

Schedules

SCHEDULE 1 - CAPITAL

	(₹ 000's omitted)	
	AS AT 31.03.2023	AS AT 31.03.2022
Authorised Capital		
100,00,00,000 Equity Shares of ₹ 2/- each (100,00,00,000 Equity Shares of ₹ 2/- each)	200 00 00	200 00 00
Issued Capital:		
80,06,77,606 / (79,99,87,642) Equity Shares of ₹ 2/- each	160 13 55	159 99 75
Add: 20,41,791 / (6,89,964) Equity shares of ₹ 2/- each under ESOS 2011 & 2018 allotted	40 84	13 80
	160 54 39	160 13 55
Subscribed & Paid up Capital:		
80,00,11,672 / (79,93,20,719) Equity Shares of ₹ 2/- each	160 00 23	159 86 41
Add: Nil / (989) Equity shares of ₹ 2/- each kept in abeyance is allotted	Nil	2
Add: 20,41,791 / (6,89,964) Equity shares of ₹ 2/- each under ESOS 2011 & 2018 allotted	40 84	13 80
TOTAL	160 41 07	160 00 23

SCHEDULE 2 - RESERVES AND SURPLUS

	(₹ 000's omitted)	
	AS AT 31.03.2023	AS AT 31.03.2022
I Statutory Reserve		
Opening Balance	2025 39 31	1856 99 31
Add: Addition during the year	276 60 00	168 40 00
TOTAL	2301 99 31	2025 39 31
II Capital Reserve		
Opening Balance	435 74 54	420 22 84
Add: Addition during the year	Nil	15 51 70
TOTAL	435 74 54	435 74 54
III Share Premium		
Opening Balance	2067 96 41	2065 43 22
Add: Additions during the year	7 67 22	2 53 19
TOTAL	2075 63 63	2067 96 41
IV Revenue and Other Reserves		
a) General Reserve		
Opening Balance	2247 95 17	1927 66 34
Add: Addition during the year	607 00 00	320 00 00
Add: Lapsed ESOS reserve transferred	8 26	28 83
TOTAL	2855 03 43	2247 95 17
b) Investment Reserve		
Opening Balance	53 34 00	53 34 00
Add: Addition during the year	6 68 00	Nil
Less: Deduction during the year	Nil	Nil
TOTAL	60 02 00	53 34 00

Schedules

SCHEDULE 2 - RESERVES AND SURPLUS (Contd..)

(₹ 000's omitted)

	AS AT 31.03.2023	AS AT 31.03.2022
c) Investment Fluctuation Reserve		
Opening Balance	74 75 60	74 75 60
Add: Addition during the year	Nil	Nil
TOTAL	74 75 60	74 75 60
d) Special Reserve U/s 36(1) (viii) of Income Tax Act, 1961		
Opening Balance	400 00 00	360 00 00
Add: Addition during the year	55 00 00	40 00 00
TOTAL	455 00 00	400 00 00
e) Employee Stock Option		
Opening Balance	63 17	43 15
Add: Addition during the year	1 70 01	48 85
Less: Lapsed ESOS transferred to General Reserve	(8 26)	(28 83)
TOTAL	2 24 92	63 17
V Balance in Profit and Loss account	163 20 86	130 41 50
TOTAL I, II, III, IV & V	8423 64 29	7436 19 70

SCHEDULE 3 - DEPOSITS

(₹ 000's omitted)

	AS AT 31.03.2023	AS AT 31.03.2022
A I. Demand Deposits :		
i) From Banks	3 10 73	2 24 57
ii) From Others	7450 96 91	6918 69 73
TOTAL	7454 07 64	6920 94 30
II. Savings Bank Deposits	17994 85 04	16982 70 85
III. Term Deposits		
i) From Banks	200 25 00	250 76 20
ii) From Others	50988 40 63	44331 59 21
TOTAL	51188 65 63	44582 35 41
TOTAL I, II & III	76637 58 31	68486 00 56
B Deposits of Branches :		
i) In India	76637 58 31	68486 00 56
ii) Outside India	Nil	Nil
TOTAL	76637 58 31	68486 00 56

Schedules

SCHEDULE 4 - BORROWINGS

(₹ 000's omitted)

	AS AT 31.03.2023	AS AT 31.03.2022
I Borrowings in India		
i) Reserve Bank of India	Nil	Nil
ii) Other Banks	Nil	Nil
iii) Other Institutions and Agencies	484 18 30	262 87 00
iv) Subordinated debt - bonds	487 00 00	487 00 00
TOTAL	971 18 30	749 87 00
II Borrowings outside India	460 82 90	589 22 31
TOTAL I & II	1432 01 20	1339 09 31
Secured Borrowings included in I and II above	459 35 12	589 22 31

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(₹ 000's omitted)

	AS AT 31.03.2023	AS AT 31.03.2022
I Bills Payable	639 95 08	363 31 50
II Inter Office Adjustments (Net)	Nil	Nil
III Interest Accrued	417 99 90	336 37 76
IV Deferred Tax (Net)	Nil	Nil
V Other liabilities (including provisions)	2467 82 50	1950 33 14
TOTAL	3525 77 48	2650 02 40

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ 000's omitted)

	AS AT 31.03.2023	AS AT 31.03.2022
I Cash in Hand (Including Foreign Currency Notes)	698 25 34	695 98 19
II Balances with Reserve Bank of India		
(a) in Current Account	3381 22 62	2898 27 97
(b) in Other Accounts	200 00 00	Nil
TOTAL	4279 47 96	3594 26 16

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

(₹ 000's omitted)

	AS AT 31.03.2023	AS AT 31.03.2022
I In India		
i) Balances with Banks :		
(a) In Current Accounts	16 20 55	22 83 55
(b) In Other Deposit Accounts	47 72	46 32
ii) Money at Call and Short Notice		
(a) With Banks	Nil	Nil
(b) With Other Institutions	Nil	Nil
TOTAL	16 68 27	23 29 87

Schedules

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE (Contd..)

(₹ 000's omitted)

	AS AT 31.03.2023	AS AT 31.03.2022
II Outside India		
(a) In Current Accounts	28 90 46	36 71 95
(b) In Other Deposit Accounts	370 06 18	1271 89 25
(c) Money at call and short notice	Nil	Nil
TOTAL	398 96 64	1308 61 20
TOTAL I & II	415 64 91	1331 91 07

SCHEDULE 8 - INVESTMENTS

(₹ 000's omitted)

	AS AT 31.03.2023	AS AT 31.03.2022
I Investments in India		
Investments in India	19411 42 28	17754 80 39
Less : Provision for Investment Depreciation & NPI	(603 39 37)	(539 01 19)
TOTAL	18808 02 91	17215 79 20
Break-up		
i) Government Securities	16734 71 35	15375 06 47
ii) Other Approved Securities	Nil	Nil
iii) Shares	104 94 37	102 03 05
iv) Debentures and Bonds	1389 64 31	1464 81 76
v) Subsidiaries and Joint Ventures	Nil	Nil
vi) Others (includes Security Receipts and Mutual Funds)	578 72 88	273 87 92
	18808 02 91	17215 79 20
II Investments outside India		
i) Government Securities including local authorities	Nil	Nil
ii) Subsidiaries and/or joint ventures abroad	Nil	Nil
iii) Other Investments (Shares - net of Depreciation)	29 45	27 22
	29 45	27 22
TOTAL I & II	18808 32 36	17216 06 42

SCHEDULE 9 - ADVANCES (Net of Provisions)

(₹ 000's omitted)

	AS AT 31.03.2023	AS AT 31.03.2022
A		
i) Bills purchased and discounted	1651 11 69	1346 05 28
ii) Cash Credits, Overdrafts and Loans repayable on demand	32257 92 10	28509 72 51
iii) Term Loans	29225 10 30	24805 42 40
TOTAL	63134 14 09	54661 20 19
B		
i) Secured by tangible assets	59674 30 65	51317 09 44
ii) Covered by Bank / Government guarantees	2384 64 89	2497 06 99
iii) Unsecured	1075 18 55	847 03 76
TOTAL	63134 14 09	54661 20 19

Schedules

SCHEDULE 9 - ADVANCES (Net of Provisions) (Contd..)

(₹ 000's omitted)

	AS AT 31.03.2023	AS AT 31.03.2022
C I Advances in India		
i) Priority Sector	26437 53 75	25533 97 27
ii) Public Sector	1170 96 54	1248 69 50
iii) Banks	Nil	Nil
iv) Others	35525 63 80	27878 53 42
TOTAL	63134 14 09	54661 20 19
II Advances outside India		
i) Due from banks	Nil	Nil
ii) Due from others	Nil	Nil
a) Bills purchased and discounted	Nil	Nil
b) Syndicated loans	Nil	Nil
c) Others	Nil	Nil
TOTAL	Nil	Nil
TOTAL CI & CII	63134 14 09	54661 20 19

SCHEDULE 10 - FIXED ASSETS

(₹ 000's omitted)

	AS AT 31.03.2023	AS AT 31.03.2022
I Premises :		
At cost as on 31 st March of the preceding year	318 19 73	306 83 92
Add : Addition during the year	14 47	11 35 81
	318 34 20	318 19 73
Less: Deduction during the year	(30 91 44)	Nil
	287 42 76	318 19 73
Less : Depreciation to date	(88 11 76)	(84 95 63)
TOTAL	199 31 00	233 24 10
II Premises under construction	96 37	10 88 75
III Capital Work-in-Progress	16 45 55	3 97 51
IV Other Fixed Assets (including Furniture & Fixtures) :		
At cost as on 31 st March of the preceding year	1322 42 91	1269 44 38
Add : Addition during the year	87 13 95	54 10 46
	1409 56 86	1323 54 84
Less: Deduction during the year	(48 94)	(1 11 93)
	1409 07 92	1322 42 91
Less : Depreciation to date	1190 76 74	1092 04 51
	218 31 18	230 38 40
TOTAL I, II, III & IV	435 04 10	478 48 76

Schedules

SCHEDULE 11 - OTHER ASSETS

(₹ 000's omitted)

	AS AT 31.03.2023	AS AT 31.03.2022
I Inter Office Adjustments (Net)	33 60 96	222 45 71
II Interest Accrued	1171 09 73	964 76 14
III Tax paid in advance / Tax deducted at source (Net)	Nil	Nil
IV Stationery and Stamps	2 98 91	3 55 67
V Non Banking Assets acquired in satisfaction of claims	37 88 09	Nil
VI Others	1861 21 24	1598 62 08
TOTAL	3106 78 93	2789 39 60

SCHEDULE 12 - CONTINGENT LIABILITIES

(₹ 000's omitted)

	AS AT 31.03.2023	AS AT 31.03.2022
I Claims against the Bank not acknowledged as debts	49 63 72	169 58 27
II Liability for party paid investments	Nil	Nil
III Liability on account of outstanding forward exchange contracts	5736 44 97	4651 62 56
IV Guarantees given on behalf of constituents		
(a) In India	2490 61 43	2247 18 84
(b) Outside India	Nil	Nil
V Acceptances, Endorsements and other Obligations	1250 20 38	955 17 24
VI Other items for which the Bank is contingently liable@	877 86 36	1236 76 63
TOTAL	10404 76 86	9260 33 54

@ Includes transfer to DEAF of ₹ 210 59 21 (Previous year of ₹ 181 06 79)

SCHEDULE 13 - INTEREST EARNED

(₹ 000's omitted)

	Year Ended 31.03.2023	Year Ended 31.03.2022
I Interest / discount on advances/bills	5326 94 26	4525 48 35
II Income on Investments	1099 13 28	924 78 16
III Interest on balances with Reserve Bank of India & other inter-bank funds	82 60 06	134 33 27
IV Others	7 87 36	3 07 59
TOTAL	6516 54 96	5587 67 37

SCHEDULE 14 - OTHER INCOME

(₹ 000's omitted)

	AS AT 31.03.2023	AS AT 31.03.2022
I Commission, Exchange and Brokerage	747 31 10	633 97 23
II Profit on sale of investments	17 87 59	59 50 84
Less: Loss on sale of investments	(61 01)	(2 54 80)
Less: Depreciation on investments	11 88 54	(107 13 58)

Schedules

SCHEDULE 14 - OTHER INCOME (Contd..)

	(₹ 000's omitted)	
	AS AT 31.03.2023	AS AT 31.03.2022
III Profit on revaluation of investments	Nil	Nil
Less: Loss on revaluation of investments	Nil	Nil
IV Profit on sale of land, buildings and other assets	1 03 63	1 10 31
Less: Loss on sale of land, buildings and other assets	Nil	Nil
V Profit on exchange transactions	34 45 94	37 57 16
Less: Loss on exchange transactions	Nil	Nil
VI Income earned by way of dividends, etc. from subsidiaries/companies and/or joint ventures abroad/in India	Nil	Nil
VII Recovery from Technically written off accounts	208 40 17	6 78 55
VIII Miscellaneous Income	138 57 75	139 79 64
TOTAL	1158 93 71	769 05 35

SCHEDULE 15 - INTEREST EXPENDED

	(₹ 000's omitted)	
	AS AT 31.03.2023	AS AT 31.03.2022
I Interest on Deposits	3066 72 56	2780 19 69
II Interest on Reserve Bank of India / Inter-bank borrowings	58 34 31	58 19 65
III Others	42 66 96	33 90 33
TOTAL	3167 73 83	2872 29 67

SCHEDULE 16 - OPERATING EXPENSES

	(₹ 000's omitted)	
	AS AT 31.03.2023	AS AT 31.03.2022
I Payments to and Provisions for employees	1005 96 41	945 02 68
II Rent, Taxes and Lighting	198 07 81	179 72 73
III Printing and Stationery	12 81 03	13 28 45
IV Advertisement and Publicity	12 85 98	9 89 52
V Depreciation on bank's property	105 66 45	119 17 94
VI Directors' fees, allowances and expenses	3 08 09	1 96 81
VII Auditors' fees and expenses (including branch auditors)	3 65 65	2 52 50
VIII Law Charges	3 50 75	6 43 92
IX Postages, Telegrams, Telephones, etc.	22 13 15	25 29 03
X Repairs and Maintenance	90 08 39	74 27 17
XI Insurance	96 39 91	89 94 85
XII Other Expenditure	477 72 67	386 66 38
TOTAL	2031 96 29	1854 21 98

Schedules

SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES

A. BACKGROUND

The Karur Vysya Bank Limited (the Bank), incorporated in Karur, India is a publicly held banking company governed by the Banking Regulation Act, 1949 and is engaged in providing a wide range of banking and financial services including commercial banking and treasury operations.

B. BASIS OF PREPARATION

The financial statements are prepared following the going concern concept, on historical cost basis and conform to the Generally Accepted Accounting Principles (GAAP) in India which encompasses applicable statutory provisions, regulatory prescriptions and extant disclosure norms prescribed by the Reserve Bank of India (RBI) from time to time, notified Accounting Standards (AS) issued under Section 133 of the Companies Act, 2013, read together with Companies (Accounting Standards) Rules, 2021 and current practices prevailing in the banking industry in India. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year except for accounting of employee share based payment which is explained under the policy for Employee Benefits.

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including contingent liabilities as of the date of the financial statement and the reported income and expenses during the reported period. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The differences, if any, between estimates and actual will be dealt appropriately prospectively in the current and future periods.

C. PRINCIPAL ACCOUNTING POLICIES

1. Revenue Recognition

Income and Expenditure are generally accounted on accrual basis, except otherwise stated.

Interest/other charges from loans, advances and investments other than on non-performing assets, are recognized on accrual basis. Interest income on non-

performing advances (NPA)/ investments (NPI), income from funded interest term loan accounts (FITL) are recognized upon realisation, as per prudential norms prescribed by RBI.

The policy of income recognition shall be objective and based on the record of recovery. No interest will be taken into income account on any NPA or NPI. This will apply to Government guaranteed accounts also. However, interest on advances against Term Deposits, National Savings Certificates (NSCs), Indira Vikas Patras (IVPs), Kisan Vikas Patras (KVPs) and life policies will be taken to income account on the due date, provided adequate margin is available in the accounts.

Accounting for recoveries made in NPA

Recoveries made in NPA are appropriated in the order of charges, interest and principal dues unless otherwise agreed to with the borrower in a different sequence; in cases where the borrower requires the recovery to be appropriated in a different sequence, the same is undertaken accordingly. In respect of One Time Settlement accounts, the recoveries are first adjusted to principal balance.

In compromise settlement cases / sale to Asset Reconstruction Companies (ARC), sacrifice on settlement is accounted at the time of closure of account.

Commission on bank guarantees / letters of credit, locker rent, annual fee on cards, commission on bancassurance and third party products, premium on sale of Priority Sector Lending Certificate and commission received on Government agency business are accounted on receipt basis. Processing / other fees collected on loans approved / disbursed, along with related loan acquisition costs are recognised at inception / renewal of the facility. Dividend income and interest on income tax refund is recognised when the right to receive payment is established. Stationery and security items are charged to the Profit and Loss Account on consumption basis.

Bank has a loyalty program which seeks to recognise and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. The Bank estimates the liability based on assumptions such as expected redemption rate etc. and accounts for the expense in the Profit and Loss Account.

Schedules

Goods & Service Tax input credit is accounted for in the books within the time limit prescribed under CGST Rules, 2017, as amended.

2. Investments

Investments are accounted in accordance with the extant RBI guidelines on investment classification and valuation.

Investments are categorized into three categories –

(i) Held to Maturity (HTM), (ii) Held for Trading (HFT) and (iii) Available for Sale (AFS) with sub-classification under each category viz., (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures & Bonds, (v) Subsidiaries and Joint Ventures and (vi) Others – Units of Mutual Funds, Certificate of Deposits, Commercial Paper, Security Receipts and other investments, in accordance with RBI guidelines.

The category under which the investments would be classified is decided at the time of acquisition. Investments which the Bank intends to hold till maturity are classified as "Held to Maturity". Investments which are primarily held for sale within 90 days from the date of purchase are classified as "Held for Trading". As per RBI guidelines, HFT Securities which remain unsold for a period of 90 days are classified as AFS Securities on that date. Investments which are not classified in either of the above two categories are classified as "Available for Sale".

Shifting of securities among the categories is accounted at the least of the acquisition cost / book value / market price prevailing on the date of shifting and depreciation, if any, on such shifting is fully provided for.

Investments classified under HTM category are carried at acquisition cost. Any premium on acquisition of government securities are amortized over the remaining maturity of the security on a straight line basis. Such amortisation of premium is adjusted against interest income under the head Income on Investments under Schedule 13 in Profit and Loss account. As per the RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity. Any diminution other than temporary, in the value of investments in HTM category is provided for.

Investments classified under the AFS and HFT categories are marked-to-market. The market / fair value of quoted investments included in the 'AFS' and 'HFT' categories is

measured with respect to the market price of the scrip as available from the trades / quotes on the stock exchanges, Subsidiary General Ledger (SGL) account transactions, price list of RBI or prices declared by Financial Benchmark India Private Limited (FBIL), periodically. Net depreciation, if any, within each category of investment classification is recognised in the Profit and Loss Account under the head Other Income. The net appreciation, if any, under each category of Investment is ignored. Except in cases where provision for diminution other than temporary is created, the book value of individual securities is not changed consequent to the periodic valuation of Investments.

The Bank follows settlement date method of accounting for purchase / sale of investments, and weighted average cost method for determining cost and accounting of profit on sale of investments.

Brokerage, commission and securities transaction tax (STT) etc., pertaining to investment, paid at the time of acquisition are charged to the Profit and Loss Account. Broken period interest on debt instruments and Government securities is treated as a revenue item.

Treasury Bills, Commercial Paper and Certificate of Deposits, being discounted instruments, are valued at carrying cost. Units of mutual funds are valued at the latest repurchase price/ Net Asset Value (NAV) declared by the mutual fund. In case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity (YTM) for Government Securities as published by Fixed Income Money Market and Derivatives Association of India (FIMMDA) / Primary Dealers Association of India (PDAI) and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL are adopted for this purpose. Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest balance sheet. In case the latest balance sheet is not available, the shares are valued at Re. 1/- per company. Security Receipts are valued at NAV provided by the issuing ARC from time to time. Additional provision required, if any, is made as per RBI guidelines, based on the age of the underlying non-performing asset sold to the ARC.

Schedules

Non Performing Investments are identified and valued based on RBI guidelines.

Investment in Security Receipts which are not redeemed as at the end of the resolution period (i.e. five years or eight years as the case may be) shall be treated as loss asset in the books and provided for.

Sale / Redemption of Investments

Profit or loss on sale / redemption in respect of securities in HFT and AFS category is included in the Profit and Loss Account. Profit on sale / redemption of investments in HTM category is included in the Profit and Loss Account and is appropriated to Capital Reserve after adjustments for tax and transfer to Statutory Reserve, as per RBI guidelines.

Short sales

Short sale transactions, including 'notional' short sale, are undertaken in Government securities as per RBI guidelines. The short sales positions are reflected in 'Securities Short Sold (SSS) A/c', and categorized under HFT category. These positions are marked-to-market along with other securities under HFT portfolio and resultant Mark-to-Market (MTM) gains / losses are accounted for as per RBI guidelines.

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 collateralised 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.

3. Advances

Advances, including bullion/metal loans, are classified as performing and non-performing assets and provisions are made as per the prudential norms prescribed by RBI. Advances stated in the balance sheet are net of provisions, claims received from credit guarantee institutions and recoveries pending appropriation and held in sundry/suspense account. Interest on non-performing advances is transferred to an unrealized interest account and not recognized in the Profit and Loss Account until received.

Amounts recovered in written off accounts is recognised as income; provisions no longer considered necessary based on the current status of the asset, is reversed to the Profit and Loss Account.

In respect of restructured/rescheduled assets, provision is made in accordance with RBI guidelines, including diminution in the fair value of the assets to be provided on restructuring, as applicable. In respect of loans and advances accounts subjected to restructuring, the asset classification is as per extant RBI guidelines.

Acquisition and transfer of loan exposure is undertaken as per extant RBI guidelines.

Term reverse repo of original tenor greater than 14 days will be classified under Advances.

Provision for Unhedged Foreign Currency Exposure of borrower entities is made considering their unhedged exposure to the Bank.

Provision for standard assets, is made in accordance with the guidelines and at levels stipulated by RBI from time to time.

4. Fixed Assets

Premises and other fixed assets are accounted for at historical cost as reduced by accumulated depreciation, amortisation and impairment loss, if any. The cost includes cost of purchase and all expenditure such as site preparation, installation cost, expenditure incurred for development of software, professional fees and GST (net of ITC). Subsequent expenditure incurred on the assets already in use are capitalised only when it increases the future benefits from such assets or their functioning capacity.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.

5. Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) in respect of all fixed assets other than buildings which is depreciated on Written Down Value (WDV) method.

Useful life of the assets (except Computers, including servers, network equipments and software, are depreciated under SLM at the rate of 33.33% as per RBI guidelines) has

Schedules

been estimated in line with Schedule II of the Companies Act, 2013, as determined by the Management, as under and depreciation is provided for as under –

Class of Asset	Useful life (years)	Method
a. BUILDING	58	WDV
b. PLANT & MACHINERY		
ATM, Cash Deposit Machine, Cash Dispenser, Bunch Note Recyclers, Cash / Currency Sorting Machine, Air-conditioner / Air Coolers, Generator, general electrical works and other plant & machinery etc.	10	
Safe Deposit Lockers, Safe / Strong Room Door / Cage, Wind Mill	15	
c. FURNITURE & FIXTURES		
Furniture & Fixtures at bank premises (owned)	10	SLM
Improvements at leased premises	10 years or lease period whichever is less.	
Furniture & Fixtures at staff quarters / guest house	5	
Electric & Electronic items, cellular / mobile phones etc.	3	
d. MOTOR VEHICLES	8	
e. COMPUTERS (including software, servers, network equipments)	3	

Depreciation on assets purchased and sold during the year is recognised on a pro-rata basis from the date of purchase / till the date of sale.

6. Foreign Exchange Transactions

As Per the guidelines of Foreign Exchange Dealers Association of India (FEDAI) and the requirements of AS-11 – The Effects of Changes in Foreign Exchange Rates, all foreign currency monetary assets and monetary liabilities like Nostro balances, Foreign Currency Non-Resident deposits, Resident Foreign Currency deposit, Pre and Post Shipment Credit in Foreign Currency and Foreign Currency

Term Loans are valued at the closing rates announced by FEDAI as at the Balance Sheet date and the resultant revaluation profit or loss, as the case may be, is taken to the Profit and Loss Account.

Forward contracts (excluding investment swaps) and other forward maturity items like cheques/bills purchased and negotiated are valued at the appropriate FEDAI forward rates and the resultant profit or loss is discounted using FBIL Mumbai Interbank Offered Rate Overnight Index Swap curve (MIBOR-OIS curve). Foreign exchange investment swaps against foreign currency deposits / borrowings are valued at the contracted rates and the premium/discount thereon is recognised in the profit and loss account on accrual basis.

Non-fund based assets like Guarantees, Letters of Credit, Acceptances, Endorsements and other obligations in foreign currencies are translated at closing rates notified by FEDAI at the Balance Sheet date.

7. Bullion Business

The Bank imports, on a back-to-back basis, consignments of bullion, including precious metal bars, for sale to its clients. The price quoted to the customer is based on price quoted by the supplier. The difference between the price paid by the customer and the cost of bullion is accounted under other income.

The Bank also borrows and lends bullion in accordance with RBI guidelines, which is treated as borrowings & lending and interest paid / received is accounted on an accrual basis.

Metal Loan Advances and Borrowings are valued based on the prevailing market rate and foreign exchange rates as on the date of Balance Sheet.

8. Derivatives

Interest rate swaps pertaining to trading position and which are outstanding as on balance sheet date are marked to market and net appreciation is ignored and net depreciation is recognized in the Profit and Loss Account. Foreign currency options and swaps are accounted in accordance with the guidelines issued by FEDAI.

9. Proposed Dividend

In terms of AS 4 - "Contingencies and Events occurring after the Balance Sheet date", proposed dividend or

Schedules

dividend declared after balance sheet date is not shown as 'other liability' in the Balance Sheet instead a note on the same will be included in the financial statement. Such proposed dividend will be appropriated from the 'Reserves & Surplus' only after the approval of the shareholders.

10. Employee Benefits

Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognized in the period in which the employee renders the related service. The Bank recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered, as a liability (accrued expense) after deducting any amount already paid.

Long-term Employee Benefits

- a. Post-Employment Benefits
- a1. Defined Contribution Plan

The following benefits provided to the employees of the Bank are classified as Defined Contribution Plan.

Provident Fund - Employees covered under provident fund scheme are entitled for retirement benefit in the form of provident fund. Aggregate contributions along with interest thereon are paid on retirement, death, incapacitation, or termination of employment. Both the employee and the Bank contribute at specific rates of the salary to the provident fund account maintained with the Karur Vysya Bank Limited Employees' Provident Fund Trust. The contribution made by the Bank to the Trust, administered by the trustees, is charged to the Profit and Loss account.

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

- a2. Defined Benefit Plan

The defined benefit obligations recognized in the Balance Sheet represent the present value of the obligation to its employees as reduced by the fair value of the plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions of the plan.

All expenses represented by current service cost, past service cost, if any and net interest on the defined benefit liability / asset together with the re-measurements of the net benefit liability / asset comprising of actuarial gains and losses and return on the plan assets (excluding the amount included in the net interest on the net defined benefit liability / asset) are recognized in the Profit and Loss Account.

Gratuity - All employees of the Bank are entitled for gratuity benefit. The Bank makes contributions to The Karur Vysya Bank Employees' Gratuity Fund Trust, which is administered and managed by the Trustees whose funds are managed by insurance companies. Liabilities with regard to the gratuity plan are determined by an independent actuary as on the Balance Sheet date, based upon which, the Bank contributes all the ascertained liabilities to the said Trust. The contribution is made by the Bank to the said Trust. The actuarial calculations entails assumptions about demographics, early retirement, salary increases and interest rates.

Pension Fund - Employees covered under pension scheme are entitled to get pension benefits. The Bank contributes at specific rates of the salary to the Karur Vysya Bank Limited Pension Trust set up by the Bank and administered by the Trustee. Additional amount being the liability shortfall as ascertained by an independent actuary, contributed to the said Trust, is determined on actuarial basis on projected unit credit method as on the Balance Sheet date. The contribution is made by the Bank to the Trust. 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. Employees covered by the pension plan are not eligible for employers' contribution under the provident fund plan.

Schedules

Other Long Term Employee Benefits

Compensated absences, comprising of Medical Leave and Privilege Leave are recognized when they accrue to the employees. These are not expected to occur wholly within twelve months after the end of the period in which the employees render the related services. These liabilities are determined by an independent actuary as on the Balance Sheet date using the Projected Unit Credit Method. Liability towards compensated absences is unfunded.

Employee Share Based Payments

The Bank's Employee Stock Options Schemes (ESOS) are in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SEBI share-based employee benefits regulation'). The Scheme provides for grant of options on equity shares to its employees including its Key Managerial Personnel / Material Risk Takers, to acquire the equity shares of the bank that vest in a graded manner and that are to be exercised within a specified period.

Hitherto (till 31st March 2021), in accordance with the SEBI share-based employee benefits regulation and the Guidance note on accounting for employee share-based payments, issued by the Institute of Chartered Accountants of India the cost of equity settled transactions is measured using the intrinsic value method. The intrinsic value, being the excess, if any, of the fair market price of the share under ESOS over the exercise price of the option is recognised as deferred employee compensation with a credit to Employees' Stock Option outstanding account. The fair market price is the latest available closing price, preceding the date of grant of the option, on the stock exchange on which the shares of the Bank are listed.

Effective from 1st April 2021, consequent to the RBI's clarification dated August 30, 2021 on Guidelines on compensation to Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff which advised the banks to fair value share-linked instruments on the date of grant using Black-Scholes Model, the Bank has changed its accounting policy from intrinsic value method to fair value method for all employee stock options granted after March 31, 2021. The Fair Value of the stock-

based compensation is estimated on the date of grant using Black-Scholes model.

The deferred employee compensation cost is amortised on a straight line basis over the vesting period of the option. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of equity instruments that are outstanding.

The options that do not vest because of failure to satisfy vesting conditions are reversed by a credit to employee compensated expense in 'Payment to and provision for employee cost' equal to the amortised portion of value of lapsed portion. In respect of the options which expire unexercised the balance standing to the credit of Employees' stock option outstanding account is transferred to 'General Reserve'. The options granted are also subject to clawback clause wherein under circumstances specified at the time of grant of employee stock option the option grantee shall relinquish any benefit that accrued to or return any benefit that is received to the Bank.

Where the terms of an equity-settled award are modified, the minimum expense recognised in 'Payments to and provision for employees' is the expenses as if the terms had not been modified. An additional expense is recognised for any modification which increases the total intrinsic value of the share based payment arrangement or is otherwise beneficial to the employee as re-measured as at the date of modification.

11. Segment Reporting

The Bank recognises the Business Segment as the primary reporting segment and Geographical Segment as the secondary reporting segment, in accordance with RBI guidelines and in compliance with AS 17 - 'Segment Reporting'.

Business Segment is classified into (a) Treasury (b) Corporate and Wholesale Banking, (c) Retail Banking* and (d) Other Banking Operations.

* Retail banking shall be sub-divided into (i) Digital Banking and (ii) Other Retail Banking segments. The business involving digital banking products acquired by Digital Banking Units (DBUs) or existing digital banking products would qualify to be clubbed under 'Digital Banking' Segment.

Schedules

12. Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted Earnings per Share is computed by using the weighted average number of equity shares and dilutive potential equity share outstanding as at the year end.

13. Income Tax

Income Tax expense comprises of current tax provision made after due consideration of the judicial pronouncements and legal opinion (i.e. the amount of tax for the period determined in accordance with the Income Tax Act, 1961, the rules framed thereunder and considering the material principles set out in Income Computation and Disclosure Standards) and the net change in the deferred tax asset or liability during the year.

Deferred income taxes recognizes timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are recognized in the books of account to the extent of their future reversibility. Deferred Tax Liabilities are recognized fully in the year of accrual.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

14. Impairment of Assets

The Bank assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated recoverable amount. In case the asset is carried at revalued amount, any impairment loss of the revalued asset is treated as a reduction in revaluation to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in

earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Profit and Loss Account, to the extent the amount was previously charged to the Profit and Loss Account. In case of revalued assets such reversal is not recognised.

15. Provisions and Contingent Liabilities

A provision is recognised when there is a present obligation as a result of past event, and there is a probability of an outflow of resources that will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on the Management's best estimate required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

In case where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements. In case of remote possibility, neither provision nor disclosure is made in the financial statement.

Contingent Assets are neither recognized nor disclosed in the financial statements since this may result in the recognition of income that may never be realized.

16. Country risk

In addition to the provisions required to be held according to the asset classification status, provisions are also required to be made towards country-wise net funded exposure on foreign exchange transactions exceeding the threshold limits (other than for home country). Provision will be made where the net funded exposure of any country is 1% or more of the Bank's total funded assets.

Further, till such time internal rating systems are developed by the Bank, the seven-category classification followed by Export Credit Guarantee Corporation of India Ltd. (ECGC) will be utilised for the purpose of classification of country risk exposures viz., countries will be classified into seven risk categories namely insignificant (A1), low (A2), moderately low (B1), moderate (B2), moderately high (C1), high (C2) and very high (D).

Schedules

17. Corporate Social Responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013 is recognised in the Profit and Loss Account.

18. Operating Lease

Leases where all the risks and rewards of ownership are retained by the lessor are classified as 'Operating lease'. Operating lease payments are recognised as an expense in the Profit and Loss Account as per the lease terms. Initial direct costs in respect of operating leases such as legal costs, brokerage costs etc., are recognised as expense immediately in the Profit and Loss Account.

19. Net Profit

The net profit disclosed in the Profit and Loss Account is after providing for :

- Provision for taxes, standard assets and non-performing assets;
- Provision for depreciation on investments,
- Provision for employee benefits; and
- Other usual and necessary provisions

Schedules

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

The schedule provides disclosure for the year ended 31st March 2023 (with comparative position of previous year, wherever applicable) as per Reserve Bank of India's (RBI) Master Circular on Disclosure in Financial Statements.

(Amounts given herein are denominated in Rupees crore unless specified otherwise)

1. Capital Ratio (CRAR) – Basel III

a. Composition of Regulatory Capital

		(Rupees in crore)	
SN	Particulars	AS AT 31.03.2023	AS AT 31.03.2022
1	Common Equity Tier 1 capital (CET 1)	8,241.54	7,287.38
2	Additional Tier 1 capital	Nil	Nil
3	Tier 1 capital (1+2)	8,241.54	7,287.38
4	Tier 2 capital	868.42	820.24
5	Total capital (3+4)	9,109.96	8,107.62
6	Total Risk Weighted Assets (RWAs)	49084.23	42,212.08
7	Common Equity Tier 1 capital ratio (%)	16.79	17.27
8	Tier 1 capital ratio (%)	16.79	17.27
9	Tier 2 capital ratio (%)	1.77	1.94
10	Total Capital ratio (CRAR) (%)	18.56	19.21
11	Leverage Ratio (Basel III) (%)	8.70	8.78
12	Percentage of the shareholding of		
	a) Government of India	Nil	
	b) State Government		
	c) Sponsor Banks		
13	Amount of equity capital raised during the year *	0.41	0.14
14	Amount of non-equity Tier 1 capital raised during the year of which (Basel II or Basel III compliant)		
	- PNCPS	Nil	
	- PDI		
15	Amount of Tier 2 capital raised during the year of which (Basel II or Basel III compliant)		
	- Debt capital instruments		
	- Preference share capital instruments	Nil	
	- Perpetual cumulative preference shares (PCPS)		
	- Redeemable non-cumulative preference shares (RNCPS)		
	- Redeemable cumulative preference shares (RCPS)		

* - includes 2041791 shares (43174 shares under ESOS on compensation of key managerial personnel) of face value ₹ 2/- each allotted to employees under ESOS during the year ended 31.03.2023 (689964 shares of face value of ₹ 2/- each allotted to employees under ESOS during the previous year).

Schedules

b. Draw down from Reserves

During the year, there has been no draw down from the reserves to the Profit & Loss account.

Basel III disclosures

In accordance with RBI circular DOR.CAP.REC.3/21.06.201/2022-23 dated 01st April 2022, read together with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated 1st July 2015, Banks are required to make Pillar 3 disclosures under Basel III capital regulations. Accordingly, necessary disclosures have been made available on the Bank's website - <https://www.kvb.co.in/about-us/disclosures/pillar-III-disclosures/>. These disclosures have not been subjected to audit by the Statutory Central Auditors.

1.1 Tier II Capital

During the year ended 31st March 2023, the Bank did not raise any subordinated debt bonds qualifying for Tier II capital.

The position of outstanding Tier II Bonds issued by the Bank is as under:

		(₹ crore)	
SN	Particulars	As at Mar. 31, 2023	As at Mar. 31, 2022
1	Basel III compliant Tier II Bonds	487.00	487.00
	TOTAL	487.00	487.00

1.2 Proposed Dividend

The Board of Directors have recommended a dividend of 100% i.e. ₹ 2.00 per equity share of ₹ 2.00 each for the year 2022-23 (Previous year 80%-₹ 1.60 per equity share), subject to the approval of the shareholders at the ensuing Annual General Meeting.

In accordance with Accounting Standards 4 - Contingencies and Events Occurring after the Balance Sheet date notified by the MCA on 30th March 2016, the proposed dividend amounting to ₹ 160.41 crore (₹ 128.01 crore during the previous year) has not been shown as an appropriation from the Profit and Loss account for the year ended 31st March 2023 and correspondingly not reported under Other Liabilities and Provisions as at 31st March 2023. However, capital adequacy ratio has been computed by reducing the proposed dividend.

2. Asset Liability Management

2a. Maturity pattern of certain items of assets and liabilities

												(₹ crore)	
Particulars	Deposits		Gross Advances		Gross Investments		Borrowings		Foreign Currency Assets		Foreign Currency Liabilities		
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	
1 day	211.69	141.49	2463.13	2,076.51	1870.20	2,042.29	1.48	Nil	54.90	61.37	110.29	149.23	
2 to 7 days	1,150.71	1,271.66	420.59	473.10	1,027.60	1,077.66	Nil	2.33	48.71	13.45	5.44	6.05	
8 to 14 days	1,251.55	930.48	448.45	487.88	1,009.76	1,011.55	Nil	7.48	172.37	186.82	15.32	8.63	
15 to 30 days	1,561.77	1,318.24	1,244.10	1,421.88	516.74	398.54	74.50	124.94	136.67	116.83	63.65	134.26	
31 days to 2 months	2,128.93	1,837.09	1,917.54	2,011.68	788.57	592.55	80.11	88.20	193.77	175.21	83.32	102.18	
Over 2 months and to 3 months	2,090.53	1,937.22	3,071.28	2,432.24	942.27	556.85	76.29	78.37	132.82	658.00	92.99	92.47	
Over 3 months and up to 6 months	5,556.76	5,466.60	6,963.75	6,652.45	1,547.29	1,440.79	230.36	287.90	165.15	847.11	286.84	344.72	
Over 6 months and up to 1 year	9,740.82	11,734.91	8,894.78	6,962.66	2,899.10	2,729.95	19.73	5.39	4.37	15.86	183.89	158.03	

Schedules

Particulars	(₹ crore)											
	Deposits		Gross Advances		Gross Investments		Borrowings		Foreign Currency Assets		Foreign Currency Liabilities	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Over 1 year and up to 3 years	19,938.93	17,838.54	22,202.59	19,517.45	5,346.21	4,540.64	462.54	257.48	18.52	17.92	236.98	137.83
Over 3 years and up to 5 years	12,801.40	13,103.18	4,871.88	5,178.54	1,709.61	1,739.09	Nil	Nil	18.18	38.75	379.61	66.74
Over 5 years	20,204.49	12,906.59	11,670.00	9,661.71	1,754.85	1,625.63	487.00	487.00	100.44	65.08	0.22	Nil
Total	76,637.58	68,486.00	64,168.09	56,876.10	19,412.19	17,755.54	1,432.01	1,339.09	1,045.90	2,196.40	1458.55	1,200.14

The above data has been compiled on the basis of the guidelines of RBI and certain assumptions made by management and have been relied upon by statutory central auditors.

2b. Liquidity Coverage Ratio (LCR)

i. Qualitative disclosure

Pursuant to RBI guidelines on implementation of Basel III framework applicable to banks in India with effect from 1st January 2015, measurement of LCR by Bank is undertaken for stress testing. LCR promotes short term resilience of banks to potential liquidity disruptions by ensuring that they have sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days. As per extant regulatory guidelines, the minimum LCR to be maintained by banks is specified at 100%.

i.a Objective

LCR standard aims to ensure that a bank maintains an adequate level of unencumbered 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.

Bank has consistently maintained LCR above 100% during FY 2022-23 (as well as during FY 2021-22) i.e. at levels higher than the required regulatory minimum level, on an ongoing basis.

i.b Composition of HQLA

- Cash in hand
- Excess CRR balance as on that particular day
- Excess Government Securities in excess of minimum SLR requirement
- Government Securities within the mandatory SLR requirement to the extent allowed by RBI under MSF (presently to the extent of 2% of NDTL as allowed for MSF)
- Facility to avail liquidity for liquidity coverage ratio at 15% of NDTL
- AAA rated bonds and AA- & above and marketable securities representing claims guaranteed by sovereigns having risk weights higher than 20% but not higher than 50%
- Common equity shares not issued by the bank or any of its affiliated entities and included in NSE CNX Nifty and / or S&P BSE Sensex indices.

Schedules

ii. Quantitative disclosure

The following table sets forth the daily average of un-weighted and weighted values for all the quarters in FY 2022-23

(₹ crore)

Particulars	Quarter ended March 31, 2023		Quarter ended December 31, 2022		Quarter ended September 30, 2022		Quarter ended June 30, 2022		Quarter ended March 31, 2022	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets										
1 Total High Quality Liquid Assets (HQLA)		16,975.30		16,579.40		16,100.94		15,400.38		15,214.45
Cash Outflows										
2 Retail deposits and deposits from small business customers, of which:	52,093.55	4,038.01	50,534.33	3,901.75	49,313.40	3,792.65	48,495.86	3,715.86	47,900.21	3,662.52
(i) Stable deposits	23,426.85	1,171.34	23,033.67	1,151.68	22,773.72	1,138.68	22,674.54	1,133.73	22,550.00	1,127.50
(ii) Less stable deposits	28,666.70	2,866.67	27,500.66	2,750.07	26,539.68	2,653.97	25,821.32	2,582.13	25,350.21	2,535.02
3 Unsecured wholesale funding, of which:	9,182.55	2,637.26	8,913.68	2,359.85	9,010.45	2,522.40	8,111.19	1,959.65	7,682.52	1,737.63
(i) Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Non-operational deposits (all counterparties)	9,182.55	2,637.26	8,913.68	2,359.85	9,010.45	2,522.40	8,111.19	1,959.65	7,682.52	1,737.63
(iii) Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4 Secured wholesale funding		0.00		0.00		0.00		0.00		0.00
5 Additional requirements, of which	6,254.95	1,247.68	6,183.47	1,176.70	5,479.13	1,099.31	5,109.14	1,045.88	4,975.67	930.67
(i) Outflows related to derivative exposures and other collateral requirements	36.13	36.13	51.67	51.67	36.95	36.95	18.49	18.49	15.93	15.93
(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Credit and liquidity facilities	6,218.82	1,211.55	6,131.80	1,125.03	5,442.18	1,062.36	5,090.65	1,027.39	4,959.74	914.74
6 Other contractual funding obligations	42.85	42.85	20.30	20.30	16.72	16.72	16.84	16.84	34.01	34.01
7 Other contingent funding obligations	39.55	1.19	44.41	1.33	38.56	1.16	38.54	1.16	37.48	1.12
8 Total Cash Outflows		7,966.99		7,459.93		7,432.24		6,739.39		6,365.95
Cash Inflows										
9 Secured lending (e.g. reverse repos)	36.50	0.00	31.46	0.00	20.19	0.00	576.95	0.00	605.91	0.00
10 Inflows from fully performing exposures	2,306.16	1,348.40	2,015.71	1,080.89	1,835.45	972.25	1,682.85	907.41	1,747.24	941.12
11 Other cash inflows	36.76	36.76	51.42	51.42	39.55	39.55	26.53	26.53	26.23	26.23
12 Total Cash Inflows	2,379.42	1,385.16	2,098.59	1,132.31	1,895.19	1,011.80	2,286.33	933.94	2,379.38	967.35
13 TOTAL HQLA		16,975.30		16,579.40		16,100.94		15,400.38		15,214.45
14 Total Net Cash Outflows (8-12)		6,581.83		6,327.62		6,420.44		5,805.45		5,398.60
15 Liquidity Coverage Ratio (%)		257.91%		262.02%		250.78%		265.27%		281.82%

Note – LCR data has been calculated based on simple average of all daily observations over the previous quarter. The above data has been furnished by the management and have been relied upon by the auditors.

Schedules

The following table sets forth the daily average of un-weighted and weighted values for all the quarters in FY 2021-22

(₹ crore)

Particulars	Quarter ended March 31, 2022		Quarter ended December 31, 2021		Quarter ended September 30, 2021		Quarter ended June 30, 2021		Quarter ended March 31, 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)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets										
1 Total High Quality Liquid Assets (HQLA)		15,214.45		15,827.18		15,682.35		15,425.03		15,873.02
Cash Outflows										
2 Retail deposits and deposits from small business customers, of which:	47,900.21	3,662.52	47,369.93	3,616.66	47,043.31	3,582.76	46,493.65	3,527.05	45,704.04	3,459.73
(i) Stable deposits	22,550.00	1,127.50	22,406.70	1,120.34	22,431.39	1,121.57	22,446.21	1,122.31	22,213.44	1,110.67
(ii) Less stable deposits	25,350.21	2,535.02	24,963.23	2,496.32	24,611.92	2,461.19	24,047.44	2,404.74	23,490.60	2,349.06
3 Unsecured wholesale funding, of which:	7,682.52	1,737.63	7,440.04	1,700.04	7,307.35	1,752.33	7,252.83	1,708.83	7,102.11	1,552.58
(i) Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Non-operational deposits (all counterparties)	7,682.52	1,737.63	7,440.04	1,700.04	7,307.35	1,752.33	7,252.83	1,708.83	7,102.11	1,552.58
(iii) Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4 Secured wholesale funding		0.00		0.00		0.00		0.00		0.00
5 Additional requirements, of which	4,975.67	930.67	5,010.26	964.14	4,830.50	940.80	4,879.86	921.22	4,717.48	904.34
(i) Outflows related to derivative exposures and other collateral requirements	15.93	15.93	16.21	16.21	15.70	15.70	20.82	20.82	22.78	22.78
(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Credit and liquidity facilities	4,959.74	914.74	4,994.05	947.93	4,814.80	925.10	4,859.04	900.40	4,694.70	881.56
6 Other contractual funding obligations	34.01	34.01	16.93	16.93	18.95	18.95	26.83	26.83	27.00	27.00
7 Other contingent funding obligations	37.48	1.12	42.83	1.28	47.02	1.41	49.47	1.48	48.96	1.47
8 Total Cash Outflows		6,365.95		6,299.05		6,296.25		6,185.41		5,945.12
9 Secured lending (e.g. reverse repos)	605.91	0.00	1,295.80	0.00	617.83	0.00	593.55	0.00	749.45	0.00
10 Inflows from fully performing exposures	1,747.24	941.12	1,634.82	860.70	1,719.36	904.41	1,612.62	872.93	1,430.18	797.71
11 Other cash inflows	26.23	26.23	24.27	24.27	28.13	28.13	33.07	33.07	33.61	33.61
12 Total Cash Inflows	2,379.38	967.35	2,954.89	884.97	2,365.32	932.54	2,239.24	906.00	2,213.24	831.32
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13 TOTAL HQLA		15,214.45		15,827.18		15,682.35		15,425.03		15,873.02
14 Total Net Cash Outflows (8-12)		5,398.60		5,414.08		5,363.71		5,279.41		5,113.80
15 Liquidity Coverage Ratio (%)		281.82%		292.33%		292.38%		292.17%		310.40%

Note – LCR data has been calculated based on simple average of all daily observations over the previous quarter. The above data has been furnished by the management and have been relied upon by the auditors.

Schedules

2c. Net Stable Funding Ratio (NSFR)

Qualitative disclosure

NSFR = Amount of available stable funding (ASF) ÷ amount of required stable funding (RSF).

NSFR indicates that the Bank maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities and promotes funding stability i.e. resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding, on an on-going basis.

ASF is defined as the portion of capital and liabilities, expected to be reliable over the time horizon considered by NSFR, which extends to one year. RSF is a function of the liquidity characteristics and residual maturity of various assets (including off-balance sheet exposures) held. RBI has mandated that minimum NSFR of 100% is to be maintained with effect from October 01, 2021.

NSFR standard is structured to :

- a) Ensure that investment banking inventories, off-balance sheet exposures, securitization pipelines and other assets and activities are funded with at-least a minimum amount of stable liabilities;
- b) Avoid over-reliance on wholesale funding during times of buoyant market liquidity;
- c) Counterbalance the cliff-effects of the liquidity coverage ratio approach;
- d) Offset incentives for institutions to fund their stock of liquid assets with short-term funds that mature just outside the supervisory defined horizon for LCR; and
- e) Require stable funding for all illiquid assets and securities held, including those held in HFT/AFS i.e. reckon illiquidity and not the assumed execution turnover period.

The following assumptions are used by RBI in the calibration of NSFR :

- Longer-term liabilities are assumed to be more stable than short-term liabilities;
- Short-term (maturing in less than one year) deposits provided by retail customers and funding provided by small business customers are behaviorally more stable than wholesale funding of the same maturity from other counterparties;
- For the sake of continuity and resilience of credit creation, stable funding for some proportion of lending to the real economy is required;
- Banks may seek to roll over a significant proportion of maturing loans to preserve customer relationships;
- Short-dated assets (maturing in less than one year) require a smaller proportion of stable funding because these could be allowed to mature without rolling-over;
- Unencumbered, high-quality assets that can be securitized or traded or used as collateral to secure additional funding, do not need to be wholly financed with stable funding; and
- At least a small portion of the potential calls on liquidity arising from off-balance sheet commitments and contingent funding obligations need to be met by stable funding.

NSFR is measured on a quarterly basis and advanced techniques such as stress testing, sensitivity analysis etc. are conducted periodically to assess the impact of various contingencies.

Schedules

Quantitative disclosure - The following table sets out the details of NSFR of the Bank

(₹ crore)

Particulars	As on 31.03.2023					As on 31.12.2022				
	Unweighted value by Residual Maturity				Weighted Value	Unweighted value by Residual Maturity				Weighted Value
	No Maturity	< 6 months	6 months to < 1 year	≥ 1 year		No Maturity	< 6 months	6 months to < 1 year	≥ 1 year	
ASF Item										
1 Capital (2+3)	8,423.24	-	-	487.00	8,910.24	7,704.38	-	-	487.00	8,191.38
2 Regulatory capital	8,423.24	-	-	-	8,423.24	7,704.38	-	-	-	7,704.38
3 Other capital instruments	-	-	-	487.00	487.00	-	-	-	487.00	487.00
4 Retail deposits and deposits from small business customers (5+6)	-	-	44,225.31	-	40,897.24	-	-	46,259.20	-	42,741.40
5 Stable deposits	-	-	21,889.22	-	20,794.76	-	-	22,162.30	-	21,054.19
6 Less stable deposits	-	-	22,336.09	-	20,102.48	-	-	24,096.90	-	21,687.21
7 Wholesale funding (8+9)	2,747.39	7,439.73	5,382.71	21,616.00	25,580.46	3,927.72	5,779.52	4,147.90	17,583.52	21,898.63
8 Operational deposits	-	-	-	-	-	-	-	-	-	-
9 Other wholesale funding	2,747.39	7,439.73	5,382.71	21,616.00	25,580.46	3,927.72	5,779.52	4,147.90	17,583.52	21,898.63
10 Other liabilities (11+12)	2,325.54	-	-	-	-	4,937.13	-	-	-	-
11 NSFR derivative liabilities	-	-	-	-	-	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	2,325.54	-	-	-	-	4,937.13	-	-	-	-
13 Total ASF (1+4+7+10)					75,387.94					72,831.41
RSF Item										
14 Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	-	-	-	-	-	-
15 Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	791.78	-	-	791.78
16 Performing loans and securities (17+18+19+21+23)	35.05	12,539.69	8,602.08	44,752.56	48,536.38	29.11	22,999.98	11,165.61	28,189.06	40,688.80
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	155.90	67.92	3,402.40	3,459.75	-	562.51	117.57	3,093.01	3,236.17
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	11,848.72	7,446.87	34,193.58	38,400.30	-	20,821.50	10,942.21	18,563.46	31,071.38
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	1,021.29	292.02	3,271.27	2,126.33	-	1,837.35	223.91	3,510.97	3,312.76
21 Performing residential mortgages, of which:	-	1.78	511.83	5,942.56	4,505.87	-	1.96	5.87	5,310.30	3,603.58
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	5,050.60	3,939.54	-	1.94	5.80	4,570.43	2,974.65
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	35.05	533.29	575.46	1,214.02	2,170.46	29.11	1,614.01	99.96	1,222.29	2,777.67

Schedules

(₹ crore)

Particulars	As on 31.03.2023					As on 31.12.2022				
	Unweighted value by Residual Maturity				Weighted Value	Unweighted value by Residual Maturity				Weighted Value
	No Maturity	< 6 months	6 months to < 1 year	≥ 1 year		No Maturity	< 6 months	6 months to < 1 year	≥ 1 year	
24 Other assets (25+26+27+28+29)	25,697.32	-	-	-	6,081.23	25,611.98	-	-	-	7,049.54
25 Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	348.55	-	-	-	296.27	348.42	-	-	-	296.16
27 NSFR derivative assets	4.93	-	-	-	4.93	0.72	-	-	-	0.72
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-	-	-	-	-	-
29 All other assets not included in the above categories	25,343.84	-	-	-	5,780.03	25,262.84	-	-	-	6,752.66
30 Off-balance sheet items	5,324.16	-	-	-	266.21	5,325.13	-	-	-	266.26
31 Total RSF					54,883.82					48,796.39
32 NSFR (%)					137.36%					149.26%

(₹ crore)

Particulars	As on 30.09.2022					As on 30.06.2022				
	Unweighted value by Residual Maturity				Weighted Value	Unweighted value by Residual Maturity				Weighted Value
	No Maturity	< 6 months	6 months to < 1 year	≥ 1 year		No Maturity	< 6 months	6 months to < 1 year	≥ 1 year	
ASF Item										
1 Capital (2+3)	7,948.84	-	-	487.00	8,435.84	7,825.26	-	-	487.00	8,312.26
2 Regulatory capital	7,948.84	-	-	-	7,948.84	7,825.26	-	-	-	7,825.26
3 Other capital instruments	-	-	-	487.00	487.00	-	-	-	487.00	487.00
4 Retail deposits and deposits from small business customers (5+6)	-	-	47,700.98	-	44,056.56	-	-	46,583.69	-	43,033.92
5 Stable deposits	-	-	22,513.37	-	21,387.71	-	-	22,172.03	-	21,063.43
6 Less stable deposits	-	-	25,187.61	-	22,668.85	-	-	24,411.66	-	21,970.49
7 Wholesale funding (8+9)	1,898.31	4,857.81	9,509.73	13,700.16	18,642.79	2,048.08	4,495.64	6,360.77	13,770.35	18,720.66
8 Operational deposits	-	-	-	-	-	-	-	-	-	-
9 Other wholesale funding	1,898.31	4,857.81	9,509.73	13,700.16	18,642.79	2,048.08	4,495.64	6,360.77	13,770.35	18,720.66
10 Other liabilities (11+12)	3,377.94	175.50	-	-	-	4,874.42	-	-	-	-
11 NSFR derivative liabilities	-	-	-	-	-	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	3,377.94	175.50	-	-	-	4,874.42	-	-	-	-
13 Total ASF (1+4+7+10)					71,135.19					70,066.84
RSF Item										
14 Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	-	-	-	-	-	-
15 Deposits held at other financial institutions for operational purposes	-	1,180.26	-	-	1,180.26	-	1,611.29	-	-	1,611.29
16 Performing loans and securities (17+18+19+21+23)	40.32	12,961.62	7,300.85	41,356.45	44,803.68	29.37	12,026.44	7,386.63	39,629.11	42,777.41
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	142.49	114.98	3,271.56	3,350.42	-	169.49	28.68	3,010.23	3,050.00

Schedules

(₹ crore)

Particulars	As on 30.09.2022					As on 30.06.2022				
	Unweighted value by Residual Maturity				Weighted Value	Unweighted value by Residual Maturity				Weighted Value
	No Maturity	< 6 months	6 months to < 1 year	≥ 1 year		No Maturity	< 6 months	6 months to < 1 year	≥ 1 year	
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	12,466.98	6,347.53	31,573.03	35,571.83	-	11,140.56	7,222.53	29,973.42	33,962.07
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	1,312.48	146.33	3,967.34	3,308.18	-	1,102.60	279.41	4,143.90	3,384.54
21 Performing residential mortgages, of which:	-	2.15	5.63	5,283.52	3,600.07	-	1.97	5.78	4,808.32	3,258.43
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	2.14	5.56	4,474.06	2,911.99	-	1.97	5.78	4,162.57	2,709.55
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	40.32	350.00	832.71	1,228.34	2,281.36	29.37	714.42	129.64	1,837.14	2,506.91
24 Other assets (25+26+27+28+29)	25,453.03	297.54	-	-	6,520.71	25,759.66	-	-	-	7,186.48
25 Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	347.94	-	-	-	295.75	349.44	-	-	-	297.02
27 NSFR derivative assets	3.43	-	-	-	3.43	4.81	-	-	-	7.48
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-	-	-	-	-	-
29 All other assets not included in the above categories	25,101.66	297.54	-	-	6,221.53	25,405.41	-	-	-	6,881.98
30 Off-balance sheet items	4,996.68	-	-	-	249.83	5,152.91	-	-	-	257.65
31 Total RSF					52,754.48					51,832.83
32 NSFR (%)					134.84%					135.18%

(₹ crore)

Particulars	As on 31.03.2022					As on 31.12.2021				
	Unweighted value by Residual Maturity				Weighted Value	Unweighted value by Residual Maturity				Weighted Value
	No Maturity	< 6 months	6 months to < 1 year	≥ 1 year		No Maturity	< 6 months	6 months to < 1 year	≥ 1 year	
ASF Item										
1 Capital (2+3)	7,596.20	-	-	487.00	8,083.20	7,379.73	-	-	487.00	7,866.73
2 Regulatory capital	7,596.20	-	-	-	7,596.20	7,379.73	-	-	-	7,379.73
3 Other capital instruments	-	-	-	487.00	487.00	-	-	-	487.00	487.00
4 Retail deposits and deposits from small business customers (5+6)	-	-	45,544.55	-	42,108.98	-	-	45,547.66	-	42,100.17
5 Stable deposits	-	-	22,377.76	-	21,258.87	-	-	22,145.56	-	21,038.28
6 Less stable deposits	-	-	23,166.79	-	20,850.11	-	-	23,402.10	-	21,061.89
7 Wholesale funding (8+9)	1,378.15	2,970.15	6,351.80	13,283.61	17,253.86	1,591.92	2,458.24	5,742.05	12,342.32	15,840.83

Schedules

(₹ crore)

Particulars	As on 31.03.2022					As on 31.12.2021				
	Unweighted value by Residual Maturity				Weighted Value	Unweighted value by Residual Maturity				Weighted Value
	No Maturity	< 6 months	6 months to < 1 year	≥ 1 year		No Maturity	< 6 months	6 months to < 1 year	≥ 1 year	
8 Operational deposits	-	-	-	-	-	-	-	-	-	-
9 Other wholesale funding	1,378.15	2,970.15	6,351.80	13,283.61	17,253.86	1,591.92	2,458.24	5,742.05	12,342.32	15,840.83
10 Other liabilities (11+12)	5,187.15	-	-	-	-	5,145.50	-	-	-	-
11 NSFR derivative liabilities	-	-	-	-	-	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	5,187.15	-	-	-	-	5,145.50	-	-	-	-
13 Total ASF (1+4+7+10)					67,446.04					65,807.73
RSF Item										
14 Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	-	-	-	-	-	-
15 Deposits held at other financial institutions for operational purposes	-	1,294.73	-	-	1,294.73	-	1,616.33	-	-	1,616.33
16 Performing loans and securities (17+18+19+21+23)	50.97	11,119.52	6,304.33	38,205.38	40,369.64	50.31	10,752.97	6,014.57	36,734.91	38,569.78
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	106.79	104.82	2,476.84	2,545.27	-	306.64	106.46	1,757.69	1,856.91
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	10,980.00	5,927.42	29,862.11	33,307.69	-	10,365.44	5,876.30	28,978.90	32,256.19
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	1,067.52	27.41	4,377.74	3,393.00	-	1,017.10	39.32	3,578.16	2,854.01
21 Performing residential mortgages, of which:	-	2.05	5.76	4,644.74	3,137.90	-	2.17	5.85	4,500.08	3,051.42
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	2.03	5.71	4,070.12	2,649.45	-	2.13	5.77	3,888.28	2,531.33
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	50.97	30.68	266.33	1,221.69	1,378.78	50.31	78.72	25.96	1,498.24	1,405.26
24 Other assets (25+26+27+28+29)	25,823.66	-	-	-	7,920.66	25,525.32	-	-	-	7,577.16
25 Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	363.21	-	-	-	308.73	367.46	-	-	-	312.34
27 NSFR derivative assets	7.48	-	-	-	7.48	9.78	-	-	-	9.78
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-	-	-	-	-	-
29 All other assets not included in the above categories	25,452.97	-	-	-	7,604.45	25,148.08	-	-	-	7,255.04
30 Off-balance sheet items	4,464.71	-	-	-	223.24	4,430.47	-	-	-	221.52
31 Total RSF					49,808.27					47,984.79
32 NSFR (%)					135.41%					137.14%

Schedules

3. Investments

3.1 Composition of Investment Portfolio

Particulars	Investments in India										Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Investments in India	Government securities (including local authorities)			Subsidiaries and/or joint ventures	Others	Investments outside India		
								Total	Government securities (including local authorities)	Subsidiaries and/or joint ventures				Others	
As on 31.03.2023															
Held to Maturity (HTM)															
Gross	16,005.10	0.00	7.34	23.31	0.00	0.00	16,035.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,035.75
Less: Provision for non-performing investment (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	16,005.10	0.00	7.34	23.31	0.00	0.00	16,035.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,035.75
Available for Sale (AFS)															
Gross	732.46	0.00	169.82	1,432.59	0.00	1,040.81	3,375.68	0.00	0.29	0.00	0.29	0.00	0.29	0.00	3,375.97
Less: Provision for depreciation and NPI	2.85	0.00	72.22	66.25	0.00	462.08	603.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	603.40
Net	729.61	0.00	97.60	1,366.34	0.00	578.73	2,772.28	0.00	0.29	0.00	0.29	0.00	0.29	0.00	2,772.57
Held for Trading (HFT)															
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	0.00	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments															
Gross	16,737.56	0.00	177.16	1,455.90	0.00	1,040.81	19,411.43	0.00	0.29	0.00	0.29	0.00	0.29	0.00	19,411.72
Less: Provision for NPI	0.00	0.00	61.92	33.90	0.00	107.53	203.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	203.35
Less: Provision for depreciation	2.85	0.00	10.30	32.35	0.00	354.55	400.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	400.05
Net	16,734.71	0.00	104.94	1,389.65	0.00	578.73	18,808.03	0.00	0.29	0.00	0.29	0.00	0.29	0.00	18,808.32

(₹ crore)

(₹ crore)

Particulars	Investments in India					Investments outside India					
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India
As on 31.03.2022											
Held to Maturity (HTM)											
Gross	14,796.08	0.00	5.43	30.68	0.00	0.00	14,832.19	0.00	0.00	0.00	14,832.19
Less: Provision for NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	14,796.08	0.00	5.43	30.68	0.00	0.00	14,832.19	0.00	0.00	0.00	14,832.19
Available for Sale (AFS)											
Gross	582.85	0.00	189.39	1,484.99	0.00	665.38	2,922.61	0.00	0.00	0.28	2,922.89
Less: Provision for depreciation and NPI	3.86	0.00	92.79	50.85	0.00	391.51	539.01	0.00	0.00	0.01	539.02
Net	578.99	0.00	96.60	1,434.14	0.00	273.87	2,383.60	0.00	0.00	0.27	2,383.87
Held for Trading (HFT)											
Gross	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments											
Gross	15,378.93	0.00	194.82	1,515.67	0.00	665.38	17,754.80	0.00	0.00	0.28	17,755.08
Less: Provision for NPI	0.00	0.00	76.23	50.85	0.00	0.00	127.08	0.00	0.00	0.00	127.08
Less: Provision for depreciation	3.86	0.00	16.56	0.00	0.00	391.51	411.93	0.00	0.00	0.01	411.94
Net	15,375.07	0.00	102.03	1,464.82	0.00	273.87	17,215.79	0.00	0.00	0.27	17,216.06

Schedules

3.2 Movement of provision for Depreciation and Investment Fluctuation Reserve (IFR)

	(₹ crore)	
Particulars	2022-23	2021-22
(1) Depreciation on investments		
i. Opening balance	411.94	310.01
ii. Add: Provisions made during the year	37.09	107.13
iii. Less: Write-off/ write-back of excess provisions during the year	48.98	5.20
iv. Closing balance	400.05	411.94
(2) Provision for Non-Performing Investments		
iv. Opening balance	127.08	136.52
v. Add: Provisions made during the year	116.86	0.47
vi. Less: Write-off/ write-back of excess provisions during the year	40.59	9.91
iv. Closing balance	203.35	127.08
(3) Investment Fluctuation Reserve (IFR)		
i. Opening Balance	74.76	74.76
ii. Add: Amount transferred during the year	0.00	0.00
iii. Less: Drawdown	0.00	0.00
iv. Closing Balance	74.76	74.76
(4) Closing balance in IFR as a % of closing balance of investments in AFS and HFT/current category	2.21%	2.56%

3.3 Sale and transfers to / from Held to Maturity (HTM) Category

During the year (as well as during the previous year), sale of securities from HTM category does not exceed 5% of the book value of investments held in HTM category at the beginning of the year. The market and book value of SLR investments held in HTM category as on 31st March 2023 is ₹ 15,628.11 crore and ₹ 16,005.10 crore respectively (₹ 14,726.40 crore and ₹ 14,796.08 crore respectively during the previous year), and shows a mark to market depreciation of ₹ 376.99 crore (mark to market depreciation of ₹ 69.68 crore during the previous year).

During the financial year, no shifting was undertaken in Government securities from HTM to AFS category (₹ 919.61 crore during the previous year) and from AFS to HTM category (₹ 755.72 crore during the previous year). However, the bank has undertaken mandatory shifting of Investments held in Alternative Investment Fund (AIFs) amounting to ₹ 2.11 crore (Nil during the previous year) from HTM to AFS category during the first quarter of the FY. as per RBI guidelines. Depreciation required to be provided on account of shifting of securities during the current year was Nil (₹ 5.21 crore during the previous year).

3.4 Non-SLR Investment Portfolio

i) Non performing Non-SLR investments

	(₹ crore)	
Particulars	2022-23	2021-22
Opening balance	137.00	138.03
Additions during the year	120.72	13.67
Reductions during the year	41.02	14.70
Closing balance	216.70	137.00
Total provisions held	203.35	127.08

Schedules

ii) Issuer composition of Non-SLR investments

(₹ crore)

S. N.	Issuer	Amount	Extent of			
			Private Placement	Below Investment Grade Securities	Unrated securities	Unlisted Securities
1	2	3	4	5	6	7
As at Mar. 31, 2023						
i	PSUs	678.67	347.82		Nil	Nil
ii	FIs	931.94	327.71		7.73	7.73
iii	Banks	325.58	318.92		Nil	Nil
iv	Private Corporates	174.05	41.50		14.50	19.50
v	Subsidiaries / Joint Ventures	Nil	Nil		Nil	Nil
vi	Others *	563.91	462.08		107.53	462.08
Sub Total		2,674.15	1,498.03		129.76	489.31
Less: Provision for depreciation on investments		397.20				
Less: Provision for non performing investments		203.35				
Total		2,073.60	1,498.03		129.76	489.31
As at Mar. 31, 2022						
i	PSUs	744.94	244.33		Nil	Nil
ii	FIs	725.14	320.19		0.22	0.22
iii	Banks	35.34	30.00		Nil	Nil
iv	Private Corporates	205.34	104.81		60.09	65.09
v	Subsidiaries / Joint Ventures	Nil	Nil		Nil	Nil
vi	Others *	665.39	540.39	Nil	102.85	540.39
Sub Total		2,376.15	1,239.72		163.16	605.70
Less: Provision for depreciation on investments		408.07				
Less: Provision for non performing investments		127.08				
Total		1,841.00	1,239.72	Nil	163.16	605.70

* 1. Amounts reported under columns 4, 5, 6 and 7 above are not mutually exclusive; 2. Others include Security Receipts of ₹ 462.08 crore and units of Mutual Funds of ₹ 101.83 crore (Previous Year ₹ 540.39 crore and ₹ 125.00 crore respectively)

3.5 Repo Transactions (in face value terms)

(₹ crore)

Particulars	Outstanding during FY						Outstanding as on	
	Minimum		Maximum		Daily Average		Mar. 31, 2023	Mar. 31, 2022
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22		
1. Securities sold under RBI Repo								
a. Government Securities	6.26	25.30	51.19	89.90	0.16	0.73	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Securities purchased under RBI Reverse Repo								
a. Government Securities	111.78	45.84	1670.79	1962.76	138.12	744.38	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Schedules

(₹ crore)

Particulars	Outstanding during FY						Outstanding as on	
	Minimum		Maximum		Daily Average		Mar. 31, 2023	Mar. 31, 2022
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22		
3. Securities sold under Market Repo								
a. Government Securities	1.00	1.00	1420.00	1352.00	453.64	356.82	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4. Securities purchased under Market Reverse Repo								
a. Government Securities	30.00	Nil	585.00	Nil	2.96	Nil	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5. Securities sold under Tri-Party Repo								
a. Government Securities	4.95	8.58	871.86	1217.14	22.25	111.02	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6. Securities purchased under Tri-Party Reverse Repo								
a. Government Securities	7.80	50.00	608.70	99.00	20.77	2.28	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

3.6 Transfer to Capital Reserve

Net profit on sale of securities includes profit of ₹ Nil on sale of securities from HTM category (₹ 27.65 crore during the previous year). As per RBI guidelines, an amount of ₹ Nil (after netting of taxes and transfer to Statutory Reserve) is transferred to Capital Reserve for the year ended 31.03.2023 (₹ 15.52 crore during the previous year).

3.7 SLR investments under HTM category

The percentage of SLR investment under HTM category as on 31st March 2023 was 20.64% of Demand and Time Liability of the Bank (previous year 21.37%) which is within permissible limit as per RBI guidelines. The market and book value of investments held in HTM category as on 31st March 2023 is ₹ 15,628.11 crore and ₹ 16,005.10 crore respectively (₹ 14,726.40 crore and ₹ 14,796.08 crore respectively during the previous year), and shows a mark to market depreciation of ₹ 376.99 crore (mark to market depreciation of ₹ 69.68 crore during the previous year).

3.8 Interest income on investment is net of amortization expenses of ₹ 107.57 crore (₹ 135.74 crore during previous year).

4. Advances and Asset Quality

4.1 Classification of advances and provisions held

(₹ crore)

Particulars	As on 31.03.2023						As on 31.03.2022						
	Total Standard		NPA's		Total		Total Standard		NPA's		Total		
	Advances (NPA's)	Sub-Std.	Doubtful	Loss			Advances (NPA's)	Sub-Std.	Doubtful	Loss			
a. Gross Standard Advances and Non Performing Advances (NPA's)													
Opening Balance	53,445.06	596.31	2,110.85	723.88	3,431.04	48,021.34	832.48	2,780.61	529.78	4,142.87	52,164.21	842.73	842.73
Add: Additions during the year					479.24						1,554.56	1,554.56	
Less: Reductions during the year*					2,452.13								
Closing Balance	62,709.94	318.60	884.53	255.02	1,458.15	53,445.06	596.31	2,110.85	723.88	3,431.04	56,876.10	1,554.56	1,554.56
*Reductions in Gross NPAs due to :					2,452.13						1,554.56	1,554.56	
i. Upgradation					55.81						102.13	102.13	
ii. Recoveries (excluding recoveries from upgraded accounts)					504.33						573.76	573.76	
iii. Technical/ Prudential Write-offs					1,884.18						816.31	816.31	
iv. Write-offs other than those under (iii) above					7.81						62.36	62.36	
b. Provisions (excluding Floating provisions)													
Opening balance	205.14	167.18	1,240.94	723.67	2,131.79	188.15	127.93	1,718.50	519.18	2,365.61	2,553.76	864.68	864.68
Add: Fresh provisions made during the year					979.82						1,098.50	1,098.50	
Less: Excess provision reversed/write-off loans					2,154.82								
Closing balance	239.65	83.93	618.05	254.81	956.79	205.14	167.18	1,240.94	723.67	2,131.79	2,336.93		
c. Net NPAs													
Opening balance					1,260.79		704.55	1059.27	Nil	1,719.39			
Add: Fresh additions during the year					-512.30*						-39.14*		
Less: Reductions during the year					280.34						419.46		
Closing balance					468.15~		429.13	867.64	Nil	1,260.79~			
d. Floating provisions													
Opening Balance					0.00						9.69		
Add: Additional provisions made during the year					Nil						Nil		
Less: Amount drawn down during the year					Nil						9.69		
Closing balance					0.00						0.00		
e. Technical / Prudential Write-offs (TWO) and the recoveries made there on													
Opening balance					2,960.60						2,155.78		
Add : TWO during the year					1,884.18						816.31		
Less: Recoveries in previous TWO accounts during the year					348.88						11.49		
Closing Balance					4,495.90						2,960.60		

* Addition to provision is more than addition to GNPA;

~ Net of other provisions, claims received/settled amounting to ₹ 30.36 crore (₹ 38.46 crore during previous year).

Schedules

4.1.1 Gross and Net NPA Ratios

Ratios	2022-23	2021-22
Gross NPA to Gross Advances (%)	2.27	6.03
Net NPA to Net Advances (%)	0.74	2.31
Provision coverage ratio (%)	92.14	80.27

4.2 Sector-wise Advances and Gross NPAs

(₹ crore)

S N	Sector	As on Mar. 31, 2023			As on Mar. 31, 2022		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities of which:	11,474.17	107.52	0.94	10,456.11	353.11	3.38
a	Food and cash crops	7,252.07	41.18	0.57	9,752.94	57.19	0.59
b	Allied activities	1,740.23	16.45	0.95	137.59	26.19	19.03
c	Other direct finance to agri	1,617.47	28.91	1.79	260.01	126.91	48.81
2	Industries eligible under priority sector of which:	9,169.44	235.81	2.57	8,878.30	178.86	2.01
a	Food processing others	1,432.67	20.68	1.44	1,450.61	20.90	1.44
b	Textiles	3,538.52	53.42	1.51	3,240.26	43.91	1.36
3	Services of which:	5,303.07	112.18	2.12	5,041.49	142.78	2.83
a	Wholesale and retail trade	4,354.82	88.97	2.04	4,033.71	113.66	2.82
4	Personal Loans of which:	1,012.96	83.95	8.29	1,333.45	90.75	6.81
a	Housing loans other than staff	907.20	42.34	4.67	1,197.72	43.14	3.60
	Subtotal (A)	26,959.64	539.46	2.00	25,709.35	765.50	2.98
B	Non Priority Sector						
1	Agriculture and allied activities of which:	3,469.41	2.89	0.08	2,481.32	17.87	0.72
a	Food and cash crops	2,039.35	2.26	0.11	2,428.95	6.53	0.27
b	Allied activities	535.47	0.11	0.02	14.78	0.01	0.07
c	Other direct finance to agri	683.77	0.20	0.03	21.03	0.49	2.33
2	Industry of which:	6,866.59	200.51	2.92	6,204.31	1,165.64	18.79
a	Infrastructure	2,136.56	20.48	0.96	1,809.08	230.57	12.75
b	Textile	1,071.86	70.96	6.62	1,004.03	178.07	17.74
c	Gems&Jewellery	877.99	2.87	0.33	979.66	86.80	8.86
3	Services of which:	13,433.97	464.16	3.46	12,236.90	1,236.77	10.11
a	Wholesale and retail trade	3,977.71	261.48	6.57	4,263.74	848.09	19.89
b	Real estate renting and business activities	4,440.17	98.94	2.23	3,927.47	228.78	5.83
c	Financial intermediation	3,196.29	1.17	0.04	2,645.33	2.07	0.08
4	Personal Loans of which:	13,438.48	251.13	1.87	10,244.22	245.26	2.39
a	Housing loans other than staff	4,804.64	114.82	2.39	3,923.46	118.01	3.01
b	Personal loan others	4,831.54	77.84	1.61	3,509.01	41.22	1.17
c	Personal Vehicle loans	1,107.90	46.82	4.23	1,077.63	47.93	4.45
	Subtotal (B)	37,208.45	918.69	2.47	31,166.75	2,665.54	8.55
	Total (A+B)	64,168.09	1,458.15	2.27	56,876.10	3,431.04	6.03

The above data has been furnished by the management and have been relied upon by the auditors.

Schedules

4.3 Overseas Asset, NPAs and Revenue

Particulars	(₹ crore)	
	2022-23	2021-22
Total Assets	399.26	1,308.89
Total NPAs	Nil	Nil
Total Revenue	20.64	6.67

4.4 Particulars of Resolution Plan

a. Details of stressed asset accounts covered under RP are as under:

Particulars	Mar. 31, 2023		Mar. 31, 2022	
	No	Amount*	No.	Amount*
Accounts covered under RP#	6	378.94	8	601.34
of above, accounts where RP –				
a. implemented	Nil	Nil	Nil	Nil
b. implementation period is yet to be completed	Nil	Nil	Nil	Nil
c. not implemented within stipulated timelines	5	335.25	7	552.90
d. not applicable (account under CIRP/NCLT)	1	43.69	1	48.44

As on 31st March 2023, for above accounts bank holds provision of ₹ 24.95 crore and ₹ 307.65 crore were Technically written off.

* Amount includes outstanding of Fund and Non Fund limits.

Also includes Technically written off accounts.

Disclosures in respect of accounts where the resolution period was extended during the year ended 31st March 2021 (as per RBI circular DOR.No.BP.BC.72/21.04.048/2019-20 dated 23rd May 2020 and DOR.No.BP.BC.62/21.04.048/2020-21 dated 17th April 2020):

Particulars #	Mar. 31, 2023	Mar. 31, 2022
No. of accounts in respect of which resolution period was extended	2	2
Amount outstanding as on 31 st March (₹ Crore)	167.84	176.55

#These accounts are Technically written off accounts

b. Details of resolution plan implemented under the Resolution Framework for COVID-19 related stress

(RBI circular 1. DOR.No.BP.BC/3/21.04.048/2020-21 dated 6th August 2020 (Resolution Framework 1.0) and 2. DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021 (Resolution Framework 2.0) "Covid-19 Related Stress of Individuals and Small businesses")

Position for the half-year ended 30th September 2022

Type of borrower	(₹ crore)				
	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (31.03.2022)	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 half-year (30.09.2022)
	A	B	C	D	E
Personal Loans	616.35	35.02	-	72.16	509.17
Corporate persons*	291.76	6.20	-	27.59	257.97
Of which MSMEs	-	-	-	-	-
Others	53.50	0.19	-	6.40	46.91
Total	961.61	41.41	-	106.15	814.05

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

¹ Represents Net Movement in Balances

Schedules

Position for the half-year ended 31st March 2023

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 (30.09.2022)	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 half-year (31.03.2023)
	A	B	C	D	E
Personal Loans	509.17	19.70	-	48.68	440.79
Corporate persons*	257.97	79.81	-	14.43	163.73
Of which MSMEs	-	-	-	-	-
Others	46.91	0.17	-	7.87	38.87
Total	814.05	99.68	-	70.98	643.39

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

¹ Represents Net Movement in Balances

c. Resolution framework for COVID-19 related stress

The outbreak of the COVID-19 pandemic had led to a nation-wide lockdown in April-May 2020. This was followed by localised lockdowns in areas with a significant number of COVID-19 cases. Following the decline in the spread of the pandemic, the lockdown measures were eased and there is a gradual improvement in economic activity. The extent to which the current pandemic and its future waves, if any, including other related developments would impact the Bank's and the asset quality are uncertain. The Management continues to closely monitor the day to day operations, liquidity position and adequacy of capital and continues to maintain liquidity coverage and capital adequacy ratios at higher levels than the regulatory minimum as on 31st March 2023 (as well as on 31st March 2022).

4.5 a. Disclosure on restructured accounts

Particulars		(₹ crore)									
		Agriculture and allied activities		Corporate (excluding MSME)		MSME		Retail (excl. agriculture & MSME)		Total *	
		22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22
Standard	No. of borrowers	2	2	2	4	215	287	2259	2929	2478	3222
	Gross Amount	0.08	0.13	35.56	47.97	479.03	752.33	461.55	831.83	976.22	1632.26
	Provisions held	0.01	0.01	3.56	4.81	40.90	63.36	46.13	83.36	90.6	151.54
Sub-standard	No. of borrowers	0	0	1	0	27	34	160	121	188	155
	Gross Amount	0	0.00	6.04	0.00	63.44	73.48	36.72	30.31	106.2	103.79
	Provisions held	0	0.00	2.12	0.00	24.85	13.68	8.98	4.87	35.95	18.55
Doubtful	No. of borrowers	1	3	1	1	53	33	149	23	204	60
	Gross Amount	0.43	6.07	17.41	19.05	180.25	138.25	34.11	2.36	232.2	165.73
	Provisions held	0.43	6.06	17.41	8.80	115.71	84.56	15.15	1.07	148.7	100.49
Loss	No. of borrowers	3	2	1	2	11	4	273	177	288	185
	Gross Amount	0.03	0.02	7.9	10.64	4.83	3.58	15.05	36.42	27.81	50.66
	Provisions held	0.02	0.02	7.9	10.64	4.82	3.58	14.92	36.40	27.66	50.64
Total	No. of borrowers	6	7	5	7	306	358	2841	3250	3158	3622
	Gross Amount	0.54	6.22	66.91	77.66	727.55	967.64	547.43	900.92	1342.43	1952.44
	Provisions held	0.46	6.09	30.99	24.25	186.28	165.18	85.18	125.70	302.91	321.22

Note: The above disclosure includes accounts restructured under Covid-19 Resolution Framework 1.0 and 2.0.

Schedules

b. Restructuring of MSME Accounts

As per guidelines issued by RBI vide circulars DOR.No.BP.BC/4/21.04.048/2020-21 dated 6th August 2020 and DOR.No.BP.BC.34/21.04.048/2019-20 dated 11th February 2020, on "Micro, Small and Medium Enterprise (MSME) sector – Restructuring of Advances", the details of restructured MSME accounts is as under:

Year ended	No. of Borrowers	Amount (₹ Crore)
Mar. 31, 2023	169	270.18
Mar. 31, 2022	194	437.64

4.6 Divergence in asset classification and provisioning

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2022, based on the conditions mentioned in RBI circular No. RBI/2022-23/130 DOR.ACC.REC.No.74/21.04.018/2022-23 dated October 11, 2022.

4.7 Transfer of loan exposure

a. Details of loans not in default acquired through assignment during the year

(₹ crore)

Particulars	Acquired from			
	SCBs, RRBs, UCBs, StCBs, DCCBs, AIFs, SFBs and NBFCs (incl. HFCs)		ARCs	
	2022-23	2021-22	2022-23	2021-22
Aggregate principal outstanding of loans acquired	764.78	253.14		
Aggregate consideration paid	688.30	247.80		
Weighted average residual tenor of loans acquired	Ranging between 17.76 to 167.46 months	Secured LAP - 91 months Machinery loans - 38 months Jewel loans - 16.56 months		
Coverage of tangible security	Ranging between 149% to 285%	Secured LAP - 270.75% Machinery loans - 155.10% Jewel loans - 100%	Nil	Nil
Retention of beneficial economic interest by the transferor	10%	10%		
Rating wise distribution of loans acquired	Not applicable*	Not applicable*		

* Loans acquired are under non-corporate category

b. Details of loans in default transferred during the year

(₹ crore)

Particulars	To ARCs		To Permitted transferees		To other transferees	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
No. of accounts	1	73				
Aggregate principal outstanding of loans transferred	1.05	150.95				
Weighted average residual tenor of the loans transferred	0	0	Nil	Nil	Nil	Nil
Net book value of loans transferred (at the time of transfer)	0	0				

Schedules

Particulars	(₹ crore)					
	To ARCs		To Permitted transferees		To other transferees	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Aggregate consideration	1.00	105.86				
Additional consideration realized in respect of accounts transferred in earlier years	0	0			Nil	
Excess provisions were reversed to the Profit & Loss Account on account of sale of NPAs.	1.00	105.86				

- c. The Bank has neither transferred any stressed (SMA) loans and loans not in default during FY 2022-23; nor has acquired any stressed loans / loans classified as NPA acquired during the period 23 (also during previous year).

4.8 Provision towards frauds

SN	Particulars	(₹ crore)	
		2022-23	2021-22
A	Number of frauds reported during the year	33	44
B	Amount involved	356.35	653.50
C	Amount recovered / adjusted	29.89#	12.17#
D	Amount of interest reversal on NPA	Nil	Nil
E	Balance outstanding as on 31 st March (Refer note below)	326.46~	641.33~
F	Provisions held in respect of item 'E' above	3.94	40.56
G	Quantum of un-amortised provision, if any, debited to 'Other Reserves' at the end of the year	Nil	Nil

Note –

includes amount of ₹ 0.50 crore (₹ 11.59 crore for previous year) recovered and kept in sundries account.

~ includes interest suspense of ₹ 36.23 crores (3.62 crore for Previous year) and technically written off accounts of ₹ 197.66 crores (₹ 525.19 crore. for previous year).

4.9 Disclosure of material items as required under RBI Circular DOR.ACC.REC.No.91/21.04.018/2022-23 dated 13th December 2022

Particulars	(₹ crore)	
	2022-23	2021-22
Total Income	7675.49	6356.73
1% of the above	76.75	63.57
Items under 'Miscellaneous Income' under Schedule 14- other Income exceeding 1% of total income		
a). Recovery from Written off accounts	208.40	6.79
Items under 'Other Expenditure' under Schedule 16 – Operating expenses exceeding 1% of total income	Nil	Nil
Total Assets	90179.42	80071.32
1% of the above	901.79	800.71
Items under Schedule 5(IV)- Other Liabilities and Provisions-“Others (including provisions)” exceeding 1% of total assets	Nil	Nil
Items under Schedule 11(VI) – Other Assets- “Others” exceeding 1% of total assets	Nil	Nil

Schedules

5. Exposures

5.1 Exposure to Real Estate Sector

	(₹ crore)	
Category	2022-23	2021-22
a) Direct exposure		
(i) Residential Mortgages (including non-fund based (NFB) limits) – Lendings fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	6,499.68	5,999.38
(ii) Commercial Real Estate (including non-fund based (NFB) limits) – Lendings secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	3,825.76	3,534.70
(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 on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	809.54	507.54
Total Exposure to Real Estate Sector	11,134.98	10,041.62

5.2 Exposure to Capital Market

	(₹ crore)	
Particulars	2022-23	2021-22
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;	138.27	145.25
2. Advances against shares/bonds/ debentures or 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;	Nil	Nil
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;	0.20	0.22
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;	Nil	Nil
5. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	100.84	55.83
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 stockbrokers for margin trading;	Nil	Nil
10. All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total Exposure to Capital Market	239.31	201.30

Schedules

5.3 Risk Category wise Country Exposure

(₹ crore)

Particulars	2022-23		2021-22	
	Exposure (net)	Provision held	Exposure (net)	Provision held
Insignificant	376.28		638.79	
Low	240.24		1,051.38	
Moderately Low	115.35		2.71	
Moderate	2.82		4.99	
Moderately High	Nil	Nil	2.83	Nil
High	4.67		Nil	
Very High	0.24		Nil	
Restricted	Nil		Nil	
Off-credit	Nil		Nil	
Total	739.60	Nil	1,700.70	Nil

The net funded exposure of the bank in respect of foreign exchange transactions with each country is within 1% of the total assets of the Bank and hence no provision is required in terms of RBI guidelines (same for previous year).

5.4 Unsecured Advances

(₹ crore)

Particulars	As on March 31	
	2023	2022
Total Unsecured advances of the Bank (Gross)	1,238.73	1,010.61
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. have been taken as securities	Nil	Nil
Estimated value of such intangible securities	Nil	Nil

5.5 Factoring Exposures

Bank undertakes factoring, including factoring through TReDS (Trade Receivable Discounting System) platform. TReDS transactions are undertaken across various platforms viz., RXIL (Receivables Exchange of India Limited), MIXchange and Invoicemart (A.Treds). Receivables of rated large corporates and that of MSME units from corporates are financed through factoring. Finance extended through factoring form part of advances portfolio of the Bank, and the position of factoring exposure is given below:

(₹ crore)

Particulars	2022-23	2021-22
TReDS	103.00	359.50
Factoring	154.53	172.20
Total	257.53	531.70

5.6 Intra Group Exposures - The bank has no intra group exposures on 31.03.2023 and 31.03.2022

5.7 Unhedged foreign currency exposure (UFCE)

Bank has a laid down Credit Policy, specifying that in respect of foreign currency loan exposure above USD Two million, hedging is to be insisted upon; its waiver shall be considered on merits, on a case to case basis, and after ensuring obtention of a minimum cash margin of 5% on the exposure towards exchange rate fluctuation risk. In case of foreign currency loan extended to finance exports, considering the availability of natural hedge, hedging of risks may not be insisted upon. For foreign currency exposure of Corporate Borrowers, hedging is to be insisted upon in respect of exposures exceeding the thresholds specified. UFCE shall exclude items which are effective hedge of each other. Natural hedges and financial hedges already made shall be excluded for arriving at the UFCE.

Schedules

Bank shall make incremental provisioning and capital provisioning as under, as prescribed by RBI, and shall adopt the provisioning and capital provisioning requirements of RBI in respect of those entities on which total exposure of the Banking system is above ₹ 25 crore. Bank shall follow the RBI guidelines in respect of smaller entities (i.e. total exposure of the Banking system is at ₹ 25 crore or less) and shall make an incremental provisioning of 10 bps over and above the extant standard asset provisioning for the unhedged exposure. In case of consortium/MBA lending, Bank shall make provisioning on the pro rata exposure of our Bank, provided the borrower is having foreign exchange business relationship with the Bank. Bank holds a provision of ₹ 6.99 crore as on 31.03.2023 (Previous year ₹ 5.51 crore) towards UFCE of its clients.

5.8 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the bank.

The Bank has not exceeded the prudential credit exposure limits in respect of Single Borrower Limit and Group Borrower Limit (not exceeded the same for previous year) other than food credit.

6. Concentration of business

Particulars	(₹ crore)	
	2022-23	2021-22
a. Concentration of Deposits		
Total deposits of Twenty Largest Deposits	6,318.10	3,153.98
% of above to Total Deposits	8.24%	4.61%
b. Concentration of Advances		
Total Advances to Twenty Largest Borrowers	3,838.80	3,542.33
% of above to Total Advances	4.74%	5.11%
c. Concentration of Exposures		
Total Exposures to Twenty Largest Borrowers / Customers	4,204.89	3,908.85
% of above to Total Exposure	5.09%	5.51%
d. Concentration of NPAs		
Total Exposure to top twenty NPA Accounts	337.27	1,190.32
% of above to total Gross NPAs	23.13%	34.69%

The above data has been furnished by the management and have been relied upon by the auditors.

7. Derivatives

Particulars	(₹ crore)	
	Mar. 31, 2023	Mar. 31, 2022
7.1 Forward Rate Agreement/Interest Rate Swap		
1. The notional principal of swap agreements		
2. Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
3. Collateral required by the bank upon entering into swaps		
4. Concentration of credit risk arising from the swaps		
5. The fair value of the swap book		
7.2 Exchange Traded Interest Rate Derivatives		
1. Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)		
2. Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 st March 2023 (instrument wise)	Nil	Nil
3. Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument wise)		
4. Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument wise)		

Schedules

7.3 Disclosures on risk exposure in derivatives

Qualitative Disclosure

Structure, Organisation, Scope, Nature of risk management in derivatives

Dealing in derivatives is centralized in the integrated Treasury of the Bank. Treasury is segregated into three functional areas i.e., front office, mid office and back office.

Derivative transactions are entered into by the front office; mid office conducts an independent check of the transactions entered into by the front office and ensures compliance with various internal and regulatory guidelines. Back Office undertakes activities such as confirmation, settlement, accounting, risk monitoring and reporting.

Rupee derivative deals are executed for hedging or for trading. The risk in the derivatives portfolio is monitored by assessing the MTM position of the portfolio on a daily basis and the impact on account of probable market movements. The overall portfolio is operated within the risk limit fixed by the Bank. Forex derivative deals are offered to clients on back-to-back basis. The outstanding deals are marked to market on monthly basis. The MTM values are informed to the clients every month and margin topped up where required. Banks have been permitted to adopt the Current Exposure Method for measurement of Credit Exposure of Derivative products as per extant RBI guidelines.

The Board reviews the risk profile of the outstanding portfolio at regular intervals.

Accounting

Accounting policies for derivatives adopted by the Bank are as per RBI guidelines. Hedge swaps are accounted for like a hedge of the asset or liability. The income / expense on hedge swaps are accounted on accrual basis except where swap transactions whose underlying is subjected to MTM. Such hedge swaps are marked to market on a monthly basis and the gain / losses are recorded as an adjustment to the designated asset / liability. The non-hedge swaps are marked to market every month and the MTM losses in the basket are accounted in the books while MTM profits are ignored.

Collateral Security

As per market practice, no collateral security is insisted for the contracts with counter parties like Banks / PDs etc. For deals with corporate clients, appropriate collateral security / margin etc. are stipulated whenever considered necessary.

Credit Risk Mitigation

Most of the deals are contracted with Banks / major PDs / highly rated clients and no default risk is anticipated on the deals with them.

The market making and the proprietary trading activities in derivatives are governed by the Integrated Treasury policy of the Bank, which lays down the position limits, stop loss limits as well as other risk limits. As far as forex derivatives are concerned, they are undertaken on back-to-back basis only.

Risk monitoring on derivatives portfolio is done on a daily basis. The Bank measures and monitors risk using Price Value of a Basis Point (PVBP) approach. Risk reporting on derivatives forms an integral part of the management information system and the marked to market position and the PVBP of the derivatives portfolio is reported on a daily basis to the top management.

Risk monitoring on forex derivatives is done on a monthly basis. It is reported to the top management and related clients on monthly basis.

Schedules

Quantitative Disclosure

(₹ crore)

Particulars	Mar. 31, 2023		Mar. 31, 2022	
	Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
1. Derivatives (Notional Principal Amount)				
a) For hedging		Nil		Nil
b) For trading				
2. Marked to Market Positions				
a) Asset (+)		Nil		Nil
b) Liability (-)				
3. Credit Exposure (Note:1)				
4. Likely impact of one percentage change in interest rate (100*PV01)				
a) on hedging derivatives		Nil		Nil
b) on trading derivatives				
5. Maximum and Minimum of 100*PV01 observed during the year				
a) on hedging		Nil		Nil
b) on trading				

Note: There are no derivative transactions undertaken during the year (also no derivative transactions undertaken during previous year), other than Forward Forex Contracts. Bank does not have any open position in the Derivative instruments in trading book as on 31st March 2023 (also as on 31st March 2022).

7.4 Credit default swaps

The bank has not undertaken any Credit Default Swaps during FY 2022-23 and FY 2021-22.

8. Disclosures relating to Securitisation

The bank has not sponsored any SPE/SPVs, including off balance sheet SPVs (which are required to be consolidated as per accounting norms) during FY 2022-23 and FY 2021-22.

(₹ crore)

SN	Particulars	2022-23		2021-22	
		Number	Amount	Number	Amount
1	No. of SPEs sponsored by the Bank for securitisation transactions				
2	Total amount of securitised assets as per the books of the SPVs sponsored by the bank				
3	Total amount of exposures retained by the bank to comply with MMR as on the date of balance sheet				
	a) Off-balance sheet exposures		Nil		Nil
	i. First Loss				
	ii. Others				
	b) On-balance sheet exposures				
	i. First Loss				
	ii. Others				

Schedules

		(₹ crore)			
SN	Particulars	2022-23		2021-22	
		Number	Amount	Number	Amount
4	Amount of exposures to securitisation transactions other than MMR				
	a) Off-balance sheet exposures				
	i. Exposures to own securitisations				
	1. First Loss				
	2. Others				
	ii. Exposures to third party securitisations				
	1. First Loss				
	2. Others			Nil	
	b) On-balance sheet exposures				
	i. Exposures to own securitisations				
	1. First Loss				
	2. Others				
	ii. Exposures to third party securitisations				
	1. First Loss				
	2. Others				
5	Sale consideration received for the securitized assets and gain/loss on sale on account of securitization				
6	Form and quantum (outstanding value) of services provided by way of liquidity support, post-securitisation asset servicing, etc.				
7	Performance of facility provided – viz. credit enhancement, liquidity support, servicing agent etc.				
	a. Amount paid				
	b. Repayment received		Nil		Nil
	c. Outstanding amount				
8	Average default rate of portfolios observed in the past				
9	Amount and number of additional/top-up loan given on same underlying asset				
10	Investor complaints				
	a. Directly/Indirectly received				
	b. Complaints outstanding				

8.1. Position of Security Receipts and Recovery Ratings thereof

a. Details of book value of Investments in Security Receipts

		(₹ crore)	
Particulars	2022-23	2021-22	
i. Backed by NPAs sold by the bank as underlying	462.08	540.39	
ii. Backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	Nil	Nil	
Total	462.08	540.39	

Schedules

b. Recovery ratings assigned for Security Receipts

(₹ crore)

Rating Scale	Book Value	
	2022-23	2021-22
R1	105.15	79.05
RR1	21.25	171.84
RR2	68.84	Nil
RR3	Nil	13.23
RR4	159.31	9.24
NR4	Nil	0.76
NR5	Nil	158.76
NR6	Nil	4.66
Unrated* (Rating Withdrawn)	107.53	102.85
Total	462.08	540.39

* As per RBI guidelines, rating is not applicable after eight years.

c. Age wise classification of Security Receipts

(₹ crore)

Particulars	SRs issued					
	Within past 5 years		More than 5 years ago but within past 8 years		More than 8 years ago *	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1 Book value of SRs backed by NPAs sold by the bank as underlying	156.66	212.03	197.89	225.51	107.53	102.85
Provision held	156.66	194.01	197.89	94.65	107.53	102.85
2 Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying		Nil				
Provision held		Nil				
Gross Book value	156.66	212.03	197.89	225.51	107.53	102.85
Total provision held against above	156.66	194.01	197.89	94.65	107.53	102.85
Net Book Value	Nil	18.02	Nil	130.86	Nil	Nil

*SRs ageing more than 8 years have been classified as loss assets in investment books

9. Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The bank has not sponsored any off-balance sheet SPVs as on 31st March 2023 and 31st March 2022.

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

As per RBI guidelines, the credit balance in accounts which have not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for a period exceeding ten years is transferred to DEAF.

(₹ crore)

Particulars	2022-23	2021-22
Opening balance	181.07	151.03
Add : Amounts transferred during the year	33.26	32.81
Less : Amounts reimbursed towards claims paid	3.74	2.77
Closing balance	210.59	181.07

Schedules

11. Disclosure on complaints

a) Disclosure on complaints received from customers and Banking Ombudsman (OBO)

SN	Particulars	2022-23	2021-22
A.	Complaints received by the bank from its customers		
1	Number of complaints pending at beginning of the year	128	40
2	Number of complaints received during the year	4430	4656
3	Number of complaints disposed during the year	4303	4568
3.1	Of which, number of complaints rejected by the bank	926	828
4	Number of complaints pending at the end of the year	255	128
B.	Maintainable complaints received by the bank from OBOs		
5	Number of maintainable complaints received by the bank from OBOs	369*	502
5.1	Of 5, number of complaints resolved in favour of the bank by BOs	144	492
5.2	Of 5, number of complaints resolved through conciliation / mediation / advisories issued by BOs	225*	10
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	Nil	Nil
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

Note : Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 and covered within the ambit of the Scheme.

* One complaint received and the same was reported in the previous FY 21-22 but the said complaint was resolved by RBI on 11.04.2022 and advised us to include the same as maintainable complaint for FY 22-23.

b) Top five grounds of complaints received 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
2022-23					
Loans and advances	69	1990	-7.48	176	38
Internet/Mobile/ Electronic Banking	21	1029	0.59	53	0
ATM/Debit cards	3	159	-45.17	2	0
Levy of charges without prior notice/excessive charges/foreclosure charges	4	105	81.03	6	2
Account opening/ Difficulty in operation of accounts	5	102	-28.67	2	0
Others	26	1045	5.44	16	0
Total	128	4430	-4.85	255	40

Schedules

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
2021-22					
Loans and advances	7	2151	376.94	69	12
Internet/Mobile/ Electronic Banking	18	1023	192.28	21	1
ATM/Debit cards	4	290	22.36	3	Nil
Account opening/ Difficulty in operation of accounts	Nil	143	68.24	5	Nil
Cheques/Drafts/Bills	Nil	78	122.86	3	Nil
Others	11	971	13.30	27	6
Total	40	4656	131.07	128	19

Note: The above data has been compiled on the basis of RBI guidelines and certain assumptions made by management and have been relied upon by auditors.

12. Disclosure of penalties imposed by RBI

During the year RBI has levied the following penalties –

- ₹ 157,200/- emanating out of deficiencies found while processing the currency notes remitted by the Bank, ₹ 10,000/- for the deficiencies found in the branch incognito visit by RBI and ₹ 20,000/- for the deficiencies found in the ATM cash outs (Previous year ₹ 73,250/-).
- ₹ 30 Lakhs for non-compliance with certain provisions of the RBI directions 2016 on 'Frauds – classification and reporting by commercial Banks and FIs (Previous year ₹ 1 crore).

13. Disclosures on Remuneration

Qualitative Disclosure

a. Information relating to the composition and mandate of the Nomination and Remuneration Committee (NRC)

As on 31st March 2023, the Nomination & Remuneration Committee (NRC) of the Board consists of four Directors, out of which three are Independent Directors. Further as per RBI guidelines a Member of Risk Management Committee of the Board is also Member in NRC. The Composition complies with RBI guidelines, provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI LODR').

The mandate of Nomination and Remuneration Committee includes:

- To formulate criteria for determining qualifications, positive attributes and independence of a director, in terms of fit and proper criteria issued by the RBI from time to time.
- To devise policy on Board Diversity, and policy on Appointment and Succession Planning for Directors.
- To formulate/review criteria for evaluation of performance of Chairman, Independent Directors, Board of Directors, Committees of Board.
- To recommend persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- To frame/review Compensation Policy towards ensuring effective alignment between remuneration and risk. Directors and Senior Management Personnel shall be part of the Compensation Policy.
- To also review and recommend to the board, all remuneration, in whatever form, payable to Directors & senior management.

Schedules

- g. To formulate the criteria for variable pay and fix the thresholds for applying malus & clawback on the grant of variable pay payable to MD & CEO/ WTD.
- h. To consider grant of stock options to employees, administer and supervise the Employee Stock Option Plans in conformity with statutory provisions and guidelines.
- i. To provide inputs, if required, to Board for making disclosures regarding policies, appointments, remuneration etc. of Directors and Senior Management personnel in the Annual Reports/ Directors Reports/Financial Statements etc. as may be required by the regulations from time to time.
- j. To perform any other functions or duties as stipulated by the Companies Act, RBI, SEBI, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

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

The Bank has Board approved Compensation Policy in terms of the RBI guidelines, provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI LODR'). The Compensation Policy of the Bank covers the compensation payable to all the employees including the MD&CEO/ WTD, Key Managerial Personnel, Material Risk Takers, Control Function Staff as per the guidelines of RBI as also fee payable to Non- Executive Directors/ Independent Directors. Nomination and Remuneration Committee (NRC) of the Bank oversees the framing, review and implementation of compensation policy on behalf of the Board of Directors. NRC shall work in close co-ordination with the Risk Management and Asset Liability Management Committee of the Board in order to achieve effective alignment between remuneration and risks.

In terms of RBI Guidelines and Compensation Policy of the Bank the position of Managing Director & CEO and President & COO are identified as Material Risk Taker (MRT). The compensation payable to MRTs is divided into fixed and variable components. Non-Executive Directors/ Independent Directors are paid sitting Fees for attending Board/ Committee meetings. Part-time (Non-Executive)

Chairperson is entitled for honorarium, as approved by Reserve Bank of India and Shareholders of the Bank. In terms of RBI Circulars and as approved by the shareholders in 103rd Annual General Meeting, Non-Executive Directors of the Bank including Independent directors (Other than Non-Executive (Part-time) Chairperson) are eligible for profit related compensation to the tune of 0.1% of the profit available for distribution subject to a maximum of ₹ 10 Lakhs for each Director per annum with effect from FY 2022-23, for a period of three (3) years. The fee payable shall be in proportion to the tenure of the Directors on the Board during the year.

Remuneration to employees (other than MRTs) is defined by the IBA pay scale / CTC pay structure, both of which are approved by the Board. The IBA pay scale is an industry standard across all PSBs and old generation private banks, while the CTC pay structure specific to KVB has been formulated on the basis of comparative industry practices. The objective is to suitably compensate every employee as per his position in the organization so as to adequately recognize his contributions.

Objective of the Compensation policy is to align the compensation with prudent risk taking;

- Compensation must be adjusted for all types of risks
- Compensation outcomes must be symmetric with risk outcomes
- Compensation pay-out schedules must be sensitive to the time horizon of risks
- The proportion of cash, equity and other forms of compensation must be consistent with risk alignment.

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

With respect MRTs the clauses of Compensation Policy adopted by the Bank address the issues pertaining to current and future risks. A wide variety of measures of credit, market and liquidity risks are used by the bank in implementation of risk adjustment. This risk adjustment has both quantitative and qualitative elements. The Policy effectively aligns the compensation with prudent risk taking and shall be symmetrical with risk outcomes as well as sensitive to the time horizon of risk. Risk measures

Schedules

relating to the compensation payable are reviewed on timely basis and are updated to suit the skill gaps and current day needs.

The remuneration (other than MRTs) as per IBA / CTC package is position / designation specific and not necessarily risk specific. However, there are sufficient systems and procedures in place in the Bank (including KVB Officer Employees, Conduct Regulations and Discipline & Appeal Regulations, and also Malus / Claw back clauses in the employment contracts wherever applicable and continuous monitoring / auditing etc) to ensure risk mitigation and prevention.

Board of Directors of the Bank through NRC shall exercise oversight & effective governance over the framing and implementing the Compensation policy.

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

Bank follows a performance-based remuneration, which motivates and rewards high performers who strengthen long-term customer relations, and generate income and shareholder value. The Bank while designing the compensation structure ensures that there is a proper balance between fixed pay and variable pay. Bank ensures that variable pay shall relate to the performance. The variable pay could be in cash, stock linked instruments or a mix of both.

While fixing the Variable Pay, performance parameters under financial and non-financial areas of operations are assessed. The financial performance of the bank is factored while determining the amount of variable remuneration to be paid. Variable Pay shall be fixed on the basis of performance matrix broadly categorized as a) Bank as a whole, b) Business Unit, c) Individual, based on the quantitative and qualitative criteria. The quantitative criteria shall relate to the performance of the Bank and certain qualitative factors taking into account the, Governance Improvement Measures, Cost to Income Ratio, Capital Adequacy Ratio, extraordinary items, appropriate risk management and efficient consumption of capital, etc as set out by NRC.

In the event of negative growth of the bank and or the relevant line of business in any year, the deferred compensation shall be subjected to malus and claw back arrangements in tune with the RBI guidelines.

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

As per the Compensation Policy, Variable pay is eligible on the achievement of certain business/compliance targets fixed by the management. The structuring of remuneration in case of MD & CEO/WTD shall be subject to the approval of RBI.

Deferral arrangements for variable pay in case of Managing Director & CEO/WTD and other employees who are MRTs and Control Function Staff, in adherence to FSB implementation standards shall be;

a minimum of 60% of the total variable pay shall be under deferral arrangements.

If cash component of variable pay equals or exceeds ₹ 25.00 Lakhs, then at least 50% of the cash bonus shall be deferred.

The deferral period shall be a minimum of three years applicable to both cash and non-cash components of the variable pay. Deferred remuneration shall 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 shall be not before one year from the commencement of the deferral period. The vesting shall be no faster than on a pro-rata basis. Additionally, vesting, shall not take place more frequently than on a yearly basis, to ensure a proper assessment of risks before the application of ex-post adjustments.

Subject to bank's ESOP schemes, NRC at its discretion may specify a retention period after the vesting of stock linked instruments which have been awarded as variable pay during which they cannot be sold or accessed.

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 deferral / vesting / malus-clawback norms.

Schedules

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

Variable pay is purely based on performance and is measured through score cards. Bank ensures that the compensation structure is comprehensive and considers both, qualitative and quantitative performance measures. The variable pay would be in the form of cash & non-cash components (in the form of Share linked instruments).

Bank has Employees Stock Option Scheme i.e. ESOS. NRC may grant stock options under the Employees Stock Options Plan/Scheme from time to time in terms of SEBI

(Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014).

In case of other employees Bank also subscribes to different forms of variable pay such as performance linked incentives, Ex-gratia for other employees, non-cash incentives, Bonus, any other incentives by whatever name called having the similar features. The Bank shall not grant any severance pay (other than the terminal benefits and gratuity as per the provisions). Bank shall not provide any facility or funds or permit to insure or hedge his/her compensation structure to offset the risk alignment effects embedded in the compensation package.

Quantitative Disclosures:

Particulars	2022-23	2021-22
a) Number of meetings held by the Nomination & Remuneration Committee during the financial year and remuneration paid to its members.	7 Meetings and remuneration of ₹ 12.05 Lakh	9 Meetings and remuneration of ₹ 11.55 Lakh
b) Number of employees having received a variable remuneration award during the financial year (see note 'a' below)	2	2
c) Number and total amount of sign-on/joining bonus made during the financial year	Nil	Nil
d) Details of severance pay, in addition to accrued benefits, if any	Nil	Nil
e) Total amount of outstanding deferred remuneration, split into cash, types of share-linked instruments and other forms	a. Cash - ₹ 42,97,462/- b. Non-Cash -2,08,829 ESOPs	a. Cash - ₹ 16,50,000/- b. Non-Cash -1,35,710 ESOPs
f) Total amount of deferred remuneration paid out in the financial year	a. Cash - ₹ 5,50,000/- -b. Non-Cash -43,174 ESOPs	Nil
g) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred (Refer note below)	1. Fixed Pay ₹ 2,08,88,042/- 2. Variable Pay ₹ 1,87,69,850/-	1. Fixed Pay ₹ 2,04,81,284/- Variable Pay ₹ 1,01,66,667/-
h) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments	Nil	Nil
i) Total amount of reductions during the financial year due to ex-post explicit adjustments	Nil	Nil
j) Total amount of reductions during the financial year due to ex-post implicit adjustments	Nil	Nil

Schedules

Particulars	2022-23	2021-22
k) Number of MRTs identified (see note 'b' below)	2	2
l) Number of cases where malus has been exercised	Nil	Nil
m) Number of cases where clawback has been exercised	Nil	Nil
n) Number of cases where both malus and clawback has been exercised	Nil	Nil
o) 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	Mean Pay ₹ 10,34,480 Deviation of the pay* 20.05X	₹ 10,21,705 15.73X

* - Deviation from Mean Pay of the Bank, in respect of MD & CEO compensation has seen a significant change due to the following reasons:

- a. The remuneration paid to MD&CEO during the FY 2022-23 has been considered and the increase compared to previous FY 2021-22 is because of variable pay payments i.e. cash component of FY 21-22, deferral cash component of FY 20-21, Exercise of non-cash component of variable pay (ESOS) pertaining to FY 21-22 and perquisites as per Income Tax act,1961.

Note – a. Details of fixed remuneration paid:

SN	Name	Period	Designation	Amount (₹)
1	Mr. B. Ramesh Babu	2022-23	MD & CEO (MRT)	1,44,36,142
2	Mr. J. Natarajan	2022-23	President & COO (MRT)	64,51,900
Total				2,08,88,042
1	Mr. B. Ramesh Babu	2021-22	MD & CEO (MRT)	1,40,09,235
2	Mr. J. Natarajan	2021-22	President & COO (MRT)	64,72,049
Total				2,04,81,284

includes perquisites worked out as per Income Tax Rules, 1962.

b. Details of Variable Pay pertaining to FY 2021-22 granted during the FY 2022-23:

SN	Name	Variable Pay (₹)	Cash (₹)	Share linked remuneration (ESOPs)
1	Mr. B. Ramesh Babu, MD&CEO (MRT)	1,27,89,850	63,94,925 (Upfront 31.97 Lacs + 10.65 Lacs each deferred over a period of 3 years)	59,075 options to be vested in the ratio of 33:33:34
2	Mr. J. Natarajan, President & COO (MRT)	59,80,000	10,76,400 (Upfront)	57,218 options to be vested in the ratio of 33:33:34
Total		1,87,69,850		

- a. RBI vide letter dated 13th December, 2022 has approved variable pay to Mr. B Ramesh Babu, MD & CEO for performance period FY 2021-22, which was paid during the year ended 31st, March 2023.

- b. Position of MD & CEO and President & COO are identified as Material Risk Takers by the Bank.

Schedules

13.1 Stock options

The Bank has formulated and adopted Employee Stock Option Schemes to provide a platform to employees for participating in the ownership of the Bank and in its long-term growth. The Bank uses stock options as a compensation tool to attract and retain critical talent and encourage employees to align individual performances with that of the Banks' objectives. Currently, the Bank has the following Schemes in compliance with the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

- Karur Vysya Bank Employees Stock Option Scheme 2011 ("KVB-ESOS-2011")
- Karur Vysya Bank Employees Stock Option Scheme 2018 ("KVB-ESOS-2018")

The grants made under the said schemes are in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014).

Stock option activity under the KVB ESOS 2011 & KVB ESOS 2018 Schemes for the year ended 31 March, 2023 is set out below:

Particulars	Status of options granted during			
	FY 2018-19	FY 2020-21	FY 2021-22	FY 2022-23
KVB-ESOS 2011 SCHEME				
Outstanding at the beginning of the year i.e. as on 01.04.2022	1,91,551	35,80,512	Nil	Nil
Granted during the year (Note 3)	Nil	Nil	Nil	Nil
Vested during the year (Note 1)	Nil	8,26,906	Nil	Nil
Exercised during the year	35,600	10,41,219	Nil	Nil
Lapsed/ forfeited/ cancelled (Nos.) (Note 2)	96,631	4,08,655	Nil	Nil
Outstanding as on March 31, 2023	59,320	21,30,638	Nil	Nil
KVB-ESOS 2018 SCHEME				
Outstanding at the beginning of the year i.e. as on 01.04.2022	Nil	21,01,080	1,35,710	Nil
Granted during the year (Note 3)	Nil	Nil	Nil	4,42,161
Vested during the year (Note 1)	Nil	7,64,227	43,174	Nil
Exercised during the year	Nil	9,34,031	43,174	Nil
Lapsed/ forfeited/ cancelled (Nos.) (Note 2)	Nil	86,800	Nil	Nil
Outstanding as on March 31, 2023	Nil	10,80,249	92,536	4,42,161

Note:

1. Vesting eligibility under these schemes are purely based on achievement of performance matrix of FY 2020-21. The vesting period shall be under deferral arrangement upto three years from the date of grant based on the employees left over service period in the Bank, however minimum vesting period of one year is mandatory.
2. Consequent to the performance assessment for FY 2021-22 and on the basis of eligibility conditions during the year, 5,92,086 options (ESOS 2011 scheme – 5,05,286 options and ESOS 2018 scheme –86,800 options) were lapsed, and the said options were added back to the Employee Stock Option pools (1,04,25,254 options lapsed during the previous year).
3. The Bank has granted 1,16,293 options of face value ₹ 2/- each to Material Risk Takers (MRTs) - MD & CEO and President & COO under KVB ESOS 2018 scheme during the year(1,35,710 options during the previous year). In terms of RBI Guidelines on Compensation Policy, the said grant is part of their variable pay non-cash component for the performance assessment period of FY 2021-22. The vesting period shall be under deferral arrangement of three years from the date of grant.

Schedules

14. Other Disclosures

14.1 Business Ratios

Particulars	2022-23	2021-22
1. Interest Income as a percentage to Working Funds (%)	7.49	7.12
2. Non-interest income as a percentage to Working Funds (%)	1.33	0.98
3. Cost of Deposits (%)	4.27	4.31
4. Net Interest Margin (%)	4.18	3.72
5. Operating Profit as a percentage to Working Funds (%)	2.85	2.08
6. Return on Assets (%)	1.27	0.86
7. Business (Deposits plus Advances) per employee (₹ crore)	18.14	17.16
8. Profit per employee (₹ lakh)	14.25	9.22

Working Funds are based on average of total assets as reported to RBI in Form X during the year; Employee productivity ratios are based on actual number of employees at the end of the year.

14.2 Income from Bancassurance business

SN	Fee/Remuneration from sale of	2022-23*	2021-22*
1	Life Insurance Products	23.50	16.88
2	Non-Life Insurance Products	6.82	6.16
3	Health Insurance Products	4.08	3.29
	Total	34.40	26.33

* exclusive of GST.

14.3 Income from marketing and distribution

SN	Fee/Remuneration from sale of	2022-23	2021-22
A	Mutual fund products	1.12	0.99
	Total (A)	1.12	0.99
B	Other products		
1	Demat & Trading	1.10	1.08
2	Co-branded Credit Card	0.51	0.71
3	PMJJBY Scheme	0.01	0.26
4	Sovereign Gold Bond Scheme	0.16	0.29
5	Atal Pension Yojana	0.07	0.01
6	National Pension Scheme	0.09	0.01
	Total (B)	1.94	2.36
	Total (A+B)	3.06	3.35

Schedules

14.4 Priority Sector Lending Certificates sold/purchased during the year

Particulars	(₹ crore)	
	2022-23	2021-22
PSLC purchased during the year		
1. Agriculture		
2. SF/MF	Nil	Nil
3. Micro Finance		
4. General		
Total		
PSLC sold during the year		
1. Agriculture		200
2. SF/MF		Nil
3. Micro Finance	Nil	Nil
4. General		700
Total		900

14.5 Provisions and Contingencies

Break-up of 'Provision and Contingencies' shown under the 'Expenditure' head in Profit & Loss Account

Provision for	(₹ crore)	
	2022-23	2021-22
Standard Assets	34.51	16.99
Bad & Doubtful Debts	717.00	634.85
Non Performing Investments	102.38	(5.89)
Fraud (other than advances)	(0.04)	0.14
COVID-19 Relief Package	Nil	Nil
Restructured accounts including COVID-19 restructuring, Food Credit	(51.63)	30.01
Additional provision for accounts covered under Resolution Plan	(17.84)	42.79
Unhedged Foreign Currency Exposure	1.48	0.10
Other Provisions	253.06	(19.70)
Income Tax	375.18	280.23
Deferred Tax (Net)	(44.41)	(22.58)
Total	1,369.69	956.94

14.5.1 Movement of Floating Provision/Counter Cyclical Buffer

Particulars	(₹ crore)	
	2022-23	2021-22
Floating Provision at the beginning of the year	Nil	9.69
Floating Provision made during the year	Nil	Nil
Amount transferred to counter cyclical buffer as per RBI guidelines	Nil	Nil
Amount transferred to provision for NPAs during the year	Nil	9.69
Floating Provision at the end of the year	Nil	Nil

Schedules

14.5.2 Provisions on Standard Assets, Food Credit

Provisions for	(₹ crore)	
	2022-23	2021-22
1. Standard Assets	239.65	205.14
2. Food Credit (Punjab State Government) *	5.85	6.24

* Provision @ 5% of outstanding food credit availed by Punjab State Government, vide RBI circular DBR.BP.No.3992/21.04.048/2016-17 dated 03rd Oct 2016.

14.6 Status with regard to IndAS Implementation

Ministry of Corporate Affairs (MCA), Government of India, notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015. Vide press release dated 18th January 2016, MCA notified the roadmap for implementation of Indian Accounting Standards (IndAS) (converging with the Internal Financial Reporting Standards (IFRS)) for Scheduled Commercial Banks (SCBs) excluding Regional Rural Banks, Non-Banking Financial Companies and Insurance Companies. Accordingly, RBI, vide circular DBR.BP.BC.No.76/21.07.001/2015-16 dated 11th February 2016, advised SCBs to follow IndAS from 1st April 2018, subject to guidelines / directions to be issued in this regard.

RBI initially deferred IndAS implementation by SCBs to 1st April 2019; subsequently, vide circular DBR.BP.BC.No.29/21.07.001/2018-19 dated 22nd March 2019, implementation of IndAS by SCBs has been deferred till further notice. RBI has not issued any further notification on implementation of IndAS by SCBs during the financial year 2022-23.

In compliance to the RBI circular dated 11th February 2016, the status of IndAS implementation is given below:

Proforma IndAS statements have to be submitted to RBI on half-yearly basis with effect from FY 2021-22 (as against quarterly basis up to the previous year); accordingly, proforma IndAS statements for the half-year ended 30th September 2022 have been prepared and submitted to RBI. Bank has evaluated IndAS solution offered by various vendors. It is proposed to procure a suitable software to enable the Bank to comply with IndAS requirements including, inter-alia, to evaluate, determine and measure probability of default, loss given default, expected credit loss, effective interest rate etc., as well as support accounting, reporting and MIS generation for reporting purposes. Based on the Discussion Paper on Introduction of Expected Credit Loss Framework for Provisioning by Banks issued by Reserve Bank of India, the bank is in the process of evaluating and reviewing the same.

14.7 DICGC Insurance Premium paid

SN	Particulars	(₹ crore)	
		2022-23	2021-22
1	Amount of DICGC insurance premium paid	100.78	91.47
2	Arrears in payment of DICGC premium, if any	Nil	Nil

14.8 Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks

The revision in family pension payable to employees of the Bank covered under 11th Bipartite Settlement and Joint Note dated 11th November 2020 was quantified on 26th August 2021; the Bank opted to amortize the additional liability of ₹ 80.26 crore based on actuarial valuation during the three quarters of financial year 2021-22 equally, and the same has been accordingly expensed to Profit & Loss account in the previous financial year 2021-22 itself.

14.9 Disclosure requirement as per Accounting Standards (AS)

In compliance with the guidelines issued by the RBI regarding disclosure requirements of the various Accounting Standards, the following information is disclosed:

Schedules

- a. There are no material prior period income and expenditure included in the Profit & Loss account, which requires a disclosure as per AS-5.

For the preparation of these financial results, the bank has followed the same accounting policies and generally accepted practices adopted for the preparation of audited financial statements for the year ended 31st March 2023.

b. Revenue Recognition (AS-9)

Bank recognises revenue on accrual basis, as per details given in item C.1 of the Accounting Policy of the Bank (Schedule 17).

c. Effects of changes in Foreign Exchange Rates (AS-11)

Bank has followed the guidelines issued by RBI and FEDAI, in order to comply with the applicable requirements under AS-11. Accordingly, foreign exchange transactions are accounted as per details given item C.6 of the Accounting Policy of the Bank (Schedule 17).

d. Employee Benefits (AS -15)

The Bank is following AS-15 (Revised 2005) 'Employee Benefits' as under:

- a. In respect of Contributory Plan, viz.,

Provident Fund: The Bank pays fixed contribution at pre-determined rates to a separate trust, which invests in permitted securities. The obligation of the Bank is limited to such fixed contribution.

National Pension Scheme: As per industry settlement dated 27th April 2010, employees who have joined on or after 1st April 2010 are covered under National Pension System (NPS) regulated by Provident Fund Regulatory Development Authority (PFRDA). Employer's contribution to NPS has been recognised as expenditure in the profit and loss account.

- b. In respect of Defined Benefit Plans, viz.,

Gratuity: The Bank Provides for Gratuity, a defined benefit plan (the Gratuity Plan) covering the eligible employees. The Gratuity Plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and tenure of employment.

Pension: The Bank Provides for Monthly pension, a defined benefit plan (the Pension Plan) covering the eligible employees. The Pension Plan provides a monthly pension after the retirement of the employees till death and to the family after his death of the pensioner based on the respective employee's salary and tenure of the employment.

The disclosure requirements as per the AS-15 are given below

Principal Actuarial Assumptions

Particulars	Gratuity		Pension	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Discount Rate (%)	7.52	7.31	7.53	7.40
Salary escalation rate (%)	5.00	5.00	5.00	5.00
Attrition rate (%)	*	~	0.50	0.50
Expected rate of return on Plan Assets (%)	7.52	7.31	7.53	7.40

* Attrition rate for FY 2022-23 - 0.50% for those under defined benefit pension option and 5.94% for others.

~ Attrition rate for FY 2021-22 - 0.50% for those under defined benefit pension option and 2.40% for others.

Schedules

Expenses recognized in Profit and Loss Account

(₹ crore)

Particulars	Gratuity		Pension	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Current Service Cost	15.47	15.77	26.51	24.64
Past Service Cost	Nil	Nil	Nil	75.06
Interest cost on benefit obligation	19.69	18.37	58.76	53.48
Expected return on plan assets	(19.97)	(15.59)	(61.95)	(52.16)
Net Actuarial (gain) / loss recognised in the year	12.05	(5.01)	65.90	5.40
Expenses recognised in Profit & Loss A/c.	27.24	13.54	89.22	106.42

Changes in the present value of the defined benefit obligation

(₹ crore)

Particulars	Gratuity		Pension	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Present value of obligation at the beginning of the year	269.36	263.97	793.99	768.40
Current Service Cost	15.47	15.77	26.51	24.64
Past Service Cost	Nil	Nil	Nil	75.06
Interest Cost	19.69	18.37	58.76	53.48
Net actuarial (gain) / loss on obligation	11.24	(1.05)	55.76	8.07
Benefits Paid	(25.86)	(27.70)	(100.77)	(135.66)
Present value of the obligation at the end of the year	289.90	269.36	834.25	793.99

Change in the fair value of plan assets

(₹ crore)

Particulars	Gratuity		Pension	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Fair value of plan assets at the beginning of the year	273.22	223.96	837.20	749.38
Expected Return on plan assets	19.97	15.59	61.95	52.16
Contribution by employer	12.67	57.41	17.39	168.65
Benefits Paid	(25.86)	(27.69)	(100.77)	(135.66)
Actuarial gain / (loss)	(0.81)	3.95	(10.14)	2.67
Fair value of plan assets at the end of the year	279.19	273.22	805.62	837.20

Investment details of plan assets

Particulars (details in % terms)	Gratuity		Pension	
	Mar. 31, 2023	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2022
LIC Managed Fund	95.86	95.05	87.48	87.04
Government Securities	3.22	3.79	3.60	4.88
Bonds, debentures and other fixed income instruments	0.70	0.71	0.38	0.36
Money Market Instruments	Nil	Nil	Nil	Nil
Equity Shares	Nil	Nil	Nil	Nil
Others	0.22	0.45	8.54	7.72
Total	100.00	100.00	100.00	100.00

Schedules

Experience adjustments

(₹ crore)

Particulars	Gratuity					Pension				
	Year ended 31 st March					Year ended 31 st March				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Defined Benefit Obligation	289.90	269.36	263.97	201.99	168.05	834.25	793.99	768.40	625.13	533.58
Plan Assets	279.19	273.22	223.96	202.02	168.06	805.62	837.20	749.38	626.36	533.59
Surplus / (Deficit)	(10.71)	3.86	(40.01)	0.03	0.01	(28.63)	43.21	(19.02)	1.23	0.01
Experience Adjustments on Plan Liabilities	3.07	5.34	63.70	5.11	7.38	67.11	60.86	178.47	90.76	105.33
Experience Adjustments on Plan Assets	(0.80)	3.95	(0.04)	0.31	(1.03)	(10.14)	2.67	(3.15)	(2.70)	(16.46)

Compensated absences

The employees of the Bank are entitled to compensated absences. The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future period or in case of privilege leave receive cash compensation at retirement or cessation of employment. The Bank measures the expected cost of compensated absences as the additional amount the Bank expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date on actuarial valuation.

(₹ crore)

Particulars	Privilege leave		Medical leave	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Total Actuarial Liability	169.29	170.88	48.84	50.10
Assumptions				
Discount rate (%)	7.52	7.31	7.52	7.31
Salary escalation rate (%)	5.00	5.00	5.00	5.00
Attrition rate (%)	*	~	*	~

* Attrition rate for FY 2022-23 – 0.50% for those under defined benefit pension option and 5.94% for others.

~ Attrition rate for FY 2021-22 – 0.50% for those under defined benefit pension option and 2.40% for others

e. Segment Reporting: (AS-17)

1. Business Segments

For the purpose of segment reporting, the reportable segments are identified into Treasury, Corporate/Wholesale banking, Retail banking and other banking operations, in compliance with RBI guidelines. Brief description of activities of each segment and revenue attributable thereto is as under:

- Treasury portfolio comprises of investments in Central and State Government securities, debt instruments of Banks, FIs, Insurance companies, PSUs and corporates, certificate of deposits, equity shares, mutual funds, security receipts etc. as well as forward contracts, derivatives and foreign exchange operations on proprietary account and for customers, including trading in these instruments as well as borrowing and lending operations.

Treasury income is primarily earned through interest on investments, forex income as well as income from securities trading; expenditure includes interest on funds borrowed and other allocated overheads.

- Corporate/ Wholesale banking includes all advances to trusts, partnership firms, companies, and statutory bodies, which are not included under Retail Banking.

Schedules

Revenue comprises of interest and fees / charges earned from such clients and expenses are those incurred on interest towards funds utilized and other allocated overheads.

3. Retail banking comprises of lending of funds and other banking services to any legal person including small business customers, on the basis of the borrower, nature of the product, granularity of the exposure and quantum thereof.

Revenue comprises of interest and fees / charges earned from such clients and expenses are those incurred on interest towards funds utilized and other allocated overheads.

4. Other banking operations includes items not included above i.e. para-banking activities like bancassurance, third party product distribution, demat services and other banking transactions and includes items like deposits in RIDF, MSME Funds etc.

Income earned from such services and costs related thereto are reported thereunder.

2. Geographical Segment

The Bank operates only in India and hence the reporting consists only of domestic segment.

Segment information is prepared on the basis of management estimates/ assumptions and is based on internal reporting systems. Methodology adopted in compiling the above information has been relied upon by the auditors.

Part 1 : Business segments

		(₹ crore)	
SN	Particulars	2022-23 (Audited)	2021-22 (Audited)
a	Segment Revenue		
	1. Treasury	1,246.80	1,018.25
	2. Corporate/Wholesale Banking	1,576.07	1,373.51
	3. Retail Banking	4,803.25	3,928.71
	4. Other Banking	49.37	36.26
	Total	7,675.49	6,356.73
b	Segment Results		
	1. Treasury	415.38	217.90
	2. Corporate/Wholesale Banking	550.97	408.10
	3. Retail Banking	1,717.85	1,209.74
	4. Other Banking	37.34	26.61
	Total	2,721.54	1,862.35
c	Unallocated Income/Expenses	245.75	232.14
d	Operating Profit	2,475.79	1,630.21
e	Tax expense	330.77	257.65
f	Other Provisions	1,038.93	699.29
g	Exceptional Item	Nil	Nil
h	Net Profit	1,106.09	673.27
i	Other Information		
j	Segment Assets		
	1. Treasury	19,378.86	18,488.42
	2. Corporate/Wholesale Banking	13,879.59	13,836.03
	3. Retail Banking	49,254.55	40,825.17
	4. Other Banking Operations	Nil	Nil
	5. Unallocated	7,666.42	6,921.70
	Total Segment Assets	90,179.42	80,071.32

Schedules

		(₹ crore)	
SN	Particulars	2022-23 (Audited)	2021-22 (Audited)
k	Segment Liabilities		
1.	Treasury	17,692.06	17,380.54
2.	Corporate/Wholesale Banking	12,526.71	12,378.55
3.	Retail Banking	44,458.01	36,526.76
4.	Other Banking	Nil	Nil
5.	Unallocated	6,918.59	6,189.28
	Total (a)	81,595.37	72,475.13
l	Capital Employed (Segment Assets-Segment Liabilities)		
1.	Treasury	1,686.80	1,107.88
2.	Corporate/Wholesale Banking	1,352.88	1,457.88
3.	Retail Banking	4,796.54	4,298.41
4.	Other Banking	Nil	Nil
5.	Unallocated	747.83	732.42
	Total (b)	8,584.05	7,596.20
	Total Segment Liabilities (a+b)	90,179.42	80,071.32

RBI, vide circular dated 7th April 2022 on establishment of Digital Banking Units (DBUs), has prescribed that reporting of Digital Banking Segment has to be made as a sub-segment of Retail Banking Segment under Accounting Standard 17 – Segment Reporting. The Bank does not have any DBUs, hence no digital banking segment disclosures have been made for the year ended 31st March 2023.

Part 2 : Geographic segments

Geographical segment consists only of domestic segment (also for previous year), as the Bank does not have any foreign branch.

f. Related Party Transactions (AS-18)

Disclosure on transactions with Key Management Personnel (KMP)

Particulars	Designation	Nature of transaction	Amount (₹)	
			2023	2022
Name of KMP : Shri. B. Ramesh Babu	MD & CEO	Remuneration	2,07,41,949	1,56,59,235
Relatives of KMP	1. B. Sujatha; 2. B. Nirmala; 3. B. Saketh; 4. B. Sravya; 5. B. Rajesh Babu			

Schedules

(₹ crore)

Items/ Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Mar. 31												
Borrowings							Nil	Nil			Nil	Nil
Deposit							0.30	0.03			0.30	0.03
Placement of deposits							(maximum during the year 0.38)	(maximum during the year 0.11)				
Advances												
Investments												
Non-funded commitments												
Leasing/HP arrangements availed	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Leasing/HP arrangements provided												
Purchase of fixed assets												
Sale of fixed assets												
Interest paid							0.02	0.0005			0.02	0.0005
Interest received												
Rendering of services							Nil	Nil			Nil	Nil
Receiving of services												
Management contracts												

g. Earnings per Share (AS-20)

SN	Particulars	2022-23	2021-22
1.	Computation of Basic EPS (before and after Extraordinary items)		
1	Net Profit (₹ Crore)	1106.09	673.27
2	Weighted number of shares	80,06,88,243	79,94,33,213
3	Basic EPS (1/2) (₹)	13.81	8.42
4	Nominal Value per share (₹)	2.00	2.00
2.	Computation of Diluted EPS (before and after Extraordinary items)		
1	Net Profit (₹ Crore)	1106.09	673.27
2	Weighted number of shares (including Potential Equity Shares)	80,29,63,908	80,03,78,979
3	Diluted EPS (1/2) (₹)	13.78	8.41
4	Nominal Value per share (₹)	2.00	2.00

Note – There are no extraordinary items recognised in the profit and loss account during FY 2022-23 and FY 2021-22; accordingly, EPS is disclosed as above.

Schedules

h. Accounting for Taxes on Income (AS-22)

The Bank has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendments) Ordinance, 2019. Accordingly, provision for Income Tax for the year ended 31st March 2023 as well as re-measurement of Deferred Tax Liability and Asset (DTL & DTA) have been made basis the rate prescribed in the aforesaid section. The major components of DTA and DTL are as under:

Particulars	(₹ crore)	
	2022-23	2021-22
Deferred Tax Liabilities		
1. Depreciation on Fixed Asset	3.90	5.02
2. Special Reserve u/s 36(1)(viii) of the Income Tax Act,1961	114.51	100.67
TOTAL	118.41	105.69
Deferred Tax Assets		
1. Provision for Standard Assets	60.32	51.63
2. Provision for Leave Encashment	42.61	43.01
3. Provision for Restructured Assets	22.86	35.76
4. Others	97.03	35.29
TOTAL	222.82	165.69

Note: The provision for Income Tax has been worked based on the Income Computation and Disclosures Standards (ICDS).

i. Accounting for Investments in Associates in Consolidated Financial Statements (AS-23)

The Bank has no Associates. Hence reporting under AS-23 is not applicable. (not applicable for previous year also)

j. Discontinuing operations (AS-24)

The Bank has not discontinued any of its operations. Hence reporting under AS-24 is not applicable (not applicable for previous year also).

k. Interim Financial Reporting (AS-25)

Quarterly financial reviews have been carried out as per extant RBI and SEBI guidelines, and reporting / filing of the prescribed information has been complied with by the Bank.

l. Impairment of Assets (AS - 28)

In the opinion of the Management, there is no impairment of its Fixed Asset to any material extent as at 31st March 2023 requiring recognition in terms of Accounting Standard 28 (also as at 31st March 2022).

14.10 Letter of Comfort (LOCs)

Particulars	(₹ crore)	
	2022-23	2021-22
Letter of Comfort issued during the year	Nil	Nil
Outstanding Letter of Comfort as on 31 st March		

Schedules

14.11 The Bank has deposited an amount of ₹ 563.54 crore (₹ 448.18 crore during the previous year) towards disputed tax liability. In the opinion of the Bank, no provision is considered necessary based on favourable decisions by various courts.

14.12 Disclosure on Investor Education and Protection Fund (IEPF)

As per the Companies Act 2013, dividends unclaimed for more than seven years from the date of their declaration and all shares in respect of which dividends remain unclaimed for the last seven consecutive years are to be transferred to Investor Education and Protection Fund.

In compliance with the above provisions, the unclaimed dividend amount of ₹ 60,35,354/- (₹ 41,86,013/- of previous year) for the FY 2014-15 and 91,584 shares (1,01,333 shares for previous year) of face value ₹ 2/- each, in respect of which the dividends remain unclaimed from FY 2014-15 for the last seven consecutive years, were transferred to the IEPF during the year ended 31st March 2023 within the timelines.

14.13 Corporate Social Responsibility (CSR)

The bank has incurred an expenditure of ₹ 5.86 crore towards CSR and has also provided ₹ 6.98 crore during the year for various future projects and its appropriateness for spending / coverage under CSR (Previous year ₹ 7.59 crore).

14.14 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. These also include demands raised by income tax and other statutory authorities and disputed by the Bank.

b. Liability on account of forward exchange and derivative contracts

The Bank presently enters into foreign exchange contracts and interest rate swaps with interbank counterparties and customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows in the same currency based on fixed rates or benchmark reference. The notional amounts of such foreign exchange contracts and derivatives provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The fluctuation of market rates and prices cause fluctuations in the value of these contracts and the contracted exposure become favourable (assets) or unfavourable (liabilities).

c. Guarantees 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 fulfil its financial or performance obligations.

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 Capital commitments and amount transferred to RBI under the Depositor Education and Awareness Fund (DEAF). (Refer schedule 12 for amounts relating to contingent liability.)

Schedules

14.15 Inter-branch transactions

Inter Branch/Office accounts reconciliation has been completed upto 31st March 2023 and all the inter branch entries have been reconciled upto 31st March 2023.

14.16 Balancing of books

The books of accounts have been balanced and tallied in all branches of the Bank as on 31st March 2023 (also as on 31st March 2022).

15. Disclosure under Rule 11(e) of the Companies (Audit & Auditors) Rules, 2014

The Bank, as part of its normal business, grants loans and advances to Non-Banking Finance Company/ies, real estate promoters / developers, makes investment, provides guarantees (including against margin / guarantees received from third parties / banks) and accepts deposits and borrowings from its customers, other entities and persons. Also, the Bank, as part of its normal business, avails refinance from financial institutions and other entities wherein the proceeds are applied to a category of customers with specific profile parameters. These transactions are part of Bank's authorised normal business, which is conducted in adherence to extant regulatory requirements.

Other than the transactions described above -

1. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend to or invest in other persons or entities identified by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.
2. The Bank has not received any funds from any person(s) or entity(ies) ("Funding Party") with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend to or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

16. Note on Disclosure related to Interest Accrued but Not Due

Based on RBI Master Direction on financial statements – Presentation and Disclosures issued on August 30, 2021 (Updated as on February 20, 2023), Interest accrued but not due on advances and deposits have been reclassified under Other Assets (Schedule 11 - Notes to Accounts to the financial statements) and Other Liabilities and Provisions (Schedule 5 - Notes to Accounts to the financial statements). Though, there is no change in the Net Profit / Loss for the previous periods, the figures have been reclassified as appropriate to make them comparable with the figures of the current period.

17. Figures of the previous year have been regrouped/rearranged/reclassified wherever necessary

DR.MEENA HEMCHANDRA

NON-EXECUTIVE INDEPENDENT
(PART-TIME) CHAIRPERSON

MURALI RAMASWAMI

AUDIT COMMITTEE
CHAIRMAN

B.RAMESH BABU

MANAGING DIRECTOR &
C E O

J.NATARAJAN

PRESIDENT & COO

R. RAMSHANKAR

CHIEF FINANCIAL OFFICER

M.SRINIVASA RAO

COMPANY SECRETARY

As per our report of even date

For **R.G.N. Price & Co.**,
Chartered Accountants
FRN: 002785S

For **Sundaram & Srinivasan**
Chartered Accountants
FRN:004207S

Sriraam Alevoor M

Partner
M. No. 221354

P. Menakshi Sundaram

Partner
M. No. 217914

Place : Karur

Date : 15th May 2023