05

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

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td colspan="2">Provisions on advances
Charge: INR 779,750 thousand for year ended 31 March 2022
Provision: INR 3,560,093 thousand at 31 March 2022</td></tr>
<tr><td colspan="2">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"</td></tr>
<tr><td>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.</td><td>Our key audit procedures included:

Design / controls

• 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.</td></tr>
</table>

Key audit matter	How the matter was addressed in our audit
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. 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. 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. 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. Management has refreshed its assessment of COVID-19 provision held at 31 March 2022.	• 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. **Substantive tests** • 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.

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td></td><td>This included the following procedures:
• 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.</td></tr>
<tr><td>Information technology system and controls
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.
Further, the prevailing COVID-19 situation, has caused the required IT applications to be made accessible on a remote basis.
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.</td><td>We involved IT specialists, to cover the following key audit procedures:
• 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.</td></tr>
</table>

Key audit matter	How the matter was addressed in our audit
	• 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**	For **Mukund M. Chitale & Co.**
Chartered Accountants	*Chartered Accountants*
ICAI Firm Registration Number: 101248W/W-100022	ICAI Firm Registration Number: 106655W
Sd/-	Sd/-
Vaibhav Shah	**Abhay V. Kamat**
Partner	*Partner*
Membership No:117377	Membership No:039585
ICAI UDIN:22117377AINIUE8487	ICAI UDIN: 22039585AINDZL5454
Mumbai	Mumbai
06 May 2022	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 जमाराशियाँ	Cash and balances with Reserve Bank of India	6	948,23,77	736,13,67
बैंकों में जमाराशियाँ 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 टिप्पणीयाँ	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 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/-
Pralay Mondal
Managing Director & CEO (Interim)
DIN: 00117994

Sd/-
Sharmila Abhay Karve
Chairperson-Audit Committee
DIN:05018751

Sd/-
Sijo Varghese
Company Secretary

Sd/-
Madhavan Menon
Director
DIN:00008542

Sd/-
B.K. Divakara
Chief Financial Officer

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. व्ययकिया 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 अग्रनीत 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
पूंजिगत 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/-
Pralay Mondal
Managing Director & CEO (Interim)
DIN: 00117994

Sd/-
Sharmila Abhay Karve
Chairperson-Audit Committee
DIN:05018751

Sd/-
Sijo Varghese
Company Secretary

Sd/-
Madhavan Menon
Director
DIN:00008542

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 31 March 2022	Year ended 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 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/-
Pralay Mondal
Managing Director & CEO (Interim)
DIN: 00117994

Sd/-
Sharmila Abhay Karve
Chairperson-Audit Committee
DIN:05018751

Sd/-
Sijo Varghese
Company Secretary

Sd/-
Madhavan Menon
Director
DIN:00008542

Sd/-
B.K. Divakara
Chief Financial Officer

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) provison 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	181,52,98		181,93,27	
preceding year				
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 Provission for Depreciaion 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 disbursals 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 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 Scheme2019" ("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 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

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 lock-down 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)

Sl 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; *of which*		
	Perpetual Non- Cumulative Preference Shares (PNCPS) :	Nil	Nil
	Perpetual Debt Instruments (PDI) :	Nil	Nil
xv)	Amount of Tier 2 capital raised; *of which*		
	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						
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India
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						
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India
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						
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India
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)

Sl 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)

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	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

a) 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).

b) 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.

c) 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).

d) Provisions for depreciation and diminution on investments in the Held for Trading category investments is Nil (Previous year - ₹ Nil).

e) 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 - ₹78.81Crores) 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:

i. Subsidiary – Parent

ii. Associate

iii. Joint Venture

iv. Related Party

v. Direct or indirect ownership of 20 percent or more interest in the voting power of the enterprise

vi. Common brand name

vii. Promoters of Bank

viii. Non-Operative Financial Holding Company (NOFHC) of Bank

ix. 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 : Nil

2.7.1 Forward Rate Agreement/ Interest Rate Swap : Nil

2.7.2 Exchange Traded Currency and Interest Rate Derivatives : Nil

2.7.3 Disclosures on risk exposure in derivatives : Nil

Qualitative & Quantitative Disclosure : Not Applicable

2.7.4 Credit Default Swaps : 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 *(In actuals)*		
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 *(In actuals)*		
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

<table>
<tr><td rowspan="1">Qualitative Disclosures</td><td>(a)</td><td>

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

(i) Composition

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:

<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>

The Committee comprises of two-thirds independent directors.

(ii) Function and mandate

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.

The Committee should 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 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.

</td></tr>
<tr><td></td><td>(b)</td><td>

Information relating to the design and structure of remuneration processes and the key features and objectives of Compensation/ Remuneration policy.

(i) Process

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.

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.

</td></tr>
</table>

		(ii) Authority to invoke Malus / clawback arrangement 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. 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. (iii) Objectives 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. 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 aims to: • 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. 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.,
		(iv) Key features • 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.

		• 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)	**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.** (i) Compensation structure- prudent risk taking The compensation structure may be fixed shall align with prudent risk taking, after ensuring the following: - • 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. 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. For the purpose of effectively aligning compensation structure with risk outcomes, the functionaries in the institution are arranged under the following four categories. a) Managing Director & CEO (MD& CEO)/ Whole Time Directors (WTDs) and / Material Risk Takers (MRTs) b) Risk control and compliance staff- Non IBA scheme c) Senior Executives / Other Officers - Non IBA scheme d) Other officers and staff -On IBA scheme (ii) Malus /Clawback Arrangement/**Compensation Recovery** 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). 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. 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. 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. 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.

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.

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.

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.

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.

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.

(iii) Limit on variable pay

(a) Managing Director & CEO, WTD's and/Material Risk Takers (MRTs)

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.

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.

(b) Senior Executives/Other officers including Risk control and compliance staff- Non IBA scheme

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.

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.

		(c) Employees under IBA scheme 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. (iv) Severance pay and guaranteed bonus 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. 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. (v) Hedging 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. (vi) Committees to mitigate risks caused by an individual decision • 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. (vii) Compensation of risk control 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. Effective independence and appropriate authority of such staff are necessary to preserve the integrity of financial and risk management's influence on incentive compensation.
		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.

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

(a) Compensation of MD & CEO, Deputy Managing Director**, Whole Time Directors and** Material Risk Takers

- 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.

(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 (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. **(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 (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. **(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 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.

	(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.** (i) Deferred compensation and Performance Linkage (Non-IBA) 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. Deferral arrangements of variable pay for rest of the officers in the manner as provided in the policy including ESOS policy of the Bank. 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. (ii) Claw-back and deferral arrangements 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.
	(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.** 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.

		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. 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. 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 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.

(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)	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
		(iii)		Variable Pay- Non Cash Component		
				- Share linked Instruments- Deferred	6,18,286 stock options with a fair value of ₹9,78,34,984.18	4,33,150 Stock Options
	(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.

(a) The effective date of the revaluation - 31.03.2021

(b) 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.

(c) 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

(d) 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

(e) 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 LICI 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 Scheme2019" ("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 period2021-22 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 FIHM
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

1. 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.
2. 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.
3. 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.
4. 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

1. 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.
2. 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.
3. 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.
4. 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.
5. Deposit taken from FISPL represents Fixed Loss Default Guarantee (FLDG) placed in the form of Fixed Deposit with the Bank.
6. 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.
7. 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.
8. 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/-
Pralay Mondal
Managing Director & CEO (Interim)
DIN: 00117994

Sd/-
Sharmila Abhay Karve
Chairperson-Audit Committee
DIN:05018751

Sd/-
Sijo Varghese
Company Secretary

Sd/-
Madhavan Menon
Director
DIN:00008542

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	1980.46
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)	(1335.27)
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**	**1388.35**
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 31.03.2022	Capital Requirement 31.03.2021	Risk Weighted Assets 31.03.2022	Risk Weighted Assets 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):

i) Interest and or installment of principal remain overdue for a period of more than 90 days in respect of term loan accounts

ii) 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.

iii) The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted

iv) The instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops.

v) 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
31days-<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, ACUITE (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:

a) Deposits with specific lien to the facility

b) Subsidies received (for priority sector advances)

c) 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

(1) The Bank follows Standardised Duration Method for computing capital requirement for Market Risk.

(2) 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.

(3) MRMD is responsible for identification, assessment, monitoring and reporting of market risk associated with Treasury Operations.

(4) 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 31.03.2022	Gross Exposure 31.03.2021	Capital Requirement 31.03.2022	Capital Requirement 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-rogue 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:

a) Bulk of the advance portfolio to re-price within 12 months.

b) Maturity of deposits considered after adjusting empirically observed premature closure rates.

c) Savings Bank Deposits portfolio is distributed in buckets less than 5 years as per maturity pattern arrived basis behavioural analysis.

d) Current Deposits portfolio is distributed in buckets less than 5 years as per maturity pattern arrived from behavioural analysis in duration gap approach

e) 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 rights4 (amount above 10% threshold)			
21	Deferred tax assets arising from temporary differences5 (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 adjustments7 (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		