Committee w.e.f July 6, 2021.

** Ceased to be the Chairman and member of the Committee w.e.f April 19, 2021 due to resignation.

The Committee met 4 times during the financial year 2021-22 and the dates of the meetings are as under:

30.06.2021	30.08.2021	26.11.2021	08.02.2022
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Customer Service Committee

Terms of reference

The Committee strives to bring about ongoing improvements in the quality of Customer Service provided by the Bank. The Committee shall, inter alia, not only oversee the functioning of the Standing Committee on Customer Services, including compliance with recommendations of the CPPAPS (Committee on Procedures and Performance Audit on Public Services constituted by the RBI), but shall also mount innovative measures for enhancing the quality of Customer Service and improving the level of customer satisfaction for all categories of clientele. The functioning of the Committee shall be reviewed on a half yearly basis (September/March) and the review shall be put up to the Board of Directors within one month from the end of the relevant half-year.

The meeting of the Committee has to be scheduled once in a quarter.

Composition

Name of the Director	No. of meetings held during the tenure	Meetings attended
Mr. Sunil Srivastav, Chairman*	3	3
Mr. C. VR. Rajendran^^	4	4
Mr. Sumit Maheshwari	4	4
Ms. Sharmila Abhay Karve^	1	1
Mr. Madhavan Menon#	1	1

* Inducted as a Member and appointed as Chairman of the Committee w.e.f July 6, 2021.

^^Ceased to be member of the Committee due to early retirement from the position of Managing Director & CEO of the Bank, after office hours on March 31, 2022.

^ ceased to be a member and Chairperson of the Committee w.e.f July 6, 2021.

ceased to be a member of the Committee w.e.f July 6, 2021.

The Committee met 4 times during the financial year 2021-22 and the dates of the meetings are as under:

30.06.2021	30.08.2021	10.11.2021	08.02.2022
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Corporate Social Responsibility Committee

In terms of Section 135 of the Companies Act, 2013, Bank constituted the Corporate Social Responsibility Committee of the Board.

Terms of reference`

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy as per Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a).
- Monitor the corporate social responsibility policy of the Bank from time to time.
- Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely: -
 - the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
 - the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - monitoring and reporting mechanism for the projects or programmes; and
 - details of need and impact assessment, if any, for the projects undertaken by the Bank provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect.
- Make decisions on responsible business conduct and sustainability related issues.

Composition

Name of the Director	No. of meetings held during the tenure	Meetings attended
Ms. Bhama Krishnamurthy, Chairperson*	2	2
Mr. C. VR. Rajendran**	3	3
Mr. Sumit Maheshwari	3	3
Mr. Sudhin Choksey ^	3	3
Mr. Madhavan Menon #	1	1
Mr. Syed Nagoor Ali Jinnah®	0	0

* Inducted as a Member and appointed as Chairperson of the Committee w.e.f July 6, 2021.

**Ceased to be member of the Committee due to early retirement from the position of Managing Director & CEO of the Bank, after office hours on March 31, 2022.

^ Appointed as a member and Chairman of the Committee w.e.f April 29, 2021 and ceased to be the Chairman w.e.f July 6, 2021, but continued as a member.

Ceased to be a member of the Committee w.e.f July 6, 2021.

® Ceased to be the Chairman and member of the Committee w.e.f April 19, 2021 due to resignation.

The Committee met 3 times during the financial year 2021-22 and the dates of the meetings are as under:

30.06.2021	26.11.2021	23.03.2022
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Nomination & Remuneration Committee

Nomination & Remuneration Committee, inter-alia, looks after the due diligence and recommendation process for appointment/ re-appointment of Directors and their remuneration, remuneration perquisites, ESOPs, etc., to MD & CEO and other key managerial and senior management personnel of the Bank, monitoring of the compensation policy of the Bank, etc. The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors.

Terms of reference

- Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
- Undertake the due diligence of candidates before their appointment/re-appointment as directors;
- Recommend to the Board on appointment of directors, senior management personnel and their removal;
- Devising a policy on diversity of board of directors;
- Formulate the criteria for determining qualification, positive attributes and independence of a director, key managerial personnel and other employees;
- Recommend to the Board the policy for evaluation of performance of board, its committees and individual directors;
- To oversee the framing, review and implementation of the Bank's overall compensation structure and related policies on remuneration packages payable to whole time directors, the Managing Director and Chief Executive Officer and other staff as may be prescribed from time to time including performance linked incentives, perquisites, stock option scheme, etc., with a view to attract, motivate and retain employees and review compensation levels;
- To implement and administer the CSB Employee Stock Option Schemes;
- To formulate detailed terms and conditions of the scheme, administer and supervise the same and

to allot shares in compliance with the scheme, guidelines and other applicable laws;

- To obtain necessary clearances and approvals from regulatory authorities and do such other things as may be necessary in respect of the Schemes;
- To make suggestions to amend any stock option plans or incentive plans, provided that all amendments to such plans shall be subject to consideration and approval of the Board;
- To review the compensation structure/policy on a periodical basis;
- To approve the overall compensation structure of the new recruitment of the executives at top level management including performance linked incentives, perquisites, stock option scheme, etc.; and
- To conduct annual review of their performance and to revise their compensation structure in tandem with their performance/target achieved.
- Any other matters regarding remuneration of whole time directors, the Managing Director and Chief Executive Officer and other staff of the Bank as may be prescribed as and when permitted by the Board;
- Any other matters regarding compensation structure as and when permitted by the Board;
- To fulfil such other powers and duties as may be delegated to it by the Board;
- Specify the manner for effective evaluation of performance of Board, its committees and individual directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- 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
- To allot shares pursuant to the options granted to the eligible employees/officers under the ESOP scheme which is existing and to be framed in future.

Composition

Name of the Director	No. of meetings held during the tenure	Meetings attended
Ms. Bhama Krishnamurthy, Chairperson	17	17
Mr. Madhavan Menon	17	17
Mr. Madhavan Aravamuthan	17	17
Mr. Sumit Maheshwari*	4	4

* Ceased to a member of the Committee w.e.f July 6, 2021.

The Committee met 17 times during the financial year 2021-22 and the dates of the meetings are as under:

28.04.2021	08.05.2021	08.06.2021	05.07.2021	30.08.2021	22.09.2021	17.12.2021 (1)
17.12.2021 (2)	08.01.2022	21.01.2022	18.02.2022	24.02.2022	08.03.2022	22.03.2022
24.03.2022	28.03.2022	29.03.2022				

IT Strategy Committee (ITSC)

As per the RBI guidelines on Information Technology, all banks are advised to form an independent IT Committee of the Board. The Bank formed the Committee on 14th November, 2013. IT Strategy Committee, inter alia, approves IT strategy and policy documents, etc.

Terms of reference

The powers, roles and responsibilities of the Committee:

- Perform oversight functions over the IT Steering Committee (at a senior management level).
- Investigate activities within this scope.
- Seek Information from any employee.
- Obtain outside legal or professional advice.
- Secure attendance of outsiders with relevant expertise, if it considers necessary.
- Work in partnership with other Board Committees and Senior Management to provide input, review and amend the aligned corporate and IT strategies.
- Approving IT strategy and policy documents.
- Ensuring that the management has put an effective strategic planning process in place.
- Ratify that the business strategy is indeed aligned with IT strategy.
- Ensuring that the IT organizational structure complements the business model and its direction.
- Ascertaining that management has implemented process and practices that ensure that the IT delivers value to the business.
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
- Ensuring proper balance of IT investments for sustaining Bank's growth.
- Becoming aware about exposure towards IT risks and controls, and evaluating effectiveness of management's monitoring of IT risks.
- Assessing Senior Management's performance in implementing IT strategies.
- Issuing high-level policy guidance (e.g. related to risk, funding, or sourcing tasks).

- Confirming whether IT or business architecture is to be designed, so as to derive the maximum business value from IT.

- The authority to sanction all expenses in respect of the IT and IT related matters.

Composition

Name of the Director	No. of meetings held during the tenure	Meetings attended
Mr. Madhavan Aravamuthan, Chairman	4	4
Mr. C. VR. Rajendran^	4	4
Mr. Sunil Srivastav*	3	3
Mr. Sumit Maheshwari	4	4
Mr. Madhavan Menon #	1	1

^Ceased to be member of the Committee due to early retirement from the position of Managing Director & CEO of the Bank, after office hours on March 31, 2022.

* Appointed as a member of the Committee w.e.f July 6, 2021.

Ceased to be a member of the Committee w.e.f July 6, 2021.

The Committee met 4 times during the financial year 2021-22 and the dates of the meetings are as under:

08.06.2021	30.08.2021	14.12.2021	24.02.2022
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MD Search Committee

Board, vide resolution dated January 8, 2022 constituted the MD Search Committee to identify a suitable successor to Mr. C.VR. Rajendran, the Ex. Managing Director & CEO, who took early retirement from service, from the close of office hours on March 31, 2022.

Terms of reference:

- To identify, evaluate and shortlist candidates, from within or from outside, for the position of Managing Director & CEO;
- To recommend a panel of not less than two suitable names to the Nomination and Remuneration Committee and Board for enabling it to recommend to Reserve Bank of India for appointment of one of them in the order of preference as Managing Director & CEO of the Bank;
- To do all other necessary things, deeds and acts which shall be deemed necessary or incidental thereto in connection with appointment of Managing Director & CEO in the Bank.

Composition

Name of the Director	No. of meetings held during the tenure	Meetings attended
Ms. Bhama Krishnamurthy, Chairperson	5	5
Mr. Madhavan Menon	5	5
Mr. Sunil Srivastav	5	5

The Committee ceased to be in existence post submission of panel of names to the NRC on March 08, 2022.

The Committee met 5 times during the financial year 2021–22 and the dates of the meetings are as under:

13.01.2022	17.01.2022	07.02.2022	18.02.2022	07.03.2022
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MEETING OF THE INDEPENDENT DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance of Non- Independent Directors and the Board as a whole is to be evaluated by the Independent Directors.

Terms of Reference	<p>a. Review the performance of Non-Independent Directors and the Board as a whole;</p> <p>b. Review the performance of the Chairperson of the Bank, taking into account the views of Executive Directors and Non-Executive Directors;</p> <p>c. Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.</p>
Meeting of Independent Directors for the financial year	A Meeting of the Independent Directors of the year was held on March 30, 2022, for the period under review and all the Independent Directors attended the meeting.

BOARD LEVEL PERFORMANCE EVALUATION

In accordance with the relevant provisions of the Companies Act, 2013, Listing Regulations and as per the Guidance Note on Board Evaluation issued by SEBI, Nomination and Remuneration Committee of the Board formulated the methodology and criteria/policy for evaluation of the Individual Directors including Independent Directors and Non-Independent Directors, Chairperson, Managing Director & CEO, Executive Directors, Committees of the Board and the Board as a whole. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

EVALUATION PROCESS	
Process for performance evaluation	<p>a) Independent Directors evaluate the performance of Non-Independent Directors including Chairman of the Bank and the Board as a whole.</p> <p>b) The Board evaluates the performance of the Independent Directors, excluding the Director being evaluated. On the basis of the report of the performance evaluation, it would be determined whether to extend or continue the term of appointment of Independent Directors.</p> <p>c) The Board evaluates the performance of Board level Committees.</p> <p>d) The Nomination and Remuneration Committee shall specify the manner for effective evaluation of performance of Board, its Committees and individual directors.</p>
CRITERIA FOR PERFORMANCE EVALUATION:	
Performance Evaluation of Chairman	Attendance at the meetings; Participation and contribution; Responsibility towards stakeholders; Contribution in Strategic Planning; Compliance and Governance; Updation of Knowledge; Performance of the Bank; Recognition and Awards to the Bank; Managing Relationships and Communications; Resources; Conduct of Meetings, effective leadership, open-mindedness, decisiveness, courteousness, display of professionalism, impartiality in conducting discussions, seeking of views and dealing with dissent.

Performance Evaluation of Whole-time Directors	Knowledge, Experience & Competency, Qualification, Fulfilment of functions, Leadership qualities, Strategy formulation and execution, Financial planning, monitoring and evaluation of performance, Relationships with the Board, External Relations, Human Resources Management/Relations, Succession planning, Product/ Service Knowledge, actively and timely taking of initiatives with respect to various areas, Availability and Attendance, Contribution to conduct of Board and Committee meetings, Adequacy of preparation for the meetings, Integrity, Personal Qualities & Behaviour and seeking opportunities for self-development.
Performance Evaluation of Independent Directors	Attendance at meetings of the Board and Committees, knowledge & ethics, understanding of the roles, responsibilities and duties as Director/Chairman of the Committees; contributions at Board / Committee meetings including on strategy and risk management, professional conduct, adherence to standards, fulfilment of responsibilities and independence from the management as laid down in the code for Independent Directors as per Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Performance Evaluation of Non-Executive Directors	Attendance at the meetings; Participation and contribution; Responsibility towards stakeholders; Contribution in Strategic Planning; Compliance and Governance; Updation of Knowledge; Performance of the Bank; Recognition and Awards to the Bank; Leadership; Relationships and Communications; Resources; Conduct of Meetings.
Performance Evaluation of Board	Composition and Diversity; Committees of the Board; Board & Committee meetings; Understanding of the business of the Bank and Regulatory environment; Contribution to effective corporate governance and transparency in the Bank's operations; Deliberations/ decisions on the Bank's strategies, policies, plans and guidance to the Executive Management; Monitoring the implementation of the strategies and the executive management's performance and Quality of Decision making and Board's Communication with all stakeholders.
Performance Evaluation of the Board Level Committees	<p>The performance and effectiveness of the Committee; Frequency and duration; Spread of talent and diversity in the Committee; Understanding of regulatory environment and developments; Interaction with the Board.</p> <p>The flow of information to the Board and its Committees is excellent.</p>

NOMINATION POLICY – POLICY FOR APPOINTMENT OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHERS

The Board of Directors of the Bank on the recommendation of the Nomination & Remuneration Committee, has adopted 'Nomination Policy' for appointment of Part-time Chairman, Managing Director & CEO, Directors (Executive and Non-Executive Directors), Key Managerial Personnel and Senior Management team in the Bank and the same is displayed on the website of the Bank at: <https://www.csb.co.in/pdf/NominationPolicy.pdf>

As per the Policy, the Nomination & Remuneration Committee decides/ recommends on the Directors' / KMPs' and Senior Management team's appointment, remuneration including criteria for appointment/ re-appointment. The appointment of Directors is subject to due diligence process in compliance with the Banking Regulation Act, 1949, Reserve Bank of India directives on Fit & Proper Criteria, all other applicable provisions of the Companies Act, 2013, including any amendments from time to time, SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, Articles of Association of the Bank and Nomination Policy of the Bank and Board and its Committees- Policy document on corporate governance, principles and procedures. Nomination and Remuneration Committee formulated the criteria for determining qualifications, positive attributes and independence of a Director to adhere with the various provisions and guidelines.

The disclosures as per Section 178(3) and (4) of the Companies Act, 2013, are as given below:

a) Appointment Criteria and Qualifications

- Subject to the extant RBI Guidelines as applicable, all other applicable provision of the Companies Act, 2013 including any amendments from time to time, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of the Bank and Nomination policy of the Bank, the Nomination & Remuneration Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Part-time

- Chairman, Managing Director & CEO, Whole-time Directors, Non-Executive Directors, Non-Executive independent directors and recommend to the Board his/her appointment.
2. The Committee, while considering nomination/co-option of the Directors, should be guided by certain broad 'fit and proper' norms for Directors, viz. formal qualification, experience, track record, integrity, etc. For assessing integrity and suitability, features like criminal records, financial position, civil actions initiated to pursue personal debts, refusal of admission to or re-expulsion from professional bodies, sanctions applied by regulators or similar bodies, previous questionable business practices, etc. should be considered. The Committee has, therefore, evolved appropriate systems for ensuring 'fit and proper' norms for directors, which includes calling for information by way of self-declaration, verification reports from market, etc.
 3. A person should possess adequate educational qualification, knowledge and skills, competence, expertise and experience, track record, integrity and judgement for performing the duties and responsibilities for the position he / she is considered for appointment/re-appointment. The Nomination & Remuneration Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
 4. The appointee shall possess special knowledge or practical experience in Banking, Accountancy, Agriculture and Rural Economy, Co-operation, Economics, Finance, Information Technology, Law, Small-Scale Industry, Payment & Settlement Systems, Human Resources, Risk Management and Business Management or any other field useful to the Banking Company in the opinion of Reserve Bank of India, from time to time.
 5. The prior experience of the candidate shall be suitable to the present and/or potential future needs and the requirements of the Bank vis-à-vis its stature and complexity of its operations.
 6. The Bank shall not appoint or continue the employment of any person as Whole-time Director, Managing Director or Manager who has attained the age of seventy years.
 7. The Bank shall not appoint or re-appoint any person as Non-Executive Director if he/she has attained the age of seventy-five years.
 8. The Bank shall appoint or re-appoint any person as its Part-time Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
 9. Subject to the statutory approvals required from time to time, the post of the MD&CEO or WTD cannot be held by the same incumbent for more than 15 years. Thereafter, the individual will be eligible for re-appointment as MD&CEO or WTD in the Bank, if considered necessary and desirable by the Board, after a minimum gap of three years, subject to meeting other conditions. During this three-year cooling period, the individual shall not be appointed or associated with the Bank or its group entities in any capacity, either directly or indirectly.
 10. The total tenure of Non-Executive Independent Directors shall not be for more than a period of two terms of maximum 4 (Four) years each.
 11. The total tenure of a Non-Executive Director, continuously or otherwise, on the Board of the Bank, shall not exceed eight years. Subject to Section 152 of the Companies Act, 2013, regarding retirement by rotation, the total tenure of Non-Executive Director(s) continuously or otherwise, on the Board of the Bank shall not exceed eight years. Post completion of the eight years' term, Non-Executive Director(s) may be considered for re-appointment only after a minimum gap of three years' cooling period. This will not preclude him/her from being appointed as a director in another Bank subject to meeting the requirements.
 12. The candidate should normally be a graduate (which can be relaxed while selecting directors for the categories of farmers, depositors, artisans, etc.).
 13. He / she should not be a Member of Parliament / Member of Legislative Assembly / Member of Legislative Council.
 14. He / she should not be a Director in any other Bank.
 15. Any other factors as the Nomination & Remuneration Committee may deem fit and in the best interests of the Bank and its stakeholders.
- b) Criteria for determining Independence of a Director**
- The Criteria of Independence of a director is determined based on conditions as laid down in the

Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Director shall at the first meeting of the Board in which he/she participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his/her status as an independent director, give a declaration that he/she meets the criteria of independence.

Further pursuant to Rule 6(3) of The Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, independent director shall submit a declaration of compliance of sub-rule (1) and sub-rule (2) to the Board, each time he submits the declaration required under sub-section (7) of section 149 of the Act.

The terms and conditions of appointment of Independent Directors is disclosed on the website of the Bank and a web link there to, is: https://www.csb.co.in/pdf/Independent-Directors_Terms_and_Conditions.pdf

c) Disqualification/Conflicts of interest

- a. The Bank's Directors shall be subject to the disqualifications/prohibitions contained in the Companies Act, 2013, the Banking Regulation Act, 1949 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to directorship of companies in general or banking companies in particular.
- b. Director shall not be a director of any other company, or partner or proprietor of a firm, where such directorship, partnership or proprietorship involves or is likely to involve actual or potential conflicts of interest as a Director of the Bank.
- c. A Director shall promptly inform the Board/Committee of any actual or potential conflicts of interest with respect to any matter that may come up for the consideration of the Board or of any committee of which he is a member, and shall refrain from participating in a discussion on the matter.

COMPENSATION/REMUNERATION POLICY

Compensation Policy of the Bank deals with the compensation and benefits of the employees, Material Risk Takers (MRTs), Whole-time Directors including Managing Director & CEO, Part-time Chairman, Executive and Non-Executive Directors of the Bank. This Policy is in tune with the guidelines issued by the Reserve Bank of India, provisions of the Companies Act, 2013, and the Listing

Regulations, amended from time to time. The Policy is also in tune with Reserve Bank of India circular/guideline dated November 4, 2019 bearing number DOR.Appt.BC.No.23/29.67.001/2019-20 on "Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers / Material Risk Takers and Control Function Staff."

The objectives of the compensation policy are four fold:

- To align compensation with prudent risk taken.
- To ensure effective governance of the compensation in the organization.
- To ensure effective supervisory oversight and stakeholder engagement in compensation.
- To attract and retain talent.

The policy covers all aspects of the compensation structure such as fixed pay, perquisites, variable pay in form of cash or non-cash instrument, (share-linked instruments e.g. Employee Stock Option Plan), pension plan, gratuity, guaranteed bonus, etc.

While formulating the Policy, the Committee has strived to ensure that –

- the cost/income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio;
- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the bank successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, Material Risk Takers (MRTs), Key Managerial Personnel and Senior Management involves a balance between fixed and variable pay (as applicable) reflecting short and long-term performance objectives appropriate to the working of the Bank and its goals.

Remuneration of Part-time Chairman

The Nomination & Remuneration Committee recommends the remuneration of the Part-time Chairman to the Board which is considered and approved by the Board in the same manner subject to Shareholders' and regulatory approvals.

The remuneration payable to the Part-time Chairman is subject to prior approval of the Reserve Bank of India (RBI). Therefore, payment of remuneration or any revision in remuneration of the Part-time Chairman requires approval from RBI. The remuneration payable to the Part-time Chairman is also subject to approval of the shareholders as per the provisions of the Companies Act, 2013, and as per the Articles of Association of the Bank.

The Non-Executive Chairman of the Bank shall not be entitled to any profit linked commission and Stock Options.

Remuneration of Managing Director & CEO/ Whole Time- Executive Directors/Material Risk Takers (MRTs)

- The fixed compensation is determined based on the industry standards, the exposure, skill sets, talent and qualification attained by the official over his/her career span subject to adherence with statutory requirements. All the fixed items of compensation, including the perquisites, will be treated as part of fixed pay. All perquisites that are reimbursable should also be included in the fixed pay so long as there are monetary ceilings on these reimbursements. Contributions towards superannuation/retiral benefits will be treated as part of fixed pay.
- The variable compensation which is at least 50 % of the total pay and up to 300 % of the fixed pay is fixed based on performance and responsibility in the Bank. The grant of total variable pay shall be based on individual performance, unit-level performance as well as the organizational performance. Individual performance is assessed based on quantitative and qualitative measures as defined in the balanced scorecard in the Performance Management system of the Bank. The Bank's performance is based on the various financial indicators like revenue earned, cost deployed, profit earned, assets quality, owners' wealth creation, compliance, governance and misconduct risk, divergence in bank's provisioning for Non-Performing Assets and other intangible factors like leadership and employee development. Variable pay is paid purely based on performance.
- The variable pay can be in the form of share-linked instruments, or a mix of cash and share-linked instruments in the manner as per the compensation policy. There should be proper balance between the cash and share linked components in the variable pay. 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 subject to limits as per the policy.
- Approval from Reserve Bank of India is to be obtained to decide compensation for MD & CEO/ WTDs. The payment of compensation also requires approval of the shareholders of the Bank in the General Meeting pursuant to the Bank's Articles of Association read with the Section 196 of the Companies Act, 2013.
- Grant of share-linked instruments is also subject to approval of the respective scheme by the shareholders of the Bank.

- Grant of share-linked instruments is subject to Malus Arrangement and Clawback arrangement.

The Bank does not pay any commission/share of profits to the Managing Director & CEO/Whole Time Directors.

Remuneration of Non-Executive Directors / Independent Directors

The Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors or any committee thereof as approved by the Board, within the permissible limit prescribed under the Companies Act, 2013, and other regulatory guidelines, as amended from time to time. Any change in sitting fees within the permissible limit shall be approved by the Board of Directors of the Bank.

The Non-Executive Directors are entitled to reimbursement of expenses for participation in the meeting of the Board and Committee thereof.

The Non-Executive Directors are entitled for payment of compensation in the form of a fixed remuneration commensurate with an individual director's responsibilities and demands on time and which are considered sufficient to attract qualified competent individuals. However, such fixed remuneration for a Non-Executive Director, other than the Chair of the Board, shall not exceed ₹20 lakh per annum.

The Bank does not pay any commission on profit to the Non-Executive Directors. The Bank does not grant any Stock Options to any Non-Executive Directors.

Remuneration of Key Managerial Personnel, Executives and Officers (IBA and Non IBA Package) and other officers and staff (IBA Package) of the Bank

The remuneration of all Key Managerial Personnel (KMPs), Executives, and other officers and staff of the Bank either on CTC or IBA pattern is governed by the compensation policy of the Bank.

(a) Key Managerial Personnel

The KMP's recruited under CTC are paid salary and benefits as agreed upon by the Bank and the employee while making the offer for appointment and those recruited under IBA pattern being paid as per IBA pattern within the compensation policy of the Bank.

(b) Risk control and compliance staff

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.

The grant of total variable pay shall be based on individual performance as well as the organizational

performance. Individual performance is assessed based on financial and non-financial measures as defined in the balanced scorecard in the Performance Management System of the Bank.

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. Total Variable Pay can be paid in the form of both cash and/or non-cash (ESOS) instruments as per eligibility and Bank's policy. Non-cash portion of the variable pay (ESOS) shall be granted to eligible employees and shall be governed as defined in the Bank's ESOS policy.

(c) Senior executives/Other Officers (Non IBA Scheme)

The compensation structure for officers other than on IBA Scheme shall be on a cost to company basis and for employees recruited laterally, as freshers/ at entry level, the same will be fixed in line with the Lateral Recruitment Policy of the Bank. In line with Bank's compensation philosophy, the CTC shall be determined considering the role, market competitiveness, internal pay parity, qualification, level of experience and seniority, skills and capabilities they bring and their last drawn fixed pay.

The grant of total variable pay shall be based on individual performance as well as the organizational performance. Individual performance is assessed based on financial and non-financial measures as defined in the balanced scorecard in the Performance Management System of the Bank.

Total Variable Pay can be paid in the form of both cash and/or non-cash (ESOS) instruments as per eligibility and Bank's policy. Non-cash portion of the variable pay (ESOS) shall be granted to eligible

employees and shall be governed as defined in the Bank's ESOS policy.

(d) Compensation paid to Other Officers and staff members on IBA Scheme

The compensation paid to other officials that include Award staff and Officers coming under Scale I to III and Senior Executives coming under Scale IV to VII is fixed based on 10th bipartite settlement / 7th Joint Note. However, it is the discretion of the Bank either to continue with the existing compensation structure prevailing under IBA scheme or modify the structure partially or fully on need basis or discontinue the existing structure in toto and switch over to different structure which is prevailing in banking industry by keeping in view, various parameters like industry level, peer group status, burden on the Bank, etc.

It is prerogative of the Bank either to utilize the service of IBA in matter of structuring compensation or device the compensation structure on its own based on the prevailing practice in the banking industry.

Performance Linked Variable Pay (PLVP) may be adopted for select categories of the staff on IBA terms who are not otherwise covered under the Annual Performance based Variable Pay. The Performance Linked Variable Pay may be based on Employee performance (Balanced Scorecard) defined from time to time.

The ESOS scheme may be extended to select categories of employees at the discretion of the Board / Nomination & Remuneration Committee and form part of the overall performance management program at the discretion of the Board. However, the grant of stock option is as per CSB Employees Stock Option Scheme. Grant of stock option is subject to Malus Arrangement and Clawback arrangement.

Details of Remuneration paid to the Directors and Key Managerial Personnel during the financial year ended 31.03.2022 are given in the MGT-7 forms part of the Report.

GENERAL BODY MEETINGS HELD DURING THE LAST THREE YEARS

(a) Location, time and where the General Body Meetings were held during the last three years:

No. of Meetings	Day, Date and Time	Venue of the Meeting	Special Resolution passed
98 th AGM	Saturday, 29 th June 2019 at 10.00 a.m.	Kousthubham Auditorium, Shoranur Road, Thrissur – 680 001	Nil
99 th AGM	Monday, 20 th July, 2020 at 11:00 a.m.	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") mode	<ul style="list-style-type: none"> To increase the limit of borrowing powers of the Board to ₹ 5,000 crores from the existing limit of ₹ 1,000 crores. Alteration of Articles of Association of the Bank. Ratification of 'CSB Employee Stock Option Scheme 2019'. Approval for increasing total number of employee stock options reserved under 'CSB Employee Stock Option Scheme 2019' from 50,00,000 Options to 1,66,72,791 Options by creating additional 1,16,72,791 Options in the form of (i) fresh issue of shares up to 30,00,000 shares and (ii) secondary acquisition by the Trust up to 86,72,791 shares. Approval for secondary acquisition of 86,72,791 shares through Trust route for the implementation of CSB Employee Stock Option Scheme 2019 as amended. Grant of 34,70,000 stock options to Mr. C. VR. Rajendran, Managing Director and CEO of the Bank.
100 th AGM	Thursday, 12 th August, 2021 at 11:00 a.m.	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") mode	<ul style="list-style-type: none"> Reappointment of Mr. Madhavan Aravamuthan (DIN: 01865555) as Non -Executive Independent Director of the Bank. Reappointment of Ms. Bhama Krishnamurthy (DIN: 02196839) as Non-Executive Independent Director of the Bank. Approve amendment in 'CSB Employee Stock Option Scheme 2019'
(b)	Whether any special resolution passed last year through postal ballot		<p>Yes.</p> <p>The following special resolutions were passed by postal ballot on March 30, 2022, pursuant to section 110 of the Companies Act, 2013:</p> <p>(i) Appointment of Mr. Sharad Kumar Saxena (DIN: 08238872) as Non-Executive Independent Director of the Bank.</p> <p>(ii) Continued vesting of the stock options (constituting the variable pay - noncash instrument) that were earlier granted on March 30, 2021, for the period from December 09, 2016 to March 31, 2020 and on December 17, 2021 for the financial year ended March 31, 2021, which had been deferred, to Mr. C.VR. Rajendran, the Managing Director & Chief Executive Officer of the Bank, pursuant to the date of his early retirement.</p>

Details of voting pattern.

(i) Appointment of Mr. Sharad Kumar Saxena (DIN: 08238872) as Non-Executive Independent Director of the Bank.

Manner of voting	No. of votes cast		Total number of shares	% of total number of votes cast	
	In Favour	Against		In Favour	Against
E-Voting	73548679	8267	73556946	99.99%	0.01%
Postal Ballot	NA	NA	NA	NA	NA
Total	73548679	8267	73556946	99.99%	0.01%

(ii) Continued vesting of the stock options (constituting the variable pay - noncash instrument) that were earlier granted on March 30, 2021, for the period from December 09, 2016 to March 31, 2020 and on December 17, 2021 for the financial year ended March 31, 2021, which had been deferred, to Mr. C.VR. Rajendran, the Managing Director & Chief Executive Officer of the Bank, pursuant to the date of his early retirement.

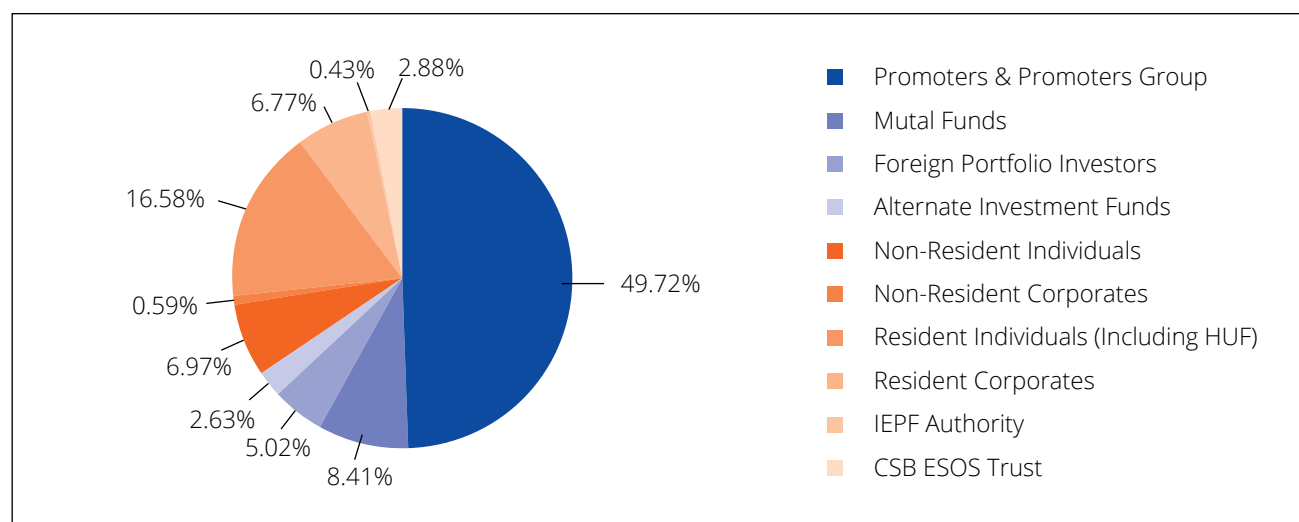
Manner of voting	No. of votes cast		Total number of shares	% of total number of votes cast	
	In Favour	Against		In Favour	Against
E-Voting	73295173	279497	73574670	99.62%	0.38%
Postal Ballot	NA	NA	NA	NA	NA
Total	73295173	279497	73574670	99.62%	0.38%

(c)	Person who conducted the postal ballot exercise.	Mr. Jayan K., FCS, Practicing Company Secretary, Partner, SVJS & Associates, Company Secretaries, 65/2364 A, Ponoth Road, Kaloore, Kochi- 682 017, Kerala Membership No.8154 and Certificate of Practice No.7363
(d)	Whether any special resolution is proposed to be conducted through postal ballot?	No Special Resolution requiring Postal Ballot is being proposed on or before the ensuing Annual General Meeting of the Bank.
(e)	Procedure for the postal ballot.	The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular nos. 14/2020, 17/2020, 02/2021, 21/2021 and 2/2022 dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021 and May 05, 2022, respectively issued by the Ministry of Corporate Affairs.
(f)	Whether any extraordinary general meeting held during the financial year 2021-22	No extraordinary general meeting of the members was held during the last financial year.

SHAREHOLDING PATTERN AS ON MARCH 31, 2022

Shareholding pattern of the Bank as on March 31, 2022 is given below:

Sr. No	Particulars	No. of Shareholders	No. of Shares	% of Shares
1	Promoters & Promoters Group	1	8,62,62,976	49.72
2	Mutual Funds	8	1,45,83,944	8.41
3	Foreign Portfolio Investors	37	87,19,248	5.02
4	Alternate Investment Funds	5	45,65,619	2.63
5	Non-Resident Individuals	735	1,20,84,812	6.97
6	Non-Resident Corporates	2	10,24,374	0.59
7	Resident Individuals (Including HUF)	53,106	2,87,61,401	16.58
8	Resident Corporates	339	1,17,35,681	6.77
9	IEPF Authority	1	7,47,772	0.43
10	CSB ESOS Trust	1	50,00,000	2.88
Total		54,235	17,34,85,827	100



DETAILS OF SHAREHOLDERS HOLDING SHARES 1% AND ABOVE AS ON MARCH 31, 2022

Sl. No	Name of the Shareholder	No. of Shares	% of holding
1	FIH MAURITIUS INVESTMENTS LTD	86262976	49.7234
2	SBI SMALL CAP FUND*	9144494	5.2710
3	CSB ESOS TRUST	5000000	2.8821
4	PLUTUS WEALTH MANAGEMENT LLP	5000000	2.8821
5	YUSUFFALI MUSALIAM VEETIL ABDUL KADER	3756427	2.1653
6	OMERS ADMINISTRATION CORPORATION	3589800	2.0692
7	NOMURA SINGAPORE LIMITED ODI	3194724	1.8415
8	SUNDARAM MUTUAL FUND A/C SUNDARAM SMALL CAP FUND	2544118	1.4665
9	MAX LIFE INSURANCE CO LTD A/C PARTICIPATING FUND	2295419	1.3231
10	VALLABH BHANSHALI	2185392	1.2597
11	ZAFAR AHMADULLAH	1850100	1.0664
12	VOLRADO VENTURE PARTNERS FUND II	1792198	1.0331
13	SATPAL KHATTAR	1773906	1.0225
14	LAL ARAKULATH SANKAPPA	1756908	1.0127
TOTAL		130146462	75.0186

*SBI Mutual Fund (SBI Fund Management Private Limited through SBI Mutual Fund and its various schemes) had brought down their overall holding to 4.85 % by sale of 7,28,853 on March 31, 2022, in line with Reserve Bank of India Master Direction No.DBR.PSBD.No.56/16.13.100/2015-16 dated November 19, 2015, but the same had not reflected in their shareholding and overall shareholding pattern of the Bank, as the benpos dated March 31, 2022, did not reflect the completed transaction in the context of T+1 settlement system.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2022

Category	No. of Shareholders				No. of Shares			
	Physical	Demat	Total	%	Physical	Demat	Total	%
Up to 5,000	14,853	40,165	55,018	98.46	42,26,518	99,50,540	1,41,77,058	8.17
5,001 to 10,000	59	330	389	0.70	3,93,447	25,03,064	28,96,511	1.67
10,001 to 20,000	24	199	223	0.40	3,22,244	29,75,832	32,98,076	1.90
20,001 to 30,000	8	68	76	0.14	1,98,810	17,10,259	19,09,069	1.10
30,001 to 40,000	2	36	38	0.07	66,666	12,52,663	13,19,329	0.76
40,001 to 50,000	1	22	23	0.04	48,332	10,33,777	10,82,109	0.62
50,001 to 1,00,000	-	39	39	0.07	-	27,74,487	27,74,487	1.60
1,00,001 & Above	-	70	70	0.12	-	14,60,29,188	14,60,29,188	84.18
Total	14,947	40,929	55,876	100.00	52,56,017	16,82,29,810	17,34,85,827	100.00

DEMATERIALISATION OF SHARES

As on March 31, 2022, 96.97% of Bank's shares were in demat mode as per the statement given below:

(A) STATEMENT BASED ON NUMBER OF SHARES				
Shares in Physical and Demat form as on March 31, 2022:			No. of Shares	Percentage
In Physical Form			5256017	03.03%
In Dematerialized Form:	CDSL	21461543	168229810	96.97%
	NSDL	146768267		
Total			173485827	100.00%

(B) STATEMENT BASED ON NUMBER OF SHAREHOLDERS/FOLIOS				
No. of shareholders whose shares as on March 31, 2022 are in Physical and Demat form:			No. of Folios/Shareholders	Percentage
In Physical Form			14947	26.75%
In Dematerialized Form:	CDSL	22411	40929	73.25%
	NSDL	18518		
Total			55876	100.00%

As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. Further, as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2022, transmission or transposition of securities held in physical form shall be effected only in dematerialised form, with effect from January 24, 2022.

Shareholders holding shares in physical form are requested to dematerialize their shares in order to avail the benefit of free transferability as any request for transfer of shares will not be permitted if the shares are held in physical mode. The Shareholders of the Bank who have not dematerialized their shares so far may approach any of the Depository Participants (DP) of National Securities Depository Ltd. (NSDL) or Central Depository Services (India) Ltd. (CDSL) for dematerializing their shareholding. The Shareholder is required to fill in a Demat Request Form (DRF) and submit the same along with the Share Certificate(s) to the DP. The DP will allocate a demat request number and shall forward the request physically and electronically, through NSDL/CDSL to the Registrar & Share Transfer Agent of the Bank (RTA). On receipt of the demat request, both physically and electronically and after verification, the Shares are dematerialized, and an electronic credit of shares is given in the account of the Shareholder.

Physical shareholders are also requested to contact the Registered Office of the Bank or RTA of the Bank: M/s. Link Intime India Pvt Ltd., Coimbatore, for further information in this regard.

RECONCILIATION OF SHARE CAPITAL AUDIT

The Bank has complied with SEBI requirements with regard to reconciliation of share capital audit for the purpose of reconciliation of the total admitted capital in physical mode as also with both the Depositories NSDL & CDSL. The total issued and listed capital of the Bank and in respect of other matters covered under the directions of SEBI by the statutory/ Secretarial auditors of the Bank. Quarterly compliance reports have been submitted to the exchanges in this regard.

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd., is the Registrar & Share Transfer Agent for the Bank's shares. The shareholders may lodge their requests/ complaints either with the Registrar & Share Transfer Agents or with the Bank in the following address:

Link Intime India Pvt. Ltd, Surya 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028. Tel : 0422 – 2314 792, 2315 792 Fax: 022-49186060 Email : coimbatore@linkintime.co.in	The Company Secretary, CSB Bank Limited, “CSB Bhavan”, P. B. No. 502, St. Mary's College Road, Thrissur – 680 020. Tel: 0487 – 2333020 Fax: 0487 2338764 E-mail: investors@csb.co.in
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SHARE TRANSFER SYSTEM

Registrar & Share Transfer Agent	M/s. Link Intime India Pvt. Ltd., the Registrar & Share Transfer Agents looks after the share transfer system in the Bank. Further, the Board delegated the authority for approving transfer, transmission, etc., of the Bank's securities to the Stakeholders' Relationship Committee of the Board.
Share Transfer Physical System	Pursuant to the Ministry of Corporate Affairs (MCA) Notification regarding Companies (Prospectus and allotment of securities) 3rd Amendment Rules, 2018 dated 10th September, 2018, the Bank will not permit transfer of shares in physical form with effect from October 2, 2018. Further, Securities and Exchange Board of India has barred physical transfer of shares of listed companies effective from April 01, 2019 and mandated the share transfer only through Electronic Mode. Subsequently, Securities and Exchange Board of India, vide circular dated September 7, 2020, permits re-lodgement of transfer deeds with a cut-off date of March 31, 2021 for those shareholders whose transfer deeds were lodged prior to deadline of April 01, 2019 and rejected / returned due to deficiency in the documents. The shares that are re-lodged for transfer (including those request that are pending with the listed company / RTA, as on date) shall be issued only in demat mode. However, an investor is not prohibited from holding the shares in physical form; investor has the option of holding shares in physical form even after October 2, 2018/ April 01, 2019 as the case may be. Provided further that transmission or transposition of securities held in physical form shall be effected only in dematerialised form, with effect from January 24, 2022, as per SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB /P/CIR/2022/8 dated January 25, 2022. Subject to the above SEBI circular, the requests for transmission/ transposition, etc., as and when received, are duly verified and processed after complying with rules in force. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Bank. Further to the above, SEBI has simplified the procedure and standardize the formats of documents for issuance of duplicate securities certificates vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/70 dated May 25, 2022.
Investors Service Requests & Dematerialisation	In the case of issue of duplicate share certificate/ transmission/transposition etc. of physical shares, a letter of confirmation is issued after due verification, and thereafter, the securities holder/ claimant is required to make a request to the Depository Participant based on the said letter of confirmation received from the RTA/Bank for the purpose of dematerialisation of the said shares. In the case of transmission of securities of joint holders, the RTAs shall comply with the provisions of the Companies Act, 2013 and transmit securities in favour of surviving joint holder(s) in the event of demise of one or more joint holder(s), irrespective of whether any counterclaim/dispute is filed/raised by any legal representative of one of the deceased shareholder(s). The Letter of Confirmation issued shall be valid for a period of 120 days from the date of its issuance, within which the shareholder shall make a request to the Depository Participant for dematerializing the securities. In case the shareholder fails to submit the demat request within the aforesaid period, the RTA /Bank shall credit the securities to the 'Suspense Escrow Demat Account' of the Bank which is opened for this purpose.
Certificate under Regulation 40(9) of the SEBI Listing Regulations	The Bank obtains yearly certificate of compliance with the share transfer formalities as required under Regulation 40 (9) of the Listing Agreement with Stock Exchanges from a Company Secretary in Practice, and files a copy of the certificate with the Stock Exchanges where Bank's shares are listed.

DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL), ACT, 2013

The Prevention of Sexual Harassment (POSH) Act has been implemented with an aim to prevent and protect women from sexual harassment at the workplace and thereby ensure a safe working environment for women. The POSH Act, as mandatory compliance, requires to constitute an Internal Complaints Committee ("ICC") in the

prescribed manner in order to receive and address the complaints of any sort of sexual harassment from women in a time-bound and extremely confidential manner. The ICC will have the adequate power to investigate the sexual harassment complaints and redress them in the manner enumerated under the POSH Act and POSH Rules.

At your Bank, every staff has the right to be treated with dignity and respect. Bank has no lenience towards women harassment at workplace and the same is strictly prohibited as it may perhaps lead to a vicious act. In order

to ensure harmless workplace for the women employees in the Bank, in compliance to POSH Act, a policy on "Prevention, Prohibition and Redressal of sexual harassment of women employees at workplace and Redressal of Complaints of sexual harassment" has been formulated. As per Section 4 of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act- 2013", the Bank constitutes an Internal Complaints Committee to preclude Women harassment at workplace to provide them with better atmosphere.

The disclosure required under section 22 of the Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013 are given below:

Number of complaints pending as on the beginning of the financial year	NIL
Number of complaints of sexual harassment received in the year	4
Number of complaints disposed off during the year	NIL
Number of complaints pending as on the end of the financial year	4
Number of cases pending for more than ninety days	3
Remedial measures taken by the company	Bank has initiated timely measures for an effective redressal of grievances.
No of workshops or awareness programme against sexual harassment	35
Nature of action taken by employer/district officer	Bank will take appropriate action, once the committee (ICC) decide on the complaints received, if required.

OTHER DISCLOSURES

Particulars	Details
Related party transactions	<p>All transactions entered into by your Bank with related parties in the ordinary course of business and on arm's length basis were placed before the Audit Committee of the Board for approval. Omnibus approval is obtained from the Audit Committee for transactions which are repetitive in nature and the same are reviewed on periodic basis.</p> <p>As per the amendments made in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2022, all related party transactions and subsequent material modifications shall require prior approval of the Audit Committee of the Bank and further all the material related party transactions and subsequent material modifications as defined by the Audit Committee shall require the prior approval of the members of the Bank. Accordingly, your Bank has obtained prior approval of the Audit Committee, the Board, and the members of the Bank via postal ballot resolutions for related party transactions/material related party transactions as per the said amendments, effective from April 1, 2022.</p> <p>There were no materially significant related party transactions with the Bank's Directors, Management or their relatives, which could have had a potential conflict with the interests of the Bank.</p> <p>Bank has formulated a policy on materiality of related party transactions and also on dealing with related party transactions pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is displayed on the website of the Bank at https://www.csb.co.in/pdf/PolicyondealingwithRelatedPartyTransactionnew.pdf</p> <p>Details of related party transactions in terms of AS-18 entered into during the FY 2021 - 22 are given in notes to the financial statements.</p>

Whistle Blower Policy/Vigil Mechanism:	The Bank has put in place a 'Whistle Blower Policy/ Vigil Mechanism' in compliance of the provisions of Regulations 4(2) (d) and 22 of the SEBI LODR Regulations, the Companies Act, 2013 and SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended. The Bank affirms that no employee has been denied access to the Audit Committee of the Board under the Whistle Blower/ Vigil Mechanism in the Bank. The details of the Whistle Blower Policy is available on the website of the Bank at https://www.csb.co.in/pdf/Whistle-Blower-Policy02022022.pdf												
Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity:	Not applicable. The Bank has not yet issued GDRs/ ADRs and hence the same is not applicable in the Bank's case. The Bank does not have any outstanding Warrants or any other convertible instruments as on March 31, 2022.												
Plant Locations:	As the Bank is engaged in the business of Banking/ Financial Services, this is not applicable in the Bank's case. However, the Bank has 603 Branches (including three Service and Asset Recovery Branches, each) and 459 ATM/CRMs as on March 31, 2022.												
Commodity Price Risks and Commodity hedging activities:	Risk is an integral part of the banking business and the Bank's aim is to maintain portfolio quality by making appropriate risk/reward trade-offs. Key risks that the Bank is exposed to are credit, concentration, market, country exposure, liquidity, operational and reputation risk. The Board of Directors of the Bank has oversight of all the risk assumed by the Bank and has delegated its power to manage risk to Risk Management Committee (RMC) of the Board. The Bank does not have direct exposure on any commodities. The Bank has exposure to borrowers which are secured against various commodities.												
Commodity price risk or foreign exchange risk and hedging activities:	To monitor Foreign Exchange risk, Bank has envisaged Forex VaR and AGL which are being monitored on daily basis by Market Risk department. Bank also has Investment, Forex policy to define and regulate Forex operations taken up by the Bank and different levels of limits are given in it. Treasury also monitors foreign assets liabilities gap to hedge it in the market. Bank hedges its foreign currency position using derivatives including mainly SWAPs and outright Forwards. Bank is not involved in commodity trading and its hedging activities.												
Certificate under Regulation 34(3) of Listing Regulations:	Pursuant to the Regulation 34(3) read with Schedule V of the Listing Regulations, a certificate has been obtained from "M/s. SVJS & Associates", Company Secretaries, Kochi, confirming that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of the Companies either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authorities.												
Fees paid to statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part	The total fees incurred by the Bank for services rendered by Statutory Auditors are given below: <table border="1"> <thead> <tr> <th>Fee paid (excluding taxes)</th><th>Amount (in ₹)</th></tr> </thead> <tbody> <tr> <td>Statutory Audit/Limited review</td><td>1,54,00,000</td></tr> <tr> <td>LFAR and Other Certification</td><td>16,00,000</td></tr> <tr> <td>Additional Certificates issued*</td><td>16,25,000</td></tr> <tr> <td>Out of Pocket expenses</td><td>31,63,423</td></tr> <tr> <td>Total</td><td>2,17,88,423</td></tr> </tbody> </table> <p><i>* Includes the fees paid for general certifications which was outside the scope of the assignment.</i></p>	Fee paid (excluding taxes)	Amount (in ₹)	Statutory Audit/Limited review	1,54,00,000	LFAR and Other Certification	16,00,000	Additional Certificates issued*	16,25,000	Out of Pocket expenses	31,63,423	Total	2,17,88,423
Fee paid (excluding taxes)	Amount (in ₹)												
Statutory Audit/Limited review	1,54,00,000												
LFAR and Other Certification	16,00,000												
Additional Certificates issued*	16,25,000												
Out of Pocket expenses	31,63,423												
Total	2,17,88,423												
Details of utilization of funds:	During the year under review, there were no preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of the SEBI LODR Regulations.												
Policies of the Bank	As a part of good Corporate Governance, the Bank has adopted various policies/codes from time to time which are hosted on the website of the Bank at https://csb.co.in/investor-relations												

Disclosure of the compliance with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	All disclosures in compliance with the Corporate Governance requirement specified in regulations 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 to the extent applicable are hosted in Banks' website www.csb.co.in as well as the same are forms part of this report and have complied with the said regulations.
Accounting Policy	The significant accounting policy of the Bank is mentioned in Schedule 17 of the financial statements. The Bank has followed the same accounting policies in the preparation of these financial results as followed in the annual financial statements for the year ended March 31, 2022 except policy on NPA recovery and policy related to accounting of the share-linked instruments, issued under the employee stock option scheme of the Bank. Previously, recovery in NPA was first appropriated towards interest and balance, if any, towards principal, except in the case of Suit Filed Accounts, sale to Asset Reconstruction Companies and accounts under onetime settlement where recovery was appropriated based on the court decree/terms of agreement. From May 01, 2021, the Bank amended the policy on NPA recovery to appropriate recovery on all NPA first towards principal and balance if any towards interest. Impact of the above change in the financial results for the quarter and year ended March 31, 2022 is not material. Reserve Bank of India, vide its clarification dated August 30, 2021 on Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff, advised all the banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending March 31, 2021. 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 March 31, 2021. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model and is recognised as compensation expense over the vesting period.
Strictures and Penalties	During the last 3 years, there were no penalties or strictures imposed on the Bank by the Stock Exchange(s) and/or SEBI and/or any other statutory authorities on matters relating to capital market activities.

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

GOVERNANCE CODES	The Bank has adopted a 'Code of Conduct and Ethics for Board of Directors and Senior Management Personnel of the Bank' which is applicable to the Board of Directors and Senior Management personnel of the Bank. The code requires Directors and Senior Management Team members to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. All the Directors and Senior Management personnel have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors. An annual confirmation of the Code of Conduct is taken from all the Directors and Senior Managerial Personnel to whom the Code applies. MD & CEO's affirmation that the Code of Conduct has been complied with by the persons covered under the Code is given at the end/part of this report.
CONFLICT OF INTERESTS	Each Director informs the Bank on an annual basis about the Board and the Committee positions he occupies in other companies including Chairpersonships and notifies changes during the year. The members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of Board restrict themselves from any discussion and voting in transactions in which they have concern or interest.

COMPLIANCE WITH SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

The Bank had adopted a “Code of Conduct- Prohibition of Insider Trading Policy” in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (PIT Regulations), to regulate, monitor and report trading in Securities of the Bank by Designated Persons and their Immediate Relatives. The code is applicable to Promoters and Promoter’s Group, all Directors, Designated Persons, connected persons and their immediate relatives who are expected to have access to unpublished price sensitive information(UPSI) relating to the Bank. The objective of this Code is the preservation of confidentiality of UPSI, to prevent misuse of such information and to prohibit Designated Persons and their Immediate Relatives from trading in the Bank’s Securities while in possession of UPSI.

The Company Secretary has been designated as the Compliance Officer for this purpose and is responsible for setting forth policies, procedures and monitoring adherence to the SEBI Regulations and Bank’s Code of Conduct.

This Code also lays down the ethical standards to be adhered to while trading in Securities of the Bank. The Code requires that trading by Designated Persons and their Immediate Relatives shall be subject to pre- clearance by the Compliance Officer, if the value of the proposed trade(s) is above a minimum threshold limit of ₹ 10,00,000/- (Rupees Ten Lakh) in value (either in one transaction or series of transaction) over any calendar quarter, or such other limits as the Board may stipulate. This is a mandatory requirement even when the trading window is open. Further it prohibits the purchase or sale of Bank’s securities by the Promoters, Directors, KMPs, Auditors, Designated Persons, other Connected Persons and their immediate relatives of the Bank while in possession of UPSI in relation to the Bank. Further, trading window shall be closed from the end of every quarter till 48 hours after the declaration of financial results. The details of Trading Window closure during the period under review are mentioned below:

Trading Window Closure Period	Purpose of closure of Trading Window
April 1, 2021 to May 11, 2021	For announcement/declaration of the Audited Financial Results of the Bank for the quarter and financial year ending on March 31, 2021.
July 1, 2021 to July 26, 2021	For announcement/declaration of the unaudited financial results of the Bank for the quarter ending on June 30, 2021.
October 1, 2021 to October 27, 2021	For announcement/declaration of the unaudited financial results of the Bank for the quarter and half year ending on September 30, 2021.
January 1, 2022 to January 25, 2022	For announcement/declaration of the unaudited financial results of the Bank for the quarter and nine months ended on December 31, 2021.
April 1, 2022 to May 10, 2022	For announcement/declaration of the Audited Financial Results of the Bank for the quarter and financial year ending on March 31, 2022.

The Bank has also formulated ‘The Code of Practices and procedures for fair disclosure of Unpublished Price Sensitive Information’ in compliance with PIT Regulations and this code is displayed on the Bank’s website at www.csb.co.in.

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the Board has approved “Dividend Distribution Policy”. The Policy has been displayed on the website of the Bank at https://www.csb.co.in/pdf/CSB_Dividend_Policy.pdf. The Bank shall declare dividend only after ensuring compliance with the Banking Regulation Act, 1949, various regulatory guidelines on dividend declaration issued by RBI from time to time, the provisions of the Companies, Act, 2013 and the rules made there under, Listing Regulations, as amended to the extent applicable for Banking Companies.

UNCLAIMED DIVIDEND

As per the provisions of Section 124 (5) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Bank is statutorily required to transfer to the Investor Education & Protection Fund (IEPF), established by the Central Government, all dividends remaining unpaid/unclaimed for a period of 7 years, from the date of such transfer to the unclaimed dividend account. Once such amounts are transferred to IEPF, no claim of the shareholder shall lie against the Bank.

All dividends remaining unclaimed/unpaid upto and including for the financial year 1993-94 have been transferred to the General Revenue Account of the Central Government. Unpaid/unclaimed dividends for the financial years 1994-95 to 2012-13 have been transferred to Investor Education and Protection Fund (IEPF). No claim shall lie against the Bank for unpaid/unclaimed dividends once such dividends have been transferred.

The unclaimed dividends amount of ₹ 10,38,330/- for FY 2013-14 have been transferred to Investor Education and Protection Fund (IEPF) on November 11, 2021.

In terms of Rule 5(8) of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Bank has uploaded the information regarding unclaimed dividend due to be transferred to Investor Education Protection Fund (IEPF) on the Ministry of Corporate Affairs Website and also on Bank’s Website. The Shareholders may claim the unclaimed/unpaid amount due to them by making a request to the Bank/RTA giving their particulars before the same are transferred to IEPF.

Bank has not declared any dividend since the financial year 2014-15.

INTIMATION TO THE SHAREHOLDERS FOR CLAIMING OF DIVIDENDS

Reminders to encash the unclaimed dividend on shares are sent to the relevant shareholders at regular intervals as required.

TRANSFER OF SHARES TO IEPF AUTHORITY

In terms of the provisions of the Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended and other applicable rules, notifications and circulars, if any, every company is required to transfer the shares, in respect of which dividend remains unpaid / unclaimed for a period of seven (7) consecutive years or more to the Investor Education Protection Fund (IEPF) Authority. Subsequent to such transfer of shares to “IEPF Authority”, all future benefits which may accrue, on these shares, including future dividend, will be credited to the said IEPF Authority only.

Pursuant to the IEPF Rules, 2,50,989 shares in respect of which unclaimed/unpaid dividend was not claimed from 2013-14 for seven consecutive years were transferred to IEPF Authority Ministry of Corporate Affairs Account (IEPF) on November 23, 2021, bearing demat account no. 1204720013676780 which is opened with Central Depository Services (India) Limited (CDSL) with Depository Participant at SBICAP Securities Limited.

The information pertaining to unpaid/unclaimed dividends for last seven years and the details of such members whose unclaimed dividend/shares have been transferred to IEPF Authority is also available on the Bank’s website www.csb.co.in.

GUIDELINES FOR CLAIMING REFUND OF SHARES AND DIVIDEND TRANSFERRED TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY

Pursuant to Section 124(6) of the Companies Act, 2013 read with Rule 7 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Bank in the name of Investor Education and Protection Fund.

Any person whose shares have been transferred as per the above provision, can make an application for refund of shares and dividend by filing web Form IEPF-5 available on the website www.iepf.gov.in. The claimants need to register themselves on MCA portal by creating Login ID credentials. After successful login into MCA portal, claimants have to click on MCA services tab and choose IEPF- 5 option under “Investor Services” and follow the due process for filing the form. Claimants are requested to read the instructions provided in the website (instruction kit for filing e-Form IEPF-5) which includes the steps to file the e-form IEPF-5.

On successful submission of the Form, an Acknowledgement/challan will be generated indicating the Service Request Number (SRN). Claimants may please note the SRN for future communications and tracking of the form. The claimant has to send the print out of duly filled and uploaded claim form IEPF-5; with claimant signature and if joint holders are involved, then the Form should be signed by all the joint holders, copy of acknowledgement generated after uploading the claim Form IEPF-5, Indemnity Bond (original) with claimant signature, original share certificate(s) where shares in physical form are claimed, original cancelled cheque leaf along with other necessary documents as may be prescribed by the Authority, to the Nodal Officer (IEPF) of the Bank at its registered office in an envelope marked “*Claim for refund from IEPF Authority*” for initiating the verification for claim.

If the shares/dividend claimed are in respect of shares under the process of transmission/the original share certificate of which are lost/under name correction etc., the shareholders shall follow the instructions prescribed in the relevant rules and regulations in force.

The general information about the Bank required for filing the Form are given below;

Name of the Company	CSB Bank Limited
Name of the Nodal Officer	Mr. Sijo Varghese
Corporate Identification Number (CIN) of the Bank	L65191KL1920PLC000175
Address of registered office of the Bank	CSB Bhavan, Post Box No. 502, St. Mary’s College Road, Thrissur - 680 020, Kerala, India. Telephone: 0487 2333 020 Fax: 0487 2338 764
E-mail ID of the Bank	investors@csb.co.in

MANDATORY KYC UPDATION

The Securities and Exchange Board of India vide its Circulars No. SEBI/HO/MIRSD/ DOP1/CIR/P/2018/73 dated April 20, 2018 read with Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB /P/CIR/2021/655 dated November 03, 2021, and Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB /P/CIR/2021/687 December 14, 2021, had mandated submission of Permanent Account Number (PAN), bank account details, nomination details and KYC details by every participant in securities market. Accordingly, Members holding shares in physical form are requested to submit self-attested copy of the PAN Card(s) and any one of the Officially Valid Documents (OVD), cancelled cheque leaf where an active Bank account is maintained, to the Bank's Registrar and Transfer Agents: Link Intime India Pvt. Ltd., Surya 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028, in the prescribed format. Further members holding shares in electronic form are requested to submit their copy of the PAN Card(s) and Bank Account Details to their Depository Participants with whom they are maintaining their demat accounts. Folios without any one of the cited document /

details on or after April 01, 2023, shall be frozen by the RTA in terms of said circulars. Such frozen folios shall not be eligible to avail any service request or any benefits arising out the shareholding, unless the shareholder furnishes the complete details as mentioned above.

DISCLOSURE UNDER REGULATION 39(4) OF THE SEBI LISTING REGULATIONS

Regulation 39(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter alia requires every listed company to comply with certain procedures while dealing with securities issued pursuant to the public issue or any other issue, physical or otherwise, which remain unclaimed and/or are lying in the escrow account, as applicable.

The disclosure in terms of Regulation 39(4) and Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below. Holding of shares in 'Unclaimed Suspense Account', is subject to Sections 124(5) and 124(6) of the Companies Act, 2013 in the matter of transfer of unpaid or unclaimed dividend and shares underlying thereon.

Sl. No.	Particulars	Number of Shareholders	No. of shares
1	Number of shareholders and the outstanding shares as on April 01, 2021	94	9866
2	Aggregate Number of shareholders and the outstanding shares transferred during the financial year to Unclaimed Suspense Account	0	0
3	Less: No. of shareholders who approached the Bank for transfer of shares and to whom shares were transferred during the fiscal 2021-22	0	0
4	Less: No. of Shares transferred to the IEPF authority in terms of Section 124(6) of the Companies Act, 2013*	18	515
5	Aggregate Number of shareholders and the outstanding shares as on March 31, 2022 in the Unclaimed Suspense Account#	76	9351

* Shares in respect of which dividend has been unclaimed by the shareholders for a period of seven consecutive years were transferred to IEPF

Voting rights on these shares shall remain frozen till the rightful owners of such shares claim these shares

LISTING AGREEMENT WITH STOCK EXCHANGES

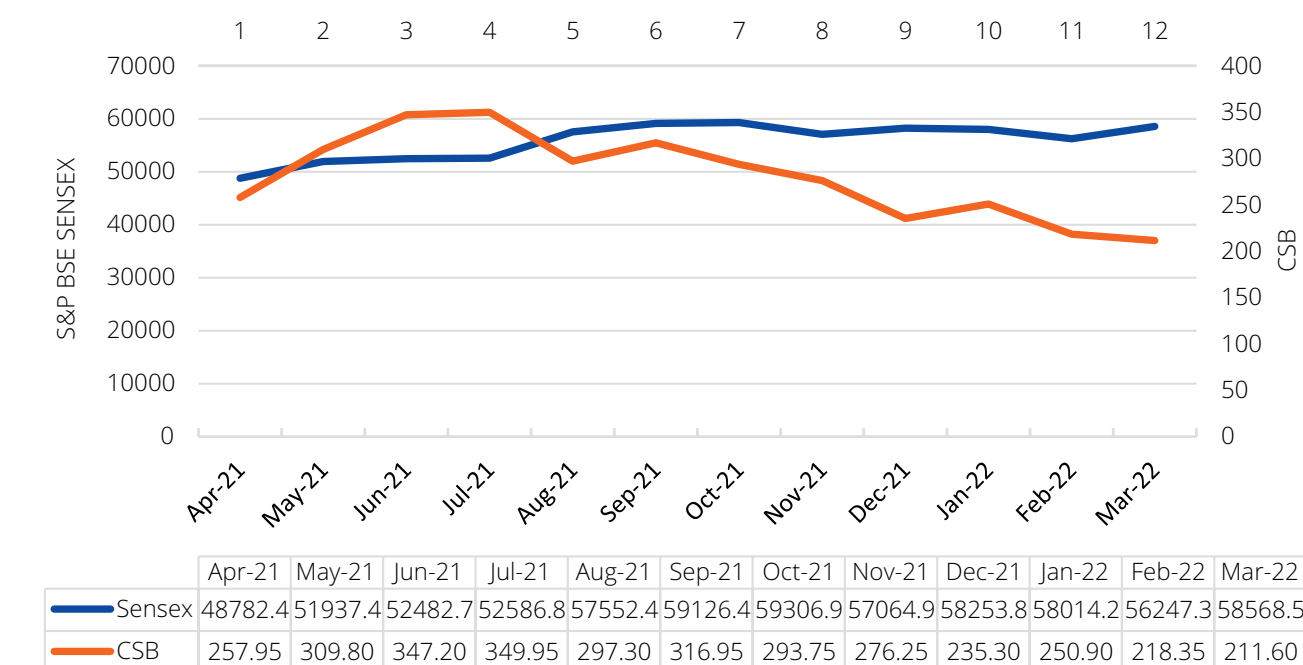
Bank's shares were listed on the exchanges with effect from December 4, 2019 and the listing fees payable to the Stock Exchanges for the financial year 2022-23 has been paid to National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) on April 21, 2022.

STOCK MARKET PRICE DATA OF BANK'S SHARES

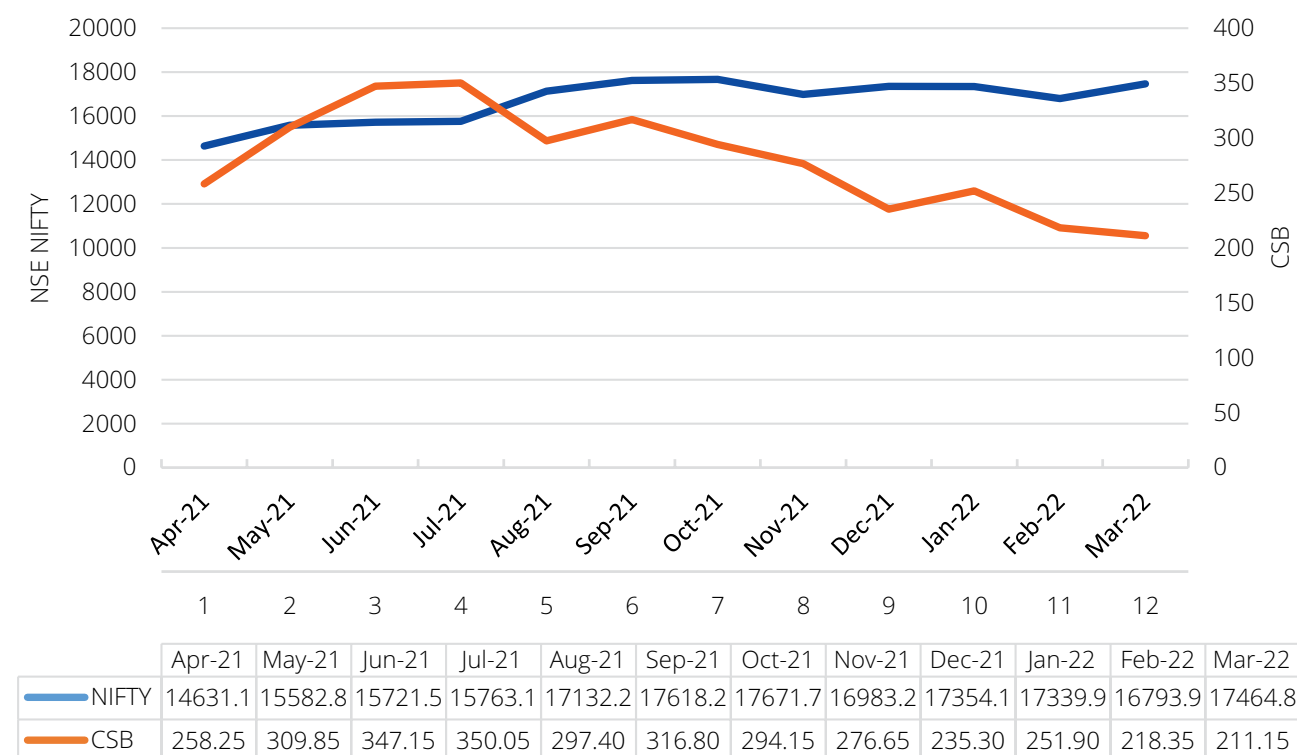
The monthly high and low prices of the Bank's shares traded on the National Stock Exchange of India Ltd. (NSE), Mumbai and BSE Ltd. (BSE), Mumbai during the period from April 1, 2021 to March 31, 2022 are as under:

BSE Ltd. (BSE)			National Stock Exchange of India Ltd. (NSE)		
Month	High	Low	Month	High	Low
April 2021	269.40	233.65	April 2021	269.70	233.00
May 2021	345.90	246.00	May 2021	346.20	245.80
June 2021	362.50	303.40	June 2021	361.00	303.50
July 2021	372.95	280.45	July 2021	374.00	274.40
August 2021	353.30	294.00	August 2021	354.20	293.00
September 2021	329.75	294.55	September 2021	329.85	293.65
October 2021	355.00	288.75	October 2021	336.90	288.55
November 2021	307.00	266.45	November 2021	305.00	266.00
December 2021	280.75	220.40	December 2021	281.55	220.00
January 2022	267.95	234.10	January 2022	268.00	233.05
February 2022	264.30	202.15	February 2022	264.35	208.35
March 2022	226.40	201.30	March 2022	226.80	201.00

PERFORMANCE OF THE CSB BANK EQUITY SHARES RELATIVE TO S&P BSE SENSEX FROM APRIL 1, 2021 AND UP TO MARCH 31, 2022.



PERFORMANCE OF THE CSB BANK EQUITY SHARES RELATIVE TO NSE NIFTY FROM APRIL 1, 2021 AND UP TO MARCH 31, 2022.



FINANCIAL CALENDAR FOR PUBLICATION OF FINANCIAL RESULTS: FOR FY 2021-22

Quarter ending	Date of approval
June 30, 2021	July 22, 2021
September 30, 2021	October 25, 2021
December 31, 2021	January 21, 2022
March 31, 2022	May 06, 2022

MEANS OF COMMUNICATION

Quarterly/ Yearly Financial Results	After the approval of Quarterly/Yearly Financial Results ('Results') by the Board of Directors, the same are being disclosed to the Stock Exchange/s, formal presentations are made to analysts by the Management and the same is also placed on the Bank's website at www.csb.co.in The results are communicated through newspaper advertisements, press releases and by posting information on the Bank's website. Results are generally published in the Business Standard and Malayalam Daily "Deepika" on the next day of results declaration. The financial results are sent to the shareholders via e-mail since last quarter of the financial year 2021-22.
Earnings Call/ Investors Presentations/ Media Releases	The Bank conducts meetings/call with Institutional Investors and Analysts in every quarter, after the results are declared. The Investors Presentations and transcript/audio recordings of the Institutional Investors and Analysts call are uploaded in the Bank's website at www.csb.co.in and also submitted to the stock exchanges. The Bank is also uploading the audio recordings of the Institutional Investors and Analysts meetings/call in the Bank's website at www.csb.co.in , with a reporting of the same to the stock exchanges.
Annual Report	The results, Annual Report including the Notice and Explanatory Statement are also displayed on the Bank's website at www.csb.co.in
Others	Other information, such as press releases, stock exchange disclosures/ statutory filings and presentations made to investors and analysts, etc., are regularly updated on the Bank's website at www.csb.co.in.

MD & CEO/CFO CERTIFICATION

The certification by Managing Director & CEO and Chief Financial Officer pursuant to the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the financial statements and internal controls relating to financial reporting has been obtained and the same forms part of the Report.

GREEN INITIATIVE IN CORPORATE GOVERNANCE

As part of the 'Green Initiative in Corporate Governance' programme initiated by the Ministry of Corporate Affairs (MCA), the Bank has already put in place mechanism for sending all notices/documents including Notice of the Shareholders' Meeting, Balance Sheet, Profit & Loss Account, Auditors' Report, Directors' Report and so on, in electronic form.

Further, in terms of Regulation 36 of the Listing Regulations, MCA circular dated May 5, 2020, January 13, 2021, December 08, 2021, December 14, 2021 and May 05, 2022, and SEBI Circulars dated May 12, 2020, January 15, 2021 and May 13, 2022, the Bank is required to send soft copies of its Annual Report to all those shareholder(s), who have registered their email address with the Bank/Bank's RTA/ any depository. Accordingly, the documents including the notice and explanatory statement of the 101st Annual General Meeting, the Annual Report of the Bank for the financial year 2021-22 including Audited Financial Statements, Directors' Report, Auditors' Report etc., for the year ended March 31, 2022, are being sent to the e-mail address registered with their Depository Participant (DP)/Registrar/Bank. The e-mail addresses indicated in respective DP accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be their registered e-mail address for serving notices/documents including those covered under Section 136 of the Companies Act, 2013. In case a Member, whose email address has changed, fails to update this new e-mail address, the said documents will be sent to the existing e-mail address and the said documents will be deemed to have been delivered, in compliance with the relevant provisions of the Companies Act, 2013, the relevant Rules made there under and the Listing Regulations. Members who have not yet registered their email address have been requested to do so, at the earliest. In case of shares held in electronic form and in case of any change in the email address, Members have been requested to update the same with their DP and in case of shares held in Physical form, Members have been requested to update the same with the Registrar/Bank.

Shareholders have been requested on several occasions to update their e-mail IDs in their folio/demat a/c to help accelerate the Bank's migration to paperless compliances. The Bank seeks your support to the said green initiatives, as it is designed to protect the environment.

COMPLIANCE WITH MANDATORY REQUIREMENTS

The Bank's shares were listed on the Stock Exchanges on December 4, 2019. The Bank has complied with all mandatory recommendations prescribed in Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the date of listing or from the respective date of applicability of the same in the Bank's case, whichever is earlier. A certificate to this effect issued by M/s SVJS & Associates, Practicing Company Secretaries, Kochi is annexed.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

In addition to the Mandatory Requirements, your Bank has ensured the implementation of the non-mandatory requirements as suggested in Regulation 27 read with Part E of Schedule II of the Listing Regulations.

1	The Board	Part-time Chairman is entitled to maintain his office at the administrative/other office space of the Bank which is at the expenses of the Bank, though no office has been specifically allotted to the present chairman. Part-time Chairman is entitled and allowed for reimbursement of expenses incurred in performance of his duties.
2	Shareholders' rights	The Bank publishes its financial result once approved by the Board of Directors to the Stock Exchanges within 30 minutes (under Regulation 30 of the Listing Regulations) of the conclusion of the agenda/meeting. The same are also available on the websites of the Stock Exchanges. Quarterly/Annual Financial statements are also published in the Newspapers and uploaded in the Bank's website. Shareholders/Investor presentations on Quarterly / Annual financial statements are uploaded in the Bank's website and intimated to Stock Exchanges and where shares of the Bank are listed.
3	Unmodified audit opinion /reporting	The Auditors have expressed an unmodified opinion on the financial statement of the Bank for the financial year ended March 31, 2022.

4	Separate posts of Chairperson and the Managing Director or the Chief Executive Officer	The Bank has separated the positions of the Chairman and the Managing Director & Chief Executive Officer. The Part-time Chairman is a non-executive Independent director and is not related to the Managing Director & Chief Executive Officer as per the definition of the term “relative” defined under the Companies Act, 2013.
5	Reporting of Internal Auditor	The Internal Auditor directly reports to the Audit Committee of the Board.

INVESTOR HELP DESK

Share transfers, dividend payments, if any, and all other investor related activities are attended to and processed at the office of the Bank/ Bank's Registrars and Transfer Agents (RTAs).

Pursuant to Regulation 6(2)(d) of the Listing Regulations, Bank has created a separate e-Mail ID viz. investors@csb.co.in for redressal of Investor Complaints and Grievances.

By Order of the Board

Sd/-
Madhavan Aravamuthan
Chairman
(DIN: 01865555)

Place: Thrissur
Date : June 28, 2022

GENERAL INFORMATION FOR SHAREHOLDERS

Financial Calendar	April 01, 2021 to March 31, 2022			
Date of the Board Meeting at which the final accounts were approved	May 06, 2022			
Dividend	NIL. Board has not recommended dividend for the financial year 2021-22			
101st Annual General Meeting	Date :	September 27, 2022		
	Day :	Tuesday		
	Time :	11.00 AM IST		
	Venue/ meeting	Virtual The Bank is conducting meeting through VC / OAVM pursuant to the MCA Circulars dated May 5, 2020, January 13, 2021, December 08, 2021, December 14, 2021 and May 05, 2022, and SEBI Circulars dated May 12, 2020, January 15, 2021 and May 13, 2022 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.		
Date of the Book Closure	September 21, 2022 to September 27, 2022			
Listing on Stock Exchanges	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.	National Stock Exchange of India Ltd., Exchange Plaza, 5th floor, Bandra-Kurla Complex, Bandra (E), Mumbai 400051.		
Stock Code	542867	CSBBANK		
Date of Listing	December 04, 2019			
Corporate Identity Number (CIN)	L65191KL1920PLC000175			
ISIN	INE679A01013			
CREDIT RATINGS	Instrument(s)	Amount Up to (Cr.)	Rating	
			CRISIL Ratings	India Ratings & Research
	Certificate of Deposits	2,000	CRISIL A1+	-
	Short Term Fixed Deposits	2,000	CRISIL A1+	-
	Tier II, Basel III compliant bonds	500	CRISIL A/Stable	IND A/ Stable
<i>*The Bank has not yet issued any bonds as part of the programme.</i>				
Bank's Address for correspondence / Address of the Compliance Officer.	Mr. Sijo Varghese, Company Secretary, CSB Bank Limited, "CSB Bhavan", Post Box No. 502, St. Mary's College Road, Thrissur 680 020, Kerala. Phone No.: +91 487 2333 020 Fax: +91 487 2338 764 Email: investors@csb.co.in Website: www.csb.co.in			
Address of the Registrars & Share Transfer Agents of the Bank.	Link Intime India Pvt. Ltd. Surya 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028. Tel : 0422 – 2314 792, 2315 792 Fax : 022-49186060 Email : coimbatore@linkintime.co.in			

AFFIRMATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Pralay Mondal, Managing Director & CEO (Interim) hereby declare that the Bank's Code of Conduct and Ethics for Board of Directors and Senior Management Personnel of the Bank has been accepted and the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management as required under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on "Corporate Governance".

Sd/-
Pralay Mondal
Managing Director & CEO (Interim)
(DIN: 00117994)

Place: Mumbai
Date : June 28, 2022

CEO / CFO CERTIFICATION

We, Pralay Mondal, Managing Director & CEO(Interim) and B K Divakara, Chief Financial Officer, of CSB Bank Limited hereby certify that:

- (A) We have reviewed financial statements for the 12 months ended 31.03.2022 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the period which are fraudulent, illegal or violative of the Bank's code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the auditors and the Audit Committee :
- (1) there has not been any significant changes in internal control over financial reporting during the period;
 - (2) there has not been any significant changes in accounting policies during the period except accelerated provisioning for NPA; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Bank's internal control system over financial reporting.

Sd/-
B K Divakara
Chief Financial Officer

Place: Mumbai
Date: May 06, 2022

Sd/-
Pralay Mondal
Managing Director & CEO(Interim)
(DIN: 00117994)

CERTIFICATE ON CORPORATE GOVERNANCE

To the members of CSB BANK LIMITED

We have examined the compliance of the conditions of Corporate Governance by CSB BANK LIMITED [CIN: L65191KL1920PLC000175] having its registered office at Head Office, "CSB Bhavan", Post Box No.502, St. Mary's College Road, Thrissur -680020 for the year ended 31st March, 2022 as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Peer Review Certificate No.648 /2019
UDIN:F003067D000537414
For SVJS & Associates
Company Secretaries

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

Place: Kochi
Date: June 28, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10) (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
CSB Bank Limited
Head Office, "CSB Bhavan"
Post Box No.502,
St.Mary's College Road
Thrissur-680020
Kerala

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of CSB Bank Limited having CIN: L65191KL1920PLC000175 and having registered office at Head Office, "CSB Bhavan", Post Box No.502, St.Mary's College Road, Thrissur-680020, Kerala (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic and on the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such Statutory Authority.

Table with 4 columns: Sl. No., Name of Director, DIN, Date of appointment in Company. It lists 11 directors and their appointment dates.

* Mr.Rajendran Chinna Veerappan retired from the board at the close of office hours on 31.03.2022.
#Mr.Syed Nagoor Ali Jinnah resigned from the board on 19.04.2021

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

Peer Review Certificate No.648 /2019
UDIN: F003067D000537458
For SVJS & Associates
Company Secretaries

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

Place: Kochi
Date: June 28, 2022

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Financial Statements

Independent Auditor's Report

To the Members of CSB Bank Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CSB Bank Limited (the "Bank"), which comprise the balance sheet as at 31 March 2022, the profit and loss account, the cash flow statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 (the "Act") in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2022, and its profit and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Key audit matter	How the matter was addressed in our audit
Provisions on advances Charge: INR 779,750 thousand for year ended 31 March 2022 Provision: INR 3,560,093 thousand at 31 March 2022	
<i>Refer to the accounting policies in "Note 3 to the Financial Statements: Significant Accounting Policies - Use of estimates" and "Schedule 9 and Schedule 5 to the Financial Statements: Advances and Other Liabilities and Provisions"</i>	
Subjective estimate Provisions in respect of non-performing and restructured advances are made based on the policy approved by the Board of Directors of the Bank based on management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels prescribed under the Prudential Norms on Income Recognition, Asset Classification & Provisioning, prescribed by the Reserve Bank of India (the "RBI") from time to time.	Our key audit procedures included: Design / controls <ul style="list-style-type: none"> Assessing the design, implementation and operating effectiveness of key internal financial controls over monitoring of watch list loans, including monitoring process of overdue loans (and those which became overdue subsequent to the reporting date), measurement of provision, identification of NPA accounts, assessing the reliability of management information, which included overdue reports.

Key audit matter	How the matter was addressed in our audit
<p>The provisions on non-performing assets (NPAs) are also based on the valuation of the security available. In case of restructured accounts, provision is made in accordance with the RBI guidelines.</p> <p>We identified provision on advances as a key audit matter because of the management judgement involved in determining the provision and the valuation of the security available on NPAs, particularly on the Bank's gold advances portfolio and because of its significance to the financial results of the Bank.</p> <p>The Bank's advance portfolio majorly comprises of gold loans which are disbursed against the pledge of gold jewellery. Further, considering gold as the security, existence of gold, both physical security as well as purity, are considered to be critical focus areas for the Bank.</p> <p>We have also identified the impact of COVID-19 pandemic as a key event and consideration for recognition and measurement of NPAs on account of greater levels of management judgement and therefore increased levels of audit focus in the Bank's estimation of provision for NPAs.</p> <p>Management has refreshed its assessment of COVID-19 provision held at 31 March 2022.</p>	<ul style="list-style-type: none"> • Understanding management's approach, interpretation, systems and controls implemented in relation to NPA computation. • For corporate loans, testing controls over the monitoring of the credit watch list, credit file review processes, approval of external collateral valuation vendors and review controls over the approval of significant individual impairments. • Evaluating the design, implementation and operating effectiveness of key internal controls over the valuation of the securities for the NPAs, standard accounts and watch list cases. • Testing of review controls over measurement of provisions including documentation of the relevant approvals along with basis and rationale of the provision and disclosures in financial statements. • Involving information system specialist to gain comfort over data integrity and calculations, including system interface reconciliations. • Testing key controls operating over the information technology in relation to NPA systems, including system access and system change management, program development and computer operations. • Understanding the Bank's policy over appointment of external appraiser for gold loans and storage of pledged gold and assessing the design, implementation and operating effectiveness of key controls. <p>Substantive tests</p> <ul style="list-style-type: none"> • Test of details over of calculation of NPA provisions, including provisions on restructured loans, as at the year-end for assessing the completeness, accuracy and relevance of data and to ensure that the same is in compliance with the Bank's NPA provision policy and Prudential Norms on Income Recognition, Asset Classification & Provisioning. • Testing a sample (based on quantitative and qualitative thresholds) of larger sized corporate clients where impairment indicators had been identified by management. Obtaining management's assessment of the recoverability of these exposures (including individual provisions calculations) and challenging whether individual impairment provisions, or lack of, were appropriate.

Key audit matter	How the matter was addressed in our audit
	<p>This included the following procedures:</p> <ul style="list-style-type: none"> • Evaluating the statement of accounts, approval process, board minutes, credit review of customer, review of SMA reports and other related documents to assess recoverability and the classification of the facility. • Assessing external collateral valuer's work and the results and comparing external valuations to values used in management's assessment. • For a selection of corporate loans not identified as displaying indicators of impairment by management, challenged this assessment by reviewing the historical performance of the customer and formed our own view whether any impairment indicators were present. • For selection of samples for gold loans, inspected external appraiser's valuation report certifying the purity of the pledged gold and checked the quantity and weight mentioned in the valuation report • Conducted physical site visits for checking the existence of pledged gold. • Evaluating management rationale for the assessment of COVID-19 provision.
<p>Information technology system and controls</p> <p>The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Amongst its multiple IT systems, we scoped in systems that are key for the overall financial reporting.</p> <p>Further, the prevailing COVID-19 situation, has caused the required IT applications to be made accessible on a remote basis.</p> <p>We have identified 'IT systems and automated controls' as key audit matter because of considerable level of automation and number of systems being used by management.</p>	<p>We involved IT specialists, to cover the following key audit procedures:</p> <ul style="list-style-type: none"> • We focused on user access management, change management, segregation of duties, system interface/reconciliation controls, IT application controls, Information Provided by the entity (IPE) controls over key financial accounting and reporting systems. • We tested a selection of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access, system change management and computer operations. • We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties.

Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> For a selected group of key controls over financial and reporting systems, we have performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process. We have also assessed other areas which include password policies, system interface controls, controls over changes to applications and databases and controls to ensure that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment. In certain areas where General IT Controls needed strengthening, we tested compensating manual controls to check whether the control objectives are met.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Bank's Management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Bank's annual report, but does not include the financial statements and our auditor's report thereon. The Bank's Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Bank's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Bank's Management and the Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified

under Section 133 of the Act, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Materiality is the magnitude of the misstatements in the financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

OTHER MATTER

The comparative figures for the year ended 31 March 2021 provided in the financial statements have been audited by B S R & Co. LLP, the statutory auditors of the Bank, who expressed an unmodified opinion on those financial statements vide their Independent Auditor's Report dated 08 May 2021. Accordingly, we, Mukund M. Chitale & Co., do not express any opinion on the figures reported for the year ended 31 March 2021.

Our opinion on the financial statements is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The balance sheet and the profit and loss account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act.

1. As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:
 - (a) we have obtained all the information and explanations which, to the best of our

knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

- (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- (c) since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. However, during the course of our audit, we have visited 27 branches in total.

2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
- c) The balance sheet, the profit and loss account, and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by the RBI;
- e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Bank has disclosed the impact of pending litigations as at 31 March 2022

on its financial position in its financial statements -- Refer Schedule 12 and Notes 3.13 to the financial statements;

- b) The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Schedule 5 and Notes 3.13 to the financial statements;
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank;
- d) (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 4.10 (a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries"); or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 4.10 (b) to the financial statements, no funds have been received by the Bank from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries"); or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material mis-statement.
- e) The Bank has neither declared nor paid any dividend during the year.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

The Bank is a banking company as defined under the Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Act are not applicable.

For **B S R & Co. LLP**
Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

Sd/-

Vaibhav Shah
Partner

Membership No:117377

ICAI UDIN:22117377AINIUE8487

Mumbai
06 May 2022

For **Mukund M. Chitale & Co.**
Chartered Accountants

ICAI Firm Registration Number: 106655W

Sd/-

Abhay V. Kamat
Partner

Membership No:039585

ICAI UDIN: 22039585AINDZL5454

Mumbai
06 May 2022

Annexure A to the Independent Auditor's report on the financial statements of CSB Bank Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (2)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of CSB Bank Limited (the "Bank") as of 31 March 2022 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Bank's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as the "Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit

in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Bank's internal financial controls with reference to financial statements is a process designed to provide

reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Bank's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

Sd/-

Vaibhav Shah

Partner

Membership No:117377

ICAI UDIN:22117377AINIUE8487

Mumbai

06 May 2022

For **Mukund M. Chitale & Co.**

Chartered Accountants

ICAI Firm Registration Number: 106655W

Sd/-

Abhay V. Kamat

Partner

Membership No:039585

ICAI UDIN: 22039585AINDZL5454

Mumbai

06 May 2022

Balance Sheet

As on 31 March 2022

(₹ in thousand)

		SCHEDULE NO	As on 31 March 2022	As on 31 March 2021
पूँजी और देयताएँ	CAPITAL AND LIABILITIES			
पूँजी	Capital	1	173,53,81	173,53,81
आरक्षितियाँ और अधिशेष	Reserves and Surplus	2	2477,85,99	2006,68,87
निक्षेप	Deposits	3	20188,29,60	19140,04,27
उधार	Borrowings	4	2007,18,78	1425,91,94
अन्य देयताएँ और प्रावधान	Other Liabilities and Provisions	5	509,39,04	591,16,49
योग	TOTAL		25356,27,22	23337,35,38
संपत्तियाँ	ASSETS			
नकदी और भारतीय रिज़र्व बैंक में जमा राशियाँ	Cash and balances with Reserve Bank of India	6	948,23,77	736,13,67
बैंकों में जमा राशियाँ और माँग तथा अल्प सूचना प्राप्य धनराशि	Balances with banks and money at call and short notice	7	625,52,16	977,93,05
निवेश	Investments	8	7011,61,86	6125,99,07
अग्रिम	Advances	9	15814,68,04	14438,12,23
स्थिर संपत्तियाँ	Fixed Assets	10	287,86,32	269,48,91
अन्य संपत्तियाँ	Other Assets	11	668,35,07	789,68,45
योग	TOTAL		25356,27,22	23337,35,38
आकस्मिक देयताएँ	CONTINGENT LIABILITIES	12	1635,16,84	1956,63,03
संग्रहण के लिए बिल	Bills for collection		102,60,68	72,96,14
महत्वपूर्ण लेखांकन नीतियाँ	Significant Accounting Policies	17		
लेखा सम्बन्धी टिप्पणियाँ	Notes to Accounts	18		
अनुसूचियाँ ऊपर बैलेंस शीट का एक अभिन्न अंग के रूप में	The schedules and accompanying notes to accounts referred to above form an integral part of the Balance Sheet			

As per our report of even date

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firm Registration No:101248W/W-100022

Sd/-
Vaibhav Shah
Partner
(Membership No 117377)

Sd/-
Madhavan Aravamuthan
Chairman
DIN:01865555

Sd/-
Pralay Mondal
Managing Director & CEO (Interim)
DIN: 00117994

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No:106655W

Sd/-
Sharmila Abhay Karve
Chairperson-Audit Committee
DIN:05018751

Sd/-
Sijo Varghese
Company Secretary

Sd/-
Abhay V. Kamat
Partner
(Membership No 039585)

Sd/-
Madhavan Menon
Director
DIN:00008542

Sd/-
B.K. Divakara
Chief Financial Officer

Date : May 06, 2022
Place : Mumbai

Sd/-
P V Antony
General Manager - Accounts

Profit & Loss Account

For The Year Ended 31 March, 2022

(₹ in thousand)

		SCHEDULE NO	Year ended 31 March 2022	Year ended 31 March 2021
I. आय	I INCOME			
अर्जित ब्याज	Interest earned	13	2038,31,13	1872,29,45
अन्य आय	Other Income	14	246,80,00	303,13,00
योग	TOTAL		2285,11,13	2175,42,45
II. व्यय किया गया ब्याज	II EXPENDITURE			
परिचालन व्यय	Interest expended	15	885,01,06	930,90,64
प्रावधान और आकस्मिक व्यय योग	Operating expenses	16	786,37,99	728,99,52
	Provisions and contingencies (Refer note 2.14.5 of Schedule 18)		155,22,68	297,12,27
योग	TOTAL		1826,61,73	1957,02,43
III. लाभ / हानि	III PROFIT/LOSS			
वर्ष के लिए शुद्ध लाभ / (हानि)	Net Profit for the year		458,49,40	218,40,02
पिछले अवधि / वर्ष के अग्रणीत लाभ / (हानि)	Loss brought forward from previous year		-509,49,22	-513,95,86
योग	TOTAL		-50,99,82	-295,55,84
IV. विनियोजन	IV APPROPRIATIONS			
वैधानिक आरक्षितियों को अन्तरण	Transfer to Statutory Reserves		114,62,35	54,60,01
पूँजित आरक्षितियों को अन्तरण	Transfer to Capital Reserves		9,83,14	117,66,76
आयकर अधिनियम 1960, आयकर अधिनियम 1961, की धारा 36 (i) (viii) के अंतर्गत विशेष	Transfer to Revenue & Other Reserves		4,29,69	1,66,39
	Transfer to Investment Fluctuation Reserve		19,07,51	40,00,22
तुलनपत्र में ले जाई शेषराशि	Balance carried over to Balance Sheet		-198,82,51	-509,49,22
योग	TOTAL		-50,99,82	-295,55,84
	Earnings per equity share: (Refer note 3.8 of Schedule 18)			
	(1) Basic		26.43	12.59
	(2) Diluted		26.43	12.59
	(Face value ₹ 10 per share)			
	Significant Accounting Policies	17		
	Notes to Accounts	18		
	The schedules and accompanying notes to accounts referred to above form an integral part of the Profit & Loss Account			

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration No:101248W/W-100022

Sd/-
Vaibhav Shah
Partner
(Membership No 117377)

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No:106655W

Sd/-
Abhay V. Kamat
Partner
(Membership No 039585)

Date : May 06, 2022
Place : Mumbai

For and on behalf of the Board of Directors

Sd/-
Madhavan Aravamuthan
Chairman
DIN:01865555

Sd/-
Sharmila Abhay Karve
Chairperson-Audit Committee
DIN:05018751

Sd/-
Madhavan Menon
Director
DIN:00008542

Sd/-
Pralay Mondal
Managing Director & CEO (Interim)
DIN: 00117994

Sd/-
Sijo Varghese
Company Secretary

Sd/-
B.K. Divakara
Chief Financial Officer

Sd/-
P V Antony
General Manager - Accounts

Cash Flow Statement For The Year Ended 31 March, 2022

(₹ in thousand)

	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flows from operating activities		
NET PROFIT BEFORE TAX	614,23,29	292,55,21
Adjustments for:		
Depreciation on fixed assets	37,98,85	40,76,45
Provision for depreciation in value of investments	18,34,92	23,12,30
Provision / (write back) towards non performing advances	68,89,78	181,35,25
Provision for Standard Assets	8,58,99	115,69,07
Profit on Sale of Fixed Assets	-38,48	32,16
Other Provisions and Contingencies	13,29,73	121,16
Cash flow before changes in Working Capital	760,97,08	655,01,60
Adjustments for:		
(-)Increase/Decrease in Investments (excluding Held to Maturity Investments)	-1096,19,46	385,93,30
Increase in Advances	-1445,94,34	-3253,23,68
Decrease in Other Assets	73,63,00	75,67,94
Increase in Deposits	1048,25,33	3349,36,38
(-)Decrease/Increase in Other Liabilities & Provisions	-90,38,81	154,98,35
	-749,67,20	1367,73,89
Direct Taxes Paid Net of refunds	-108,14,43	6,05,75
Net Cash flow from/(-)used in Operating Activities (A)	-857,81,63	1373,79,64
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Intangible Assets	-56,46,63	-56,54,06
Sale of Fixed Assets	48,87	31,99
Decrease / (-) Increase in Held to Maturity Investments	192,21,75	-1175,21,14
Net Cash from / (-) used in Investing Activities (B)	136,23,99	-1231,43,21
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Share Capital	-	44,18
Net proceeds of borrowings	581,26,84	631,91,94
Net Cash generated from Financing Activities (C)	581,26,84	632,36,12

	Year ended	Year ended
	31 March 2022	31 March 2021
D. NET (-) DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		
Cash and Cash Equivalents at the Beginning of the Year	1714,06,73	939,34,17
Cash and Cash Equivalents at the End of the Year	1573,75,93	1714,06,72
BREAKUP OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash and Balances with Reserve Bank of India (Refer Schedule 6)	948,23,77	736,13,67
Balances with Banks (Refer Schedule 7)	100,52,16	572,93,05
Money at Call and Short Notice (Refer Schedule 7)	525,00,00	405,00,00
Cash and cash equivalents at the end of the year	1573,75,93	1714,06,72

As per our report of even date

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firm Registration No:101248W/W-100022

Sd/-
Vaibhav Shah
 Partner
 (Membership No 117377)

Sd/-
Madhavan Aravamuthan
 Chairman
 DIN:01865555

Sd/-
Pralay Mondal
 Managing Director & CEO (Interim)
 DIN: 00117994

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No:106655W

Sd/-
Sharmila Abhay Karve
 Chairperson-Audit Committee
 DIN:05018751

Sd/-
Sijo Varghese
 Company Secretary

Sd/-
Abhay V. Kamat
 Partner
 (Membership No 039585)

Sd/-
Madhavan Menon
 Director
 DIN:00008542

Sd/-
B.K. Divakara
 Chief Financial Officer

Date : May 06, 2022
 Place : Mumbai

Sd/-
P V Antony
 General Manager - Accounts

(₹ in thousand)

	As on 31 March 2022	As on 31 March 2021
SCHEDULE 1 - CAPITAL		
Authorised Capital :		
22,00,00,000 (Previous year 22,00,00,000) Equity shares of ₹10/- each	220,00,00	220,00,00
Issued Capital		
17,34,85,827 (Previous Year 17,34,85,827) Equity shares of ₹10/- each	173,48,58	173,48,58
Subscribed, Called up and Paid - up Capital		
17,34,85,827 (Previous Year 17,34,85,827) Equity shares of ₹10/- each fully paid - up	173,48,58	173,48,58
Add: Forfeited Shares (1,93,743 Equity shares forfeited (Previous Year 1,93,743)	5,23	5,23
	173,53,81	173,53,81

(₹ in thousand)

SCHEDULE 2 - RESERVES AND SURPLUS				
I Statutory Reserves				
Opening balance	204,53,71		149,93,70	
Additions during the year	114,62,35		54,60,01	
sub total	319,16,06		204,53,71	
Deductions during the year	-		-	
		319,16,06		204,53,71
II Capital Reserves				
a) Revaluation Reserves				
Opening balance	154,47,28		156,21,81	
Additions during the year	-		-	
sub total	154,47,28		156,21,81	
Deductions during the year	1,25,70		1,74,53	
		153,21,58		154,47,28
b) Others*				
Opening balance	198,04,59		80,37,83	
Additions during the year	9,83,13		117,66,76	
sub total	207,87,72		198,04,59	
Deductions during the year	-		-	
		207,87,72		198,04,59
III Share Premium				
Opening balance	1792,10,80		1791,69,62	
Additions during the year	-		41,18	
sub total	1792,10,80		1792,10,80	
Deductions during the year	-		-	
		1792,10,80		1792,10,80
IV Revenue and other Reserves				

a) General Reserves				
Opening balance	99,54,98		97,85,92	
Additions during the year	1,25,70		1,69,06	
sub total	100,80,68		99,54,98	
Deductions during the year	-		-	
		100,80,68		99,54,98
b) Investment Fluctuation Reserve (Refer note 2.3.2 of Schedule 18)				
Opening balance	40,00,22		-	
Additions during the year	19,07,51		40,00,22	
sub total	59,07,73		40,00,22	
Deductions during the year	-		-	
		59,07,73		40,00,22
c) Special Reserve (Section 36 (1)(viii) of IT Act,1961)				
Opening balance	26,64,01		24,97,62	
Additions during the year	4,29,69		1,66,39	
sub total	30,93,70		26,64,01	
Deductions during the year	-		-	
		30,93,70		26,64,01
V Contingency Reserve				
Opening balance	5,00		5,00	
Additions during the year	-		-	
sub total	5,00		5,00	
Deductions during the year	-		-	
		5,00		5,00
VI Share Option Outstanding Account				
Opening balance	77,50		-	
Additions during the year	1267,73		77,50	
sub total	1345,23		77,50	
Deductions during the year	-	1345,23	-	
				77,50
VII Balance in Profit and Loss Account		-198,82,51		-509,49,22
TOTAL (I,II,III,IV,V,VI and VII)		2477,85,99		2006,68,87

* Includes Profit appropriated to Capital Reserve (net of applicable taxes and transfer to statutory reserve) on Gain on sale of Held to Maturity Investments

(₹ in thousand)

	As on 31 March 2022		As on 31 March 2021	
SCHEDULE 3 - DEPOSITS				
A. I. Demand Deposits				
[i] From banks	53,52		67,36	
[ii] From others	1335,78,25		1191,70,12	
		1336,31,77		1192,37,48
II. Savings Bank Deposits		5458,84,92		4969,42,69
III. Term Deposits				
[i] From banks	107,97,07		15253,66	
[ii] From others	13285,15,84		12825,70,44	
		13393,12,91		12978,24,10
TOTAL [I,II, and III]		20188,29,60		19140,04,27
B [i] Deposits of branches in India		20188,29,60		19140,04,27
[ii] Deposits of branches outside India		-		-
TOTAL		20188,29,60		19140,04,27

SCHEDULE 4 - BORROWINGS				
I. Borrowings in India				
[i] Reserve Bank of India	-		876,00,00	
[ii] Other banks	-		-	
[iii] Other institutions and agencies*	2007,18,78		549,91,94	
TOTAL OF I		2007,18,78		1425,91,94
II. Borrowings outside India		-		-
TOTAL (I and II)		2007,18,78		1425,91,94
Secured borrowings included in I and II above		1757,18,78		925,91,94

*Borrowings includes Triparty Repo borrowings ₹ 1,757.19 Crs and Refinance from NABARD ₹ 250.00 Crs (Previous Year ₹ 500.00 Crs)

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS				
I. Bills payable		31,41,15		105,84,69
II. Inter-office adjustments (net)		1,02,58		1,15,15
III. Interests accrued		80,41,64		114,07,36
IV. Contingent provisions against standard assets* (Refer note 2.15 of schedule 18)		176,79,60		168,20,62
V. Others (Including Provisions)		219,74,07		201,88,67
TOTAL		509,39,04		591,16,49

*Includes an amount of ₹105.92 Crs (As on 31 March, 2021 ₹ 102.12 Crs) provision created by the bank towards contingencies related to COVID-19.

(₹ in thousand)

	As on 31 March 2022		As on 31 March 2021	
SCHEDULE 6 -CASH AND BALANCES WITH RESERVE BANK OF INDIA				
I. Cash in hand(including foreign currency notes)		102,13,76		87,27,07
II Balances with Reserve Bank of India				
[i] in Current Account	846,10,01		648,86,60	
[ii] in Other Accounts	-		-	
		846,10,01		648,86,60
TOTAL (I AND II)		948,23,77		736,13,67

SCHEDULE 7- BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE				
I. In India				
[i] Balances with banks				
(a) in Current Accounts	4,42,09		11,04,07	
(b) in Other Deposit Accounts	2,50		2,50	
		4,44,59		11,06,57
[ii] Money at call and short notice				
(a) with banks	-		-	
(b) with other Institutions	525,00,00		405,00,00	
		525,00,00		405,00,00
TOTAL (i and ii)		529,44,59		416,06,57
II. Outside India				
(i) in Current Accounts	20,28,32		13,53,98	
(ii) in Other Deposit Accounts	75,79,25		548,32,50	
(iii) Money at call and short notice	-		-	
TOTAL		96,07,57		561,86,48
GRAND TOTAL (I and II)		625,52,16		977,93,05

SCHEDULE 8 - INVESTMENTS				
I. Investments in India in				
[i] Government securities		6146,47,10		4539,13,34
[ii] Other approved securities		-		-
[iii] Shares		2,87,56		4,31,76
[iv] Debentures and Bonds		522,00,47		974,44,09
[v] Subsidiaries and/or joint ventures		-		-
[vi] Others [Certificate of Deposits, Commercial Paper, Security Receipts,AIF and PTC]		340,26,73		608,09,88
TOTAL		7011,61,86		6125,99,07
II. Investments outside India		-		-
GRAND TOTAL (I and II)		7011,61,86		6125,99,07

(₹ in thousand)

		As on 31 March 2022		As on 31 March 2021	
SCHEDULE 9 - ADVANCES					
A	[i] Bills purchased and discounted		504,13,25		586,63,80
	[ii] Cash credits, overdrafts and loans repayable on demand		9438,69,52		8478,27,95
	[iii] Term loans		5871,85,27		5373,20,48
TOTAL			15814,68,04		14438,12,23
B	[i] Secured by tangible assets*		14441,17,93		12771,52,84
	[ii] Covered by Bank/Government guarantees**		313,30,58		418,25,54
	[iii] Unsecured		1060,19,53		1248,33,85
TOTAL			15814,68,04		14438,12,23
C. I. Advances in India					
	[i] Priority sectors		8411,74,97		5625,54,66
	[ii] Public sector		57,23,53		18,81,59
	[iii] Banks		1		2
	[iv] Others		7345,69,53		8793,75,96
TOTAL			15814,68,04		14438,12,23
II. Advances outside India			-		-
GRAND TOTAL (C.I and II)			15814,68,04		14438,12,23

The above advances are net of provisions of ₹ 183.19 crore (Previous Year ₹ 220.51 crore)

* Includes advances against book debts ₹1213.87 crore (Previous Year ₹1617.53 crore)

**Includes advances against LCs issued by banks

SCHEDULE 10 - FIXED ASSETS				
I. Premises				
At cost as on 31 st March of the preceding year	181,52,98		181,93,27	
Additions during the year	-		0	
Sub total	181,52,98		181,93,27	
Deductions during the year	, 0		40,29	
Accumulated Depreciation to date	24,88,20		23,46,55	
		156,64,78		158,06,43
II. Other Fixed Assets (including furniture and fixtures)				
At cost as on 31st March of the preceding year	283,22,60		233,47,40	
Additions during the year	57,33,76		56,72,69	
Sub total	340,56,36		290,20,09	
Deductions during the year	2,48,94		6,97,49	
Accumulated Depreciation to date	206,85,88		171,80,12	
		131,21,54		111,42,48
TOTAL (I and II)		287,86,32		269,48,91

(₹ in thousand)

	As on 31 March 2022	As on 31 March 2021
SCHEDULE 11 - OTHER ASSETS		
I. Inter - Office Adjustments (net)	-	-
II. Interest accrued	106,68,15	127,78,04
III. Tax paid in advance/tax deducted at source (Net of provisions)	62,45,61	60,31,84
IV. Stationery and stamps	1,63,39	2,13,32
V. Non-banking assets acquired in satisfaction of claims	25,57,68	26,24,01
VI. Deferred tax assets (net)	46,98,42	96,71,64
VII. Deposits placed with NABARD/SIDBI/NHB for meeting shortfall in Priority Sector Lending	316,70,78	405,25,51
VIII. Others	108,31,04	71,24,09
TOTAL	668,35,07	789,68,45

SCHEDULE 12 - CONTINGENT LIABILITIES		
I. Claims against the bank not acknowledged as debts	12,57,08	41,26,84
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	420,17,75	1249,64,91
IV. Guarantees given on behalf of constituents		
(a) In India	866,71,44	518,21,99
(b) Outside India	-	-
V. Acceptance, endorsements and other obligations	212,56,20	67,44,74
VI. Other items for which the bank is contingently liable*	123,14,37	80,04,55
TOTAL	1635,16,84	1956,63,03

* includes ₹64.08 crores (Previous Year : ₹53.53 crores) being amount transferred to DEA Fund Cell, RBI and outstanding, as per RBI circular DBOD.No.DEAF Cell.BC.114/30.01.002/2013-14 (Refer Note 2.10 of Schedule 18).

	Year ended on 31 March 2022	Year ended on 31 March 2021
SCHEDULE 13 - INTEREST EARNED		
I. Interest/discount on advance / bills	1597,27,67	1375,94,88
II. Income on investments	380,91,94	459,29,96
III. Interest on balances with Reserve Bank of India and other inter -bank funds	18,24,56	5,05,60
IV Others	41,86,96	31,99,01
TOTAL	2038,31,13	1872,29,45

(₹ in thousand)

	Year ended on 31 March 2022	Year ended on 31 March 2021
SCHEDULE 14 - OTHER INCOME		
I. Commission, Exchange and Brokerage	71,54,98	49,75,05
II. Profit on sale of investments (Net)	29,75,70	125,11,74
III. Loss on revaluation of investments (Net) [#]	-18,25,94	-23,16,01
IV. Profit on sale of land, buildings and other assets (Net)	40,70	7,15
V. Profit on exchange transactions (Net)	8,75,27	5,24,94
VI. Income earned by way of dividends etc. from subsidiaries/companies and/or joint ventures abroad/in India		
VII. Miscellaneous Income [*]	154,59,29	146,10,13
TOTAL	246,80,00	303,13,00

^{*}(includes processing fee of ₹47.45 crores (Previous year ₹54.43 crores) and premium received on sale of PSL Certificate ₹33.43 crores (Previous year ₹30.57 crores.)

[#](Includes ₹18.26 crores of Provision for Depreciation on Investment)

SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on deposits	811,30,35	862,01,79
II. Interest on Reserve Bank of India/ inter -bank borrowings	33,58,19	56,00,99
III. Others	40,12,52	12,87,86
TOTAL	885,01,06	930,90,64

SCHEDULE 16 - OPERATING EXPENSES		
I. Payments to and provisions for employees	481,87,32	496,23,45
II. Rent, taxes and lighting	80,19,28	60,82,37
III. Printing and Stationery	6,15,70	4,82,20
IV. Advertisement and publicity	1,32,06	2,15,10
V. Depreciation on bank's property (including amortisation /write off of intangible assets)	37,98,85	40,76,45
VI. Directors' fees, allowances and expenses	1,02,93	56,44
VII. Auditors' fees and expenses (including branch auditors fees and expenses)	2,20,27	1,18,36
VIII. Law charges	2,35,66	1,59,76
IX. Postages, Telegrams, Telephones etc.	13,30,99	10,06,45
X. Repairs and maintenance	16,32,30	13,58,98
XI. Insurance	24,88,55	22,19,81
XII. Other expenditure [*]	118,74,08	75,00,15
TOTAL	786,37,99	728,99,52

^{*}(includes Expenses under Business Correspondent (MFI) tie-ups of ₹24.79 crores, previous year ₹9.12 crores.)

SCHEDULE 17: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPENDED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. Background

CSB Bank Limited ("the Bank"), was incorporated in 1920. The Bank has a network of 603 branches in India and provide a range of banking and financial services including SME banking, Retail banking, Corporate banking and treasury operations. The Bank is governed by the Banking Regulation Act, 1949. The Bank's shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

2. Basis of preparation

- a) The financial statements have been prepared in accordance with the requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform 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, the Accounting Standards (AS) notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of The Companies (Accounts) Rules, 2014 to the extent applicable and practices generally prevalent in the banking industry in India.
- b) The Bank follows the historical cost convention and the accrual method of accounting, in the preparation of the financial statements, except as stated in paragraph 4.1 "Revenue recognition". The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

3. Use of estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities), as of the date of financial statements and the reported income and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of

the financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The impact of any revision in these estimates is recognized prospectively from the period of change.

4. Significant accounting policies

4.1 Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

- a. Interest/discount on advances/bills is recognized on accrual basis, except in case of non-performing assets in which case the income is recognized as per prudential norms issued by RBI.
- b. Exchange, Brokerage, Commission & Rent on lockers are recognized on cash basis.
- c. Interest on income tax refund is recognized in the year of receipt of Assessment Orders.
- d. The recovery in Non-Performing Assets is first appropriated towards principal dues and the balance, if any, towards charges, cost and interest suspense except in case appropriation has to be made as per any statute/direction/ order of judicial forum, the appropriation is to be made based on the same.
- e. Loan processing fee is accounted for upfront when it becomes due.
- f. Income on instruments discounted by Bank is recognized over the tenure of the instrument on a straight line basis except for Agri Bill discounting and Individual Warehouse financing for which income is recognized at the end of the tenure.
- g. Income on Investments (other than dividend on shares & mutual funds, interest on Pass Through Certificates and income on non performing investments) is recognized on accrual basis.
- h. Dividend income is recognized as income when the right to receive payment is established.
- i. Fee paid/received for priority sector lending certificates (PSLC) is recognized in the year of sale/purchase.
- j. All other fees are accounted for as and when they become due.
- k. In the case of purchase of loans from other banks/NBFCs through direct assignment of cash flows, the Bank recognizes interest income

on the basis of original IRR/actual collection record of the pool. The discount, if any, on such purchase is recognized in proportion to the principal received.

- l. In case of Asset Sale to ARCs, where the sales is at a price higher than the net book value (NBV), (i.e. outstanding less provision held) and consideration is received in cash, the excess provision on NPA is credited to Profit and loss account. If consideration is other than cash, the excess provision is retained. If the sale is at a price below the NBV, the shortfall is debited to Profit & Loss Account, as per the option given by RBI.
- m. 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.

4.2 Advances

- a) Advances are classified as 'Performing assets' and 'Non-performing Assets' (NPA) in accordance with the applicable regulatory guidelines. NPAs are further classified in to Sub-standard, Doubtful and Loss assets based on the criteria stipulated by the RBI.
- b) Provision for Non-Performing Advances comprising Sub-standard, Doubtful and Loss Assets is made in accordance with the RBI guidelines, which prescribe minimum provision levels and encourage banks to make a higher provision based on sound commercial judgement. In respect of identified NPAs, provision is recognized at borrower level based on ageing of loans. As per the Board Approved policy, the provisioning done is at rate higher than the minimum rate prescribed under the RBI guidelines.
- c) The amount of advances shown in the Balance Sheet is net of provisions against NPA and provisions in lieu of diminution in the fair value of restructured asset, interest suspense, ECGC claims received and discount on assignment transactions.
- d) Provision on Standard Assets, is maintained as per RBI guidelines. In respect of Rescheduled/ Restructured Advances, provision is made for the diminution in the fair value of restructured advances measured in present value terms as per RBI Guidelines. The said provision is reduced to arrive at net advances. In case of advances to stressed sectors such as Cashew, Cotton Textile, Infra – Telecom and Retail Trade, the Bank has recognized provision in

line with RBI guidelines. These provisions are included under in Item No. IV of Schedule 5 – Other Liabilities & Provisions.

- e) The RBI had issued guidelines on enhancing credit supply for Large Borrowers through Market Mechanism dated August 25, 2016. The said guidelines are applicable to exposure on all single counterparties of the Bank. These guidelines came into effect from the financial year 2017-18 onwards for identification of specified borrowers. The bank's incremental exposures from FY 2018-19 onwards to the specified borrowers exceeding the Net Permitted Lending Limits ('NPLL') would attract prudential measures. Incremental Exposure of the Banking System to a specified borrower beyond NPLL shall be deemed to carry higher risk which shall be recognized by way of additional standard asset provisioning and higher risk weights.
 - f) Further, the RBI has Issued guidelines on "Prudential Framework for Resolution of Stressed Assets dated June 07, 2019" with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets. The Bank is required to put in place Board-approved policy for resolution of distressed Borrowers with an objective to initiate the process of resolution of a distressed Borrower even before a default and prior to the initiation of proceedings under the IBC.
 - g) The Bank is required to make an additional provisioning for the delayed implementation of Resolution Plan (RP) as under:
 - [a] Additional provision of 20% of total outstanding, if RP is implemented beyond 180 days from the end of the review period.
 - [b] Additional provision of 35% of total outstanding, if RP is implemented beyond 360 days from the end of the review period.
- The additional provisions shall be made over and above the higher of the following, subject to the total provisions held being capped at 100% of total outstanding: [a] The provisions already held; or, [b] The provisions required to be made as per IRAC norms
- h) 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. Amounts recovered from borrowers against debts written off is recognised in the Profit and Loss Account.

- i) Non-performing and restructured loans are upgraded to standard as per the extant RBI guidelines.
- j) Policy on Managing Currency induced credit risk: As per Credit Policy of the bank, Foreign Currency loans are sanctioned for both capital expenditure and working capital, based on the requirements. Such loans are granted only selectively, based on availability of foreign currency funds. Rate of interest on such loans are linked to LIBOR or other market linked external benchmark. From January 01, 2022 onwards all new foreign currency loans/ contracts, and fresh disbursements under existing facilities (PCFC/EBD/PSCFC/Easy imports) shall be entered by using the Alternate reference rate viz. Term SOFR (Secured Overnight Financing Rate)/ Term SONIA (Sterling Overnight Interbank Average Rate) / EURIBOR or other market linked external benchmark, based on currency involved. For existing US dollar denominated FC.loans benchmarked to LIBOR as on 31.12.2021, since USD LIBOR rates are available (on 'synthetic basis' for 1, 3, 6, & 12 month maturities) till June 30, 2023, roll over/reset can be done using these rates till June 30, 2023. However, based on mutual consent with the borrower switchover to ARR rates for respective currencies can be considered.

Forward exchange cover is insisted in all cases unless there is natural hedge by way of export/ other earnings. However, if the loan amount is less than USD 1 (one) Million, forward exchange cover shall be made optional to the borrower subject to furnishing of an unconditional undertaking to bear the exchange loss if any.

- k) Provision for Unhedged Foreign Currency Exposure (UFCE) of borrower entities is made in accordance with the guidelines issued by RBI, which requires the Bank to ascertain the amount of UFCE, estimate the extent of likely loss and estimate the riskiness of unhedged position of those entities. The Provision is classified under Schedule 5 – Other Liabilities and Provisions in the Balance Sheet.

- l) While computing the provision requirement pertaining to fraud accounts, adjustment is made for financial collateral eligible under "BASEL III Capital regulations -Capital charge for credit risk (standardized approach)", if available and amount so arrived at is charged fully to Profit and Loss Account, in the same quarter of detection.

4.3 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 as per the RBI guidelines). The countries are categorized into seven risk categories namely insignificant, low, moderately low, moderate, moderately high, high and very high, 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 25%. For exposures with contractual maturity of less than 180 days, provision is required to be held at 25% of the rates applicable to exposures exceeding 180 days. 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 required on such country exposure.

4.4 Investments

- a) Classification

All Investments are accounted for on settlement dates. In accordance with the RBI guidelines, investments are categorized at the time of purchase as:

- Held for Trading (HFT);
- Available for Sale (AFS);
- Held to Maturity (HTM)

Under each of these categories, investments are further classified under six groups (hereinafter called groups) - Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries/ Joint Ventures and Other Investments for the purposes of disclosure in the Balance Sheet.

Basis of classification:

Investments that are held primarily for resale within 90 days from the date of purchase are classified under the "Held for Trading (HFT)" category. As per RBI guidelines, HFT Securities, which remain unsold for a period of 90 days, are classified as AFS Securities on that date. Investments that the Bank intends to hold

till maturity are classified under the "Held to Maturity (HTM)" category. Investments, which are not classified in the above categories, are classified under the "Available For Sale [AFS]" category. Purchase and sale transactions in securities are recorded under settlement date of accounting.

b) Transfer of Investments between categories

Reclassification of investments from one category to the other, if done, is in accordance with the RBI guidelines. Transfer of scrips from AFS/HFT category to HTM category is made at the lower of book value or market value. In the case of transfer of securities from HTM to AFS/HFT category, the investments held under HTM at a discount, are transferred to AFS/HFT category at the acquisition price and investments placed in the HTM category at a premium, are transferred to AFS/HFT at the amortized cost.

Transfer of investments from AFS to HFT or vice versa is done at the book value. Depreciation carried, if any, on such investments is also transferred from one category to another.

c) Cost of acquisition

In determining the acquisition cost of the Investment:

- (i) Transaction costs including brokerage and commission pertaining to acquisition of Investments are charged to the Profit and Loss Account.
- (ii) Broken period interest (the amount of interest from the previous interest payment date till the date of purchase / sale of instrument) on debt instrument is treated as revenue item.
- (iii) Cost of investments is computed based on the weighted average cost method.

d) Valuation of Investments:

- (i) Investments in "Held to Maturity" category are accounted for at acquisition cost or at amortized cost, if acquired at a premium. In case the cost is higher than the face value, the premium is amortized over the period remaining to maturity using Constant Yield Method. Such amortization of premium is adjusted against income under the head "Income on Investments". Where the face value is higher than the cost, the discount is ignored and is accounted only on maturity date of the instrument.

- (ii) Securities classified as "Available for Sale" are marked to market scrip-wise on a quarterly basis other than shares, which is done on a weekly basis. Net depreciation, if any, compared to the acquisition cost, in any of the categories, is charged to the Profit and Loss Account. The net appreciation in each category, if any, is not recognised.

- (iii) Individual scrips in "Held for Trading" category are marked to market at daily intervals. Net depreciation, if any, compared to the acquisition cost, in any of the categories, is charged to the Profit and Loss Account. The net appreciation in each category, if any, is not recognised.

- (iv) The market/fair value of unquoted government securities which are in nature of Statutory Liquidity Ratio (SLR) securities included in the 'Available for Sale' and 'Held for Trading' categories is as per the rates published by FIMMDA/FBIL. The valuation of other unquoted fixed income securities, including Pass Through Certificates wherever linked to the Yield-to-Maturity (YTM) rates, is computed with a mark-up (reflecting associated credit risk) over the YTM rates for government securities published by FIMMDA. Units of Alternate Investment Funds ('AIF') held under AFS category are valued using the 'NAV' published by the fund (AIF).

- (v) Unquoted equity shares are valued at the break-up value arrived at from the latest balance sheet, or at ₹ 1, if the balance sheet prior to one year is not available.

- (vi) Treasury Bills, Commercial Papers and Certificate of Deposits are valued at carrying cost.

- (vii) Security receipts are valued as per the Net Asset Value (NAV) obtained from the issuing Reconstruction Company/ Securitization Company. Depreciation in each scrip is provided for while appreciation is ignored.

- (viii) Non-performing investments ('NPI') are identified and depreciation / provision is made thereon based on the RBI guidelines. The depreciation / provision against NPI is not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is recognised on

cash basis.

- (ix) As per RBI circular [FMOD.MAOG. No. 116/01.01.001/2016-17, dated 10.11.2016], the Bank is classifying Repo / Reverse Repo under LAF scheme in Schedule 4 [Borrowings] and Schedule 7 [Balances with banks and Money at call & short notice] respectively.

e) Investment Fluctuation Reserve ('IFR'):

The RBI has advised banks to create an Investment Fluctuation Reserve ('IFR') with effect from FY 2018-19. Accordingly, an amount not less than the lower of net profit on sale of investments during the year or net profit for the year less mandatory appropriations shall be transferred to the IFR, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis. Where feasible, this should be achieved within a period of 3 years.

Further, the Bank may, at its discretion, draw down the balance available in IFR in excess of 2 percent of its HFT and AFS portfolio, for credit to the balance of profit/loss as disclosed in the profit and loss account at the end of any accounting year. In the event the balance in the IFR is less than 2 percent of the HFT and AFS investment portfolio, a draw down is permitted subject to the following conditions:

- (i) The drawn down amount is used only for meeting the minimum Common Equity Tier 1/Tier 1 capital requirements by way of appropriation to free reserves or reducing the balance of loss and
- (ii) The amount drawn down is not more than the extent the MTM provisions made during the aforesaid year exceed the net profit on sale of investments during that year.

Also, IFR is eligible for inclusion in Tier 2 capital.

f) Disposal of Investments

- (i) Held for Trading and Available for Sale – Profit or loss on sale / redemption is included in the Profit and Loss account.
- (ii) Held to Maturity – Profit on sale / redemption of investments is included in the Profit and Loss Account and is appropriated to Capital Reserve after adjustments for tax and transfer to Statutory Reserve. Loss on sale / redemption is charged to the Profit and Loss account.

g) Repo and Reverse Repo transactions

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

h) Short Sales

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. The Short Sales positions are reflected in 'Securities Short Sold ('SSS') A/C, specifically created for this purpose. The short position is categorized under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market and resultant gains/losses are accounted for as per the relevant RBI guidelines for valuation of Investments discussed earlier.

4.5 Transactions Involving Foreign Exchange

- a) Monetary foreign currency assets and liabilities are translated at closing exchange rates notified by FEDAI relevant to the balance sheet date. The resulting gain or loss on revaluation are included in the Profit and Loss Account in accordance with the RBI / FEDAI guidelines.
- b) Foreign currency income and expenditure items are translated at the exchange rates prevailing on the date of the transaction.
- c) Outstanding foreign exchange forward contracts are revalued at the rates applicable on the closing date as advised by FEDAI. The resultant gains or losses are recognized in the Profit and Loss Account.
- d) Contingent Liabilities on guarantees, letters of credit, acceptances and endorsements are disclosed at closing rates of exchange notified by FEDAI.

4.6 Fixed Assets and Depreciation

- a) Fixed Assets other than premises are carried at cost less accumulated depreciation and impairment, if any. Cost includes cost of purchase and freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset.

- b) Premises are stated at revalued amount. Appreciation on revaluation of premises is credited to Revaluation Reserve. The additional depreciation on the revalued portion of buildings is charged to Profit and Loss Account and an equivalent amount is withdrawn from Revaluation Reserve and credited to General Reserve.
- c) Subsequent expenditure incurred on fixed assets put to use is capitalized only when it represents an improvement which increases the future benefits from the existing asset beyond its previously assessed standard of performance or an extension which becomes an integral part of the asset.
- d) Depreciation on additions to fixed assets is provided on pro rata basis. Depreciation on assets sold during the year is recognised on a pro-rata basis till the date of sale.

The useful lives of the groups of fixed assets are given below:

Type of Fixed Asset	Useful Life	Depreciation Method
Premises	58 Yrs*	Written Down Value
Computer & data Processing Machines	3 Yrs*	Straight Line
ATMs	8 Yrs*	Straight Line
Furniture & Fixtures	8 Yrs*	Straight Line
Plant & Machinery	5 Yrs*	Straight Line
Motor Cars	5 Yrs*	Straight Line
Computer Software, Patent & Copyright	5 Yrs	Straight Line

* The useful life of assets is based on historical experience of the Bank, which is different from the useful life as prescribed in Schedule II to the Companies Act, 2013.

4.7 Intangible Assets

Accounting and amortization of computer software are in accordance with the provisions of Accounting Standard 26 – Intangible Assets, specified under Section 133 of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014.

- a) Application Software purchased is amortized over a period of 5 years on pro rata basis under Straight Line Method.
- b) Internally Generated Application Software is accounted as an intangible asset and is amortized over a period of 5 years on pro rata basis under Straight Line Method from

the date the software becomes available for Use. If the software is still in the development phase and has not become Available for Use, no amortization is charged to Profit & Loss Account.

4.8 Impairment of Assets

The carrying amount of the assets at each Balance Sheet date is reviewed for impairment. If any indication of impairment based on internal / external factors exists, the recoverable amount of such assets is estimated and impairment is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and its value in use, which is arrived at by discounting the future cash flows to their present value, based on an appropriate discounting factor.

Impairment losses, if any, on Fixed Assets (including revalued assets) are recognized in accordance with the Accounting Standard 28 'Impairment of Assets' specified under Section 133 of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014 and charged to Profit and Loss Account.

4.9 Non-Banking Assets

The Non-Banking asset are initially recognized based on the cost of acquisition. In the case of diminution in value, if any, is provided for.

4.10 Employee Benefits

- a) Short Term Employee Benefits

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

- b) Long term Employee Benefits

- (i) Defined Contribution Plan - Provident Fund and New Pension Scheme (Contributory) are the defined contribution plans of the Bank. The contribution for Provident Fund is made by the Bank to The Catholic Syrian Bank Ltd Employees Provident Fund, administered by the trustees. In addition to contribution for the period, shortfall, if any, in the Provident Fund Trust is charged to Profit and Loss Account of the Bank.
- (ii) Defined Benefit Plans - Liabilities towards Gratuity, Pension and Leave benefits to employees are defined benefit

obligations and are provided for on the basis of actuarial valuation made at the end of each financial year. Projected Unit Credit Method is used by the actuary for valuing the obligations in case of Pension, Gratuity and Long term Compensated Absences and other long term employee benefits. Discount rate used to arrive at the present value of estimated future cash flows is arrived at by reference to market yields on balance sheet date on government bonds of term consistent with estimated term of the obligations as per paragraph 78 of AS 15 Employee Benefits. Actuarial Gains/Losses are immediately taken to the profit and loss account and are not deferred.

Brief description of the defined benefit plans:

- i) Pension - Pension is payable, as per CSB Bank Ltd Employees' Pension Regulation 1993 and as modified in 1995, to the employees who have specifically opted for the same. The contribution is made by the bank to The Catholic Syrian Bank Ltd Employees Pension Fund, administered by the trustees. For becoming eligible for pension, the employee should have served the Bank for a minimum period of 10 years in the case of retirement on superannuation and 20 years in other cases. At the time of retirement or death of the pension eligible employee, the pension trust purchases annuity from insurance company, out of the contributions made by the Bank.
- ii) Gratuity - As per the Gratuity Act 1972, Gratuity is payable to all employees on termination of employment due to retirement, death or resignation, provided that the employee has continuously served the Bank for a minimum period of 5 years. The contribution is made by the bank to The Catholic Syrian Bank Ltd Employees Gratuity Fund, administered by the trustees.
- iii) Long term compensated absences and other long-term employee benefits viz:
 - a. Privilege Leave
 - b. Leave fare concession
 - c. Sick Leave

are based on actuarial valuation at the end of the financial year

c) Employee Stock Options (ESOS)

The Bank has formulated a stock option scheme called "CSB Employees Stock Option Scheme 2019" ("ESOS 2019" or "Scheme") in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 which was subsequently repealed with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The scheme is intended to enable the employees, present and future, to get a share in the value that they help to create for the organization over a period of time, aligning the objectives of an individual with those of the Bank as well as to attract and retain critical senior talents with Employee Stock Options as a compensation tool. The options granted to employees vest in a graded manner as per vesting schedule even beyond retirement /early retirement date and these may be exercised by option grantee within a specified period, as per the terms of grant; otherwise options stand lapsed as per the scheme.

The accounting for shares granted under Employee Stock Option Scheme is done as per the ICAI Guidance note on Accounting for Employee Share based payments and clarification dated August 30, 2021, issued by Reserve Bank of India on Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff, dated November 4, 2019 (RBI guidelines). Accordingly, for options granted up to and including March 31, 2021, Bank has applied the intrinsic value method to arrive at the compensation cost of stock options granted to the employees. The intrinsic value is the amount by which the market price exceeds the exercise price of the options. The market price for this purpose is the latest available closing price, prior to the date of grant, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered. For options granted after March 31, 2021 fair value method using Black-Scholes model has been applied to arrive at the compensation cost of stock options granted to the employees, in compliance with the RBI guidelines. Compensation cost so determined is recognised as expense beginning with the accounting period for which approval has been granted.

In case the vested stock options expire unexercised, the balance in stock options outstanding is transferred to the general reserve. In case the unvested stock options get lapsed/cancelled, the balance in stock option outstanding account is transferred to the Profit and Loss Account.

4.11 Segment Information

As per the RBI guidelines, business segments of the Bank are divided under a) Treasury b) Corporate and wholesale banking c) Retail Banking and d) Other Banking Business. Business segments have been identified and reported considering the target customer segment, the nature of products, internal business reporting system, Segment reporting policy approved by the Board, the guidelines prescribed by the RBI.

4.12 Lease transactions

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 recognized as an expense in the Profit and Loss Account as per the lease terms. Amount due under the operating leases, including cost escalation, are charged on a straight line method over the lease term in the Profit and Loss account. Initial direct cost incurred specifically for operating leases are recognised as expense in the Profit and Loss Account in the year in which they are incurred.

4.13 Earnings Per Share

The Bank reports basic and diluted Earnings per equity share in accordance with the Accounting Standard 20 on "Earnings per share specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. Basic Earnings per share (EPS) reported is computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the period.

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. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period except where the results are anti-dilutive.

4.14 Taxes on Income

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year

taxes are determined in accordance with the Income Tax Act, 1961 and Deferred tax expense in accordance with Accounting Standard 22 - Accounting for Taxes on Income. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized 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 realized. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. The impact of changes in the deferred tax assets and liabilities is recognized in the Profit and Loss Account. Deferred tax assets are recognized and reassessed at each reporting date, based upon management's judgement as to whether realization is considered as reasonably certain.

4.15 Accounting for Provisions, Contingent Liabilities and Contingent Assets

The Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Contingent assets are not recognized in the financial statements.

Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating

the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognized as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

4.16 Share Issue Expenses

The share issue expenses are adjusted from share premium account in terms of Section 52 of the Companies Act, 2013, with the approval of Reserve Bank of India in terms of section 17 (2) of the Banking Regulation Act, 1949.

4.17 Proposed Dividend

In terms of 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, if any, are not shown as liability in current year balance sheet. This is disclosed in the notes to accounts.

4.18 Corporate Social Responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013 are recognized in the Profit and Loss Account.

4.19 Input Credit under GST

Goods & Service tax input credit is accounted for in the books within the time limit prescribed under CGST Rules, 2017, as amended.

4.20 Priority Sector Lending Certificates (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. In case of a purchase transaction the bank buys the fulfilment of priority sector obligation and in case of a sale transaction, the bank sells the fulfilment of priority sector obligation through the RBI trading platform without any transfer of underlying risk or loan assets. There is no 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'.

4.21 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).

4.22 Net Profit/Loss

The net profit/loss disclosed in the Profit & Loss Account is after

- (i) provision for taxes
- (ii) provision for standard, restructured and non-performing assets.
- (iii) provision for depreciation on investments and
- (iv) other usual and necessary provisions.

Notes to Accounts

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1.1 SHARE CAPITAL

For the financial year ended March 31, 2022, the total outstanding equity share capital amounts to ₹173.48 Crore, which includes 50,00,000 equity shares issued and allotted at a face value of ₹10/- per share to CSB ESOS Trust in the financial year 2019-20 as per CSB Employee Stock Option Scheme 2019.

No equity shares were issued in the financial year 2021-22.

The equity shares of Bank were listed and admitted for dealings on BSE Limited ("BSE") and National Stock Exchange Limited ("NSE") with effect from December 4, 2019.

1.2 TAXATION

Under Contingent Liabilities (Schedule 12) – 'Other items for which the bank is contingently liable' include disputed tax liabilities of ₹59.06 Crore (Previous Year ₹26.52 Crore) of which ₹42.72 Crore (Previous Year ₹ 22.83 Crore) has been paid/adjusted. The above tax liability paid/adjusted are included under other assets (Schedule 11). In respect of these claims, provision for tax is not considered necessary based

on various judicial decisions on such disputes. Management does not envisage any liability in respect of such disputed issues.

Provision for income tax for the year is arrived at after due consideration of the various favorable judicial decisions on certain disputed issues.

1.3 IMPACT OF COVID -19

During financial year 2021, the Covid-19 pandemic resulted in a nation-wide lockdown in April-May 2020 which substantially impacted economic activity. The subsequent easing of lockdown measures led to gradual improvement in economic activity and progress towards normalcy from the second half of financial year 2021. In financial year 2022, India witnessed two more waves of the Covid-19 pandemic and the re-imposition of localised/regional lockdown measures in certain parts of the country. The Bank continues to carry Covid-19 related provision of ₹105.92 Cr at March 31, 2022. Currently, while the number of new Covid-19 cases have reduced significantly and the Government of India has withdrawn most of the Covid-19 related restrictions, the future trajectory of the pandemic may have an impact on the results of the Bank.

2. DISCLOSURES IN TERMS OF RESERVE BANK OF INDIA GUIDELINES

Amounts in notes forming part of the financial statements for the year ended March 31, 2022 are denominated in Rupees Crore to conform to extant RBI guidelines except where stated otherwise.

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 RBI dated August 30, 2021 and wherever considered necessary. Accordingly, 'Provision for Depreciation on Investments' hitherto classified as part of 'Provisions and Contingencies' have been netted off in 'Loss on Revaluation of investment' under 'Other Income'. Bank has also changed the classification of recoveries from written off accounts included as part of 'Other Income' as a credit to 'Provisions and Contingencies' and there is no change in the Net Profit for the period.

2.1 Regulatory Capital

a) Composition of Regulatory Capital

The Banks Capital Adequacy ratio as per Basel III is given below:

(₹ in Crore)

SI No	Particulars	As at March 31, 2022	As at March 31, 2021
i)	Common Equity Tier I capital (CET1)	2426.38	1961.74
	of which common equity tier I capital	2426.38	1961.74
ii)	Additional Tier 1 capital	Nil	Nil
iii)	Tier 1 capital (i + ii)	2426.38	1961.74
iv)	Tier 2 capital	155.01	138.84
v)	Total capital (Tier 1+Tier 2)	2581.39	2100.58
vi)	Total Risk Weighted Assets (RWAs)	9965.78	9827.41
vii)	CET1 Ratio (CET 1 as a percentage of RWAs) (%)	24.35	19.96
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs) (%)	24.35	19.96
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs) (%)	1.55	1.41
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total capital as a percentage of RWAs) (%)	25.90	21.37
xi)	Leverage Ratio	9.12	8.11
xii)	Percentage of the shareholding of the Government of India	NA	N A
xiii)	Amount of paid up equity capital raised	Nil	₹ 0.44 crore
xiv)	Amount of non-equity Tier 1 capital raised during the year; <i>of which</i>		
	Perpetual Non- Cumulative Preference Shares (PNCPS) :	Nil	Nil
	Perpetual Debt Instruments (PDI) :	Nil	Nil
xv)	Amount of Tier 2 capital raised; <i>of which</i>		
	Debt capital instrument:	Nil	Nil
	Preference Share Capital Instruments:	Nil	Nil
	[Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]		

b) **Draw Down from Reserves** – The Bank has not drawn any amount from Reserves.

Appropriation to Reserves

i) Statutory Reserve

As mandated by the Banking Regulation Act, 1949, all banking companies incorporated in India shall create a reserve fund, out of the balance of profit of each year as disclosed in the profit and loss account and before any dividend is declared and transfer a sum equivalent to not less than twenty-five per cent of such profit. Accordingly, the Bank has transferred an amount of ₹114.62 Crore from current year Net profit (Previous Year: ₹ 54.60 Crore).

ii) Investment Fluctuation Reserve (IFR)

The RBI vide circular DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018 advised banks to create an Investment Fluctuation Reserve (IFR) with effect from FY 2018-19. Accordingly, an amount not less than the lower of net profit on sale of investments during the year or net profit for the year less mandatory appropriations shall be transferred to the IFR, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis. Where feasible, this should be achieved within a period of 3 years. During the year ended March 31, 2022, the Bank has transferred an amount of ₹19.08 Crore to IFR (Previous Year: ₹ 40.00 Crore). IFR of ₹59.08 Crore as on March 31, 2022 (Previous Year ₹40.00 Crore) constitutes 2.00% (Previous Year: 2.13%) of closing balance of investments in AFS and HFT/Current category.

iii) Capital Reserve

As per RBI Guidelines, profit/loss on sale of investments in the 'Held to Maturity' category is recognised in the Profit and Loss Account and is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Profit / loss on sale of investments in 'Available for Sale' and 'Held for Trading' categories is recognised in the Profit and Loss Account. Accordingly, an amount of ₹9.83 Crore (Previous Year: ₹31.16 Crore). net of tax and appropriation to Statutory reserves has been transferred to Capital Reserve.

iv) Special Reserve

As per the provisions under Section 36(1)(viii) of Income Tax Act, 1961, specified entities like banks are allowed deduction in respect of any special reserve created and maintained, i.e. an amount not exceeding twenty per cent of the profits derived from eligible business computed under the head "Profits and gains of business or profession" is carried to such reserve account. This would be applicable till the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid up share capital and general reserves of the entity. During the year, the Bank has transferred an amount of ₹4.30 Crore (Previous year ₹1.66 Crores) to Special Reserve.

v) General Reserve

During the year ended March 31, 2022 an amount of ₹1.26 Crore (Previous year ₹1.69 Crores) was transferred to the General reserve from revaluation reserve.

2.2 Asset Liability Management

a) Maturity pattern of certain items of assets and liabilities as at March 31, 2022 and March 31, 2021 are set out below:

(₹ in Crore)

As on 31.03. 2022	Day 1	2 to 7 Days	8 to 14 Days	15 to 30 days	31 days to 2 months	2 months to 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	134.93	226.53	328.00	260.94	465.54	590.62	625.55	424.33	6754.07	186.68	10191.11	20188.30
Advances	38.23	200.97	209.86	577.61	1045.49	1208.59	3363.99	1929.84	4790.12	1129.59	1320.39	15814.68
Investments (Net)	1889.21	1269.00	40.56	39.95	119.28	193.47	134.94	147.56	1517.26	24.67	1635.72	7011.62
Borrowings	0.00	1757.19	0.00	0.00	62.50	0.00	62.50	125.00	0.00	0.00	0.00	2007.19
Foreign Currency assets	49.72	44.27	6.64	232.52	0.00	58.15	95.57	3.99	4.51	0.00	10.02	505.39
Foreign Currency liabilities	35.11	13.81	2.85	161.47	0.00	14.84	126.15	52.09	71.36	26.54	1.17	505.39

Note: Deposits have been classified as per behavioural maturity. The estimates and assumptions used by the Bank for classification of assets and liabilities under different maturity buckets are based on the returns submitted to RBI for the relevant periods. Maturity profile of foreign currency assets and liabilities includes forward exchange contracts and off balance sheet.

(₹ in Crore)

As on 31.03.2021	Day 1	2 to 7 Days	8 to 14 Days	15 to 30 days	31 days to 2 months	2 months to 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	138.47	279.68	244.31	99.29	115.23	890.66	421.85	575.10	5912.88	54.65	10407.92	19140.04
Advances	38.04	274.67	283.75	666.99	1071.25	971.45	2648.68	2502.26	3476.28	1125.67	1379.08	14438.12
Investments (Net)	1292.49	169.68	36.72	63.99	21.53	166.80	188.13	258.25	2312.15	104.85	1511.40	6125.99
Borrowings	0.00	49.92	0.00	0.00	0.00	62.50	62.50	125.00	1126.00	0.00	0.00	1425.92
Foreign Currency assets	65.77	247.27	3.26	385.94	0.00	257.44	141.40	32.11	4.33	0.00	0.00	1137.52
Foreign Currency liabilities	59.38	263.76	0.60	391.08	0.00	172.11	109.22	73.48	49.67	6.77	11.47	1137.52

Note: Deposits have been classified as per behavioural maturity. The estimates and assumptions used by the Bank for classification of assets and liabilities under different maturity buckets are based on the returns submitted to RBI for the relevant periods. Maturity profile of foreign currency assets and liabilities includes forward exchange contracts and off balance sheet items.

b) Liquidity Coverage Ratio
(i) Quantitative Disclosures

The daily average of unweighted and weighted values for all the quarters in the year ended March 31, 2022

(₹ in crore)

Particulars	Quarter ended Mar 31, 2022		Quarter ended Dec 31, 2021		Quarter ended Sep 30, 2021		Quarter ended Jun 30, 2021	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)		4557.49		5409.91		5119.98		4517.42
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	15824.21	1554.44	15556.85	1527.26	15356.52	1509.39	15090.39	1479.38
(i) Stable deposits	559.65	27.98	568.60	28.43	525.14	26.26	593.08	29.65
(ii) Less stable deposits	15264.56	1526.46	14988.25	1498.82	14831.38	1483.14	14497.30	1449.73
3 Unsecured wholesale funding, of which:	2198.70	1552.59	2543.81	1928.43	2277.70	1687.88	2303.91	1675.34
(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)	2198.70	1552.59	2543.81	1928.43	2277.70	1687.88	2303.91	1675.34
(iii) Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4 Secured wholesale funding	1838.94	0.00	656.89	0.00	58.52	0.00	109.90	21.70
5 Additional requirements, of which	1361.24	185.81	1370.67	180.50	1080.24	120.23	1088.39	130.29
(i) Outflows related to derivative exposures and other collateral requirements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(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	1361.24	185.81	1370.67	180.50	1080.24	120.23	1088.39	130.29
6 Other contractual funding obligations	34.84	34.84	116.39	116.39	22.09	22.09	112.01	112.01
7 Other contingent funding obligations	888.45	26.65	704.11	21.12	657.20	19.72	574.97	17.25
8 TOTAL CASH OUTFLOWS		3354.33		3773.69		3359.31		3435.98
9 Secured Lending (e.g. reverse repos)	394.82	0.00	1157.36	0.00	1260.75	0.00	244.39	0.00
10 Inflows from fully performing exposures	514.16	270.95	751.59	504.78	1056.02	691.21	1233.29	877.76
11 Other cash inflows	0.00	0.00	0.00	0.00	17.42	17.42	16.81	16.29
12 TOTAL CASH INFLOWS	908.98	270.95	1908.95	504.78	2334.19	708.63	1494.49	894.05
13 TOTAL HQLA		4557.49		5409.91		5119.98		4517.42
14 TOTAL NET CASH OUTFLOWS		3083.38		3268.91		2650.68		2541.93
15 LIQUIDITY COVERAGE RATIO (%)		147.81%		165.50%		193.16%		177.72%

Note: LCR data has been computed based on simple average of daily observations.

The daily average of unweighted and weighted values for all the quarters in the year ended March 31, 2021 (₹ in Crore)

Particulars	Quarter ended Mar 31, 2021		Quarter ended Dec 31, 2020		Quarter ended Sep 30, 2020		Quarter ended Jun 30, 2020	
	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)		4034.36		4170.13		4248.97		4097.04
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	14477.56	1422.16	13630.65	1343.52	13244.36	1304.61	12154.21	1198.44
(i) Stable deposits	511.81	25.59	390.91	19.55	396.51	19.83	339.67	16.98
(ii) Less stable deposits	13965.75	1396.57	13239.75	1323.97	12847.85	1284.78	11814.55	1181.46
3 Unsecured wholesale funding, of which:	1530.85	1136.34	751.88	470.28	750.80	501.68	1537.07	563.27
(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)	1530.85	1136.34	751.88	470.28	750.8	501.68	1537.07	563.27
(iii) Unsecured debt	0.00	0.00	0	0	0	0	0	0
4 Secured wholesale funding	73.89	0.00	482.36	0	737.73	0	114.2	0
5 Additional requirements, of which	953.69	133.61	905.77	148.69	849.79	140.06	744.47	90.95
(i) Outflows related to derivative exposures and other collateral requirements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(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	953.69	133.61	905.77	148.69	849.79	140.06	744.47	90.95
6 Other contractual funding obligations	106.99	106.99	0.00	0.00	0.00	0.00	0.00	0.00
7 Other contingent funding obligations	477.59	14.33	449.18	13.48	362.06	10.86	304.1	9.12
8 TOTAL CASH OUTFLOWS		2813.43		1975.97		1957.21		1861.78
9 Secured Lending (e.g. reverse repos)	203.56	0.00	592.85	0.00	149.42	0.00	393.99	0.00
10 Inflows from fully performing exposures	749.77	425.73	408.25	210.9	217.57	112.9	110.2	58.83
11 Other cash inflows	22.98	22.98	0.00	0.00	0.00	0.00	0.00	0.00
12 TOTAL CASH INFLOWS	976.31	448.71	1001.1	210.9	366.99	112.9	504.19	58.83
13 TOTAL HQLA		3939.99		4170.13		4248.97		4097.04
14 TOTAL NET CASH OUTFLOWS		2364.71		1765.07		1844.31		1802.96
15 LIQUIDITY COVERAGE RATIO (%)		170.61%		236.26%		230.38%		227.24%

Note: LCR data has been computed based on simple average of daily observations.

(ii) Qualitative disclosures around LCR

(1) Main drivers of LCR and evolution of contribution of inputs

The LCR standard aims 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 specified by supervisors. 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.

The LCR should be minimum 100% (i.e. the stock of HQLA should at least equal total net cash outflows) on an ongoing basis because the stock of unencumbered HQLA is intended to serve as a defence against the potential onset of liquidity stress.

The LCR position depends upon the level of High Quality Liquid Assets (HQLA) and level of inflows and outflows in 30 days stress horizon computed as per the RBI guidelines in this regard.

(2) The composition of High Quality Liquid Assets (HQLA)

Banks' High Quality Liquid Assets consists of the following

- i. Cash including cash reserves in excess of required CRR.
- ii. Government securities in excess of the minimum SLR requirement.
- iii. Investments in Government securities held within the mandatory SLR requirement, to the extent allowed by RBI under Marginal Standing facility (MSF) which is at present 2 % of NDTL.
- iv. Investment in Government Securities held up to 15 % of Net Demand and Time Liabilities (NDTL) permissible under Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR).
- v. Level 2A assets –
 - a. Corporate bonds, not issued by a bank/financial institution/NBFC or any of its affiliated entities, which have been rated AA or above by an Eligible Credit Rating Agency, subject to a minimum haircut of 15 %.
 - b. Commercial Papers not issued by a bank/PD/financial institution or any of its affiliated entities, which have a short-term rating equivalent to the long-term rating of AA4 or above by an Eligible Credit Rating Agency subject to a minimum hair cut of 15 %.
- vi. Level 2 B Assets – These are assets as defined in RBI's LCR guidelines. At present our bank do not have figures to be reported for FY 22.
- vii. **Cash outflows over the 30 days period** – Bank considers Cash outflows from Retail Deposits, secured and unsecured wholesale funding, undrawn committed credit and liquidity facilities subject to applicable run-off factors as prescribed by RBI.
- viii. **Cash Inflows over the 30 days period** – Bank is also looking into the cash inflows within 30 days period arising out of maturing secured lending transactions and other inflows from Retail and small business counterparties, non-financial wholesale counterparties as well as amounts to be received from financial institutions and RBI.
- ix. **LCR is computed as under –**
Total stock of High quality liquid Assets over Total Net Cash outflows.

(3) Intra period changes

- The intra period changes are mainly on account of changes in unencumbered excess SLR positions, variations in Level 2A / Level 2B assets, regulatory changes in MSF and FALLCR levels and various components under net cash outflows over the 30 days period.

Other Regulatory Requirements –

- a. **Currency Mismatch in LCR** - The Bank does not have aggregate liabilities denominated in any foreign currency of 5 per cent or more of the Bank's total liabilities and hence LCR in other currencies are not computed.
- b. **Centralization of liquidity management** - Banks' liquidity management and monitoring is centralized. Bank has put in place a Board adopted liquidity management policy in line with RBI regulation and guidelines.

Inflows and outflows are comprehensively captured in the automated LCR system (BASEL).

Bank is required to maintain minimum LCR of 100% on an ongoing basis as per RBI guidelines w.e.f January, 2019. As on 31.03.2022, LCR of the Bank is at 153.60%.

2.3 Investments

2.3.1 Composition of Investment Portfolio

A) The Composition of Investment Portfolio as at 31 March, 2022

(₹ in Crore)

Particulars	Investments in India						Total investments in India
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	
Held to Maturity							
Gross	4052.77	0.00	0.00	4.98	0.00	0.00	4057.75
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	4052.77	0.00	0.00	4.98	0.00	0.00	4057.75
Available for Sale							
Gross	2093.92	0.00	4.74	517.02	0.00	468.64	3084.32
Less: Provision for depreciation and NPI	0.22	0.00	1.86	0.00	0.00	128.37	130.45
Net	2093.70	0.00	2.88	517.02	0.00	340.27	2953.87
Held for Trading							
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments	6146.69	0.00	4.74	522.00	0.00	468.64	7142.07
Less: Provision for non-performing investments	0.00	0.00	1.86	0.00	0.00	0.00	1.86
Less: Provision for depreciation and NPI	0.22	0.00	1.86	0.00	0.00	128.37	130.45
Net	6146.47	0.00	2.88	522.00	0.00	340.27	7011.62

Investments outside India is Nil as on March 31, 2022

B) The Composition of Investment Portfolio as at 31 March, 2021

(₹ in Crore)

Particulars	Investments in India						Total investments in India
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	
Held to Maturity							
Gross	3460.38	0.00	0.00	789.59	0.00	0.00	4249.97
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	3460.38	0.00	0.00	789.59	0.00	0.00	4249.97
Available for Sale							
Gross	1097.26	0.00	6.09	184.85	0.00	711.91	2000.11

Particulars	Investments in India						Total investments in India
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	
Less: Provision for depreciation and NPI	18.51	0.00	1.77	0.00	0.00	103.81	124.09
Net	1078.75	0.00	4.32	184.85	0.00	608.10	1876.02
Held for Trading							
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments	4557.64	0.00	6.09	974.44	0.00	711.91	6250.08
Less: Provision for non-performing investments	0.00	0.00	1.77	0.00	0.00	0.00	1.77
Less: Provision for depreciation and NPI	18.51	0.00	1.77	0.00	0.00	103.81	124.09
Net	4539.13	0.00	4.32	974.44	0.00	608.10	6125.99

Investments outside India is Nil as on March 31, 2021

2.3.2 Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
(1) Movement of provisions held towards depreciation on investments		
(i) Opening balance	124.09	100.97
(ii) Add: Provisions made during the year	24.64	23.21
(iii) Less: Write-off/ write-back of excess provisions during the year	18.28	0.09
Closing balance	130.45	124.09
(2) Movement of provisions for Non-performing Investments (NPIs)		
(i) Opening Balance	1.77	1.81
(ii) Add: Provisions made during the year	0.09	0.00
(iii) Less: Write-off/write-back of excess provisions during the year	0.00	0.04
Closing Balance	1.86	1.77
(3) Movement of Investment Fluctuation Reserve		
(i) Opening Balance	40.00	0.00
(ii) Add: Amount transferred during the year	19.08	40.00
(iii) Less: Drawdown	0.00	0.00
Closing Balance	59.08	40.00
(4) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.00%	2.13%

2.3.3 Sale and transfers to/from HTM Category:

During the year ended March 31, 2022, the value of sales/transfers from Held to Maturity category (excluding one-time transfer of securities permitted to be undertaken by Banks at the beginning of the accounting year and with approval of the Board of Directors and sales to the RBI under open market operation auctions and redemptions in units of Venture Capital Funds as these are not initiated by the Bank) exceeds 5 per cent of the book value of investments held in Held to Maturity category at the beginning of the year. As on 31.03.2022, the excess of book value of investments held in Held to Maturity Category over market value is as under:-

(₹ in Crore)

Book value of investments held in the HTM Category as on March 31, 2022	4057.75
Market value of investments held in the HTM Category as on March 31, 2022	3936.51
Excess of book value over market value	121.24

2.3.4 Non-SLR Investment Portfolio**(i) Non performing Non-SLR investments**

(₹ in Crore)

SI No	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i)	Opening balance	1.82	1.82
(ii)	Additions during the year since 1st April	0.04	0.00
(iii)	Reductions during above period	0.00	0.00
(iv)	Closing balance	1.86	1.82
(v)	Total provisions held	1.86	1.77

(ii) Issuer composition as at March 31, 2022 of Non SLR investments

(₹ in Crore)

SI 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)	(5)	(6)	(7)
(i)	Public sector undertakings (PSUs)	5.85	-	Nil	-	-
(ii)	FIs	299.02	171.18	Nil	Nil	17.01
(iii)	Banks	20.01	10.00	Nil	Nil	Nil
(iv)	Private Corporate	300.28	300.28	Nil	Nil	1.86
(v)	Subsidiaries/ Joint Ventures	Nil	Nil	Nil	Nil	Nil
(vi)	Others (Security Receipts, PTC and AIF)	370.22	330.87	Nil	Nil	370.22
(vii)	Provision held towards depreciation	130.23	-	-	-	-
	Total	865.15	812.33	Nil	Nil	389.09

Amounts reported under column (iv), (v), (vi) and (vii) above are not mutually exclusive

* Excludes investments in equity shares, commercial papers, Certificate of deposits in line with RBI guidelines.

Issuer composition as at March 31, 2021 of Non SLR investments

(₹ in Crore)

Sl 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)	(5)	(6)	(7)
(i)	Public sector undertakings (PSUs)	5.85	-	Nil	-	-
(ii)	FIs	748.91	154.51	Nil	Nil	17.01
(iii)	Banks	35.45	20.00	Nil	Nil	Nil
(iv)	Private Corporate	413.86	325.40	Nil	Nil	47.63
(v)	Subsidiaries/ Joint Ventures	Nil	Nil	Nil	Nil	Nil
(vi)	Others (Security Receipts, PTC and AIF)	488.37	449.02	Nil	Nil	488.37
(vii)	Provision held towards depreciation	105.58				
	Total	1586.86	948.93	Nil	Nil	553.01

Amounts reported under column (iv), (v), (vi) and (vii) above are not mutually exclusive

*Excludes investments in equity shares, commercial papers, Certificate of deposits in line with RBI guidelines.

2.3.5 Repo Transactions

Details of securities sold/purchased (in face value terms) during the year ended March 31, 2022 under repos/ reverse repos:

(₹ in Crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2022
Securities sold under Repo				
i. Government Securities	626.59	2405.10	1373.18	1847.87
ii. Corporate debt securities	Nil	Nil	Nil	Nil
iii. Any Other Securities	Nil	Nil	Nil	Nil
Securities purchased under Reverse Repo				
i. Government Securities	39.47	2474.88	758.22	499.19
ii. Corporate debt securities	Nil	Nil	Nil	Nil
iii. Any Other Securities	Nil	Nil	Nil	Nil

Details of securities sold/purchased (in face value terms) during the year ended March 31, 2021 under repos/ reverse repos:

(₹ in Crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31 March 2021
Securities sold under Repo / Term Repo				
i. Government Securities	743.71	3,107.67	1,577.87	1,001.87
ii Corporate debt securities	Nil	Nil	Nil	Nil
iii Any Other Securities	Nil	Nil	Nil	Nil
Securities purchased under Reverse Repo/ Term Reverse Repo				
i. Government Securities	4.56	1,322.57	336.65	391.33
ii Corporate debt securities	Nil	Nil	Nil	Nil
iii Any Other Securities	Nil	Nil	Nil	Nil

2.3.6 Additional Details on Investments

- In respect of Investments in Held to Maturity category, the amount of amortization of excess of acquisition cost over face value is ₹5.32 Crores (previous year ₹6.60 Crores) which is netted against Income on Investments (Schedule 13, Item II).
- Profit on sale of investments under Held to Maturity category amounting to ₹17.52 Crore (Previous Year ₹55.52 Crore) has been taken to Profit and Loss account and an amount of ₹9.83 Crore (Previous Year: ₹31.16 Crore) net of tax and appropriation to Statutory reserves has been transferred to Capital Reserve. There was no loss on sale of investments under Held to Maturity category during the year.
- Provisions for depreciation and diminution on investments in the Available for Sale category investments amounting to ₹6.36 Crores is debited to Profit & Loss account (Previous year ₹23.18 Crores).
- Provisions for depreciation and diminution on investments in the Held for Trading category investments is Nil (Previous year - ₹ Nil).
- During the year, the Bank has transferred securities of book value amounting to ₹424.07 Crores (Previous year ₹1,857.40 Crores) from Held to Maturity category to Available for Sale category. The Shifting of securities from HTM to AFS during the current year was on account of TLTRO prepayment. During the year, the Bank transferred securities of book value amounting to ₹509.60 Crores (Previous year - ₹78.81 Crores) from Available for Sale category to Held to Maturity category.

2.4. Asset Quality

2.4.1 Classification of advances and provisions held as on March 31, 2022.

(₹ in Crore)

Particulars	Standard	Non-Performing Advances (NPAs)				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total NPAs	
a) Gross Standard Advances and NPAs						
Opening Balance	14,269.63	191.51	196.56	5.42	393.49	14,663.12
Add: Additions during the year					118.71	118.71
Less: Reductions in Gross NPAs due to:						
I) Upgradation					45.62	45.62
ii) Recoveries (excluding recoveries from upgraded accounts)					82.11	82.11
iii) Technical/ Prudential Write-offs					91.36	91.36
iv) Write-offs other than those under (iii) above					3.60	3.60
Closing balance	15,708.48	119.00	165.03	5.48	289.51	15,997.99
b) Provisions (excluding Floating Provisions)						
Opening balance of provisions held	168.21	56.89	160.45	3.17	220.51	388.72
Add: Fresh provisions made during the year					62.83	62.83
Less: Excess provision reversed/ Write-off loans					105.01	105.01
Closing balance of provisions held	176.80	41.26	133.83	3.24	178.33	355.13
c) Net NPAs						
Opening Balance		134.56	34.25	0.00	168.81	168.81
Add: Fresh additions during the year					55.88	55.88
Less: Reductions during the year					117.70	117.70
Closing Balance		77.65	29.34	0.00	106.99	106.99
d) Floating Provisions						
Opening Balance						0.00
Add: Additional provisions made during the year						0.00
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						0.00
e) Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						723.84
Add: Technical/ Prudential write-offs during the year						105.31
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						84.75
Closing balance						744.40

Movement is taken on yearly basis.

Classification of advances and provisions held as on March 31, 2021.

(₹ in Crore)

Particulars	Standard	Non-Performing Advances (NPAs)				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total NPAs	
a) Gross Standard Advances and NPAs						
Opening Balance	11,149.65	180.43	223.45	5.55	409.43	11,559.08
Add: Additions during the year					192.12	192.12
Less: Reductions in Gross NPAs due to:						
i) Upgradation					12.05	12.05
ii) Recoveries (excluding recoveries from upgraded accounts)					69.23	69.23
iii) Technical/ Prudential Write-offs					116.00	116.00
iv) Write-offs other than those under (iii) above					10.78	10.78
Closing balance	14,269.63	191.51	196.56	5.42	393.49	14,663.12
b) Provisions (excluding Floating Provisions)						
Opening balance of provisions held	52.52	65.40	119.66	3.30	188.36	240.88
Add: Fresh provisions made during the year					120.60	120.60
Less: Excess provision reversed/ Write-off loans					88.45	88.45
Closing balance of provisions held	168.21	56.89	160.45	3.17	220.51	388.72
c) Net NPAs						
Opening Balance		115.00	101.94	0.00	216.94	216.94
Add: Fresh additions during the year					71.53	71.53
Less: Reductions during the year					119.66	119.66
Closing Balance		134.56	34.25	0.00	168.81	168.81
d) Floating Provisions						
Opening Balance						0.00
Add: Additional provisions made during the year						0.00
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						0.00
e) Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						676.36
Add: Technical/ Prudential write-offs during the year						133.85
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						86.37
Closing balance						723.84

Movement is taken on yearly basis.

Ratios	As at March 31, 2022	As at March 31, 2021
(I) Gross NPA to Gross Advances (%)	1.81	2.68
(ii) Net NPA to Net Advances (%)	0.68	1.17
(iii) Provision coverage ratio(%)	89.65	84.89

2.4.2 Sector-wise advances and Gross NPAs

(₹ in Crore)

Sector	As at March 31, 2022			As at March 31, 2021		
	Outstanding Total Advances	Gross NPAs	Percentage of gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of gross NPAs to Total Advances in that sector
A. Priority Sector						
(I) Agriculture and allied activities	5,945.30	17.80	0.30	3,642.68	35.11	0.96
(ii) Advances to industries sector eligible as priority sector lending	1,344.47	31.09	2.31	681.44	48.61	7.13
Of which						
Textiles	558.44	3.10	0.56	365.90	15.10	4.13
(iii) Services	838.44	34.79	4.15	1,204.26	123.98	10.30
Of which						
Retail trade	297.97	24.17	8.11	453.46	59.61	13.15
Tourism, Hotel and Restaurants	92.68	1.81	1.95	161.59	4.03	2.49
(iv) Personal loans	139.57	20.97	15.02	191.98	24.14	12.57
Of which						
Housing	109.21	8.60	7.87	140.61	11.41	8.11
Education	30.36	11.19	36.83	50.74	12.73	25.09
(v) Others	199.50	0.10	0.05	53.35	0.12	0.22
Sub-total (A)	8,467.27	104.76		5,773.71	231.96	
B. Non Priority Sector						
(i) Agriculture and allied activities	196.75	3.07	1.56	-	-	-
(ii) Industry	334.32	26.72	7.99	435.76	-	-
Of which						
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	-	-	-	147.07	-	-
Textiles	59.89	4.24	7.08	100.29	-	-
Vehicles, Vehicle Parts and Transport Equipments	83.00	0.19	0.23	89.86	-	-
(iii) Services	2,526.31	43.37	1.72	1,936.78	10.70	0.55
Of which						
NBFCs	1,957.58	-	-	1,639.93	10.70	0.65
Tourism, Hotel and Restaurants	300.65	0.72	0.24	234.53	-	-
(iv) Personal loans	2,493.13	67.17	2.69	4,265.43	108.11	2.53
(v) Others	1,980.21	44.42	2.24	2,251.44	42.72	1.89
Sub-total (B)	7,530.71	184.75		8,889.41	161.53	
Total (A+B)	15,997.99	289.51	1.81	14,663.12	393.49	2.68

2.4.3 Overseas Assets, NPAs and Revenue

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Assets	96.08	561.86
Total NPAs	Nil	Nil
Total Revenues	0.29	0.65

2.4.4 Particulars of resolution plan and restructuring**A) Implementation of Resolution Plans (RPs):**

Cases eligible for RPs during the year ended March 31, 2022		RPs Successfully implemented during the year ended March 31, 2022		RPs under implementation during the year ended March 31, 2022	
Balance Outstanding (₹ in Crores)	No. of cases	Balance Outstanding (₹ in Crores)	No. of cases	Balance Outstanding (₹ in Crores)	No. of cases
-	-	-	-	-	-

Cases eligible for RPs during the year ended March 31, 2021		RPs Successfully implemented during the year ended March 31, 2021		RPs under implementation during the year ended March 31, 2021	
Balance Outstanding (₹ in Crores)	No. of cases	Balance Outstanding (₹ in Crores)	No. of cases	Balance Outstanding (₹ in Crores)	No. of cases
-	-	-	-	-	-

B) Additional Disclosures with relation to Certain Restructuring Schemes:

- (i) Disclosures on Flexible Structuring of Existing Loans - Nil
- (ii) Disclosures on Strategic Debt Restructuring Scheme - Nil
- (iii) Disclosures on Change in Ownership outside SDR Scheme- Nil
- (iv) Disclosures on Change in Ownership of Projects under Implementation - Nil
- (v) Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A) - Nil
- (vi) Restructured accounts under MSME - One-time restructuring

(₹ in Crore)

Asset status	As at March 31, 2022		As at March 31, 2021	
	No of accounts	Amount	No of accounts	Amount
Standard	23	66.15	21	61.45
Substandard	5	8.40	2	4.26
Doubtful	2	3.50	0	0
Total	30	78.05	23	65.71

2.4.5 Divergence in Asset Classification and Provisioning

In terms of the RBI circular no. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in the notes to accounts.

No disclosure on divergence in asset classification and provisioning for NPAs is made for the years ended March 31, 2021 and March 31, 2020 as the RBI's annual supervisory process for those years is yet to be concluded. During the year ended 31 March 2022, no divergences have been reported based on a select scope review conducted by the RBI

2.4.6 Disclosure of transfer of loan exposures

Details of loans transferred / acquired during the year ended March 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

- (i) The Bank has not transferred any Non-Performing Assets(NPA), Special Mention Accounts (SMA) and Loans not in default during the year.

(ii) Details of loans not in default acquired through assignment during the year are given below:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Aggregate amount of loans acquired (₹ in Crores)	1,051.80	1,044.04
Weighted average residual maturity (in months)	17.37	8.53
Weighted average holding period by originator (in months)	5.14	4.62
Retention of beneficial economic interest by the originator	10%	10%
Tangible security coverage	91%	100%

The loans acquired are not rated as these are to non-corporate borrowers.

(iii) The Bank has not acquired any stressed loans during the year.

(iv) Distribution of Security Receipts held based on ratings assigned by the credit rating agencies; (₹ in Crore)

Category of Recovery rating	March 31, 2022	March 31, 2021
150%	0.04	0.00
100-150%	0.00	13.03
50-75%	44.01	47.63
25-50%	0.00	67.08
0-25%	117.37	55.12
Total	161.41	182.85

2.4.7 Disclosure for frauds

(₹ in Crore)

Particulars	March 31, 2022	March 31, 2021
No of frauds reported during the year	101	69
Amount involved in such frauds	11.42	4.52
Balance outstanding as on year end*	5.77	0.80
Cumulative provision made by debiting P&L	5.77	0.80
Unamortized provision debited from General Reserve	-	-

*Balance outstanding after technical write off / recovery.

2.4.8 Disclosure on the resolution framework for the Covid - 19 related stress

For the year ended March 31, 2022

(₹ 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	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this year
Personal Loans	30.35	1.05	0.00	2.55	27.79
Corporate Persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	30.35	1.05	0.00	2.55	27.79

2.5 Exposures

2.5.1 Exposure to Real Estate Sector

(₹ in Crore)

Category	As at March 31, 2022	As at March 31, 2021
a) Direct exposure		
(i) Residential Mortgages		
a) Priority sector	109.52	144.06
b) Non priority sector	142.47	171.81
(Of which staff housing loans)	(36.81)	(44.24)
Total	251.99	315.87
(ii) Commercial Real Estate	381.93	545.39
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
a) Residential,	Nil	Nil
b) Commercial Real Estate.	Nil	Nil
b) Indirect Exposure		
Fund based and non-fund based exposures to National Housing Bank (NHB) and Housing Finance Companies (HFCs)	696.60	605.94
Total Exposure to Real Estate Sector	1,330.52	1,467.20

2.5.2 Exposure to Capital Market

(₹ in Crore)

Sl No	Items	As at March 31, 2022	As at March 31, 2021
1	Direct investment 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	0.92	2.27
2	Advances against shares/bonds/debentures of other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds	0.04	0.04
3	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	0.00	0.00
4	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	3.28	3.28
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
6	Loans sanctioned to corporates 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	Nil	Nil
7	Bridge loans to companies against expected equity flows/issues	Nil	Nil
8	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	Nil	Nil
9	Financing to stock brokers for margin trading	Nil	Nil
10	All exposures to Venture Capital Funds (both registered and unregistered)	49.35	39.35
	Total Exposure to Capital Market	53.59	44.94

2.5.3 Risk category wise country exposure *

(₹ in Crore)

Risk Category	Exposure (Net) as at March 31, 2022	Provision held as at March 31, 2022	Exposure (Net) as at March 31, 2021	Provision held as at March 31, 2021
Insignificant	113.97	Nil	288.39	Nil
Low	28.43	Nil	303.84	0.18
Moderately Low	0.00	Nil	2.18	Nil
Moderate	1.81	Nil	0.00	Nil
Moderately High	0.89	Nil	0.00	Nil
High	0.00	Nil	0.00	Nil
Very High	0.00	Nil	0.00	Nil
Total	145.10	Nil	594.41	0.18

* Based on categorization followed by Export Credit Guarantee Corporation of India Ltd

2.5.4 Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authorization etc. are available to the Bank as on March 31, 2022 is Nil (As on March 31, 2021 – Nil).

2.5.5 Factoring Exposure

The factoring exposure of the Bank as on March 31, 2022 is Nil (Previous Year: Nil)

2.5.6 Intra-Group Exposures

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Total amount of intra-group exposures	125.03	139.09
Total amount of top 20 intra-group exposures	125.03	139.09
Percentage of intra-group exposure to total exposures of the Bank on borrowers/customers	0.64	0.71
Details of breach of limits on intra group exposures and regulatory action thereon, if any.	Nil	Nil

Note: Exposure is computed as per the definition of Credit and Investment Exposure in RBI Master Circular on Exposure Norms DBR. No. Dir.BC.12/13.03.00/ 2015-16 dated July 1, 2015.

As per the RBI Guidelines on Management of Intra-Group Transactions and Exposures DBOD.No.BP.BC.96/21.06.102/2013-14 dated February 11, 2014, Group is defined as an arrangement involving two or more entities related to each other through any of the following relationships and a 'group entity' as any entity involved in this arrangement:

- Subsidiary – Parent
- Associate
- Joint Venture
- Related Party
- Direct or indirect ownership of 20 percent or more interest in the voting power of the enterprise
- Common brand name
- Promoters of Bank
- Non-Operative Financial Holding Company (NOFHC) of Bank
- An entity which has any of the first six relations, as above, with the promoters/NOFHC and their step-down entities

The disclosure is made as per the above definition and hence, exposures to investee company of the promoter of the Bank and its subsidiary is included.

2.5.7 Unhedged Foreign Currency Exposure

(A) Provisioning

In terms of RBI Circular DBOD No.BP.BC.85/21.06.200/2013-14 dated 15th January 2014 and subsequent clarification vide circular DBOD No.BP.BC.116/21.06.200/2013-14 dated 3rd June 2014, based on the available data, available financial statements and declarations from borrowers wherever received, the Bank is holding a provision of ₹2.23 Crore (Previous Year ₹2.11 Crore) towards Unhedged Foreign Currency Exposures.

(B) Capital Held

In terms of the aforementioned circulars, ₹8.59 Crore of additional capital is held towards unhedged foreign currency exposures. (Previous Year ₹5.28 Crore)

2.6 Concentration of Deposits, Advances, Exposures and NPAs

2.6.1 Concentration of Deposits

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Total Deposits of twenty largest depositors	2024.43	2033.17
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	10.03%	10.62%

Note: Excludes holders of certificate of deposits which are tradable instruments.

2.6.2 Concentration of Advances

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Total Advances of twenty largest borrowers	1611.28	1541.37
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	10.07%	10.51 %

2.6.3 Concentration of Exposures

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Total Exposures to twenty largest borrowers/customers	2678.08	2367.72
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	13.65%	12.10%

Note: Exposure is computed as per the definition of Credit and Investment Exposure in RBI Master Circular on Exposure Norms DBOD. No. Dir.BC.12/13.03.00/ 2015-16 dated July1, 2015.

2.6.4 Concentration of NPAs

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Total Exposures to top twenty NPA Accounts	47.20	76.01
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	16.31%	19.32%

2.7. Derivatives

2.7.1 Forward Rate Agreement/ Interest Rate Swap

2.7.2 Exchange Traded Currency and Interest Rate Derivatives

2.7.3 Disclosures on risk exposure in derivatives

Qualitative & Quantitative Disclosure

2.7.4 Credit Default Swaps

:	Nil
:	Nil
:	Nil
:	Nil
:	Not Applicable
:	Nil

2.8 Disclosures relating to Securitisation - Not applicable to the Bank as there is no sale during the year.

2.9 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms): Nil

2.10 Transfers to Depositor Education and Awareness Fund (DEAF)

Unclaimed liabilities where amount due has been transferred to DEAF is reflected as "Contingent Liability - Others, items for which the Bank is contingently liable" under Schedule 12 of the Financial Statements.

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance of amounts transferred to DEAF	53.53	48.16
Add : Amounts transferred to DEAF during the year	11.31	5.93
Less : Amounts reimbursed by DEAF towards claims	0.76	0.56
Closing balance of amounts transferred to DEAF	64.08	53.53

2.11 Disclosure of complaints

a) **Summary information on complaints received by the Bank from customers and from the Offices of the Banking Ombudsman (OBOs).**

I. Complaints received by the Bank from its customers

	Year ended March 31, 2022	Year ended March 31, 2021
1. No. of complaints pending at the beginning of the year	138	134
2. No. of complaints received during the year	9071	6555
3. No. of complaints disposed during the year	9139	6551
3.1 Of which, number of complaints rejected by the Bank	207	176
4. No. of complaints pending at the end of the year	70	138

II. Maintainable complaints received by the Bank from Offices of the Banking Ombudsman (OBOs)

	Year ended March 31, 2022	Year ended March 31, 2021
1. No of maintainable complaints received by the Bank from OBOs	122	76
1.1 No of Complaints resolved in favour of the Bank by OBOs	118*	71**
1.2 No of Complaints resolved through conciliation/ mediation/ advisories issued by the OBOs	2	4
1.3 No of Complaints resolved after passing of awards by OBOs against the Bank	0	0
2. No of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

*2 complaint pending ** 1 complaint pending

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2006 and covered within the ambit of the Scheme. 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
Year ended March 31, 2022					
Ground – 1 – ATM/ Debit Cards	41	3593	10.83%	8	3
Ground – 2 Internet / Mobile/Electronic Banking	8	3316	94.15%	18	1
Ground – 3 Account opening/difficulty in operation of accounts	33	897	56.27%	14	0
Ground – 4 Others	56	1265	22.70%	30	5
Total	138	9071		70	9

Year ended March 31, 2021					
Ground – 1 – ATM/ Debit Cards	Nil	3242	-80.49%	41	6
Ground – 2 Internet / Mobile/Electronic Banking	83	1708	-37.27%	8	0
Ground – 3 Account opening/difficulty in operation of accounts	15	574	-32.78%	33	4
Ground – 4 Others	36	1031	60.09%	56	22
Total	134	6555		138	32

2.12 Disclosure of Penalties imposed by RBI

The RBI had imposed an aggregate penalty of ₹55.00 (on various dates) during the year on account of the instances mentioned below:

Nature of Breach	Number of instances of default	Quantum of Penalty
For the year ended March 31, 2022 (<i>In actuals</i>)		
Late return of NEFT Transactions – RBI, Chennai- Branch service department	1	₹ 5.00
Penalty imposed by RBI for detection of Multicut/Mutilated currencies in adjudicated BIN (Ernakulam Currency chest)	1	₹ 50.00
For the year ended March 31, 2021 (<i>In actuals</i>)		
Penalty imposed by RBI for discrepancy detected in soiled notes remittance	3	₹700.00
Delayed reporting the daily transactions in Ekuber	1	₹43.00

2.13 Disclosure on Remuneration

A. Qualitative Disclosures

Qualitative Disclosures	<p>(a) Information relating to the composition and mandate of the Nomination & Remuneration Committee.</p> <p>(i) Composition</p> <p>Constitution of the Nomination & Remuneration Committee (NRC/Committee) is as per the extant Reserve Bank of India guidelines, Section 178 of the Companies Act, 2013 and Regulation 19 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee consists of three members. All members of the committee are non-executive directors; of which two members are independent directors. All members of the committee are currently also members of the Risk Management Committee(RMC) of the Board to facilitate effective governance of compensation, as against the requirement of one member from RMC, mandated as per Reserve Bank of India Circular No. DOR. GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 on "Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board, The Composition of the committee is as under:</p> <table><tr><td>Ms. Bhama Krishnamurthy</td><td>Chairperson</td><td>Independent Director</td></tr><tr><td>Mr. Madhavan Menon</td><td>Member</td><td>Non-Executive Director</td></tr><tr><td>Mr. Madhavan Aravamuthan</td><td>Member</td><td>Independent Director</td></tr></table> <p>The Committee comprises of two-thirds independent directors.</p> <p>(ii) Function and mandate</p> <p>The Committee inter alia, oversees the framing, review and implementation of compensation policy/programme including employee stock options scheme of the Bank on behalf of the Board.</p> <p>The Committee should ensure that: -</p> <ul style="list-style-type: none">• the cost/income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio;• the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Bank successfully;• relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and• remuneration to executive and non-executive directors, Material Risk Takers (MRTs), key managerial personnel and senior management involves a balance between fixed and variable pay (as applicable) reflecting short and long-term performance objectives appropriate to the working of the Bank and its goals.	Ms. Bhama Krishnamurthy	Chairperson	Independent Director	Mr. Madhavan Menon	Member	Non-Executive Director	Mr. Madhavan Aravamuthan	Member	Independent Director
Ms. Bhama Krishnamurthy	Chairperson	Independent Director								
Mr. Madhavan Menon	Member	Non-Executive Director								
Mr. Madhavan Aravamuthan	Member	Independent Director								
	<p>(b) Information relating to the design and structure of remuneration processes and the key features and objectives of Compensation/ Remuneration policy.</p> <p>(i) Process</p> <p>The Bank's remuneration program is based on principles of pay for performance philosophy, meritocracy and fairness. The compensation system also focuses on pay differentiation based on role, competency, relevant work experience, seniority, contribution and availability of talent.</p> <p>The Committee works in close co-ordination with the Risk Management Committee of the Board to review the compensation practices every year in order to achieve effective alignment between remuneration and risks. The Committee studies the business and industry environment, analyze and categorize the risks and streamline the components of the compensation plan, like proportion of the total variable compensation to be paid to MD & CEO, WTD's /Material Risk Takers (MRTs) and Senior executives to ensure financial stability of the organization.</p>									

		<p>(ii) Authority to invoke Malus / clawback arrangement</p> <p>The deferred compensation shall be subject to malus/clawback arrangements in the event of subdued or negative financial performance of the Bank and/or the relevant line of business in any year. The Committee is vested with the powers to invoke the malus/clawback arrangement in line with framework to invoke Malus/Clawback as per the compensation policy, after taking into account relevant statutory and regulatory stipulations as applicable.</p> <p>The Committee also has the authority to ascertain whether the decision taken by the MD& CEO, Material Risk Takers (MRTs), WTD, Senior executives/ officers (Non IBA Scheme) have brought forth a negative contribution to the Bank.</p> <p>(iii) Objectives</p> <p>The policy is a comprehensive one covering all the employees of the Bank and intends to reduce incentives towards excessive risk taking that may arise from the structure of compensation scheme.</p> <p>The objectives of the compensation policy are four fold:</p> <ul style="list-style-type: none"> • To align compensation with prudent risk taken. • To ensure effective governance of the compensation in the organization. • To ensure effective supervisory oversight and stakeholder engagement in compensation. • To attract and retain talent. <p>The Policy aims to:</p> <ul style="list-style-type: none"> • Ensure that compensation is aligned to individual performance as well as to the organizational objectives of the Bank. • Attract, reward and retain talent to enable the Bank to attain its strategic objectives within the increasingly competitive context in which it operates. • Inculcate and reinforce a culture of meritocracy and differentiate and reward performance. • Have a balanced mix of Fixed, Variable (Short-term or Long Term, cash or non-cash) to appropriately reflect the value and responsibility of the role and to drive appropriate behavior and actions in the long term. • Ensure that the policy is in line with RBI guidelines and promotes effective risk management practices and the company's commitment to compliance and controls. • Ensure fairness and transparency in reward practices. <p>The policy covers all aspects of the compensation structure such as fixed pay, perquisites, variable pay in form of cash or non-cash instrument, (share-linked instruments e.g. Employee Stock Option Plan), pension plan, gratuity, guaranteed bonus etc.,</p>
		<p>(iv) Key features</p> <ul style="list-style-type: none"> • To actively oversee the compensation systems design and operation. • To monitor and review the compensation system to ensure that the system operates as intended. • Staff engaged in financial and risk control must be independent, have appropriate authority, and be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the firm.

		<ul style="list-style-type: none"> Supervisory review of compensation practices must be rigorous and sustained and deficiencies must be addressed promptly with supervisory action. The Bank shall disclose clear, comprehensive and timely information about their compensation practices to facilitate constructive engagement by all stakeholders.
	(c)	<p>Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.</p> <p>(i) Compensation structure- prudent risk taking</p> <p>The compensation structure may be fixed shall align with prudent risk taking, after ensuring the following: -</p> <ul style="list-style-type: none"> Compensation must be adjusted for all types of risks. Compensation outcomes must be symmetric with risk outcomes. Compensation payout schedules must be sensitive to the time horizon of risks. The mix of cash, equity and other forms of compensation must be consistent with risk alignment. <p>A wide variety of measures of credit, market and liquidity risks may be used for implementation of risk adjustment. The risk adjustment methods should preferably have both quantitative and judgmental elements.</p> <p>For the purpose of effectively aligning compensation structure with risk outcomes, the functionaries in the institution are arranged under the following four categories.</p> <ol style="list-style-type: none"> Managing Director & CEO (MD& CEO)/ Whole Time Directors (WTDs) and / Material Risk Takers (MRTs) Risk control and compliance staff- Non IBA scheme Senior Executives / Other Officers - Non IBA scheme Other officers and staff -On IBA scheme <p>(ii) Malus /Clawback Arrangement/Compensation Recovery</p> <p>A Malus /clawback arrangement or a compensation recovery is provided in the policy in the case of MD & CEO, WTD's, MRTs and Senior executives/ officers (Non IBA Scheme).</p> <p>The deferred compensation shall be subject to malus/clawback arrangements in the event of subdued or negative financial performance of the Bank and/or the relevant line of business in any year. The Committee is vested with the powers to invoke the malus/clawback arrangement in line with framework to invoke Malus/Clawback as per the compensation policy, after taking into account relevant statutory and regulatory stipulations as applicable.</p> <p>A malus arrangement permits the Bank to prevent vesting of all or part of the deferred remuneration, but does not reverse vesting after it has already occurred.</p> <p>A clawback is a contractual agreement between the employee and the Bank whereby the employee agrees to return previously paid or vested remuneration to the Bank, under certain circumstances.</p> <p>Criteria for the application of malus and clawback, also specify a period during which malus and/or clawback can be applied, covering at least deferral period.</p>

		<p>The Bank has put in place appropriate modalities to incorporate malus/ clawback mechanism in respect of variable pay so as to invoke the malus and clawback clauses that may be applicable on the entire variable pay.</p> <p>Malus and Clawback clause in relation to variable pay including ESOPs shall apply on all variable pay commencing from the date of payment or grant until completion of the vesting, that is the "Deferral Period."</p> <p>The concept of "Retention Period" is not being extended to ESOPs; however, the NRC shall have the discretion to extend the application period for Clawback till such period depending upon the Misconduct risks involved.</p> <p>Malus & Clawback shall survive during the Deferral Period and such other period as stated in the policy irrespective of separation of Key Employees due to any reason including without restriction to the cases of resignation, retirement, early retirement or termination from the Bank.</p> <p>The Committee will review the performance taking into consideration the macroeconomic environment as well as the internal performance indicators and accordingly decide whether any part /full of the deferred variable pay/ entire variable pay belonging to a financial year/years merits a withdrawal. Committee may decide/ frame any other performance criteria/ strategic target, from time to time and to invoke malus and clawback clauses, if situation warrants.</p> <p>(iii) Limit on variable pay</p> <p>(a) Managing Director & CEO, WTD's and/Material Risk Takers (MRTs)</p> <p>As per the policy, Variable pay is at least 50 % of the total pay in a year and up to a maximum of 300 % of the fixed pay. There should be proper balance between the cash and share linked components in the variable pay.</p> <p>In case variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay; and in case variable pay is above 200%, a minimum of 67% of the variable pay should be via non-cash instruments. In the event that an executive is barred by statute or regulation from grant of share-linked instruments, his/ her variable pay will be capped at 150% of the fixed pay, but shall not be less than 50% of the fixed pay. 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. Deferral arrangements must invariably exist for the variable pay, regardless of the quantum of pay as per the compensation policy of the Bank.</p> <p>(b) Senior Executives/Other officers including Risk control and compliance staff- Non IBA scheme</p> <p>As per the policy, the Bank may fix the variable pay for achievement against business parameters for Senior Executives/ other officers other than Employees under IBA scheme. Variable pay may be decided by the Board or Board delegated authorities from time to time during the financial years, subject to any regulatory caps that are prevalent. As per the policy, the Bank may fix variable pay based on individual performance, unit-level performance as well as the organizational performance. Individual performance is assessed based on quantitative and qualitative measures as defined in the balanced scorecard in the Performance Management system of the Bank.</p>
		<p>Total Variable Pay can be paid in the form of both cash and/or non-cash (ESOPs) instruments as per eligibility and Bank's policy. The proportion of non-cash variable pay may be higher for the Senior Management staff of the Bank. In the case of Risk control and compliance staff, the proportion of variable pay to fixed pay for the aforementioned category of staff is weighted in favour of fixed compensation. 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.</p>

	<p>(c) Employees under IBA scheme</p> <p>Performance Linked Variable Pay (PLVP) may be adopted for select categories of the staff on IBA terms who are not otherwise covered under the Annual Performance based Variable Pay. The ESOP scheme may be extended to select categories of employees at the discretion of the Board / Nomination Remuneration Committee. Grant of ESOP as per the ESOP scheme of the Bank, from time to time.</p> <p>(iv) Severance pay and guaranteed bonus</p> <p>As per the policy, severance pay (other than gratuity or terminal entitlements or as entitled by statute) is not paid to any official of the organization except in those cases where it is mandatory by statute.</p> <p>Guaranteed bonus (joining/sign on bonus) shall only occur in the context of hiring new staff and be limited to first year. Further, guaranteed bonus should be in the form of share-linked instruments only since payments in cash upfront would create perverse incentives. Such bonus will neither be considered part of fixed pay nor part of variable pay.</p> <p>(v) Hedging</p> <p>As per the policy, no compensation scheme or insurance facility would be provided by the Bank to employees to hedge their compensation structure to offset the risk alignment mechanism (deferral pay and claw back arrangements) embedded in their compensation arrangement.</p> <p>(vi) Committees to mitigate risks caused by an individual decision</p> <ul style="list-style-type: none"> • In order to further balance, the impact of market or credit risks caused to the Bank by an individual decision taken by a senior level executive, MD & CEO, Deputy Managing Director or a whole time director, the Bank has constituted various committees to take decisions on various aspects: • Credit limits are sanctioned by committees at different levels and there is an upper limit fixed in credit sanction decisions. • Investment decisions of the Bank are taken and monitored by Investment committee and there is an upper limit in treasury dealings where individual decisions can be taken. • Interest rates on asset and liability products for different buckets are decided and monitored by the Asset Liability Committee of the Board (ALCO). Bank's exposure to liquidity risk are also monitored by ALCO. <p>(vii) Compensation of risk control staff</p> <p>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.</p>
	<p>The mix of fixed and variable compensation for control function personnel should be weighted in favor 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.</p>

	<p>(d) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration.</p> <p>(a) Compensation of MD & CEO, Deputy Managing Director, Whole Time Directors and Material Risk Takers</p> <ul style="list-style-type: none"> • The fixed compensation is determined based on the industry standards, the exposure, skill sets, talent and qualification attained by the official over his/her career span subject to adherence with statutory requirements. All the fixed items of compensation, including the perquisites, will be treated as part of fixed pay. All perquisites that are reimbursable should also be included in the fixed pay so long as there are monetary ceilings on these reimbursements. Contributions towards superannuation/retiral benefits will be treated as part of fixed pay. • The variable compensation is fixed based on performance and responsibility in the Bank. The grant of total variable pay shall be based on individual performance, unit-level performance as well as the organizational performance. Individual performance is assessed based on quantitative and qualitative measures as defined in the balanced scorecard in the Performance Management system of the Bank. The Bank's performance is based on the various financial indicators like revenue earned, cost deployed, profit earned, assets quality, owners' wealth creation, compliance, governance and misconduct risk, divergence in Bank's provisioning for Non-Performing Assets and other intangible factors like leadership and employee development. Variable pay is paid purely based on performance. • The variable pay can be in the form of share-linked instruments, or a mix of cash and share-linked instruments. There should be proper balance between the cash and share linked components in the variable pay. 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 subject to the limit as prescribed in the compensation policy. Cash-linked Stock Appreciation Rights (CSARs) are also to be treated as share-linked instruments. • Approval from Reserve Bank of India is to be obtained to decide compensation for MD & CEO, Deputy Managing Director / whole time directors. The payment of compensation also requires approval of the shareholders of the Bank in the General Meeting pursuant to the Bank's Articles of Association read with the Section 196 and other applicable provisions of the Companies Act, 2013. • Grant of share-linked instruments is also subject to approval of the respective scheme by the shareholders of the Bank. <p>(b) Risk control and compliance staff</p> <p>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.</p> <p>The grant of total variable pay shall be based on individual performance as well as the organizational performance. Individual performance is assessed based on financial and non-financial measures as defined in the balanced scorecard in the Performance Management system of the Bank.</p>
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		<p>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. Total Variable Pay can be paid in the form of both cash and/or non-cash (ESOPs) instruments as per eligibility and Bank's policy. Non-cash portion of the variable pay (ESOPs) shall be granted to eligible employees and shall be governed as defined in the Bank's ESOP policy.</p> <p>(c) Senior executives/Other Officers (Non IBA Scheme)</p> <p>The compensation structure for officers other than on IBA Scheme shall be on a cost to company basis and for employees recruited laterally, as freshers/ at entry level, the same will be fixed in line with the Lateral Recruitment Policy of the Bank. In line with Bank's compensation philosophy, the CTC shall be determined considering the role, market competitiveness, internal pay parity, qualification, level of experience and seniority, skills and capabilities they bring and their last drawn fixed pay.</p> <p>The grant of total variable pay shall be based on individual performance as well as the organizational performance. Individual performance is assessed based on financial and non-financial measures as defined in the balanced scorecard in the Performance Management System of the Bank.</p> <p>Total Variable Pay can be paid in the form of both cash and/or non-cash (ESOPs) instruments as per eligibility and Bank's policy. The proportion of non-cash variable pay may be higher for the Senior Management staff of the Bank. Non-cash portion of the variable pay (ESOPs) shall be granted to eligible employees and shall be governed as defined in the Bank's ESOP policy.</p> <p>(d) Compensation paid to Other Officers and staff members on IBA Scheme</p> <p>The compensation paid to other officials that include Award staff and Officers coming under Scale I to III and Senior executives coming under Scale IV to VII is fixed based on 10th bipartite settlement / 7th Joint Note. However, it is the discretion of the Bank either to continue with the existing compensation structure prevailing under IBA scheme or modify the structure partially or fully on need basis or discontinue the existing structure in toto and switch over to different structure which is prevailing in banking industry by keeping in view, various parameters like industry level, peer group status, burden on the Bank, etc.</p> <p>It is prerogative of the Bank either to utilize the service of IBA in matter of structuring compensation or device the compensation structure on its own based on the prevailing practice in the banking industry.</p> <p>Performance Linked Variable Pay (PLVP) may be adopted for select categories of the staff on IBA terms who are not otherwise covered under the Annual Performance based Variable Pay. The Performance Linked Variable Pay may be based on Employee performance (Balanced Scorecard) defined from time to time.</p> <p>The ESOP scheme may be extended to select categories of employees at the discretion of the Board / Nomination Remuneration Committee and form part of the overall performance management program at the discretion of the Board. However, the grant of stock option is as per CSB Employees Stock Option Scheme.</p>
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	<p>(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.</p> <p>(i) Deferred compensation and Performance Linkage (Non-IBA)</p> <p>In case of deferral arrangements of variable pay to MD & CEO, DMD, WTD's and Material Risk Takers (MRTs), the deferral period should be a minimum of three years in the manner as provided in the compensation policy of the Bank. This would be applicable to both the cash and non-cash components of the variable pay. A minimum of 60% of the total variable pay must invariably be under deferral arrangements. If cash component is part of variable pay, at least 50% of the cash bonus should also be deferred. In cases where the cash component of variable pay is under ₹ 25 lakhs, deferral requirements would not be necessary. The deferral shall be as per the policy including ESOS policy of the Bank.</p> <p>Deferral arrangements of variable pay for rest of the officers in the manner as provided in the policy including ESOS policy of the Bank.</p> <p>Deferred remuneration should either vest fully at the end of the deferral period or be spread out over the course of the deferral period. The first such vesting should be not before one year from the commencement of the deferral period. The vesting should be no faster than on a pro rata basis. 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. Vesting should not be frontloaded. Bank uses Black-Scholes model to arrive fair value of the share-linked instruments, on the date of grant in line with Reserve Bank of India Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff dated November 4, 2019 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Bank will follow the applicable accounting policies specified in regulation 15 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, clarification of Reserve Bank of India dated August 30, 2021 on Reserve Bank of India Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff dated November 4, 2019 and other relevant guidelines for adjusting deferred remuneration.</p> <p>(ii) Claw-back and deferral arrangements</p> <p>The provisions of Malus/claw-back and deferral arrangements applicable to the referred functionaries (all Non IBA Scheme) are as per the compensation policy subject to relevant statutory and regulatory stipulations as applicable.</p>
	<p>(f) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the Bank utilizes and the rationale for using these different forms.</p> <p>Subject to the policy, Bank uses an optimum mix of cash and share-linked instruments to decide variable compensation structure of MD & CEO, DMD /WTD, Material Risk Takers (MRTs), and senior executives and other officers on Non – IBA Scheme. This is done to align the compensation of senior staff with their performance, risk and responsibility taken in higher assignments. The grant of different forms of variable as stated above is subject to relevant statutory and regulatory stipulations as applicable. Other than cash portion of variable pay, the Bank has ESOP as non-cash variable pay for select few senior management staff.</p>

	<p>In the case of MD & CEO, DMD /WTD, Material Risk Takers (MRTs), there should be a proper balance between the cash and share linked components in the variable pay. 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. 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 subject to the maximum limit of pay in the form of cash as specified in the policy.</p> <p>Payment of variable pay to senior executives and other officers other than on Non – IBA Scheme and staff engaged in financial and risk control shall be made as per the compensation policy of the Bank. Total Variable Pay can be paid in the form of both cash and/or non-cash (ESOPs) instruments as per eligibility and Bank's policy. The proportion of non-cash variable pay may be higher for the Senior Management staff of the Bank. In the case of Risk control and compliance staff, 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.</p> <p>The grant of total variable pay shall be based on individual performance as well as the organizational performance. Individual performance is assessed based on financial and non-financial measures as defined in the balanced scorecard in the Performance Management system of the Bank.</p> <p>The Officers in Scale I-VII as well as Award staff come under the purview of IBA Scheme vide 7th Joint Note / 10th bipartite settlement Performance Linked Variable Pay (PLVP) may be adopted for select categories of the staff on IBA terms who are not otherwise covered under the Annual Performance based Variable Pay. The Performance Linked Variable Pay may be based on Employee performance (Balanced Scorecard) defined from time to time. The ESOP scheme may be extended to select categories of employees at the discretion of the Board / Nomination Remuneration Committee and form part of the overall performance management program at the discretion of the Bank. ESOP is used as a compensation as well as a retention tool by Bank, the extent of ESOP will be decided by the Board or its delegated authorities. However, the grant of stock option is as per CSB Employees Stock Option Scheme.</p>
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(B) Quantitative Disclosures**(1) Whole Time Directors and Material Risk Takers.**

The quantitative disclosures for the financial year ended March 31, 2022 cover the Bank's Whole Time Directors and Material Risk Takers. The Material Risk Takers are identified in accordance with the revised guidelines on 'Compensation of Whole Time Directors/Chief Executive Officers/Material Risk Takers and Control Function staff, etc., issued by the RBI on November 4, 2019.

Particulars			Current Year (FY 2021-22)	Previous Year (FY 2020-21)
Quantitative Disclosures	(g)	i) Number of meetings held by the Nomination & Remuneration Committee during the financial year	17	14
		ii) and remuneration paid to its members.	₹ 6,00,000	₹ 4,10,000
	(h)	i) Number of employees having received a variable remuneration award during the financial year	12	1
		ii) Number and total amount of sign-on/ joining bonus made during the financial year.	Nil	Nil
		iii) Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil
	(i)	Total amount of outstanding deferred remuneration, split into		
		a) Cash	₹ 30,66,667	Nil
		b) Shares	Nil	Nil
		c) Share-linked instruments (number of unvested stock options outstanding as on 31 March and fair value of the same)	7,43,781 options with a fair value of ₹ 15,01,21,266.13	Nil
		ii) Total amount of deferred remuneration paid out in the financial year.		
		a) Cash	₹ 15,33,333	Nil
		b) Share-linked instruments (number of unvested stock options outstanding as on 31 March and fair value of the same)	1,44,369 options with a fair value of ₹ 2,55,14,333.37	Nil
	(j)	Breakdown of amount of remuneration awards for the financial year (Approval basis)		
		(i) Fixed	₹ 11,80,93,215	₹ 2,34,07,526.71
		(ii) Variable Pay- Cash Component		
		- Upfront payment	₹ 2,64,62,298	₹ 69,00,000
		- Deferred payment	₹ 61,25,000	₹ 46,00,000
		Variable Pay- Non Cash Component		
	(k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	NIL	NIL
		(ii) Total amount of reductions during the financial year due to ex- post explicit adjustments.	NIL	NIL
		(iii) Total amount of reductions during the year due to ex- post implicit adjustments.	NIL	NIL
	(l)	Number of MRTs identified	12	1
	(m)	i) Number of cases where malus has been exercised	NA	Nil
		ii) Number of cases where clawback has been exercised	NA	Nil
		iii) Number of cases where both malus and clawback have been exercised	NA	Nil
General Quantitative Disclosure	(n)	The mean pay for the Bank as a whole (excluding sub staff) and the deviation of the pay of each of its WTDs from the mean pay		
		i) Mean pay for the Bank	₹ 4,79,750.37	₹ 5,13,910.31
		ii) Deviation of the pay of each of its WTDs from the mean payoff the Bank		
		- MD & CEO	59.37	58.95
		- Deputy Managing Director	77.12	26.42

(2) Remuneration paid to the non-executive directors

Disclosure for compensation of Non-executive Directors	a)	Amount of remuneration (sitting fee) paid to the non-executive directors excluding Part-time Chairman	₹78,05,000.00	₹39,50,000.00
	b)	Amount of remuneration and sitting fee paid to Part-time Chairman		
		i). Remuneration	₹18,00,000.00	₹11,56,451.00
		ii). Sitting fee	₹18,25,000.00	₹14,10,000.00
	C).	Total (a+b)	₹1,14,30,000.00	₹65,16,451.00

Notes

Fixed remuneration includes salary, consolidated benefit allowance, residential accommodation and Bank's contributions towards Provident fund. Leave fare Concession for the FY 2019-20 and for the FY 2020-21, both have been claimed in the FY 2020-21 only.

Fair value is the weighted average fair value of stock options computed using Black-Scholes options pricing model as on the grant date.

11 out of 12 MRTs were identified in that position with effect from January 21, 2022.

No remuneration/sitting fee was paid to the Non-Executive Directors viz. Mr. Madhavan Menon and Mr. Sumit Maheshwari.

Payment of sitting fee to Non-Executive Directors was paid within the limit as prescribed in 197(5) of the Companies Act, 2013 read with rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

The Bank, on November 24, 2021, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949 for revision of fixed pay of Shri. C.VR. Rajendran, Managing Director & CEO from ₹2,00,00,000 p.a. to ₹2,10,00,000 p.a. with effect from April 1, 2020.

The Bank, on November 24, 2021, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949 for grant/ payment of variable pay of ₹3,67,50,000/-, out of which ₹2,45,00,000/- shall be in non-cash form (stock options) and balance in the cash bonus, for the performance period 2020-21 to Mr. C. VR. Rajendran, Managing Director & CEO.

Bank on March 26, 2022, submitted the application with Reserve Bank of India, being the proposal for payment of variable pay amounting ₹2,10,00,000, all in the form of cash, to Shri. C. VR. Rajendran, Managing Director & CEO for the performance period 2021-22 and approval of RBI is awaited.

Remuneration paid to Mr. Pralay Mondal disclosed was in the capacity as 'President – Retail, SME, Technology and Operations' and approval of RBI is awaited on the terms and conditions of his appointment as Deputy Managing Director.

The Bank, on May 4, 2020, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949 to revise fixed pay of Shri. C.VR. Rajendran, Managing Director & CEO from ₹75,00,000 p.a. to ₹2,00,00,000 p.a., with effect from January 10, 2020.

Bank on July 22, 2020, submitted the application with Reserve Bank of India, being the proposal to revise the fixed pay and perquisites of Shri. C. VR. Rajendran, Managing Director & CEO from the present limit of ₹2,00,00,000 p.a., to ₹2,40,00,000 p.a., with effect from April 1, 2020.

The Bank, on May 4, 2020, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949 for payment of a variable pay to the tune of ₹45,00,000 to Shri. C.VR. Rajendran, Managing Director & CEO, for the period from April 1, 2018 to March 31, 2019, which is being 60 % of the gross annual salary for the said period which is subject to malus/claw back arrangements for the deferral payments. The Bank, on November 30, 2020, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949 for payment of a variable pay to the tune of ₹70,00,000 to Shri. C.VR. Rajendran, Managing Director & CEO, for the period from April 1, 2019 to March 31, 2020, which being approximately 70 % of the gross annual salary for the said period, is subject to malus/claw back arrangements for the deferral payments.

Nomination & Remuneration Committee of the Board on receipt of approval of Reserve Bank of India on March 23, 2021, granted 4,33,150 stock options @ ₹75/- per option on March 30, 2021 to Shri. C. VR. Rajendran, Managing Director & CEO of the Bank as performance grant for the period from December 9, 2016 to March 31, 2020 under CSB Employee Stock Option Scheme 2019. The Bank originally sought approval of Reserve Bank of India for grant of 34,70,000 stock options which were reduced initially to 18,00,000 options and subsequently to 17,86,400 options against which approval has been received from RBI for grant of stock options for a fair value of ₹750 lac for the same period with a condition that the intrinsic value of options to be granted shall not be more than ₹7,50,00,000 as on the date of RBI approval i.e. March 23, 2021. Accordingly, the Bank has granted 4,33,150

options equivalent to the intrinsic value as per the RBI letter. Options granted will be vested equally over a period of three years and shall be exercised over the period commencing from the date of vesting of Options and ending on or before March 31, 2024.

2.14 Other Disclosures

2.14.1 Business Ratio

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i) Interest Income as a percentage to Working Funds*	8.47	8.51
(ii) Non-interest income as a percentage to Working Funds*	1.03	1.38
(iii) Cost of Deposits	4.31	5.07
(iv) Net Interest Margin	5.27	4.81
(v) Operating Profit as a percentage to Working Funds* \$	2.55	2.34
(vi) Return on Assets (%)	1.90	0.99
(vii) Business (Deposits plus advances) per employee^ (₹ in Crore)	7.71	8.00
(viii) Profit per employee (₹ in Crore)	0.10	0.05

* Working funds represents average of total assets as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949, during the 12 months of the financial year.

^ Business is the total of net advances and deposits (net of inter-bank deposits).

\$ Operating profit is profit before provisions and contingencies

2.14.2 Income from Bancassurance

(₹ in Crore)

Nature of Income	Year ended March 31, 2022	Year ended March 31, 2021
From Selling Life Insurance Policies	32.72	19.39
i. Traditional	31.32	18.79
ii. Term	0.55	0.46
iii. ULIP	0.85	0.14
From Selling Non-Life Insurance Policies	0.76	0.44
i. Fire	0.16	0.17
ii. Marine	0.00	0.00
iii. Others	0.54	0.27
iv. Standalone Health	0.06	0.00
From Selling Mutual Fund Products	0.00	0.00
Others	Nil	Nil
Total	33.48	19.83

2.14.3 Marketing and distribution

Fees / remuneration received in respect of the marketing and distribution function (excluding bancassurance business) undertaken is Nil (Previous Year – Nil).

2.14.4 Details of Priority Sector Lending Certificate Purchased & Sold during the year

(₹ in Crore)

SI No.	Type of PSLCs	Year ended March 31, 2022		Year ended March 31, 2021	
		Purchase	Sale	Purchase	Sale
1	PSLC – General	-	-	300	-
2	PSLC – Agriculture	-	700	-	1500
3	PSLC – Small & Marginal Farmer	-	850	-	600
4	PSLC – Micro Enterprise	650	-	400	-

2.14.5 Details of provisions and contingencies debited in Profit and Loss Account during the Year (₹ in Crore)

		Year ended March 31, 2022	Year ended March 31, 2021
A	Provisions towards NPA/write offs [#]	68.90	181.35
	(less: Bad debts recovered)	-78.71	-74.53
	Net Provisions towards NPA/write offs	-9.81	106.83
B	Provision for NPI	0.09	0.00
C	Provision for Income tax (Including Deferred Tax)	155.74	74.15
D	Provision for Standard Assets [*]	8.59	115.69
E	Provision for diminution on Restructured Advances	0.49	0.12
F	Other provisions ^{\$}	0.13	0.33
	Total	155.23	297.12

*Includes provision towards COVID-19 contingencies amounting to ₹3.80 Crore (Previous Year: ₹100.49 Crore)

Of which amount written off for which provision not held - ₹5.77 Crore (Previous Year: ₹15.53 Crore)

\$ Of which, Provision for fraud amounting to ₹1.17 Cr (Previous Year: ₹ 0.44 Crore)

2.14.6 Implementation of IFRS converged Indian Accounting Standards (Ind AS)

Reserve Bank of India (RBI) through press release RBI/2018- 2019/146 DBR.BP.BC.No.29/21.07.001/2018-19, dated March 22, 2019, updated all scheduled commercial Banks that legislative amendments recommended by the RBI are under consideration of the Government of India. Accordingly, RBI had decided to defer the implementation of Ind AS till further notice. Bank is gearing itself to bring the necessary systems in place to facilitate the Proforma submission to RBI. With respect to the various instructions from Ministry of Corporate Affairs and Reserve Bank of India (RBI), the actions taken by the Bank are summarized as follows:

- Bank has set up a Steering Committee comprising members from cross-functional areas of the bank to initiate the implementation process.
- Bank is in the process of implementing changes required in existing IT architecture and other processes to enable smooth transition to Ind AS
- As directed by the RBI, the Bank is submitting quarterly Proforma Ind AS financial statements to the RBI within the stipulated timeline
- Training to the employees is imparted in a phased manner
- The Bank will continue its preparedness towards adoption of IND AS as per regulatory requirement and to liaise with RBI and industry bodies on various aspects pertaining to IND AS implementation.

2.14.7 Payment of DICGC Insurance Premium (₹ in Crore)

Sr No.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1	Payment of DICGC Insurance Premium	22.87	19.99
2	Arrears in payment of DICGC premium	-	-

2.14.8 Disclosure on amortization of expenditure on account of enhancement in family pension of employees of bank - Not Applicable

2.15 Provisions on Standard Assets (₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Balance	168.21	52.52
Additions/adjustments during the year	8.59	115.69
Deductions during the year	-	-
Provisions held towards Standard Assets [*]	176.80	168.21

* Includes COVID-19 related provision of ₹105.92 Crores (Previous year: ₹ 102.12 Crores) and provision held towards Unhedged Foreign Currency Exposure of customers amounting to ₹2.23 Crores (Previous year: ₹2.11 Crores)

3. DISCLOSURES AS PER ACCOUNTING STANDARDS WHERE RBI HAS ISSUED GUIDELINES IN RESPECT OF ITEMS FOR 'NOTES TO ACCOUNTS'

3.1 Accounting Standard 5 – Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies

A. Changes in accounting policies during the year –

During the year bank has changed the policy on NPA recovery and policy related to accounting of the share-linked instruments, issued under the employee stock option scheme of the Bank. Previously, recovery in NPA was first appropriated towards interest and balance, if any, towards principal, except in the case of Suit Filed Accounts, sale to Asset Reconstruction Companies and accounts under One Time Settlement where recovery was appropriated based on the court decree/terms of agreement. From May 01, 2021, bank amended the policy on NPA recovery to appropriate recovery on all NPA first towards principal and balance if any towards interest. Impact of the above change in the financial results for the year ended March 31, 2022 is not material.

Reserve Bank of India, vide its clarification dated August 30, 2021 on Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff, advised all the banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending March 31, 2021. 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 March 31, 2021. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model and is recognised as compensation expense over the vesting period. The Bank granted 6,18,286 stock options since April 1, 2021 under its Employee Stock Option Scheme, 2019 and as a result, provision for 'Employees cost' (included in item no.5 (i) in the Financial Results) for the year ended March 31, 2022 is higher by ₹246.90 Lakhs with a consequent reduction in profit before tax by the said amount.

B. Changes in accounting estimates – Nil

3.2 Accounting Standard 10 – Property, Plant & Equipment

i) Disclosure related to revaluation of land and building owned by the Bank.

- The effective date of the revaluation - 31.03.2021
- Whether an independent valuer was involved - Land and building was valued by two independent valuers. Lower of the value arrived by the valuers is taken as the revalued amount.
- The methods and significant assumptions applied in estimating fair values of the items;

Asset	Details	Valuer 1	Valuer 2
Building	Method	Plinth area rates of CPWD	Plinth area method applicable to the type of structure, specification, services, amenities
	Depreciation	Based on the present condition and age of building.	Based on the age, condition and maintenance of the building
	Valuation	Plinth area rates of previous valuation taken as base rate	Composite market rate
Land	Method	Based on local enquiries, transactions in recent, past and valuers best of judgement	Based on location, level/shape/extent of the land, infrastructure /civic amenities availability, width of the abutting road, water potentiality, etc.
	Valuation	Present market value	Prevailing market rate based on the above

- The extent to which fair values of the items were determined directly by reference to observable prices in an active market or recent market transactions on arm's length terms or were estimated using other valuation techniques - Fair value as explained in item (c) above
- The revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders

Revaluation surplus as on 31.03.2022: ₹153.22 Crore

Change for the period: ₹(1.26) Crore being amount transferred from Revaluation Reserve to General Reserves

As per para 44 of AS 10 - Property, Plant & Equipment, an amount equivalent to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on its original cost need to be transferred to General reserve. The transfer of ₹1.26 Cr is on account of the same.

3.3 Accounting Standard 15 (Revised) –Employee Benefits

3.3.1 Disclosures for Defined Contribution Plans – Provident Fund & New Pension Scheme (Contributory)

Contributions to employee provident fund and new pension scheme (contributory), debited to Profit & Loss Account during the year amounts to ₹13.95 Crore (Previous Year ₹9.46 Crore).

3.3.2 Disclosures for Defined Benefit Plans – Pension, Gratuity & Long term Compensated Absences (Privilege Leave)

A. Amount recognized in Balance Sheet and Profit & Loss Account

The amount recognized in the balance sheet is as follows:

(₹ in Crore)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Present Value of Obligations – Closing (A)	163.13	175.37	54.75	45.00	26.36	25.04
Fair Value of Plan Assets – Closing (B)	161.13	130.81	44.51	37.92	N.A	N.A
Funded Status (B) – (A)	(2.00)	(44.56)	(10.24)	(7.08)	(26.36)	(25.04)
Net Liability (Asset) recognized in Balance Sheet (included in Item No IV- Others of Schedule 5 – Other Liabilities & Provisions)	2.00	44.56	10.24	7.08	26.36	25.04

The amount recognized in the statement of profit and loss account is as follows:

(₹ in Crore)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Current Service Cost	36.46	28.78	5.41	2.84	1.67	11.63
Past Service Cost	0.00	0.00	0.00	0.00	N.A.	N.A.
Interest Cost	8.01	4.83	2.70	2.08	1.48	0.99
Expected Return on Plan Assets	(9.1)	(8.78)	(2.78)	(4.08)	N.A.	N.A.
Net Actuarial Loss/(Gain) recognized in the year*	73.3	154.64	20.12	28.58	7.98	5.95
Total, (included in Item I. “Payment to and provisions for employees” of Schedule 16 – Operating Expenses)	108.67	179.47	25.45	29.42	11.13	18.57

*During the year ended March 31, 2021, the actuary had changed the mortality assumptions (refer table F) for valuation of Employee Benefits based on IALM(2012-14)ULT table as against LIC 1994-1996 table used hitherto. This had resulted in an additional charge of ₹39.11 Crore towards pension, ₹(2.27) Crore towards gratuity and ₹1.31 Crore for the year ended March 31, 2021.

B. Changes in Fair Value of Plan Assets

(₹ in Crore)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Fair Value of Plan Assets at the beginning of the year	130.81	136.36	37.92	58.67	N.A.	N.A.
Expected Return on Plan Assets	9.1	8.78	2.78	4.08	N.A.	N.A.
Contributions	151.24	165.08	22.29	8.42	N.A.	N.A.
Benefits Paid	120.54	183.06	16.41	29.54	N.A.	N.A.
Actuarial (Loss)/Gain	(9.48)	3.64	(2.06)	(3.71)	N.A.	N.A.
Fair Value of Plan Assets at the end of the year	161.13	130.81	44.52	37.92	N.A.	N.A.

C. Changes in Present Value of Obligations

(₹ in Crore)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Present Value of Obligations at the beginning of the year	175.37	166.54	45.00	44.75	25.04	22.02
Interest Cost	8.01	4.83	2.70	2.08	1.48	0.99
Current Service Cost	36.46	28.78	5.41	2.84	1.67	11.63
Past Service Cost	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	120.54	183.06	16.41	29.54	9.81	15.55
Actuarial Loss/(Gain)	63.83	158.28	18.06	24.87	7.98	5.95
Present Value of Obligations at the end of the year	163.13	175.37	54.76	45.00	26.36	25.04

D. Movement in Net Liability Recognized in Balance Sheet

(₹ in Crore)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Net Liability at the beginning of the period	44.56	30.18	7.08	(13.92)	25.04	22.02
Add Expenses Charged to Profit & Loss Account	108.67	179.47	25.45	29.42	11.13	18.57
Less Contributions	151.24	165.09	22.29	8.42	9.81	15.55
Net Liability (Asset) at the end of the period	2.00	44.56	10.24	7.08	26.36	25.04

E. Actual Return on Plan Assets

(₹ in Crore)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Expected Return on Plan Assets	9.10	8.78	2.78	4.08	N.A.	N.A.
Actuarial Gain (Loss)	(9.48)	3.64	(2.06)	(3.71)	N.A.	N.A.
Actual Return on Plan Assets	(0.38)	12.42	0.72	0.37	N.A.	N.A.

F. Actuarial Assumptions

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Discount Rate (p.a.)	6.96%	6.44%	7.34%	6.95%	7.34%	6.95%
Expected Return on Plan Assets (p.a.)	6.96%	6.44%	7.34%	6.95%	7.34%	6.95%
Future Salary Increases (p.a.)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Mortality table	IALM (2012-14) ULT		IALM (2012-14) ULT		IALM (2012-14) ULT	

G. Investment Percentage maintained by Pension & Gratuity Trust

	Pension		Gratuity	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Life Insurance Companies	100.00%	99.05%	95.03%	94.04%
Central Govt. Securities	--	--	--	--
State Govt. Securities	--	0.95%	--	--
Other Trust Securities (PSU)/Deposits with Banks etc.	--	--	4.97%	5.96%
Total	100.00%	100.00%	100.00%	100.00%

H. Experience Adjustments

(i) Pension

(₹ in Crore)

	Year ended March				
	2022	2021	2020	2019	2018
Defined Benefit Obligations	163.13	175.37	166.54	197.92	282.13
Plan Assets	161.13	130.81	136.36	147.31	284.06
Surplus/(Deficit)	(2.00)	(44.56)	(30.18)	(50.61)	1.93
Experience adjustments on Plan Liabilities	68.47	155.20	90.54	71.93	6.83
Experience Adjustments on Plan Assets	(9.96)	3.97	25.09	(7.21)	(8.61)

(ii) Gratuity

	Year ended March				
	2022	2021	2020	2019	2018
Defined Benefit Obligations	54.75	45.00	44.75	59.70	75.72
Plan Assets	44.51	37.92	58.67	52.07	73.82
Surplus/(Deficit)	(10.24)	(7.08)	13.92	(7.63)	(1.90)
Experience adjustments on Plan Liabilities	19.16	26.59	3.76	23.04	(2.13)
Experience Adjustments on Plan Assets	(2.15)	(3.87)	10.37	(3.62)	(2.27)

I. Expected Contributions

Bank's best estimates of contributions to the funds for Financial Year 2022-23 are as follows:

Pension: ₹96.86 Crore

Gratuity: ₹19.03 Crore

3.3.3 Other Long term Employee Benefits

As on March 31, 2022, the Bank holds provision of ₹5.57 Crores (Previous Year ₹5.37 Crores) towards provision for Sick Leave and Leave Fare Concession based on actuarial valuation.

The Actuarial liability of compensated absences of accumulated sick and leave travel concession of the employees of the Bank is given below:

	As at March 31, 2022	As at March 31, 2021
Sick leave (₹ in Crores)	4.01	4.04
Leave Travel Concession (₹ in Crores)	1.56	1.33
Total actuarial liability (₹ in Crores)	5.57	5.37
Assumptions		
Discount Rate (p.a.)	7.34	6.95
Future Salary Increases (p.a.)	5.00	5.00
Attrition Rate	1.00	1.00

3.4 CSB Employee Stock Option Scheme 2019

Pursuant to the requisite approval of the members on May 4, 2019, the Bank has formulated a stock option scheme called "CSB Employees Stock Option Scheme 2019" ("ESOS 2019" or "Scheme"). The scheme is intended to promote the culture of employee ownership and as well as to attract, retain, motivate and incentivize talents in the Bank. The Scheme shall be administered through an employee stock option trust viz., CSB ESOS Trust ("ESOS Trust"/"Trust") in the nature of an irrevocable employee welfare trust in due compliance with the applicable laws. Under the Scheme, the Bank can allot a maximum of 50 lakh shares to the Trust, over a period of time. Under the trust route, the Bank allots shares to the trust and trust will transfer the shares to the eligible employees at the time of exercise of option by eligible employees on meeting terms of grant fixed by the Nomination & Remuneration Committee.

Being a Pre-IPO Scheme, in terms of Regulation 12(1) of the erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), any fresh grant of Options can be made under ESOS 2019 in case such ESOS 2019 is in compliance with the SEBI SBEB Regulations and ratified by the members of the Bank post IPO. Accordingly, the ESOS 2019 was placed before the members at the Annual General Meeting held on July 20, 2020, post listing of shares on December 4, 2019, for ratification though the ESOS 2019 and as well as the Trust as originally introduced were already in conformity with the SEBI SBEB Regulations and ratification obtained. No options were granted prior to the amendment/ratification of the scheme/listing of shares of the Bank.

The first amendment was made in the Scheme at the Annual General meeting of the Bank held on July 20, 2020, inter alia, to increase the Options Reserve by an additional quantum of 1,16,72,791. The source of corresponding number of shares equivalent to 1,16,72,791 options shall be in the form of (i) fresh issue of shares up to 30,00,000 shares and (ii) secondary acquisition by the Trust up to 86,72,791 shares. With this, the total Options Reserve under ESOS 2019 stood at 1,66,72,791 options. A few other modifications were also made in the scheme as per the prevailing regulations and also to effect change of name of the Bank in the Scheme document.

The second amendment was made in the Scheme at the Annual General meeting of the Bank held on August 12, 2021, permitting vesting of unvested employee stock options after the date of retirement/early retirement as per original Vesting schedule as specified in the Grant Letter, subject to the provision of the applicable laws and at the discretion of the Nomination and Remuneration Committee of the Board.

In case of trust route of issuance of ESOPs, the trust on its own will not have funds to be able to acquire the shares from the Bank as the trust is not a business trust and is specifically created with the objective of issuance of ESOPs to the employees. Trust has to find out other avenues for sourcing of fund for purchasing shares from the Bank. In terms of Section 20 of the Banking Regulation Act, 1949, the Bank cannot lend to trust to purchase its own shares.

As on March 31, 2022, 50,00,000 shares of the Bank were held by CSB ESOS Trust as per the scheme which were allotted to the trust on July 12, 2019. No shares were allotted to the trust in the financial year 2021-22 (Previous year: Nil)

Stock option activity under the scheme during the year ended 31.03.2022 has been as follows:

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Outstanding at the beginning of the year	8,88,150	Nil
Granted during the year	6,18,286	10,38,150
Forfeited during the year	Nil	Nil
Options Lapsed	Nil	1,50,000
Exercised during the year	Nil	Nil
Outstanding at the end of the year	15,06,436	8,88,150
Options exercisable at the end of the year	1,44,369	Nil

Out of the 6,18,286 options granted in the financial year 2021-22, 2,50,000 options were granted on April 28, 2021 and 40,000 options were granted on August 30, 2021 at an exercise price of ₹ 10 per option (at face value) and 3,28,286 options were granted on December 17, 2021, at an exercise price of ₹ 261.65 (at market price) per option. All the options granted have to be vested subject to the vesting conditions/ malus and claw back arrangements and be exercised within the period as per the terms of the grant and the Scheme.

Bank uses Intrinsic Value Method for accounting the value of Options granted under the Scheme up to and including March 31, 2021 and thereafter Fair Value method by using Black-Scholes Model, for accounting the value of Options granted. In case, the Bank uses Intrinsic Value Method for accounting the value of Options granted under the Scheme, the difference between the market price and exercise price will be considered as the value of an Employee Stock Option and shall be expensed over the period of vesting. The market price for this purpose is the latest available closing price on a recognised stock exchange on which the shares of the company are listed on the date immediately prior to the relevant date. If such shares are listed on more than one recognised stock exchange, then the closing price on the recognised stock exchange having higher trading volume shall be considered as the market price which is in line with Securities and Exchange Board of India (*Share Based Employee Benefits and Sweat Equity*) Regulations, 2021. In case of valuation of options is done by using fair value method by using Black- Scholes Model, the fair value thus arrived at should be recognised as expense beginning with the accounting period for which the approval has been granted and accounting of the options granted shall be made for, accordingly.

The value of option arrived at will be amortised over the period of vesting/ expensed beginning with the accounting period for which approval has been granted, in line with para 42 of GN (A) 18 (Issued 2005) Guidance Note on Accounting for Employee Share-based Payments and further clarification of Reserve Bank of India dated August 30, 2021 on Reserve Bank of India Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff dated November 4, 2019. In case, the options granted under the Scheme do not vest on one date but have graded vesting schedule, total options granted shall be segregated into different groups, depending upon the vesting dates and each vesting date should be considered as a separate option grant, and evaluated and accounted for, accordingly.

On applying the fair value based method in Guidance Note on 'Accounting for Employee Share-based Payments' for the options granted up to and including March 31, 2021, the impact on reported net profit and EPS in the financial year ended March 31, 2022 would be as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net Profit (as reported) (₹ in crores)	458.49	218.40
Add: Stock based employee compensation expense included in net income (₹ in crores)	8.97	0.58
Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹ in crores)	9.58	0.59
Net Profit (Proforma) (₹ in crores)	457.88	218.38
Earnings per share: Basic (in ₹)		
As reported	26.43	12.59
Proforma	26.39	12.59
Earnings per share: Diluted (in ₹)		
As reported	26.43	12.59
Proforma	26.39	12.59

Payments to and provisions for employees' shown in 'Schedule – 16 _ Operating Expenses' includes value of 'compensation cost of Employee Stock Options' granted amounting to ₹12.68 Cr (Previous year ₹0.78 Cr). Mr. C VR Rajendran, Ex MD & CEO, who has retired early on March 31, 2022 has ESOS options for which vesting period is unexpired. Bank management and the shareholders of the bank have approved the vesting on future dates as per the agreed schedule. The Reserve Bank of India approval is awaited. Compensation cost of Employee Stock Options granted to him which are unvested as on March 31, 2022 amounting to ₹4.76 Cr has been charged to 'Payments to and provisions for employees'.

The fair value of options granted during the period 2021-22 has been estimated on the date of grant using the Black Scholes option-pricing model with the following assumptions:

No. of Options	2,50,000	40,000	3,28,286
Average Dividend Yield	0%	0%	0%
Expected Volatility	48.65 %	47.45%	36.15% to 44.97 %
Risk free interest rate	5.11 % to 6.60 %	4.96% to 6.61%	3.90% to 5.01%
Expected life of options	5-9 years	5-9 years	1.25 – 3.25 years
Expected forfeiture	Nil	Nil	Nil
Fair Value Range(₹)	246.86	290.50	74.63
Exercise Price(₹)	10.00	10.00	261.65
Average Fair Value(₹)	246.86	290.50	74.63

Expected volatility is a measure of the amount by which the equity share price is expected to fluctuate during a period. The measure of volatility used in Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of returns on the shares over a period of time. Expected volatility has been computed by considering the historical data on daily volatility in Bank's share price.

3.5 Accounting Standard 17 – Segment Reporting

Part A: Business Segments

Business of the Bank is divided into four segments viz. Treasury, Corporate or Wholesale Banking, Retail Banking and Other Banking Operations. The principal activities of these segments and income and expense structure are as follows:

Treasury

Treasury operations include trading and investments in Government and corporate debt instruments, equity and mutual funds, derivative trading and foreign exchange operations on proprietary account and for customers. The income of this segment primarily consists of earnings from the investment portfolio of the Bank, gains and losses on trading operations. The principal expense of the segment consists of interest expense on funds borrowed/utilized and other allocated overheads.

Corporate/Wholesale Banking

This segment provides loans and other banking services to Corporate and other clients where value of individual exposure to the clients exceeds ₹5 Crore as defined by RBI. Threshold limit has raised from ₹ 5 crores to ₹7.5 crore for fresh exposures and also to existing exposure where incremental exposure exceeds ₹7.5 crore. Revenue of this segment consists of interest and fees earned on loans to such customers and charges and fees earned from other banking services. Expenses of this segment primarily consist of interest expense on funds utilized and allocated overheads.

Retail Banking

Retail banking constitutes lending and other banking services to individuals/small business customers, other than corporate/wholesale banking customers, identified on the basis of RBI guidelines. Revenue of this segment consists of interest earned on loans made to such customers and charges /fees carried from other banking services to them. The principal expenses of the segment consist of interest expenses on funds borrowed and other expenses.

Other Banking Operations

This segment includes para banking activities like third party product distribution and other banking transactions, not covered under any of the above segments. The income from such services and associated costs are disclosed in this segment.

(₹ in Crore)

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Business		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Revenue	481.62	602.72	509.37	474.15	1,252.19	1070.82	41.93	27.73	2,285.11	2,175.42
Result	136.88	185.00	54.20	-36.10	405.39	132.66	18.38	11.49	614.85	293.05
Unallocated expenses									-	-
Operating profit									614.85	293.05
Provisions other than tax									-0.62	-0.50
Provision for Tax									-155.74	-74.15
Extraordinary profit									-	0.00
Net profit									458.49	218.40
OTHER INFORMATION										
Segment assets	7,722.98	7,224.32	5,884.97	5,581.20	11,690.86	10,426.74	10.47	8.36	25,309.29	23,240.62
Unallocated assets									46.98	96.74
Total assets									25,356.27	23,337.35
Segment liabilities	1,761.51	2,065.51	3,626.33	3,082.26	17,316.01	16,008.21	-	0.00	22,703.85	21,155.98
Unallocated liabilities									1.03	1.15
Total liabilities									22,704.88	21,157.13
Capital employed	5,961.47	5,158.82	2,258.64	2,498.94	-5625.15	-5,581.47	10.46	8.36	2,605.42	2,084.65
Unallocated liabilities									45.97	95.57
Total liabilities									2,651.39	2,180.22

The Corporate/wholesale liabilities have been arrived at using the modified definition given in RBI direction RBI/2018-19/128 DBR.DIR.BC.No.27/13.03.00/2018-19 dated February 22, 2019.

Part B: Geographic segments

The business of the Bank is concentrated in India. Accordingly, geographical segment results have not been reported.

Pursuant to Board approved policy on preparation of segment information, the Bank, with effect from quarter ended March 31, 2022, has regrouped some of the advances to Corporate from retail in line with Basel III Capital regulations for more appropriate presentation of the segment results. Figures for the previous years have been regrouped / reclassified to conform to current period's classification. The impact of above regrouping / reclassification on segment results for the quarter and year ended March 31, 2022, is summarized in the table below:

Segment Revenue:					
Decreased/ (Increased)	Quarter ended			Year ended	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
Treasury					
Corporate/Wholesale Banking	-	(230.81)	238.91	-	(3,776.57)
Retail Banking	-	230.81	(238.91)	-	3,776.57
Other Banking Operations	-	-	-	-	-
Unallocated	-	-	-	-	-

Segment Results (Net of provisions):					
Decreased/ (Increased)	Quarter ended			Year ended	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
Treasury					
Corporate/Wholesale Banking	-	(6,180.77)	(8,956.44)	-	(12,580.88)
Retail Banking	-	6,180.77	8,956.44	-	12,580.88
Other Banking Operations	-	-	-	-	-
Unallocated (Misc Provisions)	-	-	-	-	-
Segment Assets:					
Decreased/ (Increased)	Quarter ended			Year ended	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
Treasury					
Corporate/Wholesale Banking	-	(46,651.37)	(63,803.68)	-	(63,803.68)
Retail Banking	-	46,651.37	63,803.68	-	63,803.68
Other Banking Operations	-	-	-	-	-
Unallocated	-	-	-	-	-
Segment Liabilities:					
Decreased/ (Increased)	Quarter ended			Year ended	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
Treasury					
Corporate/Wholesale Banking	-	(11,977.26)	(830.76)	-	-830.76
Retail Banking	-	11,977.26	830.76	-	830.76
Other Banking Operations	-	-	-	-	-
Unallocated	-	-	-	-	-
Capital employed:					
Decreased/ (Increased)	Quarter ended			Year ended	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
(Segment Assets-Segment Liabilities)					
Treasury		-	-	-	-
Corporate/Wholesale Banking	-	(34,674.11)	(62,972.92)	-	(63,803.68)
Retail Banking	-	34,674.11	62,972.92	-	63,803.68
Other Banking Operations	-	-	-	-	-
Unallocated	-	-	-	-	-

3.6 Accounting Standard 18 – Related Party disclosures

(i) Promoter

FIH Mauritius Investments Ltd (FIH-M)

(ii) Key Management Personnel

Mr. C. VR. Rajendran, Managing Director & CEO (Retirement on March 31, 2022)

Mr. Pralay Mondal, Deputy Managing Director (Appointed with effect from February 17, 2022)

(iii) Relatives of Key Management Personnel

Mr. C. VR. Rajendran - Mrs. Meena Rajendran, Mr. Viswanathan Rajendran, Ms. Indhu Rajendran, Mrs. Sindhuja and Mr. Chidambaram

Mr. Pralay Mondal - Mrs. Mahasweta Mondal, Mrs. Anima Mondal, Ms. Pritha Mondal, Ms. Trina Mondal, Mr. Biplab Mondal

(iv) Entities in which Key Management Personnel / their relatives are interested

Mr. C. VR. Rajendran - NSE Clearing Limited –Public Interest Director

Mr. Pralay Mondal - Nil

(v) Name of the related parties - Promoter Group

Sr. No	Name of the Entity	Relationship
1.	Fairfax India Holdings Corporation	Parent Company of FIH-M
2.	Fairfax Financial Holdings Limited	Ultimate parent Company of FIH-M
3.	FIH Private Investments Ltd	Wholly owned subsidiary of FIH-M
4.	I Investments Limited	Wholly owned subsidiary of FIH-M
5.	Anchorage Infrastructure Investments Holdings Limited	Subsidiary of FIH-M

(vi) Details of the transactions with related parties

(₹ in Crore)

Items / Related party	Key Management Personnel
Deposit	1.00 (1.92)#
Interest paid	0.07
Remuneration Paid	6.55
No. of options granted under ESOS (in numbers)	5,78,286
No. of options outstanding under ESOS (in numbers)	13,11,436

Notes

- In terms of Reserve Bank of India guidelines no. DBOD. No. BP. BC/89/21.04.018/2002-03 dated March 29, 2003 on compliance with Accounting Standards (AS) by Banks and further Master Direction No. DOR.ACC.REC. No.45/21.04.018/2021-22 dated August 30, 2021 on Financial Statements- presentation and disclosures(RBI Master Direction), Key Management Personnel (KMP) means the Whole Time Directors of the Bank only.
- In accordance with paragraph 5 of AS -18, the Bank has not disclosed transactions with the related parties as they are in the nature of banker-customer relationship.
- Transactions reported are the transactions with related parties defined and coming under AS 18 -Related Party Disclosures notified under Sections 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendments Rules 2016, Section 188 of the Companies Act, 2013.
- The maximum outstanding balance during the year pertaining to the details of the transactions with related parties mentioned in point (vi) above, in line with the Reserve Bank of India "Master Direction are shown in brackets ()# in the respective cells.

5. Remuneration paid to Mr. Pralay Mondal disclosed was in the capacity as 'President – Retail, SME, Technology and Operations' and approval of RBI is awaited on the terms and conditions of his appointment as Deputy Managing Director of the Bank.

(vii) Details of the transactions with related parties for the year ended March 31, 2021

(₹ in Crore)

Items / Related party	Finsigma Inclusive Services Pvt. Ltd (FISPL)	Key management personnel	Total
Borrowings	-	-	-
Deposit	1.10 [#]	0.93 [*]	2.03
Placement of deposits	-	-	-
Advances	-	-	-
Investments	-	-	-
Non funded commitments	-	-	-
Leasing / HP arrangements availed	-	-	-
Leasing / HP arrangements provided	-	-	-
Purchase of fixed assets	-	-	-
Sale of fixed assets	-	-	-
Interest paid	-	0.04	0.04
Interest received	-	-	-
Income from rendering of services	2.86 [#]	-	2.86
Expense for receiving of services	1.08 [#]	-	1.08
Management contracts	-	-	-
Remuneration Paid	-	2.88	2.88
No. of options granted under ESOS (in numbers)	-	7,33,150	7,33,150

^{*}maximum balance outstanding during the year.

[#]considered for the period up to August 13, 2020 only.

Notes

- In terms of Reserve Bank of India guidelines no. DBOD. No. BP.BC/89/21.04.018/2002-03 dated March 29, 2003 on compliance with Accounting Standards (AS) by Banks, Key Management Personnel (KMP) means the Whole Time Directors of the Bank only.
- In accordance with paragraph 5 of AS -18, the Bank has not disclosed transactions with the related parties as they are in the nature of banker-customer relationship.
- Tie up with FISPL was for Micro Finance business through BC model to accelerate the growth in the Agri. & Micro segments. However, there were no direct exposure with FISPL.
- Transactions reported are the transactions with related parties defined and coming under AS 18 -Related Party Disclosures notified under Sections 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendments Rules 2016 and Section 188 of the Companies Act, 2013.
- Deposit taken from FISPL represents Fixed Loss Default Guarantee (FLDG) placed in the form of Fixed Deposit with the Bank.
- Income from service of FISPL denotes Interest and processing fee received for the accounts sourced by FISPL and expenses denotes pay out made to them for service rendered.
- In terms of Reserve Bank of India guidelines no. DBOD. No. BP.BC/89/21.04.018/2002-03 dated March 29, 2003 on compliance with Accounting Standards (AS) by Banks, the Bank is not required to report related party transactions where there is only one related party in each category. However, the Bank has opted to disclose related party transactions though there is only one related party in each category.
- Shri. Madhavan Aravamuthan, resigned from the board of Finsigma Inclusive Services Pvt. Ltd., with effect from August 13, 2020. Finsigma Inclusive Services Pvt. Ltd., ceased to be a related party of the Bank from the date of resignation of common director Shri. Madhavan Aravamuthan and hence, the reporting was made up to the said period only.

(viii) Transaction with Promoter Group entities (applicable from April 01, 2022)

Bank is currently having arrangements with following entities, forming part of the promoter group of the Bank:

1. IIFL Finance Limited pertains to:
 - a) (1) Direct Assignment Transactions (DA) / Pass through Certificate (PTC) (2) Business Correspondent (BC) arrangement for sourcing, servicing, collection and recovery related to gold loans. However, there were no direct exposure with IIFL Finance Limited in both cases.
 - b) Investment in Non-Convertible Debentures, issued by IIFL Finance Limited with a maturity date of May 7, 2022.
2. IIFL Securities Limited for offering Demat & Trading Account facility to the customers of the Bank.

As per the amendments made to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 1, 2022, entities forming part of the promoter group shall be deemed related party, effective from the said date. Accordingly, the necessary disclosure in respect of arrangement with entities forming part of the promoter shall be made in the financial statements of the Bank from FY 2022-23 onwards.

3.7 Accounting Standard 19 – Leases

Operating leases primarily comprise office premises, which are renewable at the option of the Bank.

- i. Liability for Premises taken on Non-Cancellable operating lease are given below: (₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than 1 year	3.26	3.39
Later than 1 year and not later than 5 years	2.95	2.78
Later than 5 years	-	-
Total	6.21	6.17

- ii. Amount of lease payments recognised in the P&L Account for operating leases is ₹50.40 Crore (Previous Year ₹39.41 Crores)

3.8 Accounting Standard 20 – Earnings per Share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Basic		
Weighted average number of equity shares outstanding	17,34,85,827	17,34,55,991
Net profit after tax (₹ in Crore)	458.49	218.40
Basic Earnings per Share (₹)	26.43	12.59
Diluted		
Weighted average number of equity shares outstanding	17,34,85,827	17,35,06,041
Net profit after tax (₹ in Crore)	458.49	218.40
Diluted Earnings per Share (₹)	26.43	12.59
Nominal value per Equity Share (₹)	10	10

- 3.9 Accounting Standard 21 - Consolidated Financial Statements (CFS), Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements, Accounting Standard 24 - Discontinuing Operations - Not Applicable

3.10 Accounting Standard 22 – Accounting for Taxes on Income

Net Deferred Tax Asset as on March 31, 2022, computed in compliance with the Accounting Standard 22 on Accounting for Taxes on Income, amounts to ₹46.98 Crore, which is included in Item No.6 of Schedule 11-Other Assets. Components of Net Deferred Tax Asset as on March 31, 2022 are as follows:

(₹ in Crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Deferred Tax Asset		
Provision for Employee Benefits	7.68	7.65
Provision for Standard Assets	44.50	42.33
Provision for Bad & doubtful debts	0.00	14.31
Carry Forward Loss	0.00	35.52
Others	4.47	4.87
Total Deferred Tax Asset	56.65	104.68
Deferred Tax Liability		
Depreciation on Fixed Assets	1.89	1.26
Special Reserve u/s 36 (1)(viii)	7.78	6.70
Total Deferred Tax Liability	9.67	7.96
Net Deferred Tax Asset	46.98	96.72

3.11 Accounting Standard 26 – Intangible Assets

The Bank has complied with AS 26 (Intangible Assets) and the disclosures required under the Standard are as follows:

(₹ in Crore)

	Year ended March 31, 2022	Year ended March 31, 2021
a) Acquired Application Software		
Opening Balance at cost	63.89	43.08
Add Additions during the year	7.73	20.81
Less Disposals during the year	0.00	0.00
Less Amortisation to date	41.21	30.50
Net Carrying Amount	30.41	33.39
b) Internally Generated Software		
Opening Balance at cost	18.30	17.31
Add Additions during the year	1.44	0.99
Less Disposals during the year	Nil	Nil
Less Amortisation to date	16.13	14.88
Net Carrying Amount	3.61	3.42
Total Carrying Amount	34.02	36.81

3.12 Accounting Standard 28 - Impairment of Assets

In the opinion of the Banks' Management, there is no material impairment to the fixed assets as at March 31, 2022 requiring recognition in terms of Accounting Standard 28 – Impairment of Assets.

3.13 Accounting Standard 29- Provisions, Contingent Liabilities and Contingent Assets

Movements in significant provision heads have been disclosed at appropriate places in the Notes forming part of the accounts.

3.13.1 Description of Contingent Liabilities

- a) Claims against the Bank not acknowledged as debts
These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress.
- b) Liability on account of forward exchange and derivative contracts
The Bank enters into foreign exchange contracts, (currency swaps, Forward exchange contracts and currency futures) on its own account and forward exchange contracts for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate.
- c) Guarantee given on behalf of constituents
As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligation.
- d) Acceptances, endorsements and other obligations
These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank.
- e) Other items for which the Bank is contingently liable
Includes income tax/service tax/GST appeals filed by the Bank, capital commitments and amount transferred to RBI under the Depositor Education and Awareness Fund (DEAF).
- f) The Bank's pending litigations comprise of claims against the Bank by the clients and proceedings pending with Income 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 where applicable, in its financial statements. The Bank does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.
Refer schedule 12 for amounts relating to contingent liability.

4. ADDITIONAL DISCLOSURES

4.1 Disclosure of Letter of Comforts (LOCs) issued by Bank

Not applicable since the Bank has no subsidiaries.

4.2 Proposed Dividend

The Board of Directors have not recommended any dividend for Financial Year 2022 (Year ended March 31, 2021: Nil)

4.3 Amount of Provisions made for Income tax during the year

Particulars	Year ended March 31,2022	Year ended March 31,2021
Provision for Income Tax		
a) Current Tax	106.01	0.08
b) Deferred Tax	49.73	74.07
Total	155.74	74.15

4.4 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

4.5 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.

4.6 Corporate Social Responsibility

Pursuant to Section 135 of the Companies Act, 2013 and Schedule VII of the said Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and further, in accordance with the Corporate Social Responsibility Policy of the Bank, the amount required to be earmarked by the Bank for CSR activities for the financial year 2021-22 was ₹ 84,30,375.78, being two percent of the average net profits of the Bank as per Section 135(5) of the Companies Act, 2013.

The Bank has successfully utilized the whole of the CSR budget earmarked, for the purpose of undertaking various CSR activities in line with the annual action plan as approved by the CSR Committee and the Board. Expenditure towards corporate social responsibility, in accordance with the Companies Act, 2013, is recognised in the Profit and Loss Account.

4.7 Inter-bank participation with risk sharing - Nil

4.8 Exposure to Infrastructure Leasing & Financial Services Limited (ILFS) and its group entities

With reference to the RBI circular DBR.BP.BC.No.37/21.04.048/2018-19 dated April 24, 2019, Banks are advised to disclose exposure to ILFS and its group:

	Amount outstanding (1)	Of (1), total amount of exposures which are NPAs as per IRAC norms and not classified as NPA (2)	Provisions required to be made as per IRAC norms. (3)	Provisions actually held (4)
March 31, 2022	-	-	-	-
March 31, 2021	-	-	-	-

4.9 Small and Micro Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

Sr. No	Disclosures required under the Micro, Small & Medium Development Act, 2006
I	Delayed payments due as at the end of each accounting year on account of Principal – Nil and Interest due thereon – Nil
II	Total interest paid on all delayed payments during the year under the provisions of the Act – Nil
III	Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act – Nil
IV	Interest accrued but not due– Nil (Represents interest accrued as at the end of the year but not due as interest is computed at monthly rests from the due date)
V	Total Interest Due but not paid – Nil (Represents all interest amounts remaining due together with that from prior year(s) until such date when the interest was actually paid to the small enterprises. Mainly to ascertain the amount of interest disallowable for income tax purposes)

Note: Outstanding dues to those vendors/suppliers who are registered as micro/small enterprise under the Micro, Small and Medium Enterprises Development Act, (MSMED) 2006 and having an Udyam Registration are only counted as qualified MSME for the purpose of the reporting.

4.10 Intermediary Transactions

a) Funds Given

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the bank("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the bank other than those in the ordinary course of banking business.

b) Funds Taken.

The bank has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the bank shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries than those in the ordinary course of banking business.

4.11 Comparative Figures

The previous year's figures have been regrouped and reclassified wherever necessary to conform to current year's presentation. Pursuant to the requirement of Master Direction on Financial Statements - Presentation and disclosure issued by RBI dated August 30, 2021, 'Provision for Depreciation on Investments' hitherto classified as part of 'Provisions and Contingencies' have been netted off in 'Profit on Revaluation of investment' under 'Other Income'. Bank has also changed the classification of recoveries from written off accounts included as part of 'Other Income' as a credit to 'Provisions and Contingencies' and there is no change in the Net Profit for the previous period.

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration No:101248W/W-100022

Sd/-
Vaibhav Shah
Partner
(Membership No 117377)

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No:106655W

Sd/-
Abhay V. Kamat
Partner
(Membership No 039585)

Date : May 06, 2022
Place : Mumbai

For and on behalf of the Board of Directors

Sd/-
Madhavan Aravamuthan
Chairman
DIN:01865555

Sd/-
Sharmila Abhay Karve
Chairperson-Audit Committee
DIN:05018751

Sd/-
Madhavan Menon
Director
DIN:00008542

Sd/-
Pralay Mondal
Managing Director & CEO (Interim)
DIN: 00117994

Sd/-
Sijo Varghese
Company Secretary

Sd/-
B.K. Divakara
Chief Financial Officer

Sd/-
P V Antony
General Manager - Accounts

Basel III Pillar 3 Disclosures

1. SCOPE OF APPLICATION

CSB Bank Ltd (formerly Catholic Syrian Bank Ltd) is a commercial bank formed on 26th November 1920 with Registered Office at Thrissur. In August 1969, the Bank was included in the Second Schedule to the Reserve Bank of India Act 1934. The bank has no subsidiaries.

2. CAPITAL STRUCTURE

Qualitative Disclosures:

As per Basel III guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% {11.5% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier I (CET1) of 5.5% (8% including CCB) as on 1st October 2021. The minimum capital required to be maintained by the Bank (including CCB) for the period ended 31st March 2022 is 11.5% with minimum Common Equity Tier 1 (CET1) of 8% (including CCB of 2.5%).

Bank's capital structure consists of Tier 1 and Tier 2 capital. The major components of Tier 1 capital are equity share capital, equity share premium, statutory reserves, general reserves, special reserve (Section 36(i)(viii) of Income Tax Act) and capital reserves and revaluation reserves (after discounting). Tier 2 capital consists of provision for standard assets, provisions held for country exposures and Investment Fluctuation reserves. Bank has not issued any Upper Tier 2 bonds or perpetual debt or other innovative instruments.

Quantitative Disclosures:

The breakup of capital funds is as follows:

₹ in million

	As on 31.03.2022	As on 31.03.2021
Tier 1 Capital		
Paid up Share capital	1,735.38	1,735.38
Share Premium	17,921.08	17,921.08
Employee Stock Options Outstanding	134.52	7.75
Statutory Reserves	3,191.61	2,045.37
Capital Reserves	2,078.77	1,980.46
Special Reserve (36 (i) (viii))	309.37	266.40
Other eligible reserves	1,008.57	996.00
Revaluation Reserves after discounting	689.47	695.13
Total Tier 1 Capital (Gross)	27,068.77	25,647.57
Less: Debit balance in P&L account	(1,988.25)	(4,694.90)
Less: Deferred Tax Assets and Other Intangible Assets	(816.72)	(1,335.27)
Total Tier 1 Capital (Net) [A]	24,263.80	19,617.40
Tier 2 Capital		
General provisions	959.38	988.33
Investment Fluctuation Reserve	590.77	400.02
Total Tier 2 Capital (Net) [B]	1,550.15	1,388.35
Total Eligible capital [A] + [B]	25,813.95	21,005.75

3. CAPITAL ADEQUACY

Qualitative Disclosures:

In accordance with the guidelines of RBI, the bank has adopted standardized approach for credit risk, basic indicator approach for operational risk and standardized duration approach for market risk for computing capital adequacy. Basel III Capital regulations are applicable to Banks in India from 1st April, 2013 and is fully phased in by 1st October 2021. Detailed guidelines on Basel III Capital Regulations and Guidelines on Composition of Capital Disclosure Requirements are issued by RBI and consolidated under the Master Circular – Basel III Capital Regulations April 2022.

Regulatory Capital Adequacy position (as per Basel II & Basel III norms as made applicable by RBI) is assessed periodically. Besides, the bank also assessed its own internal estimate of risk capital based on its Board approved ICAAP policy and Stress Testing Policy to cover the Pillar 2 risks. Risks are assumed in line with the Bank's risk bearing capacity and capability in order to generate yields, taking risk-return frontier into account. This aims to ensure that risks that could jeopardize the Bank's existence are avoided.

Quantitative Disclosures:

a) Capital Requirement for Credit Risk – Standardized Approach

(₹ in Million)

Portfolios	Gross Exposure	Gross Exposure	Capital Requirement	Capital Requirement
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
On Balance Sheet				
Cash & Balance with RBI	9,482.38	7,361.37	0.00	0.00
Inter Bank Deposits	6,255.22	9,779.31	44.03	254.83
Market repo(CROMS)	0.00	0.00	0.00	0.00
Investments (HTM)	40,577.56	42,499.73	0.90	278.29
Advances	1,58,146.80	144,381.22	5,570.23	5,682.04
Fixed Assets & Other Assets	32,056.68	11,000.60	569.84	511.56
Total	2,46,518.63	215,022.23	6,185.00	6,726.71
Off Balance Sheet				
Letter of Credit & Guarantees	10,792.76	5,856.67	458.05	219.83
Undrawn Credit Commitments	16,541.47	13,386.58	260.94	291.08
Forward Exchange Contracts	1,779.65	1,528.30	3.51	3.14
Total	29,113.88	20,771.56	722.51	514.06
Total On & Off Balance Sheet	2,75,632.52	235,793.79	6,907.51	7240.77

b) Capital Requirement for Market Risk – Standardized Duration Approach

(₹ in Million)

Type of Market Risk	Gross Exposure	Gross Exposure	Capital Requirement	Capital Requirement
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Interest Rate Risk	29,509.87	18,717.00	544.05	612.56
Foreign Exchange Risk	110.00	110.00	9.90	9.90
Equity Risk	97.88	97.13	22.02	21.85
Total	29,717.75	18,924.13	575.97	644.32

c) Capital Requirement for Operational Risk – Basic Indicator Approach

(₹ in Million)

	As on 31.03.2022
Capital Requirement	1,256.64
Equivalent Risk Weighted Assets	15708.06

d) Total Capital Requirement

(₹ in Million)

Type of Risk	Capital Requirement	Capital Requirement	Risk Weighted Assets	Risk Weighted Assets
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Credit Risk	6907.51	7,115.98	76,750.10	79,066.49
Market Risk	575.97	644.32	7,199.60	8,053.95
Operational Risk	1,256.64	892.30	15,708.06	11,153.69
Total	8740.12	8652.59	99,657.76	98,274.12
Total Net Tier 1 Capital			24,263.80	19,617.40
Tier 1 Capital Ratio			24.35%	19.96%
Tier 2 Capital Ratio			1.55%	1.41%
Total CRAR			25.90%	21.37%

4. CREDIT RISK: GENERAL DISCLOSURE

Qualitative Disclosures

a) Definition of past due and impaired loans

Bank strictly adheres to RBI norms regarding definitions of past due and impaired loans, as under (in brief):

- Interest and or installment of principal remain overdue for a period of more than 90 days in respect of term loan accounts
- the account remains 'out of order' (the outstanding balance remains continuously in excess of the sanctioned limit/drawing power, in cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period) in respect of Overdraft/Cash credit accounts. In case of interest payments in respect of term loans, an account will be classified as NPA if the interest applied at specified rests remains overdue for more than 90 days.
- The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted
- The instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops.
- The instalment of principal or interest thereon remains overdue for one crop season for long duration crops.

b) Credit Risk Management Policy

The bank has put in place a Credit Risk Management Policy which is reviewed periodically to bring in refinements triggered by evolving concepts and actual experience.

The Executive level committee - Credit Risk Management Committee (CRMC) which reports to Risk Management Committee (RMC) of the Board, is responsible for the management and mitigation of credit risk in the bank. Credit Risk Management Department at Head Office level acts as the secretariat of CRMC.

Credit approvals are subject to a well-established and time tested system of competencies, which act as a framework within which decision making committees are authorized to enter into lending transactions. Responsibility for the approval of loans is dependent on size, security and type of the loan.

Rating migration studies are conducted at quarterly intervals. The findings of the rating migration study brings light many behavioral patterns. Credit Risk Management Department conducts industry-wise evaluation to analyze the latest trends and developments in the industry, their impact on bank's customers, the desirability of taking further exposure, assessment of the quality of bank's exposure to that industry etc.

Credit rating system is in force using various CRA formats to measure the risk involved in each borrower account. All non-retail borrowers with an aggregate credit limit of above ₹ 25 lakhs, both funded and

non-funded exposure taken together, excluding retail loans are subjected to borrower rating. Loans against Deposit Receipts, Housing Loans, Loans against NSC & Insurance policies, Gold loans, Retail loans and Staff loans are subjected to portfolio rating.

Operations in all credit exposures of ₹ 50 lakhs and above are monitored on a monthly basis by the Executive level committee – Large Advance committee to detect delinquency signals at an early date and nurse the account. To monitor the credit portfolio through various controlling returns, monthly operating statements (MOS) from branches to SME verticals of exposure of ₹ 50 lakh up to ₹ 2 crore and an exposure of above ₹ 2 crore by Credit Monitoring department.

Both regulatory capital and economic capital requirements are assessed at the time of credit appraisal of corporate exposures. RAROC analysis is based on bank's Board approved Risk Adjusted Return On Capital (RAROC) policy.

Bank has subscribed CRISIL Quantix and Internal Risk Score for industry score which is utilized in the evaluation of credit risk proposals. Bank has also subscribed EWS software from CRISIL which should alert the bank about some external wrongdoings in the loan accounts which may turn out to be fraudulent. Bank is in the process of procuring RAM model from CRISIL to host rating models in a server. The platform creates centralised repository of rated borrowers with comprehensive information on the rationale of each of the rating awarded.

Quantitative Disclosures

a) Gross Credit Risk Exposure – Banking Book

(₹ in Million)

	Loans 31.03.2022	Loans 31.03.2021	Investments 31.03.2022	Investments 31.03.2021
Fund Based	1,58,146.80	144,381.22	40,577.56	42,499.73
Non-Fund Based	10,792.76	5,856.67	-	-
Total	1,68,939.57	150,237.90	40,577.56	42,499.73

b) Industry type distribution – Banking Book

(₹ in Million)

Industry Name	Funded Exposure	Non-Funded Exposure	Investment Exposure
A. Mining and Quarrying	77.34	3.73	0.00
A.1 Coal	0.00	0.00	0.00
A.2 Others	77.34	3.73	0.00
B. Food Processing	4517.21	1598.56	0.00
B.1 Sugar	0.98	0.00	0.00
B.2 Edible Oils and Vanaspati	882.93	1415.00	0.00
B.3 Tea	37.61	0.00	0.00
B.4 Coffee	1.73	0.00	0.00
B.5 Others	3593.97	183.56	0.00
C. Beverages (excluding Tea & Coffee) and Tobacco	207.15	0.22	0.00
C.1 Tobacco and tobacco products	0.00	0.00	0.00
C.2 Others	207.15	0.22	0.00
D. Textiles	8217.44	1285.83	250.00
D.1 Cotton	6488.48	928.83	0.00
D.2 Jute	10.99	0.00	0.00
D.3 Man-made	8.11	0.00	0.00
D.4 Others	1709.86	357.00	250.00
Out of D (i.e., Total Textiles) to Spinning Mills	6565.89	6899.17	0.00
E. Leather and Leather products	77.72	5.83	0.00
F. Wood and Wood Products	245.33	7.67	0.00

Industry Name	Funded Exposure	Non-Funded Exposure	Investment Exposure
G. Paper and Paper Products	344.84	0.00	0.00
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	0.17	0.00	1000.00
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	681.60	533.82	0.00
I.1 Fertilizers	14.36	0.00	0.00
I.2 Drugs and Pharmaceuticals	174.05	532.91	0.00
I.3 Petro-chemicals (excluding under Infrastructure)	0.00	0.00	0.00
I.4 Others	493.19	0.91	0.00
J. Rubber, Plastic and their Products	171.25	92.18	0.00
K. Glass & Glassware	7.69	0.00	0.00
L. Cement and Cement Products	85.21	1.28	0.00
M. Basic Metal and Metal Products	255.88	11.53	0.00
M.1 Iron and Steel	51.55	0.11	0.00
M.2 Other Metal and Metal Products	204.33	11.42	0.00
N. All Engineering	812.08	332.66	0.00
N.1 Electronics	3.25	7.22	0.00
N.2 Others	808.83	325.44	0.00
O. Vehicles, Vehicle Parts and Transport Equipment	941.89	0.63	0.00
P. Gems and Jewellery	333.41	0.10	0.00
Q. Construction	2666.64	4452.16	0.00
R. Infrastructure	3418.04	2830.87	68.07
R.a Transport (a.1 to a.6)	2161.10	1318.68	0.00
R.a.1 Roads and Bridges	2161.10	1318.68	0.00
R.a.2 Ports	0.00	0.00	0.00
R.a.3 Inland Waterways	0.00	0.00	0.00
R.a.4 Airport	0.00	0.00	0.00
R.a.5 Railway Track, tunnels, viaducts, bridges	0.00	0.00	0.00
R.a.6 Urban Public Transport (except rolling stock in case of urban road transport)	0.00	0.00	0.00
R.b. Energy (b.1 to b.6)	653.61	106.60	0.00
R.b.1 Electricity Generation	653.29	106.60	0.00
R.b.1.1 Central Govt PSUs	0.00	0.00	0.00
R.b.1.2 State Govt PSUs (incl. SEBs)	117.24	0.00	0.00
R.b.1.3 Private Sector	536.04	106.60	0.00
R.b.2 Electricity Transmission	0.00	0.00	0.00
R.b.2.1 Central Govt PSUs	0.00	0.00	0.00
R.b.2.2 State Govt PSUs (incl. SEBs)	0.00	0.00	0.00
R.b.2.3 Private Sector	0.00	0.00	0.00
R.b.3 Electricity Distribution	0.00	0.00	0.00
R.b.3.1 Central Govt PSUs	0.00	0.00	0.00
R.b.3.2 State Govt PSUs (incl. SEBs)	0.00	0.00	0.00
R.b.3.3 Private Sector	0.00	0.00	0.00
R.b.4 Oil pipelines	0.00	0.00	0.00

Industry Name	Funded Exposure	Non-Funded Exposure	Investment Exposure
R.b.5 Oil/Gas/Liquefied Natural Gas (LNG) storage facility	0.00	0.00	0.00
R.b.6 Gas pipelines	0.32	0.00	0.00
R.c. Water and Sanitation (c.1 to c.7)	494.65	1330.58	0.00
R.c.1 Solid Waste Management	0.00	0.00	0.00
R.c.2 Water supply pipelines	0.00	0.00	0.00
R.c.3 Water treatment plants	0.09	0.00	0.00
R.c.4 Sewage collection, treatment and disposal system	0.00	0.00	0.00
R.c.5 Irrigation (dams, channels, embankments etc)	494.56	1330.58	0.00
R.c.6 Storm Water Drainage System	0.00	0.00	0.00
R.c.7 Slurry Pipelines	0.00	0.00	0.00
R.d. Communication (d.1 to d.3)	108.68	75.00	0.00
R.d.1 Telecommunication (Fixed network)	108.68	75.00	0.00
R.d.2 Telecommunication towers	0.00	0.00	0.00
R.d.3 Telecommunication and Telecom Services	0.00	0.00	0.00
R.e. Social and Commercial Infrastructure (e.1 to e.9)	0.00	0.00	0.00
R.e.1 Education Institutions (capital stock)	0.00	0.00	0.00
R.e.2 Hospitals (capital stock)	0.00	0.00	0.00
R.e.3 Three-star or higher category classified hotels located outside cities with population of more than 1 million	0.00	0.00	0.00
R.e.4 Common infrastructure for industrial parks, SEZ, tourism facilities and agriculture markets	0.00	0.00	0.00
R.e.5 Fertilizer (Capital investment)	0.00	0.00	0.00
R.e.6 Post harvest storage infrastructure for agriculture and horticultural produce including cold storage	0.00	0.00	0.00
R.e.7 Terminal markets	0.00	0.00	0.00
R.e.8 Soil-testing laboratories	0.00	0.00	0.00
R.e.9 Cold Chain	0.00	0.00	0.00
R.f. Others, if any, please specify	0.00	0.00	68.07
OTHERS - Treasury Exposure	0.00	0.00	68.07
S. Other Industries, pl. specify	861.76	7.55	0.00
OTHERS	861.76	7.55	0.00
All Industries (A to S)	23922.63	11164.60	1318.07
Residuary other advances (to tally with gross advances)	148143.90	2903.50	8635.71
Total	172066.53	14068.10	9953.79

As on 31st March 2022, the Bank's exposure to industries stated below was more than 5% of the total gross credit exposure:

SR. No	Industry Classification	Percentage of the total gross credit exposure
1	Textiles	5.11%

c) Residual Contractual Maturity breakdown of Assets as on 31.03.2022

(₹ in Million)

	Cash & balance with RBI	Balance with Banks and money at call and short notice	Advances	Investments	Fixed assets and other assets
Next Day	1930.65	246.34	382.33	18892.10	2.29
2-7 days	140.17	2250.00	2009.73	12690.02	0.13
8-14 days	167.14	3000.00	2098.59	405.61	57.03
15-30 days	185.22	757.93	5776.10	399.47	171.07
31 days-<2M	308.01	0.00	10454.89	1192.80	69.93
2M<3M	298.25	0.00	12085.87	1934.68	90.46
3M-<6M	730.65	0.00	33639.85	1349.42	67.25
6M-<1Y	1718.27	0.00	19298.44	1475.61	581.91
1-<3Y	3637.66	0.70	47901.21	15172.64	985.57
3-<5 Y	289.24	0.00	11295.86	246.72	574.95
> 5 Yr	77.11	0.25	13203.93	16357.11	6961.55
Total	9482.38	6255.22	158146.80	70116.19	9562.14

c) Disclosures regarding Non-Performing Assets

(₹ in Million)

	As on 31.03.2022	As on 31.03.2021
Amount of NPAs (Gross)		
Substandard	1,190.03	1,915.11
Doubtful 1	688.77	751.63
Doubtful 2	439.31	785.59
Doubtful 3	522.18	428.41
Loss	54.83	54.19
Total Gross NPAs	2,895.11	3,934.94
Net NPAs	1,069.88	1,688.08
NPA Ratios		
Gross NPAs to Gross Advances	1.81%	2.68%
Net NPAs to Net Advances	0.68%	1.17%
Movement of provisions for NPAs		
Opening balance (01.04.2021)	2,205.14	1,883.57
Provisions made during the period	628.27	1,206.04
Write-off	0.00	0.00
Write back of excess provisions	1,050.09	884.48
Closing balance	1,783.32	2,205.14
Write-offs that have been booked directly to the income statement	105.90	286.66
Recoveries that have been booked directly to the income statement	771.45	924.32

Major Industry breakup of NPA

	31.03.2022		31.03.2021	
Industry	Gross NPA	Specific Provision	Gross NPA	Specific Provision
NPA in top 5 Industries	455.87	249.72	615.96	368.68

Geography	31.03.2022		31.03.2021	
	Gross NPA	Specific Provision	Gross NPA	Specific Provision
Domestic	2,895.11	1,783.32	3,934.94	2,205.14
Overseas	0	0	0	0

(₹ in Million)

Particular	31.03.2022	31.03.2021
Amount of Non-Performing Investments	18.60	18.21
Amount of provisions held for non-performing investments	18.60	17.70
Movement of provisions for depreciation on Investments	For the period ended 31.03.2022	For the period ended 31.03.2021
Opening balance (01-04-2021)	1240.91	1009.68
Provisions made during the period	281.59	602.98
Write-off & Write back of excess provisions/diminution	217.96	371.75
Closing balance	1304.54	1240.91

5. CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO STANDARDIZED APPROACH

Qualitative Disclosures

In accordance with RBI guidelines, the bank has adopted standardized approach for computation of capital for credit risk.

Bank Loan Ratings of CRISIL, CARE, ICRA, ACUTE (SMERA), BRICKWORK, INFOMERICS and India Ratings are considered for arriving at the capital requirement.

Bank extends external rating of other issues of the borrower to unrated claims only when the issue specific rating maps to Risk Weight higher than that of the unrated exposure

Quantitative Disclosures

Risk weight wise classification of exposures

(₹ in Million)

	Gross Credit Exposure	Gross Credit Exposure	Capital Deductions	Capital Deductions	Exposure after Capital Deductions	Exposure after Capital Deductions
	(A)	(A)	(B)	(B)	(C) = (A) - (B)	(C) = (A) - (B)
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Advances, Letter of Credit & Guarantees						
Below 100% risk weight	1,19,964.26	90,099.87	0.00	0.00	1,19,964.26	90,099.87
100% risk weight	40,928.00	54,003.62	0.00	0.00	40,928.00	54,003.62
More than 100% risk weight	8,047.31	6,134.40	0.00	0.00	8,047.31	6,134.40
Total	1,68,939.57	150,237.90	0.00	0.00	1,68,939.57	150,237.90
Investments						
Below 100% risk weight	40,577.56	42,499.73	0.00	0.00	40,577.56	42,499.73
100% risk weight			0.00	0.00		
More than 100% risk weight	-	-	0.00	0.00	-	
Total	40,577.56	42,499.73	0.00	0.00	40,577.56	42,499.73

6. CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDIZED APPROACHES

Qualitative Disclosures

A Credit Risk Mitigation and Collateral Management Policy, addressing the Bank's approach towards the credit risk mitigants used for capital calculation is in place.

Following items are considered for on and off balance sheet netting:

- Deposits with specific lien to the facility
- Subsidies received (for priority sector advances)
- Claims received (for NPA accounts)

Of the eligible financial collaterals, the types of collateral taken by the bank are gold ornaments and bank's own deposit receipts. Gold ornaments are accepted as collateral by branches after due scrutiny and are marked to market value on a daily basis. Bank has made an assessment of market liquidity risk involved in liquidating gold ornaments and is considering a holding period of 21 days for advance against pledge of gold ornaments. In Pillar 1 capital adequacy computations, bank considers a haircut of 22% (after scaling up the standard supervisory haircut of 15% to a 21 day holding period). In addition to this, bank is maintaining extra capital for its gold loan portfolio in Pillar 2 capital computations.

The types of guarantees recognized for credit risk mitigation are guarantee by central government, state government, ECGC and banks (in the form of bills purchased/discounted under Letter of credit).

Collaterals other than financial collaterals that secure the credit portfolio of the bank are land & building, plant & machinery and current assets of the counter party. Land and Building includes commercial building, residential property and vacant land.

Quantitative Disclosures

a) Exposures Covered by Eligible Financial Collateral (After Haircuts) (₹ in Million)

	31.03.2022	31.03.2021
Corporate	1,692.01	1,086.21
Regulatory Retail	62,804.78	36,500.96
Personal Loans	8,507.68	21,795.88
Total	73,004.47	59,383.04

b) Exposures Covered by Guarantee (₹ in Million)

Covered by Guarantee	31.03.2022	31.03.2021
Corporate	581.61	398.43
Regulatory Retail	2,853.52	3,934.59
Total	3,435.12	4,333.02

6. SECURITIZATION

No exposure of the bank has been securitized.

7. MARKET RISK IN THE TRADING BOOK

Qualitative Exposures

- The Bank follows Standardised Duration Method for computing capital requirement for Market Risk.
- Market Risk Management Department (MRMD) is functioning as a part of Integrated Risk Management Department of the Bank, in terms of Governance structure approved by the Board of the Bank.
- MRMD is responsible for identification, assessment, monitoring and reporting of market risk associated with Treasury Operations.
- The following Board approved policies with defined Market Risk Management parameters for each asset class are in place:

- (a) Market Risk Management Policy comprising various Market Risk Limits
 - (b) Investment Policy
 - (c) Forex Policy
 - (d) Stress Test Policy
- (5) Risk monitoring is an ongoing process and risk positions are analysed and reported to Top Management of the Bank, ALCO and Risk Management Committee of the Board.
- (6) Risk management and reporting is based on parameters such as Modified Duration, PV01, Maximum permissible exposures, Value at Risk Limits, Limits on various investment categories, Risk appetite limits in line with best banking practices.
- (7) Forex Open position limit (Daylight/Overnight), Stop Loss Limit, Aggregate Gap Limit (AGL) and Individual Gap Limit (IGL) as approved by the Board is monitored and exceptions, if any, are reported to Top Management of the Bank, ALCO and Risk Management Committee of the Board.
- (8) Value at Risk (VaR) is computed on a daily basis. Stress Testing is carried out at quarterly intervals as a complement to Value at Risk. Back Testing entails a formal testing and accounting of exceptions on a quarterly basis. Results are reported to ALCO and Risk Management Committee of the Board.
- (9) Stop Loss limit / Take profit limits as prescribed in Investment Policy are also adopted in Market Risk Management Policy for monitoring purposes for individual investments and exposure limits for certain portfolios have been prescribed.

Quantitative Disclosures

Capital Requirement for Market Risk

(₹ in Million)

Type of Market Risk	Gross Exposure	Gross Exposure	Capital Requirement	Capital Requirement
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Interest Rate Risk	29,509.87	18,717.00	544.05	612.56
Foreign Exchange Risk	110.00	110.00	9.90	9.90
Equity Risk	97.88	97.13	22.02	21.85
Total	29,717.75	18,924.13	575.97	644.32

8. OPERATIONAL RISK

Qualitative Disclosures

The Executive level committee - Operational Risk Management Committee (ORMC) which reports to Risk Management Committee (RMC) of the Board, is responsible for the management and mitigation of operational risk in the bank. The bank has framed Operational Risk Management Policy duly approved by the Board. Other policies approved by the board that deal with the different facets of operational risk are Inspection Policy, Human Resource Management Policy, IT Policy, Compliance Policy, Business Continuity & Disaster Recovery Plan and Outsourcing policy.

Bank has obtained Bankers' Indemnity Policy to cover the risk of cash in transit and cash and securities including gold ornaments kept at branches. Risk Based Internal Audit (RBIA) is operational at all the branches.

Bank is adopting Basic Indicator Approach for arriving at capital charge for operational risk in compliance with RBI guidelines and is in the process of building database for moving to Advanced Approaches.

Cyber Risk: Cyber Risk can be defined as the risk connected to online business activity such as Internet Banking, Mobile Banking, Electronic Systems and storage of sensitive Information over computer networks. Common categories of Cyber Risk include inter-alia, Hacker Attacks, Data Breach, Virus / Malware transmission and Cyber Extortion. Financial gain continues to be a primary driver of the most sophisticated criminal offences and presents evolving challenges as criminal networks reinvest the revenue they generate into developing more advanced capabilities.

Cyber Risk can drive up costs and impact revenue. It can harm an organisation's ability to innovate and to gain and maintain customers. Cyber risk pose commercial losses and public relations problems, disruption of operations and the possibility of extortion, cyber- attacks. It also exposes an organisation to negligence claims, the inability to meet contractual obligations and a damaging loss of trust among customers. Protecting key information assets is of critical

importance to the sustainability and competitiveness of business today due to which financial institutions like us are taking front foot in terms of their cyber preparedness. Because of this and to safeguard our institution from cyber threats, the bank has set up the cybersecurity framework.

Cyber Security Framework: Cybersecurity risks are products of three elements: threat, vulnerability and impact. The Bank has the holistic risk picture based on periodic vulnerability assessment and threat intelligence from advisory bodies such as CERT-In (Indian Computer Emergency Response Team) and IB-CART (Indian Banks – Centre for Analysis of Risks and Threats). The Bank has also invested in advanced systems such as antivirus / anti-malware, threat protection, network firewalls and application firewalls. It continues to invest in enhancing the overall effectiveness of the Bank's security posture to enable the Bank to prioritise and align its resources to detect and respond to cyber incidents quickly and prevent emerging cybersecurity risks.

Information Security Management department headed by Chief Information Security Officer (CISO) was formed to address cybersecurity risks. As part of the cybersecurity framework, proactive security measures adopted by the bank are Managed Security Operations Centre, advanced anti-phishing, anti-malware and anti-roguer services, Privileged Identity Management Solution, Web Application Firewall, Intrusion Detection and Prevention System for protecting network-level threats and for preventing unwanted and malicious network transmissions, Network Access Control which will allow only authorised users to connect to banks network, Data Leakage Prevention solution to prevent data leakage, DDoS mitigation service to prevent Denial of services, DMARC & SPF protection to enhance the email security standards, Vulnerability Assessment and Penetration Testing, SSL encryption for data transfers, network firewall etc., Bank is continuing to invest on advanced technologies to enhance the systems. To evaluate banks preparedness against cyber-attacks, bank participates in the cyber-drill conducted by IDRBT. Bank has always taken continuous steps to create cybersecurity awareness among employees and customers through training/Newsletter/SMS/Emails.

9. INTEREST RATE RISK IN THE BANKING BOOK

Qualitative Disclosures

Interest rate risk refers to impact on Bank's Net Interest Income and the value of its assets and liabilities arising from fluctuations in interest rate due to internal and external factors. The interest rate risk is viewed from two perspectives viz. 'earnings perspective' and 'economic value perspective'.

Earnings perspective - The immediate impact of changes in interest rates is on bank's earnings by changes in its Net Interest Income (NII).

Economic Value Perspective - The economic value of bank's assets, liabilities and off- balance sheet positions get affected due to variation in market interest rates. Consequently, the net worth gets corrected and is referred to as Market Value of Equity (MVE).

Internal factors include the composition of the Bank's assets and liabilities, quality, maturity, existing rates and re-pricing period of deposits, borrowings, loans and investments. External factors cover general economic conditions.

Rising or falling interest rates impact the Bank depending on whether the Balance Sheet is asset sensitive or liability sensitive. The Bank identifies the inherent risks associated with the changing interest rates on its on-balance sheet and off-balance sheet exposures in the banking book from both short-term and long-term perspective.

Structure and organization

The Asset-Liability Management Committee (ALCO) is responsible for evolving appropriate systems and procedures for ongoing identification and analysis of Balance Sheet risks and laying down parameters for efficient management of these risks through ALM Policy of the Bank.

ALCO, therefore, periodically monitors and controls the risks and returns, funding and deployment, setting Bank's lending and deposit rates, and directs the investment activities of the bank in line with its interest rate view. The Risk Management Committee of the Board of Directors (RMCB) oversees the implementation of the system for ALM and reviews its functioning periodically and provides direction. It reviews various decisions taken by ALCO for managing interest rate risk.

Scope and nature of risk reporting and measurement systems –

RBI has stipulated monitoring of Interest Rate Risk at monthly intervals through a Statement of Interest Rate Sensitivity under Traditional Gap Analysis (IRS-TGA). Earnings at Risk (EaR) measures the change in Net Interest Income of the Bank due to parallel change in interest rate on both the assets & liabilities.

RBI has also stipulated to estimate the impact of change in interest rates on economic value of Bank's assets and liabilities through Interest Rate Sensitivity under Duration Gap Analysis (IRS-DGA), and is the same is carried out monthly. The impact of interest rate changes on the Market Value of Equity (MVE) is monitored through IRS-DGA by recognizing the changes in the value of assets and liabilities for a given change in the market interest rate. The change in value of equity (including reserves) with 2% parallel shift in interest rates on both assets and liabilities are estimated. Accordingly, ALCO reviews IRS-TGA and IRS – DGA on a monthly basis and monitors the Earnings at Risk and Market Value of Equity.

Key Assumptions for IRRB calculations:

- Bulk of the advance portfolio to re-price within 12 months.
- Maturity of deposits considered after adjusting empirically observed premature closure rates.
- Savings Bank Deposits portfolio is distributed in buckets less than 5 years as per maturity pattern arrived basis behavioural analysis.
- Current Deposits portfolio is distributed in buckets less than 5 years as per maturity pattern arrived from behavioural analysis in duration gap approach
- In the case of EaR approach, Current Deposits are treated as non-sensitive

Quantitative Disclosures

Interest Rate Risk – Earnings Perspective

(₹ in Million)

1 Year Change in Market Rates (Parallel Shift)	Impact as on 31.03.2022	Impact as on 31.03.2021
+200 basis points	1260.69	900.22
-200 basis points	-1260.69	-900.22

Interest Rate Risk – Economic Value Perspective

(₹ in Million)

1 Year Change in Market Rates (Parallel Shift)	Impact as on 31.03.2022	Impact as on 31.03.2021
+200 basis points	-50.45	1624.47
-200 basis points	50.45	-1624.47

10. COUNTERPARTY CREDIT RISK

Counterparty Credit Risk (CCR) is the risk that the counterparty to a transaction could default before final settlement of the transaction's cash flows. An economic loss would occur if the transaction or portfolio of transactions with the counterparty has a positive economic value for the Bank at the time of default. Unlike exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss whereby the market value for many different types of transactions can be positive or negative to either counterparty. The market value is uncertain and can vary over time with the movement in underlying market factors.

Capital is maintained on the exposure to CCR as per regulatory guidelines on Capital adequacy computation. Capital for Counterparty Credit Risk is assessed based on the Standardized Approach. The exposure is calculated using Current Exposure Method.

The MTM on client exposures are monitored periodically. The Bank does not recognize bilateral netting for capital computation.

(₹ in Million)

	Notional Amount 31.03.2022	Credit Equivalent 31.03.2022	Notional Amount 31.03.2021	Credit Equivalent 31.03.2021
Forward Exchange Contracts	4219.94	101.98	12546.47	298.52

Leverage Ratio frame work

Definition and minimum requirement

The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage

Leverage Ratio = Capital Measure / Exposure Measure

The public disclosure requirements of leverage ratio will begin from January 1, 2015 and the Basel Committee will monitor the impact of these disclosure requirements. Accordingly, banks operating in India are required to make disclosure of the leverage ratio and its components from April 1, 2015 on a quarterly basis and according to the disclosure templates as indicated in paragraph 16.7 along with Pillar 3 disclosures.

Table 1- Summary comparison of accounting assets Vs. leverage ratio exposure method		
Item		(₹ in Million)
1	Total consolidated assets as per published financial statements	253562.72
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	
4	Adjustments for derivative financial instruments	
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	12608.00
7	Other adjustments	
8	Leverage ratio exposure	266170.72
Table 2 – Leverage ratio common disclosure template		
	Item	Leverage ratio framework
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	253562.72
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	253562.72
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	17.58
5	Add-on amounts for PFE associated with all derivatives transactions	84.40
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	
8	(Exempted CCP leg of client-cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	Total derivative exposures (sum of lines 4 to 10)	101.98
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	
14	CCR exposure for SFT assets	
15	Agent transaction exposures	
16	Total securities financing transaction exposures (sum of lines 12 to 15)	
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	12506.02
18	(Adjustments for conversion to credit equivalent amounts)	
19	Off-balance sheet items (sum of lines 17 and 18)	12506.02
	Capital and total exposures	
20	Tier 1 capital	24263.80
21	Total exposures (sum of lines 3, 11, 16 and 19)	266170.72
	Leverage ratio	
22	Basel III leverage ratio	9.12%

**Basel III common disclosure template to be used during the transition of regulatory adjustments
(i.e. from April 1, 2013 to December 31, 2017)**

			Amounts Subject to Pre-Basel III Treatment	Ref No
	Common Equity Tier 1 Capital: Instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	19790.98		a1+a2
2	Retained earnings	4600.07		b1+b2+b3+b4+b6+b7a
3	Accumulated other comprehensive income (and other reserves)	689.47		c1
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)			
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)			
6	Common Equity Tier 1 capital before regulatory adjustments	25080.52		
	Common Equity Tier 1 Capital: regulatory adjustments			
7	Prudential valuation adjustments			
8	Goodwill (net of related tax liability)			
9	Intangibles	346.88		e1-e2
10	Deferred tax assets	469.84		e2
11	Cash-flow hedge reserve			
12	Shortfall of provisions to expected losses			
13	Securitisation gain on sale			
14	Gains and losses due to changes in own credit risk on fair valued liabilities			
15	Defined-benefit pension fund net assets	0.00		
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)			
17	Reciprocal cross-holdings in common equity			
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	0.00		
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)			
20	Mortgage servicing rights ⁴ (amount above 10% threshold)			
21	Deferred tax assets arising from temporary differences ⁵ (amount above 10% threshold, net of related tax liability)			
22	Amount exceeding the 15% threshold			
23	of which: significant investments in the common stock of financial entities			
24	of which: mortgage servicing rights			
25	of which: deferred tax assets arising from temporary differences			
26	National specific regulatory adjustments ⁷ (26a+26b+26c+26d)			
26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries			
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries			

			Amounts Subject to Pre-Basel III Treatment	Ref No
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank			
26d	of which: Unamortised pension funds expenditures			
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment			
	of which: [INSERT TYPE OF ADJUSTMENT]			
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions			
28	Total regulatory adjustments to Common equity Tier 1	816.72		
29	Common Equity Tier 1 capital (CET1)	24263.80		
Additional Tier 1 capital: Instruments				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)			
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)			
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)			
33	Directly issued capital instruments subject to phase out from Additional Tier 1			
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)			
35	of which: instruments issued by subsidiaries subject to phase out			
36	Additional Tier 1 capital before regulatory adjustments	0		
Additional Tier 1 capital:Regulatory Adjustments				
37	Investments in own Additional Tier 1 instruments	0		
38	Reciprocal cross-holdings in Additional Tier 1 instruments			
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)			
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)			
41	National specific regulatory adjustments (41a+41b)			
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries			
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank			
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment			
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions			
43	Total regulatory adjustments to Additional Tier 1 capital			
44	Additional Tier 1 capital (AT1)			
44a	Additional Tier 1 capital reckoned for capital adequacy			
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)	24263.80		

			Amounts Subject to Pre-Basel III Treatment	Ref No
	Tier 2 capital: Instruments & Provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus			
47	Directly issued capital instruments subject to phase out from Tier 2	0.00		d
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)			
49	of which: instruments issued by subsidiaries subject to phase out			
50	Provisions	1550.15		c1+c3+c4
51	Tier 2 capital before regulatory adjustments	1550.15		
	Tier 2 capital:Regulatory Adjustments			
52	Investments in own Tier 2 instruments			
53	Reciprocal cross-holdings in Tier 2 instruments	0.00		
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)			
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)			
56	National specific regulatory adjustments (56a+56b)			
56a	of which: Investments in the Tier 2 capital of unconsolidated subsidiaries			
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank			
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment			
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]			
	of which: [INSERT TYPE OF ADJUSTMENT]			
57	Total regulatory adjustments to Tier 2 capital	0.00		
58	Tier 2 capital (T2)	1550.15		
58a	Tier 2 capital reckoned for capital adequacy	1550.15		
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital	0		
58c	Total Tier 2 capital admissible for capital adequacy (58a + 58b)	1550.15		
59	Total capital (TC = T1 + T2) (45 + 58c)	25813.95		
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment			
	of which: [INSERT TYPE OF ADJUSTMENT]			
	of which: ...			
60	Total risk weighted assets (60a + 60b + 60c)	99657.76		
60a	of which: total credit risk weighted assets	76750.10		
60b	of which: total market risk weighted assets	7199.60		
60c	of which: total operational risk weighted assets	15708.06		
	Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	24.35%		

			Amounts Subject to Pre-Basel III Treatment	Ref No
62	Tier 1 (as a percentage of risk weighted assets)	24.35%		
63	Total capital (as a percentage of risk weighted assets)	25.90%		
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	8.00%		
65	of which: capital conservation buffer requirement	2.50%		
66	of which: bank specific countercyclical buffer requirement	0		
67	of which: G-SIB buffer requirement	0		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	17.90%		
	Capital ratios			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%		
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%		
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%		
	Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities			
73	Significant investments in the common stock of financial entities			
74	Mortgage servicing rights (net of related tax liability)			
75	Deferred tax assets arising from temporary differences (net of related tax liability)			
	Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	0.00		c3+c4
77	Cap on inclusion of provisions in Tier 2 under standardised approach	1245.72		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)			
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach			
	Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements			
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82	Current cap on AT1 instruments subject to phase out arrangements			
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
84	Current cap on T2 instruments subject to phase out arrangements	0.00		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	0		

Notes

Row No. of the template	Particular	(₹ in million)
10	Deferred tax assets associated with accumulated losses	0
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	469.84
	Total as indicated in row 10	469.84
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	NA
	of which: Increase in Common Equity Tier 1 capital	
	of which: Increase in Additional Tier 1 capital	
	of which: Increase in Tier 2 capital	
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	NA
	(i) Increase in Common Equity Tier 1 capital	
	(ii) Increase in risk weighted assets	
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	NA
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	
50	Eligible Provisions included in Tier 2 capital	959.38
	Eligible Investment Fluctuation Reserves included in Tier 2 capital	590.77
	Total of row 50	1550.15
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	0.00

Composition of Capital: Reconciliation Requirements Step 1

(₹ in Million)

		Balance sheet as in financial statements	Balance Sheet under regulatory scope of consolidation
		As on reporting date	As on reporting date
A	Capital & Liabilities		
i	Paid-up Capital	1,735.38	
	of which: Amount eligible for CET1	1,735.38	
	of which: Amount eligible for AT1	-	
	Employee's Stock Options Outstanding	134.52	
	Reserves & Surplus	24,644.08	
	Minority Interest	-	
	Total Capital	26,513.98	
ii	Deposits	2,01,882.96	
	of which: Deposits from banks	1,085.06	
	of which: Customer deposits	2,00,797.90	
	of which: Other deposits (pl. specify)	-	
iii	Borrowings	20,071.88	
	of which: From RBI	-	
	of which: From banks	-	
	of which: From other institutions & agencies	20,071.88	
	of which: Others (pl. specify)	-	
	of which: Capital instruments	-	

		Balance sheet as in financial statements	Balance Sheet under regulatory scope of consolidation
		As on reporting date	As on reporting date
iv	Other liabilities & provisions	5,093.90	
	of which: DTLs related to goodwill	-	
	of which: DTLs related to intangible assets	-	
	Total Capital & Liabilities	2,53,562.72	
B	Assets		
i	Cash and balances with Reserve Bank of India	9,482.38	
	Balance with banks and money at call and short notice	6,255.22	
ii	Investments	70,116.19	
	of which: Government securities	61,466.94	
	of which: Other approved securities	-	
	of which: Shares	47.36	
	of which: Debentures & Bonds	5,220.05	
	of which: Subsidiaries / Joint Ventures / Associates	-	
	of which: Others (Commercial Papers, Mutual Funds etc.)	3,381.84	
iii	Loans & Advances	1,58,146.80	
	of which: Loans and advances to banks	-	
	of which: Loans and advances to customers	1,58,146.80	
iv	Fixed assets	2,878.63	
v	Other Assets	6,683.51	
	of which: Goodwill and intangible assets	476.49	
	Out of which:		
	Goodwill	-	
	Other intangibles (excluding MSRs)	476.49	
	of which: Deferred tax assets	469.84	
vi	Goodwill on consolidation	-	
	Total Assets	2,53,562.72	

Composition of Capital: Reconciliation Requirements Step 2

(₹ in Million)

		Balance sheet as in financial statements	Balance Sheet under regulatory scope of consolidation	Ref No
		As on reporting date	As on reporting date	
A	Capital & Liabilities			
i	Paid-up Capital	1,735.38		a1
	Employee's Stock Options Outstanding	134.52		
	Reserves & Surplus	24,644.08		
	of which:			
	Share premium	17,921.08		a2
	Statutory Reserves	3,191.61		b1
	Capital Reserves	2,078.77		b2
	General Reserves	1,008.07		b3

		Balance sheet as in financial statements	Balance Sheet under regulatory scope of consolidation	Ref No
		As on reporting date	As on reporting date	
	Investment Fluctuation Reserve	590.77		b4
	Special Reserve (Tax): After Tax Portion	309.37		b5
	Special Reserve (Tax): Tax Element (not considered as part of capital funds)	-		b6
	Contingency Reserves	0.50		b7
	Add: Credit balance in Profit and Loss account	(1,988.25)		b8a
	Current Period profits not reckoned for capital adequacy purpose			b8b
	Revaluation Reserve reckoned as Tier I Capital	689.47		c1
	Revaluation Reserve not reckoned as Tier I Capital (55% discount)	842.69		c2
	Investment Reserve			c3
	Minority Interest	-		
ii	Total Capital	26,513.98		
	Deposits	2,01,882.96		
	of which: Deposits from banks	1,085.06		
	of which: Customer deposits	2,00,797.90		
iii	of which: Other deposits (pl. specify)	-		
	Borrowings	20,071.88		
	of which: From RBI	-		
	of which: From banks	-		
	of which: From other institutions & agencies	20,071.88		
	of which: Others (pl. specify)	-		
	of which: Capital instruments: Tier II Bonds	-		
iv	of which Eligible Amount after discounting	-		d
	Other liabilities & provisions	5,093.90		
	of which: Provision for Standard assets	-		c4
	Total Capital & Liabilities	2,53,562.72		
B				
i	Assets			
	Cash and balances with Reserve Bank of India	9,482.38		
ii	Balance with banks and money at call and short notice	6,255.22		
	Investments	70,116.19		
	of which: Government securities	61,466.94		
	of which: Other approved securities	-		
	of which: Shares	47.36		
	of which: Debentures & Bonds	5,220.05		

		Balance sheet as in financial statements	Balance Sheet under regulatory scope of consolidation	Ref No
		As on reporting date	As on reporting date	
	of which: Subsidiaries / Joint Ventures / Associates	-		
iii	of which: Others (Commercial Papers, Mutual Funds etc.)	3,381.84		
	Loans & Advances	1,58,146.80		
	of which: Loans and advances to banks	-		
iv	of which: Loans and advances to customers	1,58,146.80		
v	Fixed assets	2,878.63		
	Other Assets	6,683.51		
	of which: Goodwill and intangible assets	476.49		
	Out of which:			
	Goodwill	-		
	Other intangibles (excluding MSRs)	476.49		e1
vi	of which: Deferred tax assets	469.84		e2
vii	Goodwill on consolidation	-		
	Debit balance in Profit & Loss account	-		
	Total Assets	2,53,562.72		



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