Secretarial Section
Head Office, 57- V.E. Road,
Thoothukudi – 628 002.
☏: 0461-2325136
e-mail : secretarial@tmbank.in
CIN: L65110TN1921PLC001908

Tamilnad Mercantile Bank Ltd
Be a step ahead in life

Ref.No.TMB.SE.103/2024-25

02.09.2024

The Manager,
National Stock Exchange of India Ltd,
Exchange Plaza, 5th Floor, Plot No. C/1,
'G' Block, Bandra - Kurla Complex,
Bandra (East), Mumbai - 400 051.

The Manager,
Bombay Stock Exchange limited,
Phiroze Jeejeebhoy Towers,
Dalal Street.
Mumbai – 400 001.

Ref: Symbol: TMB / Scrip Code: 543596

Dear Sir/Madam,

Sub: Notice of the 102nd Annual General Meeting, Annual Report 2023-24 and e-voting related matters – Intimation under Regulation 30 & 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

In continuation to our intimation dated August 29, 2024, the 102nd Annual General Meeting ("AGM") of the members of the Tamilnad Mercantile Bank Limited (the "Bank") will be held on **Friday, September 27, 2024 at 10:00 A.M. IST** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"). In accordance with circulars issued by the Ministry of Corporate Affairs (MCA), shareholders will be able to attend and participate in the AGM only through VC / OAVM.

Pursuant to Regulation 34(1) of SEBI Listing Regulations, we are submitting herewith the Annual Report including the Business Responsibility and Sustainability Report of the Bank for the financial year 2023-24, along with the Notice of the 102nd AGM, which is being sent through e-mail to the shareholders of the Bank, whose email addresses are registered with the Registrar and Share Transfer Agent of the Bank / Depository Participant(s).

The Bank is providing electronic voting facility to its members, to exercise their right to vote, by electronic means, on any or all the items of business, as set out in the Notice, through National Securities Depository Limited ("NSDL") e-voting platform, which will commence on **Tuesday, September 24, 2024 at 9:00 A.M. IST** and ends on **Thursday, September 26, 2024 at 5:00 P.M. IST.** The e-Voting module will be disabled after **5:00 P.M. IST on Thursday, September 26, 2024.** The members who have not cast their votes by remote e-voting can exercise their voting rights through the e-voting system during the AGM. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the **cut-off date i.e., Friday, September 20, 2024** shall be entitled to avail the facility of remote e-voting or e-voting at the meeting.

The Annual Report 2023-24 and the Notice of the 102nd AGM are available on the website of the Bank, www.tmb.in/annual-general-meetings and on the website of NSDL at www.evoting.nsdl.com.

Kindly take the information on record.

Yours faithfully,
For Tamilnad Mercantile Bank Limited

SWAPNIL ASHOK YELGAONKAR
Digitally signed by SWAPNIL ASHOK YELGAONKAR
Date: 2024.09.02 18:40:13 +05'30'

Tamilnad Mercantile Bank Ltd. TMB Secretarial Section

Swapnil Yelgaonkar
Company Secretary & Compliance Officer
Membership No: ACS 21877



NOTICE OF THE 102nd ANNUAL GENERAL MEETING

(2023 - 2024)

TAMILNAD MERCANTILE BANK LIMITED

CIN: L65110TN1921PLC001908

Regd. office: 57, V. E. Road, Thoothukudi – 628 002

Phone: 0461-2321932 (E), 2321929 (E)

Website: www.tmb.in | e-mail: shareholders@tmbank.in

NOTICE OF THE 102nd ANNUAL GENERAL MEETING

NOTICE is hereby given that the 102nd Annual General Meeting (AGM) of the Members of M/s.Tamilnad Mercantile Bank Limited (CIN: L65110TN1921PLC001908) will be held on Friday, the 27th of September, 2024 at 10:00 AM IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. **To adopt the Audited Financial Statements, Board's Report and Auditor's Report for the Financial Year 2023-24**

   To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 129, 134 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, Section 29 and other applicable provisions, if any, of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the rules, circulars and guidelines issued by the Reserve Bank of India ('RBI') in this regard, from time to time, the audited financial statements of the Bank for the financial year ended March 31, 2024 including the Balance Sheet as on that date, Statement of Profit and Loss and Cash Flow for the financial year ended March 31, 2024 and the report of the Auditors and the Board of Directors thereon, as circulated to the Members and laid before the Meeting, be and are hereby received, considered and adopted."

2. **To re-appoint Shri.S.R.Ashok (DIN:07933713) as a Non-Executive Director who retires by rotation and being eligible, offers himself for re-appointment**

   To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the rules, circulars and guidelines issued by the Reserve Bank of India, from time to time and the provisions of the Articles of Association of the Bank, Shri.S.R.Ashok (DIN: 07933713), Non-Executive Non-Independent director who retires by rotation at this meeting and being eligible for re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Bank, liable to retire by rotation."

3. **To approve and declare the final dividend for the Financial Year 2023-24**

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013 and Section 15 and other applicable provisions, if any, of the Banking Regulation Act, 1949 and other applicable circulars, guidelines issued by the Reserve Bank of India, in this regard (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) a dividend at the rate of Rs. 10.00 (Rupees Ten only) per equity share having face value of Rs. 10.00 (Rupees Ten only) each fully paid-up (i.e. 100%), as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2024 and the same be paid out of the profits of the Bank for the financial year ended March 31, 2024."

4. **To appoint M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration No. 004207S) and M/s. Chandran & Raman, Chartered Accountants, Chennai (Firm Registration No. 000571S) as Joint Statutory Central Auditors of the Bank and fix their remunerations**

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

"**RESOLVED THAT**, pursuant to the provisions of Sections 139, 141 and 142 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules made there under and pursuant to Section 30 of the Banking Regulation Act, 1949 and guidelines issued by the Reserve Bank of India ('RBI') including any amendments, modifications, variations or re-enactments thereof and in pursuance approval of the RBI, M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration No. 004207S) and M/s. Chandran & Raman, Chartered Accountants, Chennai (Firm Registration No. 000571S), be and are hereby re-appointed as the Joint Statutory Central Auditors of the Bank for the financial year 2024-25 i.e., from the conclusion of this 102nd Annual General Meeting until the conclusion of 103rd Annual General Meeting of the Bank, for a total remuneration of ₹ 24,00,000/- each and reimbursement of other out of pocket expenses."

SPECIAL BUSINESS

5. **To appoint Branch Auditors of the Bank and fix their remuneration.**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 139 and 143(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any modification / amendment thereof and other applicable rules, if any, the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the rules, circulars and guidelines issued by Reserve Bank of India, including any statutory modification(s) or re-enactment(s) thereof, the Board of Directors in

consultation of the Statutory Central Auditors be and is hereby authorized to make arrangements for the audit of the Bank's branches for the financial year 2024-25 and to appoint and fix the remuneration of branch auditors by Audit Committee of the Board".

6. **Appointment of Shri.Salee Sukumaran Nair (DIN: 09231101) as Managing Director and Chief Executive Officer of the Bank and approval of Remuneration.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Section 10B, 35B and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification (s) or re-enactment(s) thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India ('RBI') and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of Tamilnad Mercantile Bank Limited (the "Bank"), pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Bank and the approval granted by the RBI vide letter Ref.No.CO.DOR.HGG.No.S2893/8.55.001/2024-25 dated August 16, 2024, approval of the Members of the Bank be and is hereby accorded to the appointment of **Shri.Salee Sukumaran Nair** (DIN:09231101) as the Managing Director & Chief Executive Officer of the Bank, who has been appointed as an Additional Director and designated as the Managing Director & Chief Executive Officer of the Bank w.e.f. August 29, 2024, for a period of three years from August 29, 2024 till August 28, 2027 (both days inclusive), on such terms and conditions as detailed in the explanatory statement to this notice and payment of such remuneration which is well within the limits prescribed under Schedule V of the Companies Act, 2013.

"**RESOLVED FURTHER THAT** to give effect to this resolution, the Board be and is hereby authorized to do all deeds, matters, things, acts including the power to determine the variable pay within the limits approved by the Reserve Bank of India and to execute any agreements, documents and writings, as may be deemed necessary, but not limited to making correspondences with RBI or any other regulatory authority and / or to settle all questions, difficulties or doubts that may arise in this regard, as it may in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any Committee/Director(s)/ Officer(s) of the Bank."

7. **To appoint Shri.K.V.Rama Moorthy (DIN: 07034994) as a Non-Executive Director of the Bank**.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** in accordance with Sections 152, 161 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Circulars and Guidelines issued by the Reserve Bank of India and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015,

as amended, and the Articles of Association of the Bank, **Shri.K.V.Rama Moorthy** (DIN: 07034994) who, pursuant to Section 161(1) of the Companies Act, 2013, and on recommendation of the Nomination and Remuneration Committee of the Bank, was appointed as an Additional Non-Executive Director by the Board of Directors on July 09, 2024 and received a written notice pursuant to Section 160 of the Companies Act, 2013 of his candidature for the office of Non-Executive Director of the Bank, be and is hereby appointed as a Non-Executive Director of the Bank, who shall hold office for a period of three years from July 09, 2024 to July 08, 2027 (both days inclusive) and that he is liable to retire by rotation."

8. **To appoint Shri.R.Deepak Shankar (DIN: 05223027) as an Independent Director of the Bank**.

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in accordance with Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV of the Companies Act, 2013, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 and the Circulars and Guidelines issued by the Reserve Bank of India and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended, and the Articles of Association of the Bank, **Shri.R.Deepak Shankar** (DIN: 05223027) who, pursuant to Section 161(1) of the Companies Act, 2013, and on recommendation of the Nomination and Remuneration Committee of the Bank, was appointed as an Additional Independent Director by the Board of Directors on July 09, 2024 and received a written notice pursuant to Section 160 of the Companies Act, 2013 of his candidature for the office of Independent Director of the Bank, and has submitted a declaration that he meets the criteria of independence in terms of Section 149(6) of the Act and Regulation 16(1)(b) and 25(2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director of the Bank, who shall hold office for a period of three years from July 09, 2024 to July 08, 2027 (both days inclusive) and that he shall not be liable to retire by rotation."

9. **To appoint Smt.R.Kanagavalli (DIN: 00883998) as an Independent Director of the Bank**.

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in accordance with Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV of the Companies Act, 2013, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 and the Circulars and Guidelines issued by the Reserve Bank of India and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended, and the Articles of Association of the Bank, **Smt.R.Kanagavalli** (DIN: 00883998) who, pursuant to Section 161(1) of the Companies Act, 2013, and on recommendation of the Nomination and Remuneration Committee of the Bank, was appointed as an Additional Independent Director by the Board of Directors on August 19, 2024 and received a written notice pursuant to Section 160 of the Companies Act, 2013 of her candidature for the office of Independent Director of the Bank, and has submitted a declaration that she meets the criteria of independence in terms of Section 149(6) of the Act

and Regulation 16(1)(b) and 25(2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director of the Bank, who shall hold the office for a period of three years from August 19, 2024 to August 18, 2027 (both days inclusive) and that she shall not be liable to retire by rotation."

By Order of the Board of Directors
For Tamilnad Mercantile Bank Limited

Place: Thoothukudi
Date: 29th August, 2024

Swapnil Ashok Yelgaonkar
Company Secretary
(Membership No: ACS 21877)

Notes: -

1. Pursuant to General Circulars No.14/2020 dated April 8, 2020, No.17/2020 dated April 13, 2020, No.20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021, No. 2/2022 dated May 5, 2022, No. 10/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") Circular dated May 13, 2022 read with Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 (collectively referred to as "SEBI Circulars") and all other applicable laws and circulars issued by Ministry of Corporate Affairs ("MCA"), Government of India and SEBI has permitted the holding of the annual general meeting through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), without the physical presence of the Members at a common venue

   In compliance with the above guidelines, the 102nd Annual General Meeting of the members of M/s.Tamilnad Mercantile Bank Limited is being conducted through VC/OAVM on **Friday, September 27, 2024 at 10:00 AM (IST)**. Hence, Shareholders can attend and participate in the Annual General Meeting through VC / OAVM, which will not require physical presence of the shareholders at a common venue. The deemed venue for the meeting shall be the Registered Office of the Bank at 57, Victoria Extension Road, Thoothukudi - 628002.

2. Pursuant to Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 20 of Companies (Management and Administration) Rules, 2014, the Register of Members and Share Transfer Books of the Bank will remain closed from **21.09.2024 to 27.09.2024** (both days inclusive) for the purpose of 102nd Annual General Meeting. Accordingly, the Shareholders holding Bank's shares as on **Friday, 20.09.2024** (**Cut-off Date**) will be able to attend and vote on the Agenda Items of the meeting either through remote e-voting or during the AGM.

3. Any person who is not a member on the cut-off date should treat this notice for information purposes only.

4. In compliance with the MCA and SEBI Circulars, the Notice of the 102nd AGM and the Annual Report for the Financial Year 2023-24 are being sent through e-mail, to those members who have registered their e-mail addresses with the Bank / Depositories. The Notice calling the AGM has been uploaded on the website of the Bank at www.tmb.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e., Bombay Stock Exchange Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e., www.evoting.nsdl.com

5. The Bank has appointed M/s. National Securities Depository Limited (NSDL), to provide Video Conferencing facility for conducting and enabling attendants to participate in the Annual General Meeting.

6. Members can join the Annual General Meeting in the VC mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice.

The facility of participation at the Annual General Meeting through VC/OAVM will be made available for at least 1000 members on first come first serve basis. This restriction will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship and Customer Service Committee, etc., who are allowed to attend the Annual General Meeting without any restriction on account of first come first serve basis.

7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Bank. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Act, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

9. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business to be transacted at the meeting are annexed hereto.

10. VOTING THROUGH ELECTRONIC MEANS

a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), SEBI and MCA Circulars in this regard the Bank is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Bank has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized e-voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.

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

c. The remote e-voting period commences on Tuesday, September 24, 2024 (9:00 a.m. IST) and ends on Thursday, September 26, 2024 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on September 20, 2024, i.e., cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-voting facility either during the period commencing, September

24, 2024, to September 26, 2024, or e-voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.

d. The Voting Rights of the Members shall be in proportion to their shares of the paid-up share equity capital of the bank as on the "Cut-off" date being Friday, September 20, 2024 subject to the provision of the Banking Regulations Act, 1949 as amended and the extant RBI guidelines. The voting rights of the shareholders are also subject to the restriction imposed by the Reserve Bank of India.

e. The Bank has appointed Thiru.P.Sriram, (Membership No. FCS 4862) (CP No. 3310) Practicing Company Secretary of M/s. SPNP & Associates, to act as the scrutinizer ("Scrutinizer") to scrutinize the entire e-voting process in a fair and transparent manner.

f. Any person, who acquires shares of the Bank and become member after dispatch of the notice and holds shares as of the cut-off date i.e. September 20, 2024, may obtain the login ID and password by sending a request at evoting@nsdl.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you could reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or call on 022 - 4886 7000.

11. DIVIDEND RELATED INFORMATION

The Board of Directors of the Bank have recommended a final dividend of ₹10/- per equity share (i.e., 100 % of face value) of ₹10/- each to the Shareholders for the financial year 2023-24, subject to the approval of the Shareholders at the AGM. It has been decided to pay the dividend to those Shareholders whose name appears on the Register of Members / Beneficial Owners as furnished by National Securities Depository Limited (the "NSDL") and Central Depository Services (India) Limited (the "CDSL") as on 20.09.2024 (hereinafter referred to as Record Date). The dividend will be paid to the shareholders within 30 days from the date of declaration at the Annual General Meeting.

12. TAX ON DIVIDEND

Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 01, 2020 and the Bank is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and RTA (if shares held in physical form).

Resident individual shareholders who had registered their valid PAN and who is not liable to pay income tax, can submit an annual declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source. Such documents must be uploaded in the portal of the RTA, Link Intime India Private Limited at https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html latest by 20th September, 2024. All the links given above will be disabled thereafter. Shareholders are requested to note that in case their PAN is not registered, tax will be deducted at a higher rate of 20%.

Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e., No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may upload the above documents in the portal of the RTA, Link Intime India Private Limited at https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html latest by September 20, 2024. All the links given above will be disabled thereafter.

As per the guidelines issued by Ministry of Corporate Affairs and SEBI, communications to the shareholders, is necessarily to be sent via email. Hence shareholders who have not yet registered their email address with the Company or in their Demat accounts, are requested to update the same.

13. UNPAID/UNCLAIMED DIVIDEND

In terms of the relevant provisions of Sections 124 and 125 of the Companies Act, 2013 and the relevant Rules of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the amount of dividend remaining unpaid or unclaimed for a period of seven consecutive years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. The Bank had, accordingly, transferred the unpaid dividend for the year 2014-2015 to the IEPF and no claims shall lie against the Bank in respect of those dividends. The Bank has been sending reminders to members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF Authority. Dividends for and up to the financial year ended March 31, 2017 have to be transferred to the IEPF authority on 04.04.2023, 22.05.2023, 14.08.2023, 24.02.2024 and 18.08.2024 which is yet to be done.

Transfer of Equity Shares to Investor Education and Protection Fund – As per Government of India Gazette Notification No. REGD. NO. D. L.-33004/99 dated February 28, 2017 issued by Ministry of Corporate Affairs (MCA) and subsequent notifications thereon, the Company is required to transfer to Investor Education and Protection Fund Authority (IEPF Authority), the shares on which dividend remains unclaimed for seven consecutive years as per Section 124 of the Companies Act 2013, and the applicable rules. In compliance with the aforesaid provision, Shares for and up to the financial year ended March 31, 2017 have to be transferred to the IEPF authority on 04.05.2023, 21.06.2023, 13.09.2023, 25.03.2024 and 17.09.2024 which is yet to be done. The Members who have a claim on above dividends and equity shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website **www.iepf.gov.in** and sending a physical copy of the same, duly signed, to the bank, along with complete set of documents enumerated in the Form No. IEPF-5. Information on the procedures to be followed for claiming the dividend/shares are available on the web link: **http://www.iepf.gov.in/IEPF/refund.html.** No claims shall lie against the Bank in respect of the dividend, shares, etc. so transferred. The Members/ Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

14. MANDATORY DEMATERIALIZATION FOR TRANSFER OF SHARES

Pursuant to amendment to Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, vide gazette notification dated June 8, 2018 read with notification dated 01.04.2019, all the transfer of shares shall be

mandatorily carried out in dematerialized form only w.e.f. April 1st, 2019. Accordingly, with effect from 01.04.2019, no shares can be transferred in physical form.

In view of the aforesaid amendment, the shareholders of the Bank, who are holding physical shares of Tamilnad Mercantile Bank Limited, are once again requested to get their shares dematerialized. Shareholders can open a demat account with either of the two Depositories, viz. National Securities Depository Ltd., or Central Depository Services India Ltd., through any of the depository participant.

15. CHANGE IN ADDRESS/BANK MANDATE/OTHER DETAILS

i. HOLDING OF SHARES IN PHYSICAL FORM

As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/ 2023/37 dated 16.03.2023, the shareholders holding shares in physical form shall mandatorily furnish PAN, e-mail address, mobile number and Bank account details to the Bank/Share Transfer Agents of the Bank.

In view of the above SEBI circular, the shareholders holding physical securities are requested to furnish valid PAN, e-mail address, mobile number and Bank account details immediately in the below mentioned forms to the RTA.

S No.	Form	Purpose
1	Form ISR-1	To register/update PAN, KYC details
2	Form ISR-2	To Confirm Signature of securities holder by the Banker
3	Form ISR-3	Declaration Form for opting-out of Nomination
4	Form SH-13	Nomination Form
5	Form SH-14	Cancellation or Variation of Nomination (if any)

All the above forms are available on the website of the Bank https://www.tmb.in/kyc-forms-for-shareholders.aspx. Shareholders are requested to submit duly filled in forms to the address mentioned below:

Link Intime India Private Ltd.,
Coimbatore Branch, Surya 35, Mayflower Avenue,
Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028,
Phone No: (0422) 2314792, (0422) 4958995,
(0422) 2539835, (0422) 2539836)
email: coimbatore@linkintime.co.in

Please note that as per SEBI regulations, Folios wherein the above documents/details viz. PAN, KYC and Bank A/c details are not available/ registered, dividend will be kept in abeyance with effect from 01st April 2024.

ii. HOLDING OF SHARES IN ELECTRONIC FORM

Beneficial owners holding shares in electronic form, are requested to update the address, Bank details i.e., Name of Bank, Name of Branch, Account Number, ECS Mandate, e-mail addresses etc. with their Depository Participant.

16. FACILITY FOR SPEAKER REGISTRATION & RECORDING OF QUESTIONS PRIOR TO AGM:

Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to the meeting** mentioning their name, demat account number/folio number, email ID, mobile number at shareholders@tmbank.in. Please note that member's questions will be answered only, if the shareholder continues to hold the shares as per the Beneficiary Position (Benpos) as on cut-off date.

The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance atleast **7 days prior to the meeting** mentioning their name, demat account number/folio number, email ID, mobile number at shareholders@tmbank.in. These queries will be replied by the Bank suitably by email.

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions. The same will be replied by the Bank suitably.

During the AGM, the members who have already registered will be allowed to speak in chronological order of registration and then the option may be given for those who have registered during the AGM subject to Chairman's discretion.

Speaker Registration during Question & Answers on the day of AGM may be dispensed with due to limitations of transmission and technical coordination.

17. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

STEP 1: ACCESS TO NSDL E-VOTING SYSTEM

A) LOGIN METHOD FOR E-VOTING FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE

Pursuant to SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed companies are required to provide E-Voting facility to the shareholders holding securities in demat mode and are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on Bank name or **e-Voting service provider i.e., NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Bank name or **e-Voting service provider i.e., NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000

Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

B) LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETING FOR

i. **SHAREHOLDERS OTHER THAN INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE AND**

ii. **SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE.**

HOW TO LOG-IN TO NSDL E-VOTING WEBSITE?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Bank For example, if folio number is 001*** and **EVEN is 128048** then user ID is 128048001***

5. For the shareholders, holding shares in physical form who have not registered their email-ID's with the Depositories / RTA, the User ID and Password are sent to their registered address.
6. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the Bank, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
9. Now, you will have to click on "Login" button.
10. After you click on the "Login" button, Home page of e-Voting will open.

STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM.

HOW TO CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM?

1. After successful login at Step 1, you will be able to see all the Companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of the Bank to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sriram@prowiscorporate.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 or send a request to (Ms.Pallavi Mhatre) at evoting@nsdl.com.

4. Please provide the contact details of the person responsible to address the grievances connected with remote e-voting

18. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E-MAIL-IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

1. For those shareholders whose email-IDs are not registered with the Depositories / RTA, User ID and Password are sent to their registered address.
2. Alternatively, shareholders/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by submitting / enclosing the following documents/details;
   a. Share held in physical form: Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card).
   b. Share held in demat form: DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, Client Master List or copy of consolidated demat Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card).
3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

19. INSTRUCTIONS TO MEMBERS FOR E-VOTING ON THE DAY OF THE AGM: -

1. The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

20. INSTRUCTIONS TO MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM: -

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Desktops / Laptops for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance, mentioning their name, demat account number/folio number, email id, mobile number at shareholders@tmbank.in. The same will be replied by the company suitably.

21. DECLARATION OF VOTING RESULTS

a) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast during the Annual General Meeting, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the

Annual General Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, for all the resolutions, to the Chairman (appointed by the Board for the AGM), in writing, who shall countersign the same.

b) The result declared, along with the Scrutinizer's Report shall be placed on the Bank's website www.tmb.in under Investor's Relations and on the website of the NSDL, immediately after the result is declared and communicated to the Stock Exchanges where the equity shares of the Bank are listed.

c) Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice of Annual General Meeting shall be deemed to be passed on the date of the AGM i.e., Friday, September 27, 2024.

22. OTHER INFORMATION

a) The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by allowing Companies to send documents to their members in electronic mode. To support this green initiative and to receive communications from the Bank in electronic mode, Members who have not registered their e-mail addresses and are holding shares in physical form are requested to contact the RTA of the Bank and register their e-mail address. Members holding shares in demat form are requested to contact their DPs. Members may please note that notices, annual reports, etc. will be available on the Bank's website at www.tmb.in. Members will be entitled to receive the said documents in physical form free of cost at any time upon request.

b) All correspondence relating to shares and dividend should be addressed to the Bank's Registrars and Transfer Agent, viz:-

Link Intime India Private Ltd.,
Coimbatore Branch, Surya 35, Mayflower Avenue, Behind Senthil Nagar,
Sowripalayam Road, Coimbatore – 641 028,
Phone No: (0422) 2314792, (0422) 4958995,
(0422) 2539835, (0422) 2539836.
e-mail: coimbatore@linkintime.co.in

By Order of the Board of Directors
For Tamilnad Mercantile Bank Limited

Place: Thoothukudi
Date: 29th August, 2024

Swapnil Ashok Yelgaonkar
Company Secretary
(Membership No: ACS 21877)

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 and Regulation 36 of SEBI LODR Regulations, 2015:

Item No. 2 - Re-appointment of Shri.S.R.Ashok (DIN:07933713) as a Non-Executive Director, who retires by rotation and being eligible, offers himself for re-appointment

Pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and the Bank's Articles of Association, not less than two-thirds of total number of Directors of the Bank shall be liable to retire by rotation. One-third of these Directors must retire from office at each Annual General Meeting ('AGM'), but each retiring director is eligible for re-appointment at such meeting. Independent directors and the MD&CEO are not subject to retirement by rotation.

In this 102nd AGM, Shri.S.R.Ashok (DIN:07933713), is required to retire by rotation and being eligible, has offered himself for re-appointment.

Considering his skills, competencies, expertise and experience, the Board of Directors is of the opinion that it would be in the interest of the Bank to re-appoint him as a Director of the Bank. Additional information in respect of Shri.S.R.Ashok, pursuant to Regulation 36 of the Listing Regulations and the Secretarial Standard on General Meetings (SS-2), is given as part of Annexure A to this Notice.

As per Section 10A (2-A) (i) of the Banking Regulation Act, 1949, no director (other than the Chairman, Managing or whole – time director) of a Banking company can continuously hold office for a period exceeding 8 years from the date of appointment. As such, Shri.S.R.Ashok was first appointed to the Board on October 28, 2017 and his tenure will continue till October 27, 2025.

Based on performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommend the resolution in relation to the re-appointment of Shri.S.R.Ashok as set out in Item No. 2, for approval of the Members by way of an Ordinary Resolution.

Except Shri.S.R.Ashok and/or his relatives, none of the Directors and Key Managerial Personnel of the Bank and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the notice.

Item No. 4 - Appointment of Joint Statutory Central Auditors

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration No. 004207S) together with M/s. Chandran & Raman, Chartered Accountants, Chennai (Firm Registration No. 000571S) were appointed as Joint Statutory Central Auditors ('JSCA') of the Bank for FY 2024-25 from the conclusion of the 102nd Annual General Meeting ('AGM') to conclusion of 103rd Annual General Meeting of the Bank.

Pursuant to the Guidelines on Appointment of Statutory Central Auditors ('SCAs')/Statutory Auditors ('SAs') of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 issued by the Reserve Bank of India ('RBI Guidelines'), Banks may appoint the SCAs/SAs for a continuous period of three years.

Since the existing Joint Statutory Central Auditors of the Bank completed their third year/term during FY 2023-24, the Board of directors of the Bank recommends the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration No. 004207S) together with M/s. Chandran & Raman, Chartered Accountants, Chennai (Firm Registration No. 000571S) as Joint Statutory Central Auditors of the Bank from the conclusion of this Annual General Meeting to conclusion of 103rd Annual General Meeting of the Bank. The Reserve Bank of India vide their letter no. Ref.CO.DOS.RPD.No.S2400/08.25.005/2024-25 dated 26.06.2024 has granted its approval for their appointment.

The terms of appointment and conditions, including an overall remuneration of ₹24,00,000/- (Rupees Twenty-Four Lakh only) for each of the audit firms, besides reimbursement of travelling expenses as per existing terms, for FY 2024-25 to be allocated by the Bank, between the Joint Statutory Central Auditors, depending upon their respective scope of work, as may be mutually agreed between the Bank and Joint Statutory Central Auditors.

The increase is justified considering enlargement in the scope of their work, emanating from various circulars/ notifications issued by Reserve Bank of India and Securities and Exchange Board of India, with increase in number of certificates to be issued, coupled with increase in volume of work & man hours involved. Considering additional efforts taken by JSCA and taking into account the profile, experience and specialization in audit of Banking and Financial Services Sector by the JCSA, Audit Committee and the Board of Directors of the Bank have recommended for considering enhancement in Audit fees, subject to approval of the shareholders of the Bank.

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration No. 004207S) together with M/s. Chandran & Raman, Chartered Accountants, Chennai (Firm Registration No. 000571S) have confirmed their eligibility to be appointed as statutory central auditors in terms of Section 141 of the Companies Act, 2013 and applicable rules. Further, they also confirmed the eligibility to be appointed as Joint Central Statutory Auditors as per the Reserve Bank of India guidelines.

Brief profile of Joint Central Statutory Auditors:

M/s. Sundaram & Srinivasan, Chartered Accountants' firm was established in the year 1943 and registered with Institute of Chartered Accountants of India (ICAI). The firm has been providing professional services with its Head Office at Chennai. The branch offices are located at Madurai, Bengaluru and Mumbai. The firm provides range of services which include Audit, Taxation, Compliance, Process – Operations and System and Costing. The Firm's Audit and Assurance practice has eight decades of significant experience in auditing financial services clients including large banks and other financial services entities.

M/s. Chandran and Raman, Chartered Accountants' firm was established in the year 1973 and registered with the Institute of Chartered Accountants of India (ICAI). The firm has been providing professional services with its Head Office at Chennai. The branch office is located at Bangalore. The firm provides range of services which include Audit, Taxation (Transfer Pricing Practices, Valuation & Non Resident Taxation). The Firm's Audit and Assurance practice has five decades of significant experience in auditing financial services clients including PSUs, large banks and other financial services entities.

Your Directors, therefore, recommend the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration No. 004207S) together with M/s. Chandran & Raman, Chartered Accountants, Chennai (Firm Registration No. 000571S) as the Bank's Joint Statutory Central Auditors in terms of RBI guidelines.

The earlier Joint Statutory Central Auditors of the Bank for the Financial year 2023-24 have audited 20 branches/offices (including Central Office), as a part of annual audit. Remuneration paid to them for Annual Audit and Quarterly Financial Review for the year 2023-24 is as under:

Particulars	Amount (₹ in Crore)
Fee for year-end audit including quarterly limited review and issue of statutory certificates	0.43
Reimbursement of out-of-pocket expenses incurred for review / audit of branches / offices during the year	0.26
Total	0.69

The Board recommends for approval of the Members by way of an Ordinary Resolution.

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

Item No. 5 –To appoint Branch Auditors of the Bank and fix their remuneration

In accordance with the provisions of Section 139 and Section 143(8) of the Companies Act, 2013, along with RBI and other regulatory requirements, the shareholders of the Bank may authorize its Board of Directors to appoint branch auditors in consultation with the Bank's Joint Statutory Central Auditors.

The Board of Directors recommends the resolution in relation to appointment and to fix the remuneration of branch auditors as set out in Item No. 5 for approval of the Members by way of an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Bank and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the notice.

Item No. 6 - Appointment of Shri.Salee Sukumaran Nair (DIN: 09231101) as Managing Director and Chief Executive Director of the Bank and approval of Remuneration

Shri.Salee Sukumaran Nair (DIN: 09231101) has been appointed as an Additional Director and designated as the Managing Director & CEO ('MD & CEO') of the Bank w.e.f. August 29, 2024, in accordance with the provisions of the Articles of Association ('AOA') of the Bank and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Bank and based on the approval of Reserve Bank of India ('RBI'), vide letter Ref.No.CO.DOR.HGG.No.S2893/8.55.001/2024-25 dated August 16, 2024 for a period of three years. Board of Directors in its meeting held on August 19, 2024, had confirmed his date of joining as August 29, 2024 and hence his tenure shall be with effect from August 29, 2024 till August 28, 2027 (both days inclusive).

Further, RBI vide the above said letter also approved the Fixed Pay (including perquisites) and variable pay of Shri.Salee Sukumaran Nair, effective from August 29, 2024 as stated below:

PART-A: Fixed Pay (including perquisites):	
1. Salary	INR 69,00,000*
2. Dearness allowance	-
3. Retiral /Superannuation benefits:	-
(a) Provident Fund	12 % of pay on contribution basis (INR.8,28,000/- per annum)
(b) Gratuity	One month's pay for each completed year of service (INR.5,75,000)
(c) Pension	-
4. Leave Fare Concession/ Allowance	Air travel for himself and family members once a year to and from any place in India
5. Other fixed allowances, if any (please specify)	-
6. Perquisites:	
(i) Free Furnished House and its maintenance/House Rent Allowance	Free furnished house provided by the Bank. Standard rent of INR.401.50 per month to be recovered by the Bank. (INR.5,30,600)
(ii) Conveyance Allowance/Free use of bank's car for	
a) Official purposes	Yes
b) Private purposes	Recovery of INR 250 per month up to 750 kms. recovery at 60% the rate fixed by RTA.
(iii) Driver(s)' salary	Borne by Bank (INR 50,000)
(iv) Club Membership(s)	Entertainment allowance inclusive of subscription to clubs (maximum two clubs)
(v) Reimbursement of medical expenses	All medical expenses viz., hospitalization and non-hospitalization expenses including domiciliary treatment to be reimbursed on actual basis up to 100% for the MD & CEO and the dependent family member without internal limits, on production of bills.
(vi) Any other perquisites (please specify)	
a. Phone	INR 10,000
b. News papers	INR 10,000
c. Entertainment	Subject to a ceiling of 60,000 per annum, 25% of which is reimbursable on declaration basis (INR 15,000)
d. Lodging & Boarding	Reimbursement on actuals inclusive of taxes for business purpose only on production of evidence and out of pocket expenses of INR 1000 per day. In case of own stay arrangements, halting allowance shall be INR 5,000 per day for Area I and INR 4,000 for other places

e. Insurance	Premium of INR 2,242 towards a cover of INR 15,00,000 for journey by road, rail or air.
f. Income Tax – perquisites	INR 2,46,211
g. Causal Leave	12 days
h. Ordinary Leave	1 day for every 11 days
i. Sick Leave	30 days for each completed year of service as MD & CEO
j. Leave Encashment	Encashment of ordinary leave at all the time of demitting office. Accumulation allowed as applicable to other Bank staff (INR 5,75,000)
Fixed Pay	INR 97,39,811
Part B - Variable Pay#	INR 97,39,811
Total Remuneration	INR 1,94,79,622

(* With an increment of 10% for the 2nd year and 3rd year, with the same corresponding increase in the variable pay, to be paid to the Managing Director & CEO)

(# - As per the RBI guidelines, the variable pay shall have cash and non-cash components. However, as our Bank does not have any provision for issue of employee stock option scheme, we are offering the variable components by cash only. Once the scheme is implemented, the variable pay will be paid in non-cash component)

Further, MD & CEO's appointment is in terms of the Articles of Association of the Bank, and in compliance with the provisions of Section 10B, in particular, on account of Shri.Salee Sukumaran Nair having the requisite experience / expertise required under Section 10B and other applicable provisions of the Banking Regulation Act, 1949.

Accordingly, approval of the members is requested for appointment of Shri.Salee Sukumaran Nair as MD & CEO of the Bank for a period of three years with effect from August 29, 2024 till August 28, 2027 and fixation of remuneration, as per the aforesaid terms.

Additional information in respect of Shri.Salee Sukumaran Nair, pursuant to Regulation 36 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), is given at Annexure A to this Notice.

The Nomination and Remuneration Committee and the Board of Directors recommend the resolution in relation to the appointment of Shri.Salee Sukumaran Nair as MD & CEO of the Bank as set out in item No.6 for approval of the Members of the Bank by way of an Ordinary Resolution. Shri.Salee Sukumaran Nair and his relatives do not hold any equity share of the Bank and he is not related to any other Director or Key Managerial Personnel of the Bank.

Except Shri.Salee Sukumaran Nair, being the appointee and/or his relatives, none of the Directors and Key Managerial Personnel of the Bank and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 6 of the notice.

Item No. 7 – Appointment of Shri.K.V.Rama Moorthy (DIN:07034994) as a Non-Executive Director of the Bank

Pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors of the Bank (the "Board") at its meeting held on July 09, 2024, approved the

appointment of Shri.K.V.Rama Moorthy (DIN:07034994) as an Additional Director, categorized as 'Non-Executive Director' of the Bank, for a period of three (3) consecutive years, with effect from July 09, 2024 to July 08, 2027 (both days inclusive), subject to the approval of the members of the Bank through an Ordinary Resolution.

In terms of Section 161 of the Companies Act, 2013 (the "Act"), an additional director shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier. Further, in terms of Regulation 17(1C) of the "SEBI Listing Regulations", the listed entity shall ensure that approval of members for appointment of a person on the Board is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Accordingly, Shri.K.V.Rama Moorthy continues to hold the office as an Additional Director (categorized as 'Non-Executive Director') of the Bank until the conclusion of next general meeting or till the time his appointment is confirmed by the members of the Bank within a time period of three months from the date of appointment, whichever is earlier. In terms of Section 160 (1) of the Act, the Bank has, received in writing, a notice from him proposing his candidature for the office of a Director of the Bank.

The NRC and the Board have examined the due diligence of 'fit and proper' of Shri.K.V.Rama Moorthy and found that he is a fit and proper person to hold the office as a Non-Executive Director of the Bank, as per the norms prescribed by the Reserve Bank of India and he is not debarred from being appointed as a Director by the Securities and Exchange Board of India or any other authority.

Shri.K.V.Rama Moorthy has given his consent to act as a Director of the Bank and that he is not disqualified from being appointed as a Director of the Bank in terms of Section 164 of the Act.

The NRC and Board have assessed the veracity of the said declarations and other documents furnished by Shri.K.V.Rama Moorthy and, based on the same, have opined that he fulfils the conditions / criteria specified in the Act, the Rules and the SEBI Listing Regulations, for his appointment as a Non-Executive Director of the Bank. Further, Shri.K.V.Rama Moorthy is a person of integrity and has relevant skills, experience and expertise in the areas of 'Banking and Agriculture', as required under Section 10A of the Banking Regulation Act, 1949 and relevant rules / regulations / circulars / notifications / guidelines / clarifications issued from time to time by the Reserve Bank of India. The Board of Directors of the Bank are of the view that Shri.K.V.Rama Moorthy possesses and has the requisite skills and capabilities, stated above, required for the role of a Non-Executive Director of the Bank. During the said tenure, Shri.K.V.Rama Moorthy shall be liable to retire by rotation, in terms of Section 152 of the Act.

Additional details in respect of Shri.K.V.Rama Moorthy pursuant to Regulation 36 the SEBI Listing Regulations and the Secretarial Standard on General Meetings (SS-2), is given as Annexure A to this Notice.

Keeping in view the above mentioned approval of the Board of Directors, the approval of the Members of the Bank is being sought, by passing an Ordinary Resolution, by way of this Annual General Meeting for the appointment of Shri.K.V.Rama Moorthy on the Board of the Bank, as set out in Item No. 7 of the notice.

Except Shri.K.V.Rama Moorthy, being the appointee and/or his relatives, none of the Directors and Key Managerial Personnel of the Bank and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the notice.

Item No. 8 – Appointment of Shri.R.Deepak Shankar (DIN:05223027) as an Independent Director of the Bank

Pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors of the Bank (the "Board") at its meeting held on July 09, 2024, approved the appointment of Shri.R.Deepak Shankar (DIN:05223027) as an Additional Director, categorized as 'Independent Director' of the Bank, for a period of three (3) consecutive years, with effect from July 09, 2024 to July 08, 2027 (both days inclusive), subject to the approval of the members of the Bank through a Special Resolution.

In terms of Section 161 of the Companies Act, 2013 (the "Act"), an additional director shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier. Further, in terms of Regulation 17(1C) of the "SEBI Listing Regulations", the listed entity shall ensure that approval of members for appointment of a person on the Board is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Accordingly, Shri.R.Deepak Shankar continues to hold the office as an Additional Director (categorized as 'Independent Director') of the Bank until the conclusion of next general meeting or till the time his appointment is confirmed by the members of the Bank within a time period of three months from the date of appointment, whichever is earlier. In terms of Section 160 (1) of the Act, the Bank has, received in writing, a notice from him proposing his candidature for the office of a Director of the Bank.

The NRC and the Board have examined the due diligence of 'fit and proper' of Shri.R.Deepak Shankar and found that he is a fit and proper person to hold the office as an Independent Director of the Bank, as per the norms prescribed by the Reserve Bank of India and he is not debarred from being appointed as a Director by the Securities and Exchange Board of India or any other authority.

Shri.R.Deepak Shankar has given his consent to act as a Director of the Bank. He has also given a declaration to the effect that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 ("the Act") read with the applicable rules under the Act ("Rules") and Regulation 16(1)(b) of the SEBI Listing Regulations, as applicable, and that he is not disqualified from being appointed as a Director of the Bank in terms of Section 164 of the Act.

The NRC and Board have assessed the veracity of the said declarations and other documents furnished by Shri.R.Deepak Shankar and, based on the same, have opined that he fulfils the conditions / criteria specified in the Act, the Rules and the SEBI Listing Regulations, for his appointment as an Independent Director and that he is independent of the Management of the Bank. Further, Shri.R.Deepak Shankar is a person of integrity and has relevant skills, experience and expertise in the area of 'MSME sector', as required under Section 10A of the Banking Regulation Act, 1949 and relevant rules / regulations / circulars / notifications / guidelines / clarifications issued

from time to time by the Reserve Bank of India. The Board of Directors of the Bank are of the view that Shri.R.Deepak Shankar possesses and has the requisite skills and capabilities, stated above, required for the role of an Independent Director of the Bank.

During the said tenure, Shri.R.Deepak Shankar shall not be liable to retire by rotation, in terms of Section 149(13) of the Act. Shri.R.Deepak Shankar is in compliance with the requirements as mandated in terms of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Additional details in respect of Shri.R.Deepak Shankar pursuant to Regulation 36 the SEBI Listing Regulations and the Secretarial Standard on General Meetings (SS-2), is given as Annexure A to this Notice.

Further, as per Regulation 25(2A) of the SEBI Listing Regulations, the appointment of an Independent Director shall be subject to the approval of shareholders by way of a special resolution. Keeping in view the above referred provisions, the approval of the Members of the Bank is being sought, by passing a Special Resolution, by way of this Annual General Meeting for the appointment of Shri.R.Deepak Shankar on the Board of the Bank, as set out in Item No. 8 of the notice.

Except Shri.R.Deepak Shankar, being the appointee and/or his relatives, none of the Directors and Key Managerial Personnel of the Bank and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the notice.

Item No. 9 – Appointment of Smt.R.Kanagavalli (DIN: 00883998) as an Independent Director of the Bank

Pursuant to the recommendation of the Nomination and Remuneration Committee (“NRC”), the Board of Directors of the Bank (the “Board”) at its meeting held on August 19, 2024, approved the appointment of Smt.R.Kanagavalli (DIN:00883998) as an Additional Director, categorized as ‘Independent Director’ of the Bank, for a period of three (3) consecutive years, with effect from August 19, 2024 to August 18, 2027 (both days inclusive), subject to the approval of the members of the Bank through a Special Resolution.

In terms of Section 161 of the Companies Act, 2013 (the “Act”), an additional director shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier. Further, in terms of Regulation 17(1C) of the “SEBI Listing Regulations”, the listed entity shall ensure that approval of members for appointment of a person on the Board is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Accordingly, Smt.R.Kanagavalli continues to hold the office as an Additional Director (categorized as ‘Independent Director’) of the Bank until the conclusion of next general meeting or till the time his appointment is confirmed by the members of the Bank within a time period of three months from the date of appointment, whichever is earlier. In terms of Section 160 (1) of the Act, the Bank has, received in writing, a notice from her proposing her candidature for the office of a Director of the Bank.

The NRC and the Board have examined the due diligence of 'fit and proper' of Smt.R.Kanagavalli and found that she is a fit and proper person to hold the office as an Independent Director of the Bank, as per the norms prescribed by the Reserve Bank of India and she is not debarred from being appointed as a Director by the Securities and Exchange Board of India or any other authority.

Smt.R.Kanagavalli has given her consent to act as a Director of the Bank. She has also given a declaration to the effect that she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 ("the Act") read with the applicable rules under the Act ("Rules") and Regulation 16(1)(b) of the SEBI Listing Regulations, as applicable, and that she is not disqualified from being appointed as a Director of the Bank in terms of Section 164 of the Act.

The NRC and Board have assessed the veracity of the said declarations and other documents furnished by Smt.R.Kanagavalli and, based on the same, have opined that she fulfils the conditions / criteria specified in the Act, the Rules and the SEBI Listing Regulations, for her appointment as an Independent Director and that she is independent of the Management of the Bank.

Further, Smt.R.Kanagavalli is a person of integrity and has relevant skills, experience and expertise in the area of 'Law', as required under Section 10A of the Banking Regulation Act, 1949 and relevant rules / regulations / circulars / notifications / guidelines / clarifications issued from time to time by the Reserve Bank of India. The Board of Directors of the Bank are of the view that Smt.R.Kanagavalli possesses and has the requisite skills and capabilities, stated above, required for the role of an Independent Director of the Bank.

During the said tenure, Smt.R.Kanagavalli shall not be liable to retire by rotation, in terms of Section 149(13) of the Act. Smt.R.Kanagavalli is in compliance with the requirements as mandated in terms of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Additional details in respect of Smt.R.Kanagavalli pursuant to Regulation 36 the SEBI Listing Regulations and the Secretarial Standard on General Meetings (SS-2), is given as Annexure A to this Notice.

Further, as per Regulation 25(2A) of the SEBI Listing Regulations, the appointment of an Independent Director shall be subject to the approval of shareholders by way of a special resolution. Keeping in view the above referred provisions, the approval of the Members of the Bank is being sought, by passing a Special Resolution, by way of this Annual General Meeting for the appointment of Smt.R.Kanagavalli on the Board of the Bank, as set out in Item No. 9 of the notice.

Except Smt.R.Kanagavalli, being the appointee and/or his relatives, none of the Directors and Key Managerial Personnel of the Bank and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the notice.

By Order of the Board of Directors
For Tamilnad Mercantile Bank Limited

Place: Thoothukudi
Date: 29th August, 2024

Swapnil Ashok Yelgaonkar
Company Secretary
(Membership No: ACS 21877)

Annexure- A

Details of Directors seeking appointment / re-appointment at the 102nd Annual General Meeting to be held on 27.09.2024, Pursuant to Secretarial Standard on General Meetings (SS-2) and Regulation 36 of SEBI LODR Regulations, 2015.

Name of the Directors	Shri.S.R.Ashok	Shri.Salee Sukumaran Nair	Shri.K.V.Rama Moorthy
Date of Birth	24.07.1962	30.05.1964	12.01.1959
Age	62 years	60 years	65 years
DIN	07933713	09231101	07034994
Nationality	Indian	Indian	Indian
Date of first appointment to the Board	28.10.2017	29.08.2024	09.07.2024
Qualification(s)	MBBS., D. ORTHO	M.Sc., (Physics) (Applied Electronics), CAIIB	B.Sc., (Agri), CAIIB
Brief resume including Experience	Hailing from business family having basic knowledge about trade and MSME. He is a Physician by profession & he had previously served at Thoothukudi Medical College Hospital. He served abroad, under the Ministry of Health, Kingdom of Saudi Arabia from June 2005 to May 2008 and also served as professor in Pondicherry Institute of Medical Science (PIMS) from May 2010 to October 2013.	Holding a post graduate in Applied Electronics, started his banking career in the year 1987. He joined India's largest Public Sector Bank, State Bank of India as a Probationary Officer. In a career span of more than 35 years, he has handled various assignments, mostly in the Corporate A/c Group, handling large Corporates. He also had two assignments in the International Banking group of SBI, first at New York, USA and later heading the Australian Operations based at Sydney. He has also had a retail stint managing the branches	He holds a bachelor's degree in science (agriculture) from Andhra Pradesh Agricultural University, Hyderabad and is a certified associate of the Indian Institute of Bankers. He holds more than 41 years of experience in various capacities in banking across the Country and overseas. He had worked as Executive Director in two public sector Banks viz. Bank of Baroda and United Bank of India. His last

Name of the Directors	Shri.S.R.Ashok	Shri.Salee Sukumaran Nair	Shri.K.V.Rama Moorthy
		of Rajasthan & Western Uttar Pradesh for the bank and was involved in the merging of State Bank of Bikaner & Jaipur with SBI. He has extensive experience in managing stressed assets. He took over as Chief General Manager in the Stressed Asset Vertical of the Bank in July 2017, where he was engaged in resolving NPA through the restructuring / IBC /Compromise/ ARC Sale route. Subsequently, in April 2020, he took over the Stressed Assets Resolution Group as the Dy. Managing Director, a position he held until September 2021. In his term in the Stressed Assets Resolution Group of SBI, he oversaw the reduction of peak NPA of 10.96% to 4.90%. Subsequently, he took over as Dy. Managing Director in charge of SME, Agriculture & Financial inclusion vertical from September 2021 to July 2022. His last assignment was as Dy. Managing Director & Chief Credit Officer of SBI, till May 2024 and was responsible for managing the credit portfolio.	assignment with Tamilnad Mercantile Bank Limited was as MD & CEO of the Bank from 04.09.2017 to 04.09.2022. He is a highly analytical decision-maker with extensive experience in team building, turning around and operational aspects along with proven history of increasing productivity in terms of business and employee development. He is a Seasoned executive with in-depth understanding of emerging technologies which reach out to masses, catering to rural segments, and their commercial applications.
Relationship with any Director(s) or Manager or	Not related to any Director or Key Managerial Personnel of the Bank and their relatives.	Not related to any Director or Key Managerial Personnel of the Bank and their relatives.	Not related to any Director or Key Managerial Personnel of the Bank and their relatives.

Name of the Directors	Shri.S.R.Ashok	Shri.Salee Sukumaran Nair	Shri.K.V.Rama Moorthy
Key Managerial Personnel of the Company			
Directorship held in other Companies	Nil	Nil	Nil
Listed entities from which the Director resigned in the past three years	Nil	Nil	Nil
Membership in the Committees of Board of other Companies	NA	NA	NA
Membership and Chairmanship in the Committees of the Board of the Bank	**Chairman** 1. Management Committee of the Board 2. Special Committee of the Board to Monitor Large Value Frauds 3. Disciplinary Committee of the Board **Member** 1. Stakeholders Relationship and Customer Service Committee of the Board 2. Information Technology Strategy Committee of the Board 3. Human Resources Management Committee of the Board 4. Corporate Social Responsibility Committee of the Board	**Chairman** 1. Review Committee of the Board on Wilful Defaulters and Frauds **Member** 1. Risk Management Committee of the Board 2. Stakeholders Relationship and Customer Service Committee of the Board 3. Management Committee of the Board 4. Information Technology Strategy Committee of the Board 5. Human Resources Management Committee of the Board 6. NPA Monitoring Committee of the Board 7. Special Committee of the Board to Monitor Large Value Frauds	**Chairman** 1. NPA Monitoring Committee of the Board **Member** 1. Risk Management Committee of the Board 2. Management Committee of the Board 3. Human Resources Management Committee of the Board 4. Special Committee of the Board to Monitor Large Value Frauds **5.** Review Committee of the Board on Wilful Defaulters and Frauds

Name of the Directors	Shri.S.R.Ashok	Shri.Salee Sukumaran Nair	Shri.K.V.Rama Moorthy
		8. Corporate Social Responsibility Committee of the Board	
Number of equity shares held in Tamilnad Mercantile Bank Ltd., (including as beneficial owner) as on March 31, 2024	47,987 equity shares as on March 31, 2024	NIL	NIL
Number of meetings of the Board attended during the Financial Year 2023-24	23/24	NA	NA
Terms and conditions of appointment along with details of remuneration sought to be paid	He was re-appointed by the members in its 99th Annual General Meeting dated June 09, 2022, as a Director of the Bank. Initially, he was appointed as Additional Director of the Bank w.e.f. October 28, 2017. He is entitled to receive sitting fees and the Bank meets the travelling expenses as well as the boarding and lodging expenses of the Non-Executive Directors / Independent Directors for attending the meetings of Board / Committees of Board	As per RBI letter Ref No. CO.DOR.HGG.No.S2893/8.55/001/2024-25 dated 16.08.2024	Appointed on the Board for a term of three (3) consecutive years effective from July 09, 2024 up to July 08, 2027 and he is liable to retire by rotation. He is entitled to receive sitting fees and the Bank meets the travelling expenses as well as the boarding and lodging expenses of the Non-Executive Directors / Independent Directors for attending the meetings of Board / Committees of Board
Details of last drawn remuneration	Nil	Nil	Nil
Skills and capabilities required for the role and the manner in which the	As required under Section 10A of the Banking Regulation Act, 1949 and relevant rules / regulations / circulars / notifications / guidelines /	As required under Section 10A of the Banking Regulation Act, 1949 and relevant rules / regulations / circulars / notifications / guidelines / clarifications	As required under Section 10A of the Banking Regulation Act, 1949 and relevant rules / regulations / circulars /

Name of the Directors	Shri.S.R.Ashok	Shri.Salee Sukumaran Nair	Shri.K.V.Rama Moorthy
proposed person meets such requirements.	clarifications issued from time to time by the Reserve Bank of India, Shri.S.R.Ashok has relevant skills, experience and expertise in the areas of MSME & Business Management	issued from time to time by the Reserve Bank of India, Shri.Salee Sukumaran Nair has relevant skills, experience and expertise in the area of Banking.	notifications / guidelines / clarifications issued from time to time by the Reserve Bank of India, Shri.K.V.Rama Moorthy has relevant skills, experience and expertise in the areas of Banking & Agriculture

Annexure- A

Details of Directors seeking appointment / re-appointment at the 102nd Annual General Meeting to be held on 17.09.2024, Pursuant to Secretarial Standard on General Meetings (SS-2) and Regulation 36 of SEBI LODR Regulations, 2015. (Contd..)

Name of the Directors	Shri.R.Deepak Shankar	Smt.R.Kanagavalli
Date of Birth	28.11.1981	22.02.1969
Age	42 years	55 years
DIN	05223027	00883998
Nationality	Indian	Indian
Date of first appointment to the Board	09.07.2024	19.08.2024
Qualification(s)	B.Com., M.B.A.,	B.Com., F.C.S
Brief resume including Experience	Shri.R.Deepak Shankar holds a Master's degree in Business Administration. After completion of MBA, he has spent his time in expanding his family business of Manufacturing of poly bags & safety matches. He holds 19 years of extensive experience in MSME sector. He is also a Director in Thangarathinam Poly Print Private Limited.	Smt.R.Kanagavalli holds a Bachelor's degree in Commerce and she is also a Fellow Member of the Institute of Company Secretaries of India. She is a practicing Company Secretary since 2006. She is having 18years of experience in Company Law such as incorporation of Companies, fling of returns with Registrar of Companies, issuing search reports on various matters and Secretarial Compliance for Companies and LLPs.
Relationship with any Director(s) or Manager or Key Managerial Personnel of the Bank	Not related to any Director or Key Managerial Personnel of the Bank and their relatives.	Not related to any Director or Key Managerial Personnel of the Bank and their relatives.
Directorship held in other Companies	Nil	Nil
Listed entities from which the Director resigned in the past three years	Nil	Nil
Membership in the Committees of Board of other Companies	NA	NA
Membership and Chairmanship in the Committees of the Board of the Bank	**Member** 1. Nomination & Remuneration Committee of the Board	**Member** 1. Audit Committee of the Board 2. Risk Management Committee of the Board

Name of the Directors	Shri.R.Deepak Shankar	Smt.R.Kanagavalli
	2. Stakeholders Relationship and Customer Service Committee of the Board 3. Management Committee of the Board Corporate Social Responsibility Committee of the Board	
Number of equity shares held in Tamilnad Mercantile Bank Ltd., (including as beneficial owner) as on March 31, 2024	400 equity shares as on March 31, 2024	3006 equity shares as on March 31, 2024
Number of meetings of the Board attended during the Financial Year 2023-24	NA	NA
Terms and conditions of appointment along with details of remuneration sought to be paid	Appointed on the Board for a term of three (3) consecutive years effective from July 09, 2024 up to July 08, 2027. He is entitled to receive sitting fees and the Bank meets the travelling expenses as well as the boarding and lodging expenses of the Non-Executive Directors / Independent Directors for attending the meetings of Board / Committees of Board	Appointed on the Board for a term of three (3) consecutive years effective from August 19, 2024 up to August 18, 2027. She is entitled to receive sitting fees and the Bank meets the travelling expenses as well as the boarding and lodging expenses of the Non-Executive Directors / Independent Directors for attending the meetings of Board / Committees of Board
Details of last drawn remuneration	Nil	Nil
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	As required under Section 10A of the Banking Regulation Act, 1949 and relevant rules / regulations / circulars / notifications / guidelines / clarifications issued from time to time by the Reserve Bank of India, Shri.R.Deepak Shankar has relevant skills, experience and expertise in the area of ‘MSME sector’	As required under Section 10A of the Banking Regulation Act, 1949 and relevant rules / regulations / circulars / notifications / guidelines / clarifications issued from time to time by the Reserve Bank of India, Smt.R.Kanagavalli has relevant skills, experience and expertise in the area of ‘Law’.

Our Vision

To be a progressive bank with strong brand equity, enhancing value for all the stake holders through excellence in performance and good governance.

Our Mission

We shall provide exemplary service with highest delivery efficiency, based on ethics, honesty and sincerity with cutting edge technology and emerge as a truly national bank.





Transforming Banking Possibilities.

Transforming Life.





ANNUAL REPORT 2023 – 24

Tamilnad Mercantile Bank Ltd

Be a step ahead in life

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A LEGACY OF EXCELLENCE

Tamilnad Mercantile Bank Ltd. (TMB), originally founded as Nadar Bank Ltd. in 1921, is a testament to over a century of trusted banking service. Established under the guidance of the Nadar business community, the bank opened its doors to the public in Tuticorin on November 11, 1921. From its humble beginnings, TMB has grown into a Pan-India banking institution with 552 branches, all interconnected and computerized. Known for its personalized service, TMB remains committed to meeting the diverse financial needs of its customers while maintaining a strong focus on rural banking and financial inclusion.

KEY HIGHLIGHTS

- Over **552 branches** across India
- Net profit of **₹1,072** crores in 2024
- **136 Business** Correspondents engaged in rural banking
- Consistently high dividends for shareholders



PAN INDIA PRESENCE

Starting with just four branches in Tamil Nadu by 1947, Tamilnad Mercantile Bank Ltd. has expanded its footprint to over 552 branches across India, including key locations like Bangalore and Mumbai. The bank was an early adopter of technology, launching its first fully computerized branch in Tuticorin in 1984 and introducing ATM services in 2003.

Today, TMB boasts a network of 1,157 ATMs, 358 Cash Recycle Machines, and advanced currency chests, including the first robotic currency chest among private sector banks in South India. This extensive infrastructure reflects TMB's commitment to innovation and customer convenience.



OUR VISION

To be a progressive bank with strong brand equity, enhancing value for all the stakeholders through excellence in performance and good governance.



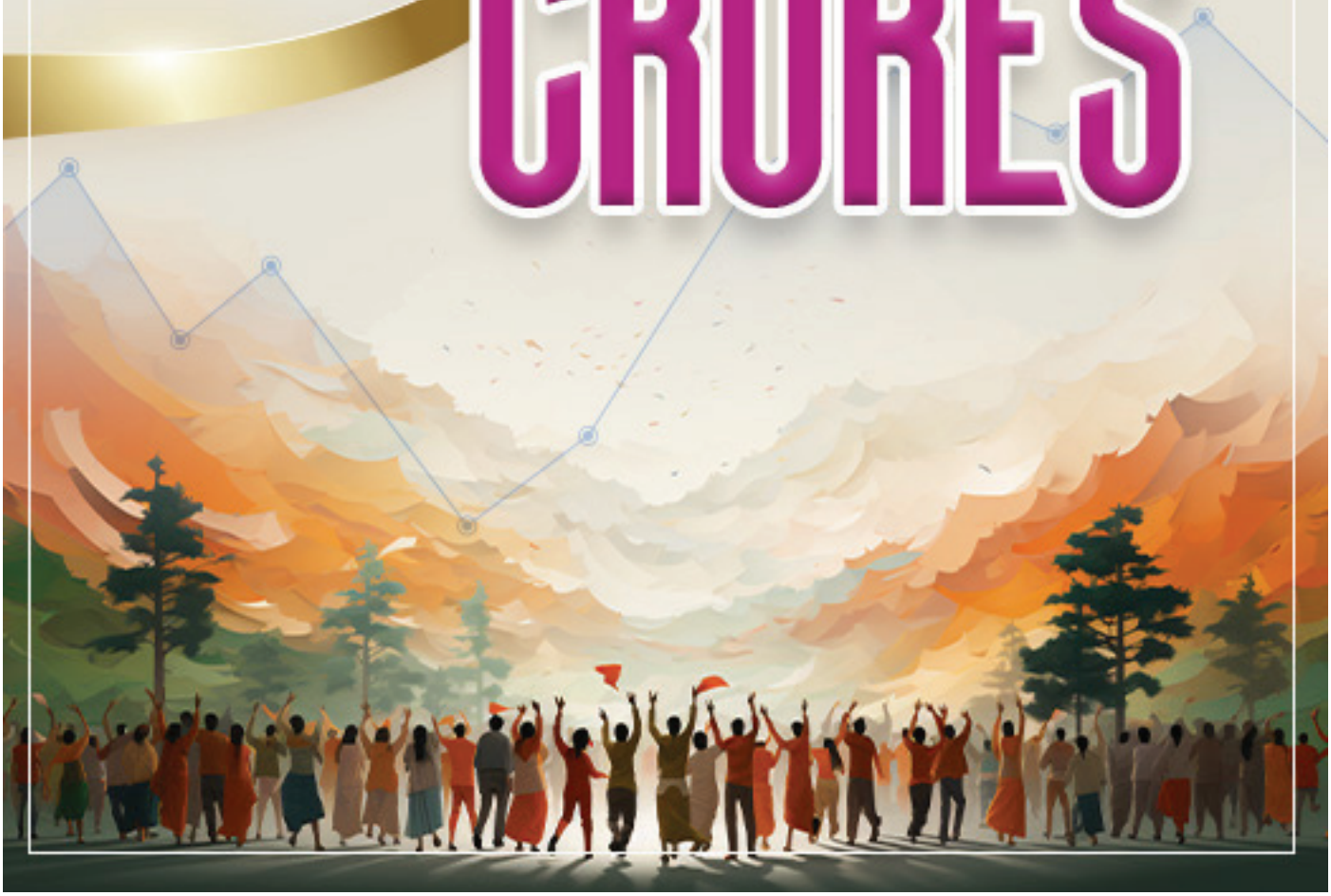
OUR MISSION

We shall provide exemplary service with highest delivery efficiency, based on ethics, honesty and sincerity with cutting edge technology and emerge as a truly national Bank.



SAVINGS PORTFOLIO CROSSES

₹10,000 CRORES



BANK AT A GLANCE

₹ 1,072.03 Cr.
Net Profit

₹ 61,552.46 Cr.
Total Assets

₹ 1481.78 Cr.
Operating Profit

₹ 49,515.07 Cr.
Total Deposits

₹ 2150.89 Cr.
Net Interest Income

₹ 39970.40 Cr.
Total Advances

4.11%
Net Interest Margin (Annualised)

29.37%
Total Capital Adequacy Ratio



PERFORMANCE HIGHLIGHTS FOR THE FY2024

- Total Business has increased to **₹89,485** crore from **₹85,348** crore Y-o-Y
- Book value of share has increased to **₹500 from ₹438 Y-o-Y**
- Net profit has surged to **₹1,072 crore from ₹1,029 crore Y-o-Y**
- Interest Income has improved to **₹4,848 crore from ₹4,081 crore Y-o-Y**
- Total Income has moved to **₹5,493 crore from ₹4,710 crore Y-o-Y**
- The RAM segment has increased to **91% from 87% Y-o-Y**
- The CRAR% has increased to **29.37% from 26.26% Y-o-Y**
- Total SMA to Gross Advances has reduced to **3.97% from 6.51% Y-o-Y**
- Stressed Assets ratio has decreased to **2.70% from 3.18% Y-o-Y**





DEAR SHAREHOLDERS, CUSTOMERS, AND STAKEHOLDERS



I'm immensely happy to announce my joining the Bank as MD & CEO on August 29, 2024. I feel elated to be part of this great Institution with a history of over 100 years and backed by the enduring trust and support from our valued customers and all other stakeholders, It is my pride and privilege to present our Annual Report for the Financial year 2023-24.

Tamilnad Mercantile Bank Ltd., has consistently upheld the principles of trust, customer-centricity, and financial prudence. These values have guided us through an ever-changing financial landscape, enabling us to navigate challenges and capitalise on the opportunities. Our commitment to these principles has been unwavering and it has been instrumental in sustaining our growth and stability.

Over the past year, we have embarked on a transformative journey, embracing innovation and expanding our service offerings. We have strengthened our technological infrastructure to provide our customers with seamless and secure banking experiences. This dedication and customer service has reinforced our position as a preferred bank to our customers.

I'm pleased to report that our Bank has delivered a strong financial performance in 2023-24. We have achieved a consistent growth in profitability, driven by strategic expansions and a relentless focus on customer satisfaction. Total Business of the Bank has grown moderately despite the challenges prevailed in the industry during the financial year. Concurrently, we have expanded our loan portfolio with a keen focus on maintaining high asset quality. Our financial performance this year is marked by an increase in Net Interest Income and profitability, underscoring our efficient operational model and sound financial practices. We have maintained a robust capital adequacy ratio, well above regulatory requirements, providing a solid foundation for future growth and expansion.

In today's rapidly evolving world of banking, digital transformation is essential. Tamilnad Mercantile Bank Ltd has been proactive in leveraging digital technologies to enhance customer experiences and streamline operations. This year, we have made significant advancements in our digital journey. Our mobile and internet banking platforms have been upgraded with enhanced features, offering greater convenience and security to our customers. Additionally, we have bolstered our cybersecurity

measures to protect our customers' data and transactions in an increasingly digital environment.

Our customers are at the core of everything we do. Over the past year, we have deepened our engagement with our customers, ensuring that we understand and meet their evolving financial needs. We have expanded our product offerings to cater to a diverse clientele base, including MSME & Retail customers. Our commitment to financial inclusion has led to several initiatives aimed at bringing services to underserved communities.

At Tamilnad Mercantile Bank Ltd., we are committed to sustainable growth. We recognise our responsibility to contribute positively to the communities we serve and to the environment. This year, we have undertaken various CSR activities focused on education, people welfare, healthcare, environmental and rural development. Our initiatives in promoting green energy efficiency reflect our commitment to environmental sustainability.

Looking to the future, I'm confident that Tamilnad Mercantile Bank Ltd., is well-positioned to continue its growth trajectory. Our strategic priorities will remain focused on customer satisfaction, technological innovation, and our operational excellence. We will continue to build on our strengths and seek new opportunities to enhance value for our shareholders and stakeholders.

In conclusion, I extend my heartfelt gratitude to our customers, shareholders, and our business and technology partners for their unwavering support. I also commend our deducated employees for their hard work and commitment, which have been instrumental in our success. Together, we will continue to navigate the path of growth and excellence, staying true to our legacy of Trust and Integrity.

Thank you for your continued trust in Tamilnad Mercantile Bank Ltd.

Sincerely,

Salee S Nair
Managing Director & CEO
Tamilnad Mercantile Bank Ltd.



TRANSFORMING WITH PURPOSE. DRIVING GROWTH WITH TRUST.

Over the decades, Tamilnad Mercantile Bank (TMB) has earned the trust of millions, cementing its position as a reliable and steadfast banking partner. This trust has been built incrementally, through countless interactions, transactions, and relationships nurtured with care and dedication. TMB has also established itself as a trusted employer, a committed community partner, and a value-driven organization, guided by the principles of integrity, transparency, and sound governance. As TMB looks to the future, it draws strength from the robust relationships and goodwill it has fostered. The bank is proud of its legacy and firmly believes that the trust it has earned will continue to underpin its progress and growth. As TMB embarks on its next phase of transformation, its commitment to trust, values, and relationships will remain at the core of its success, driving it forward with renewed momentum.



NUMBERS THAT DEFINE THE BANK

552
Banking Outlets

53,00,000+
Customers

4628
Team

17 + 4
Branch Presence (States + UTs)

BANKING ON TRUST

Building on our rich legacy spanning over 100 years, we are young enough to adapt ourselves to the dynamic banking industry.

Tamilnad Mercantile Bank Ltd. is proud of its rich legacy, which has been meticulously built over more than a century. With over 100 years of experience, we stand as a beacon of reliability and trust in the banking sector. Our deep-rooted history has equipped us with the wisdom and insight to navigate the evolving landscape of finance and banking.

Yet, we remain young at heart, embracing the dynamic nature of the modern banking industry. This unique blend of experience and adaptability allows us to stay ahead of industry trends and deliver innovative solutions that meet the ever-changing needs of our customers. At Tamilnad Mercantile Bank, we combine traditional values with cutting-edge technology to provide a banking experience that is both secure and progressive.

Our commitment is to continue evolving, ensuring that our services not only uphold our esteemed heritage but also reflect the future of banking. As we move forward, we remain dedicated to fostering long-lasting relationships with our customers and contributing positively to their financial journeys.

At Tamilnad Mercantile Bank Ltd., we are where tradition meets innovation, ensuring that your banking experience is exceptional today and into the future.




TMB

PERFORMANCE HIGHLIGHTS

Highest ever Net Profit

₹1,072 Cr.

Highest ever Interes Income

₹4,848 Cr.

Highest ever Net Interest Income

₹2,151 Cr.



EXTERNAL RATINGS

CRISIL RATINGS

FIXED DEPOSITS	A1+
CERTIFICATE OF DEPOSITS	A1+



TMB UPI. REVOLUTIONIZING DIGITAL PAYMENTS.

In a significant milestone, Tamilnad Mercantile Bank's (TMB) UPI (Unified Payments Interface) integration through the TMB MBank App has witnessed remarkable adoption, transforming the way our customers interact with us. With UPI, users can effortlessly make transactions, pay bills, and transfer funds, all within the app's secure and user-friendly interface.

The ease of usage and convenience offered by TMB UPI have significantly enhanced our customers' banking experience. The numbers speak for themselves - we have seen a substantial increase in UPI transactions, with a significant rise in overall digital engagement. Our customers have embraced the simplicity and speed of UPI, making it an integral part of their daily financial lives.

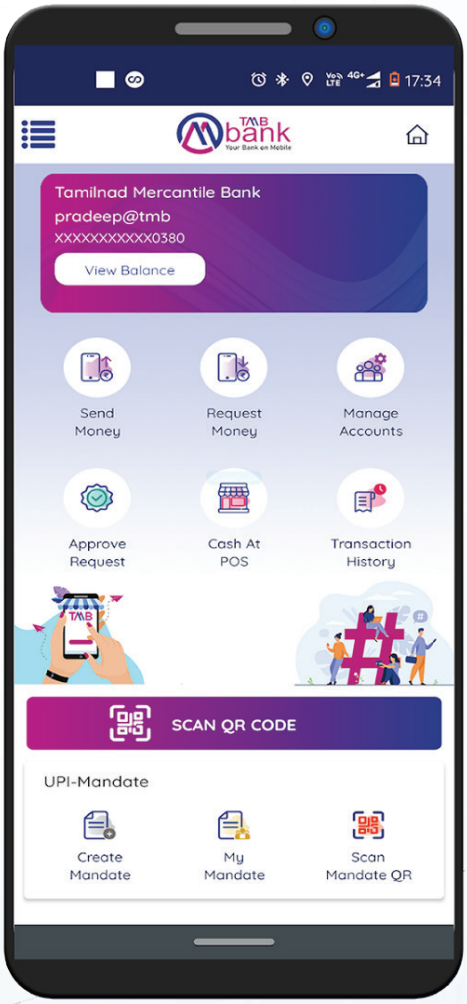
TMB's commitment to innovation and customer-centricity has made banking more accessible, convenient, and secure. As we continue to invest in digital infrastructure, we are confident that our UPI service will remain a key driver of our growth and customer satisfaction.

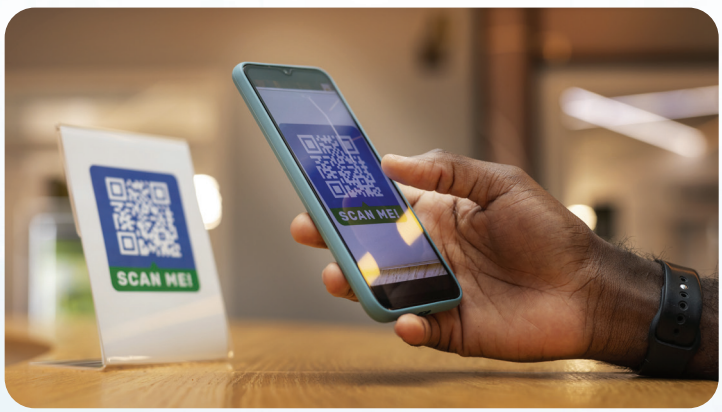
No. of UPI Transactions

53.86 Crores

Total Amount Transacted

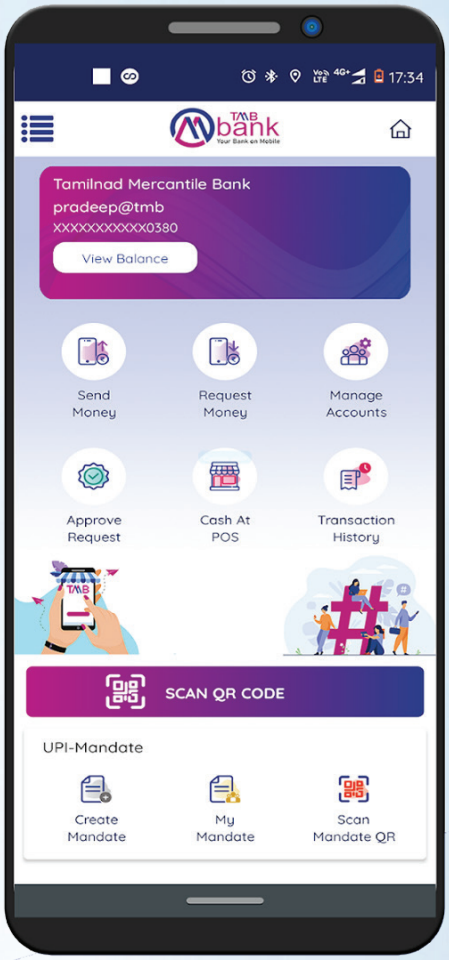
₹55,247 Crores





TMB MBANK APP. TRANSFORMING TRANSACTIONS.

The TMB MBank App has swiftly become a favorite among our customers, transforming the way they manage their finances with unparalleled ease and convenience. Loved for its user-friendly interface and robust functionality, the TMB MBank App has become an essential tool for millions of users who rely on it for their daily banking needs.



Designed with the modern customer in mind, the app offers a seamless experience, allowing users to perform a wide range of transactions anytime, anywhere. From checking account balances and transferring funds to paying bills and managing investments, the TMB MBank App ensures that banking is just a tap away. Its advanced security features provide peace of mind, safeguarding every transaction and personal detail with the highest standards of protection.

With millions of transactions processed online, the app stands as a testament to our commitment to innovation and customer satisfaction. The TMB MBank App is not just a digital tool; it's a gateway to effortless banking, designed to keep you connected and in control of your finances with the utmost convenience and reliability.

Experience the future of banking today with the TMB MBank App—where your financial needs are met with exceptional ease and efficiency.



TRANSFORMING DIGITAL. REACHING MILLIONS.

Tamilnad Mercantile Bank (TMB) is at the forefront of digital transformation, actively engaging with customers across all digital media platforms. By leveraging a range of social media channels, TMB delivers valuable educational content that enhances financial literacy and empowers customers with essential knowledge. Our digital strategy focuses on providing insightful information, practical tips, and updates on banking services, ensuring that our customers are well-informed and equipped to make sound financial decisions.

Through interactive posts, informative videos, and engaging articles, we create meaningful connections and foster a deeper understanding of our offerings. This proactive approach not only keeps our customers informed but also builds a stronger, more interactive relationship. TMB's commitment to digital excellence reflects our dedication to innovation and customer-centricity, continuously striving to add value and support our community in their financial journeys.











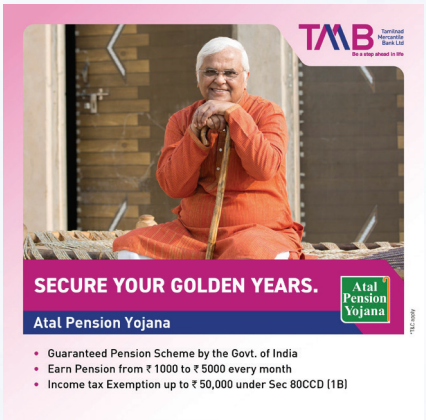






	2391 Followers
	4206 Followers
	9000+ Followers
	5,900+ Subscribers
	154,000+ Followers















TRANSFORMING INTO A DIGITAL LEADER









- Enhancing services through advanced digital platforms and technologies.
- Tailoring solutions to meet evolving customer expectations and needs.
- Implementing cutting-edge security protocols to safeguard customer transactions.
- Providing a consistent banking experience across multiple digital and physical channels.
- Streamlining processes for faster, hassle-free online banking transactions.
- Leveraging data to offer customized financial solutions and recommendations.
- Offering round-the-clock assistance through digital and traditional channels.
- Adapting swiftly to meet stringent regulatory and compliance requirements.
  Introducing new, tech-driven financial products to enhance customer experience.
- Balancing profitability with responsible banking practices and asset quality.

DRIVING TRANSFORMATION WITH LEGACY AND INNOVATION

At Tamilnad Mercantile Bank (TMB), we are navigating a transformative journey with over a century of trusted service. As India's banking and financial services sector rapidly evolves, driven by technological advancements, shifting customer expectations, and stringent regulatory demands, we are dedicated to integrating these changes to sustain and elevate our legacy.

Rooted in a tradition of trust, we embrace cutting-edge technology while deeply understanding our customers' needs. Our approach merges innovation with a personal touch, focused on three key pillars—Growth, Profitability, and Asset Quality—to ensure resilience and forward-thinking in our operations.











In a landscape rich with opportunities and challenges, we remain committed to balancing physical presence with digital progress, empowering our customers with tailored solutions that enhance their financial well-being. As we move forward, our goal is to maintain our reputation as a reliable financial partner, delivering enduring value to all stakeholders through responsible and inclusive banking practices.

BOARD OF DIRECTORS



Shri. Salee S Nair
M.Sc., CAIIB
MD & CEO



Shri. A. Niranjan Sankar
B.Tech., MBA
Director



Shri. S. R. Ashok
MBBS., D.Ortho
Director



Shri. D. N. Nirranjan Kani
MA
Director



Shri. K.V.Rama Moorthy
B.Sc. (Agri), CAIIB
Additional Director



Shri. Thomas Mathew
B.A., CAIIB, DBF
Additional Director, RBI Nominee



Shri. C. S. Ram Kumar
B.Com., CAIIB
Additional Director, RBI Nominee



Shri. B. Prabaharan
B.Tech., M.S, Phd
Independent Director



Shri. C. Chiranjeeviraj
B.Com., F.CA., DISA
Independent Director



Smt. S. Ezhil Jothi
B.Com., FCS, RV-SFA, DIA (ICSI)
Independent Director



Shri. S Sridharan
M.Com., BGL., CAIIB
Independent Director



Shri. R.Deepak Shankar
B.Com., M.B.A.,
Additional Independent Director



Smt. R.Kanagavalli
B.Com., F.C.S.
Additional Independent Director

GENERAL MANAGERS AND KMPs



Shri. D. Ramesh
General Manager



Shri. J. Sundaresh Kumar
General Manager



Shri.K.Vijayan
General Manager



Shri. P.R.Ashok Kumar
General Manager



Shri. S. Narayanan

General Manager



Shri. P. A. Krishnan

General Manager
(Chief Financial Officer)



Shri. V. Jayaraman

General Manager



Shri. Laxman Karkala Kudva

General Manager
(Chief Risk Officer)



Shri. Swapnil Yelgaonkar

Company Secretary

TRANSFORMATIVE IMPACT
TMB'S COMMITMENT TO SOCIAL RESPONSIBILITY



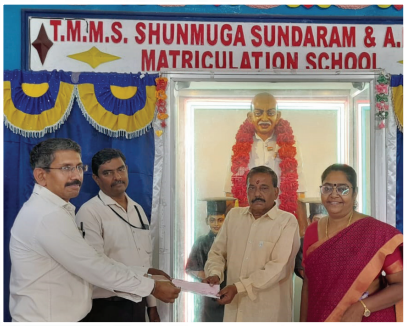
Supported the Indian Council for Child Welfare by sponsoring 20 individuals annually, contributing INR 6,00,000 each year.



Supported HNUP Nursery and Primary School, Puthiamputhur by sponsoring 5 desktops.



Donated by providing Karuppannan Mariappan College with 10 desktops.



Donated by providing Sri Kamaraj School Welfare Trust with 32 CCTV cameras, 55-inch TV, and 24 audio speakers, contributing INR 200,000.



Donated twenty solar lamps to Arulmigu Avinashi Lingeswarar Temple, supporting sustainable energy initiatives, valued at INR 324,000.



In collaboration with Rotary International District 3000, contributed INR 20,00,000 for the construction of toilet blocks at Government Girls' School.

Donated 2 Smart Boards to Lord PCAA Lions Matriculation Higher Secondary School, valued at INR 2,70,692.



Donated by providing M/s. Shri Basaveshwar Veerashaiva Vidyavardhak Sangha with 7 CONTEC CMS 8000 monitors for their hospital, valued at INR 154,560



Supported M/s. M.M. Palanichamy Nadar Thiagarajan Memorial Trust by providing a wireless system, Lenovo ThinkPad, computer table, writing exam table, and dining chairs, contributing INR 300,000.



- Donated funds for the construction of a school building at SHNV Higher Secondary School, valued at INR 5,00,000.
- Donated water heaters for 18 rooms in the main building of Dhanasamy Parimaladevi Social Welfare Trust, valued at INR 8,24,000.
- Donated funds for the construction of toilet blocks at Government Girls' School in collaboration with Rotary International District 3000, valued at INR 20,00,000.
- Donated funds for the sponsorship of medical equipment to the Public Health & Disease Prevention Department, valued at INR 10,00,000.



AWARDS



Our General Manager,
Shri D. Inbamani, received the Best Brands 2023 Award, recognizing excellence in leadership.



Our Managing Director & CEO
Shri. S Krishnan received the "Best Small Indian Bank" at BT Awards.



On July 8, 2023, at Goa,
Shri P. Suriaraj received the "2nd Best Bank under Small Bank Category" award from ICC's Shri Atlanu Sen.



Our General Manager,
Shri D. Ramesh, received the awards at the PFRDA Felicitation Program held on June 16, 2023, at Taj Connemara, Chennai.

LEGACY. LEADERSHIP. AWARD-WINNING SERVICE.

Tamilnad Mercantile Bank's unwavering commitment to excellence is consistently validated by a multitude of awards and accolades. With over a century of trusted service, TMB has earned the steadfast loyalty of its customers, which is reflected in the prestigious honors it continues to receive.

These accolades serve as a testament to the bank's relentless dedication to innovation, exceptional customer satisfaction, and robust financial leadership. Each award not only highlights TMB's achievements but also reinforces its reputation as a reliable and forward-thinking institution. By setting and exceeding industry benchmarks, TMB demonstrates its capability to navigate the evolving landscape of banking while maintaining a steadfast focus on delivering outstanding service.

The recognition garnered through these awards underscores TMB'sstrategic vision and commitment to enhancing the banking experience. The bank's ability to adapt to new challenges, embrace technological advancements, and uphold high standards of integrity showcases its role as a pioneer in the financial sector.

As TMB continues to build on its rich legacy, these honors reflect its ongoing pursuit of excellence and its determination to meet and surpass customer expectations. The continuous acknowledgment through awards reinforces TMB's position as a leader in the banking industry, dedicated to driving innovation and fostering long-term relationships with its clients.



PAN INDIA NETWORK



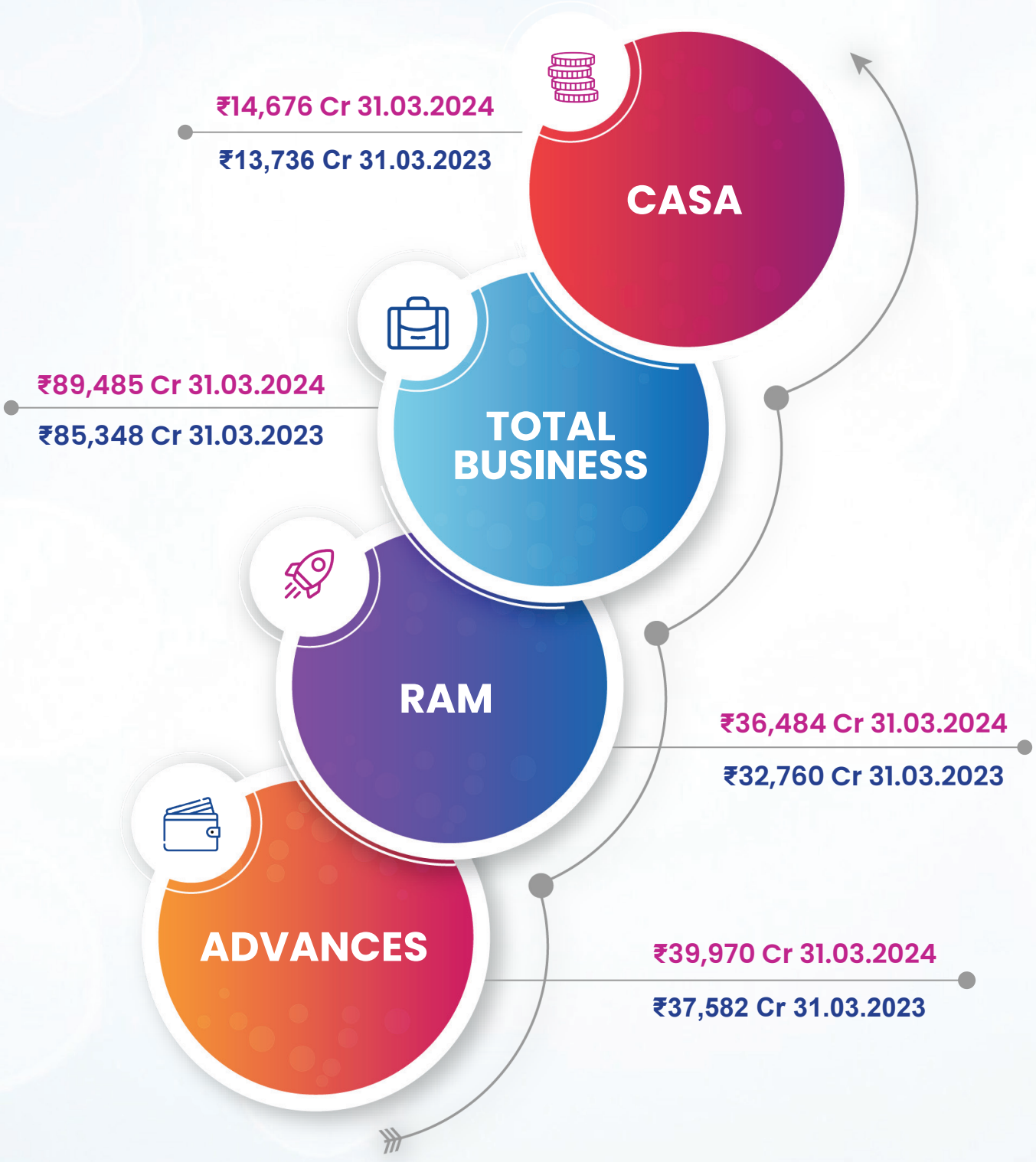
15.00%	METRO
16.00 %	URBAN
21.00 %	RURAL
48.00 %	SEMI URBAN

During the Q4, 5 new branches were opened and during FY2023-24, 22 new branches were opened.

BANKING OUTLETS

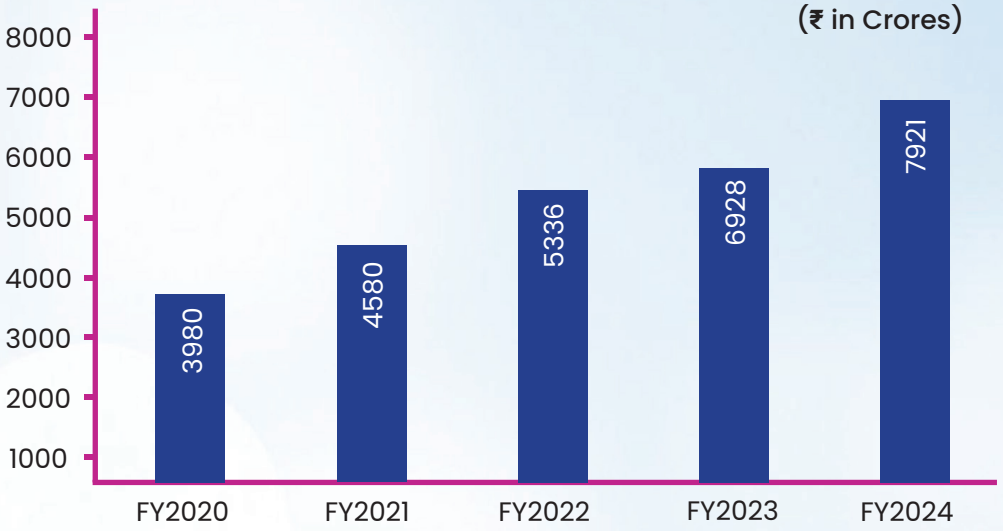
Name of the State	Branches	Business Correspondenst (BCs)	Total	ATM (s)	CRM (S)	E - Lobby(ies)
TAMIL NADU	406	134	540	963	322	116
ANDHRA PRADESH	28	-	28	44	10	4
MAHARASHTRA	23	-	23	28	6	1
GUJARAT	22	-	22	23	4	2
KARNATAKA	21	-	21	30	3	-
KERALA	21	2	23	24	3	1
TELANGANA	9	-	9	13	4	-
MADHYA PRADESH	3	-	3	3	-	-
RAJASTHAN	3	-	3	4	-	-
HARYANA	2	-	2	2	-	-
ASSAM	1	-	1	-	1	-
CHHATTISGARH	1	-	1	1	-	-
ODISHA	1	-	1	1	-	-
PUNJAB	1	-	1	1	-	-
UTTAR PRADESH	1	-	1	1	-	-
UTTA RAKHAND	1	-	1	1	-	-
WEST BENGAL	1	-	1	1	1	1
UNION TERRITORIES (4)	7	-	7	17	4	1
TOTAL	552	136	688	1157	358	126

PERFORMANCE HIGHLIGHTS Q4FY24 VIS-À-VIS Q4FY23



SHAREHOLDERS VALUE-ENHANCED (Y-O-Y)

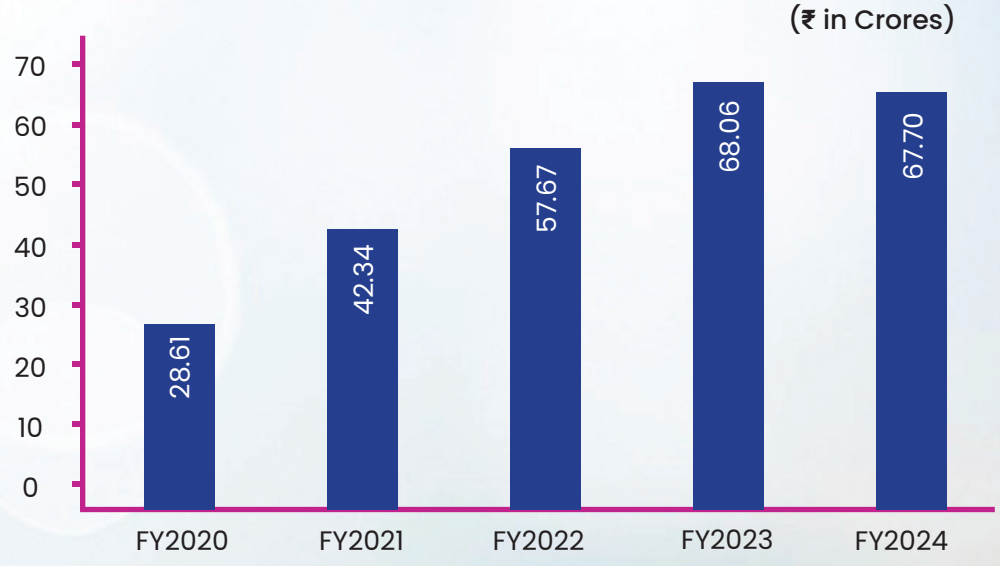
NET WORTH



BOOK VALUE OF SHARE



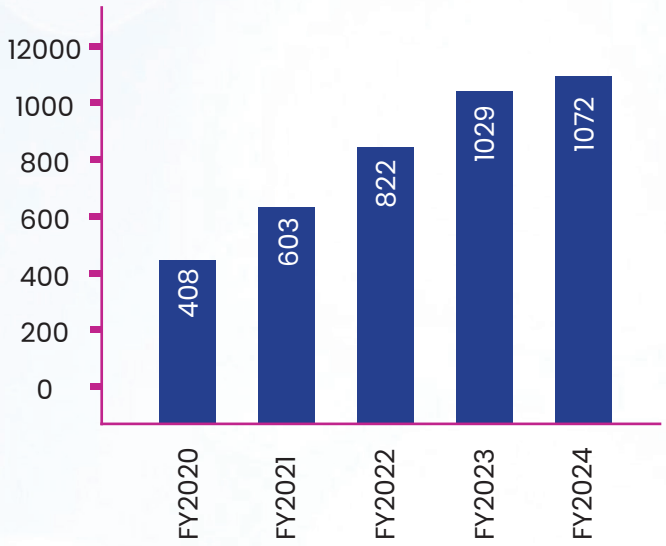
EPS



KEY RATIOS / PARAMETERS (Y-O-Y) (1/2)

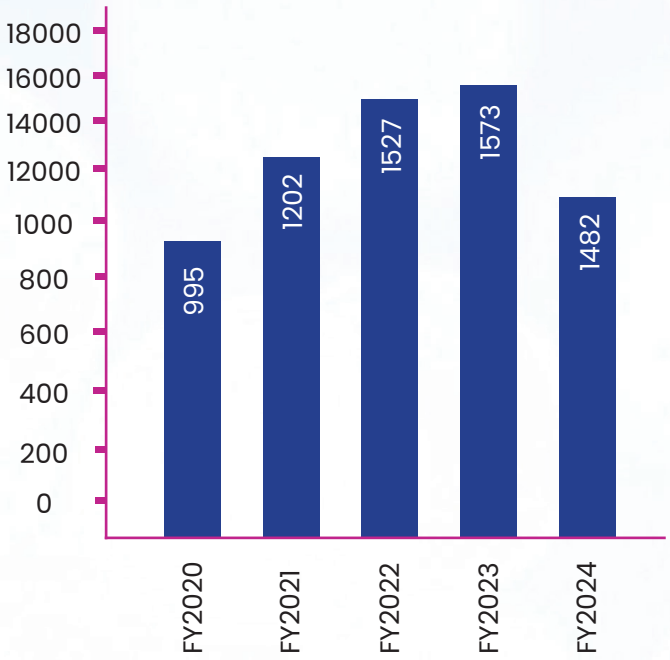
NET PROFIT

(₹ in Crores)



OPERATING PROFIT

(₹ in Crores)

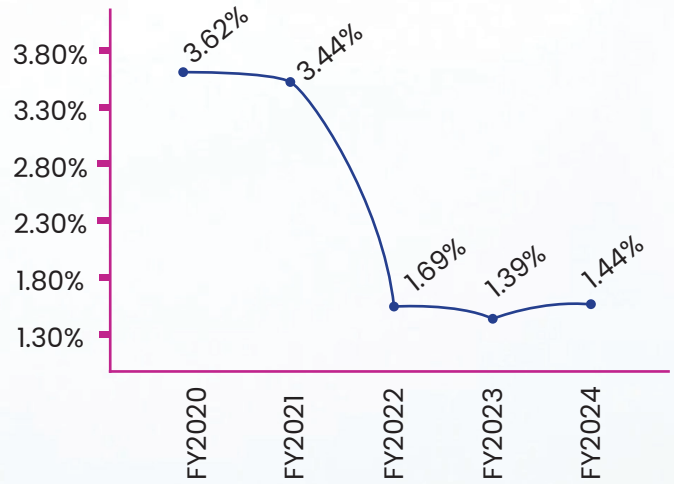


NET INTEREST INCOME (NII)

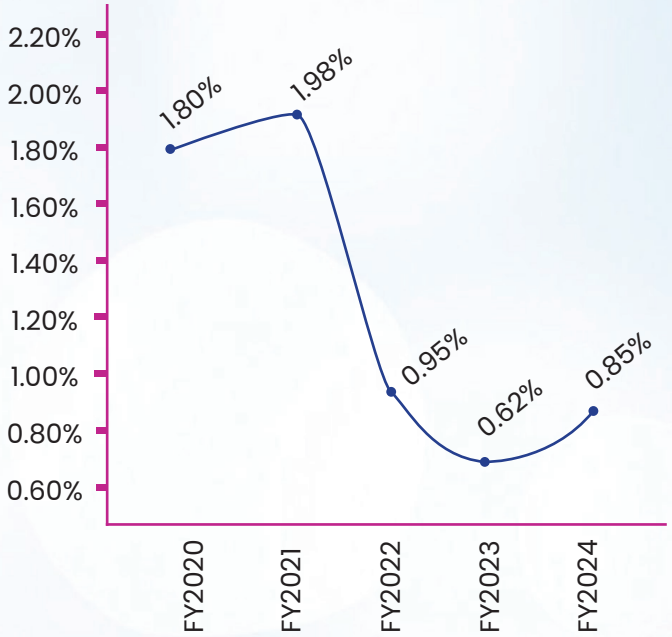
(₹ in Crores)



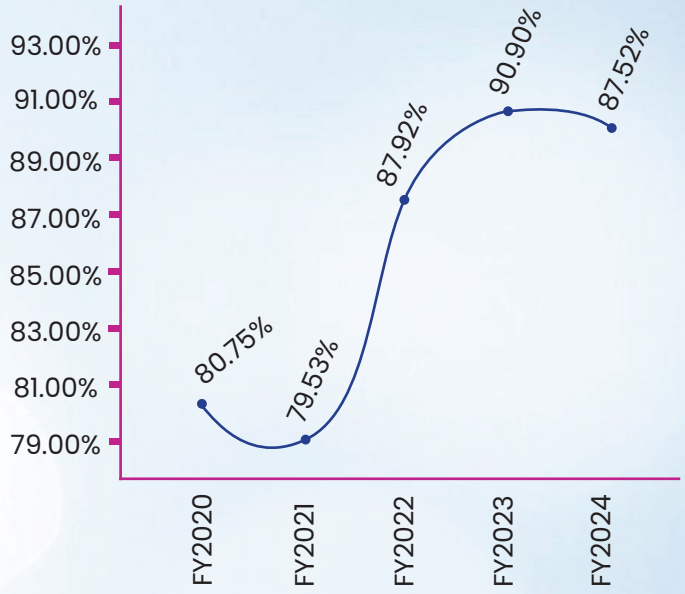
GROSS NPA %



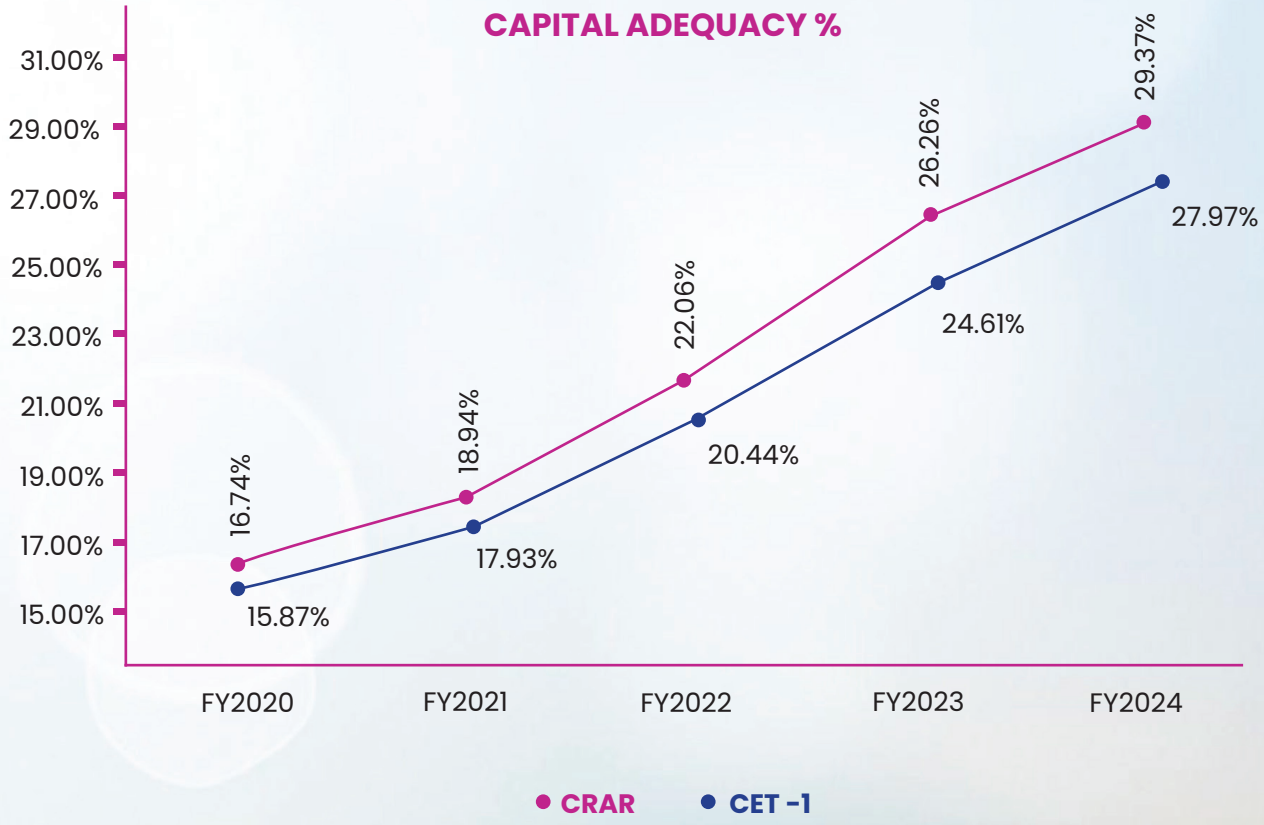
NET NPA %



PCR %

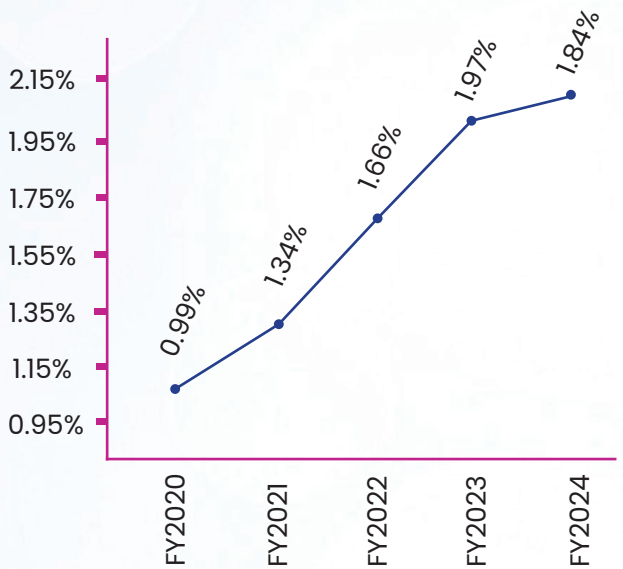


CAPITAL ADEQUACY %

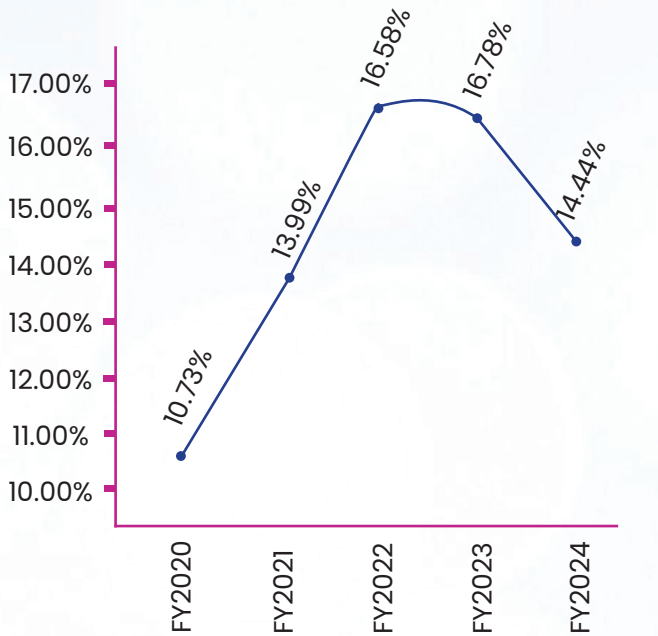


KEY RATIOS / PARAMETERS (Y-O-Y) (2/2)

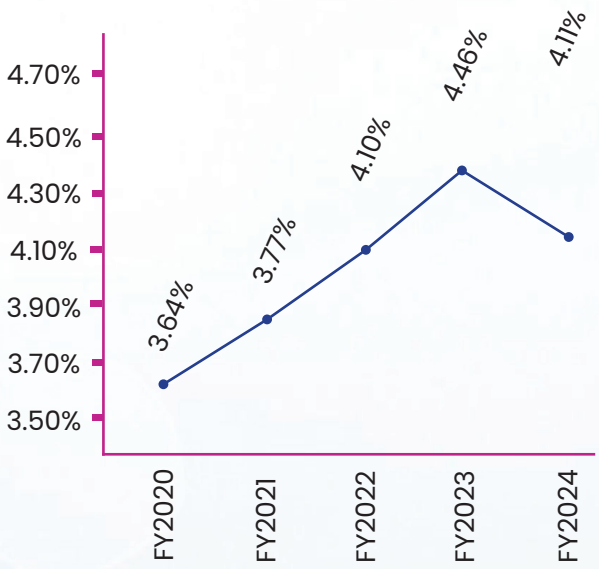
ROA % (Annualised)



ROE % (Annualised)

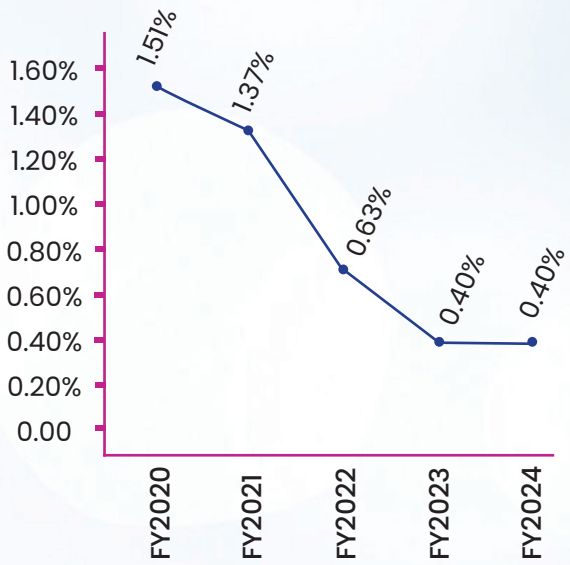


NIM % (Annualised)

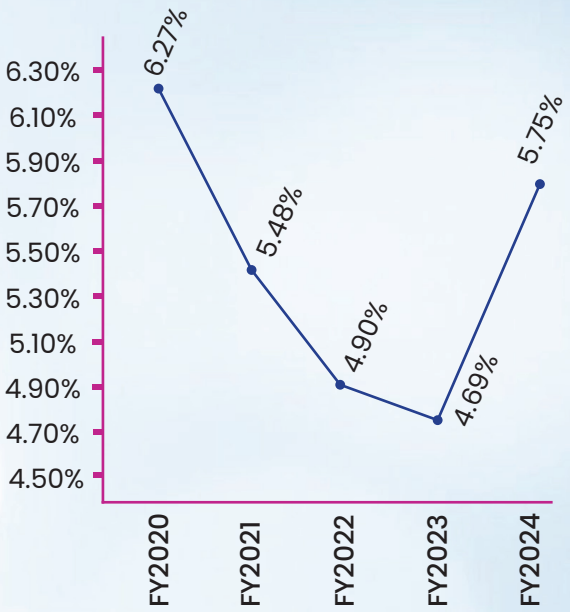


EFFICIENCY RATIOS (Y-O-Y)

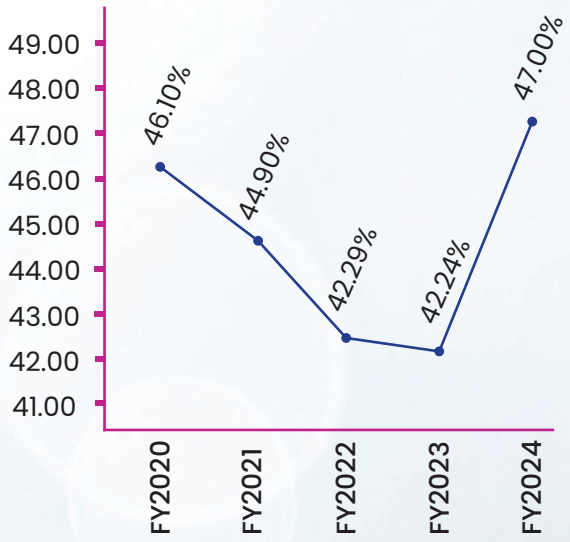
CREDIT COST %



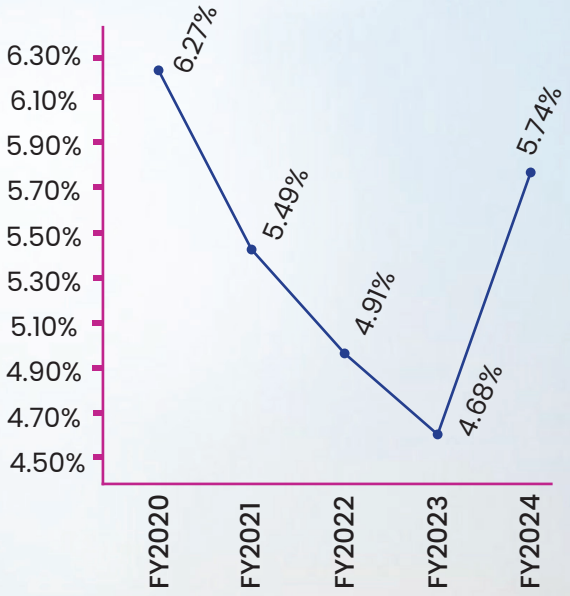
COST OF FUNDS %



COST TO INCOME RATIO %

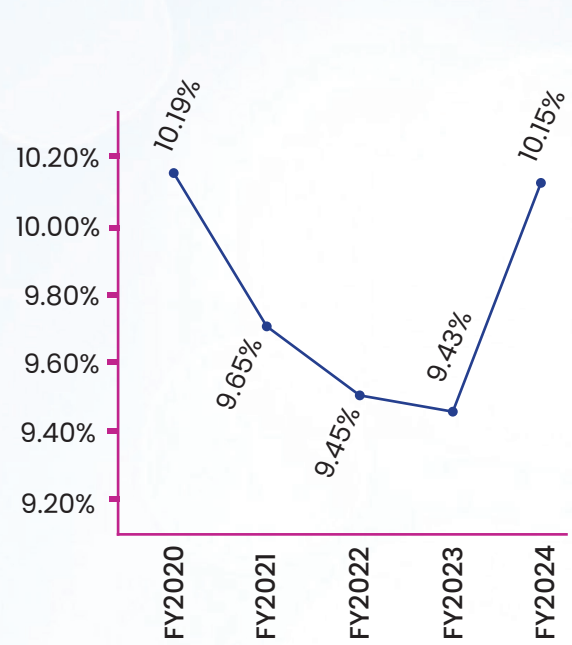


COST OF DEPOSITS %

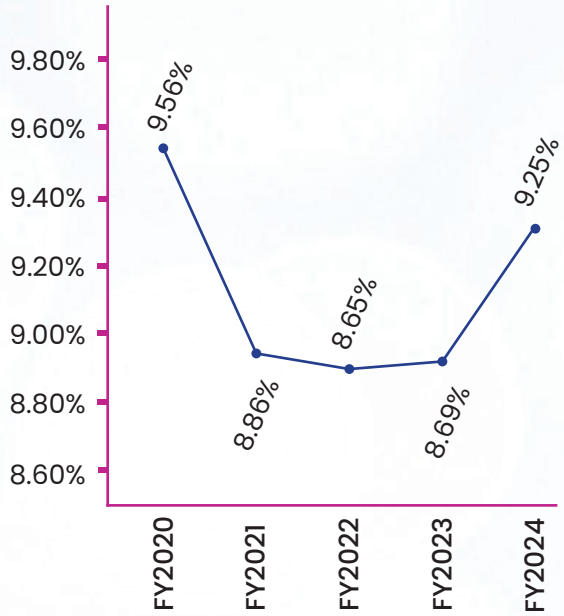


EFFICIENCY RATIOS (Y-O-Y)

YIELD ON ADVANCES %



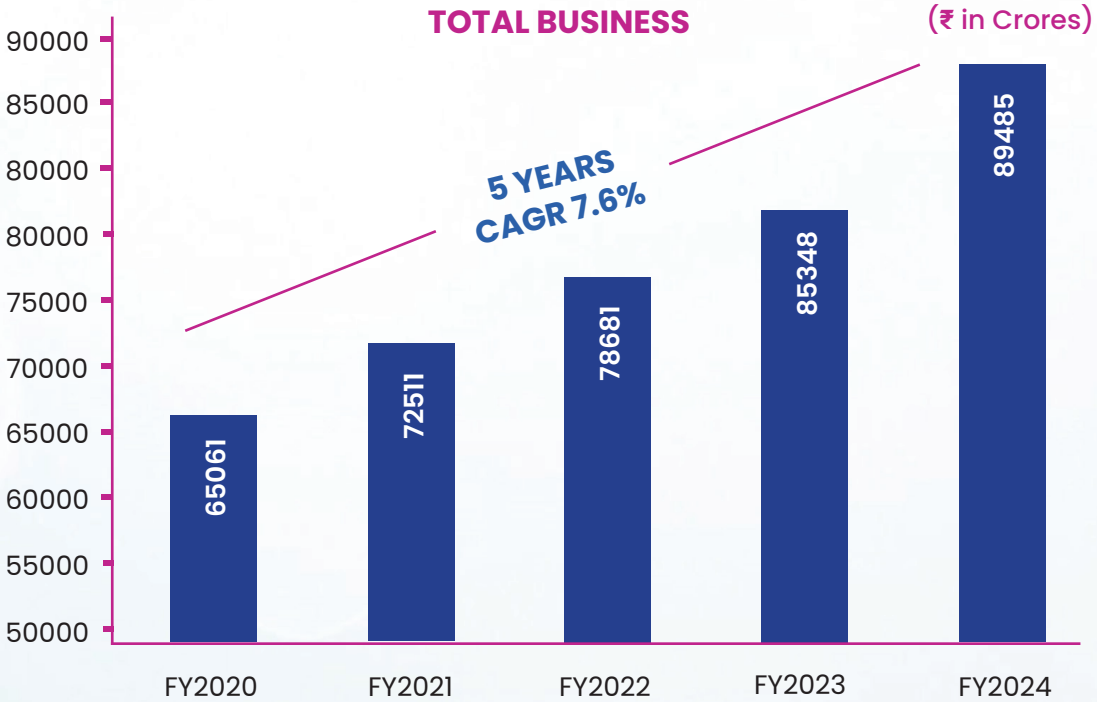
YIELD ON FUNDS %



BUSINESS MIX (Y-O-Y)

TOTAL BUSINESS

(₹ in Crores)



BUSINESS MIX (Y-O-Y)

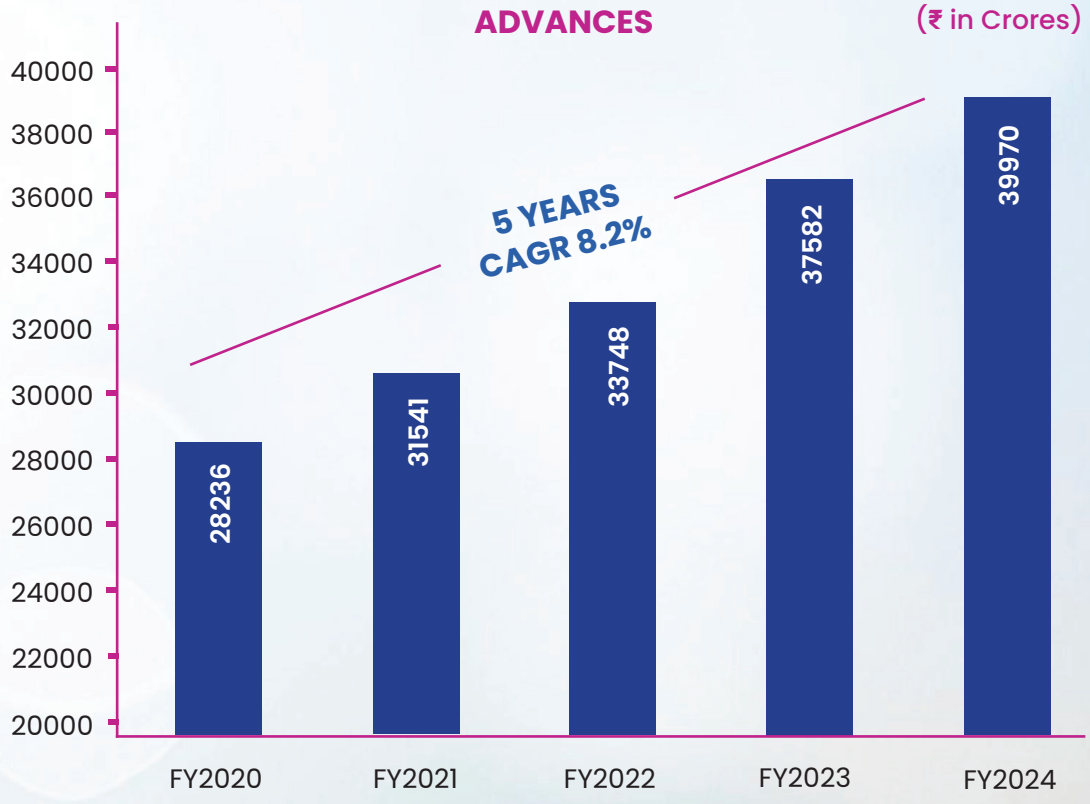
DEPOSITS

(₹ in Crores)



ADVANCES

(₹ in Crores)



Happy Moments. Happy TMBians.

At Tamilnad Mercantile Bank, this year has been a journey of transformation and joy. Our TMBians have celebrated numerous happy moments, from receiving prestigious awards to launching innovative initiatives that reflect our commitment to excellence. Each event, whether it's community outreach, internal milestones, or customer service achievements, has highlighted the vibrant spirit and unity of our team. As we continue to grow and evolve, these shared experiences have strengthened our bond and fueled our passion for the future. Together, we celebrate every moment that marks our transformation and success.












இரத்த தானம் – உயிர் தானம்
TMB


EXCELLENCE AWARDS -
ebruary 29, 2024
Tamilnad Mercantile Bank Limited
CSR Initiative & Business Responsibility
Winner
MSME Banking Excellence Awards-2023

MEMORIES


R.R.K.
TMB



At Tamilnad Mercantile Bank, we prioritize more than just transactions; our focus is on enhancing relationships and delivering exceptional customer experiences. Our mission is to ensure that each interaction with our bank reflects our unwavering commitment to your financial well-being and satisfaction.

Our comprehensive range of services is designed to make your banking experience smooth and efficient. Leveraging advanced technology, we provide secure and streamlined digital solutions, complemented by personalized services tailored to your unique needs. Whether through our cutting-edge online platforms or our dedicated branch services, we are committed to offering a seamless banking journey.

Our team of highly trained professionals is dedicated to delivering exemplary service, providing insightful financial solutions and addressing your needs with precision and care. From routine transactions to complex financial planning, our goal is to exceed your expectations and support your financial goals.

Trust is a fundamental aspect of our relationship with customers. Tamilnad Mercantile Bank is committed to maintaining the highest standards of integrity and transparency. Our robust security measures ensure that your personal and financial information is protected, providing peace of mind with every transaction.

We continuously refine our processes and adopt innovative practices to enhance your banking experience. Our objective is to turn every interaction into a demonstration of our dedication to your satisfaction and trust. At Tamilnad Mercantile Bank, we aim to be a reliable partner in your financial journey. Your happiness and trust are central to our mission, driving us to continually improve and deliver a banking experience characterized by excellence and personal care. Experience the difference with Tamilnad Mercantile Bank, where our commitment to your financial success is our foremost priority.

YOUR TRUST.
OUR TRANSFORMATION.



DIRECTORS' REPORT FOR THE YEAR 2023-24

Your Board of Directors have great pleasure in presenting the 102nd Annual Report along with the Audited Financial Statements as on March 31, 2024 along with the Cash Flow Statement for the year ended March 31, 2024.

1. BUSINESS PERFORMANCE

The Bank had a successful year in its 102nd year of operations and recorded satisfactory performance. During the year under review, the total business increased from ₹85,056.18 crores to ₹89,248.82 crores registering a growth of 4.93%.

PERFORMANCE HIGHLIGHTS:

- Operating profit decreased from ₹1,572.84 crores to ₹1,481.78 crores (-5.79%).
- Net profit Increased from ₹1,029.26 crores to ₹1,072.03 crores (+4.16%).
- Deposits of the Bank increased from ₹47,766.49 crores to ₹49,515.07 crores (+3.66%) during the year.
- Gross Advances increased from ₹37,582.11 crores to ₹39,970.40 crores (+6.35%) during the year.
- Net Advances increased from ₹37,289.69 crores to ₹39,733.75 crores (+6.55%) during the year.
- Gross NPAs Increased from 1.39% to 1.44%.
- Net NPAs Increased from 0.62% to 0.85%.
- Provision Coverage Ratio (PCR) decreased from 90.90% to 87.52%

The total income increased by ₹782.70 crores during the year from ₹4,710.15 crores in the previous year to ₹5,492.85 crores during the year under review (+16.62%).

Interest income increased from ₹4,081.04 crores to ₹4,847.91 crores. Other income increased from ₹629.11 crores to ₹644.95 crores during the current year. The total expenditure increased from ₹3,137.31 crores during the previous year to ₹4,011.07 crores during the current year. Increase in total expenditure was at ₹873.77 crores. Earnings per share decreased from ₹68.06 to ₹67.70, the book value of the share increased from ₹437.53 to ₹500.23.

2. PROFIT AND APPROPRIATION

The net profit stood at ₹1,072.03 crores for the financial year ended 31.03.2024 after making all necessary provisions under various categories as per the prudential norms prescribed by Reserve Bank of India. The appropriation out of the profit earned for the financial year 2023-24 are as under:

TRANSFERRED TO:	₹ IN CRORES
Profit and Loss account opening balance	123.29
Less: Final Dividend for 2022-23 @ Rs.5/- per share	79.18
Add: Net profit during the year 2023-24	1,072.03
Available for appropriation	1,116.14
Statutory Reserve	322.00
Special Reserve u/s 36(1)(viii) of IT Act, 1961	50.00
Investment Fluctuation Reserve	---
Capital Reserve	---
Transfer to General Reserve	525.00
Balance carried over to next year	219.14
Total	1,116.14

3. DIVIDEND

Your Directors have recommended the payment of a final dividend at the rate of ₹10.00 (Rupees Ten only) per equity share of the face value of ₹10/- each (100%) for the year ended March 31, 2024. Dividend pay-out is in accordance with the Bank's dividend distribution policy (https://www.tmb.in/pages/Regulatory-Policies), RBI guidelines and will be payable subject to approval of members at the ensuing Annual General Meeting and deduction of tax at source, to those Shareholders whose names appear in the Register of Members as on the Cut-off date **September 20, 2024.**

4. CAPITAL AND RESERVES

The Bank's issued and paid-up capital was ₹158.35 Crores as on March 31, 2024.

5. ISSUE OF EQUITY SHARES

During the year under review there was no fresh issue of equity shares.

6. EARNINGS PER SHARE (EPS) AND BOOK VALUE

The earnings per share stood at Rs.67.70 (basic) and Rs.67.70 (diluted) for the financial year ended March 31, 2024. This was Rs.68.06 (Basic) and Rs.68.06 (diluted) during the previous year. The book value per share has further improved to Rs.500.23 as on March 31, 2024, as against Rs. 437.53 during the previous year.

7. CAPITAL ADEQUACY

The Capital to Risk Weighted Assets Ratio (CRAR) stood at 29.37% (as per Basel III) as on March 31, 2024, as against the minimum required level of 11.50% (including the Capital Conservation Buffer) stipulated by Reserve Bank of India. The CRAR consisted predominantly of Common Equity Tier I (CET 1) which was 27.97% out of 29.37% of CRAR.

8. DEPOSITS

The aggregate Deposits of the Bank as on 31.03.2024 stood at ₹49,515.07 crores, registering a growth of 3.66% over ₹47,766.49 crores as on 31.03.2023. The interest rates for deposits were kept aligned with the prevailing trends in the Banking Industry. Being a Banking Company, the disclosures required as per Rule 8(5)(V) of Companies (Accounts) Rules, 2014 are not applicable to your bank.

9. ADVANCES PORTFOLIO – MANAGEMENT OF ASSETS AND DEVELOPMENT OF BUSINESS

The Bank continued its lending activities in conformity with its Board approved Policies and Guidelines of the Reserve Bank of India. The Gross Advances of the Bank increased from ₹37,582.11 crores as on 31.03.2023 to ₹39,970.40 crores as on 31.03.2024. The increase in advances is mainly due to the growth recorded in Retail, Agricultural and MSME advances.

The Bank continued its thrust on lending to Priority Sectors (PS) including Agriculture and Micro and Small Enterprises comprising both Manufacturing and Service Enterprises. The level of advances to Priority Sectors stood at ₹30,264.46 Crore as on March 31, 2024. The Total PS Advances (Net of PSLCs Sold) at ₹21,285.37 Crore constitutes 68.04% of ANBC as on 31/03/2024, as against the regulatory minimum requirement of 40%. The achievement of PS Advances, based on the Quarterly Average level of PS Advances / Quarterly Average ANBC is at 73.28%.

Agricultural Advances reached ₹14,409.01 Crore as on March 31st, 2024. The Total Agricultural Advances (Net of PSLCs Sold) including RIDF and other qualifying investments for Priority - Agriculture constitutes 21.83% of ANBC as on 31/03/2024, as against the regulatory minimum requirement of 18%. The achievement of Agriculture Advances, based on the Quarterly Average level of Agriculture Advances / Quarterly Average ANBC is at 26.13%.

Total advances to the weaker sections stood at ₹10,797.67 Crore as on March 31, 2024. The Total advances to Weaker Sections (Net of PSLCs Sold) at ₹6,047.67 Crore represents 19.33% of the ANBC as on 31/03/2024, as against the regulatory minimum requirement of 12.00%. The achievement of Advances to the weaker section, based on the Quarterly Average level of Advances to weaker section / Quarterly Average ANBC is at 21.07%.

Similarly, the bank achieved the mandatory targets for the sub-sectors like Loans to Small and Marginal Farmers (at 14.03% as on 31/03/2024 based on the ANBC as on 31/03/2023, as against the regulatory minimum requirement of 10.00%). The achievement of Advances to the Small and Marginal Farmers, based on the Quarterly Average level of Advances to the Small and Marginal Farmers / Quarterly Average ANBC is at 15.40% and Advances to Micro Enterprises (at 22.05% as on 31/03/2024 based on the ANBC as on 31/03/2023, as against the regulatory minimum requirement of 7.50%). The achievement of Advances to Micro Enterprises, based on the Quarterly Average level of Advances to Micro Enterprises / Quarterly Average ANBC is at 26.22%.

Under export credit, the bank achieved a level of ₹834.60 Crore as on 31.03.2024 as against ₹631.62 Crore achieved as on March 31, 2023, due to underutilization of sanctioned Export limits.

The Bank has sanctioned totally 20,761 No of WCTLs to the tune of ₹2675.01 crore as on 31.03.2024 since the inception of the scheme ECLGS. Out of which 3 number of WCTLs to the tune of ₹0.47 crore are opened during the FY 2023-24 under Emergency Credit Guarantee Line Credit Scheme (ECLGS).

During the current year, the bank will strive further to increase the flow of credit to Agriculture, Retail, and MSME Sectors and the Weaker Sections.

The bank has been actively participating in all the initiatives and schemes of the Government of India including Pradhan Mantri Mudra Yojana (PMMY), Dairy Entrepreneurship Development Scheme (DEDS), PMAY- Pradhan Mantri Awas Yojana (PMAY), Entrepreneurship Development & Employment Generation Scheme (EDEGS), PM Street Vendors Atma Nirbhar Nidhi (PM SVANIDHI) etc. by implementing the same in the Bank.

Sale of Priority Sector Lending Certificate (PSLCs):

The Bank has sold PSLCs worth ₹9,050.00 crore till 31/03/2024, which fetched an income of ₹75.21 Crores. In Category-wise, the Bank had sold PSLC-Small & Marginal Farmers for ₹4,750.00 Crores, PSLC-Agriculture for ₹2,900.00 Crores and PSLC-Micro Enterprises for ₹1,400.00 Crores as on 31/03/2024.

Financial Inclusion:

Under the Financial Inclusion (FI) Programme, the Bank has covered 142 villages as on 31.03.2024. The total Basic Savings Bank Deposit Account (BSBDA) accounts of the bank as on 31st March 2024 stood at 2.53 lakhs.

10. INVESTMENTS AND TREASURY OPERATIONS

During the financial year ended March 31st, 2024, the Bank achieved a turnover of ₹53,403.94 crore in trading operations, resulting in a net profit of ₹6.53 crore, as against ₹6.96 crore in the previous year.

The net investments of the Bank stood at ₹15262.60 crores as on March 31, 2024, as against ₹14,156.03 crores as at the end of the previous year. The Investment-to-Deposit Ratio of the Bank was 30.82%, as against 29.64% at the end of the previous year.

The average realized yield on the investment portfolio during the year stood at 6.85% as against 6.85% in the previous year. The income earned during the year from investments, comprising of interest income and dividend income excluding income from RIDF was ₹1055.86 crore as against ₹904.50 crore in the previous year.

Particulars of Loans, Guarantee, or investments

The disclosures regarding particulars of loans, guarantee given and securities provided is exempt under the provisions of Section 186(11) of the Companies Act, 2013 since it is a banking company.

11. FOREIGN EXCHANGE BUSINESS

Foreign exchange business during the year 2023-24 in terms of actual inflows was Rs.11,577.57 Cr (Previous Year Rs.11,706.38 Cr) whereas Foreign Exchange outflows was Rs.9,400.97 Cr (previous year Rs.8,740.68 Cr)

The total merchant turnover of the bank for the year 2023-24 was ₹20,978.54 crores against ₹20,447.06 Crore during the previous year 2022-23. The profit on foreign exchange business for the year 2023-24 was ₹40.38 crores against ₹35.97 Crores during the previous year 2022-23.

Your Bank has correspondent relationship with 338 overseas banks by exchange of Relationship Management Application (RMA) under SWIFT (Society for Worldwide Interbank Financial Telecommunication). It facilitates smooth and fast flow of communication in the international business. The SWIFT arrangement has enabled the Bank to give timely and efficient service to its NRI customer.

During the year under review, 369 branches are linked to Forex Processing Centre(FPC) and the total number of branches linked to FPC has been increased to 469 from 100 branches. Our Bank has the necessary infrastructure to render fast and efficient service relating to inward remittance and for crediting the beneficiaries accounts on receipt of the foreign currency funds in our Nostro accounts abroad.

Your Bank is committed to increase the Forex Business activities significantly for adding good revenues to the bank in the coming years. Your Bank has provided online Electronic Trading Platform named as TMBFXBRIDGE for concluding exchange rates in 39 old B Category branches & FPC and direct view access to 65 of our forex customers. FX-Retail platform is provided to 26 Forex customers.

12. BRANCH NETWORK

During the year under review, your bank has added 22 new branches and the branch network of the bank has been increased to 552 branches. In addition to that, the bank has added 8 ATMs, 34 CRMs & 7 e-lobbies. The Bank's ATM and alternate delivery channel network stood at 1157 ATMs, 358 CRMs, 126 e-lobbies, covering 17 States and 4 Union Territories.

13. HUMAN RESOURCES DEVELOPMENT

As on 31st March 2024, the Bank's total staff strength is 4,628 (including 26 contract employees) consisting of 2,185 Officers, 1,773 Clerks and 670 Supporting Staffs. During the year under review, 343 regular employees and 1 contract employee were recruited and 504 employees were promoted.

The Business per employee has increased from ₹18.95 crore to ₹19.34 crore in the FY 2023-24.

The Bank's Staff Training College at Nagercoil had conducted 68 physical training programmes and 18 online training sessions on various banking subjects like Credit, Forex, Recovery, Information Security etc. 3,076 staff members had undergone training programmes during the FY 2023-24.

TMB eSMART, an online e-learning Management System was indigenously developed by our Bank to cater the training needs of all staff members. It can be accessed 24x7x365 by our staff members in intranet and internet. Using TMB eSMART, our staff members can learn varied Bank subjects like Credit, Forex, Information Security, KYC etc. To groom our staff members in different facets of Banking, we have 13 TMB Capacity Building exams in various areas like KYC, Credit, Forex, Recovery etc.

In addition to the above, your Bank has tied up with reputed training institutions like SIBSTC-Bengaluru (Southern India Banks' Staff Training College), NIBM-Pune, IIBF- Mumbai, IDRBT, Hyderabad, CAFRAL, etc. 857 staff members were trained in these leading institutions during FY 2023-24.

Industrial relations in the Bank continued to be very cordial during the year with frequent interactions between the management and the Officers' and Employees' Associations and various staff welfare activities were undertaken during the year. The Bank continues to lay emphasis on developing the individual skills of its employees and providing a healthy and cordial working environment so as to get maximum contribution from the employees of the Bank.

14. INTER BRANCH ADJUSTMENTS

The Bank has continued to maintain a very good record in internal housekeeping. The core banking solution made it possible for the branches to balance all their accounts and tally balances up to March 31st, 2024. There was also timely submission and scrutiny of the control returns, which was given adequate importance at all levels with necessary follow up.

15. INTERNAL CONTROL AND INSPECTION AUDIT RISK BASED INTERNAL AUDIT SYSTEM

The bank has put in place an effective and strong Risk Based Internal Audit (RBIA) System. During the financial year 2023-24, RBIA audits were conducted through TMB eTHIC Module in 540 branches (Totally 572 audits) of the bank. Submission of compliance reports and closure of audits are followed up through the respective regional offices. Besides, RBIA was conducted for the following critical Departments (KYC and AML Cell, Risk Management Department, Credit Department, Information Technology Department (Chennai & Thoothukudi), CPC-Tirunelveli, CPC-Chennai, Service Branch-Chennai, Compliance Department, Integrated Treasury Department, International Banking Division). The bank has a proper and adequate internal control system. The bank has standardised operating procedures in monitoring the account operations to have effective internal controls. Internal Financial Controls of the branches are verified by the statutory branch auditors during their branch audit and covered in the report.

Credit Audit

During the year under review, Credit Audit has been conducted for 1143 borrowal accounts in 233 branches.

Concurrent Audit system

The bank continued to have the system of Concurrent Audit through TMB eTHIC Module, which covered 232 branches and important departments. Concurrent Audit has been recognized as an important tool of internal control and is in force at major branches including 39 'B' category branches designated for forex business. Further concurrent audit is implemented in the following important departments – International Banking Division, Treasury, DPS Cell, Chennai Service Branch, Forex Processing Centre, Transaction reconciliation at various divisions of ITD, Accounts Department, Expense approval of ITD, Establishment Department, Planning and Development & Resource Mobilization Department, Central Processing Centres at Chennai and Tirunelveli and all the four Currency Chests located at Chennai, Podanur, Madurai and Thoothukudi Pudukottai. As per RBI direction, the bank is conducting bi-monthly surprise verification of cash in currency chest at Madurai, Chennai, Podanur and Pudukottai and the reports are forwarded to Planning Department and respective Regional Offices, for further follow up. Submission of compliance reports and closure of audits are followed up through the respective regional offices / departments.

Information System Audit

As per RBI guidelines, Information System audit cell has been established under Inspection Department. Information System audits were conducted at all the 540 branches (572 audits) along with Risk Based Internal Audit, 9 Departments and 12 Regional offices.
Continuous offsite monitoring (OFMS) is deployed by IS audit cell. Under a software tool-based supervision process, certain key and vital areas are subjected to offsite monitoring.

Every year, critical Information systems deployed in our Bank like Core Banking System, E-Banking, Mobile banking, ATM, RTGS, Treasury, CTS clearing process, Server, SOC, HRMS and network infrastructure etc., are subjected to Information Systems audit by an external auditor.

Management Audit system

To assess the robustness of the systems and procedures established in various operational units of the Bank and to have an oversight on the effectiveness of the management, various departments at Head Office and all Regional Offices are subject to Management Audit, which was conducted once in every two years.

During the year under review, Management Audits were conducted at 3 Regional Offices (Coimbatore Region, Mumbai Region and Thiruvananthapuram Region) and 15 Departments (Vigilance Department, Human Resource Development Department, Operations & Services Department, KYC/AML Cell, Credit Monitoring Department, Accounts Department, MIS Department, Staff Training College, Nagercoil, Inspection Department, Recovery Department, Credit Department, Discipline & Fraud Management Cell, Bancassurance Cell, RACPC, Internal Ombudsman Department).

In addition to the above audit the Bank regularly conducts revenue audit in the branches, to monitor revenue leakages.

Vigilance

The functions of the vigilance machinery of the Bank are broadly divided into 3 types, viz. preventive, surveillance and punitive. The Vigilance Department undertakes a study of the existing procedures and practices prevailing in the organization with a view to modify those procedures or practices that provide scope for malpractice/fraud perpetrated by the staff members and also finding out the causes of delay in reporting and the points at which the delays occur and devising suitable steps to minimize delays at different stages. To educate the employees of the Bank, the Vigilance Department brings out various fraud awareness circulars and conducts training programmes periodically. As a part of creating awareness, 'Vigilance Day' is observed on the 31st October every year.

The Vigilance Department plays a vital role in the implementation and follow-up of the directives and guidelines issued from time to time by Reserve Bank of India. Upon the directions of RBI, Vigilance Department has also formulated/implemented a Vigilance Policy from 13th July 2011 and the Policy is being reviewed every year.

Vigil Mechanism

The Bank has implemented the Whistle-blower cum Protected Disclosure Policy, intended to promote the participation of employees at all levels and detection of corruption, misuse of office, criminal offences, suspected/ actual fraud, failure to comply with the rules and regulations prescribed by the Bank and any events/acts detrimental to the interest of the Bank, depositors and the public resulting in financial loss/ operational risk, loss of reputation etc. Further, the mechanism adopted by the Bank encourages the Whistle Blower to report genuine concerns or grievances. It provides adequate safeguards against Whistle Blower's victimization for those who avails such mechanism and offers direct access to the Chief of Internal Vigilance (CIV). Further, there was no occasion where a person was denied access to the Audit Committee of the Board. The details of the Whistle-blower cum Protected Disclosure Policy are posted on the Bank's website and available at the link: **https://tmb.in/pages/Regulatory-Policies.**

16. CUSTOMER SERVICE

Customer service is an important part of maintaining on going customer relationship, which is a key for continuous business growth and to retain the customer. The Bank is well known for its good, courteous and effective service to customer and constantly endeavouring to meet the expectations of the modern-day tech-savvy customers, by introducing new and innovative products for seamless digital experience.

As per the provisions of Internal Ombudsman Scheme 2018 and the Integrated Ombudsman Scheme 2021, Mr.K.Selvaraj was appointed as the Internal Ombudsman for our Bank and he joined duty on 13.06.2022. The Internal Ombudsman examines customer complaints which are in the nature of deficiency in service on the part of the bank, that are partly or wholly rejected by the bank. As the bank shall internally escalate all complaints, which are not fully redressed to the Internal Ombudsman, before conveying the final decision to the complainant, the customers need not approach the Internal Ombudsman directly.

17. TECHNOLOGY ABSORPTION:

Your Bank is taking various steps to provide technology-enabled products and services to customers by adopting latest techniques in technology. Banking Services are extended to our customers through Branches and ATMs by using multiple network technologies such as MPLS, Leased Line, GSM and VPNoBB with redundant connectivity. As an alternative to traditional Branches / ATMs, the digital services are seamlessly offered to our customers without any disruption through various delivery channels viz. Internet Banking, Mobile Banking, ATM, IMPS, UPI, AEPS, Point of Sale terminals, Cash Deposit Kiosk, Passbook Printing Kiosk, WhatsApp Banking, CTS Positive Pay System, BBPS in Internet Banking, Green PIN in Internet Banking, Rupay Select Card, Enhanced Card Security for Debit Card Management, e-Mandate Authentication using Debit Cards and Internet Banking, etc.

The availability of the services of all the alternate delivery channels to our customers is ensured by way of active monitoring and attending to outages if any, instantly.

Core Banking:

Your Bank has implemented "Finacle", the Core Banking Solution in all its branches. Core Banking Solution (Ver. 6.x) was implemented during 2001-02 and its major migration v10.2.25 was carried out during August 2022.

The Bank has 1,515 ATMs and CRMs as on 31st March 2024.

Your Bank has upgraded the network bandwidth of both primary and secondary links at branches and other offices to provide uninterrupted banking services to its customers.

Internet Banking:

Your Bank had introduced "Internet Banking facility" to the customers during November 2008. Currently the e-Banking facility has been extended to all our customers.

We have also introduced Corporate Net banking facility for our customers with maker / checker facility to bring in more security to the transaction initiated by corporate customers. We have also tied up with multiple Payment Gateway service providers for extending utility bill payment services to our customers.

Facilities provided to customers through Internet Banking includes RTGS, NEFT, IMPS, opening of Deposit Accounts, e-Commerce transactions, online tax payment, online bills and utility services payment, scheduled payments, etc. Payments to TMB Credit Card dues and Prepaid Card Top-up facility are also provided through Internet Banking. Also, there are other facilities like offline statement, management of limit for Debit Card etc. provided through Internet Banking.

Mobile Banking:

Mobile Banking facility has been provided in both Android and iOS. Customers can self-onboard in Mobile Banking and also through branches. By using mobile banking facility, customer can perform SB/CA/loan/deposit inquiry, transfer of funds (Within TMB/NEFT/IMPS/RTGS), Deposit Opening, TNEB payment, Mobile Recharge, Cheque Book Issuance, ATM Card Blocking, Cheque Status Inquiry, etc., In addition, certain features like Transaction limit setting, Credit Card details and Payment Dues, Debit Card Blocking, Beneficiary Management, Loan against Deposits and Form 15 G / H declaration are available for the Mobile Banking Customers. We are continuously adding new features in our Mobile Banking application.

UPI:

Unified Payment Interface (Acquirer and Issuer) service is available for our customers. They can download various UPI Certified Third Party applications like BHIM for both Android and iOS. Customers can transfer funds, initiate Online Payments, pay using QR Codes, pay in BBPS (Bill Payments), initiate IPO transactions, UPI Recurring Mandate and more, by linking our Bank account into any of these Third-Party applications. UPI Lite facility is available in our Bank where customers can do their UPI payments up to Rs.500 without entering UPI Pin.

Server Infrastructure:

Bank's Server infrastructure is maintained at primary (DC - Chennai) and secondary (DR Site - Bengaluru) co-located Data Centers. The Bank is having Physical, Virtual, Hyper Converged Infrastructure and dedicated Storage devices.

Hyper Converged infrastructure installed at our DC and DR locations, which is a three-node cluster arrangement, provides high availability, high scalability, cost effective, improved workload performance and occupies less space.

Storage Infrastructure was upgraded from SAS to Flash storage to get high performance in Core Banking Solution (Finacle). It is scalable for our future needs and high availability.

Health of Server Infrastructure is monitored in a real time for Server related parameters such as CPU Utilization, CPU Load,

PAM (Privileged Access Management) solution was implemented to provide access shield and to fix accountability while accessing critical Servers. We are activating our DR Site on quarterly basis, to ensure that the Disaster Recovery operations remain accurate, relevant and operable during adverse conditions.

Security Infrastructure

Our Bank is having Endpoint Extended Detection and Response (XDR) system to protect our Endpoints from Malware and Ransomware attacks. Also, we have implemented Data Loss Protection (DLP) which facilitates to block / alert transmission of data based on sensitive keywords across intra / inter network infrastructure. We have adequate Firewall, Intrusion Prevention System (IPS) and Intrusion Detection System (IDS) to protect our network from external threats accessing through internet. All the endpoints have been integrated with domain and policies have been enforced through Network Access Control (NAC) and Active Directory.

Further, Bank has setup Security Operation Center (SOC) under the direct control of Information Security Department where the following tools / components are installed to monitor SOC operations.

- Security Incident & Event Management (SIEM)
- Database Activity Monitoring (DAM)
- Privileged Access Management (PAM)
- Web Application Firewall (WAF)

During 2023-24, our Bank has completed the following major IT Projects:

- Mobile Banking Enhancements (Phase II & III)
- Formation of Near Disaster Recovery Centre (NDR)
- Implementation of Trend Micro XDR
- Introduction of OTC and Cassette Swap systems in ATM / CRMs
- Shifting of Data Centre
- Upgradation of WAF and DAM
- Upgradation of NACH application
- Upgradation of Network Hubs into Network Managed Switches at all branches
- Migration of NPA Security Module to CBS
- Implementation of Integrated API Management Solution
- Implementation of Customer feedback module
- IMPS XML migration
- Implementation of new Reconciliation application
- Implementation of UPI Lite (Issuer)
- Upgradation of FRM Solution

18. PRODUCT INNOVATION, NEW PRODUCTS AND SERVICES MAJOR INITIATIVES DURING 2023-24:

- Launched revamped TMB website.
- Form 15G/15H intimation letter sent to all eligible deposit account holders centrally from Head office.
- Launched TMB RERA Current account.
- Launched various Term Deposit Schemes with attractive interest rates for the short period.
  - TMB Smart 300 (300 Days)
  - TMB 444 (444 Days)

19. AWARDS / RATINGS OBTAINED BY THE BANK:

Your Bank has bagged the following awards during the year under review:

- The Bank has bagged Atal Pension Yojana (APY) award during the felicitation program & strategy review meeting conducted by PFRDA on 16th June 2023 at Chennai.
- The Bank has secured "2nd Best Bank award" under small bank category in emerging Asia banking awards 2022-23 conducted by Indian Chamber of Commerce (ICC), Kolkata.

External Rating:

During the financial year 2023-24, CRISIL renewed the rating for the Certificate of Deposit programme of the Bank as follows,

Instrument category	Ratings	Instrument
Long Term	CRISIL A+	₹15,000 crore Fixed Deposits
Short Term	CRISIL A1+	₹25,000 crore short term Fixed Deposits ₹1,000 crore Certificate of Deposits

20. RISK MANAGEMENT

Your Bank has a proactive approach towards Risk Management. Its risk philosophy involves developing and maintaining its banking activities within its risk appetite and regulatory framework.

The Risk Management Architecture of the Bank comprises of an Independent Risk Management Organizational structure at the corporate level, Risk Management Policies, Risk Measurement Tools and Risk Monitoring and Management Systems. The Bank has a well-defined risk appetite statement and all the banking functions are dovetailed to the risk appetite statement.

The Board of Directors of the Bank is primarily responsible for laying down risk parameters and establishing an integrated risk management and control mechanism. The Board of Directors is supported by a Sub-Committee of the Board known as the Risk Management Committee of the Board (RMCB), which in turn is aided by the Asset Liability Committee (ALCO), Credit Risk Management Committee of Executives (CRMCE) and Operational Risk Management Committee of Executives (ORMCE). The executive level Committees are headed by the MD & CEO of the Bank. The Bank's RMCB reviews its Risk Management policies and recommends to the Board for approval. The Board also sets out limits, taking into account the risk appetite of the Bank and the goals set.

The bank's liquidity ratios, i.e. LCR & NSFR are also above the minimum stipulated level indicating comfortable position with regard to liquidity risk.

Your Bank has been proactively conducting internal assessment of adequacy of capital, liquidity ratios and leverage ratios in accordance with Basel-III standards. The Bank's capital position is in compliance with Basel-III expectations and well above the minimum requirements.

21. BOARD OF DIRECTORS

The Bank's Board as on March 31st, 2024 comprises of 11 Directors and the composition of Board are given below:

S.No	Name	Sector Represented / Area of specialized knowledge
1	Shri S.Krishnan	Majority Sector - Banking
2	Shri A.Niranjan Sankar	Minority Sector
3	Shri S.R Ashok	Minority Sector
4	Shri D.N.Nirranjan Kani	Minority Sector
5	Shri B.Prabaharan	Minority Sector
6	Shri C.Chiranjeeviraj	Majority Sector – Accountancy as well as Finance
7	Smt S.Ezhil Jothi	Majority Sector – Corporate Law
8	Shri S.Ravindran	Majority Sector – Accountancy as well as Finance
9	Shri S.Sridharan	Majority Sector – Banking, economics and law
10	Shri S.B Suresh Kumar	Additional Director, RBI
11	Shri C S Ramkumar	Additional Director, RBI

All Directors, other than Managing Director and CEO, are non-executive Directors of the Board. The details of Directors are available in the Corporate Governance report, which forms part of this report.

The details of directors or key managerial personnel who were appointed or have resigned during the year is mentioned in the Corporate Governance Report.

22.THE STATEMENT OF DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

Your bank has received necessary declarations from all the Independent Directors under Section 149(7) read with Section 149(6) of the Companies Act, 2013 and Regulation 25(8) read with Regulation 16(1)(b) of the SEBI LODR, they meet the criteria of independence laid down thereunder.

23. WOMAN DIRECTOR

In terms of the provisions of Section 149 of the Companies Act, 2013, the Bank has appointed Tmt. S. Ezhil Jothi (DIN: 07772888) as Woman (Independent) Director on the Board of the Bank.

24. DETAILS OF SUBSIDIARIES AND ASSOCIATES

Your bank does not have any subsidiaries or Associates or Joint Ventures for the financial year ended March 31, 2024.

25. CHANGE IN THE NATURE OF BUSINESS

During the Financial year ended March 31, 2024, there is no change in the nature of business of the Bank.

26. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, it is hereby confirmed that:

(a) In the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Board of Directors have selected the accounting policies and applied them consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year 2023-24 and of the profit of the Bank for that period.

(c) The Board of Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;

(d) The Board of Directors have prepared the annual accounts for the financial year ended on March 31, 2024, on a going concern basis;

(e) The Board of Directors have laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and

(f) The Board of Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. DETAILS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the bank has not entered into any significant material transactions with related parties, which could lead to potential conflict of interest, other than transactions entered into in the ordinary course of business and at arm's length basis. Hence, the disclosure in Form AOC-2 is not applicable The policy on Related Party Transactions is placed on the Banks' website

www.tmb.in/pages/Regulatory-Policies

28. BOARD LEVEL PERFORMANCE EVALUATION

Pursuant to Section 134(3)(p) of the Companies Act, 2013 and Regulation 17 of SEBI LODR Regulations, 2015 and other applicable provisions, the Board has carried out annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The NRC has defined the evaluation criteria and procedure for the Performance Evaluation process for the Board, its Committees and Directors.

During the year under review, feedback was sought by way of structured questionnaires and evaluation was carried out based on various criteria and the responses received from the Directors.

The criteria for performance evaluation of the Board included aspects such as

1. Development of suitable strategies and business plans at appropriate time and its effectiveness
2. Implementation of robust policies and procedures
3. Size, structure and expertise of the Board
4. Oversight of the Financial Reporting Process, including Internal Controls
5. Willingness to spend time and effort to learn about the Company and its business and
6. Awareness about the latest developments in the areas such as corporate governance framework, financial reporting, industry and market conditions.

The criteria for performance evaluation of the Committees included aspects such as

1. Discharge of its functions and duties as per its terms of reference.
2. Process and procedures followed for discharging its functions
3. Effectiveness of suggestions and recommendations received
4. Size, structure and expertise of the Committee
5. Conduct of its meetings and procedures followed in this regard.

A separate peer review exercise was carried out to evaluate the performance of MD & CEO. The performance evaluation of the Chairman of the Board was not carried out, as we don't have a permanent Part Time Non – Executive Chairman.

Further, the Independent Directors, at their exclusive meeting held during the year on June 23, 2023, reviewed the performance of the MD & CEO.

29. BANK'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Bank has a Board approved Nomination and Remuneration Policy for appointment of Directors and Senior executives of the Bank.

The Bank also has a Board approved compensation policy which deals with the compensation & benefits of the Managing Director & CEO and senior executive of the Bank.

The remuneration of the MD & CEO is recommended by the Nomination & Remuneration Committee (NRC) to the Board for approval after considering the factors prescribed under the Compensation Policy. The Board considers the recommendations of NRC and approves the remuneration, modifications, subject to shareholders' and regulatory approvals.

The other non-executive directors are paid only sitting fees for attending the meetings of the Board and its Committees. None of the directors including the MD & CEO receives any profit linked remuneration. The sitting fees payable to the non-executive directors is ₹50,000/- for Board Meeting and ₹25,000/- for Committee Meetings for the year under review.

The terms and conditions of appointment of Independent Director are available on the Bank's website –
https://www.tmb.in/doc/2point.pdf

30. A STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

The details are available in the Corporate Governance Report.

31. BOARD/COMMITTEE MEETINGS

During the year under review, total 24 meetings of the Board and 87 meetings of the Committees of the Board were held. For details of the meeting of the Board and its Committees, please refer to the Corporate Governance report forming part of this report.

32. ANNUAL GENERAL MEETINGS

For the details of the Annual General Meetings, please refer to the Corporate Governance report forming part of this report.

33. COMPLIANCE FUNCTION

The bank has embraced compliance as a part of good governance and not for purely meeting the regulatory requirement. Hence, the Bank has institutionalized a strong compliance culture and mechanism across the organization, founded on the principles of transparency and trust by involving all the stakeholders. The Bank has a dedicated Compliance Department headed by General Manager, for ensuring regulatory and organization level compliance, across all its businesses and operations. The key functions of this department includes, dissemination of key regulatory updates affecting the various business verticals of the Bank, review of processes from a regulatory compliance perspective, provide guidance on compliance-related matters, among others.

34. COMPLIANCE WITH THE PROVISIONS OF COMPANIES ACT, 2013

The Bank has complied with all the provisions of the Companies Act, 2013 and the Rules made thereon, to the extent that are applicable to the Bank, except for two instances that the entry of Board Meeting in the Minutes book were made beyond the period of 30 days, pursuant to the provisions of Section 118 of Companies Act, 2013. The Bank is in the process of filing an Adjudication application before the Registrar of Companies, Chennai for the said violation.

35. INTERNAL AUDITORS

The Bank is required to appoint an internal auditor as per the requirements of Section 138 of the Companies Act, 2013, who should either be a chartered accountant or a cost accountant, or such other professional as may be decided by the Board to conduct internal audit on the functions and activities of the Bank.

The Bank has an internal audit department and it engages a practicing charted accountant as concurrent auditor to conduct the audit of the branches as per the Reserve Bank of India's guidelines.

The internal audit department of the bank conducts audit of the various departments and branches on a periodical basis and findings of the audit are being placed before the Audit Committee of the Board. Considering the above, the Bank has not appointed any third party internal auditor as mandated under section 138 and rule 13 of Companies (Accounts) Rules, 2014 to conduct internal audit of the branches and various department of the Bank

36. STATUTORY AUDITORS

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with Section 30(1A) of the Banking Regulation Act, 1949, the Board of Directors have recommended the appointment of M/s.Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration No. 004207S) and M/s. Chandran & Raman, Chartered Accountants, Chennai (Firm Registration No. 000571S) as the Joint Statutory Central Auditors of the Bank for the financial year 2024-25. The Reserve Bank of India vide its letter dated 26/06/2024 has approved the same, subject to the approval of members at the Annual General Meeting.

The proposed Auditors have confirmed their eligibility to be so appointed in terms of Section 141 of Companies Act, 2013.

37. COMMENTS ON AUDITORS' REPORT

The Notes on Accounts and the Significant Accounting Policies referred to in the Auditor's Report and forming part of the annual accounts and the references made by the Auditors in their Report are self-explanatory. The Auditors have not made any observations or adverse comments warranting any explanation on the part of the Board as referred to in Section 134 (3) (f) of the Companies Act, 2013.

38. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS

During the year under review, the Auditors have reported one instance of fraud committed in the Bank by its officers or employees to the Audit Committee of the Board under section 143 (12) of the Companies Act, 2013

39. SECRETARIAL AUDIT

The Bank had appointed M/s. M.Alagar & Associates, Practicing Company Secretaries, Chennai, as the Secretarial Auditor to conduct the Secretarial Audit of the Bank for the FY 2023-24. The report of the Secretarial Auditor is enclosed as **Annexure 1.**

The Secretarial Auditor has made the following observations and your directors would like to submit the response to the observations as below;

1. It is observed that the Bank has not appointed part time Non- Executive Chairperson (PTC) in compliance with Section 10B of Banking Regulation Act 1949.

The Comments made by the Secretarial Auditor are self-explanatory in nature and does not require separate response from the Bank.

2. During the Audit period, we observed that in two instances that the entry of Board Meeting in the minute's book were made beyond the period of 30 days.

Your Bank is in the process of filling an Adjudication application before the Registrar of Companies, Chennai for the said violation.

3. We observed that the Bank has not transferred the shares and dividends pertaining to final (financial year 2009-13) and interim dividend (2nd Interim 2015-16 and 1st Interim 2016-17) to the Fund in respect of which dividend has not been paid or claimed for Seven consecutive years or more, as required under Section 124 (6) of the Companies Act, 2013 and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Further, during our audit we were informed that based on instructions from the directors the matter was referred to RBI for their guidance.

The Comments made by the Secretarial Auditor are self-explanatory in nature and does not require separate response from the Bank.

4. The Reserve Bank of India (RBI) vide its letter dated March 19, 2024, imposed a monetary penalty amounting to Rs.1,31,80,000/- for the following non-compliances (i) Failure to benchmark the interest rate on certain floating rate loans to MSMEs to an external benchmark lending rate; (ii) Adoption of multiple benchmarks within the same loan category; (iii) Failure to price certain floating rate loans with reference to actual benchmark rate applicable to those loans and (iv) False reporting of external rating of certain borrowers to CRILC, However the bank has made the payment of Rs. 1,31,80,000/- against the alleged non-compliance on March 28, 2024.

Your Bank has taken necessary steps to ensure compliance with regulatory guidelines as amended from time to time and implemented SOPs to avoid such instances in future. Your Bank strives for adopting the best corporate governance practices.

40. ANNUAL SECRETARIAL COMPLIANCE REPORT:

The Bank has undertaken an audit for the Financial Year ended March 31, 2024 for all applicable compliances as per SEBI Listing Regulations and Circulars / Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by M/s. M.Alagar & Associates, Practicing Company Secretaries, Chennai, has been submitted to the Stock Exchanges and is enclosed as **Annexure 2** to this Directors' Report.

41. COMPLIANCE TO SECRETARIAL STANDARDS

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and adopted by MCA have been complied by the Bank except for the instance mentioned in point no.39.

42. FUNDING SOURCES OF RENEWABLE ENERGY (CONSERVATION OF ENERGY)

The Bank has been supporting and financing various activities for development of alternative energy generation. The Bank recognizes wind and solar energy as main sources of best renewable and pollution free energy throughout the year and considers funding these initiatives as its contribution towards the worldwide effort against global warming. Accordingly, bank encourages setting up of solar panels by financing solar energy generation plants. The Bank has also taken various steps to conserve energy in its own premises, by establishing solar plant in 18 branches.

43. CORPORATE SOCIAL RESPONSIBILITY

The Bank has constituted a Corporate Social Responsibility (CSR) Committee and has also adopted a CSR Policy. The CSR Policy is available on the Bank's website. The disclosure in respect of the CSR activities of the Bank as required to be made as per the Companies (Corporate Social Responsibility) Rules, 2014 is given in **Annexure 3.**

As per Section 135 of the Companies Act 2013 and Rules thereunder, the total amount to be spent is ₹22.10 crores for the Corporate Social Responsibility activities for the financial year 2023-24 and the bank has spent ₹22.10 crores.

44. ANNUAL RETURN

Annual Return Pursuant to provision of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the Annual Return as at March 31, 2024 is available in the Bank's website. The same can be accessed at **https://www.tmb.in/pages/Annual-Return.**

45. DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Bank has zero tolerance towards any act on the part of any executive / employee which may fall under the ambit of 'Sexual Harassment' at workplace and is fully committed to uphold and maintain the dignity of every woman working in the Bank. The Policy provides for prevention and protection against sexual harassment of women at workplace and for redressal of such complaints. All the employees (permanent, contractual, temporary or trainee) are covered under this policy. Your Bank has constituted internal committee for redressal of complaints under the PoSH Act, 2013.

Number of complaints pending as at the beginning of the financial year - Nil

Number of complaints filed during the financial year - Nil

Number of complaints pending as at the end of the financial year - Nil.

46. TRANSFER OF EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) AUTHORITY / UNCLAIMED DIVIDENDS.

The details of the equity shares / unclaimed Dividends transferred to Investor Education and Protection Fund (IEPF) Authority are available in the Corporate Governance report forming part of this report.

47. STRICTURES AND PENALTIES

During the year under review, the following penalties were imposed on the Bank:

1. RBI has imposed penalty of ₹1,90,000/- under the scheme of penalty for Non-replenishment of ATM.

2. Based on the supervisory findings, emanated from the statutory inspections for Supervisory Evaluation (ISE) for the Financial Year 2022, RBI vide its letter dated March 19, 2024, imposed a monetary penalty amounting to Rs.1,31,80,000/- on the Bank, for non-compliance with certain directions issued by RBI. The said penalty amount was paid by the Bank on March 28, 2024.

48. REQUIREMENT FOR MAINTENANCE OF COST RECORDS

The cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013, are not required to be maintained by the Bank.

49. MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion & Analysis as required under the Listing Regulations is enclosed as **Annexure 4,** forming part of this Report.

50. PARTICULARS OF EMPLOYEES AND REMUNERATION:

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure 5** which forms part of this Report.

51. CORPORATE GOVERNANCE REPORT AND CERTIFICATE:

Your Bank is committed to follow the best practice of corporate governance to protect the interest of all the stakeholders of the Bank, viz. shareholders, depositors and other customers, employees and the society in general and maintain transparency at all levels.

As required under Regulation 34 (3) read with Schedule V (C) of the Listing Regulations, a report on Corporate Governance and the certificate as required under Schedule V (E) of the

Listing Regulations from M/s. M.Alagar & Associates, Practicing Company Secretaries, Chennai, regarding compliance of conditions of Corporate Governance are given in **Annexure 6 and Annexure 7** respectively, forming part of this report.

52. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

The 'Business Responsibility and Sustainability Report' (BRSR) of your Bank for the Financial Year ended March 31, 2024 is attached as **Annexure 8** as required under Regulation 34(2)(f) of the Listing Regulations. Your Bank continues to execute strong ESG proposition by working with all relevant stakeholders as well as in its own operations.

53. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE BANK FROM THE END OF THE FINANCIAL YEAR AND TILL THE DATE OF THIS REPORT

There are no material changes and commitments affecting the financial position of the bank.

54. THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND BANK OPERATIONS IN FUTURE

During the Financial Year 2023-24, no significant and material orders were passed by the Regulators or Courts or Tribunals against the Bank which impacts its going concern status and Bank's operations in future.

55. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

Being Banking Company, the aforesaid provision is not applicable to your bank.

56. INSIDER TRADING COMPLIANCES

In compliance with the SEBI (prohibition of Insider Trading) Regulations, 2015, as amended, your bank has a comprehensive "Code of Conduct for prevention of Insider Trading" which lays down guidelines and procedures to be followed and disclosures to be made while dealing in securities of the Bank

57. ACKNOWLEDGMENT

The Board acknowledges and places on record its appreciation for the valuable patronage, co-operation and goodwill received by your Bank from customers, fellow bankers, financial institutions and Non-Resident Indians. The continued support and co-operation of the employees and customers have been a constant source of strength for the Bank in all its endeavours.

The Board also acknowledges and places on record its gratitude to Reserve Bank of India, SEBI, NSE, BSE and other regulatory authorities, the Government of India and State Governments for their continued guidance and support.

The staff members of the Bank have been working with dedication and deep commitment. Teamwork at every level, well supported by appropriate technology architecture, has been the hallmark of the Bank's performance. The Board places on record its appreciation for the excellent contribution made by each and every member of the staff, who has made our achievements possible through the years, and is confident that such contribution from the staff will continue in the coming years.

58. CONCLUSION

This year has been a very momentous year for the Bank. The Bank has celebrated its 102nd year of existence, which in itself is a wonderful achievement.

Banks in general and your Bank in particular are ready to support the MSME sector by implementing the schemes introduced by the government and the regulator. The Bank has moved cautiously forward in growing its business and ensuring that the Bank reports good financials.

Your Bank looks to the future with great hope and confidence born out from the fact that the Bank has weathered many storms in its journey of hundred years and with the experience gained, will be able to look forward to the next 100 years with renewed strength, stemming from the trust of the customers and protected by the loyalty of its staff.

Place : Thoothukudi
Date : August 29, 2024

For and on behalf of the Board of Directors

Sd/-
Salee S Nair
MD & CEO

Sd/-
Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members
Tamilnad Mercantile Bank Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Tamilnad Mercantile Bank Limited** having CIN **L65110TN1921PLC001908** and having registered office at 57,Victoria Extension Road, Thoothukudi - 628002 (hereinafter referred to as 'the Bank'), produced before us by the Bank for the purpose of issuing this Certificate, in accordance with **Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal http://www.mca.gov.in/) as considered necessary and explanations furnished to us by the Bank & its officers, **we hereby certify that none of the Directors on the Board of the Bank as stated below for the financial year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Company** by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

S. No.	DIN	Name	Designation	Date of appointment/ Re-appointment
1.	07261965	Mr. Krishnan S	Executive Director, Managing Director	04/09/2022
2.	00084014	Mr. Niranjan Sankar Annamalai	Non-Executive - Non Independent Director	28/10/2020
3.	07933713	Mr. Ashok S.R	Non-Executive - Non Independent Director	28/10/2020
4.	08730382	Mr. Chiranjeeviraj C	Non-Executive - Independent Director	16/07/2021
5.	07772888	Mrs S. Ezhil Jothi	Non-Executive - Independent Director	16/07/2021
6.	09777115	Mr. Ramkumar C.S	Non-Executive - Nominee Director	04/10/2022
7.	00455352	Mr. Nirranjan Kani D.N	Non-Executive - Non Independent Director	28/10/2020
8.	00209875	Mr. Prabaharan B	Non-Executive - Independent Director	03/08/2021

9.	08914364	Mr.Suresh Kumar S.B	Non-Executive - Nominee Director	11/09/2020
10.	09778966	Mr.Ravindran S*	Non-Executive - Independent Director	03/08/2023

*During the financial year Mr.Ravindran S (DIN: 09778966) was resigned from the bank with effect from 31/03/2024.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For M. Alagar & Associates
(Practising Company Secretaries)
Peer Review Certificate No:1707/2022

Sd/-
M. Alagar
Managing Partner
FCS No. 7488
CoP No. 8196
UDIN: F007488F000626172

Place: Chennai
Date: June 27, 2024

ANNEXURE -1

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Tamilnad Mercantile Bank Limited
57, Victoria Extension Road,
Thoothukudi - 628002

We have conducted the Secretarial Audit in compliance of applicable statutory provisions and the adherence to good corporate practices by **Tamilnad Mercantile Bank Limited** herein after called **("the Company").** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2024 **("Audit Period")** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **"the Company"** for the Financial Year ended March 31, 2024 according to the provisions of:

1. The Companies Act, 2013 ('Act') and the rules made thereunder, as amended from time to time including applicable Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and as mandated by the Companies Act, 2013.

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, as amended from time to time;

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, as amended from time to time;

4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as amended from time to time;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as amended from time to time:-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

(f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(There were no events requiring compliance during the audit period)** and

(i) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 **(There were no events requiring compliance during the audit period)**

6. With regard to specific laws and regulation applicable (Industry Specific Laws) to the Bank, based on representation made by audit officers of the Bank, we report that the compliance system, process and mechanism prevailing in the Bank for the compliance of specific laws, labour and employment is adequate. A list of industry specific laws as provided by the management is appended hereunder.

(a) Banking Regulation Act, 1949 read with rules made thereunder;

(b) Reserve Bank of India, 1934 read with circulars, notifications & rules made thereunder;

(c) Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(d) The Bankers Book Evidence Act, 1891;

(e) Banking Companies Rules, 1949;

(f) Prevention of Money Laundering Act, 2002 read with rules made thereunder;

(g) Information Technology Act, 2000 and;

(h) The Sexual Harrasment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc., mentioned above except to the extent as mentioned below.

1. It is observed that the Bank has not appointed part time Non- Executive Chairperson (PTC) in compliance with Section 10B of Banking Regulation Act 1949.

We understand that initially on 20.11.2020, the Bank had sent the proposal for appointment of Mr. A. Niranjan Sankar, Director, as part time non-executive Chairman of the Bank, which was declined by Reserve Bank of India vide their letter dated 30th April 2021 advising the Bank to send the proposal for appointment of an independent part-time Chairman.

Later, on 05.08.2021, the Bank had sent the revised proposal for appointment of Mr. B. Prabaharan, Independent Director, as part time non-executive Chairman of the Bank, which was declined by Reserve Bank of India vide their letter dated 11th November 2021 stating that the Fit and Proper Criteria was not satisfied. Again on 20.08.2022, the Bank has sent its proposal to RBI for appointment of Mr. B. Vijayadurai, Independent Director, as part time non-executive Chairman of the Bank. However, the same was declined by Reserve Bank of India vide their letter DOR.GOV.No. S3893/08.55.001/2022-23 dated September 19, 2022, quoting that the same has not been found "Fit & Proper". On 08.02.2023, RBI advised the Bank to submit the fresh proposal for appointment of PTC within three months from the date of receipt of the letter and in response bank had requested RBI to permit till the completion of AGM pertaining to financial year 2022-23 for submission of fresh proposal for PTC.

On August 04, 2023, the Bank has requested RBI to consider Mr. S. Ravindran for the post of Part-time Chairman of the Bank. Subsequently RBI vide their letter DOR.GOV.No. S6920/08.37.001/2023-24 dated February 29, 2024 has approved the appointment of Mr. S. Ravindran (DIN: 09778966) as the Part-time Chairman of the Bank, with effect from February 29, 2024 till August 2, 2026 subject to stepping down from the post of directorships in M/s. Shriram Finance Limited and M/s. Bandhan AMC Limited, prior to assuming charge as the Part-time Chairman of the Bank. However, Mr. S. Ravindran has resigned from the post of directorship w.e.f March 31, 2024 due to his personal commitments. Currently the Bank doesn't have a whole-time or part-time chairman on its Board. Further, we were informed that the Bank is in the process of identifying suitable candidates for appointment of Independent Directors and subsequent to the appointment the candidates will be proposed for appointment of part time non-executive Chairman of the Bank subject to approval of the RBI.

2. During the Audit period, we observed that in two instances that the entry of Board Meeting in the minute's book were made beyond the period of 30 days. Further, we observed that the Company has received two notices from the Registrar of Companies in this regard and the Company has provided / submitted response to the said notices.

3. We observed that the Bank has not transferred the shares and dividends pertaining to final (financial year 2009-13) and interim dividend (2nd Interim 2015-16 and 1st Interim 2016-17) to the Fund in respect of which dividend has not been paid or claimed for Seven consecutive years or more, as required under Section 124 (6) of the Companies Act, 2013 and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Further, during our audit we were informed that based on instructions from the directors the matter was referred to RBI for their guidance.

4. The Reserve Bank of India (RBI) vide its letter dated March 19, 2024, imposed a monetary penalty amounting to Rs.1,31,80,000/- for the following non-compliances (i) Failure to benchmark the interest rate on certain floating rate loans to MSMEs to an external benchmark lending rate; (ii) Adoption of multiple benchmarks within the same loan category; (iii) Failure to price certain floating rate loans with reference to actual benchmark rate applicable to those loans and (iv) False reporting of external rating of certain borrowers to CRILC, However the bank has made the payment of Rs. 1,31,80,000/- against the alleged non-compliance on March 28, 2024

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to them at least seven days in advance or as the case may be, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, except the events listed below no other events occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards and that the Company has complied with such of those relevant clauses thereto which are applicable:

i. The company has declared final dividend amounting to ₹5/- per equity share having face value of ₹10/- each on 5th of September, 2023.

ii. Shri.S.Krishnan (DIN: 07261965), Managing Director and CEO of the Bank has tendered his resignation citing personal reasons vide letter dated September 28, 2023 and same was accepted by the Board of directors of the bank in their meeting held on September 28, 2023. However, RBI vide its letter dated 05.10.2023, has communicated to the bank that Shri.S.Krishnan shall continue to be the Managing Director and CEO of the Bank, in terms of Section 10B (5A) of the Banking Regulation Act, 1949, till his successor assumes office.

For M. Alagar & Associates
(Practising Company Secretaries)
Peer Review Certificate No:1707/2022

Sd/-
M. Alagar
Managing Partner
FCS No: 7488
COP No: 8196
UDIN: F007488F000475307

Place: Chennai
Date: May 29, 2024

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE - A

ANNEXURE TO SECRETARIAL AUDIT REPORT

To
The Members
Tamilnad Mercantile Bank Limited

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M. Alagar & Associates
Practising Company Secretaries
Peer Review Certificate No:1707/2022

Sd/-
M. Alagar
Managing Partner
FCS No: 7488
COP No: 8196
UDIN: F007488F000475307

Place: Chennai
Date: May 29, 2024

Annexure - 2

Secretarial Compliance Report of Tamilnad Mercantile Bank Limited for the financial year ended March 31, 2024

[Pursuant to Regulation 24A (2) of SEBI (LODR) Regulations, 2015 as amended from time to time]

We, **M. Alagar & Associates** have examined:

a) all the documents and records made available to us and explanation provided by Tamilnad Mercantile Bank Limited ("the listed entity")

b) the filings/ submissions made by the listed entity to the stock exchanges

c) website of the listed entity

d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **March 31, 2024 ("Review Period")** in respect of compliance with the provisions of:

a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI")

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, includes:

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

e) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

f) Securities and Exchange Board of India (Registrar to an issue and Share Transfer Agents) Regulations, 1993;

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder were not applicable to the Company, since there were no events required specific compliance during the audit period:

a) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

b) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

c) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

And based on the above examination, we hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

S.No	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by Practicing Company Secretary
1.	**Secretarial Standards** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	No	During our Audit period, we observed in two instances that the entry of Board Meeting in the Minutes book were made beyond the period of 30 days.
2.	**Adoption and timely updation of the Policies:** • All applicable policies under SEBI Regulations are adopted with the approval of Board of Directors of the listed entities.	Yes	None
	• All the policies are in conformity with SEBI Regulations and has been reviewed & updated on time, as per the regulations/ circulars/guidelines issued by SEBI.	Yes	None
3.	**Maintenance and disclosures on Website:** • The Listed entity is maintaining a functional website	Yes	None
	• Timely dissemination of the documents/ information under a separate section on the website	Yes	None
	• Web-links provided in Annual Corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website	Yes	None
4.	**Disqualification of Director:** None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	None
5.	**Details related to Subsidiaries of listed entities have been examined w.r.t.:** (a) Identification of material subsidiary companies	NA	None
	(b) Disclosure requirement of material as well as other subsidiaries	NA	None

S.No	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by Practicing Company Secretary
6.	**Preservation of Documents:** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	None
7.	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/ during the financial as prescribed in SEBI Regulations.	Yes	None
8.	**Related Party Transactions:** (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions.	NA	None
	(b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved /ratified / rejected by the Audit committee, in case no prior approval has been obtained.	NA	None
9.	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	None
10.	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	None
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	None
12.	**Resignation of statutory auditors from the listed entity or its material subsidiaries:** In case of resignation of statutory auditor from	**NA**	**None**

S.No	Particulars	Compliance status (Yes/No/NA) Company Secretary	Observations/ Remarks by Practicing
	the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.		
13.	**Additional non-compliances, if any:** No additional non- compliance observed for any SEBI regulation/circular/guidance note etc.	Yes	None

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

S. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action Advisory/ Clarification/ Fine/SCN/ Warning, etc.	Details of Violation	Fine Amt	Observations/ Remarks of the PCS	Management Response	Remarks
Not Applicable										
Not applicable- The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued										

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

S. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended (the years are to be mentioned)	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
Not Applicable						
No such observations were made in the previous reports in the above Regulations and circulars/ guidelines issued thereunder; hence no actions were required to be undertaken. *There were observations on certain non-compliance under the Banking Regulations Act by the Bank in the previous year's report. The scope of annual secretarial compliance report is limited to SEBI Regulations and Secretarial Standards and circulars/ guidelines issued thereunder. Hence, the status of non-compliance under the Banking Regulations Act, if any is not updated / reported hereunder.						

ASSUMPTIONS & LIMITATION OF SCOPE AND REVIEW:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.

2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.

3. We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.

4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For M. Alagar & Associates
Practising Company Secretaries
Peer Review Certificate No:1707/2022

Sd/-
D.Saravanan
Partner
ACS No: 60177/ COP No: 22608
UDIN:A060177F000483754

Place: Chennai
Date: May 29, 2024

ANNEXURE - 3

Annual Report on CSR Activities

1. A brief outline of the Bank's CSR policy:

The CSR Policy of the bank outlines the type and scope of activities to be undertaken as part of the Bank's commitment towards contributing to the overall progress of the society, people and the environment while aligning the same with the general policy prescriptions of the Government of India in the matter of growth and development. It also aims at complying with the requirements of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 and allied notifications issued by the Government of India.

The specific activities to be undertaken by the Bank within the parameters as specified in Schedule VII of the Companies Act, 2013 are as follows:

i. Financial inclusion – to cover under clause (ii) of Schedule VII,

ii. Provision of solar powered street lights – to cover under clauses (iv) and (x)

iii. Provision of food to orphanages/old age homes - clause (i)

iv. Planting of trees/saplings – clause (iv)

v. Donations to schools, vocational institutions etc. – clauses (ii) and (iii)

vi. Organising blood donation camps, eye testing camps etc. – clause (i)

vii. Donating bicycles, sewing machines etc. – clause (ii)

viii. Setting up a library for the public – clause (v)

ix. Providing RO plants to schools, old age homes etc. – clause (i)

x. Construction of toilets etc. – clause (i)

xi. Training centre for promotion of nationally recognised sports – clause (vii)

xii. A vocational training/empowerment/skill building institute in the line of RSETI (Rural Self Employment Training Institute) or so could be started by the Bank for imparting training to various sections of people in the society especially rural youth and women. Providing financial assistance to ITIs also could be considered – clause (ii)

xiii. Setting up bore-wells, water treatment plants, fresh water disposal plants including RO plants etc. in villages, schools etc. – clause (i).

xiv. Developing rural market places– clause (iii), (x) and (xi)

xv. Provision of infrastructure and aiding machinery for differently abled people, like wheel chairs, cycles, ramps etc. – clause (ii) and (iii)

xvi. Electrification of villages, especially through solar energy – clause (x)

xvii. Healthcare and sanitation facilities for villagers especially womenfolk– clause (i)

xviii. Provision of free medical camps, medical consultancy, clinics etc. – clause (i)

xix. Setting up of creches and day care centres¬– clause (iii)

xx. Providing ambulances– clause (i)

xxi. Providing financial assistance for fees, maintenance expenses and provision of various amenities to the schools and charitable trusts meant for the specially abled/differently abled/ mentally unsound children– clause (ii).

xxii. Any other activities as may be decided by the Board / Committee from time to time.

2. **Composition of CSR Committee:**

S.No	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri.S.Krishnan#	MD & CEO	5	5
2.	Dr.S.R.Ashok	Director	5	5
3.	Shri.B.Prabaharan	Independent Director	5	5
4.	Shri.A.Niranjan Sankar	Director	5	5
5.	Shri.D.N.Nirranjan Kani	Director	5	5
6.	Shri.B.Vijayadurai*	Independent Director	3	3

(#)- Resigned and relieved on 07.06.2024.

(*)- Tenure ended on 28.02.2024

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company

Composition of the CSR committee shared above and is disclosed in the Corporate Governance Report. The web-link to access CSR Policy and CSR projects are given below.

CSR Policy : https://www.tmb.in/regulatory-policies.aspx

CSR Projects : https://tmb.in/corporate-social-responsibility-csr.aspx

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).: NA

There are no projects undertaken during the reporting period, for which the impact assessment report is applicable.

5. (a) Computation of average net profit of the company as per section 135(5) :

Particulars	31.03.2023	31.03.2022	31.03.2021
Net Profit After Tax for the year as per Profit and Loss Account	1029,25,90,538.35	821,90,88,153.52	603,32,92,406.27
Less: Deductions as per sub-section (3) of section 198	Nil	Nil	Nil
Add: Additions as per sub-section (5) of section 198 – of the Companies Act, 2013	363,32,30,540.00	302,70,23,168.00	195,02,73,688.00
Less: Dividend Received from Companies who complied with CSR Activites as per CSR Rules	9,82,500.00	21,17,096.16	24,06,265.55

Particulars	31.03.2021	31.03.2021	31.03.2021
Net Profit for the year as per section 198	1392,48,38,578.35	1124,39,94,225.36	798,11,59,828.72
Average Net Profit for the last 3 years	1104,99,97,544.14		
2% of the average net profit to be spent towards CSR	**22,09,99,951.00**		

(b) Two percent of average net profit of the company as per section 135 (5): ₹2210.00 lakh

(c) Surplus arising out of the CSR projects or programmes or activities of the previous Financial years: Nil

(d) Amount required to be set off for the financial year if any: NA

(e) Total CSR obligation for the financial year:[(b)+(c) - (d)] ₹2210.00 lakh

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)

Rs. in crores

S. No.	Name of the project	Items from the list of activities in Schedule VII of to the Act	Local area Yes/ No	Location of the project		Project Duration	Amount allocated to the project	Amount spent in the current financial year	Amount transferred to unspent CSR amount for the project as per section 135(6)	Mode of implementation – Direct Yes / No	Mode of implementation through implementing agency	
				State	District						Name	CSR registration number
1.	TMB Foundation Training Institute	Clause (ii)	Yes	TN	Madurai	3 years	18.11	18.11	-	No	TMB Foundation	CSR00000375

Details of CSR amount spent against other than ongoing projects for the financial year

S. No.	Name of the project	Items from the list of activities in Schedule VII of the Act	Local area Yes/ No	Location of the project		Amount spent in the current financial year	Mode of implementation through Direct Yes/ No	Mode of implementation through implementing agency	
				State	District			Name	CSR registration number
1.	Providing RO plants to schools, old age home etc.	Clause (i)	Yes	Tamil nadu	Multiple Districts	1,45,000.00	Direct	-	-
2.	Construction of toilets etc.	Clause (i)	Yes	Tamil nadu	Multiple Districts	67,71,000.00	Direct	-	-
3.	Protection of National Heritage, art and culture	Clause (v)	Yes	Tamil Nadu	Thoothu kudi	9,47,020.00	Direct	-	-
4.	Healthcare and sanitation facilities	Clause (i)	Yes	Tamil Nadu West Bengal	Multiple Districts	33,40,834.00	Direct	-	-
5.	Provision of free clinics, medical consultancy etc	Clause (I)	Yes	Tamil Nadu	Multiple Districts	32,58,400.00	Direct	-	-
6.	CSR Donations to schools for setting up various facilities	Clause (ii)	Yes	Tamil Nadu	Multiple Districts	1,51,61,254.00	Direct	-	-
7.	Setting up of homes and hostel for women and orphans, old age homes etc	Clause (iii)	Yes	Tamil Nadu	Multiple Districts	30,23,761.00	Direct	-	-
8.	Provision of infrastructure and aiding	Clause (iii)	Yes	Tamil Nadu	Multiple Districts	15,56,686.00	Direct	-	-

S. No.	Name of the project	Items from the list of activities	Local area Yes/ No	Location of the project		Amount spent in the current financial year	Mode of implementation through Direct Yes/ No	Mode of implementation through implementing agency	
				State	District			Name	CSR registration number
	machinery for differently abled people								
9.	Setting up a library for the public	Clause (v)	Yes	Tamil Nadu	Multiple Districts	5,99,688.00	Direct	-	-
10.	Providing financial assistance to Charitable trusts meant for the differently abled etc	Clause (ii)	Yes	Tamil Nadu	Multiple Districts	8,00,000.00	Direct	-	-
11.	Providing education, employment enhancing vocational skills	Clause (ii)	Yes	Tamil Nadu	Multiple Districts	27,31,500.00	Direct	-	-
12.	Planting of trees / saplings	Clause (iv)	Yes	Tamil Nadu	Multiple Districts	96,000.00	Direct	-	-
13.	Providing training to promote rural sports nationally recognised	Clause (vii)	Yes	Tamil Nadu	Multiple Districts	15,00,000.00	Direct	-	-
					Total	3,99,31,143.00			

(b) Amount spent in administrative overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: NIL

(d) Total amount spent for the Financial Year: [(a)+(b)+(c)] ₹ 2210.31 lakh

(e) Excess amount for set off, if any

(₹in lakh)

S.No.	Particular	Amount
(i)	Two percent of average net profit of the company as per section 135 (5)	2210.00
(ii)	Total amount spent for the Financial Year	2210.31
(iii)	Excess amount for the financial year {(ii) – (i)}	0.31
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years {(iii – iv)}	0.31

7. Details of unspent CSR amount for the proceeding three financial years:

(₹in lakh)

S.No	Proceeding Financial Year	Amount transferred to unspent CSR account under section 135 (6)	Amount spent in the reporting financial year	Amount transferred to any fund specified under schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the fund	Amount	Date of Transfer	
NA							

8. In case of creating or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise detail)

Yes, capital assets have been created or acquired in the name of the intermediary (TMB Foundation) through CSR, spent in the Financial Year 2023-24.

(a) Date of creation or acquisition of the capital asset(s):	16/03/2022
(b) Amount of CSR spent for creation or acquisition of capital asset:	Rs.18.11 Crores
(c) Details of entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.,:	TMB Foundation
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):	Vacant land acquired to the extent of 1.0899 acres at Thirumangalam taluka, Dharumathupatti, Kappalur, Madurai for the purpose of

	construction of Vocational Training Institute to educate unemployed youths under CSR activity

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): NA

Sd/-
A.Niranjan Sankar
Chairman of CSR Committee

ANNEXURE -4

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(A) INDUSTRY STRUCTURE AND DEVELOPMENTS.

GLOBAL ECONOMY

RATE HIKES & INFLATION:

The global economic outlook remains beset by multiple headwinds: inflation persisting above target with the pace of disinflation losing momentum; elevated public debt in major systemic economies and their repercussions on the global economy in the case of disorderly adjustments; financial stability risks from the higher for longer interest rates scenario; protracted geopolitical tensions; inefficiencies from geoeconomic fragmentation; and accentuated climate shocks. The global economy is projected to grow by 3.2 per cent each in 2024 as well as in 2025, the same pace as in the preceding year. Growth in the AEs at 1.7 per cent in 2024 is projected to be marginally higher than that of 1.6 per cent a year ago. Emerging market and developing economies (EMDEs) are projected to expand at 4.2 per cent, below 4.3 per cent a year ago.

Aided by restrictive monetary policy stances and lower international commodity prices, global inflation is projected to moderate from 6.8 per cent in 2023 to 5.9 per cent in 2024 and 4.5 per cent in 2025. The last mile of disinflation is, however, turning out to be challenging, as stated earlier. Recurrent supply shocks from adverse climate events and geopolitical hostilities pose upside risks to the disinflation process. Central banks in major AEs expect inflation to approach targets gradually and have accordingly indicated rate cuts beginning this year. Upward inflation surprises in the recent prints are, however, leading to a continuous repricing in market expectations and generating significant volatility in key financial market segments - currency, bonds and equities. Elevated financial market volatility and swings in capital flows add to macroeconomic and financial stability challenges faced by EMDEs.

DOMESTIC ECONOMY

Domestic economic activity remained robust in H2:2023-24, weathering challenges from muted global demand. Fixed investment and the lower drag from net external demand propelled real GDP growth, while private consumption received support from steady urban demand. On the supply side, manufacturing activity strengthened further, benefitting from lower input costs and improvement in global supply chains. Construction activity remained firm on the back of buoyant housing demand and the Government's thrust on infrastructure. Going ahead, private consumption will get support from improved prospects for rural demand and rising consumer confidence. The Government's continued emphasis on infrastructure creation, coupled with an uptick in private corporate investment and buoyant business optimism, could nurture a sustained revival in investment cycle, which augurs well for boosting productivity and growth in the economy. The impact of a lower fiscal impulse on growth could be offset by higher growth inducing capital expenditure. The medium and long-term growth potential of the economy is rising, propelled by structural drivers like improving physical infrastructure; development of world class digital and payments technology; ease of doing business; enhanced labour force participation; and improved quality of fiscal spending.

BANKING SECTOR:

The outlook for the Indian economy remains bright, underpinned by a sustained strengthening of macroeconomic fundamentals, robust financial and corporate sectors and a resilient external sector. The government's continued thrust on capex while pursuing fiscal consolidation, and consumer and business optimism augur well for investment and consumption demand.

Capital and asset quality of banks and NBFCs remain healthy, supporting the growth in bank credit and domestic activity. Pre-emptive regulatory measures aimed at curbing excessive consumer lending and bank lending to NBFCs, and investments in alternate investment funds (AIFs) are expected to contain the build-up of potential stress in balance sheets of financial intermediaries and contribute to financial stability. While domestic banks and NBFCs have exhibited resilience amidst global uncertainties, recent events underscore the importance of vigilant risk management. Considering the dynamic nature of the interest rate risk, banks may have to address both trading and banking book risks, **especially in the light of moderating NIM**. On the liabilities side, it is imperative to focus on diversification of deposit sources as **reliance on bulk deposits heightens sensitivity to interest rate fluctuations**. Additionally, climate-related financial risks and the consequent micro and macro- prudential concerns necessitate a robust framework to identify, assess and manage such risks. Accordingly, the Reserve Bank is striving to make its regulations more principle-based, activity-oriented and proportionate to the scale of systemic risk, rather than entity-oriented.

Digital payments would be shaped through the pillars of integrity, inclusion, innovation, institutionalisation and internationalisation. India is poised to actively contribute to the sharing of knowledge regarding Digital Public Infrastructures, facilitating the creation of similar frameworks in other emerging nations. Furthermore, forward looking initiatives such as the establishment of a cloud facility for the Indian financial sector and the creation of a FinTech repository are expected to enhance operational efficiency, reduce complexity, and promote financial innovations.

The Reserve Bank would continue with its focus on ensuring availability of banking services to all sections of society across the country and strengthening the credit delivery system to cater to the needs of productive sectors of the economy, particularly agriculture, and micro and small enterprises. During 2024-25, the Reserve Bank would also review the priority sector lending guidelines and work towards formulation of the next iteration of the National Strategy for Financial Inclusion (NSFI) for the period 2025-30.

PERFORMANCE HIGHLIGHTS OF THE BANK

- The Bank's Savings portfolio crosses ₹10,000 crores.
- The Bank has opened 22 new branches during the FY2024.
- The Bank's total business has increased to ₹89,485 crore from ₹85,438 crore Y-o-Y.
- The Bank's Gross advances has increased to ₹39,970 crore from ₹37,582 crore Y-o-Y.
- Book value of share has increased to ₹500 from ₹438 Y-o-Y.
- Net profit has surged to ₹1,072 crore from ₹1,029 crore Y-o-Y.
- Interest Income has improved to ₹4,848 crore from ₹4,081 crore Y-o-Y.
- Total Income has moved to ₹5,493 crore from ₹4,710 crore Y-o-Y.
- The RAM (Retail, Agri & MSME advances) segment has increased to 91% from 87% Y-o-Y.
- The CRAR% has increased to 29.37% from 26.26% Y-o-Y.
- Total SMA to Gross Advances has reduced to 3.97% from 6.51% Y-o-Y.
- Stressed Assets ratio has decreased to 2.70% from 3.18% Y-o-Y.
- The Bank's Net worth increased to ₹7,921 crores (PY ₹6,928 crores) with an absolute rise of ₹993 crores registering a growth rate of 14.33%.

(B) OPPORTUNITIES AND THREATS.

STRENGTHS

- Strong capital base comprising mainly of Tier I Capital.
- Over 103 years in the Banking Industry with an impeccable track record.
- A dedicated and proficient workforce.
- Consistent dividend payment record.
- A rich heritage, a dedicated customer base and a commitment to enhancing our service framework.
- Known for prioritizing customer service above all else as a bank.
- A large bouquet of products both in liabilities and assets.
- Strong market share in southern Tamilnadu districts (Thoothukudi, Virudhunagar, Tenkasi, Kanyakumari, Madurai & Tenkasi).
- Consistent financial performance.

WEAKNESS

- Branch network predominantly in Tamilnadu.
- Limited presence in Metro or Urban centers, with only one branch location.
- Relatively low digital presence.
- Inferior banking technology compared to leading competitors

OPPORTUNITIES

- India's GDP is projected to increase by 7% in the 2024-25.
- Enhanced credit support from 8 MSME hubs for Small and Medium Scale Industries (MSMEs) stimulating growth and providing new lending opportunities.
- Opportunities for expansion in the digital domain through the introduction of lending services on Internet and Mobile platforms.
- Enhancing the CASA portfolio to improve Net Interest Margin (NIM).
- Establishing branches in various locations outside Tamilnadu to expand our footprint and enhance business opportunities.
- Developing and offering innovative financial products and services to meet evolving customer needs and preferences.
- Adapting to regulatory changes and leveraging them to improve operational efficiency and compliance.
- Focusing on improving customer service and experience to retain existing customers and attract new customers.

THREATS

- Competitive Interest rate strategies among banks targeting a finite pool of low-risk borrowers.
- Customers are increasingly prioritizing investments in the equity market over traditional products such as savings and term deposits.
- Intense competition from new-generation banks and peer banks.
- An increasing incidence of technology related frauds, including cyber frauds, is being observed.

(C) SEGMENT–WISE OR PRODUCT-WISE PERFORMANCE.

Particulars	MAR'23	MAR'24	Y-o-Y Growth (MAR'24 over MAR'23)
Gross Advances	37,582	39,970	6.35%
Of which			
Retail Sector	7,866	8,478	7.78%
Agriculture Sector	11,575	14,420	24.58%
MSME Sector	13,319	13,586	2.00%
Total of RAM	32,760	36,484	11.37%
RAM % to Gross Advances	87%	91%	400 Bps
Others	4,822	3,486	-27.71%
CD Ratio	79%	81%	200 Bps

Our Retail & Agriculture sector have grown at 7.78% and 24.58% respectively on a Y-o-Y basis.

We achieved the highest ever Net Profit, Interest Income & Net Interest Income in the history of the Bank.

(D) OUTLOOK

The Indian economy is navigating the drag from an adverse global macroeconomic and financial environment. Real GDP growth is robust on the back of solid investment demand which is supported by healthy balance sheets of banks and corporates, the government's focus on capital expenditure and prudent monetary, regulatory and fiscal policies. As headline inflation eases towards the target, it will spur consumption demand especially in rural areas. The external sector's strength and buffers in the form of foreign exchange reserves will insulate domestic economic activity from global spillovers. Geopolitical tensions, geoeconomic fragmentation, global financial market volatility, international commodity price movements and erratic weather developments pose downside risks to the growth outlook and upside risks to the inflation outlook. The Indian economy would also have to navigate the medium-term challenges posed by rapid adoption of AI/ML technologies and recurrent climate shocks. Even so, it is well placed to step-up its growth trajectory over the next decade in an environment of macroeconomic and financial stability so as to achieve its developmental aspirations by reaping its demographic dividend and exploiting its competitive advantages that have placed it as the fastest growing major economy of the world.

The domestic economy exhibited robust growth in 2023-24, underpinned by strong investment activity, amidst subdued external demand. Manufacturing and services sectors were the key drivers on the supply side while agricultural activity slowed down due to uneven and deficient monsoon rainfall. The growth outlook remains buoyant, given the government's sustained focus on capital expenditure while maintaining fiscal consolidation. Strong corporate balance sheets, rising capacity utilisation, double

digit credit growth, healthy financial sector, and the ongoing disinflation are likely to be other growth levers. Lingering geopolitical tensions, geoeconomic fragmentation and adverse climate shocks impart downside risks to the outlook.

Headline CPI inflation moderated in 2023-24 despite overlapping food price shocks. The softening was the outcome of the sustained anti-inflationary monetary policy stance, proactive supply management measures by the government and correction in global commodity prices. Core inflation exhibited a broad-based disinflation since June 2023 and moved below 4 per cent by end-2023. While headline inflation dipped into the tolerance band in 2023-24 (barring July-August), it hovered above the inflation target. Lingering geopolitical uncertainties, renewed supply chain pressures due to geopolitical developments in the Middle East, lower reservoir levels, and fall in production of major crops pose upside risks to headline inflation going forward.

The interim Union Budget 2024-25 persevered with consolidation, while improving the quality of spending through higher capital outlays. Gross market borrowings are placed lower in 2024-25, which would enhance the resources available for the private sector. State government budgets for 2024-25 also envisage containment of fiscal deficits. Accordingly, the general government deficit is expected to decline further in 2024-25, which bodes well for macroeconomic stability.

The following are the strategies Bank will adopt to grow its business

• With a clear vision which strives for deeper and more profitable customer relationships and operational excellence to streamline the organization, your Bank is all set to move towards an ever-improving P&L and Balance Sheet

• More thrust for onboarding value-based CASA accounts (NCA) through our marketing team. Thrust will be given for opening more number of Royal & Premium Savings Bank accounts, Flexi Current Account, TASC and GBG accounts.

• Expanding services to under-served and Rural areas to increase the customer base and promote inclusive growth.

• Special focus on Government Accounts through marketing team at all regions.

• Implementing targeted marketing strategies and loyalty programs to attract new customers and retain existing customers.

• The insurance partners have been extending their support by deploying manpower at the Regions/branches for training the staff members to cross-sell as well as source business along with the staff members.

• Separate vertical may be created for CASA, TASC/GBG. This vertical will be responsible for the growth of CASA.

• To concentrate on proposals from good quality Mid-corporate segments on selective basis. Collateral coverage and capturing the cash flow will be the guiding principles while choosing Mid-Corporate segment customers.

• Most secured lending potential is identified from this segment and more focus will be given to increase the growth of Jewel Loan portfolio in Total Advance position.

• A global management consulting firm has been engaged for Business process re-engineering in MSME sector.

• Introducing the end-to-end loan digitization.

• On the credit front, a lot is expected to be done for improving the Credit Appraisal Standards, Monitoring Mechanism and Risk Management Strategies.

• The credit delivery system may undergo a change with transition towards Transaction based lending, based primarily on “Cash flows”, as against “collateral based lending”.

(E) RISKS AND CONCERNS.

The Risk Management philosophy of your Bank is to accept risk as an essential aspect of business and take necessary steps to manage and mitigate the risk. Your Bank seeks to build business which expands but always within the overview of the risk management principles. As with all banks in the banking system, your Bank is exposed to various risks that are inherent to any banking business. The major risks are credit risk, market risk including interest rate risk and liquidity risk, Operational risk, Reputational and strategic risks. Your Bank has put in place a very responsive risk management framework. The Bank has robust risk management policies, well laid out procedures, processes and methodologies to manage the risks envisaged.

The overall responsibility for establishing a strong risk management framework lies with the Board of Directors. The Risk Management Committee (RMC) of the Board oversees the implementation of various measures for efficient risk management with the support of the Executive Level Committees.

Risk Management Department is headed by the Chief Risk Officer, who is responsible for the risk management functions of your Bank. An independent risk governance structure has been put in place, duly ensuring independence of risk measurement, monitoring and control functions. The bank has a well-articulated risk appetite statement and activities of the bank are structured to fall in line with the risk appetite, which is defined.

Your Bank has an internal rating mechanism, which forms the basis for risk linked pricing framework. The bank also has a scoring structure for the retail loans. The loan policy of the Bank ensures that the underwriting standards are maintained, online and offline monitoring methods are devised to strengthen supervision of credit and whenever weaknesses are perceived, risk mitigation measures are implemented. The Bank also has EWS system, which is an automated environment for early detection of frauds.

The Bank has exposures in RAM segment i.e. Retail, Agriculture and MSME. The bank has been traditionally strong in these areas and proposes to build on the expertise it has gained over the years for further growth in these segments. Retail has a specific focus on home loans and the Bank intends to increase the exposure in this portfolio. The risk management structure for identifying, measuring, monitoring, controlling and mitigating the risks for these portfolios are well entrenched.

With regard to industry exposure, in addition to good underwriting skills strengthened by established appraisal norms, our bank is also adopting the mechanism of capping various exposures on the basis of the borrower group, industry, credit rating grades and geography, amongst others. Further major sectors are also monitored by having caps in place. Concentration risk is tracked by putting proper limits.

Credit risk management is practiced in your Bank, through its various policies, risk assessing tools and risk mitigating measures, which forms the base for good credit growth coupled with better asset quality.

Your Bank has put in place proper framework for market risk management. The Bank has a conservative approach towards investment and mainly invests in Government securities. In case of investing in bonds of corporate entities, the Bank ensures that the external rating of the entities is investment grade only.

The forex activities are mainly trade finance oriented, purchasing, discounting and negotiating bills drawn on various currencies on account of our customers. The Bank has put in place limits, with regard to its foreign currency position like Net Overnight Open position, Currency wise aggregate gap limits etc., so that the fluctuations in foreign currencies does not lead to any substantial loss to the Bank. Counterparty limits for exposures with banks are also in place to ensure that the Bank does not enter into any high exposures with banks.

The Bank also understands that the Operational risk is one of the major risks faced by banks and there is a need to have bank wide structure in place to identify, monitor and mitigate this risk. The Bank conducts Risk and control Self-assessment (RCSA) on its products and processes to understand the control deficiencies, if any, and take steps to address the same. Further, the Bank is laying great emphasis on training and educating its staff on all banking matters especially in various types of products and processes so that errors can be minimized. System based checks are also in place to ensure that the mistakes can be prevented. Your bank is taking all the steps necessary to ensure that the impact of operational risk is reduced.

(F) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

INSPECTION AND AUDIT

Inspection and Audit independently evaluates the adequacy, completeness, operational effectiveness and efficiency of all internal controls, risk management/governance systems and processes of the Bank. The Audit Committee of the Board provides direction and reviews the adequacy of internal audit function, including its reporting structure, staffing, coverage and frequency of audits. The Head of Inspection Department reports directly to the Managing Director & CEO. An executive level committee named the "Audit Committee of Executives" headed by the Managing Director & CEO oversees the audit and inspection functions

and reviews the audit procedures and methodologies, effectiveness of audit systems, progress in completion of audits, risk rating of branches, and significant audit findings. The Risk Based Internal Audit Policy, Credit Audit Policy, Management Audit Policy, Concurrent Audit Policy and Information System Audit Policy which serve as the basic guidance documents for internal Audit function, were subjected to annual review during the year. The review covered appropriate modifications and refinements based on regulatory guidelines, changes in internal rules and guidelines, directions of the Audit Committee of the Board and the Board of Directors. The review and modifications ensured that the audit systems and procedures are contemporary and continue to be an effective tool for monitoring control and compliance in the Bank. Inspection & Audit is responsible for self-assessment of the Bank's internal financial controls by testing and validating the effectiveness of controls on an ongoing basis. The major audits undertaken by the Bank during the financial year are

RISK BASED INTERNAL AUDIT

Our Bank has leveraged on Risk Based Internal Audit (RBIA) as a tool to assess the risks in its processes, operations and effectiveness of related controls. Risk Based Internal Audit conducted at branches focus on evaluating the branches based on the level of inherent business risks and control risks. 572 Risk Based Internal Audits were conducted during the financial year 2023-24.

INFORMATION SYSTEM AUDIT

Information System Audit collects and evaluates the evidence to determine whether the information system safeguards assets, maintains data integrity and availability, achieves organizational goals effectively and consumes resources efficiently. It focuses on the risks that are relevant to information assets and assesses the adequacy of controls implemented for mitigating the risks. All critical IT infrastructures in the Bank are subjected to Information System Audit by information systems professionals from reputed CERT-IN empaneled external audit firms and Certified Information System Auditors (CISA) of the Bank. Critical Information Systems are subjected to Vulnerability Assessment & Penetration Testing (VAPT) every quarter. In addition to this, Information System Audit covering physical security of IT systems and business continuity procedures is conducted at branches/ offices. During the financial year 2023-24, Information System Audit was conducted in 540 branches (572 audits) and 21 Departments.

MANAGEMENT AUDIT

Management Audit in the Bank essentially focuses on identifying the adequacy and effectiveness of processes adopted for decision making in Regional Offices, various Head Office Departments of the Bank i.e. International Banking Division, Integrated Treasury Department, Information Technology Department , Inspection Department, including IS Audit Cell, Human Resources Development Department, Vigilance Department, Accounts Department, MIS Department, Credit Recovery & Follow-up Department, Credit Department, Credit Audit and Monitoring Department, KYC/AML Cell, Risk Management Department, Secretarial Section, Compliance Department, Planning Development and Resource Mobilization Department, Operations & Services Department, Customer Service Cell, Legal Department, Staff Training College, Bancassurance cell, DPS cell, Establishment Department, Service Branch, RTGS/WUMT cell, Central Processing Centre, Discipline & Fraud Monitoring Cell. The feedback from management audit is relied upon by the auditee units to improve the processes, procedures and systems in place in such offices. During the financial year 2023-24, Management Audit was conducted in 3 Regional Offices and 15 Departments.

OFFSITE AUDIT

Offsite audit is a forward looking diagnostic tool to identify gaps in the systems and procedures of the Bank. The revenue audit in the Bank is undertaken through Offsite Audit. Your Bank leverages Audit Command Language (ACL) tool for generating and analyzing exceptions while conducting offsite audits.

CONCURRENT AUDIT

Our Bank is increasingly relying on 'Concurrent Audit' as an early warning system to ensure near real-time detection of irregularities and lapses and is also used as a tool to prevent frauds. Your Bank has implemented the revised Concurrent Audit framework, duly approved by the Audit Committee of the Board, as per RBI circular dated September 18, 2019, with effect from April 1, 2020. During the year under review, Concurrent Audit was in place in 232 branches and 16 offices, covering 72.55% of total advances and 77.36% of total deposits of our Bank. The offices covered under the Concurrent Audit include all the Regional offices, Central Processing Centre, Chennai Service branch, International Banking Division, Treasury Department, DPS Cell, ATM Cell, Accounts Department, Information Technology Department, Establishment Department, Planning Development & Resources Mobilisation Department, and Branches where RBIA risk rating is assessed as "High". Concurrent Audit is also conducted in all the currency chests as required by the Reserve Bank of India. 232 External Auditors / Audit Firms were engaged for concurrent audit assignments during the period.

CREDIT AUDIT

In our Bank, verification of account operations, end-use, stock, documents, etc. of big borrowal accounts are carried out periodically at post-sanction level and referred as Credit Audit. During the financial year 2023-24, 1143 Credit Audits were conducted.

OUTSOURCE AUDIT

A Comprehensive Risk Based Due Diligence of Partners/Service providers is conducted to ensure that they are financially stable, comply with all regulatory norms, and have all the required information security controls in place to safeguard the interests of all the stakeholders of the Bank. During the financial year 2023-24, 14 outsourced agencies were audited.

The Inspection Department is manned by appropriately qualified personnel and has a staff strength of 41 officers (as on March 31, 2024) with expertise and exposure in all activities of the Bank, such as branch operations, credit sanction, credit monitoring, clearing operations, information technology, risk management and treasury operations.

(G) KEY FINANCIAL AND OPERATING RATIOS:

OPERATING PERFORMANCE: (RS. IN CRORE)

Particulars	31.03.2023	31.03.2024
Total Income	4,710.15	5,492.86
Total Expenditure	3,137.31	4,011.08
Net Interest income	2,094.12	2,150.89
Non-Interest income	629.11	644.95
Operating expenses	1,150.39	1,314.06
Operating Profit	1,572.84	1,481.78
Net profit	1,029.26	1,072.03

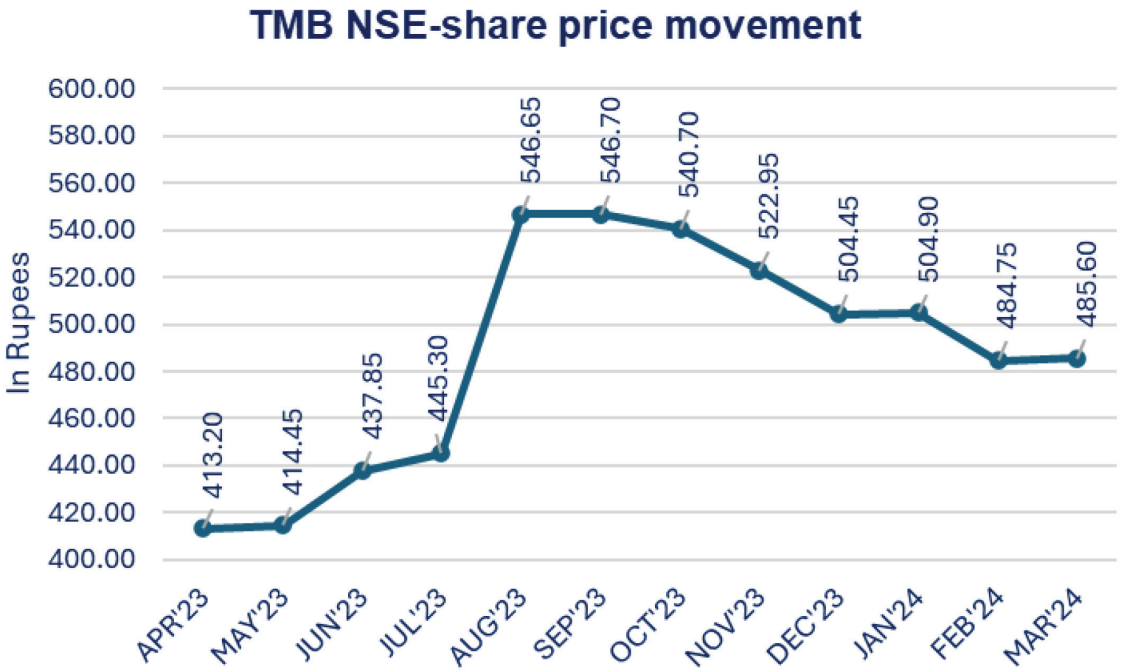
The Bank's Total Income has registered a growth of 16.62% (Y-o-Y).

KEY FINANCIAL RATIOS:

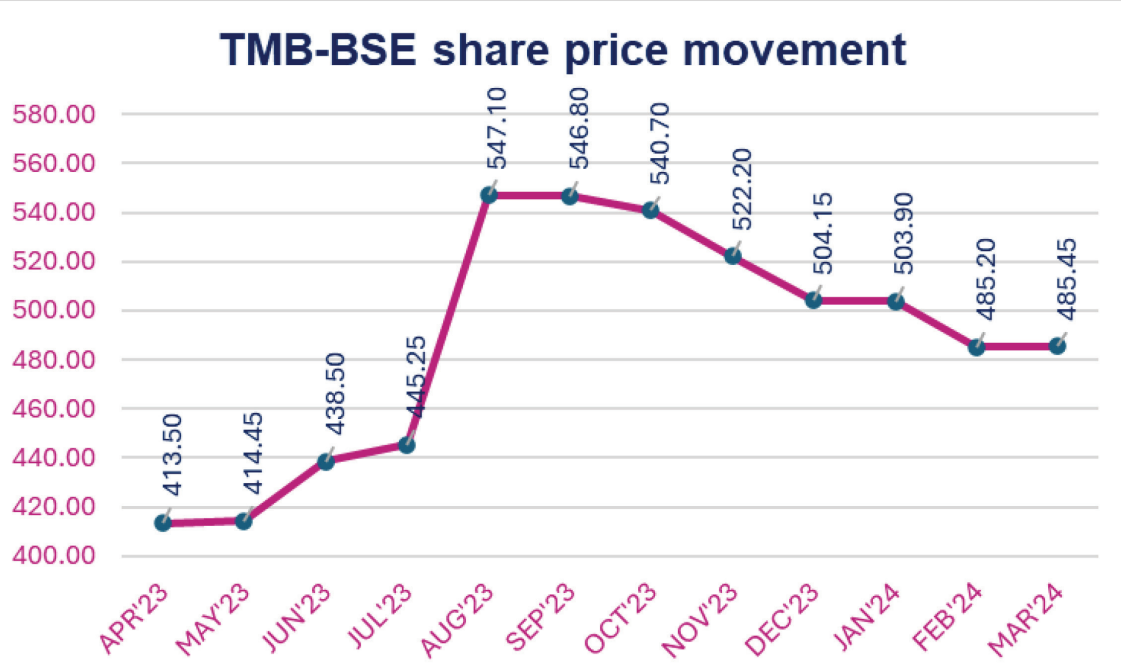
Particulars	31.03.2023	31.03.2024
Cost to Income Ratio	42.24%	47.00%
Yield on Advances	9.43%	10.15%
Book value per share (Rs.)	437.53	500.23
Net worth (Rs. Crore)	6928	7921

The Bank's Net worth has increased by Rs.993 crore i.e. 14.33% over the previous year. The Bank issued 1.58 crores equity shares of Rs.10 each at a premium of Rs.510 per share and the bank's shares were listed in BSE and NSE on 15.09.2022. The Book value per share registered a growth of 14.33% during the year.

MOVEMENT OF OUR BANK'S SHARE PRICE VIS-À-VIS NSE AND BSE INDEX FOR THE PERIOD FROM APRIL 2023 TO MARCH 2024



THIS GRAPH SHOWS OUR BANK'S SHARE PRICE MOVEMENT IN NSE FOR THE PERIOD FROM APRIL 2023 TO MARCH 2024.



THIS GRAPH SHOWS OUR BANK'S SHARE PRICE MOVEMENT IN BSE FOR THE PERIOD FROM APRIL 2023 TO MARCH 2024.

(H) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

JOB ANALYSIS AND POSITION DESCRIPTION:

The HRD Department conducts a comprehensive job analysis to identify the key competencies and qualifications required for each position. Based on this analysis, they create detailed position descriptions outlining job responsibilities, required skills, and desired experience.

TRAINING NEEDS ASSESSMENT:

The HRD Department conducts regular training needs assessments to identify skill gaps and development areas among employees. This involves collecting feedback from managers, conducting performance evaluations, and analyzing organizational objectives to determine the training priorities

DESIGNING AND IMPLEMENTING TRAINING PROGRAMS:

Based on the training needs assessment, the HRD Department designs and implements various training programs. These programs may include technical skills training, leadership development, customer service enhancement, and compliance training. They utilize internal trainers or collaborate with external training agencies to deliver high-quality programs.

EMPLOYEE DEVELOPMENT PLANS:

The HRD Department collaborates closely with managers and staff members to establish personalized development plans that are in line with the organization's objectives and the individual's career ambitions. These plans delineate targeted developmental initiatives, including mentorship, coaching, job rotations, and online courses, all designed to augment employees' skills and competencies.

EMPLOYEE AND INDUSTRIAL RELATIONS:

During the past year, the Industrial Relations climate remained favourable, with due importance given to various representative bodies in order to foster harmonious relations.

CAPABILITY BUILDING:

To facilitate individual growth and to contribute to the overall progress of the organization, your Bank's Staff Training College is dedicated to creating a continuous learning ecosystem for employees. A diverse range of focused training and learning solutions is offered, including:

(a) Self-learning TMB eSMART Certifications,
(b) Support for capacity-building certifications,
(c) Talent Pool System – Grooming of Talented employees in an efficient way.

These initiatives provide employees with multiple avenues to continuously enhance their skills, acquire new competencies, and confidently adapt to the evolving demands and challenges.

A Learning Need Analysis survey is conducted to identify gaps in knowledge, skills, and attitudes. A Governing Council, led by the MD & CEO, comprising of General Manager (HRDD), General Manager (PD&RM), General Manager(Recovery), General Manager(Credit) & General Manager (I.T), and faculty, is convened twice a year to prioritize training areas for the Bank and review the progress and effectiveness of training interventions. A dedicated feedback mechanism is in place to facilitate this evaluation process.

DIGITAL TRAINING PROGRAMS:

i. Programmes like Digital Banking- An Era of Digital Revolution training
ii. Programmes in Training on IT Security
iii. Programme in IT & Cyber Security for Senior Management
iv. Online certification programme in IT and Cyber Security for Senior Management
v. Digital Transformation, Emerging Technologies and use of Data Analytics in Banking & Finance

EQUITY AND DIVERSITY

Executive Development Program for Women Officers of the Banks/FIs, in addition to multiple internal women leadership training.
i. CERT-In's Cyber security awareness and training Session "Cyber Hygiene for Women Officials"

PROFESSIONAL DEVELOPMENT NETWORKS

Tie-ups/ arrangements with 'STEP Hindu for Communication upskilling, confidence building, and managerial effectiveness'

ONLINE TRAINING PROGRAMS

i. Conference of Treasury Heads - Emerging Trends and Challenges
ii. Half-day Workshop on Financing Renewable Energy: Challenges & Opportunities
iii. Cyber Security and Phishing Mail
iv. Webinar on Cyber Security: Past, Present & Future
v. Time Management The Key to Work-Life Balance and Happiness
vi. RCSA under webinar model as a part of Operational Risk Management for the process of "Cash Handling"

EMERGING LEADERS INITIATIVE:

i. Programme on Leadership and Development of Soft Skills for Branch Managers & Leadership-IIBF
ii. Leadership and Development of Soft Skills for Branch Managers
iii. Effective Branch Management - Leadership and Administrative Competency
iv. Managing Stress for Effective Performance
v. Neuroscience of Leadership

LEARNING ACCELERATOR E-SMART– CAPACITY BUILDING PROGRAMME IN TMB eSMART

In this programme, all staff members are encouraged to attend training in TMB eSMART followed by an online exam. The online exams are conducted at frequent intervals. E-Certificate is issued to staff members who successfully complete the exam by scoring the necessary pass marks. Re-examinations is also being conducted for staff members who fail in the examination by giving a second chance. The Certified staff members are also given due weightage in Promotion and Transfer. TMB eSMART Certificate is given due weightage in our Staff Annual Appraisal and Promotion Appraisal.

EVALUATION AND FEEDBACK:

The HRD Department evaluates the effectiveness of training programs and development initiatives through feedback surveys, post-training assessments, and performance evaluations. This feedback loop helps in continuously improving the training interventions and ensures that employees receive valuable learning experiences.

COMMUNICATION AND FEEDBACK CHANNELS:

The HRD Department establishes effective communication channels to ensure transparent and open communication between employees and management. This includes regular team meetings, suggestion boxes, online platforms, and anonymous feedback mechanisms, enabling employees to express their ideas, concerns, and suggestions.

EMPLOYEE SURVEYS AND FEEDBACK MECHANISMS:

To gauge employee satisfaction and engagement levels, the HRD Department conducts regular surveys and feedback mechanisms. These tools provide valuable insights into employee perceptions, job satisfaction, work-life balance, and overall organizational climate. The feedback received helps in identifying areas of improvement and implementing targeted initiatives.

WORK-LIFE BALANCE INITIATIVES:

Recognizing the importance of work-life balance, the HRD Department implements various initiatives to support employees in achieving harmony in their personal and professional lives. These initiatives may include flexible work, wellness programs, employee assistance programs, and stress management workshops.

TEAM BUILDING ACTIVITIES:

The HRD Department organizes team-building activities and events to foster a sense of camaraderie, collaboration, and trust among employees. These activities include sports events, social gatherings, and cross-functional projects, enhancing teamwork and employee relationships.

EMPLOYEE WELLNESS PROGRAMS:

To promote employee well-being, the HRD Department implements wellness programs focused on physical, mental, and emotional health. These programs include Yoga sessions, health screenings, mindfulness sessions, and access to counselling services. By prioritizing employee wellness, the HRD Department contributes to a healthier and more productive workforce.

EMPLOYEE SATISFACTION AND RETENTION:

Through its various initiatives, the HRD Department plays a significant role in enhancing employee satisfaction and retention. By ensuring fair recruitment processes, providing training and development opportunities and implementing effective performance management systems, the HRD Department creates a positive work environment that fosters employee loyalty and reduces turnover rates. The attrition rate in the bank is at 3.01%

Annexure - 5

Particulars of Employees Remuneration

Pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

I. Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rupees One crore and Two lakhs

S. No	Name	Designation	Remuneration in INR	Qualification	Experience (No. of years) (Overall experience including TMB)	Date of commencement of employment	Age (Yrs)	Last employment held by such employee before joining the Bank (with Designation)	Percentage of Equity Shares held	whether any such employee is a relative of any director or manager of the Bank and if so, name of such director or manager
NA										

The percentage of equity shares held by the employee in the Bank within the meaning of clause (iii) of sub-rule (2) of Rule 5 of companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Note 1 : All the employees mentioned above are on the rolls of the Bank

Note 2 : None of the employees are relative of any Director or Manager

Top Ten Employees in terms of Remuneration drawn during the financial year 2023-24

S. No.	Name	Designation	Remuneration in INR – In lakh	Qualification	Experience (No. of years) (Overall experience including TMB)	Date of commencement of employment	Age (Yrs)	Last employment held by such employee before joining the Bank (with Designation)	Percentage of Equity Shares held (#)
1.	Shri.S. Krishnan (M00006)	MD & CEO	78.19	M.Com., ICWA., CAIIB	42	04/09/2022	62	Punjab & Sind Bank (MD & CEO)	0.00000
2.	Shri. Narayanan S (C0153)	General Manager	39.00	B.Com (Cost Accounting)., ICWA (Cost Accounting), CAIIB	40	28/09/2022	62	Union Bank Of India - Chief General Manager	0.00000
3.	Shri. Ramesh D (7152)	General Manager	38.55	B.Com, M.B.M (Banking), CAIIB	28	09/10/2019	51	Axis Bank (Vice President)	0.00016
4.	Shri. P. Suriaraj (1751)	General Manager	36.91	M.Com, CAIIB	37	21/01/1987	61	-	0.00022
5.	Shri. Inbamani D (1371)	General Manager	36.68	B.Com, JAIIB	40	24/10/1983	61	-	0.00095
6.	Shri. Jayaraman V (C0135)	General Manager	34.14	B.Sc (Maths), M.Sc (Maths)	40	06/09/2021	63	Canara Bank - Chief General Manager	0.00000
7.	Shri. J. Sundaresh Kumar (1937)	General Manager	33.63	B.Com, M.Com, CAIIB	32	18/05/1992	54	-	0.00015
8.	Shri. Ashokkumar P R (7158)	General Manager	33.60	B.Com, CAIIB	29	30/10/2019	50	Equitas Small Finance Bank (Deputy Vice President)	0.00000

S. No.	Name	Designation	Remuneration in INR – In lakh	Qualification	Experience (No. of years) (Overall experience including TMB)	Date of commencement of employment	Age (Yrs)	Last employment held by such employee before joining the Bank (with Designation)	Percentage of Equity Shares held
9.	Shri. Vijayan K (2137)	General Manager	33.38	B.B.A., CAIIB	29	06/06/1994	51	-	0.00088
10.	Shri. K. Ananth (1995)	Deputy General Manager	32.23	B.Sc. (C.S), CAIIB	31	17/05/1993	52	-	0.00120

The percentage of equity shares held by the employee in the Bank within the meaning of clause (iii) of sub-rule (2) of Rule 5 of companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Note 1: All the employees mentioned above are on the rolls of the Bank

Note 2: None of the employees are relative of any Director or Manager

II. Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rupees Eight lakhs Fifty thousand only per month

S. No	Name	Designation	Remuneration in INR	Qualification	Experience (No. of years) (Overall experience including TMB)	Date of commencement of employment	Age (Yrs)	Last employment held by such employee before joining the Bank (with Designation)	Percentage of Equity Shares held
NA									

III. Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Bank

S. No	Name	Designation	Remuneration in INR	Qualification	Experience (No. of years) (Overall experience including TMB)	Date of commencement of employment	Age (Yrs)	Last employment held by such employee before joining the Bank (with Designation)	Percentage of Equity Shares held
NA									

Details as per Section 197 of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Bank for the financial year:

S. No.	Name of the Director	Ratio of the remuneration of director to the median employee remuneration #
1.	Shri. S.Krishnan (Appointed w.e.f. 04.09.2022)	6.28:1

#Except MD and CEO of the Bank, no other directors are drawing remuneration from the Bank other than sitting fee for attending the Board / Committee meetings.

2. Percentage increase in remuneration:

S. No.	Name	Designation	Percentage increase/ decrease in remuneration
1.	Shri. S.Krishnan (Appointed w.e.f. 04.09.2022)	MD and CEO	30.28% (Variable pay paid)
2.	ShriP.A. Krishnan	CFO	23.55%
3.	Shri. Prakash Chandra Panda	Company Secretary	6.45%

3. Percentage increase in the median remuneration of employees:

The percentage of increase in the Median employee remuneration is 16.76% as compared to the previous year.

4. The number of permanent employees on the rolls of the Bank

The Number of Permanent Employees on the rolls of the Bank as on March 31, 2024 is 4,602 employees.

5. Other details:

S. No.	Particulars	Remarks
1.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year	During the FY 2023-24, the overall salary increased to employees around 14.36% (which excludes Managerial Remuneration)
2.	Percentile increase in managerial remuneration	26.59 %
3.	The comparison with the percentile increase in the employee remuneration with managerial remuneration and justification thereof	The managerial remuneration increase is due to payment of variable pay to MD&CEO
4.	Any exceptional circumstances for increase in the managerial remuneration	-

6. We hereby affirm that the remuneration paid to the Directors and Employees are as per the remuneration policy of the Bank.

ANNEXURE -6

REPORT ON CORPORATE GOVERNANCE

PHILOSOPHY OF CORPORATE GOVERNANCE:

The Bank's Corporate Governance philosophy is woven around its total commitment to ethical practices in the conduct of its business, while striving hard to enhance the stakeholders' value. Your Bank has endeavoured to adopt the best corporate governance practices across all spectrum of its activities. It also adheres to the principles of transparency and accountability in transactions, disclosure of information, integrity, social responsibilities and statutory compliance. The Bank has followed the directions and guidelines issued by RBI from time to time regarding Corporate Governance. Further, the Bank also adheres to its time-tested traditional values based on business ethics and contribution to society as a principle.

Your Directors present below the Bank's Report on compliance to Corporate Governance requirements as prescribed under Regulation 17 to 27 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter referred as "SEBI LODR").

BOARD OF DIRECTORS:

COMPOSITION OF THE BOARD:

The Board of the Bank is formed with an optimum combination of executive and non-executive directors, which not only meet the legal obligation but also make a diversified Board with a mixed blend of experiences, expertise, and professionals. The Board, while discharging its responsibilities and providing effective leadership to the business, uphold the corporate value, promote the ethical culture, endorse sustainability and leverages innovation. Independent Directors play a pivotal role in upholding Corporate Governance norms and ensuring fairness in decision-making. Being experts in various fields, they also bring independent judgement on matters of strategy, risk management, controls, and business performance.

As on March 31, 2024, the Board of Directors of the Bank comprised of 11 Directors including the Managing Director & CEO and two Additional Directors nominated by RBI. The constitution of the Board conforms to the provisions of Section 10A of the Banking Regulation Act, 1949, Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Except the MD & CEO, all other members of the Board are non-executive directors and 5 directors out of the total 11 directors are Independent Directors. The declaration of independence has been obtained from the Independent Directors as required under the Companies Act, 2013. All the Independent Directors have registered their name in the databank of IICA.

The Board consists of eminent persons having specialized knowledge or practical experience in the areas such as Banking, Finance, Accountancy, Law, Agriculture & Rural Economy, Cooperation & SSI, Information Technology, Risk Management, Payment & Settlement and other areas as specified in the Banking Regulation Act 1949. Details of directors as on March 31, 2024, are as under:

S.No	Name	Sector Represented / Area of specialized knowledge
1	Shri S.Krishnan	Majority Sector - Banking
2	Shri A.Niranjan Sankar	Minority Sector
3	Shri S.R Ashok	Minority Sector
4	Shri D.N.Nirranjan Kani	Minority Sector
5	Shri B.Prabaharan	Minority Sector
6	Shri C.Chiranjeeviraj	Majority Sector – Accountancy as well as Finance
7	Smt S.Ezhil Jothi	Majority Sector – Corporate Law
8	Shri S.Ravindran	Majority Sector – Accountancy as well as Finance
9	Shri S.Sridharan	Majority Sector – Banking, Economics and Law
10	Shri S.B Suresh Kumar	Additional Director, RBI
11	Shri C S Ramkumar	Additional Director, RBI

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL:

Your Board reflects a balanced mix of experience and expertise across banking, financial markets, economy, risk management, finance, credit, information technology, human resource management, small-scale industries, agriculture, rural economy, law and corporate law.

During the year the following changes in the composition of the Board of Directors and Key Managerial Personnel has taken place in your Bank during 01.04.2023 to 31.03.2024

S.No	Name of Directors	Designation	Appointment / Retirement Resignation / Co-opted
1	Shri B.S.Keshava Murthy	Non-Executive Independent Director	30.07.2023 (Resigned)
2	Shri S.Ravindran	Non-Executive Independent Director	03.08.2023 (Appointment)
3	Shri P.C.G. Asok Kumar	Non-Executive Director	05.09.2023 (Retired by rotation at the 101st AGM and re-appointed)
4	Shri D. N. Nirranjan Kani	Non-Executive Director	05.09.2023 (Retired by rotation at the 101st AGM and re-appointed)
5	Shri P.C.G.Asok Kumar	Non-Executive Director	31.01.2024 (Resigned)
6	Shri S.Sridharan	Non-Executive Independent Director	27.02.2024 (Appointment)
7	Shri K.Nagarajan	Non-Executive Independent Director	28.02.2024 (Retired)
8	Shri B.Vijayadurai	Non-Executive Independent Director	28.02.2024 (Retired)
9	Shri S.Ravindran	Non-Executive Independent Director	31.03.2024 (Resigned)
10	Shri Prakash Chandra Panda	Company Secretary & Compliance Officer	30.03.2024 (Resigned)

DURING THE CURRENT YEAR,

1. The Board approved the appointment of Shri. S.Ravindran (with effect from August 03, 2023) and Shri. S.Sridharan (with effect from February 27, 2024), as Non-executive Independent Directors).

2. Shri P.C.G. Asok Kumar and D. N. Nirranjan Kani, Non-Executive Directors of the Bank, who retired by rotation and being eligible, offered themselves for re-appointment and were reappointed as Non-Executive Directors by the shareholders at the 101st AGM held on September 05, 2023.

3. Shri. K.Nagarajan and Shri. B.Vijayadurai, Non-Executive Independent Directors of the Bank retired from the Board of the Bank, with effect from the closing of business hours on February 28, 2024, upon completion of their tenure, pursuant to Section 10A(2A) of the Banking Regulation Act, 1949 and Section 149(11) of the Companies Act, 2013.

4. Shri.B.S Keshava Murthy, Non-Executive Independent Director (w.e.f. July 30, 2023) , Shri. P.C.G.Asok Kumar, Non-Executive Director (w.e.f. January 31, 2024) and Shri. S.Ravindran, Non-Executive Independent Director (w.e.f. March 31, 2024) have resigned from the Board of the Bank.

5. Shri. S.Krishnan (DIN:07261965), Managing Director and CEO of the Bank vide his letter dated September 28, 2023, conveyed his decision to resign from the post of MD and CEO. The Bank sought guidance of Reserve Bank of India (RBI), since the Bank is having only one Whole Time Director (WTD). RBI vide its letter dated October 05, 2023, exercising the powers under section 10B(5A) of the Banking Regulation Act, 1949, conveyed that Shri. S. Krishnan shall continue as MD and CEO till his successor resumes office.

MATERIAL EVENTS OCCURRED AFTER THE BALANCE SHEET DATE:

1. In exercise of the powers conferred under sub-section (1) of Section 36 AB of the Banking Regulation Act, 1949, the Reserve Bank of India, vide its order Ref.No.CO.DOR.HGG.No.S313/08.55.001/2024-25 dated April 12, 2024 has appointed Shri.Thomas Mathew, Regional Director, Reserve Bank of India, Thiruvananthapuram as Additional Director of the Bank for a period of two years from April 12, 2024 to April 11, 2026 or till further orders, whichever is earlier, in place of Shri.S.B.Suresh Kumar, General Manager (retd.), Reserve Bank of India.

2. Based on the request of Shri.S.Krishnan, expressing his desire to get relieved from the post of MD and CEO for better prospects, the Board sought approval of RBI vide its letter dated May 14, 2024, for considering his request by forming an Interim Committee of Executives (CoE) as an Interim Arrangement.

In response to the Bank's request, RBI vide letter no CO.DOR.HGG.No.S1314/08-055-001/2024-2025 dated May 31, 2024, in terms of Section 10B(9) of Banking Regulation Act, 1949, has approved the Bank's proposal to put in place an interim arrangement for constitution of a CoE to oversee the operation and administration of the Bank, in the absence of MD and CEO.

In continuation to the above and based on the desire of Shri.S.Krishnan (DIN: 07261965) for better prospects, the Board of Directors in their meeting held on June 07, 2024 has accepted to relieve Shri.S.Krishnan from the position of Managing Director & CEO of the Bank at the closing of business hours of the same date.
As approved by RBI, the Interim Committee of Executives has taken charge as an Interim arrangement with effect from June 08, 2024, for a period of three months or till the new MD & CEO assumes charge, whichever is earlier.

3. Your Board of Directors at their meeting held on June 18, 2024, on the basis of the recommendation of the Nomination and Remuneration Committee, has approved the appointment of Shri.Swapnil Yelgaonkar (ACS: 21877) as the Company Secretary (Key Managerial Personnel) of the Bank, with effect from June 18, 2024.

4. Your Board of Directors at their meeting held on July 09, 2024, on the basis of the recommendation of the Nomination and Remuneration Committee, has approved the appointment of Shri.K.V.Rama Moorthy (DIN–07034994) as an Additional Director on the Board of the Bank, with effect from July 09, 2024, in the capacity of a Non-Executive Director, liable to retire by rotation, subject to the approval of the shareholders at the ensuing AGM of the Bank and the appointment of Shri.R.Deepak Shankar (DIN–05223027) as an Additional Director on the Board of the Bank for a period of three consecutive years, with effect from July 09, 2024, in the capacity of an Independent Director, subject to the approval of the shareholders at the ensuing AGM of the Bank. In terms of Section 149(13) of the Companies Act, 2013, he shall not be liable to retire by rotation during his tenure as an Independent director of the Bank.

5 .In exercise of the powers conferred under sub-section (1) of Section 36 AB of the Banking Regulation Act, 1949, the Reserve Bank of India, vide its approval letter Ref.No.CO.DOR.HGG.No.S2893/8.55.001/2024-25 dated August 16, 2024 has approved the appointment of Shri.Salee Sukumaran Nair (DIN-09231101), as Managing Director and Chief Executive Officer (MD & CEO) of the Bank for a period of three years from the date of taking charge, which shall not be later than 08.09.2024. Shri.Salee Sukumaran Nair has informed that he would be able to join the Bank on August 29, 2024.

6. Your Board of Directors at their meeting held on August 19, 2024, on the basis of the recommendation of the Nomination and Remuneration Committee, has approved the appointment of Smt.R.Kanagavalli (DIN–00883998) as Additional Director on the Board of the Bank for a period of three consecutive years, with effect from August 19, 2024, in the capacity of Independent Director, subject to the approval of the shareholders at the ensuing AGM of the Bank. In terms of Section 149(13) of the Companies Act, 2013, she shall not be liable to retire by rotation during her tenure as an Independent director of the Bank.

COMPETENCY AT THE BOARD LEVEL:

The chart mapping the skills/expertise/competence of the Board of Directors of the Bank (as on 31.03.2024) is as under:

S.No	List of Core skills/ expertise/ competencies required in terms of statutory requirement as per BR Act	S.Krishnan	A.Niranjan Sankar	S.R Ashok	D.N.Nirranjan Kani	C.Chiranjeeviraj	S.Ezhil Jothi	B.Prabaharan	S.Ravindran	S.Sridharan	S.B Suresh Kumar	C S Ramkumar
1	Accountancy	✓				✓			✓			
2	Agriculture and rural economy											
3	Banking	✓								✓		
4	Co-operation & SSI		✓	✓	✓							
5	Economics	✓								✓	✓	
6	Finance					✓			✓			
7	Law						✓			✓		
8	IT	✓	✓	✓				✓				
9	Risk Management							✓		✓	✓	✓
10	Payment & Settlement	✓										✓
11	HR	✓		✓	✓		✓				✓	
12	Business Management		✓	✓	✓			✓				

BOARD MEETINGS:

The Bank's Board met 24 times, and its sub-committees including the Committee of Directors held a total of 87 meetings during the financial year 2023-24. The date of Board meetings conducted are as detailed below:

Date of Board Meeting		
24.04.2023	26.07.2023	22.11.2023
09.05.2023	03.08.2023	01.12.2023
22.05.2023	26.08.2023	03.01.2024
23.05.2023	05.09.2023	22.01.2024
06.06.2023	28.09.2023	08.02.2024
28.06.2023	07.10.2023	27.02.2024
10.07.2023	27.10.2023	15.03.2024
24.07.2023	28.10.2023	28.03.2024

Details of the attendance of directors at the Board / Committee meetings during the year under report and at the last Annual General Meeting are as under:

Name of the Director	No of Board meetings held / attended	No of Committee Meetings held / attended	Whether attended the last AGM
Shri S.Krishnan	24 / 24	51 / 51	Yes
Shri A.Niranjan Sankar	24 / 24	31 / 30	Yes
Shri.S.R.Ashok	24 / 23	33 / 33	Yes
Shri.P.C.G.Asok Kumar*	20 / 17	20 / 15	Yes
Shri.D.N.Nirranjan Kani	24 / 24	37 / 36	Yes
Shri.S.B.Suresh Kumar	24 / 24	27 / 27	No
Shri C.S.Ram Kumar	24 / 23	28 / 27	No
Shri.C.Chiranjeeviraj	24 / 24	45 / 45	Yes
Smt.S.Ezhil Jothi	24 / 23	26 / 24	Yes
Shri.B.S.Keshava Murthy^	9 / 8	10 / 9	No
Shri.K.Nagarajan@	22 / 22	53 / 52	Yes
Shri.B.Prabaharan	24 / 22	27 / 26	Yes
Shri.B.Vijayadurai#	22 / 22	62 / 62	Yes
Shri.S.Ravindran$	14 / 13	9 / 7	Yes
Shri.S.Sridharan%	2/2	5/5	No

* - Resigned w.e.f. 31.01.2024
^ - Resigned w.e.f. 31.07.2023
@ - Tenure ended on 28.02.2024
# - Tenure ended on 28.02.2024
$ - Resigned w.e.f. 31.03.2024
% - Appointed on 27.02.2024

DIRECTORSHIPS/COMMITTEE POSITIONS HELD IN OTHER COMPANIES AS ON MARCH 31, 2024:

S.No	Name of the Director	Directorship in other public Limited Companies	Committee positions in other Public Limited Companies	Directorship in other listed entity	Nature of Directorship in other listed entity
1	Shri S.Krishnan	Nil	Nil	Nil	Nil
2	Shri A.Niranjan Sankar	1	Nil	Nil	Nil
3	Shri S.R Ashok	Nil	Nil	Nil	Nil
4	Shri D.N.Nirranjan Kani	Nil	Nil	Nil	Nil
5	Shri C.Chiranjeeviraj	Nil	Nil	Nil	Nil
6	Smt S.Ezhil Jothi	Nil	Nil	Nil	Nil
7	Shri B.Prabaharan	Nil	Nil	Nil	Nil
8	Shri S.Ravindran	4	16	1	ID
9	Shri S.Sridharan	Nil	Nil	Nil	Nil
10	Shri S.B Suresh Kumar	Nil	Nil	Nil	Nil
11	Shri C S Ramkumar	Nil	Nil	Nil	Nil

None of the Directors of the Board serves as members of more than ten Committees or acts as Chairpersons of more than five Committees across all listed entities in which they are directors. In the opinion of the Board, all the Independent Directors fulfill the criteria of independence as specified under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and are independent of the management.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE:

None of the Directors of the Board is related inter-se.

NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTORS

S.No	Name of the Director	Designation	Number of shares held as on 31.03.2024
1	Shri A.Niranjan Sankar	Non-Executive Director	84,978
2	Shri S.R Ashok	Non-Executive Director	47,987
3	Shri D.N.Nirranjan Kani	Non-Executive Director	10,56,005
4	Shri S.Ravindran	Non-Executive Independent Director	Nil
5	Shri B.Prabaharan	Non-Executive Independent Director	14,523
6	Shri C.Chiranjeeviraj	Non-Executive Independent Director	Nil
7	Smt S.Ezhil Jothi	Non-Executive Independent Director	1,988
8	Shri S.Sridharan	Non-Executive Independent Director	Nil
9	Shri S.B Suresh Kumar	RBI Nominee Director	Nil
10	Shri C S Ram Kumar	RBI Nominee Director	Nil
		Total	**12,05,481**

DETAILS OF FAMILIARIZATION PROGRAMME IMPARTED TO INDEPENDENT DIRECTORS:

The Directors of the Bank were nominated to various training programmes in specialized areas such as IT, Governance, Cyber Security, Risk Management and Corporate Governance etc., conducted by IDRBT, CAFRAL, NIBM etc., and the details of training undergone during the reporting period are posted on the website of the Bank at the URL https://www.tmb.in/pages/Disclosure-as-per-Regulation. These training courses are in addition to the familiarization programme relating to Bank's internal process & systems and procedures.

REMUNERATION OF DIRECTORS:

REMUNERATION OF MANAGING DIRECTOR & CEO:

The Bank has adopted a "Compensation Policy for Managing Director and Chief Executive Officer, Material Risk Takers and Compliance staff, etc.,". The policy is designed to support key business strategies and provide reasonable remuneration commensurate with the performance of the Bank taking into account alignment of compensation with prudent risk taking etc. as per guidelines issued by the Reserve Bank of India on 'Compensation of Whole Time Directors/Chief Executive Officers/Material Risk Takers and Control Function staff etc.' vide circular No. DOR.Appt. BC. No.23/ 29.67.001/2019-20 dated November 4, 2019. The Compensation arrangements shall consider prudent risks that are consistent with bank's long-term value creation and time horizons of risk as they are responsible for the entire Bank's risk posture and performance. The compensation package of the Managing Director & CEO includes the fixed pay and allowances as approved by Reserve Bank of India. Besides, the compensation policy provides for a variable pay (VP), maximum up to 200% of the fixed pay, payable after evaluation of the performance and risk score assigned thereon and subject to approval of the RBI each year. The said variable pay is having upfront and deferred portions. The policy has malus / clawback arrangements in line with the RBI guidelines.

The remuneration structure of the Managing Director & CEO of the Bank is recommended by the NRC to the Board for approval, in accordance with the aforesaid policy. The Board of Directors on the basis of recommendation of the NRC approves the remuneration, subject to necessary approvals from Reserve Bank of India and the shareholders.

REMUNERATION OF NON-EXECUTIVE DIRECTORS:

The other non-executive directors are paid only sitting fees for attending the meetings of the Board and its Committees. None of the directors including the MD & CEO receives any profit linked remuneration. The sitting fees payable to the non-executive directors is ₹50,000/- for Board Meeting and ₹25,000/- for Committee Meetings during the year 2023-24.

The details of remuneration paid to Directors during the year under report are as under:

A. REMUNERATION OF MANAGING DIRECTOR & CEO :

S.No	Particulars of Remuneration	Name of Managing Director & CEO
		Shri.S.Krishnan (MD& CEO)
1	Gross salary (a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961 (b) Value of perquisites under section 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act,1961	48,00,000.00 7,50,890.00
2	Stock Option	---
3	Sweat Equity	---
4	Commission - as % of profit - Others, specify...	---
5	Others PF Bank Contribution Gratuity PL Encashment Hospitalisation Expenses Entertainment Expenses Newspaper Expenses Variable Pay Travelling Expenses	 5,76,000.00 --- --- 1,61,298.00 --- 8,931.00 15,21,938.00 ---
	Total	**78,19,057.00**

REMUNERATION OF NON-EXECUTIVE DIRECTORS:

S.No	Name of the directors	Sitting Fees*	Commission	Total
1	Shri A.Niranjan Sankar	19,50,000.00	Nil	19,50,000.00
2	Shri P.C.G. Asok Kumar	12,25,000.00	Nil	12,25,000.00
3	Shri S.R Ashok	19,75,000.00	Nil	19,75,000.00
4	Shri D.N.Nirranjan Kani	21,00,000.00	Nil	21,00,000.00
5	Shri C.Chiranjeeviraj	23,25,000.00	Nil	23,25,000.00
6	Smt S.Ezhil Jothi	17,50,000.00	Nil	17,50,000.00
7	Shri B.Vijayadurai	26,50,000.00	Nil	26,50,000.00
8	Shri K. Nagarajan	24,00,000.00	Nil	24,00,000.00
9	Shri B.Prabaharan	17,50,000.00	Nil	17,50,000.00
10	Shri B S Keshava Murthy	6,25,000.00	Nil	6,25,000.00
11	Shri S.Ravindran	8,25,000.00	Nil	8,25,000.00
12	Shri S.Sridharan	2,25,000.00	Nil	2,25,000.00
13	Shri S.B Suresh Kumar	18,75,000.00	Nil	18,75,000.00
14	Shri C S Ramkumar	---	Nil	---
Total				**2,16,75,000.00**

*Sitting fees quoted above includes sitting fees for Board Meetings and Committee Meetings held during the financial year ended 31st March, 2024.

PERFORMANCE EVALUATION CRITERIA FOR DIRECTORS

Pursuant to applicable provisions of the Act, and the Listing Regulations, the Board has carried out annual evaluation of its own performance, performance of the Directors including Chairman assessment as well as the evaluation of the working of its committees. The details of annual evaluation of Board performance, performance of its committees and Directors are mentioned in the Board's Report.

COMMITTEES OF THE BOARD:

In compliance with the regulatory requirements and for the operational convenience, Bank has constituted the following Board Level Committees:

1. Audit Committee of the Board (ACB)
2. Stakeholders Relationship and Customer Service Committee of the Board (SRCSC)
3. Risk Management Committee of the Board (RMC)
4. Nomination & Remuneration Committee of the Board (NRC)
5. Corporate Social Responsibility Committee of the Board (CSR)
6. Management Committee of the Board (MCB)
7. Information Technology Strategy Committee of the Board (ITSC)
8. Human Resources Management Committee of the Board (HRM)
9 NPA Monitoring Committee of the Board (NPAMC)
10. Special Committee of the Board to Monitor Large Value Frauds (SCBF)
11. Disciplinary Committee of the Board (DC)
12. Independent Directors Committee of the Board (IDC)
13. Review Committee of the Board on Wilful Defaulters and Frauds (RCWDF)

The composition of members and chairperson of the Committees as on March 31, 2024 are as under:

S.No	Name of the Director	NRC	ACB	RMC	SRCSC	MC	ITSC	HRMC	NPA	SCBF	CSR	RCWDF	DC
1	Shri S.Krishnan, MD&CEO			✓	✓	✓	✓	✓	✓	✓	✓	✓	
2	Shri A.Niranjan Sankar, NED	✓			✓		✓				✓		
3	Shri S.R.Ashok, NED				✓	✓	✓	✓		✓	✓		✓
4	Shri D.N.Nirranjan Kani, NED				✓	✓	✓	✓	✓		✓		
5	Shri S.Ravindran, ID			✓						✓		✓	
6	Shri B.Prabaharan, ID			✓			✓		✓		✓		✓
7	Shri C.Chiranjeeviraj, ID	✓	✓	✓	✓			✓	✓	✓			
8	Smt S.Ezhil Jothi, ID	✓	✓					✓		✓		✓	
9	Shri S.Sridharan, ID		✓	✓		✓			✓	✓		✓	✓
10	Shri S.B Suresh Kumar, AD - RBI		✓						✓	✓			
11	Shri C.S.Ramkumar, AD - RBI		✓	✓						✓			

✓-Member of the Committee -Chairman

1. AUDIT COMMITTEE OF THE BOARD (ACB)

As per the directions of Reserve Bank of India, Bank has constituted an Audit Committee of the Board (ACB) which also conforms to the requirements of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

TERMS OF REFERENCE / ROLES AND RESPONSIBILITIES OF THE COMMITTEE ARE:

1. Overseeing the Bank's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2. Recommending to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the auditors of the Bank;

3. Approval of payments to the statutory auditors for any other services rendered by statutory auditors;

4. Reviewing and monitoring the statutory auditors' independence and performance and the effectiveness of audit process;

5. Review with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:

i. Matters required to be stated in the Directors' responsibility statement to be included in the Director's report in terms of Section 134(3)(c) of the Companies Act, as amended;
ii. Changes, if any, in accounting policies and practices and reasons for the same;
iii. Major accounting entries involving estimates based on the exercise of judgment by management;
iv. Significant adjustments made in the financial statements arising out of audit findings;
v. Compliance with listing and other legal requirements relating to financial statements;
vi. Disclosure of any related party transactions; and
vii. Qualifications and modified opinions in the draft audit report.

6. Review with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

7. Scrutiny of inter-corporate loans and investments;

8. Valuation of undertakings or assets of the Bank, wherever it is necessary;

9. Evaluation of internal financial controls and risk management systems;

10. Approval or any subsequent modification of transactions of the Bank with related parties;

11. Review with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

12. Approving or subsequently modifying transactions of the Bank with related parties;

13. Establishing a vigil mechanism for Directors and employees to report their genuine concerns or grievances;

14. Review with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

15. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

16. Discussion with internal auditors on any significant findings and follow up thereon;

17. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

18. Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

19. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

20. Approval of the appointment of the chief financial officer, or any other person heading the finance function or discharging that function, after assessing the qualifications, experience and background, etc. of the candidate;

21. Review the functioning of the whistle blower mechanism;

22. Ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Bank;

23. Reviewing the utilization of loan and/or advances from investment by the holding bank in the subsidiaries exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments; and

24. Perform such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Companies Act, the Master Directions or other applicable law.

25. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Bank and its shareholders.

26. Provide directions and also oversee the operation of the total audit function in the bank.

27. Ensure proper organization, operationalization and quality control of the internal audit and inspection.

28. Follow up of the statutory external audit and inspection of RBI.

29. Review the internal inspection / audit function, its system, quality and effectiveness in terms of follow up.

30. Review the inspection reports of specialized and extra-large branches and branches with unsatisfactory rating.

31. Focus specially on
    a. Inter-branch adjustment account.
    b. Un-reconciled long outstanding entries in the inter-bank accounts and NOSTRO accounts.
    c. Arrears in balancing of books at various branches.
    d. Frauds.
    e. Other major areas of housekeeping.

32. Review of annual reports obtained from the compliance officer appointed in the Bank.

33. Review of significant Audit Findings of the following audits along with the compliance thereof - (i) LFAR (ii) Concurrent Audit (iii) Internal Inspection (iv) I.S. Audit of Data Centre (v) Treasury and Derivatives (vi) Management Audit at Controlling Offices / Head Offices (vii) Audit of Service Branches (viii) Currency Chest (ix) FEMA Audit of branches authorized to deal in foreign exchange, etc.

34. Compliance report on directives issued by ACB / Board / RBI.

35. Penalties imposed / penal action taken against bank under various laws and statutes and action taken for corrective measures.

36. Review of report on Revenue leakage detected by Internal / External Auditors and status of recovery thereof - reasons for undercharges and steps taken to prevent revenue leakage.

37. Interact with external auditors before the finalization of the Annual / Half Yearly Financial Accounts and Reports.

38. Follow up all issues / concerns raised in the RBI Inspection Reports.

39. Reviewing with the Management, the Annual Financial Statements before submission to the Board.

40. To look into reasons, for default, if any, the payment to the depositors, debenture holders, shareholders, creditors etc.

41. Surveillance and monitoring of investment in shares / advances against shares.

42. Issue guidelines on the selection of concurrent auditors, scope of their work, review of their performance etc and recommending their terms of appointment to the Board of Directors.

43. Review of the rating mechanism of branches, based on internal inspection.

44. Periodical review of the accounting policy / system of the Bank with a view to ensure greater transparency and ensure compliance of the Accounting Standards.

45. Ensure that there is well-defined system for fixing staff accountability for non-compliance of internal guidelines and terms of sanction of loans and non-rectification of inspection comments.

46. Ensure periodical inspections of the functioning of all departments at the Head Office and the Regional Offices and review / follow up of the inspection report.

47. Review of the vigilance mechanism prevailing in the Bank and to ensure its adequacy.

48. Review of the credit card operations on half-yearly basis by the Audit Committee of the Board of Directors. The review shall include, inter-alia, customer service, frauds, complaints and grievance redressal, card usage analysis including cards not used for long durations and the inherent risks therein.

49. Review in every meeting the total fund based and non-fund based capital market exposure of bank, ensure that the guidelines issued by the Reserve Bank are complied with and adequate risk management and internal control systems are in place. With respect to investment in shares, the surveillance and monitoring shall be done by the ACB.

THE POWERS OF THE AUDIT COMMITTEE WILL INCLUDE THE FOLLOWING:

1. To investigate activities within its terms of reference.

2. To seek information from any employees

3. To obtain outside legal or other professional advice; and

4. To secure attendance of outsiders with relevant expertise, if it considers necessary, such powers as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations

THE AUDIT COMMITTEE SHALL MANDATORILY REVIEW THE FOLLOWING INFORMATION:

1. Management's discussion and analysis of financial condition and result of operations

2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management

3. Management letters/letters of internal control weaknesses issued by the statutory auditors

4. Internal audit reports relating to internal control weaknesses

5. The appointment, removal and terms of remuneration of the chief internal auditor; and

6.Statement of deviations, including:

i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

ii. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

NUMBER OF MEETINGS HELD: 19 MEETINGS

All the members of the ACB are financially literate. The Company Secretary acts as the secretary to the Committee. The Managing Director & CEO, General Managers, Chief Financial Officer, Chief Compliance Officer, Chief Risk Officer, Chief Information Security Officer and the Head of the Inspection Department of the Bank were invited to attend the meetings of the Committee as and when desired by the Committee. The Statutory Auditors were also invited to attend the meetings whenever annual financial reports / Long Form Audit Report etc. were considered.

THE ACB MEETING DATES AND THE ATTENDANCE RECORD IS AS BELOW:

Date of Meeting	Shri.C. Chiranjeeviraj	Shri.K.Nagarajan (#)	Shri.B.Vijayadurai ($)	Shri.B.S.Keshava Murthy (&)	Shri.S.B.Suresh Kumar	Shri C.S.Ram Kumar	Shri.S.Sridharan (%)	Shri.S.Ezhil Jothi (@)
24.04.2023	✓	✓	✓	✓	✓	-		
08.05.2023	✓	✓	✓	✓	✓	✓		
02.06.2023	✓	✓	✓	✓	✓	✓		
12.06.2023	✓	✓	✓	✓	✓	✓		
24.07.2023	✓	✓	✓	✓	✓	✓		
02.08.2023	✓	✓	✓		✓	✓		
13.09.2023	✓	✓	✓		✓	✓		
20.10.2023	✓	✓	✓		✓	✓		
27.10.2023	✓	✓	✓		✓	✓		
06.11.2023	✓	✓	✓		✓	✓		
23.11.2023	✓	✓	✓		✓	✓		
02.12.2023	✓	✓	✓		✓	✓		
22.12.2023	✓	✓	✓		✓	✓		
29.12.2023	✓	✓	✓		✓	✓		
06.01.2024	✓	✓	✓		✓	✓		
22.01.2024	✓	✓	✓		✓	✓		
17.02.2024	✓	✓	✓		✓	✓		
28.02.2024	✓	✓	✓		✓	✓		
26.03.2024	✓				✓	✓	✓	✓
Meetings attended / held	19/19	18/18	18/18	5/5	19/19	18/19	1/1	1/1

(#) Tenure ended on 28.02.2024
($) Tenure ended on 28.02.2024
(&) Resigned w.e.f. 31.07.2023
(%) Inducted into the ACB w.e.f. 27.02.2024
(@) Inducted into the ACB w.e.f. 15.03.2024

2. STAKEHOLDERS' RELATIONSHIP AND CUSTOMER SERVICE COMMITTEE OF THE BOARD OF DIRECTORS (SRCPC)

TERMS OF REFERENCE / ROLES AND RESPONSIBILITIES OF THE COMMITTEE ARE:

1. To look into matters relating to transfer/transmission of shares, issue of new/duplicate certificates, general meetings etc. and any other shareholders request / shares related issues.

2. To permit the transfer of Dividend and shares thereon to the IEPF Authority and any other matter in this regard.

3. To review the measures taken for effective exercise of voting rights by the shareholders;

4. To review the adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar and Share Transfer Agent;

5. To review the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Bank; and

6. To formulate the procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

7. To perform such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations and the Companies Act or other applicable law

8. Reviewing and recommending to the Board the amendments to the memorandum of association and the articles of association of the Bank;

9. Finalizing, settling, approving and adopting the draft red herring prospectus (the "DRHP"), the red herring prospectus (the "RHP"), the prospectus (the "Prospectus"), the preliminary and final international wraps, and any amendments, supplements, notices or corrigenda thereto, together with any summaries thereof (collectively, the "Offer Documents");

10. Arranging for the submission, withdrawal and filing of the Offer Documents including incorporating such alterations/ corrections/modifications as may be required by the Securities and Exchange Board of India (the "SEBI"), the Reserve Bank of India (the "RBI"), the relevant registrar of companies (the "RoC"), the stock exchanges where the Equity Shares are to proposed be listed (the "Stock Exchanges"), or any other relevant governmental and statutory authorities or in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India, the RBI, the SEBI, the RoC, the Stock Exchanges and/or any other competent authorities (collectively, the "Applicable Law"), and taking all such actions as may be necessary for submission, withdrawal and filing of the Offer Documents;

11. Approving and issuing notices and/or advertisements in relation to the Offer as it may deem fit and proper in accordance with Applicable Law in consultation with the relevant intermediaries appointed for the Offer;

12. Approving any steps towards compliance with corporate governance requirements, policies or codes of conduct of the Board, officers and other employees of the Bank that may be considered necessary by it or as may be required under Applicable Law in connection with the Offer;

13. Appointing and instructing the BRLMs, syndicate members, bankers to the Offer, the registrar to the Offer, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, custodians, credit rating agencies, monitoring agencies, advertising agencies and all such persons, agencies or intermediaries as may be involved in or concerned with the Offer and whose appointment is required in relation to the Offer, to the extent relevant, including any successors or replacements thereof, by way of commission, brokerage, fees or the like, and negotiating, finalizing and settling the respective terms of their appointment and executing and delivering or arranging the delivery of, and if deemed fit, terminating the various agreements for such appointment, including any syndicate agreement, underwriting agreement, share escrow agreement, cash escrow and sponsor bank agreement, agreement with registrar in relation to the Offer, and advertising agencies and any other intermediaries or parties in connection with the Offer;

14. Opening and operating bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in Rupees or in any other currency, in accordance with the terms of any agreement entered into in this respect and subject to Applicable Law;

15. Opening and operating bank accounts of the Bank in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Bank to execute all documents/deeds as may be necessary in this regard;

16. Authorizing and approving the incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer, in accordance with the terms of any agreement entered into in this respect and subject to Applicable Law;

17. Seeking the listing of the Equity Shares on the Stock Exchanges, submitting listing applications to the Stock Exchanges and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into listing agreements with the Stock Exchanges;

18. Seeking, if required, the consent of the Bank's lenders, parties with whom the Bank has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Offer;

19. Submitting undertakings/certificates or providing clarifications to the SEBI and the Stock Exchanges;

20. Deciding, in consultation with the BRLMs the size and timing and all other terms and conditions, including any amendments thereto, of the Offer and/or the number of Equity Shares to be offered and transferred in the Offer, including [any private placement of certain Equity Shares to selected investors as permitted under Applicable Law, any reservation of a certain number of Equity Shares for any category or categories of persons as permitted under Applicable Law,] any rounding off in the event of any oversubscription as permitted under Applicable Law, and to accept any amendments, modifications, variations or alterations thereto;

21. Determining, in consultation with the BRLMs and/or any other advisors, the price at which the Equity Shares will be offered and allotted and transferred to investors in the Offer in accordance with Applicable Law and determining the discount, if any, proposed to be offered to eligible categories of investors;

22. Determining, in consultation with the BRLMs and/or any other advisors, the price band and minimum bid lot for the purpose of bidding, any revision to the price band and the final Offer price (including the price at which Equity Shares are allotted to anchor investors in the Offer, if any) after bid closure;

23. Determining, in consultation with the BRLMs and/or any other advisors, the bid opening and closing dates (including the bidding date in case of anchor investors, if any);

24. Finalizing, in consultation with the BRLMs, the Stock Exchanges and/or any other advisors, the basis of allocation and allotment and transfer of Equity Shares to retail investors/non-institutional investors/qualified institutional buyers and any other investor;

25. Approving/taking on record the allotment and transfer of the Equity Shares;

26. Approving suitable policies on insider trading, whistle-blower mechanism, risk management and any other policies as may be required under applicable laws;

27. Issuing receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares, with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchanges; and

28. Taking all actions as may be necessary or authorized in connection with the Offer.

29. The main function of the Committee shall be to consider and resolve the grievances of security-holders of the company

30. The committee would deal in capital planning and draw up an action plan for capital augmentation of our Bank.

31. To oversee the functions of Standing Committee on customer service such as:
    a) To look into simplifications of procedures and practices with a view to safeguarding the interest of common persons.
    b) To review the systems in place for providing services to the customers.
    c) To review the regulations and procedures prescribed by RBI that impinge on customer service of the Banks.

32. To ensure the compliance of the recommendations of the Committee on Procedures and Performance Audit and Public Services (CPPAPS).

33. To devise innovative measures for enhancing the quality of customer service.

34. To improve the level of customer satisfaction for all categories of clientele at all times.

35. To address the formulation of comprehensive deposit policy (since formulated by the bank) the product approval process, the annual survey of depositor satisfaction & audit of such services.

36. Place all the awards / decree before the customer service committee to enable them to address issues of systemic deficiencies existing in Banks, if any, brought out by the awards, and Place all the awards / decree remaining unimplemented for more than three months with the reasons therefor, before the Customer Service Committee to enable the Customer Service Committee to report to the Board, such delays in implementation without valid reasons for initiating necessary remedial action

NUMBER OF MEETINGS HELD: 6 MEETINGS

THE SRCSC MEETING DATES AND THE ATTENDANCE RECORD IS AS BELOW:

Date of Meeting	Shri S.Krishnan	Shri.A.Niranjan Sankar	Shri.S.R.Ashok	Shri.P.C.G.Asok Kumar ($)	Shri.D.N.Nirranjan Kani	Shri.B.Vijayadurai (#)
24.04.2023	✓	✓	✓	✓	✓	✓
23.05.2023	✓	✓	✓	✓	✓	✓
26.06.2023	✓	✓	✓	✓	✓	✓
29.09.2023	✓	✓	✓	✓	✓	✓
16.12.2023	✓	✓	✓	-	✓	✓
26.02.2024	✓	✓	✓		✓	✓
Meetings attended / held	6/6	6/6	6/6	4/5	6/6	6/6

($) Resigned w.e.f. 31.01.2024
(#) Tenure ended on 28.02.2024

3. RISK AND ASSET LIABILITY MANAGEMENT COMMITTEE OF THE BOARD (RMC)

The Risk Management Committee of the Board shall put in place specific policies and procedures for enterprise wide risk management of the Bank based on the regulatory guidance and best practices.

TERMS OF REFERENCE / ROLES AND RESPONSIBILITIES OF THE COMMITTEE ARE:

1. Formulation of a detailed risk management policy which shall include:
   a) A framework for identification of internal and external risks specifically faced by the Bank, in particular including financial, operational, sectorial, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk and Asset Liability Committee.
   b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   c) Business continuity plan.

2. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Bank.

3. Framing, implementing, reviewing and monitoring the risk management plan for the Bank and such other functions, including cyber security and

4. Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee.

5. Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

6. Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

7. Keep the board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.

8. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

9. For approving the policy documents (Risk Management policy, Loan Review Policy, Credit Policy etc.,) for fixing various risk parameters and also fixing prudential limits for such risks.

10. Promoting an enterprise risk management competence throughout the bank, including facilitating development of IT-related enterprise risk management expertise.

11. Establishing a common risk management language that includes measures around likelihood and impact and risk categories.

12. Overseeing the overall Management of Risks.

13. Deciding the Risk Management Policy.

14. Setting out limits for various risks like liquidity risk, interest rate risk, foreign exchange risk, equity price risk etc.

15. To review and monitor the functions of the Executive Level Asset Liability Management Committee.

16. It is the decision making unit responsible for Balance sheet planning from Risk – Return perspective.

17. It will suggest to the Board / Committee the business issues like planning of deposits and advances, desired maturity profile of incremental assets and liabilities, desired cost and yield of funds, desired investment mix, desired interest spread, etc.

18. It will make a review on future direction of interest rate movements and decide on a funding mix like wholesale or retail deposits, money market funding, etc.

19. It will take position of the Bank's cash inflow and outflow in the next quarter (Review on the maturing assets and liabilities, liquid assets, available refinance limits, etc.). The difference between the cash inflows and outflows in the particular period is the starting point for measure of bank's future liquidity excess or shortfall. It will endeavor to fill the gaps.

20. It will take a decision of pricing the deposits and advances based on the market trends and situations. Decision on renewal / roll over of bulk deposits will also be taken on the liquidity gap report.

21. It will review and monitor the entire investment portfolio of the bank and make investment suggestions for the ensuing quarter.

22. It will take decisions based on sensitivity analytical report considering various alternative scenarios viz. going concern scenario, liquidity crisis scenario, general market crisis scenario, bank-specific crisis scenario, etc.

23. It will consider the statement of interest rate sensitivity to assess the sensitivity of changes in market conditions in line with the interest rate policies of the bank.

24. It will meet once in a month and review the business trend and submit a quarterly report to the Board / Committee along with its suggestions on gap reports.

25. It will meet in case of any crisis to take stock of the position and to decide on the corrective measures.

26. Setting out risk assessment and minimization procedures and the procedures to inform the Board of the same;

27. Formulate a business continuity plan

The committee will oversee the following functions of the Executive Level Risk Management Committee.

1. To identify, monitor and measure the risk profile of the Bank.
2. To develop policies and procedures for the risk management.
3. To develop and review various risk models.
4. To spell out quantitative prudential limits on various risk segments.
5. To design stress scenarios to measure the impact of unusual market.

6. To monitor compliance of various risk parameters.
7. To develop skills and expertise on risk modeling and analytical tools.
8. To decide the business strategy of the Bank in line with Bank's budget and decide risk management objective.

NUMBER OF MEETINGS HELD: 8 MEETINGS
THE RMC MEETING DATES AND THE ATTENDANCE RECORD IS AS BELOW:

Date of Meeting	Shri S.Krishnan	Shri C.S.Ram Kumar	Shri.B.S.Keshava Murthy (&)	Shri.K.Nagarajan (#)	Shri.B.Prabaharan	Shri.B.Vijayadurai ($)	Shri.S.Ravindran (*)	Shri.S.Sridharan (%)	Shri.C. Chiranjeeviraj (@)
06.06.2023	✓	✓	✓	✓	✓	✓			
27.06.2023	✓	✓	✓	✓	✓	✓			
25.07.2023	✓	✓	-	✓	✓	✓			
07.11.2023	✓	✓		✓	✓	✓	-		
02.01.2024	✓	✓		✓	-	✓	✓		
08.02.2024	✓	✓		✓	✓	✓	✓		
27.02.2024	✓	✓		✓	✓	✓	✓		
26.03.2024	✓	✓			✓		-	✓	✓
Meetings attended / held	8/8	8/8	2/3	7/7	7/8	7/7	3/5	1/1	1/1

(&) Resigned w.e.f. 31.07.2023 (#) Tenure ended on 28.02.2024 ($) Tenure ended on 28.02.2024
(*) Inducted into the RMC w.e.f. 03.08.2023 (%) Inducted into the RMC w.e.f. 27.02.2024
(@) Inducted into the RMC w.e.f. 15.03.2024

4. NOMINATION & REMUNERATION COMMITTEE OF THE BOARD OF DIRECTORS (NRC)

TERMS OF REFERENCE / ROLES AND RESPONSIBILITIES OF THE COMMITTEE ARE:

1. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the board of Directors of the Bank ("Board") a policy relating to the remuneration of the Directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of the performance of independent Directors and the Board;

3. Devise a policy on diversity of the Board;

4. Identify persons, who are qualified to become Directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carrying out evaluation of every director's performance;

5. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent Directors;

6. Recommend remuneration of executive Directors and any increase therein from time to time within the limit approved by the members of the Bank;

7. Recommend remuneration to non-executive Directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;

8. Recommend to the Board, all remuneration, in whatever form, payable to senior management;

9. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;

10. Engage the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;

11. Ensure the 'fit and proper' status of the proposed and existing Directors in terms of the Master Directions;

12. Analyse, monitor and review various human resource and compensation matters;

13. Review and approve the compensation strategy from time to time in the context of the current Indian market in accordance with applicable laws;

14. Frame suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
(i) The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
(ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
(iii) Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Master Directions, Companies Act, each as amended or other applicable law.

15. Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Master Directions, Companies Act, each as amended or other applicable law.

16. To oversee the framing, review and implementation of compensation policy of the Bank on behalf of the Board.

17. To achieve effective alignment between remuneration and risks.

18. To ensure that the cost / income ratio of the bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.

NUMBER OF MEETINGS HELD: 16 MEETINGS
THE NRC MEETING DATES AND THE ATTENDANCE RECORD IS AS BELOW:

Date of Meeting	Shri.K.Nagarajan (#)	Shri.A.Niranjan Sankar	Shri.B.Vijayadurai ($)	Shri.C.Chiranjeeviraj	Smt.S.Ezhil Jothi
24.04.2023	✓	✓	✓	✓	✓
26.06.2023	✓	✓	✓	✓	✓
10.07.2023	✓	✓	✓	✓	-
26.07.2023	✓	✓	✓	✓	✓
03.08.2023	✓	✓	✓	✓	✓
26.08.2023	✓	✓	✓	✓	✓
06.10.2023	✓	✓	✓	✓	✓
28.10.2023	✓	✓	✓	✓	✓
02.11.2023	✓	✓	✓	✓	✓
15.11.2023	✓	✓	✓	✓	✓
16.11.2023	✓	✓	✓	✓	✓
01.12.2023	✓	✓	✓	✓	✓
22.01.2024	✓	-	✓	✓	✓
08.02.2024	✓	✓	✓	✓	✓
27.02.2024	✓	✓	✓	✓	✓
28.03.2024		✓		✓	✓
Meetings attended / held	15/15	15/16	15/15	16/16	15/16

(#) Tenure ended on 28.02.2024

($) Tenure ended on 28.02.2024

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF THE BOARD OF DIRECTORS (CSR)

TERMS OF REFERENCE / ROLES AND RESPONSIBILITIES OF THE COMMITTEE ARE:

1. Formulate and recommend to the Board the corporate social responsibility policy of the Bank, including any amendments thereto, in accordance with Schedule VII of the Companies Act.

2. Recommend to the Board the amount of expenditure to be incurred, on the corporate social responsibility activities.

3. Review and monitor the implementation of corporate social responsibility policy of the Bank.

4. Perform such other duties and functions as the Board may require of the corporate social responsibility committee to undertake, to promote the corporate social responsibility activities of the Bank.

5. Formulate and recommend to the Board an annual action plan in pursuance of CSR Policy including
a) The list of CSR projects or programmes that are approved to be undertaken in areas of subjects specified in Schedule VII of Companies Act, 2013.
b) The manner of execution of such projects or programmes as specified in rule 4(1) of CSR Rules.
c) The modalities of utilization of funds and implementation schedules for the projects or programmes.
d) Monitoring and reporting mechanism for the projects or programmes; and
e) Details of need and impact assessment, if any, for the projects undertaken by the Company, appointment of independent agency for undertaking impact assessment

6. Recommendation to the Board for transfer of unspent amount related to on-going project to separate bank account and unspent amounts other than ongoing projects, to funds specified in Schedule VII to the Act

7. Monitoring of all projects (ongoing or otherwise). Reviewing and recommending to the Board, the CFO Certification about utilization of funds disbursed for the purpose and manner approved by the Board.

NUMBER OF MEETINGS HELD: 5 MEETINGS
THE CSR MEETING DATES AND THE ATTENDANCE RECORD IS AS BELOW:

Date of Meeting	Shri S.Krishnan	Shri.A.Niranjan Sankar	Shri.S.R.Ashok	Shri.D.N.Nirranjan Kani	Shri.B.Prabaharan	Shri.B.Vijayadurai ($)
26.06.2023	✓	✓	✓	✓	✓	✓
30.11.2023	✓	✓	✓	✓	✓	✓
07.02.2024	✓	✓	✓	✓	✓	✓
15.03.2024	✓	✓	✓	✓	✓	
28.03.2024	✓	✓	✓	-	✓	
Meetings attended / held	5/5	5/5	5/5	5/5	5/5	3/3

($) Tenure ended on 28.02.2024

6. MANAGEMENT COMMITTEE OF THE BOARD OF DIRECTORS TERMS OF REFERENCE / ROLES AND RESPONSIBILITIES OF THE COMMITTEE ARE

a) All fresh sanction of loans and advances.
b) All renewal of loan and advances limits.
c) All changes and modifications either additional limits or reduced limits or addition or reduction in facilities.
d) Any change in the conditions of sanctioned limits.
e) Any matter relating to securities, either by way of addition, relinquishment, substitution etc.
f) Levying or reduction of penal interest.
g) Restructuring debts / loans / advances.
h) Sanction of Forward Exchange Contract limits.

DELEGATED POWER FOR LOANS AND ADVANCES AS DETAILED BELOW: -

S.No	Type of advance (Irrespective of security coverage)	Limit (Including lending under consortium) Rs.in Crores	
		Individual	Group
1	Commercial Real Estate	50	75
2	Capital Market	20	40
	NBFC	30	60
3	Other than 1 and 2	100	150

OTHER POWERS OF MANAGEMENT COMMITTEE OF THE BOARD:

a. Management Committee of Board has the power to reduce the margin below the rates stipulated under loan policy, but subject to RBI guidelines wherever applicable for all accounts that are coming upto the powers of Management Committee of the Board.

b. Approval of all new Business Modules, new products, new schemes.

c. All matters relating to Commission, Charges including Guarantee and LC and fixing of margins and review of unsecured guarantees issued on behalf of customers.

d. All matters relating to collateral coverage for different type of loans.

e. Cash Management matters.

f. All correspondent arrangements and fixing limits for other banks.

g. Establishing new Currency Chests, new branches, ATMs etc.

h. Besides, to take note of

- Monthly report on the credit proposals sanctioned by the Managing Director & CEO.
- Quarterly review of Top-100 borrowal accounts of NPAs below Rs.5 Crore in each category of NPA i.e. Sub-Standard / Doubtful / Loss (75 in each quarter). After deliberations, a status report giving macro level analysis of NPAs (trend, movement, sector-wise, suit filed cases, recovery etc.,) should be put up to the Board.
- Quarterly report with regard to compromise proposals / bad debts written off by the General Manager / MD & CEO.
- Quarterly report with regard to compliance observations by the Management Committee.
- Half yearly review report of Credit Card business.
- Yearly review of corporate budget including review of publicity expenses, capital expenditure vis-à-vis capital budget, deviations to be put up to the Board.
- Yearly review report on the overdue loan proposals beyond six months falling in the powers of the Management Committee.
- Quarterly report on waiver of revenue charges permitted by the General Manager (Business Development) and MD & CEO.

INFRASTRUCTURE:

1. To consider and recommend to the Board for the purchase and sale of Bank's property

2. To approve any premises to be taken on rent / lease for Banks' use.

3. To sanction maintenance expenses on Bank's property and the property taken on rent/lease.

4. To sanction expenditure for purchase of vehicle, furniture, furnishings etc., in excess of MD&CEO's power.

5. To sanction expenditure on fire alarm system, fire protection system, security system for branches, currency chests, Administrative Offices in excess of MD&CEO's powers.

NUMBER OF MEETINGS HELD: 10 MEETINGS

The MCB meeting dates and the attendance record is as below: (MC)

Date of Meeting	Shri S.Krishnan	Shri.P.C.G.Asok Kumar (@)	Shri.S.R.Ashok	Shri.D.N.Nirranjan Kani	Shri.B.S.Keshava Murthy (&)	Shri.B.Vijayadurai ($)	Shri.S.Sridharan (%)
27.06.2023	✓	✓	✓	✓	✓	✓	
07.08.2023	✓	✓	✓	✓		✓	
13.09.2023	✓	✓	✓	✓		✓	
28.09.2023	✓	✓	✓	✓		✓	
07.11.2023	✓	-	✓	-		✓	
16.12.2023	✓	-	✓	✓		✓	
07.02.2024	✓		✓	✓		✓	
26.02.2024	✓		✓	✓		✓	
16.03.2024	✓		✓	✓			✓
27.03.2024	✓		✓	✓			✓
Meetings attended / held	10/10	4/6	10/10	9/10	1/1	8/8	2/2

(@) Resigned w.e.f. 31.01.2024 (&) Resigned w.e.f. 31.07.2023 ($) Tenure ended on 28.02.2024
(%) Inducted into the MCB w.e.f. 27.02.2024

7. INFORMATION TECHNOLOGY STRATEGY COMMITTEE OF THE BOARD OF DIRECTORS

TERMS OF REFERENCE / ROLES AND RESPONSIBILITIES OF THE COMMITTEE ARE:

1. Review and recommend to the Board for procurement of Software and Hardware within overall capital budget of the Bank.

2. Plan and design a Technology map for the Bank.

3. Monitor the implementation of various technology measures / products in the bank and review progress of computerizations.

4. Identify the need for and determine the extent of coverage of ATMs.

5. Appointment of Technology Consultants for the Bank.

6. Recommendation of Budget for Technology both short term and long term.

7. Training of employees on Technology.

8. Approving IT strategy and policy documents.

9. Ensuring that the management has put an effective strategic planning process in place.

10. Ensuring that the business strategy is indeed aligned with IT strategy.

11. Ensuring that the IT organizational structure complements the business model and its direction.

12. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.

13. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.

14. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.

15. Ensuring proper balance of IT investments for sustaining bank's growth.

16. Becoming aware about exposure towards IT risks and controls and evaluating effectiveness of management's monitoring of IT risks.

17. Assessing Senior Management's performance in implementing IT strategies.

18. Issuing high-level policy guidance (e.g. related to risk, funding or sourcing tasks)

19. Confirming whether IT or business architecture is to be designed, so as to derive the maximum business value from IT.

20. Overseeing the aggregate funding of IT at the bank-level and ascertaining if the management has resources to ensure the proper management of IT risks.

21. Reviewing IT performance measurement and contribution of IT to business (i.e., delivering the promised value).

22. The ITSC Shall :

(i) Ensure that the Bank has put an effective IT strategic planning process in place;

(ii) Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Bank towards accomplishment of its business objectives;

(iii) Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;

(iv) Ensure that the Bank has put in place processes for assessing and managing IT and cyber security risks;

(v) Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Bank's IT maturity, digital depth, threat environment and industry standards and are utilized in a manner intended for meeting the stated objectives; and

(vi) Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Bank.

POWERS OF IT STRATEGY COMMITTEE: -

1. Perform oversight functions over the IT Steering Committee (at a senior management level.

2. Investigate activities within this scope.

3. Seek information from any employee.

4. Obtain outside legal or professional advice.

5. Secure attendance of outsiders with relevant expertise, if it considers necessary.

6. Work in partnership with other Board committees and Senior Management to provide input, review and amend the aligned corporate and IT strategies.

Date of Meeting	Shri S.Krishnan	Shri.A.Niranjan Sankar	Shri.S.R.Ashok	Shri.D.N.Nirranjan Kani	Shri.B.Prabaharan
26.06.2023	✓	✓	✓	✓	✓
29.09.2023	✓	✓	✓	✓	✓
30.11.2023	✓	✓	✓	✓	✓
26.02.2024	✓	✓	✓	✓	✓
Meetings attended / held	4/4	4/4	4/4	4/4	4/4

8. HUMAN RESOURCES MANAGEMENT COMMITTEE OF THE BOARD OF DIRECTORS

TERMS OF REFERENCE / ROLES AND RESPONSIBILITIES OF THE COMMITTEE ARE:

1. Taking decisions on change in organizational set-up.

2. Formulation of staff welfare schemes.

3. Recruitment and promotion of staff (Up to Scale - IV).

4. Revision of salary.

5. Taking decision regarding payment of house rent allowance, bonus, ex-gratia and other staff benefits.

6. Review of pending disciplinary proceedings.

7. Review of pending industrial disputes.

8. Formulation of policy for transfer / promotion / posting / promotion of staff / officers / executives.

9. Examining and recommending changes / amendments etc., in the service conditions of officers / staff.

10. Examining and recommending delegation of powers to the officers / Executives.

11. Examining and recommending the number of vacancies in each cadre to be filled in by promotions / appointments.

12. All matters relating to the training of the employees, matter relating to Training College, faculty selection, deputation of employees for external training etc.

13. To Review HR Strategy aligning with business strategy of the Bank.

14. To review productivity levels of employees benchmarking with peers in the industry.

15. To review Talent pool creation & Learning Initiatives.

NUMBER OF MEETINGS HELD : 5 MEETINGS

THE MEETING DATES AND THE ATTENDANCE RECORD IS AS BELOW:

Date of Meeting	Shri S.Krishnan	Shri.A.Niranjan Sankar	Shri.S.R.Ashok	Shri.P.C.G.Asok Kumar ($)	Smt.S.Ezhil Jothi	Shri.C. Chiranjeeviraj (@)
08.05.2023	✓	✓	✓	✓	✓	
17.08.2023	✓	✓	✓	✓	✓	
27.10.2023	✓	✓	✓	✓	✓	
03.01.2024	✓	✓	✓	-	✓	
28.03.2024	✓	✓	✓		✓	✓
Meetings attended / held	5/5	5/5	5/5	3/4	5/5	1/1

($) Resigned w.e.f. 31.01.2024

(@) Inducted into the HRMC w.e.f. 15.03.2024

9. NPA MONITORING COMMITTEE OF THE BOARD OF DIRECTORS

TERMS OF REFERENCE / ROLES AND RESPONSIBILITIES OF THE COMMITTEE ARE:

1. Monitoring the major NPA accounts.

2. Review Region wise position of NPAs.

3. Ensure that NPA classifications are consistent with RBI requirements.

4. Set in motion steps against slippages within NPA portfolio.

5. Ensure that accurate and proper provisions have been made for NPA and a suitable mechanism is in place for the purpose

6. Monitor recovery in respect of NPA accounts.

7. All matters relating to Debt Recovery Tribunals including sanctions for filing of cases.

8. All matters relating to Securitization Act.

9. All matters relating to LOK Adalat.

10. Review of 100 Top borrowal accounts of NPAs (As per RBI guidelines).

11. Review of Loss Assets with balance of Rs.1.00 lakh and above for more than 2 years, where no legal action has been initiated.

12. Review of suit filed accounts of Rs. 5.00 lakhs and above.

13. Periodical review of the large corporate loans and delinquent accounts appearing in SMA lists.

14. Periodical review of Non-Performing Assets of large value (Rs.2.5 Crores and above) and also a pool of NPAs in various categories (substandard, doubtful and loss);

15. To review the position of stressed assets (SMA 1, SMA 2) position in the Bank;

16. To review the: -
    1. Progress of recovery and monitor the process of recovery mechanism of the Bank;
    2. Status of SARFAESI compliance for every six months;
    3. Report of quick mortality accounts in the Bank;
    4. Trends of NPAs in the industry and direct the recovery measures;
    5. Status on technical write off accounts;
    6. Recovery policy of the Bank; and
    7. Provisioning requirements and disclosures to be made in the financial statements with respect to NPAs.

NUMBER OF MEETINGS HELD : 7 MEETINGS

THE MEETING DATES AND THE ATTENDANCE RECORD IS AS BELOW:

Date of Meeting	Shri S.Krishnan	Shri.D.N.Nirranjan Kani	Shri.P.C.G.Asok Kumar ($)	Shri.S.B.Suresh Kumar	Shri.C. Chiranjeeviraj	Shri.K.Nagarajan (#)	Shri.B.Prabaharan	Shri.S.Sridharan(%)
08.05.2023	✓	✓	✓	✓	✓	✓	✓	
28.06.2023	✓	✓	✓	✓	✓	✓	✓	
25.08.2023	✓	✓	✓	✓	✓	✓	✓	
02.12.2023	✓	✓	✓	✓	✓	✓	✓	
10.01.2024	✓	✓	-	✓	✓	✓	✓	
07.02.2024	✓	✓		✓	✓	-	✓	
15.03.2023	✓	✓		✓	✓		✓	✓
Meetings attended / held	7/7	7/7	4/5	7/7	7/7	5/6	7/7	1/1

($) Resigned w.e.f. 31.01.2024 (#) Tenure ended on 28.02.2024 (%) Inducted into the ACB w.e.f. 27.02.2024

10. SPECIAL COMMITTEE OF THE BOARD TO MONITOR LARGE VALUE FRAUDS

TERMS OF REFERENCE / ROLES AND RESPONSIBILITIES OF THE COMMITTEE ARE:

The major functions of the Committee would be to monitor and review all frauds of Rs.100.00 Lakhs and above so as to:

1. Identify the systemic lacunae, if any that facilitated perpetration of the fraud and put in place measures, to plug the same.

2. Identify the reasons for delay in detection, if any, reporting to top management of the bank and RBI.

3. Monitor progress of CBI/Police investigation and recovery position.

4. Ensure that staff accountability is examined at all levels, in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.

5. Review the efficacy of the remedial action taken, to prevent recurrence of frauds, such as strengthening of internal controls.

6. Put in place other measures as may be considered relevant, to strengthen preventive measures against frauds.

NUMBER OF MEETINGS HELD : 1 MEETING

THE MEETING DATES AND THE ATTENDANCE RECORD IS AS BELOW:

Date of Meeting	Shri S.Krishnan	Shri.S.R.Ashok	Shri.S.B.Suresh Kumar	Shri C.S.Ram Kumar	Shri.K.Nagarajan	Shri.B.Vijayadurai	Shri.S.Ravindran
02.01.2024	✓	✓	✓	✓	✓	✓	✓
Meetings attended / held	1/1	1/1	1/1	1/1	1/1	1/1	1/1

11. DISCIPLINARY COMMITTEE OF BOARD OF DIRECTORS

TERMS OF REFERENCE / ROLES AND RESPONSIBILITIES OF THE COMMITTEE ARE:

1. For disposing Disciplinary Cases as the Appellate Authority for the General Manager and above cadre.

2. Reviewing Authority for Officers' in the Cadre of Assistant General Managers (Scale V) and Deputy General Managers (Scale VI).

3. In case of Officers in different cadre are involved in a disciplinary case, the Appellate Authority / Reviewing Authority may vary in accordance with the Disciplinary action policy.

NUMBER OF MEETINGS HELD : 2 MEETINGS

THE MEETING DATES AND THE ATTENDANCE RECORD IS AS BELOW:

Date of Meeting	Shri S.Krishnan	Shri.S.R.Ashok	Shri.K.Nagarajan (#)	Shri.B.Prabaharan
09.08.2023	✓	✓	✓	✓
17.08.2023	✓	✓	✓	✓
Meetings attended / held	2/2	2/2	2/2	2/2

(#) Tenure ended on 28.02.2024

12. INDEPENDENT DIRECTORS COMMITTEE OF THE BOARD OF DIRECTORS

BRIEF TERMS OF REFERENCE

1. Review the performance of non-independent director and the Board as whole.

2. Review the performance of the Chairman of the Bank, taking into account the views of executive director and non-executive directors.

3. Assess the quality, quantity and timelines of the flow of information between the bank management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

NUMBER OF MEETINGS HELD : 1 MEETING

THE MEETING DATES AND THE ATTENDANCE RECORD IS AS BELOW:

Date of Meeting	Shri.B.Prabaharan	Shri.K.Nagarajan (#)	Shri.B.S.Keshava Murthy (&)	Shri.B.Vijayadurai ($)	Shri.C.Chiranjeeviraj	Smt.S.Ezhil Jothi
23.06.2023	✓	✓	✓	✓	✓	✓
Meetings attended / held	1/1	1/1	1/1	1/1	1/1	1/1

(#) Tenure ended on 28.02.2024 (&) Resigned w.e.f. 31.07.2023 ($) Tenure ended on 28.02.2024

13. REVIEW COMMITTEE ON WILFUL DEFAULTERS OF THE BOARD OF DIRECTORS

TERMS OF REFERENCE / ROLES AND RESPONSIBILITIES OF THE COMMITTEE ARE:

1. Review and confirm the order of the Executive Committee for Classification of borrowers as "Non- Cooperative Borrowers" or "Wilful Defaulters";

2. Review and confirm the order of the Executive Committee for Classification of borrowers as "Frauds"

3. Reviewing the status of "Wilful Defaulters" at least on an annual interval or at such other intervals as may be required by RBI;

4. Reporting periodically to Central Repository of Information of Large Credits (CRILC) and deciding on removal of the names from the list of "Non-Cooperative Borrowers" or "Wilful Defaulters" as reported to CRILC;

5. Any other matters identified from time to time or advised by the Board.

NUMBER OF MEETINGS HELD : 3 MEETINGS

THE MEETING DATES AND THE ATTENDANCE RECORD IS AS BELOW:

Date of Meeting	Shri S.Krishnan	Smt.S.Ezhil Jothi	Shri.S.Ravindran (*)	Shri.K.Nagarajan (#)	Shri.B.Vijayadurai ($)
25.08.2023	✓	✓	✓	✓	✓
02.01.2024	✓	-	✓	✓	✓
08.02.2024	✓	✓	✓	✓	✓
Meetings attended / held	3/3	2/3	3/3	3/3	3/3

(*) Inducted into the RCWD w.e.f. 03.08.2023 (#) Tenure ended on 28.02.2024 ($) Tenure ended on 28.02.2024

PARTICULARS OF SENIOR MANAGEMENT AS ON 31.03.2024

Name	Designation	Date of Joining in the Bank	Remarks
Inbamani D	General Manager	24/10/1983	Retired on 30/04/2024
P. Suriaraj	General Manager	22/01/1987	Retired on 31/05/2024
J. Sundaresh Kumar	General Manager	18/05/1992	
Ramesh D	General Manager	09/10/2019	
Krishnan P A	Chief Financial Officer	03/08/2021	
Jayaraman V	General Manager	06/09/2021	
Narayanan S	General Manager	28/09/2022	
N. Surendran	Deputy General Manager	21/02/1986	Retired on 31/07/2024
S. Pratheep Kumar	Deputy General Manager	08/01/1990	Retired on 30/04/2024
V. Murugesan	Deputy General Manager	08/01/1990	
K. Ananth	Deputy General Manager	17/05/1993	
Vijayan K	Deputy General Manager	06/06/1994	Promoted as General Manager w.e.f 01/04/2024
Ashokkumar P R	Deputy General Manager	30/10/2019	Promoted as General Manager w.e.f 01/04/2024
Vijayakumar S	Deputy General Manager	23/11/2023	
Parthasarathy R	Chief Risk Officer	02/02/2017	Contract Completed on 30/04/2024
Sethuraman Venkataraman	Chief Technology Officer	13/03/2019	
Selvaraj K	Internal Ombudsman	13/06/2022	Resigned and relieved on 31/07/2024
Francy Jos E	Chief Learning Officer	01/08/2022	Resigned and relieved on 29/06/2024

CHANGES IN SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2023-24

Name	Previous Designation	New Designation	Remarks
J. Sundaresh KumaR	Deputy General Manager	General Manager	Promoted on 01/09/2023
Vishweshwaran R	Chief Digital Officer	-	Resigned and relieved on 14/07/2023
M.Ravi	Deputy General Manager (Contract)	-	Resigned and relieved on 30/06/2023
Prakash Chandra Panda	Company Secretary	-	Resigned and relieved on 30/03/2024

GENERAL INFORMATION FOR SHAREHOLDERS:

A. ANNUAL GENERAL MEETINGS:

Venue and the date of the last three annual general meeting are as under:

Year	Venue	Date	Day	Time (IST)	Whether any Special resolution/s passed
2023	Held through Video Conferencing / Other Audio Visual Means	05.09.2023	Tuesday	11.00 AM	Yes
2022		09.06.2022	Thursday	12.30 PM	Yes
2021		09.06.2022	Thursday	12.00 PM	No

B. POSTAL BALLOT – FY 2023-24

Pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration Rules, 2014), the Bank passed the followings resolutions by way of postal ballot.

Date of Postal Ballot Notice : February 27, 2024
Voting Period : March 06, 2024 to April 04, 2024
Date of Declaration of result : April 04, 2024
Date of Approval : April 04, 2024

S.No	Description of the Resolution	Type of Resolution
1	Alteration of Articles of Association of the Bank	Special Resolution
2	Appointment of Mr.S.Sridharan (DIN: 07205781) as an Independent Director of the Bank	Special Resolution

The Bank engaged the services of National Securities Depositary Limited ("NSDL") to provide the e-voting facility. Shri.P.Sriram, (Membership No. FCS 4862) (CP No. 3310), partner of M/s.SPNP & Associates, firm of Practicing Company Secretaries, was appointed as the scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. All the above resolutions were passed with requisite majority.

MEANS OF COMMUNICATION:

The quarterly/half yearly/annual results are published in the leading national English dailies such as The Hindu, Financial Express, The Economic Times, Business Line, Business Standard etc., and vernacular newspaper such as Daily Thanthi, Dinakaran etc., The results and presentation on analysis of financial results were also posted on our website and also on the websites of stock exchanges i.e., www.bseindia.com and www.nseindia.com. Also, material updates/developments are disclosed to the stock exchanges and hosted on Bank's website. Further, the gist of financial results is also shared on a quarterly basis with all the shareholders on a voluntary basis who have registered their email ids with the Bank/Depositories.

The Bank conducts meetings with Institutional Investors and Analysts. The Schedule of Meetings, Investors Presentations, Audio recordings and transcript are forwarded to the stock exchanges as well simultaneously displayed on the Bank's website.

C. ANNUAL GENERAL MEETING FOR THE FY 2023-24 (AGM) TO BE HELD:

Day	**Tuesday**
Date	**September 27, 2024**
Time	**10.00 AM**
Venue	Not Applicable (to be held through VC/OAVM)
Mode	Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")
Bank's Address for Correspondence	Tamilnad Mercantile Bank Limited., Secretarial Section, Head Office, 57- V.E. Road, Thoothukudi – 628 002. 0461-2325136 **e-mail : shareholders@tmbank.in** Website: www.tmb.in

D. FINANCIAL CALENDAR:

The financial year of the Bank is April to March. The financial results for the quarter/half year/year are generally published as under:

a) Quarter ended 30th June, 2024 : July/August, 2024

b) Quarter ending 30th September, 2024 : October/November, 2024

c) Quarter ending 31st December, 2024 : January/February, 2025

d) Quarter ending 31st March 2025 : April/May, 2025

E. DIVIDEND:

Your Directors have recommended the payment of a final dividend at the rate of ₹10.00 (Rupees Ten only) per equity share of the face value of ₹10/- each (100%) for the year ended March 31, 2024. Dividend pay-out is in accordance with the Bank's dividend distribution policy (https://www.tmb.in/pages/Regulatory-Policies), RBI guidelines and will be payable subject to approval of members at the ensuing Annual General Meeting and deduction of tax at source, to those Shareholders whose names appear in the Register of Members as on the Cut-off date September 20, 2024.

F. YEAR WISE DETAILS OF UNCLAIMED DIVIDEND:

The following Table gives the position of unclaimed dividend for the past seven years as on March 31, 2024:

Year	Unclaimed dividend (Rs.)	Date of declaration	Last date for claiming dividend
2016-2017(2nd Interim)	7,61,81,289.60	14.06.2017	19.07.2024
2017-2018(1st Interim)	7,62,96,433.20	07.02.2018	14.03.2025
2017-2018(2nd Interim)	12,38,41,858.00	25.06.2018	30.07.2025
2018-2019	18,64,18,393.20	30.05.2019	04.07.2026
2019-2020	No Dividend was declared due to restriction imposed by RBI for all banking companies.		
2020-2021	23,29,40,797.00	27.04.2021	01.06.2028
2021-2022	45,57,53,127.00	09.06.2022	14.07.2029
2022-2023 (Interim)	22,90,48,122.00	14.02.2023	21.03.2030
2022-23 (Final)	23,19,95,276.00	05.09.2023	10.03.2030

G. DEMAT SUSPENSE ACCOUNT:

Necessary Demat account has already been opened towards the same and your Bank is in the process of transferring the unclaimed shares to Demat Suspense account.

H. TRANSFER OF UNCLAIMED DIVIDEND TO IEPF:

As per the applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Bank is statutorily required to transfer to the Investor Education & Protection Fund (IEPF) all dividends remaining unclaimed for a period of seven (7) years from the date they became due for payment. Dividends for and up to the financial year ended March 31, 2017 have to be transferred to the IEPF authority on 04/04/2023, 22/05/2023, 14/08/2023, 24/02/2024 and 18/08/2024 which is yet to be done.

I. TRANSFER OF SHARES TO IEPF:

Pursuant to the applicable provisions of Section 124(6) of the Companies Act, 2013 all equity shares in respect of which dividend has / have remained unpaid or unclaimed for consecutive seven (7) years, the corresponding equity shares have been transferred in the name of IEPF Authority as notified by the Ministry of Corporate Affairs, Government of India (MCA). In compliance with the aforesaid provision, Shares for and up to the financial year ended March 31, 2017 have to be transferred to the IEPF authority on 04/05/2023, 21/06/2023, 13/09/2023, 25/03/2024 and 17/09/2024 which is yet to be done.

As required under the said provisions all subsequent corporate benefits that may accrue in relation to the above shares will also be credited to the said IEPF Authority. As per the terms of Section 124(6) of the Companies Act, 2013 and the Rule 7 of the IEPF Rules, the shareholders whose corresponding equity shares stand transferred to IEPF account can claim those shares from IEPF Authority by making an online application in Form IEPF 5 which is available at **http://www.iepf.gov.in**.

J. LISTING OF SHARES:

The shares of the Bank are listed on the following Stock Exchanges.

ISIN	**INE668A01016**	
Scrip Code	**Name of the Stock Exchange**	**Address**
TMB	National Stock Exchange of India Ltd. (NSE)	Regd. Office: Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051
543596	BSE Ltd. (BSE)	Regd. Office: Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001

The Bank has paid the annual listing fees for the year 2024-25 to the above Stock Exchanges.

K. REGISTRAR & SHARE TRANSFER AGENT (RTA):

The Bank has appointed Link Intime India Private Limited as common Share Transfer Agent for both physical and electronic shares. Therefore, all communications relating to share transmission, dividend, change of address for shares held in physical form and dematerialization of shares etc., are to be addressed to the Registrar and Share Transfer Agent at the following address:

M/s.Link Intime India Private Ltd.,
Coimbatore Branch,
Surya 35, Mayflower Avenue,
Behind Senthil Nagar, Sowripalayam Road,
Coimbatore – 641 028,
Phone No: (0422) 2314792, (0422) 4958995,
(0422) 2539835, (0422) 2539836.

email : coimbatore@linkintime.co.in

L. SHARE TRANSFER PROCEDURE:

The shares of the Bank are being traded in dematerialized form which is transferable only through the depository system. Pursuant to the provision to Regulation 40(1) of SEBI (LODR) Regulations, w.e.f. April 01, 2019, the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository and accordingly, transfer of securities in physical form is not permissible.

M. DEMATERIALIZATION OF SHARES AND LIQUIDITY:

The Bank had entered into tripartite agreement with the depositories viz., National Securities Depositories Ltd. and Central Depositories Services (India) Ltd. and share transfer agent, for dematerialization of shares. The ISIN allotted for the shares of the Bank is INE668A01016. In view of the obvious benefits of holding the shares in demat form, over the period of time shareholders have converted their physical shares into electronic form and about 53.23% of the equity shares of the Bank are in demat form as on March 31, 2024.

Further, SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, advised that listed companies shall henceforth issue the securities in dematerialised form only while processing the following service request: i. Issue of duplicate securities certificate; ii. Claim from Unclaimed Suspense Account; iii. Renewal / Exchange of securities certificate; iv. Endorsement; v. Sub-division / Splitting of securities certificate; vi. Consolidation of securities certificates/folios; vii. Transmission; viii. Transposition. Hence, the shareholders holding shares in physical form are requested to dematerialise their shares in order to avail the better liquidity.

As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/ 2023/181 dated 17.11.2023 & SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/ 2023/37 dated 16.03.2023(now rescinded due to issuance of Master Circular dated May 17, 2023) and SEBI directive vide e-mail to RTA on 23.01.2024, the shareholders holding shares in physical form shall mandatorily furnish PAN, Address with PIN code, Mobile Number, Bank Account Details and Specimen Signature to the Bank/Share Transfer Agents of the Bank.

In view of the above SEBI circular, the shareholders holding physical securities are requested to furnish valid PAN, Address with PIN code, Mobile Number, Bank Account Details and Specimen Signature immediately in the below mentioned forms to the RTA.

S.No	Form	Purpose
1	Form ISR-1	To register/update PAN, KYC details
2	Form ISR-2	To Confirm Signature of securities holder by the Banker
3	Form SH-13	Nomination Form
4	Form SH-14	Cancellation or Variation of Nomination (if any)

All the above forms are available on the website of the Bank/RTA **https://www.tmb.in/pages/KYC-forms-for-shareholders/ https://liiplweb.linkintime.co.in/KYC-downloads.html.** Shareholders are requested to submit duly filled in forms to the address mentioned below:

Link Intime India Private Ltd.,
Coimbatore Branch,
Surya 35, Mayflower Avenue, Behind Senthil Nagar,
Sowripalayam Road, Coimbatore – 641 028,
Phone No: (0422) 2314792, (0422) 4958995,
(0422) 2539835, (0422) 2539836.
email : coimbatore@linkintime.co.in

Please note that

A) In case of non-updation of PAN or Contact Details including Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, dividend/interest etc, shall be paid only through electronic mode with effect from April 01, 2024 upon furnishing all the aforesaid details in entirety.

B) Once the security holder updates the PAN or Contact Details including Mobile Number or Bank Account Details or Specimen Signature, then the security holder would receive all the dividend/interest etc. declared during that period (till date of updation) pertaining to the securities held after the said updation automatically.

N. STOCK MARKET DATA

The shares of the Bank are traded on the Stock Exchanges only in dematerialized form as per the directives issued by Securities and Exchange Board of India (SEBI). The shares are regularly traded on NSE and BSE. The monthly high & low prices along with the volumes traded from April 01, 2023 to March 31, 2024 on the above Stock Exchanges are given below together with bench mark indices.

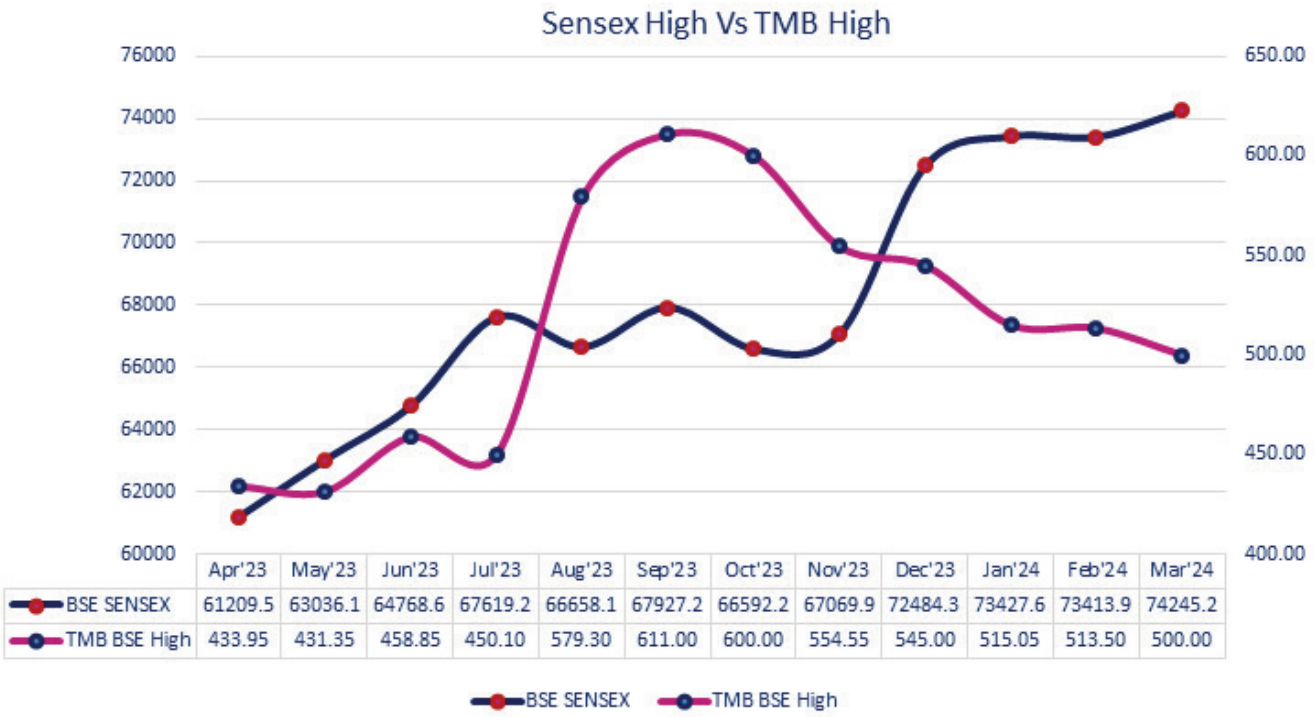
TRADING STATISTICS ON NSE:

Month	Share price		Volume of Shares Traded
	High	Low	
Apr 2023	433.80	399.00	20,55,932
May 2023	431.00	409.00	11,10,382
Jun 2023	455.00	407.80	20,23,651
Jul 2023	452.00	402.35	31,56,757
Aug 2023	581.00	440.00	1,39,80,387
Sep 2023	611.35	525.00	88,94,981
Oct 2023	600.00	538.00	36,14,081
Nov 2023	554.00	522.95	25,52,975
Dec 2023	545.25	493.55	28,94,982
Jan 2024	514.70	491.40	23,33,948
Feb 2024	514.00	468.05	24,65,151
Mar 2024	495.60	450.95	18,87,490

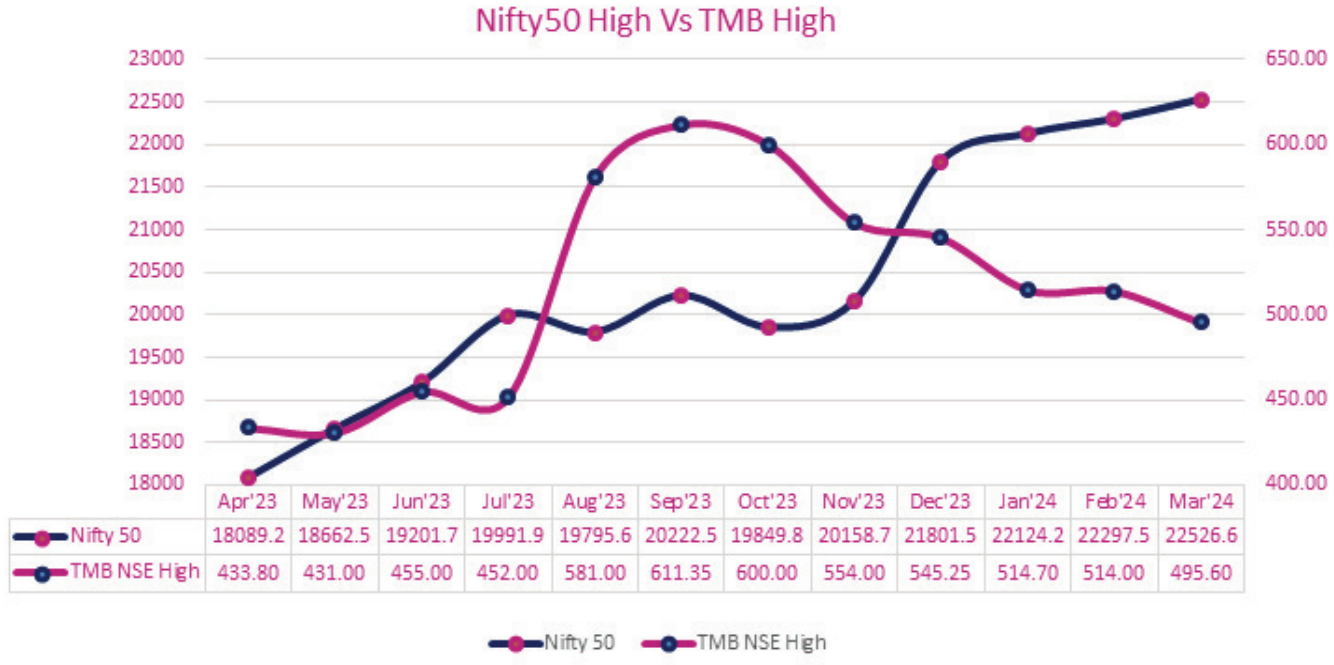
TRADING STATISTICS ON BSE:

Month	Share price		Volume of Shares Traded
	High	Low	
Apr 2023	433.95	396.05	2,19,022
May 2023	431.35	407.05	1,33,657
Jun 2023	458.85	408.10	1,82,299
Jul 2023	450.10	407.00	2,12,445
Aug 2023	579.30	441.00	5,45,620
Sep 2023	611.00	525.00	5,33,549
Oct 2023	600.00	539.40	1,77,005
Nov 2023	554.55	510.80	1,29,470
Dec 2023	545.00	494.00	2,04,913
Jan 2024	515.05	453.55	2,15,899
Feb 2024	513.50	470.00	2,59,101
Mar 2024	500.00	450.00	1,58,759

PERFORMANCE IN COMPARISION TO BROAD-BASED INDICES SUCH AS BSE-SENSEX AND NSE-NIFTY 50.



	Apr'23	May'23	Jun'23	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24
BSE SENSEX	61209.5	63036.1	64768.6	67619.2	66658.1	67927.2	66592.2	67069.9	72484.3	73427.6	73413.9	74245.2
TMB BSE High	433.95	431.35	458.85	450.10	579.30	611.00	600.00	554.55	545.00	515.05	513.50	500.00



	Apr'23	May'23	Jun'23	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24
Nifty 50	18089.2	18662.5	19201.7	19991.9	19795.6	20222.5	19849.8	20158.7	21801.5	22124.2	22297.5	22526.6
TMB NSE High	433.80	431.00	455.00	452.00	581.00	611.35	600.00	554.00	545.25	514.70	514.00	495.60

O. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

Bank has not issued any GDRs/ADRs/Warrants or convertible instruments. Hence outstanding instruments, conversion date and likely impact on equity are not applicable.

P. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Foreign Exchange Risk Management Policy approved by the Board specifies the risk control framework for undertaking any Foreign Exchange Risk. The Board of the Bank has defined overall Net Overnight Open Position (NOOP) limit, Stop Loss Limit, Aggregate Gap Limit (AGL), Value at Risk (VaR) limit to control the Foreign Exchange risk within its risk control framework.

No derivative transactions were undertaken during the year 2023-24, other than Forward Forex Contracts. Bank is not involved in commodity trading/hedging activities.

Q. PLANT LOCATIONS:

As the Bank is engaged in the business of Banking / Financial Services there are no Plant Locations. However, the Bank has 552 Branches and 13 Administrative Offices as an March 31,2024.

R. IN CASE THE SECURITIES ARE SUSPENDED FROM TRADING, THE DIRECTORS REPORT SHALL EXPLAIN THE REASON THEREOF – NOT APPLICABLE

S. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024:

Shares holding of nominal value of	Number of Shareholders	% to Total	Shares	% to Total
(1)	(2)	(3)	(4)	(5)
Upto 5,000	100731	85.4297	5067526	3.20
5,001 - 10,000	9402	7.9738	5237822	3.31
10,001 - 20,000	4087	3.4662	4907230	3.10
20,001 - 30,000	1517	1.2866	3666479	2.32
30,001 - 40,000	395	0.3350	1282228	0.81
40,001 - 50,000	208	0.1764	946485	0.60
50,001 - 1,00,000	750	0.6361	4614817	2.91
1,00,001 and above	821	0.6963	132628867	83.76

T. SHAREHOLDING PATTERN:

i) SHAREHOLDING PATTERN BY OWNERSHIP AS ON MARCH 31, 2024: -

Shareholder Category	No. of Shares	Percentage
Mutual Funds	239439	0.15
Financial Institutions/Bank/ Insurance Companies	3889735	2.46
Foreign Portfolio Investor & Foreign Institutional Investor	5461731	3.45
Body Corporates	7824506	4.94
Individuals (Including NRI)	101255222	63.94
NBFCs registered with RBI	690650	0.44
Central Govt / State Govt / President of India		
Any other (Trust, Alternate Investment Funds, Overseas Corporate Bodies, LLP, Clearing Member)	38990171	24.62
Total	158351454	100.00

ii) SHAREHOLDING MORE THAN 1% AS ON MARCH 31, 2024:-

S.No.	Shareholder Name	Shares	Percentage
1	BUCKET 1 (COURT CASES)	14044500	8.87
2	ROBERT AND ARDIS JAMES COMPANY LIMITED	7054080	4.45
3	STARSHIP EQUITY HOLDINGS LTD	6727500	4.25
4	SUBCONTINENTAL EQUITIES LIMITED	6617709	4.18
5	EAST RIVER HOLDINGS LIMITED.	5305089	3.35
6	SWISS RE INVESTORS (MAURITIUS) LIMITED	5072124	3.20
7	FI INVESTMENTS (MAURITIUS) LIMITED	2704899	1.71
8	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	2170366	1.37
9	RAJENDRAN C S	2121031	1.34
10	HIBISCUS ENTERPRISES LLP	2041275	1.29
11	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	1906469	1.20
12	MEENAKSHI R	1899792	1.20
13	SENTHIL G M	1735181	1.10
14	PERIYANADAR CHIDAMBARAM NADAR GANESAN ASOK KUMAR	1668559	1.05
15	CHANDRAMOGAN RG	1584100	1.00

U. OTHER DISCLOSURES (AS PER SCHEDULE V OF SEBI (LODR) 2015:

1. Compliance with Corporate Governance requirements:

The Bank has been complying with requirements of Corporate Governance as stipulated under Regulations 17-27 read with Schedule V clauses (b) to (i) of sub-regulation 2 of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a report on corporate Governance in the prescribed format has been submitted to the Stock Exchange every quarter, except for the following:

The Bank was found not in compliance with the provisions pertaining to the Audit Committee Composition and Stakeholders Relationship and Customer Service Committee Composition (Regulation 18 & 20) from February 29, 2024 to March 14, 2024, due to tenure completion of two (2) Independent Directors of the Bank on February 28, 2024 and the Committees of the Board were re-constituted only on March 15, 2024, the Stock Exchanges (BSE & NSE) have levied a fine of Rs.60,000/- each, besides GST, for which your Bank has filed a waiver application with the Stock Exchanges on June 06, 2024. We are awaiting the response from the Stock Exchanges.

2. There were no materially significant transactions entered into by the Bank with its directors, management or relatives conflicting with the interest of the Bank at large during the year ended March 31, 2024. Further all the directors and senior management personnel have affirmed the compliance to the code of conduct laid down by the Bank.

The policy on dealing with related party transactions is available on the Bank's website https://tmb.in/regulatory-policies.aspx.

3. STATUTORY NON-COMPLIANCE, PENALTIES AND STRICTURES DURING THE LAST THREE YEARS: Rs. in crore

Name of the Authority	2023-24	2022-23	2021-22
SEBI	**Nil**	**Nil**	**Nil**
BSE/NSE	**Nil**	**Nil**	**Nil**
RBI	**1.34**	**0.11**	**1.01**
Other Statutory Authority	**Nil**	**Nil**	**Nil**

For the year 2023-24, the details of penalties are given below:

1. RBI has imposed penalty of ₹1,90,000/- under the scheme of penalty for Non-replenishment of ATM.
2. Based on the supervisory findings, emanated from the statutory inspections for Supervisory Evaluation (ISE) for the Financial Year 2022, RBI vide its letter dated March 19, 2024, imposed a monetary penalty amounting to Rs.1,31,80,000/- on the Bank, for non-compliance with certain directions issued by RBI. The said penalty amount was paid by the Bank on March 28, 2024.

4. Vigil Mechanism:

Details as per Schedule V Para C(10)(c) of SEBI LODR are furnished in the Directors' Report. It is affirmed that no personnel have been denied access to Audit Committee of the Board.

5. Policy for determining material subsidiary:

Bank has no material subsidiary as per definition prescribed under Regulation 16(1)(c) of SEBI LODR Regulations and accordingly, the requirement of formulating policy in this connection is not applicable.

6. Utilisation of funds raised through Preferential allotment or Qualified Institutional Placement as specified under Reg 32 (7A)

During the year under review, there was no Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32(7A) of the SEBI LODR.

7. Recommendation of committee(s) of the board:

During the year under review, all recommendations of the Committee(s) which are mandatorily required were accepted by the Board.

8. Details of fees paid to the Statutory Auditors for FY 2023-24:

The total fees incurred by the Bank on a consolidated basis for services rendered by the Statutory Auditors is given below:

Nature of Fees	Amount (In Crores)
Audit Fee	1.68
Reimbursement of Expenses	0.33
Certification charges	-
Total	**2.01**

9. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Details are furnished in the Directors' Report.

DECLARATION AS REQUIRED UNDER REGULATION 26(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Sd/-
Salee S Nair
MD &CEO
DIN: 09231101

Place: Thoothukudi
Date: August 29, 2024

ANNEXURE – 7

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

THE MEMBERS OF
TAMILNAD MERCANTILE BANK LIMITED

We have examined the compliance of conditions of Corporate Governance by **Tamilnad Mercantile Bank Limited,** for the year ended March 31, 2024 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the company.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI LODR.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For M. Alagar and Associates
(Practicing Company Secretaries)
Peer Review Certificate No:1707/2022

Sd/-
M. Alagar
Managing Partner
FCS No: 7488
COP No. 8196
UDIN: F007488F000626249

Place: Chennai
Date: June 27, 2024

MD / CFO CERTIFICATE

To
The Board of Directors
Tamilnad Mercantile Bank Limited

We certify that;

A. We have reviewed financial statements and the cash flow statement of Tamilnad Mercantile Bank Limited for the year ended March 31, 2024 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. To the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violative of the code of conduct of the Bank.

C. We accept responsibility for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank over financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls over financial reporting, if any, of which we are aware and the steps we have taken, propose to take, to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting;

D. We have indicated to the Auditors and the Audit Committee that there are:

1. No significant changes in internal control over financial reporting during the year;

2. No significant changes in the accounting policies except as disclosed in the financial statements; and

3. No instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control systems over financial reporting.

Sd/-
S.Krishnan
Managing Director
DIN: 07261965

Sd/-
P.A. Krishnan
Chief Financial Officer

Place: Thoothukudi
Date: 22.04.2024

Annexure - 8

Business Responsibility and Sustainability Reporting by listed entities
SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

SECTION A : GENERAL DISCLOSURES

I. Details of the listed entity

S. No.	Required Information	
1	Corporate Identity Number (CIN) of the Listed Entity	L65110TN1921PLC001908
2	Name of the Listed Entity	Tamilnad Mercantile Bank Limited
3	Year of incorporation	1921
4	Registered office address	57 V.E. Road, Tuticorin- 628002
5	Corporate address	57 V.E. Road, Tuticorin - 628002
6	E-mail	shareholders@tmbank.in
7	Telephone	+91(461) 2325136
8	Website	www.tmb.in
9	Financial year for which reporting is being done	2023-2024
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange (NSE) and Bombay Stock Exchange (BSE)

11	Paid-up Capital	Rs. 1,58,35,14,540
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Swapnil Yelgaonkar Company Secretary and Compliance Officer 0461-2325136 cs@tmbank.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14	Name of Assurance Provider	None
15	Type of Assurance obtained	NA

II. Products / Services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Service	Banking	100%

17 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product / Service	NIC Code	% of total Turnover contributed
1	Service	99711	100%

III. Operations				
18	Number of locations where plants and/or operations/offices of the entity are situated:			
	Location	**Number of plants**	**Number of offices**	**Total**
	National	NA	552	552
	International	NA	NIL	NIL
19	Market Served by the entity:			
	a.	Number of locations		
		Locations	**Number**	
		National (No. of States)	21	
		International (No. of Countries)	NIL	
	b.	What is the contribution of exports as a percentage of the total turnover of the entity ?	In Banks turnover represents total interest and non-interest income earned. Bank extends support to exporters by way of pre and post shipment credit and other collection services. In TMB 1.37% of the turnover i.e. total income earned, represents income from exports.	
	C.	A brief on type of customers	Being in the Banking industry, the Bank caters to Retail, Agriculture, MSME, and other Advances. As of 31st March, 2024, 21% of the credit customers were Retail customers, 36% were Agriculture Customers, 34% were MSME and 9% were Other Advances.	

			The Bank caters to deposit customers, wherein83.07% were Retail Term deposits and 16.93% were Bulk deposits.

IV. Employees

20 Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.(C)	% (C/A)
Employees						
1	Permanent (D)	2158	1966	91.10%	192	8.90%
2	Other than Permanent (E)	26	25	96.15%	1	3.85%
3	Total employees (D+E)	2184	1991	91.16%	193	8.84%
Workers						
4	Permanent (F)	2443	2061	84.36%	382	15.64%
5	Other than Permanent (G)	0	0	0.00%	0	0.00%
6	Total workers (F+G)	2443	2061	84.36%	382	15.64%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.(C)	% (C/A)
Differently Abled Employees						
1	Permanent (D)	10	9	90.00%	1	10.00%
2	Other than Permanent (E)	0	0	0.00%	0	0.00%
3	Total differently abled employees (D+E)	10	9	90.00%	1	10.00%
Differently Abled Workers						
4	Permanent (F)	9	6	66.67%	3	33.33%
5	Other than Permanent (G)	0	0	0.00%	0	0.00%
6	Total differently abled workers (F+G)	9	6	66.67%	3	33.33%

21 Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	1	10%
Key Management Personnel	9	0	0%

22	Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)									
		FY 2023-24 (Turnover rate in current FY)			**FY 2022-23 (Turnover rate in previous FY)**			**FY 2021-22 (Turnover rate in the year prior to the previous FY)**		
		Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
	Permanent Employees	3.18%	2.61%	3.11%	3.03%	4.76%	3.17%	4.52%	6.51%	4.70%
	Permanent Workers	2.43%	3.14%	2.54%	2.73%	0.92%	2.49%	2.37%	2.70%	2.42%
V.	Holding, Subsidiary and Associate Companies (including joint ventures)									
23	(a)	Name of holding / subsidiary / associate companies / joint ventures								
		S. No.	**Name of the holding / subsidiary / associate companies / joint ventures (A)**	**Indicate whether holding/ Subsidiary/ Associate/ Joint Venture**	**% of shares held by listed entity**	**Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)**				
		Nil								
VI.	CSR Details									
24	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)									Yes
	(ii) Turnover (in Rs.)									Rs. 54,92,85,56,917.94
	(iii) Net worth (in Rs.)									Rs. 79,21,20,22,623.45

VII.	Transparency and Disclosure Compliances							
25	Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:							
			FY 2023-24 (Current Financial Year)			**FY 2022-23 (Previous Financial Year)**		
	Stakeholder group from whom received	**Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)**	**Number of complaints filed during the year**	**Number of complaints pending resolution at close of the year**	**Remarks**	**Number of complaints filed during the year**	**Number of complaints pending resolution at close of the year**	**Remarks**
	The list of the stakeholders							
	Communities	No	-	-	-	-	-	-
	Investors (other than shareholders)	Investor's and shareholder's grievances are redressed either directly by the secretarial department of the bank or through the Bank's Registrar and Transfer Agents, M/s Link Intime India Pvt. Ltd., Coimbatore. Complaints received on SCORES are attended within the stipulated timelines.	0	0	Nil	0	0	Nil
	Shareholders		81	4	The pending complaints have been resolved during the subsequent month	480	2	The pending complaints have been resolved during the subsequent month

	Employees and workers	Yes, Employee and workers grievances/ complaints are redressed as per our Bank Policy	0	0	Nil	0	0	Nil
	Customers (Includes complaints received on the Customer Grievance E-mail ID)	Yes, customers can register their grievances and complaints at customerservice@tmbank.in and complaints@tmbank.in	45	0	Nil	137	0	Nil
	Value Chain Partners	No	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-

26 Overview of the entity's material responsible business conduct issues

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

S. No.	Material issue identified	Indicate whether riskor opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	GHG (Greenhouse Gas)Emissions Management		Assessing the environmental impact of the bank's operations and effectively managing		**Positive:** Managing GHG emissions enables banks to

				energy and fuel consumption is crucial. If these risks are not properly managed, they could negatively affect operations and proitability, attract scrutiny from stakeholders and investors, and influence public perception of the bank. Monitoring and regularly reporting on these efforts will demonstrate the bank's commitment to sustainability and responsible resource management.	-	reduce operational costs through energy efficiency measures, invest in low-carbon systems, foster sustainability, and achieve market differentiation. Additionally, it attracts eco-conscious clients and investors, and helps mitigate regulatory risks and potential fines related to environmental compliance.
	2	Data Privacy	Risk	The risk of a data breach threatens the exposure of our customers' personally identifiable information, which impacts our business relationships. Such a breach jeopardizes the confidentiality, integrity, and security of sensitive customer data, potentially leading to a loss of trust and damaging our reputation.	TMB has achieved ISO/IEC 27001:2013 certification for its information security management system, emphasizing risk management, cyber resilience, and operational excellence. The bank provides a Certification Programme in IT and Cyber Security to the Board Members.The Bank has implemented Data Leakage Protection (DLP) solution to protect the sensitive customer information data.	**Negative**: In the event of a data breach, the bank would face significant adverse effects on its operations. This could include service disruptions, financial losses, damage to the bank's reputation, and erosion of customer trust. Additionally, such incidents would increase the risk of regulatory scrutiny and potential penalties from the authorities.

					Our Bank is PCI DSS (Payment Card Industry Data Security Standard) Certified for Payment Card related services.	
	3	Business Continuity	Risk	The absence of business continuity or disaster management systems could lead to financial losses and disruptions in the bank's critical operations, including personnel, information, infrastructure, and premises. These risks arise from contingencies such as natural disasters, fires, and IT threats like cyber-attacks and system failures, posing significant threats to the bank's day-to-day operations.	The bank has established a business continuity and disaster management plan, approved by the board, which includes risk assessments, comprehensive disaster recovery procedures, and continuous system backups. An Information System Audit, covering the physical security of IT systems and business continuity procedures, is conducted at all branches and offices. Additionally, the bank conducts periodic fire safety and evacuation drills at the office locations.The Bank is also conducting quarterly DR Drills on its critical IT systems.	**Negative:** The inability to effectively respond to contingencies can lead to substantial financial losses, data breaches, diminished workforce productivity, and hinder the company's reputation and long-term growth plans.
	4	Financial Inclusion	Opportunity	Expanding financial inclusion grants marginalized and underprivileged communities		**Positive:** Financial inclusion boosts the bank's profitability

				access to banking services, fostering positive societal impact and driving broader economic development and stability. Enhanced business lending boosts turnover and extends market reach, supporting economic growth and improving overall financial health within underserved regions.	-	by expanding its customer base, increasing deposits, and fostering product diversification, while also enhancing its reputation.
	5	Customer fairness and right-selling	Risk	A lack of customer-centric product offerings, value-added services, or instances of misconduct can erode trust and damage the bank's reputation. This highlights the importance of aligning products and services with customer needs while upholding ethical standards to maintain trust and safeguard the bank's image among stakeholders.	TMB ensures transparent communication and clear disclosure of the terms and conditions associated with the products and services through its website, call center, mobile app, point of sale locations, and branches/offices. It provides training to the staff on ethical selling practices and monitor transactions for compliance.	**Negative:** Mis-selling of products can harm banks by causing reputational damage, legal consequences, financial losses, customer attrition, operational disruptions, and issues with employee morale.
	6	Employee Benefits & Development	Opportunity	This boosts efficiency, reduces employee attrition, increases capabilities and creativity within the bank, and enhances diversity, thereby improving the customer experience. Additionally, it fosters a more inclusive and innovative work place culture.	-	**Positive:** A strong workforce with high engagement, retention rates, and diversity brings new perspectives, experiences, and ideas, fostering innovation and enhancing

						performance. This positive culture not only boosts organizational performance but also underscores the company's commitment to creating a conducive work environment.
	7	Systematic Risk Management	Risk	This ensures financial stability, regulatory compliance, and stakeholder protection. It facilitates business continuity, reputation management, and long-term sustainability by effectively identifying, assessing, and mitigating potential risks. These risks may arise from financial, technological, or lending sources, with the potential to undermine or jeopardize the stability of the overall system.	The bank has a risk management framework that includes policies, procedures, and controls designed to identify, assess, and mitigate potential risks. It also has a Board-level Risk Management Committee that oversees the implementation of various measures for efficient risk management.	**Negative:** Failure to address unmitigated risks that could escalate into systemic risks may have detrimental effects on the bank's performance. These risks threaten the stability and integrity of the financial system, potentially leading to disruptions, financial losses, and reputational damage.
	8	Regulatory & Legal Compliances	Risk	Non-compliance risks expose the bank to legal penalties and financial losses due to failure to adhere to industry laws and regulations. Such non-compliance directly impacts the bank's revenue and valuations, leading to loss of reputation	The bank has implemented a comprehensive compliance management system, conducts regular audits, and provides ongoing employee	**Negative:** Non-compliance can result in reputational damage, which in turn negatively affects business activities. This may result in monetary

				and business opportunities. Conversely, banks with higher compliance levels often demonstrate better performance and process efficiency, as compliance offers assurance and valuable insights to investors.	training. By keeping the policies up-to-date and engaging legal experts, the bank ensures adherence to regulations and addresses issues promptly.	fines to more severe measures, such as operational restrictions or legal proceedings.
	9	ESG (Environmental, Social and Governance) Oversight	Opportunity	Effective ESG oversight at the board level will enhance the bank's overall ESG performance and demonstrate its commitment to integrating responsible business practices into its growth model. Integrating ESG into business practices will improve risk management, governance, accountability, reporting, and decision-making. It will also strengthen the ability to identify and manage risks and opportunities related to environmental and social impact, while building trust and transparency among investors and stakeholders.	-	**Positive:** Leadership oversight of the ESG strategy, action plan, and performance fosters a positive impact on the environment and community. It also enables the bank to embed robust monitoring mechanisms across ESG initiatives and business practices. Looking ahead, ESG will be the cornerstone of the company's financial success, competitive advantage,andfuture accomplishments.

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SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC (National Guidelines on Responsible Business Conduct) Principles and Core Elements.

Disclosure Questions			P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes											
1	a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b.	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c.	Web Link of the Policies, if available	https://tmb.in/pages/Regulatory-Policies https://www.tmb.in/pages/Policies.aspx								
2	Whether the entity has translated the policy into procedures. (Yes / No)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)		No	No	No	No	No	No	No	No	No
4	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.		TMB has been certified with ISO 9001:2015 certificate totally for our 100 offices (including Branches, Departments, Regional Offices and Staff Training College)for maintaining the standards as applicable under the ISO certification. The Bank has been certified with ISO/IEC 27001:2013 for secure information management system practices at our Head Office in Thoothukudi (IT & HR Department) and IT Department, Chennai (includes Data Centre at Chennai and Disaster Recovery Site at Bengaluru).								

5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The company aims to create a positive and sustainable impact on stakeholders by concentrating on key areas, fulfilling commitments, and achieving goals through environmental initiatives and corporate social activities. It prioritizes upskilling its workforce to ensure holistic development and alignment with the evolving business landscape. In its drive towards digitalization, the company implements digital customer onboarding, reduces travel through virtual meetings, and minimizes paper usage, all in an effort to promote sustainability and mitigate environmental impact. Additionally, TMB endeavours to embed ESG principles into its operations, integrating sustainability and responsible practices throughout the organization. This comprehensive approach not only enhances operational efficiency but also reinforces the company's commitment to environmental stewardship and social responsibility, ultimately contributing to long-term value creation for all stakeholders.
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	**Environment:** › Reduction in energy intensity by 9.1% compared to the previous year › Reduction in scope 1 & scope 2 emissions intensity by 9.5% compared to the previous year › Reduction in water intensity by 9.7% compared to the previous year › TMB has implemented measures such as energy-efficient lighting, HVAC systems, and building automation systems to reduce its energy consumption › The bank has conducted energy audits to identify areas for improvement and has taken steps to optimize its energy usage. › TMB is showcasing its commitment to clean energy by installing solar panels at its branches, ATMs, and administrative offices › The bank has introduced e-statements, e-receipts, and e-invoicing to reduce paper consumption **Social:** › Flexible work, wellness programs, employee assistance programs and stress management workshops to promote work-life balance › Employee well programs such as Yoga sessions, health screenings, mindfulness sessions, and access to counselling services

		› For employees and workers, a Life Insurance coverage policy with Max Life Insurance, an Accident Insurance coverage policy, and a Medical Insurance coverage policy with United India Insurance › Digital training programs, POSH awareness training, skill-upgradation training, performance & career development evaluation to enhance human capital › User-friendly mobile banking app and secure Internet Banking platform for customers to conveniently access their accounts, transfer funds, pay bills, and manage investments **Governance:** › Board-level CSR Committee to oversee BRSR Reporting and sustainability-related issues and Risk Management Committee to ensure ESMS implementation across the bank
Governance, leadership and oversight		
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Tamilnad Mercantile Bank Ltd. (TMB) is a leading private sector bank in India, deeply committed to sustainability and environmental protection. We understand the critical importance of reducing our carbon footprint and have undertaken several initiatives to achieve this goal. At TMB, we emphasize the responsible use of resources across the board To achieve our desired environmental outcomes, we focus on key areas such as energy efficiency, solar energy, carbon emissions, air quality, water management, and waste management. We are integrating Environmental, Social, and Governance (ESG) principles into our policies and practices, recognizing that ESG is a journey we have embarked upon with a long-term commitment to playing a significant role in achieving macroeconomic sustainability objectives. Our commitment to sustainability is evident in our efforts to make our business operations truly sustainable and socially responsible. As a service-oriented bank, our products do not pose any material risk to the environment; rather, they provide growth opportunities. We are dedicated to enhancing our business and core activities with minimal impact on the environment and society.

		TMB is actively pursuing various initiatives to integrate ESG principles into our operations. These initiatives include: Energy Efficiency: We are implementing energy-efficient practices across our branches and offices, including the use of energy-efficient lighting, HVAC systems, and building automation systems. Solar Energy: To showcase our commitment to clean energy, we are installing solar panels at our branches, ATMs, and administrative offices. Carbon Emissions Reduction: We are conducting energy audits to identify areas for improvement and optimize our energy usage, thus reducing our carbon footprint. Water and Waste Management: We prioritize quality air and water management and have implemented robust waste management practices. Our focus on sustainability extends to reducing paper consumption through the introduction of e-statements, e-receipts, and e-invoicing, which not only reduce paper usage but also enhance customer convenience. Additionally, our paper recycling program further reduces our environmental impact. TMB is dedicated to providing a seamless banking experience for our customers through cutting-edge digital solutions. Our user-friendly mobile banking app and secure internet banking platform allow customers to access their accounts, transfer funds, pay bills, and manage investments anytime, anywhere. We continuously strive to enhance our digital infrastructure, ensuring swift and hassle-free transactions that empower customers with control over their finances. As we move forward, TMB will continue to integrate ESG principles into our operations, demonstrating our commitment to sustainability, responsible business practices, and long-term value creation for all stakeholders. We believe that by embedding these principles into our corporate culture, we can achieve our goals of environmental protection, social responsibility, and economic growth, ultimately contributing to a more sustainable future.

8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors of the Bank and Committees of the Board.
9	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues ? (Yes / No). If yes, provide details.	Yes, the Corporate Social Responsibility (CSR) Committee of the Board is responsible for overseeing the Business Responsibility and Sus tainability Reporting (BRSR) and review of various activities of the Bank under the prescribed ESG Framework. Risk Management Committee (RMC) of the Board has the overall responsibility to ensure effective implementation of Environmental and Social Management System (ESMS) across the bank.

10 Details of Review of NGRBCs by the Company :

Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Board of Directors									As on need basis								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Board of Directors									As on need basis								

11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P1	P2	P3	P4	P5	P6	P7	P8	P9
		No. All policies and processes, however, are subject to audits and internal reviews conducted by the Company annually.								

12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
a.	The entity does not consider the Principles material to its business (Yes/No)	-								

	b.	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-
	c.	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-
	d.	It is planned to be done in the next financial year (Yes/No)	-
	e.	Any other reason (please specify)	-

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SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership".

While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	3	Program on Governance and Assurance for Directors on Board of Banks, FIs and NBFCs, Virtual Program on Know Your Customer (KYC) and Anti Money Laundering (AML), Virtual programme on Interest Rate Risk in Banking Book (IRRBB) and Liquidity Risk Management	100%
Key Managerial Personnel	2	Program on Governance and Assurance for Directors on Board of Banks, Fis and NBFCs and Virtual Program on Know Your Customer (KYC) and Anti Money Laundering (AML)	66.67%

	Employees	134	Keeping in mind larger employee base with varied skill sets across different levels, the Bank provided opportunities for every section of employees to enhance their soft skills, technical skill levels and various Banking related skills. Trainings were comprehensive and covered wide array of subject matters, such as personality development and negotiation skills on soft skill aspects while On technical or subject matter areas we covered topics around understanding of credit assessment, compliances and guidelines, technical know-how on CRM software to product level trainings.	92.22%
	Workers	38	Orientation Programmes and Various Banking Related Trainings	53.62%

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

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	1	Reserve Bank of India	1,31,80,000	RBI by an order dated March 13, 2024 imposed a monetary penalty amounting to Rs.1,31,80,000/- (Rupees One Crore thirty one lakh eighty thousand only) on the Bank, in exercise of powers vested in RBI conferred under the provisions of Section 47A (1) (c) read with Section 46 (4) (i) of the Banking Regulations Act, 1949, for noncompliance with certain	No

					directions issued by RBI on 'Interest rate on Advances' and 'Central Repository of Information on Large Credits (CRILC) – Revision on Reporting'. Based on the supervisory findings, emanated from the statutory Inspections for Supervisory Evaluation (ISE) for the Financial Year 2022, the following charges against the bank were found, which warrant imposition of monetary penalty. The bank (i) failed to benchmark the interest rate on certain floating rate loans to MSMEs to an external benchmark lending rate; (ii) adopted multiple benchmarks within the same loan category; (iii) failed to price certain floating rate loans with reference to actual benchmark rate applicable to those loans and (iv) wrongly reported external rating of certain borrowers to CRILC.	
	Settlement	Nil				
	Compounding fee	Nil				
	Non- Monetary					
		NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**		**Brief of the Case**	**Has an appeal preferred? (Yes/No)**
	Imprisonment	Nil				
	Punishment	Nil				

3	Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.		
	Case Details	**Name of the regulatory/ enforcement agencies/ judicial institutions**	
	Not Applicable		
4	Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.	The Bank has Vigil Mechanism policy in place which encompass anti-corruption and anti-bribery measures. The principles of ethical business conduct are reiterated through the Code of Conduct for the Board and Senior Management, ensuring that high ethical standards are maintained at the highest levels of the organization. To ensure good governance, the Bank has Whistle Blower mechanism in place which helps to ensure that unethical practices and frauds are reported by the employees. The policy clearly outlines the process of reporting unethical practices. The objective of having the policy in place is to achieve greater transparency in the operational area, protect the interest of the bank and adhere to the statutory and regulatory requirements.Toensure confidentiality the identity of the compliant is secretly maintained. During preliminary investigation, if the content of the complaints found true, further actions are initiated according to the Bank norms.	
5	Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:		
		FY 2023-24 (Current Financial Year)	**FY 2022-23 (Previous Financial Year)**
	Directors	Nil	Nil
	KMPs	Nil	Nil
	Employees	Nil	Nil
	Workers	Nil	Nil

6	Details of complaints with regard to conflict of interest:				
		FY 2023-24 (Current Financial Year)		**FY 2022-23 (Previous Financial Year)**	
		Number	**Remarks**	**Number**	**Remarks**
	Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
	Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA
7	Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.	Nil			
8	Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:				
		FY 2023-24 (Current Financial Year)		**FY 2022 - 23 (Previous Financial Year)**	
	Number of days of accounts payable	Not Applicable - Bills/Invoices are paid on a cash basis after the invoices are received.			
9	Open-ness of business				
	Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:				

	Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022 - 23 (Previous Financial Year)
	Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
		b. Number of trading houses where purchases are made from	NA	NA
		c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
	Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	NA	NA
		b. Number of dealers / distributors to whom sales are made	NA	NA
		c. Sales to top 10 dealers/distributors as % of total sales to dealers / distributors	NA	NA
	Shares of RPTs in	a. Purchases (Purchases with related parties/ total purchases)	NA	NA
		b. Sales (Sales to related parties/ total sales)	NA	NA
		c. Loans & advances (Loans & advances given to related parties / total loans and advances)	0	0
		d. Investments (Investments in related parties / total investments made)	0	0

<table>
<tr><td></td><td colspan="3">Leadership Indicators</td></tr>
<tr><td rowspan="3">1</td><td colspan="3">Awareness programmes conducted for value chain partners on any of the Principles during the financial year:</td></tr>
<tr><td>Total number of awareness programmes held</td><td>Topics / principles covered under the training</td><td>% age of value chain partners covered (by value of business done with such partners) under the awareness programmes</td></tr>
<tr><td colspan="3">The bank actively ensures that vendors are thoroughly trained in essential areas like ethics and transparency, guaranteeing that all engagement and transactions uphold the bank's commitment to the highest ethical standards.</td></tr>
<tr><td>2</td><td>Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same</td><td colspan="2">A detailed Model Code of Conduct in compliance compliance with Regulation 17 to 27 of SEBI LODR 2015 of the Listing Agreement with Stock Exchanges has been put in place by the Bank. This code is designed for Directors on the Board and the Core Management, aiming to uphold the Bank's belief system rooted in trust and integrity. It emphasizes honesty, ethical conduct, and compliance with laws and regulations. The philosophy of the code expects adherence to high standards of conduct, including proper disclosure and addressing conflicts of interest. It also stresses the importance of maintaining confidentiality and fair dealing both within and outside the Bank. The code sets general standards of conduct, addresses conflict of interest situations, and emphasizes compliance with applicable laws and disclosure standards. The Code describes the proper use of the Bank's assets and resources and under scores the importance of confidentiality regarding the Bank's information. Good corporate governance practices are also outlined, including dos and don'ts for board members.

The Policy on Related Party Transactions can be accessed:
https://tmb.in/doc/Policy%20on%20related%20party%20transactions.pdf</td></tr>
</table>

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SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

1	Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively			
		Current FinancialYear	**Previous FinancialYear**	**Details of improvements in environmental and social impacts**
	R & D	The Bank's R&D efforts focus on process enhancement, including product digitization. Throughout the year, the Bank has undertaken significant initiatives to digitize customer offerings, enhancing transparency and accessibility to our products and services. Additionally, digitization has led to a decrease in paper-based processes, thereby reducing the Bank's carbon foo print. We have initiated the tracking of this data and plan to report it in the upcoming financial year.		
	Capex			
2	a.	Does the entity have procedures in place for sustainable sourcing? (Yes/No)	Yes	
	b.	If yes, what percentage of inputs were sourced sustainably?	80%	
3		Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for		
	(a)	Plastics (including packaging)	Being part of the service industry, the Bank generates relatively small amounts of waste, limiting opportunities for reusing, recycling, and disposal. Daily waste is handled by municipal agencies.	

	(b)	E-waste	The Bank is currently managing its e-waste disposal process through pre-approved e-waste vendors. These vendors must hold valid certificates from either the Central Pollution Control Board or the State Polution Control Board, ensuring their capability to collect and dispose of e-waste responsibly in accordance with the procurement policy. E-waste (old UPS and batteries) are disposed of under buyback procurement methodology.
	(c)	Hazardous waste	Not Applicable
	(d)	other waste	Paper waste is disposed of for recycling by third-party service providers.
4	Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.		Not Applicable

Leadership Indicators

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

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent exter nalagency (Yes/No)	Results communicatedin public domain (Yes/No) If yes, providethe web-link.
Not Applicable					

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

	Name of Product / Service	Description of the risk / concern	Action Taken
	Not Applicable		

3	Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).		
	Indicate input material	**Recycled or re-used input material to total material**	
		FY 2023-24 Current Financial Year	**FY 2022-23 Previous Financial Year**
	Nil		

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

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Re-Used	**Recycled**	**Safely Disposed**	**Re-Used**	**Recycled (MT)**	**Safely Disposed**
Plastics (including packaging)	0	0	0	0	0	0
E-waste	0	0	1.96 MT	0	0	1.19 MT
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0

5	Reclaimed products and their packaging materials (as percentage of products sold) for each product category	
	Indicate product category	**Reclaimed products and their packaging materials as % of total products sold in respective category**
		Nil

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Business Responsibility and Sustainability Reporting by listed entities
SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

1 a Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	%	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1966	1966	100%	1966	100%	-	-	1966	100%	0	0%
Female	192	192	100%	192	100%	192	100%	-	-	0	0%
Total	2158	2158	100%	2158	100%	192	100%	1966	100%	0	0%

		Other than Permanent employees										
		Male	25	0	0%	0	0%	-	-	0	0%	0	0%
		Female	1	0	0%	0	0%	0	0%	-	-	0	0%
		Total	26	0	0%	0	0%	0	0%	0	0%	0	0%
	b	Details of measures for the well-being of workers:											
		% of employees covered by											
		Category	**Total (A)**	**Health Insurance**		**Accident Insurance**		**Maternity benefits**		**Paternity Benefits**		**Day Care facilities**	
				Number (B)	**% (B/A)**	**Number (C)**	**% (C/A)**	**Number (D)**	**%**	**Number (E)**	**% (E/A)**	**Number (F)**	**% (F/A)**
		Permanent workers											
		Male	2061	2061	100%	2061	100%	-	-	2061	100%	0	0%
		Female	382	382	100%	382	100%	382	100%	-	-	0	0%
		Total	2443	2443	100%	2443	100%	382	100%	2061	100%	0	0%
		Other than Permanent workers											
		Male	0	0	0%	0	0%	-	-	0	0%	0	0%
		Female	0	0	0%	0	0%	0	0%	-	-	0	0%
		Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

	c	Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format		
			FY 2023-24 Current Financial Year	**FY 2022-23 Previous Financial Year**
		Cost incurred on well-being measures as a % of total revenue of the company	0.22%	0.22%

2	Details of retirement benefits, for Current FY and Previous Financial Year.						
		FY 2023-24			**FY 2022-23**		
	Benefits	**No. of employees covered as a % of total employees**	**No. of workers covered as a % of total workers**	**Deducted and deposited with the authority (Y/N/N.A.)**	**No. of employees covered as a % of total employees**	**No. of workers covered as a % of total workers**	**Deducted and deposited with the authority (Y/N/N.A.)**
	PF	22.10%	12.08%	Y	37.17%	12.98%	Y
	Gratuity	100%	100%	Y	100%	100%	Y
	ESI	0	0	NA	0	0	NA
	Others - **NPS**	77.90%	87.92%	Y	62.83%	87.02%	Y

3	**Accessibility of workplaces**	
	Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard	Few of the premises/offices are accessible to differently-abled employees and workers. Henceforth, the Bank shall initiate compliance with the Rights of Persons with Disabilities Act, 2016.

4	Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.			We do not have equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. Nevertheless, we do not have any discrimination on selection of such persons.	
5	Return to work and Retention rates of permanent employees and workers that took parental leave.				
	Gender	**Permanent employees**		**Permanent workers**	
		Return to work rate	**Retention rate**	**Return to work rate**	**Retention rate**
	Male	100%	99.90%	100%	99.95%
	Female	100%	100%	100%	100%
	Total	100%	99.90%	100%	99.95%
6	Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.				
	Yes/No (If Yes, then give details of the mechanism in brief)				
	Permanent Workers	Yes. The respective employees or worker may prefer either in writing or inform orally for referring their grievances to their reporting authorities / Regional Office / Head Office. Also, if they want to disclose in confidential manner, they can prefer Whistle Blower mechanism and forward their grievances to vigilance mail id civ@tmbank.in			
	Other than Permanent Workers				
	Permanent Employees				
	Other than Permanent Employees				

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

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/ workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	2158	2103	97.45%	2018	1921	95.19%
Male	1966	1912	97.25%	1850	1760	95.14%
Female	192	191	99.48%	168	161	95.83%
Total Permanent Employees	2443	2443	100.00%	2449	1746	71.29%
Male	2061	2061	100.00%	2122	1419	66.87%
Female	382	382	100.00%	327	327	100.00%

8 Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Male	1966	1415	71.97%	1815	92.32%	1850	0	0.00%	1633	88.27%
Female	192	163	84.90%	176	91.67%	168	0	0.00%	167	99.40%
Total	2158	1578	73.12%	1991	92.26%	2018	0	0.00%	1800	89.20%
Workers										
Male	2061	1339	64.97%	1046	50.75%	2122	0	0.00%	1007	47.46%
Female	382	286	74.87%	264	69.11%	327	0	0.00%	90	27.52%
Total	2443	1625	66.52%	1310	53.62%	2449	0	0.00%	1097	44.79%

Note: Health & Safety and Skill Upgradation training is given to only permanent employees & workers

9	Details of performance and career development reviews of employees and worker:						
	Category	**FY 2023-24**			**FY 2022-23**		
		Total (A)	**No.(B)**	**% (B/A)**	**Total (C)**	**No.(D)**	**% (D/C)**
	Employees						
	Male	1966	1966	100%	1850	1850	100%
	Female	192	192	100%	168	168	100%
	Total	2158	2158	100%	2018	2018	100%
	Workers						
	Male	2061	2061	100%	2122	2122	100%
	Female	382	382	100%	327	327	100%
	Total	2443	2443	100%	2449	2449	100%
10	Details of performance and care						
	a.	Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?			Tamilnad Mercantile Bank prioritizes the health and safety of its employees. The fire extinguishers, fire exits, first aid boxes, etc. are monitored and evaluated on a regular basis. Tamilnad Mercantile Bank implements a top-down approach in each branch and office to regularly inspect electrical and fire safety measures and promptly address any issues. Additionally, employee benefits include group term insurance and health insurance to provide added protection in case of unexpected		

			events. Tamilnad Mercantile Bank organizes sessions with knowledgeable speakers as part of the wellness programs, aiming to promote healthy lifestyles among employees.
	b.	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	Given the nature of business, this is not directly applicable to the Bank.
	c.	Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)	Given the nature of business, this is not directly applicable to the Bank.
	d.	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes, the employees and workers of our Bank have access to non-occupational medical and healthcare services, such as a Life Insurance coverage policy with Max Life Insurance, an Accident Insurance coverage policy, and a Medical Insurance coverage policy with United India Insurance.

11 Details of safety related incidents, in the following format:

Safety Incident/Number	**Category**	**FY 2023-24 (Current Financial Year)**	**FY 2022-23 (Previous Financial Year)**
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil

	High consequence work-related injury or ill-health (excluding fatalities	Employees	Nil	Nil
		Workers	Nil	Nil
12	Describe the measures taken by the entity to ensure a safe and healthy work place.		Employee health and safety is a top priority, and the bank conducts regular training sessions such as advanced and basic fire safety training, first aid, and evacuation training for both floor marshals and employees across all offices. Periodic fire evacuation drills are conducted at office locations to ensure employees are aware of fire safety norms and regulations. The bank has partnerships with vendors to educate employees and demonstrate the use of fire-fighting equipment.	
13	Number of Complaints on the following made by employees and workers:			

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14	Assessments for the year:	
		% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
	Health and safety practices	The bank is actively conducting fire drills and electrical safety inspections across all of its premises. These initiatives are part of the bank's ongoing commitment to maintaining a safe and secure environment for employees, customers, and visitors.
	Working Conditions	

15	Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.			No safety-related incidents reported	
Leadership Indicators					
1	Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).			(A) Employees (Y) (B) Workers (Y)	
2	Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.			The necessary statutory dues are deducted and deposited by the value chain partners are being checked by respective departments of the Bank before making payment.	
3	Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:				
		No. of employees/workers that are rehabilitated and placed in		**No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment**	
		FY 2023-24 (Current Financial Year)	**FY 2022-23 (Previous Financial Year)**	**FY 2023-24 (Current Financial Year)**	**FY 2022-23 (Previous Financial Year)**
	Employees	0	0	0	0
	Workers	0	0	0	0
4	Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)			Yes	

5	Details on assessment of value chain partners:	
		% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices		Service Level Agreements that we enter with the vendors contains the covenants related to health and safety practices and working conditions.
Working Conditions		
6	Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.	They have adequate safety measures to safe guard human life and value chain partners.

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Business Responsibility and Sustainability Reporting by listed entities
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SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

1	Describe the processes for identifying key stakeholder groups of the entity	The Bank acknowledges that its activities affect a broad range of stakeholders, including customers, regulators, peers, business partners, and communities. It believes that transparent communication and meaningful engagement with these stakeholders are essential for fostering and maintaining strong, long-term relationships. By interacting with diverse stakeholders, TMB gains valuable insights into the social, environmental, and economic impacts—both direct and indirect—of its operations. The Bank conducts proactive and targeted engagements with various stakeholder groups to identify material issues, evaluate business strategies and operations, and assess products, services, and solutions. This approach helps to minimize reputational risk and positively influences both the internal and external environments. TMB's key internal stakeholders include senior management and employees, while external stakeholders encompass shareholders and investors, customers, regulatory authorities, communities and NGOs, industry peers, vendors and service providers, and the media. Throughout the year, TMB actively engages with these stakeholders through various methods. Guidelines as per RBI and SEBI are being followed.

2	List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group				
	Stakeholder Group	**Whether identified as Vulnerable & Marginalized Group (Yes/No)**	**Channels of communication** (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	**Frequency of engagement (Annually/ Half / yearly/ Quarterly / others – please specify)**	**Purpose and scope of engagement including key topics and concerns raised during such engagement**
1	Employees	No	Both direct and digital means	Continuous	Both business and non-business aspects including employee's wellbeing
2	Regulators	No	Email, one-on-one meetings, conference call, videoconference	Need based	Discussions with regard to various regulations and amendments, inspections, approvals
3	Customers	Yes, if they qualify certain criteria	Multiple channels- Physical and digital	Frequently and need basis	Customer awareness, intimation and information sharing throughout the customer lifecycle
4	Shareholders/ Investors	No	Email, SMS, newspaper advertisement, notice board, website, Annual General Meetings, intimation to stock exchanges, annual/ quarterly financials, and investor meetings/ conferences	Quarterly/Half Yearly and Annually and also case to case basis	To discuss and communicate latest developments in the Bank
5	Value Chain Partners	No	Multiple channels- Physical and digital	Frequently and need basis	Performance optimization and business enhancement
6	Research Analysts	No	Email, Concalls, meetings, conferences	Frequently and need basis	To discuss and communicate latest developments in the Bank

7	NGOs and communities	Yes	Directly or through representatives	Frequently and need basis	Support environmentally and socially high impact projects

Leadership Indicators

1	Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.	The Bank engages with a broad spectrum of stakeholders to identify material issues, evaluate business strategies and operations, assess products, services, and solutions, minimize reputational risk, and positively influence both the internal and external environment. These engagements include stakeholder engagement and materiality exercises, customer satisfaction surveys, town halls, training programs, and social media platforms. The insights and inputs gathered from these various stakeholders are communicated to the Board and senior management for their guidance and action. Stakeholders are also invited to participate in the Stakeholder and Customer Relationship Committee (SRCSC), where their insights and feedback are gathered and communicated to the Board and senior management for informed decision-making and action.
2	Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.	Stakeholder feedback and suggestions are considered wherever feasible and are used to identify the most relevant material issues pertaining to environment and social issues to the Bank. The engagement takes place through various channels as part of an ongoing process. Please refer to Section A- Q26 for details for further details.
3	Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.	The necessary recommendations given by the stakeholders are being implemented from bank to bank. The Bank's CSR activities focus on the disadvantaged, vulnerable and marginalised segments of society. CSR activities are mentioned separately in Principle 8- Leadership Indicator 6.

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Business Responsibility and Sustainability Reporting by listed entities
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SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

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

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
Category	**Total**	**No. of employees / workers covered (B)**	**% (B / A)**	**Total (C)**	**No. of employees / workers covered (D)**	**% (D / C)**
Employees						
Permanent	The Bank has Staff Training College situated at Nagercoil and included Human Rights Issues in all the training programmes and we ensure that the employees are aware of the Human Rights Issues.					
Other than permanent						
Total Employees						
Workers						
Permanent	The Bank has Staff Training College situated at Nagercoil and included Human Rights Issues in all the training programmes and we ensure that the employees are aware of the Human Rights Issues.					
Other than permanent						
Total Workers						

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

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Permanent	2158	0	0%	2158	100%	2018	0	0%	2018	100%
Male	1966	0	0%	1966	100%	1850	0	0%	1850	100%
Female	192	0	0%	192	100%	168	0	0%	168	100%
Other than permanent	26	0	0%	26	100%	37	0	0%	37	100%
Male	25	0	0%	25	100%	36	0	0%	36	100%
Female	1	0	0%	1	100%	1	0	0%	1	100%
Workers										
Permanent	**2443**	**0**	**0%**	**2443**	**100%**	**2449**	**0**	**0%**	**2449**	**100%**
Male	2061	0	0%	2061	100%	2122	0	0%	2122	100%
Female	382	0	0%	382	100%	327	0	0%	327	100%
Other than permanent	0	0	0%	0	0%	0	0	0%	0	0%
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%

3	Details of remuneration/salary/wages, in the following format:				
	a. Median remuneration / wages:				
		Male		**Female**	
		Number	**Median remuneration/ salary/ wages of respective category**	**Number**	**Median remuneration/ salary/ wages of respective category**
	Board of Directors (BoD)	9	400000#	1	0*
	Key Managerial Personnel	3	250000	0	0
	Employees other than BoD and KMP	1966	90868	192	91308
	Workers	2061	43750	382	56832
	***Note: We are not paying any remuneration/salary to directors. The directors are paid only sitting fees for attending meetings** **# includes salary paid to MD & CEO**				
	b. Gross wages paid to females as % of total wages paid by the entity, in the following format:				
		FY 2023-24 Current Financial Year		**FY 2022-23 Previous Financial Year**	
	Gross wages paid to females as % of total wages	12.10%		11.29%	
4	Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)	Yes, Human rights grievances/complaints are redressed by Internal Grievance Redressal Committee.			
5	Describe the internal mechanisms in place to redress grievances related to human rights issues.	At Regional level, The Regional Manager has been redressing the grievances related to human rights issues. Major issues would be dealt at Head Office Level.			

6	Number of Complaints on the following made by employees and workers:						
		FY 2023-24 (Current Financial Year)			**FY 2022-23 (Previous Financial Year)**		
		Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
	Sexual Harassment	0	0	-	0	0	-
	Discrimination at workplace	0	0	-	0	0	-
	Child Labour	0	0	-	0	0	-
	Forced Labour/ Involuntary Labour	0	0	-	0	0	-
	Wages	0	0	-	0	0	-
	Other Human rights related issues	0	0	-	0	0	-
7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:						
				FY 23-24 Current Financial Year		**FY 22-23 Previous Financial Year**	
	Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)			0		0	
	Complaints on POSH as a % of female employees / workers			0		0	
	Complaints on POSH upheld			0		0	

8	Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases	The Banks has created a supportive environment to address concerns of discrimination and sexual harassment, handling all complaints with the highest levels of confidentiality and sensitivity. TMB enforces a Sexual Harassment policy to uphold and protect the dignity of every woman working at the bank. The Bank's Internal Committee manages cases of workplace sexual harassment, conducting thorough and confidential investigations to safeguard the aggrieved party. Additionally, our Whistle-blower policy provides a secure channel for reporting issues, ensuring confidentiality and protection against discrimination for the complainant.
9	Do human rights requirements form part of your business agreements and contracts?(Yes/No)	Yes, the bank ensures fair treatment, transparency, honest dealing with its customers/ contractors.
10	Assessments for the year:	
		% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
	Child labour	100% (Conducted internally)
	Forced/involuntary labour	
	Sexual harassment	
	Discrimination at workplace	
	Wages	
	Others – please specify	
11	Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.	Nil

Leadership Indicators		
1	Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.	The bank has always seen Human Rights as inherent part of all its policies. There hasn't been an instance where the bank has to alter its policy / process in order to align with human rights and grievances. As an institution with the right professional flare, the bank is highly committed to the principle of equal opportunity for all employees and also believes in fabricating an environment which is free of discrimination. The bank has strictly prohibited discrimination or harassment based on race, colour, religion, or belief, social or ethnic origin, sex, age, physical, mental or sensory disability, HIV Status, sexual orientation, gender identity and/ or expression, marital status, family medical history or genetic information, family or parental status. The code of conduct lays down guidelines that facilitate the right environment in the bank. The bank nurtures its employees with the right ethics and code of conduct by organizing various training programs designed for the better enhancement and development of the workforce.
2	Details of the scope and coverage of any Human rights due-diligence conducted.	The Bank upholds the principle of Human Rights in all its dealings.
3	Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?	Few of the premises/offices are accessible to differently-abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.
4	Details on assessment of value chain partners:	
	Assessments for the year:	100% (Conducted internally)
	Sexual Harassment	
	Discrimination at workplace	

	Child Labour	
	Forced Labour/Involuntary Labour	
	Wages	
	Others – please specify	
5	Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.	NA

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SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

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

Parameter	FY 2023-24 (Current Financial Year) (Giga Joules)	FY 2022-23 (Previous Financial Year) (Giga Joules)
From renewable sources		
Total electricity consumption (A)	4320	4104
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	4320	4104
From non-renewable sources		
Total electricity consumption (D)	86760	82422
Total fuel consumption (E)	19919.75	18238.45

	Energy consumption through other sources (F)	-	-
	Total energy consumed from non-renewable sources (D+E+F)	106679.75	100660.45
	Total energy consumed (A+B+C+D+E+F)	110999.75	104764.45
	Energy intensity per rupee of turnover (Turnover in Rs. Crore) (Total energy consumed/ revenue from operations)	20.21	22.24
	Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	-	-
	Energy intensity in terms of physical output	-	-
	Energy intensity (optional) – the relevant metric may be selected by the entity	-	-
	Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		No
2	Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.		Not Applicable

3	Provide details of the following disclosures related to water, in the following format:		
	Parameter	**FY 2023-24**	**FY 2022-23**
	Water withdrawal by source (in kilolitres)		
	(i) Surface water	-	-
	(ii) Groundwater	115000	109250
	(iii) Third party water	-	-
	(iv) Water from Municipal Corporation	26000	24700
	(v) Others	-	-
	Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	141000	133950
	Total volume of water consumption (in kilolitres)	141000	133950
	Water intensity per rupee of turnover(Turnover in Rs. Crore) (Total water consumption / Revenue from operations)	25.67	28.44
	Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	-	-
	Water intensity in terms of physical output	-	-
	Water intensity (optional) – the relevant metric may be selected by the entity	-	-

	Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	No
4	Provide the following details related to water discharged:	

Parameter	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment (Discharged to sewage)	119850	113857
With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
No treatment	-	

	With treatment – please specify level of treatment	-	-
	(v) Others		
	No treatment	-	-
	With treatment – please specify level of treatment	-	-
	Total water discharged (in kilolitres)	119850	113857
	Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		No
5	Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.		Not Applicable

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

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	Owing to the company's business operations, it is not applicable		
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

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

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

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	1476.05	1351.47
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	17255.60	16392.82
Total Scope 1 and Scope 2 emissions per rupee of turnover (Turnover in Rs. Crore) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO2e/Rs. Crore	3.41	3.77
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	-	-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output	**-**	**-**	**-**
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.			No

8	Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.	TMB has focused on reducing its energy consumption through various measures such as energy-efficient lighting, HVAC systems, and building automation systems. The bank has implemented energy audits to identify areas where energy consumption can be reduced and has taken steps to optimize its energy usage. To showcase its commitment to clean energy, TMB is installing solar panels in our branches, ATMs and administrative offices.

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	7.70	7.00
E-waste (B)	1.96	1.19
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-

	Other Hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil) . Please specify, if any. (G)	-	-
	Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
	Total (A+B + C + D + E + F + G + H)	9.66	8.19
	Waste intensity per rupee of turnover (Turnover in Rs. Crore) (Total waste generated / Revenue from operations)	0.002	0.002
	Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-
	Waste intensity in terms of physical output	-	-
	Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
	For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
	Category of waste		
	(i) Recycled	0	0
	(ii) Re-used	0	0

	(iii) Other recovery operations	0	0
	Total	0	0
	For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
	Category of waste		
	(i) Incineration	0	0
	(ii) Landfilling	2	2
	(iii) Other disposal operations	7.66	6.19
	Total	9.66	8.19
	Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		No
10	Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes		E-waste materials generated due to up gradation/replacement of existing components like computers, modems, printers, UPS and etc., are disposed as per the E-waste policy.

11	If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:			
	S. No	**Location of operations/offices**	**Type of operations**	**Whether the conditions of environmental approval / clearance are being complied with ? (Y/N) If no, the reasons thereof and corrective action taken, if any**
	Not applicable			

12	Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:					
	Name and brief details of project	**EIA Notification No.**	**Date**	**Whether conducted by independent external agency (Yes / No)**	**Results communicated in public domain (Yes / No)**	**Relevant Web link**
	Not Applicable					

13	Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:				
	S. No	**Specify the law / regulation / guidelines which was not complied with**	**Provide details of the noncompliance**	**Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts**	**Corrective action taken, if any**
	Not Applicable				

Leadership Indicators			
1	Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):		
	For each facility / plant located in areas of water stress, provide the following information:		
	(i) Name of the area		NA
	(ii) Nature of operations		NA
	(iii) Water withdrawal, consumption and discharge in the following format:		
	Parameter	**FY 2023-24 (Current Financial Year)**	**FY 2022-23 (Previous Financial Year)**
	Water withdrawal by source (in kilolitres)		
	(i) Surface water	-	-
	(ii) Groundwater	-	-
	(iii) Third party water	-	-
	(iv) Seawater / desalinated water	-	-
	(v) Others	-	-
	Total volume of water withdrawal (in kilolitres)	-	-
	Total volume of water consumption (in kilolitres)	-	-

	Water intensity per rupee of turnover (Water consumed / turnover)	-	-
	Water intensity (optional) – the relevant metric may be selected by the entity	-	-
	Water discharge by destination and level of treatment (in kilolitres)		
	(i) Into Surface water		
	---No treatment	-	-
	---With treatment – please		
	specify level of treatment	-	-
	(ii) Into Groundwater		
	---No treatment	-	-
	---With treatment – please		
	specify level of treatment	-	-
	(iii) Into Seawater		
	---No treatment	-	-
	---With treatment – please		
	specify level of treatment	-	-

	(iv) Sent to third-parties			
	---No treatment		-	-
	---With treatment – please			
	specify level of treatment		-	-
	(v) Others			
	---No treatment		-	-
	---With treatment – please			
	specify level of treatment		-	-
	Total water discharged (in kilolitres)		-	-
	Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency			No
2	Please provide details of total Scope 3 emissions & its intensity, in the following format:			
	Parameter	**Unit**	**FY 2023-24 (Current Financial Year)**	**FY 2022-23 (Previous Financial Year)**
	Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)			

	Total Scope 3 emissions per rupee of turnover	The bank is in the process of tracking the Scope 3 emissions.
	Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	
	Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	No
3	With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.	Not Applicable
4	If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:	

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
		Nil	

5	Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.	Yes, the bank has a policy on business continuity and a disaster management plan duly approved by the Board. It has procedures and plans for disaster recovery and continuous system backups. Information System Audit covering the physical security of IT systems and business continuity procedures is conducted at branches/offices. Additionally, the bank conducts periodic fire safety and evacuation drills at the office locations.

6	Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard	NA
7	Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.	NA

Annexure - 8

Business Responsibility and Sustainability Reporting by listed entities
SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

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

Essential Indicators

1	a.	Number of affiliations with trade and industry chambers/ associations.	2
	b.	List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.	

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State / National)
1	ASSOCHAM	National
2	Indian Banks Association (IBA)	National

2	Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.		
	Name of authority	**Brief of the case**	**Corrective action taken**
	We have not received any adverse order from any regulatory authorities w.r.t, any issue onanti-competitive conduct for FY 2023-24.		

Leadership Indicators

1 Details of public policy positions advocated by the entity:

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Nil					

Annexure - 8

Business Responsibility and Sustainability Reporting by listed entities
SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

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

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

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

S. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

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

	The Bank has established systems to receive and address grievances from various stakeholder groups, including customer complaints. Stakeholders can register their grievances through multiple channels available on the Bank's website. Additionally, the Bank has a mechanism in place to monitor the implementation of CSR projects and address the concerns of beneficiary communities. If necessary, the Bank may engage an external agency to assess the impact and reach of these projects.

4	Percentage of input material (inputs to total inputs by value) sourced from suppliers:		
	Parameter	**FY 2023-24 (Current Financial Year)**	**FY 2022-23 (Previous Financial Year)**
	Directly sourced from MSMEs/ small producers	90%	90%
	Directly sourced within India	100%	100%
5	Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost		
	Location	**FY 2023-24 (Current Financial Year)**	**FY 2022-23 (Previous Financial Year)**
	Rural	13.54%	13.67%
	Semi-urban	33.17%	34.59%
	Urban	27.76%	26.73%
	Metropolitan	25.54%	25.01%
	Leadership Indicators		
1	Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):		
	Details of negative social impact identified	**Corrective action taken**	
	Not Applicable		

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

S. No.	State	Aspirational District	Amount spent (In INR)
1	Karnataka	Bagalkot	1,54,560
2	West Bengal	Kolkata	1,33,400
3	Tamilnadu	Chennai	36,51,686
4	Tamilnadu	Coimbatore	4,24,800
5	Tamilnadu	Dindigul	2,00,000
6	Tamilnadu	Kancheepuram	30,00,000
7	Tamilnadu	Kanyakumari	4,00,000
8	Tamilnadu	Madurai	48,47,656
9	Tamilnadu	Nagapattinam	5,41,030
10	Tamilnadu	Ramanathapuram	26,21,000
11	Tamilnadu	Sivagangai	2,00,000
12	Tamilnadu	Tenkasi	6,01,217
13	Tamilnadu	Theni	4,10,000
14	Tamilnadu	Thiruvannamalai	1,03,840
15	Tamilnadu	Thoothukudi	19,32,50,526

	S. No.	State	Aspirational District	Amount spent (In INR)
	16	Tamilnadu	Tirunelveli	13,00,636
	17	Tamilnadu	Tirupur	1,00,000
	18	Tamilnadu	Virudhunagar	90,90,792
3	(a)	Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)		No
	(b)	From which marginalized /vulnerable groups do you procure?		NA
	(c)	What percentage of total procurement (by value) does it constitute?		NA

4	Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:				
	S. No.	**Intellectual Property based on traditional knowledge**	**Owned/ Acquired (Yes/No)**	**Benefit shared (Yes / No)**	**Basis of calculating benefit share**
		Nil			
5	Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.				
	Name of authority	**Brief of the Case**	**Corrective action taken**		
	Nil				

6	Details of beneficiaries of CSR Projects:			
	S. No.	**CSR Project**	**No. of persons benefitted from CSR Projects**	**% of beneficiaries from vulnerable and marginalized groups**
	1	Construction of Class Room & Toilet Blocks in Schools	5000	100%
	2	Establishment of Solar Lamps	2000	100%
	3	Petrol Scooter, wheel chair, cell phone (aid person) and Three wheel cycle for differently abled persons	100	100%
	4	Desk & Bench for School purpose	5000	100%
	5	Construction of Patient Room for Old Age persons & Sit out for Girls & provide water heater	500	100%

Annexure - A

Business Responsibility and Sustainability Reporting by listed entities
SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

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

Essential Indicators

1	Describe the mechanisms in	A dedicated customer service cell is functioning in the Operations and Services Department. We are having a dedicated all India toll-free customer helpline for the use of customers to enquire about the products and services. Customers can also register their grievances and get spontaneous assistance through toll-free number 180 0425 0426during the bank working hours. We have a dedicated phone number for customer care / help, 9842-461-461. It also includes SMS based customer help line. Customers can seek help by sending an SMS with the text, HELP. We are also having two dedicated e-mails for the use of customers to register their grievances and complaints –customerservice@tmbank.in and complaints@tmbank.in Customers can also register their enquiries / feedback / complaints / grievances through our banks website www.tmb.in. The customer will receive instant acknowledgement to their e-mail ID for the suggestions / feedback / complaints / grievances registered by them. We are maintaining a centralized registry for recording all the complaints received through letters, mail, Banking Ombudsman and other regulators. The Branches, Regional Offices and Customer Service Cell can access the record/retrieve the details through exclusive login ID and password provided to them for login into the complaint portal. We are also having Online Dispute Resolution System (ODRS) for registering the complaints related to the digital transactions (ATM, UPI, ECOMM, POS, and other IT related complaints). The complaint number and status of the complaint will be popped up to the customers through SMS to their registered mobile number from the ODRS. We are conducting Standing Committee on Customer Service at all our branches every month. During the meeting, the feedback / suggestions given by the customers are collected through MIS portal and the feasible suggestions are implemented and placed before the Stakeholders Relationship and Capital Planning Committee of the Board.

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

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

3 Number of consumer complaints in respect of the following:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Received during the year	**Pending resolution at end of year**	**Remarks**	**Received during the year**	**Pending resolution at end of year**	**Remarks**
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of Essential Services	33650	571	All the pending complaints are relatedto IT services Delivery of Essential i.e. complaints related to ATM, POSand ECOM M transactions	35149	760	All the pending complaints are relatedto received at our ADC cell IT received at our ADC celli.e. complaints related to ATM, POS and ECOM M transactions, which weresettled within 13.04.2023

	Restrictive Trade Practices	0	0	NA	0	0	NA
	Unfair Trade Practices	0	0	NA	0	0	NA
	Other	0	0	NA	0	0	NA

4	Details of instances of product recalls on account of safety issues:		
		Number	Reasons for recall
	Voluntary recalls	0	NA
	Forced recalls	0	NA

5	Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.	The Bank has established a comprehensive Cyber Security measure that has been duly approved by the Board. The Bank places cybersecurity as its top priority and has created a robust IT infrastructure to detect frauds and respond immediately. Strong Cyber Security measures guard its customer transactions end-to-end. The Bank takes its customers' privacy seriously and has a well-defined privacy policy that is prominently displayed on its corporate website. https://infosec.tmbank.in/assets/reference/documents/csp/csp.pdf
6	Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services	To address concerns regarding the delivery of essential services, the bank has a dedicated Customer Service cell. This strategic implementation resulted in a significant reduction in complaints compared to the previous fiscal year. In cases of recurring complaints, the bank conducts Root Cause Analysis to identify underlying issues, collaborating with relevant departments to implement necessary remedial measures. The Customer Service cell diligently monitors complaint resolution processes to ensure high-quality service delivery. These proactive measures underscore the bank's commitment to enhancing customer satisfaction and optimizing the provision of essential services.

7	Provide the following information relating to data breaches:	
	a. Number of instances of data breaches	0
	b. Percentage of data breaches involving personally identifiable information of customers	0
	c. Impact, if any, of the data breaches	NA
Leadership Indicators		
1	Channels / Platforms where information on products and services of the entity can be accessed (provide web link, if available).	Information on products/services can be accessed from our Website, Call-Centre, Mobile App, Net Banking, point of sales and Branches/ Offices. In addition, the Bank actively uses various social media and digital platforms to disseminate information on its products and services. Website - www.tmb.in
2	Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.	Customers are educated about safe banking practices via social media channels, SMS, banners/ push notifications in our mobile banking app and Website. We had initiated SMS to customers related to phishing attacks to avoid falling to fraud call or victim of a scam. Customers are intimated not to share the OTP, UPI PIN, or any personal information through push notifications. The above awareness is also available in the Bank's website www.tmb.in
3	Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services	In case of any disruption/discontinuation of essential services, communication is done via emails, SMS, scrolls on the website, notice board, ATM display and push notifications via Mobile Banking.

4	Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)	The bank ensures complete transparency so that the customers can have a clear understanding of what they can expect from the bank. TMB provides customers with information about its products and services, terms and conditions, and the interest rates/service charges in a simple and easily understandable language, and with sufficient information so that the customer can make appropriate and informed decisions/ choice of product. The bank displays product-related information and tariff schedule on the website for customer's perusal. It also provides information on interest rates, fees, and charges either on the Notice Board in the branches or website or through customer cares helpline. The product's price, the associated risks, the terms, and conditions that govern use over the product's life cycle and the responsibilities of the customer and the bank are clearly disclosed. They make every effort to ensure that staff dealing in a particular product is properly trained to provide relevant information to customers fully, correctly, and honestly. Furthermore, the bank is conducting the survey on customer satisfaction through the Bank's website which is made available 24 X 7 basis. It is also conducting a survey on customer satisfaction on a regular basis at the time of renewing the ISO certification of the branches and offices.

M/s. Suri & Co.
Chartered Accountants,
443 & 445, Guna Complex,
Main building, 4th Floor, Anna Salai, Teynampet
Chennai 600 018

M/s. Abarna & Ananthan
Chartered Accountants,
521, 3rd Main 6th Block,
2nd Phase BSK 3rd Stage,
Bengaluru - 560 085.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF M/s. TAMILNAD MERCANTILE BANK LIMITED

Report on Audit of the Financial Statements

OPINION

1. We have audited the accompanying financial statements of **M/s. TAMILNAD MERCANTILE BANK LIMITED** ("the Bank"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, and the statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of Head Office, 20 branches, Integrated Treasury & International Banking Division audited by us and 532 branches audited by statutory branch auditors located across India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read with notes thereon, give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act'), as amended and circulars and guidelines issued by the Reserve Bank of India ('RBI'), in the manner so required for the banking companies and are in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021, give a true and fair of the state of affairs of the Bank as at March 31, 2024, and its profit, and its cash flows for the year ended on that date.

BASIC FOR OPINION

2. We conducted our audit of the Bank including its branches in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021, provisions of section 29 of the Banking Regulation Act, 1949, circulars and guidelines issued by RBI from time to time and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

3. Key audit matters are those matters that, in our professional judgement, and based on the consideration of the reports of the statutory branch auditors as referred to paragraph 4 below, were of most significance in our audit of the financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

4. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How to key audit matter was addressed

A. Identification of Non-performing advances (NPA) and provisioning on advances:

Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances.

The Reserve Bank of India ('RBI') has prescribed the 'Prudential Norms on Income Recognition, Asset Classification and Provisioning' in respect of advances for banks ('IRACP Norms').

The identification of performing and non-performing advances (including advances restructured under applicable IRACP Norms) involves establishment of proper mechanism and the Bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each advance applying both quantitative as well as qualitative factors prescribed by the regulations.

Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements on:

• Completeness and timing of recognition of non-performing assets in accordance with criteria as per IRACP norms;

• Measurement of the provision for non-performing assets based on loan exposure, ageing and classification of the loan, realizable value of security;

• Appropriate reversal of unrealized income on the NPAs. Since the classification of advances, identification of NPAs and creation of provision on advances (including additional provisions on restructured advances under applicable IRACP Norms) and income recognition on advances:

• Requires proper control mechanism and significant level of estimation by the Bank;

•Has significant impact on the overall financial statements of the Bank;

we have ascertained this area as a Key Audit Matter.

Our approach and procedures for auditing the classification of advances, identification of non-performing advances, income recognition, and provision on advances included the following steps:

1. We examined and assessed the bank's accounting policies for identifying non-performing assets (NPAs) and making provisions, ensuring compliance with the IRACP norms prescribed by the Reserve Bank of India (RBI).

2. We reviewed and tested the design and effectiveness of key controls, including system-based automated controls, for identifying and provisioning NPA accounts, based on the extant guidelines on IRACP laid down by the RBI.

3. We conducted additional procedures to identify NPAs, which included:

a) Testing exception reports generated by the bank's application systems where advances are recorded.

b) Analyzing accounts reported by the bank and other banks as Special Mention Accounts (SMA) in RBI's central repository of information on large credits (CRILC) to identify potential stress.

c) Reviewing borrower account statements, drawing power calculations, security details, and other relevant information based on quantitative and qualitative risk factors.

d) Examining minutes of management committee and credit committee meetings, and conducting inquiries with the credit and risk departments to identify indicators of stress or default events in loan accounts or products.

e) Considering audit reports and memorandum of changes issued by statutory branch auditors.

f) Reviewing internal audit, systems audit, credit audit, and concurrent audit reports in accordance with the bank's policies and procedures.

g) Analyzing the RBI Annual Financial Inspection report on the bank, the bank's responses to observations, and other communications with the RBI throughout the year.

h) Examining a sample of advances, including stressed or restructured advances, to assess compliance with the RBI's Master Circulars/Guidelines.

i) Conducting branch visits and examining documentation and records related to advances.

For identified non-performing advances, we conducted sample-based testing of asset classification dates, reversal of unrealized interest, valuation of available security, and provisioning as per the IRACP norms. We recalculated the provision for NPAs on these samples, considering key factors,

B. Information Technology ("IT") Systems and Controls

The Bank highly relies on information systems, including automated controls, for its key financial accounting and reporting processes. However, this dependence poses a risk that deficiencies in the IT control environment could lead to significant misstatements in the financial accounting and reporting records.

Given the Bank's use of multiple systems for overall financial reporting and the high volume of daily transactions recorded across various locations, protecting the integrity of the Bank's systems and data has become increasingly challenging. Cybersecurity risks have emerged as a significant concern in recent periods.

Considering the pervasive and intricate nature of the IT environment, as well as its critical role in ensuring accurate and timely financial reporting, we have identified this area as a Key Audit Matter.

and compared our findings with the management's measurements.

As part of our audit procedures for reviewing the Bank's IT systems and related controls for financial reporting, we undertook the following actions:

- We conducted testing to evaluate the design and effectiveness of the Bank's IT access controls over critical information systems used for financial reporting.

- We performed sample testing of IT general controls, including logical access, change management, and aspects of IT operational controls. This involved reviewing and authorizing access requests to systems and inspecting requests for changes to systems for approval and authorization. We also considered the control environment related to interfaces, configuration, and other application layer controls that were identified as crucial for our audit.

- We examined the Bank's controls pertaining to the prevention of unauthorized opening and operations in internal/office accounts.

- Furthermore, we tested the design and operating effectiveness of specific automated controls that were identified as key internal financial controls for financial reporting. Whenever deficiencies were identified, we sought explanations regarding compensating controls or performed alternative audit procedures. Additionally, we took into account any changes made to the IT landscape during the audit period that had a significant impact on financial reporting and conducted testing accordingly.

5. WE DRAW ATTENTION TO

a) Note No.14.k. of the accompanying financial statements where the Bank, as required under law, has pre-deposited the penalty before the Appellate Tribunal amounting to Rs.16.99 crores levied by Directorate of Enforcement, for recording share transfers during 2007, 2011 and 2012, in violation of the regulation 4 of Foreign Exchange Management (Transfer or Issue of security by a person resident outside India) Regulations, 2000.

Our opinion is not modified in respect of the above matters.

6. INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND THE AUDITOR'S REPORT THEREON

The Bank's Board of Directors are responsible for other information. The other information comprises the Corporate Overview, Directors' Report including annexures to Directors' Report, Management Discussion and Analysis, Basel III - Pillar 3 disclosures and Corporate Governance report included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Financial Statements does not cover the other information and Pillar 3 disclosure under the Basel III Disclosure and we do not express any form of assurance/ conclusion thereon

In connection with our Audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT & THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

7. The Bank's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with read with Companies (Accounting Standards) Rules, 2021 in so far as they apply to the Bank and provision of Sec.29 of the Banking Regulation Act 1949 and circulars and guidelines issued by the RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of the Bank and such branches included in the financial statements, of which we are the independent auditors. For the other branches included in the financial statements, which have been audited by statutory branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of Financial

Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our Audit work and evaluating the results of our work; and (ii) to evaluate the effect of identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

9. We did not audit the financial statements / information of 532 branches included in the financial statements of the bank whose financial statements / financial information reflect total assets of Rs.35,543.78 Crores as at March 31, 2024 and the total revenue of Rs.3,446.43 Crores for the year ended on that date, as considered in the financial statements. These branches cover 83.70% of Advances, 81.13% of Deposits and 67.22% of Non–Performing assets as at March 31, 2024 and 62.74% of revenue for the year ended March 31, 2024. The Financial Statements / Information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is solely based on the report of such branch auditors.
Our report is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Accounting Standards as per section 133 of the Act read with Companies (Accounting Standards) Rules, 2021.

Being a Banking Company, the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of the powers conferred by subsection (11) of section 143 of the Companies Act, 2013, is not applicable.

11. As required by Sub Section 3 of Section 30 of the Banking Regulation Act 1949, and on the consideration of the reports of the statutory branch auditors as referred in paragraph 9 above we report that:

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank;

(c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit; and

(d) The Profit and Loss account shows a true balance of profit for the year then ended.

12. Further, as required by Section 143 (3) of the Act, we report to the extent applicable that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us.

(c) The reports on the accounts of the branches audited by branch auditors of the bank under section 143(8) of the Companies Act, 2013 have been sent to us and have been properly dealt with by us in preparing this report.

(d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts and with the audited returns from the branches.

(e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with read with Companies (Accounting Standards) Rules, 2021 to the extent they are not inconsistent with the Accounting Policies prescribed by the Reserve Bank of India.

(f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Companies Act.

(g) With respect to adequacy of the Internal Financials controls over Financial Reporting of the Bank and the operating effectiveness of such controls, refer to our separate report in Annexure – I, and

(h) The entity being a banking company as defined under Banking Regulation Act, 1949, the remuneration to its directors during the year ended March 31, 2024 has been paid/provided by the Bank in accordance with the provisions of Section 35B(1) of the Banking Regulation Act, 1949

(i) With respect to other matters to be included in the Auditors report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 15.13 to the financial statements;

ii. The Bank has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including forward derivative contracts – Refer Schedule 12 to the financial statements.

iii. There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank and the details are disclosed in its financial statements - Refer Note No. 14.1. to the financial statements.

iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Notes to the Accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the Notes to the Accounts, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") of provide any guarantee, security or the like on behalf of the Ultimate beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate by us in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

v. The dividend paid by the Bank during the year is in compliance with section 123 of the Companies Act 2013.

vi. As stated in Note No. 15.16 to the financial statements, the Board of Directors of the Company have declared and paid dividend during the financial year and the same is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vii. Based on our examination which included test checks, the bank has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For Suri & Co
Chartered Accountants
FRN-004283S

Sd/-
CA P Prasanna
Partner
M No 228180
UDIN: 24228180BKEPNF4469

For Abarna & Ananthan
Chartered Accountants
FRN- 000003S

Sd/-
CA Mohan Rao
Partner
M No. 203737
UDIN: 24203737BKHAGE7240

Place: Thoothukudi
Date: April 22, 2024

M/s. Suri & Co.
Chartered Accountants,
20, Moores Road, II Floor, Park Circle, Thousand Lights
Chennai- 600 006.

M/s. Abarna & Ananthan
Chartered Accountants,
521, 3rd Main 6th Block, 2nd Phase BSK 3rd Stage,
Bengaluru - 560 085.

ANNEXURE – I TO THE AUDITORS' REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

(REFERRED TO IN PARAGRAPH 10 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

We have audited the internal financial controls over financial reporting of Tamilnad Mercantile Bank Limited ("the Bank") as of March 31, 2024 in conjunction with our audit of the financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank's branches

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS:

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A Bank's internal financial controls over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use,

or disposition of the Bank's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid report insofar as it relates to the operating effectiveness of internal financial controls over financial reporting of 532 branches is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter

For Suri & Co
Chartered Accountants
FRN-004283S

Sd/-
CA P Prasanna
Partner
M No 228180
UDIN: 24228180BKEPNF4469

For Abarna & Ananthan
Chartered Accountants
FRN- 000003S

Sd/-
CA G Mohan Rao
Partner
M No 203737
UDIN: 24203737BKHAGE7240

Place: Thoothukudi
Date: April 22, 2024

TAMILNAD MERCANTILE BANK LTD, THOOTHUKUDI

BALANCE SHEET AS ON 31st March 2024

	Schedule	(₹ in thousands)	
		As on 31.03.2024	As on 31.03.2023
CAPITAL AND LIABILITIES:			
Capital	1	1583515	1583515
Reserves and Surplus	2	77628508	67699940
Deposits	3	495150733	477664860
Borrowings	4	13011511	5250000
Other Liabilities and Provisions	5	28150334	26755343
Total		615524601	578953658
ASSETS :			
Cash and balances with Reserve Bank of India	6	22301292	21025716
Balance with Banks and Money at Call and Short Notice	7	13379927	14794138
Investments	8	152625984	141560378
Advances	9	397337501	372896893
Fixed Assets	10	2709798	2456482
Other Assets	11	27170099	26220051
Total		615524601	578953658
Contingent Liabilities	12	66633110	66390605
Bills for Collection		8749429	12257236
Significant Accounting Policies	17		
Notes form part of Accounts	18		

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

TAMILNAD MERCANTILE BANK LTD, THOOTHUKUDI

BALANCE SHEET AS ON 31st March 2024

Sd/-
S.Krishnan
Managing Director & CEO
DIN: 07261965

Sd/- A.Niranjan Sankar Director DIN: 00084014	Sd/- D.N.Nirranjan Kani Director DIN: 00455352	Sd/- S.R.Ashok Director DIN: 07933713	Sd/- B.Prabaharan Director DIN: 00209875
Sd/- C.Chiranjeeviraj Director DIN: 08730382	Sd/- S.Ezhil Jothi Director DIN: 07772888	Sd/- S.Sridharan Director DIN: 07205781	Sd/- C.S.Ram Kumar Director DIN: 09777115
Sd/- Thomas Mathew Director DIN: 10642487	Sd/- D. Inbamani General Manager	Sd/- P.Suriaraj General Manager	Sd/- D.Ramesh General Manager
Sd/- J.Sundaresh Kumar General Manager	Sd/- K.Vijayan General Manager	Sd/- P.R.Ashok Kumar General Manager	Sd/- S.Narayanan General Manager
Sd/- V.Jayaraman General Manager	Sd/- P.A.Krishnan Chief Financial Officer		

Vide our report of even date attached
For Suri & Co
Chartered Accountants
FRN No. 004283S

Vide our report of even date attached
For Abarna & Ananthan
Chartered Accountants
FRN No. 000003S

Thoothukudi
22.04.2024

Sd/-
P.Prasanna
Partner (M.No.228180)

Sd/-
Mohan Rao G
Partner (M.No.203737)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2024

		Schedule	(₹ in thousands)	
			Year ended on 31-03-2024	Year ended on 31-03-2023
I.	**INCOME**			
	Interest earned	13	48479094	40810417
	Other income	14	6449463	6291103
	Total		54928557	47101520
II.	**EXPENDITURE**			
	Interest expended	15	26970158	19869159
	Operating expenses	16	13140606	11503943
	Provisions and contingencies		4097468	5435828
	Total		44208232	36808930
III.	**PROFIT / LOSS**			
	Net profit/loss (-) for the year		10720325	10292590
	Profit/Loss (-) brought forward		1232879	2263161
	Total		11953204	12555751
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		3220000	3090000
	Transfer to Other Reserves		5250000	5100000
	Transfer to Capital Reserve		0	0
	Transfer to Investment Reserve		0	0
	Transfer to Investment Fluctuation Reserve		0	416000
	Transfer to Special Reserve 36(1)(viii)		500000	500000
	Dividend Final Dividend FY 2022-23		791757	1425115
	Interim Dividend		0	791757
	Balance carried over to Balance Sheet		2191447	1232879
	Total		11953204	12555751

(₹ in thousand)

Earning per share (Basic and Diluted) (Rs)		67.70	68.06
Significant Accounting Policies	17		
Notes form part of Accounts	18		
The Schedules referred to above form an integral part of the Profit & Loss Account.			

Sd/-
S.Krishnan
Managing Director & CEO
DIN: 07261965

Sd/-
A.Niranjan Sankar
Director
DIN: 00084014

Sd/-
D.N.Nirranjan Kani
Director
DIN: 00455352

Sd/-
S.R.Ashok
Director
DIN: 07933713

Sd/-
B.Prabaharan
Director
DIN: 00209875

Sd/-
C.Chiranjeeviraj
Director
DIN: 08730382

Sd/-
S.Ezhil Jothi
Director
DIN: 07772888

Sd/-
S.Sridharan
Director
DIN: 07205781

Sd/-
C.S.Ram Kumar
Director
DIN: 09777115

Sd/-
Thomas Mathew
Director
DIN: 10642487

Sd/-
D. Inbamani
General Manager

Sd/-
P.Suriaraj
General Manager

Sd/-
D.Ramesh
General Manager-

Sd/-
J.Sundaresh Kumar
General Manager

Sd/-
K.Vijayan
General Manager

Sd/-
P.R.Ashok Kumar
General Manager

Sd/-
S.Narayanan
General Manager

Sd/-
V.Jayaraman
General Manager

Sd/-
P.A.Krishnan
Chief Financial Officer

Vide our report of even date attached
For Suri & Co
Chartered Accountants
FRN No. 004283S

Sd/-

P.Prasanna
Partner (M.No.228180)

Vide our report of even date attached
For Abarna & Ananthan
Chartered Accountants
FRN No. 000003S

Sd/-

Mohan Rao G
Partner (M.No.203737)

Thoothukudi
22.04.2024

Schedules to Balance Sheet	(₹ in thousands)	
SCHEDULE I - CAPITAL	**As on 31.03.2024**	**As on 31.03.2023**
Authorised Equity Capital 28,00,00,000 Equity Shares of Rs.10/- each	**2800000**	**2800000**
Issued, Subscribed, Called-up and Paid-up Capital 15,83,51,454 Equity Shares of Rs.10/- each	**1583515**	**1583515**
Less: Calls unpaid	**0**	**0**
Add: Forfeited shares	**0**	**0**
Total	**1583515**	**1583515**

SCHEDULE 2 - RESERVES AND SURPLUS		(₹ in thousands)	
I.	Statutory Reserves		
	Opening Balance	**20997786**	**17907786**
	Additions during the year	**3220000**	**3090000**
	Deductions during the year	**0**	**0**
	Total	**24217786**	**20997786**
II.	Capital Reserves		
	Opening Balance	**989235**	**989235**
	Additions during the year	**0**	**0**
	Deductions during the year	**0**	**0**
	Total	**989235**	**989235**
III.	Share Premium		
	Opening Balance	**7692274**	**0**
	Additions during the year	**0**	**7692274**
	Deductions during the year	**0**	**0**
	Total	**7692274**	**7692274**
IV.	Revenue and Other Reserves		
	Opening Balance	**36787766**	**30771766**
	Additions during the year	**5750000**	**6016000**
	Deductions during the year	**0**	**0**
	Total	**42537766**	**36787766**
V.	Balance in Profit and Loss Account	**2191447**	**1232879**
	Total (I, II, III, IV and V)	**77628508**	**67699940**

Schedules to Balance Sheet		(₹ in thousands)	
SCHEDULE 3 - DEPOSITS		**As on 31.03.2024**	**As on 31.03.2023**
A. I.	Demand Deposits		
	(i) From Banks	**4090**	**549**
	(ii) From Others	**45864974**	**42487616**
II.	Savings Bank Deposits	**100891425**	**94867927**
III.	Term Deposits		
	(i) From Banks	**0**	**0**
	(ii) From Others	**348390244**	**340308768**
	Total (I, II and III)	**495150733**	**477664860**
B.	(i) Deposits of Branches in India	**495150733**	**477664860**
	(ii) Deposits of Branches outside India	**0**	**0**
	Total	**495150733**	**477664860**

SCHEDULE 4 - BORROWINGS		**As on 31.03.2024**	**As on 31.03.2023**
I.	Borrowings in India	**13011511**	**5250000**
	(a) Reserve Bank of India	**8016151**	**5250000**
	(b) Other Banks	**0**	**0**
	(c) Other Institutions and Agencies	**4995360**	**0**
II.	Borrowings outside India	**0**	**0**
	Total (I and II)	**13011511**	**5250000**
Secured borrowings included in I and II above		**13011511**	**5250000**

SCHEDULE 5-OTHER LIABILITIES AND PROVISIONS		**As on 31.03.2024**	**As on 31.03.2023**
I.	Bills Payable	**2111173**	**3319645**
II.	Inter Office Adjustments (Net)	**0**	**0**
III.	Interest Accrued	**877664**	**1451069**
IV.	Others (Including Provisions)	**25161497**	**21984629**
	Total	**28150334**	**26755343**

Schedules to Balance Sheet		(₹ in thousands)	
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		**As on 31.03.2024**	**As on 31.03.2023**
I.	Cash in hand (including foreign currency notes)	**4988666**	**4804697**
II	Balances with Reserve Bank of India		
	(a) in Current Account	**17312626**	**16221019**
	(b) in Other Accounts	**0**	**0**
	Total (I and II)	**22301292**	**21025716**

SCHEDULE 7 - BALANCES WITH BANKS & MONEY AT CALL AND SHORT NOTICE		**As on 31.03.2024**	**As on 31.03.2023**
I.	In India		
	i) Balances with banks		
	(a) in Current Accounts	**211005**	**111698**
	(b) in Other Deposit Accounts	**0**	**55025**
	ii) Money at call and short notice		
	(a) with banks	**8500000**	**0**
	(b) with other institutions	**1998916**	**11983147**
	Total (i and ii)	**10709921**	**12149870**
II.	Outside India		
	(i) in Current Accounts	**210006**	**214268**
	(ii) in Other Deposit Accounts	**2460000**	**2430000**
	(iii) Money at call and short notice	**0**	**0**
	Total (i, ii and iii)	**2670006**	**2644268**
	Grand Total (I and II)	**13379927**	**14794138**

SCHEDULE 8 - INVESTMENTS		As on 31.03.2024	As on 31.03.2023
I.	Investments in India in		
	(i) Government Securities	**130028016**	**123170992**
	(ii) Other approved Securities	**0**	**0**
	(iii) Shares	**88073**	**71750**
	(iv) Debentures and Bonds	**16062752**	**12526504**
	(v) Subsidiaries and/or joint ventures	**0**	**0**
	(vi) Others - Mutual Fund, Commercial Paper	**6446569**	**5788550**
	Total (i)	**152625410**	**141557796**
II.	Investments outside India in		
	(i) Government Securities (including local authorities)	**0**	**0**
	(ii) Subsidiaries and/or joint ventures abroad	**0**	**0**
	(iii) Others - Mutual Fund, Commercial Paper	**574**	**2582**
	Total (ii)	**574**	**2582**
	Grand Total (I and II)	**152625984**	**141560378**

Schedules to Balance Sheet		(₹ in thousands)	
SCHEDULE 9 - ADVANCES		**As on 31.03.2024**	**As on 31.03.2023**
A.	(i) Bills purchased and discounted	**3836325**	**2573417**
	(ii) Cash credits, Overdrafts and loans repayable on demand	**273286590**	**251152297**
	(iii) Term Loans	**120214586**	**119171179**
	Total	**397337501**	**372896893**
B.	(i) Secured by tangible assets *	**394899032**	**370285221**
	*includes advances against Book Debt ₹ in thousands: 3405868 (previous year: 3513749)		
	(ii) Covered by Bank / Government Guarantee	**640585**	**585102**
	(iii) Unsecured	**1797884**	**2026570**
	Total	**397337501**	**372896893**

Schedules to Balance Sheet		(₹ in thousands)	
SCHEDULE 9 - ADVANCES		**As on 31.03.2024**	**As on 31.03.2023**
C.I	Advances in India		
	(i) Priority Sector	**301456940**	**269128435**
	(ii) Public Sector	**1443843**	**1468403**
	(iii) Banks	**0**	**0**
	(iv) Others	**94436718**	**102300055**
	Total	**397337501**	**372896893**
C.II	Advances outside India		
	(i) Due from Banks	**0**	**0**
	(ii) Due from Others	**0**	**0**
	(a) Bills purchased and discounted	**0**	**0**
	(b) Syndicated loans	**0**	**0**
	(c) Others	**0**	**0**
	Total	**0**	**0**
	Grand Total (C.I and II)	**397337501**	**372896893**

SCHEDULE 10 - FIXED ASSETS		**As on 31.03.2024**	**As on 31.03.2023**
I.	Premises		
	At cost as on 31st March of the preceding year	**807770**	**742468**
	Additions during the year	**101226**	**67196**
	Deductions during the year	**0**	**1894**
	Depreciation to date	**263788**	**254329**
	Total (i)	**645208**	**553441**
II.	Other Fixed Assets (including furniture and fixtures)		
	At cost as on 31st March of the preceding year	**6553235**	**5731254**
	Additions during the year	**906085**	**828603**
	Deductions during the year	**2276**	**6622**
	Depreciation to date	**5392454**	**4650194**
	Total (ii)	**2064590**	**1903041**
	Total (I and II)	**2709798**	**2456482**

Schedules to Balance Sheet		(₹ in thousands)	
SCHEDULE 11 - OTHER ASSETS		**As on 31.03.2024**	**As on 31.03.2023**
I.	Inter-Office adjustments (net)	**0**	**0**
II.	Interest accrued	**4404325**	**3614588**
III.	Tax paid in advance / Tax deducted at source	**13989103**	**10731933**
IV.	Stationery and stamps	**4149**	**7920**
V.	Non-Banking Assets acquired in satisfaction of claims	**0**	**0**
VI.	Other Assets	**8772522**	**11865610**
	Total	**27170099**	**26220051**

SCHEDULE 12 - CONTINGENT LIABILITIES		**As on 31.03.2024**	**As on 31.03.2023**
I.	Claims against the Bank not acknowledged as debts	**4112044**	**2887291**
II.	Liability for partly paid investments	**0**	**0**
III.	Liability on account of outstanding forward exchange contracts	**47735511**	**45353309**
IV.	Guarantee given on behalf of constituents		
	(a) In India	**10316044**	**10709294**
	(b) Outside India	**0**	**0**
V.	Acceptences, endorsements and other obligations	**3115264**	**6237834**
VI.	Other items for which the bank is contingently liable	**1354247**	**1202877**
	Total	**66633110**	**66390605**

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2024

SCHEDULE 13 - INTEREST EARNED		(₹ in thousands)	
		Year ended on 31-03-2024	Year ended on 31-03-2023
I.	Interest / discount on advances / bills	37576184	31437039
II.	Income on investments	10558559	9045043
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	309570	273386
IV.	Others	34781	54949
	Total	48479094	40810417

SCHEDULE 14 - OTHER INCOME		Year ended on 31-03-2024	Year ended on 31-03-2023
I.	Commission, exchange and brokerage	2032285	1921713
II.	Profit on sale of investments Less: Loss on sale of investments	95265 (330967)	76471 (20573)
III.	Profit on revaluation of investments Less: Loss on revaluation of investments	0 204683	0 (873323)
IV.	Profit on sale of land, building and other assets Less: Loss on sale of land, building and other assets	2620 (585)	5370 (4065)
V.	Profit on exchange transactions Less: Loss on exchange transactions	203276 (241)	240431 (189)
VI.	Income earned by way of dividends, etc. from subsidiaries/companies and/or joint ventures abroad/in India	0	0
VII.	Miscellaneous income	4243127	4945268
	Total	6449463	6291103

Schedules to Profit & Loss Account		(₹ in thousands)	
SCHEDULE 15 - INTEREST EXPENDED		**Year ended on 31-03-2024**	**Year ended on 31-03-2023**
I.	Interest on deposits	**26493437**	**19644480**
II.	Interest on Reserve Bank of India / Inter-Bank borrowings	**225492**	**54156**
III.	Others	**251229**	**170523**
	Total	**26970158**	**19869159**

SCHEDULE16 - OPERATING EXPENSES		Year ended on 31-03-2024	Year ended on 31-03-2023
I.	Payment to and provisions for employees	**6859148**	**6186731**
II.	Rent, taxes and lighting	**1080977**	**986206**
III.	Printing and stationery	**137599**	**117802**
IV.	Advertisement and publicity	**130897**	**98659**
V.	Depreciation on Bank's Property	**751720**	**539154**
VI.	Director's fees, allowances and expenses	**31555**	**39733**
VII.	Auditor's fees and expenses (including branch auditors)	**20103**	**22559**
VIII.	Law charges	**9253**	**12250**
IX.	Postages, Telegrams, Telephones, etc.	**249260**	**202570**
X.	Repairs and maintenance	**170104**	**155763**
XI.	Insurance	**576515**	**541196**
XII.	Other expenditure	**3123475**	**2601320**
	Total	**13140606**	**11503943**

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2024.

SCHEDULE-17: SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

Overview

Tamilnad Mercantile Bank Limited (TMB or the Bank), incorporated in Thoothukudi, India is a publicly held Banking Company governed by the Banking Regulation Act, 1949 and is engaged in providing a wide range of banking & financial services involving retail, corporate banking and para-banking activities in addition to treasury and foreign exchange business

Basis of preparation

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and practices generally prevalent in the banking industry in India. The Bank follows the historical cost convention and the accrual method of accounting, except where specifically stated and it conforms to the guidelines issued by RBI for banks.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates & assumptions used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The impact of any revision in these estimates is recognised prospectively from the period of change.

2. REVENUE RECOGNITION

Income and expenditure is generally accounted on accrual basis except in the following cases:

• In the case of NPAs, income is recognized on realization basis, in terms of guidelines of Reserve Bank of India. Where recovery is not adequate to upgrade the NPA accounts by way of regularization, such recovery is being appropriated towards interest in the first instance and towards the principal/ book values thereafter, except in the case of suit filed accounts. In case of Non-performing investments (NPIs), the same accounting treatment as above is followed except otherwise agreed.

• Dividend Income is recognised when right to receive the dividend is established.

• Income from sale of mutual fund products, locker rent, insurance claims, commission on LCs, income on auxiliary services and other services, overdue charges on bills, commission on Government business and insurance business are accounted on cash/ realization basis.

• Income related to credit card is accounted on the basis of the bills raised.

• In the case of suit filed accounts, legal expenses are charged to the profit and loss account. Similarly, at the time of recovery of legal expenses, in respect of such suit filed accounts, the amount recovered is accounted as income.

• Funded Interest on Standard Restructured Advances and Interest on FITL are accounted as per the guidelines of Reserve Bank of India.

3. INVESTMENTS

Investments are accounted for in accordance with the extant RBI guidelines on investment Classification and Valuation and Operation of Investment Portfolio.

Classification:

Classification of investments has been made as per the guidelines of Reserve Bank of India.

The entire investment portfolio of the Bank is classified under three categories viz. "Held to Maturity"(HTM), "Available for sale"(AFS) and "Held for Trading"(HFT). Securities that are held principally for resale within 90 days from the date of purchase are classified under the HFT Category. Investments that the company intends to hold till maturity are classified under the HTM category or as per RBI guidelines. Securities which are not classified in the above categories are classified under the AFS category.

• Transfer between the categories – Reclassification of investments from one category to other, if done, is in accordance with RBI guidelines. Transfer of script from AFS / HFT Category to HTM category is made at book value or market value, whichever is lower.

• In case of transfer of securities from HTM to AFS/ HFT category, the investments held under HTM at a discount are transferred to AFS/ HFT category at the acquisition price and investments placed in the HTM category at a premium are transferred to AFS/ HFT at amortized cost.

• Transfer of investments from AFS to HFT or vice versa is done at the book value. Depreciation carried if any on such investments is also transferred from one category to another.

• The investments are classified for the purpose of Balance Sheet under six groups viz.
(i) Government securities, (ii) Other approved securities, (iii) Shares, (iv) Debentures and Bonds and (v) Subsidiaries and/or Joint Ventures and (vi) Others.

Cost of Acquisition

• Brokerage/ commission received on subscriptions is reduced from the cost. Brokerage, commission, securities transaction tax, stamp duty etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost. Broken period interest paid/ received on debt instruments is treated as interest expense/ income and is excluded from cost/ sale consideration.

• Investments classified under HTM category are carried at acquisition cost. Any premium on acquisition of government securities are amortized over the remaining maturity of security on a straight line basis. Such amortization of premium is adjusted against interest income under the head Income on Investment 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.

• 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.

Valuation

Valuation of investments is done as follows :

• Investments held under "Held to Maturity" are valued at cost price. Wherever the cost price is more than the face value, the premium paid is amortized over the remaining period of maturity and the amortisation expenses is accounted on quarterly basis as per policy. In terms of the instructions of RBI, the excess of acquisition cost over face value of securities kept under "Held to Maturity" category is amortized up to the date of maturity and the amount amortized is deducted in Profit & Loss account Schedule 13 – Interest Earned, under item II – Income on Investments.

Profit on sale of securities under "Held to Maturity" category is initially taken to Profit & Loss account and then appropriated to Capital Reserve Account. The amount so appropriated would be net of taxes and the amount required to be transferred to statutory reserves. If there is a loss it is charged to Profit & Loss account.

• Investments classified under "Available for Sale" category are marked to market on quarterly basis. Shares held under "Available for sale" are marked to market on weekly basis. Scrip wise appreciation/ depreciation is segregated group-wise. The Net Depreciation category wise is charged to Profit & Loss account. The Net Appreciation in any category is ignored.

• Investments classified under "Held for Trading" category except shares are marked to market scrip-wise on daily basis. Shares held under "Held for Trading" are marked to market on weekly basis. The net depreciation group wise is charged to Profit and Loss account and the net appreciation is ignored.

• Investments received in lieu of restructured advances are valued in accordance with RBI guidelines.

Investments are valued periodically as per RBI guidelines as follows :

• Central/ State Government Securities are valued as per rates published by the Financial Benchmark India Pvt. Ltd. (FBIL).

• Debenture and Bonds have been valued with appropriate mark up over the Yield to Maturity (YTM) rates for Central Government Securities declared by Fixed Income Money Market & Derivatives Association of India (FIMMDA)/ FBIL.

• Quoted shares are valued at market rates quoted on National Stock Exchange (NSE) / Bombay Stock Exchange (BSE).

• Unquoted shares are valued at book value ascertained from the latest available Balance Sheet and in case the latest Balance Sheet is not available, the same is valued at Re.1 per company.

• Preference shares are valued at YTM, if dividend is received regularly. Where dividend is in arrears, appropriate depreciation is provided based on the number of years for which dividend is in arrears as per RBI guidelines.

• Mutual Fund units are valued at market rates/ NAV/ Repurchase price as applicable.

• Treasury bills, certificate of deposits and commercial papers are valued at carrying cost.

• Zero Coupon Bonds are valued in the books at carrying cost. In the absence of market value, the ZCBs are marked to market with reference to the present value of the ZCB.

• Provisions for Non performing investments are made as per RBI prudential norms.

Repurchase (REPO) transactions

Repo and reverse Repo transactions are accounted in accordance with the extant RBI guidelines. Securities purchased/ sold under Liquidity Adjustment Facility (LAF) and Marginal Standby Facility (MSF) with RBI are debited/ credited to Investment account and reversed on maturity of the transaction. Interest expended/ earned thereon is accounted for as expenditure/ revenue.

4. ADVANCES & PROVISIONS

Classification :

• Advances are classified into Standard, Sub-standard, Doubtful and Loss Assets and provisions for possible losses on such advances are made as per prudential norms/ directions of the Board of Directors/directions issued by Reserve Bank of India from time to time.

• 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.

• In case of loan accounts classified as NPA, such accounts may be reclassified as Standard Asset if it conforms to the guidelines prescribed by RBI.

Provisioning, Write Off & Recovery

• With regard to the Standard Advances, Provisions are made as per extant RBI guidelines. In addition to the specific provision made towards identified NPAs, the bank also holds floating provision. Provisioning on categorized assets are made as follows.

Asset Classification	Provisioning
Sub-standard	Secured 25% Unsecured 25%
Doubtful 1	Secured 25% Unsecured 100%
Doubtful 2	Secured 40% Unsecured 100%
Doubtful 3	100% on outstanding
Loss	100% on outstanding
NCLT referred loans	As per RBI instruction

• Education loans were provided at 100% irrespective of NPA asset classification.

• Reserve Bank of India has given methodology to arrive at incremental provision towards Unhedged Foreign Currency Exposure (UFCE). Accordingly, the incremental provisioning for UFCE and capital provisions are made as per RBI extant guidelines.

• Advances disclosed are net of provisioning made for non-performing assets, claims received from Credit Guarantee Agencies and floating provisions, provisioning on diminution in fair value of assets on standard restructured accounts.

• In terms of RBI guidelines, the NPAs are written-off in accordance with the Bank's policy. Amounts recovered against bad debts written-off are recognised in the profit and loss account.

5. FIXED ASSETS & DEPRECIATION

Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost includes incidental expenditure incurred on the assets before they are ready for intended use and Taxes and duties to the extent not eligible for input credits if any.

Computer Software is capitalised along with computer hardware and included under other fixed assets.

Carrying amount of fixed assets is reviewed at each balance sheet date for indication of impairment. Impairment loss if any, is recognised in the Profit and Loss Account to the extent the carrying amount of an asset exceeds its estimated recoverable value.

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.

Depreciation

Depreciation on fixed assets is provided over the estimated useful life of fixed assets on a straight-line basis, in accordance with estimated useful lives as specified in Schedule II to the Companies Act, 2013, and reckoning the residual value at 5% of the original cost of the asset except for the following:

Class of Asset	Rates of depreciation per annum
Computer Hardware & Software	33.33%

In case of Assets purchased / sold during the year, depreciation is provided on a pro-rata basis for the actual number of days the asset has been capitalized.

Expenditure during construction/ capital works pending completion is shown at cost.

6. FOREIGN CURRENCY TRANSACTION

Monetary Assets and Liabilities, Forward Exchange Contracts, Guarantees, Letters of Credit, Acceptances, Endorsements and other obligations are evaluated at the closing spot rates/ forward rates as published by the Foreign Exchange Dealers Association of India (FEDAI) and in accordance with Accounting Standard 11.

Income and expenditure items are translated at the exchange rates ruling on the respective dates of the transaction.

Gain or loss on evaluation of outstanding monetary assets/ liabilities and Foreign Exchange Contracts are taken to Profit and Loss Account.

7. EMPLOYEE BENEFITS

The bank is following Accounting Standard 15 (Revised 2005) "Employee Benefits" as under :

• In respect of contributory plans viz – Provident Fund and Contributory Pension Scheme, the bank pays fixed contribution at pre-determined rates to a separate entity, which invests in permitted securities. The obligation of the bank is limited to such fixed contribution.

• In respect of Defined Benefit Plans, viz. Gratuity and pension as well as for leave encashment, provision has been made based on actuarial valuation as per the guidelines.

• The summarized position of Post-employment benefits and long term employee benefits have been recognized in the profit and loss account and balance sheet, as required in accordance with the Accounting Standard-15.

• The actuarial gain/ loss is recognized in the profit and loss account.

8. SEGMENT REPORTING

As per RBI guidelines on enhancement of disclosures relating to segment reporting under AS-17, the reportable segments have been divided into treasury, corporate / wholesale, retail banking operations.

• The Bank recognizes the Business Segment as the Primary Reporting Segment and Geographical Segment as the Secondary Reporting Segment, in accordance with the RBI guidelines and in compliance with the Accounting Standard 17.

• Business Segment is classified into (i) Treasury (ii) Corporate and Wholesale Banking (iii) Retail Banking and (iv) Other Banking Operations.

• Geographical Segment consists only of the Domestic Segment since the Bank does not have any foreign branches.

9. LEASES

Leases where the lessor effectively retains substantially all risks and benefits of ownership are classified as Operating Leases. Operating Lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease term in accordance with AS19 Leases.

10. EARNINGS PER SHARE

The bank reports basic and diluted earnings per share in accordance with applicable AS-20. For the year under reference, both Basic and diluted earning per share being the same, is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the period.

11. TAXES ON INCOME

• Income tax expense is the aggregate amount of current tax and deferred tax. Current taxes are determined in accordance with the provisions of tax laws prevailing in India. Deferred tax adjustments comprise changes in the deferred tax assets or liabilities during the period and Deferred Tax is determined in terms of AS-22 issued by ICAI.

• Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted prior to the balance sheet date. Deferred tax assets and liabilities are recognized on a prudent basis for future tax consequences of timing differences by adoption of Profit and Loss approach with their respective tax bases. The impact of changes in the deferred tax assets and liabilities is recognized in the profit and loss account.

• Deferred tax assets are recognized at each reporting date, based upon management's judgment as to whether realization is considered reasonably certain. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future profits.

• No withdrawal is made from the Special Reserve created and maintained under the provisions of Section 36(1)(viii) of the Income Tax Act, 1961.

12. IMPAIRMENT OF ASSETS

Impairment losses, if any, on fixed assets are recognized in accordance with the AS-28 - 'impairment of assets' and charged to profit and loss account.

13. NET PROFIT

The net profit is arrived at after provisions for:

• Direct taxes
• Possible losses on standard assets, restructured advances, NPAs and other contingencies
• Depreciation/ diminution on investments
• Employee retirement benefits and
• Other usual and necessary provisions

14. PROPOSED DIVIDEND

In terms of AS 4 – "Contingencies and Events occurring after the Balance Sheet date", proposed dividend or 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 only after the approval of the shareholders.

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, Balance with RBI, Balance with other Banks and Money at Call at Short Notice including cash in ATM, Coin Vending Machine and Cash Deposit Machine.

16. CASH FLOW STATEMENT

The Bank has adopted the respective Accounting Standard prescribed under Companies (Accounting Standard) Rules, 2006 and follows indirect method.

17. INTANGIBLE ASSETS

In respect of Intangible Assets, the Bank has adopted the respective Accounting Standard (AS26).

18. CONTINGENCIES

Loss, if any from contingencies arising from claims, litigation, assessment, fines, penalties etc are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

The Bank does not recognize a contingent liability but discloses its existence in the financial statements. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

19. ACCOUNTING FOR PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a) As per the Accounting Standard 29, the bank recognizes provisions only when it has a present obligation as a result of past event, it is probable that an outflow of resources is required to settle the obligation and when a reliable estimate of the amount can be made. The required disclosure for contingent liability is made on possible obligation that arises from past events, the existence of which depends on occurrence or non-occurrence of future event not under control.

b) Contingent assets are not recognized in the financial statement since this may result in the recognition of income that may never be realized.

Sd/
S.Krishnan
Managing Director & CEO
DIN: 07261965

Sd / A.Niranjan Sankar	Sd / D.N.Nirranjan Kani	Sd / S.R.Ashok	Sd/ B.Prabaharan	Sd/ C.Chiranjeeviraj
Director	Director	Director	Director	Director
DIN: 00084014	DIN: 00455352	DIN: 07933713	DIN: 00209875	DIN: 08730382

Sd/ S.Ezhil Jothi	Sd/ S.Sridharan	Sd/ C.S.Ram Kumar	Sd/ Thomas Mathew	Sd/ V.Jayaraman	Sd/ D. Inbamani
Director	Director	Director	Director	General Manager	General Manager
DIN: 07772888	DIN: 07205781	DIN: 09777115	DIN: 10642487		

Sd/ P.Suriaraj	Sd/ D.Ramesh	Sd/ J.Sundaresh Kumar	Sd/ K.Vijayan	Sd/ P.R.Ashok Kumar	Sd/ S.Narayanan
General Manager	General Manager	General Manager	General Manager	General Manager	General Manager

Sd/
P.A.Krishnan
Chief Financial Officer

SCHEDULE – 18: DISCLOSURE IN FINANCIAL STATEMENTS 'NOTES TO ACCOUNTS'

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2024

• The Financial Statements have been prepared in conformity with Forms A & B of the Schedule III to the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 to the extent applicable and practices generally prevalent in the banking industry in India. During the year, all the 552 branches have been subjected to statutory audit.

• Reconciliation of inter branch/ office adjustment accounts has been completed up to 31.03.2024.

REGULATORY CAPITAL

a) Composition of Regulatory Capital

As per Basel-III

(Amount in ₹ Crore)

Sr. No	Particulars	2023-24	2022-23
1.	Common Equity Tier 1 capital (CET 1)/ Paid up share capital and reserves (net of deductions, if any)	7728.64	6782.81
2.	Additional Tier 1 capital/ Other Tier 1 capital	0.00	0.00
3.	Tier 1 capital (1 + 2)	7728.64	6782.81
4.	Tier 2 capital	387.47	454.74
5.	Total capital (Tier 1+Tier 2)	8116.11	7237.55
6.	Total Risk Weighted Assets (RWAs)	27635.87	27558.84
7.	CET 1 Ratio (CET 1 as a percentage of RWAs)/ Paid-up share capital and reserves as percentage of RWAs	27.97%	24.61%
8.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	27.97%	24.61%
9.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.40%	1.65%
10.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	29.37%	26.26%
11.	Leverage Ratio	12.12%	11.28%
12.	Percentage of the shareholding of a) Government of India b) State Government (specify name) c) Sponsor Bank	0.00	0.00
13.	Amount of paid-up equity capital raised during the year	0.00	15.84
14.	Amount of non-equity Tier 1 capital raised during the year	0.00	0.00
15.	Amount of Tier 2 capital raised during the year	0.00	0.00

B) DRAW DOWN FROM RESERVE: During the year there has been no draw down from the reserves to the Profit & Loss account.

C) 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.tmb.in/pages/basel-disclosures.These disclosures have not been subjected to audit by the Statutory Central Auditors.

ASSET LIABILITY MANAGEMENT

a) Maturity pattern of certain items of assets and liabilities as on 31.03.24*

(Amount in ₹ Crore)

	Next Day	2-7 days	8-14 days	15-30 days	31 days & upto 2 months	Over 2 months & upto 3 months	Over 3 Months & upto 6 months	Over 6 months & upto 1 year	Over 1year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	396.78	972.19	652.25	2546.50	1416.16	1116.15	1886.43	15902.00	22394.30	763.34	1468.97	49515.07
Advances	697.48	574.50	551.17	1100.67	1274.44	1560.31	3379.30	7654.01	12984.36	2072.22	7885.29	39733.75
Investments	5400.63	243.37	113.15	300.11	495.90	430.24	492.83	2787.51	4141.83	258.70	598.33	15262.60
Borrowings	0.00	1301.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1301.15
Foreign currency in Rs.												
Assets	313.61	26.83	72.43	31.85	154.46	161.80	142.78	1.80	1.31	7.24	7.39	921.50
Liabilities	29.52	4.35	1.21	5.62	14.48	18.26	33.37	159.48	205.68	200.08	0.00	672.05

* as per structural liquidity statement

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.

b) LIQUIDITY COVERAGE RATIO (LCR)

Quantitative information on Liquidity Coverage Ratio (LCR) for the year ended March 31, 2024 is given below

The Liquidity Coverage Ratio (LCR) is one of the key reforms of Basel Committee to develop a more resilient banking sector. The objective of the LCR is to promote the short-term resilience of the liquidity risk profile of banks by ensuring that banks have an adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted easily and immediately into cash to meet their liquidity needs for a 30 calendar days liquidity stress scenario. The LCR is expected to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spillover from the financial sector to the real economy. The LCR is calculated by dividing the bank's stock of HQLA by its total net cash outflows over a 30-days stress period. HQLA of the bank is in the form of Government Securities and highly marketable and liquid securities/ bonds. The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements.

The guidelines for LCR were effective January 1, 2015, with the minimum requirement at 60%, which would rise in equal annual

steps to reach 100% on January 1, 2019. In order to accommodate the burden on banks cash flows on account of the Covid19 pandemic, RBI had permitted the banks to maintain LCR as under: vide their circular Ref DOR.BP.BC.No.65/21.04.098/2019-20 dated 17.04.2020.

Date	LCR to be maintained
17.04.2020 to 30.09.2020	80%
01.10.2020 to 31.03.2021	90%
01.04.2021 onwards	100%

The present requirement, as on March 31, 2024 is 100%. Bank prepares Liquidity Coverage Ratio statement on daily basis to assess the liquidity needs of the Bank on an ongoing basis. A number of data points are used in calculating the average figures in the template since January 01, 2017 and a simple average is calculated on daily observations over the previous quarter (i.e the average is calculated over a period of 90 days). Bank has been publishing information on LCR in annual financial statements under Notes to Accounts. LCR related information based on simple averages of daily observations for the year ended March 2024 is furnished below:

LCR DISCLOSURE TEMPLATE (CONSOLIDATION)

(RS. ₹ CRORES)

Particulars	Current Year 2023-24		Previous Year 2022-23	
	Total Unweighted $ Value (Average)	Total Weighted# Value (Average)	Total Unweighted $ Value (Average)	Total Weighted# Value (Average)
1. Total High Quality Liquid Assets (HQLA)	13450.09	13348.60	11881.53	11824.12

CASH OUTFLOWS

Particulars	Current Year 2023-24		Previous Year 2022-23	
	Total Unweighted $ Value (Average)	Total Weighted# Value (Average)	Total Unweighted $ Value (Average)	Total Weighted# Value (Average)
2. Retail deposits and deposits from small business customers, of which	**14141.41**	**1005.72**	**13874.10**	**985.87**
• Stable deposits	8168.42	408.42	8030.91	401.55
• Less stable deposits	5972.99	597.30	5843.19	584.32
3. Unsecured wholesale funding, of which	**8247.24**	**4276.63**	**7232.43**	**3440.18**
• Operational deposits (all counterparties)	0.00	0.00	0.00	0.00
• Non-operational deposits (all counterparties)	8247.24	4276.63	7232.43	3440.18
• Unsecured debt	0.00	0.00	0.00	0.00
4. Secured wholesale funding	**0.00**	**0.00**	**0.00**	**0.00**

5. Additional requirements, of which	**1266.40**	**1266.40**	**1454.20**	**1454.20**
• Outflows related to derivative exposures and other collateral requirements	1266.40	1266.40	1454.20	1454.20
• Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00
• Credit and liquidity facilities	0.00	0.00	0.00	0.00
6. Other contractual funding obligations	**8988.78**	**600.60**	**8425.88**	**573.48**
7. Other contractual funding obligations	**2787.75**	**1315.60**	**2797.58**	**995.27**
8. **TOTAL CASH OUTFLOWS**	**35431.58**	**8464.95**	**33784.19**	**7449.00**

CASH INFLOWS

9. Secured lending (e.g. reverse repos)	67.82	0.00	230.59	0.00
10. Inflows from fully performing exposures	950.97	475.49	838.28	419.14
11. Other cash inflows	1301.23	1301.23	1443.10	1443.10
12. TOTAL CASH INFLOWS	**2320.02**	**1776.72**	**2511.97**	**1862.24**
		Total Adjusted@ Value		Total Adjusted@ Value
13. TOTAL HQLA		**13348.60**		**11824.12**
14. TOTAL NET CASH OUTFLOWS		**6688.23**		**5586.76**
15. LIQUIDITY COVERAGE RATIO (%)		**199.58%**		**211.65%**

$ Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows) except where otherwise mentioned in the RBI circular and LCR template.
# Weighted values are calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).
@ Adjusted values are calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e. cap on Level 2B and Level 2 assets for HQLA and cap on inflows).

• LIQUIDITY COVERAGE RATIO (LCR) CURRENT YEAR (2023-24)

(AMOUNT IN ₹ CRORE)

	2023-24 (Q1)		2023-24 (Q2)		2023-24 (Q3)		2023-24 (Q4)	
HIGH QUALITY LIQUID ASSETS	Total Un-weighted Value (average)	Total Weighted Value (Average)	Total Un-weighted Value (average)	Total Weighted Value (Average)	Total Un-weighted Value (average)	Total Weighted Value (Average)	Total Un-weighted Value (average)	Total Weighted Value (Average)
1. Total High Quality Liquid Assets (HQLA)		13233.81		13835.16		13552.78		12772.63
CASH OUTFLOWS								
2. Retail deposits and deposits from small business customers, of which	**13303.74**	**938.05**	**12719.95**	**886.48**	**14579.55**	**1035.04**	**15962.41**	**1163.31**
• Stable deposits	7846.58	392.33	7710.20	385.51	8458.38	422.92	8658.53	432.93
• Less stable deposits	5457.16	545.72	5009.75	500.97	6121.17	612.12	7303.88	730.39
3. Unsecured wholesale funding, of which	**9061.80**	**4544.95**	**9018.81**	**4608.68**	**7531.39**	**4005.02**	**7376.95**	**3947.87**
• Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
• Non-operational deposits (all counterparties)	**9061.80**	**4544.95**	**9018.81**	**4608.68**	**7531.39**	**4005.02**	**7376.95**	**3947.87**
• Unsecured debt	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
5. Additional requirements, of which	**1117.65**	**1117.65**	**1280.92**	**1280.92**	**1091.21**	**1091.21**	**1575.82**	**1575.82**
• Outflows related to derivative exposures and other collateral requirements	1117.65	1117.65	1280.92	1280.92	1091.21	1091.21	1575.82	1575.82

• 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
• Credit and liquidity facilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6. Other contractual funding obligations	11917.58	788.28	11511.35	742.84	7254.25	496.43	5271.92	374.86
7. Other contractual funding obligations	2243.62	669.40	2409.17	910.92	2965.94	1547.07	3532.28	2135.02
8. **TOTAL CASH OUTFLOWS**	**37644.39**	**8058.33**	**36940.20**	**8429.84**	**33422.34**	**8174.77**	**33719.39**	**9196.89**

CASH INFLOWS

9. Secured lending (e.g. reverse repos)	250.61	0.00	0.00	0.00	4.44	0.00	16.24	0.00
10. Inflows from fully performing exposures	930.52	465.26	878.15	439.08	942.67	471.34	1052.54	526.27
11. Other cash inflows	1273.95	1273.95	1290.63	1290.63	1093.15	1093.15	1547.18	1547.18
12. TOTAL CASH INFLOWS	**2455.08**	1739.21	2168.78	1729.71	2040.26	1564.49	2615.96	2073.45
		Total Adjusted Value		Total Adjusted @ Value		Total Adjusted @ Value		Total Adjusted Value
13. TOTAL HQLA		**13233.81**		**13835.16**		**13552.78**		**12772.63**
14. TOTAL NET CASH OUTFLOWS		**6319.12**		**6700.13**		**6610.28**		**7123.44**
15. LIQUIDITY COVERAGE RATIO (%)		**209.42%**		**206.49%**		**205.03%**		**179.30%**

• LIQUIDITY COVERAGE RATIO (LCR) PREVIOUS YEAR (2022-23)

(AMOUNT IN ₹ CRORE)

	2022-23 (Q1)		2022-23 (Q2)		2022-23 (Q3)		2022-23 (Q4)	
HIGH QUALITY LIQUID ASSETS	Total Un-weighted Value (average)	Total Weighted Value (Average)	Total Un-weighted Value (average)	Total Weighted Value (Average)	Total Un-weighted Value (average)	Total Weighted Value (Average)	Total Un-weighted Value (average)	Total Weighted Value (Average)
1. Total High Quality Liquid Assets (HQLA)		11354.32		11528.77		11704.06		12709.34
CASH OUTFLOWS								
2. Retail deposits and deposits from small business customers, of which	**13670.49**	**967.43**	**13452.30**	**952.15**	**14092.78**	**1002.33**	**14280.82**	**1021.54**
• Stable deposits	7992.28	399.61	7861.57	393.08	8138.95	406.95	8130.85	406.54
• Less stable deposits	5678.21	567.82	5590.73	559.07	5953.83	595.38	6149.97	615.00
3. Unsecured wholesale funding, of which	**6885.49**	**3377.92**	**7188.46**	**3480.45**	**6756.12**	**3136.64**	**8099.63**	**3765.72**
• Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
• Non-operational deposits (all counterparties)	**6885.49**	**3377.92**	**7188.46**	**3480.45**	**6756.12**	**3136.64**	**8099.63**	**3765.72**
• Unsecured debt	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
5. Additional requirements, of which	**1343.01**	**1343.01**	**1460.99**	**1460.99**	**1829.07**	**1829.07**	**1183.73**	**1183.73**
• Outflows related to derivative exposures and other collateral requirements	1343.01	1343.01	1460.99	1460.99	1829.07	1829.07	1183.73	1183.73

• 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
• Credit and liquidity facilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6. Other contractual funding obligations	4655.46	331.68	7760.68	537.21	10088.37	681.56	11198.99	743.44
7. Other contractual funding obligations	2904.19	1044.35	2855.00	952.48	2943.22	1182.56	2488.07	801.84
8. **TOTAL CASH OUTFLOWS**	**29458.64**	**7064.39**	**32717.43**	**7383.28**	**35709.56**	**7832.16**	**37251.24**	**7516.27**

CASH INFLOWS

9. Secured lending (e.g. reverse repos)	508.42	0.00	305.99	0.00	32.83	0.00	75.13	0.00
10. Inflows from fully performing exposures	799.10	399.55	873.95	436.98	821.23	410.61	858.82	429.41
11. Other cash inflows	1274.77	1274.77	1494.83	1494.83	1780.55	1780.55	1222.26	1222.26
12. TOTAL CASH INFLOWS	**2582.29**	**1674.32**	**2674.77**	**1931.81**	**2634.61**	**2191.16**	**2156.21**	**1651.67**
		Total Adjusted Value		Total Adjusted @ Value		Total Adjusted @ Value		Total Adjusted Value
13. TOTAL HQLA		**11354.32**		**11528.77**		**11704.06**		**12709.34**
14. TOTAL NET CASH OUTFLOWS		**5390.07**		**5451.47**		**5641.00**		**5864.60**
15. LIQUIDITY COVERAGE RATIO (%)		**210.65%**		**211.48%**		**207.48%**		**216.71%**

• QUALITATIVE DISCLOSURE ABOUT LCR

THE MAIN DRIVERS OF LCR RESULTS

The bank is having an adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted easily and immediately in markets into cash to meet liquidity needs for a 30 calendar days under liquidity stress scenario.

The net cash outflows for the next 30 days has been calculated after deducting the cash inflows from the outflows for the period. The inflows and outflows have been calculated based on RBI prescribed haircuts and run-off factors.

The Bank's LCR is more than the minimum regulatory requirement for all the dates from April'23 to March'24. LCR of the bank for the Annual Financial Year 2023-24 stood a 199.58%

COMPOSITION OF HQLA

The Level 1 Assets of our bank comprises of Cash in hand & Cash at ATM, Excess CRR and SLR, MSF & FALLCR are as per permitted extent. Level 1 asset is the main driver of HQLA of the Bank.

Level 2A and Level 2B assets are well within the regulatory cap of 40% and 15% of the stock of HQLA respectively after the required haircut.

Corporate Bonds not issued by a Bank/Financial/NBFC which have been rated AA- or above by an Eligible Credit Rating Agency have been classified under Level 2A assets. Similarly Bonds not issued by a Bank/FI/NBFC which have been rated not lower than BBB- have been classified under level 2B Assets.

OUTFLOWS & INFLOWS

Deposits are the main source of funds for the Bank.

CURRENCY MISMATCH IN LCR

LCR is expected to be met and reported in a single currency. The bank is not having significant liabilities and HQLAs in any foreign currency.

DESCRIPTION OF THE DEGREE OF CENTRALIZATION OF LIQUIDITY MANAGEMENT AND INTERACTION BETWEEN THE GROUP'S UNITS

The Bank does not belong to any group and does not have any associate, subsidiaries, joint venture, etc.

NET STABLE FUNDING RATIO

The RBI guidelines stipulated the implementation of NSFR effective from 1st October 2021 at a consolidated level with disclosure from quarter ended December 2021. Accordingly, the bank is computing the Consolidated NSFR. The NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding.

Net Stable Funding is a liquidity measure which is the indication of the long term liquidity health of the Bank is measured as under.

NSFR= (AVAILABLE STABLE FUNDING (ASF)/ (REQUIRED STABLE FUNDING (RSF)) >=100%

Available stable funding (ASF) is measured based on the broad characteristics of relative stability of funding sources, including contractual maturity of its liabilities and the differences in the tendency of different types of funding providers to withdraw their funding. Required Stable Funding (RSF) is a function of the liquidity characteristics and residual maturities of the various assets held by the bank including Off-Balance Sheet (OBS) exposures. The result should minimum of 100% to ensure liquidity comfort.

The table given below sets out the un-weighted and weighted value of the NSFR components as on 31st March 2024 based on audited financials.

At a consolidated level, the NSFR of the bank comes out to 174.15% as on 31st March 2024 against the requirement of 100% as per RBI guidelines.

NSFR DISCLOSURE TEMPLATE

(₹ IN CRORE)

		Unweighted value by residual maturity				Weighted Value
S.No	ASF Item	No Maturity	< 6 months	6 months to < 1 year	>= 1 year	
1.	Capital: (2+3)	**0.00**	**0.00**	**0.00**	**8116.10**	**8116.10**
2.	Regulatory capital	0.00	0.00	0.00	8116.10	8116.10
3.	Other capital instruments	0.00	0.00	0.00	0.00	0.00
4.	**Retail deposits and deposits from small business customers: (5+6)**	**12767.96**	**10735.70**	**10705.76**	**6322.76**	**38585.74**
5.	Stable deposits	7705.85	4668.43	4591.32	2878.41	20604.81
6.	Less stable deposits	5062.11	6067.27	6114.44	3444.35	17980.93
7.	**Wholesale funding: (8+9)**	**1198.63**	**4494.55**	**2263.16**	**649.13**	**3225.35**
8.	Operational deposits		0.00	0.00	0.00	0.00
9.	Other wholesale funding	1198.63	4494.55	2263.16	649.13	3225.35
10.	**Other liabilities: (11+12)**	**1349.63**	**4404.10**	**156.41**	**16.18**	**0.00**
11.	NSFR derivative liabilities		2414.25	156.41	16.18	
12.	All other liabilities and equity not included in the above categories	1349.63	1989.85	0.00	0.00	0.00
13.	Total ASF (1+4+7+10)					**49927.19**
13.1	RSF Item					
14.	Total NSFR high-quality liquid assets (HQLA)					267.20
15.	Deposits held at other financial institutions for operational purposes	288.10	0.00	0.00	0.00	144.05
16.	Performing loans and securities: (17+18+19+21+23)	3.30	13012.46	14269.95	13016.72	23614.18
17.	Performing loans to financial institutions secured by Level 1 HQLA	0.00	199.89	0.00	0.00	
18.	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	366.92	14.15	3.47	7.07
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	0.00	12442.05	14250.40	7638.02	19734.05
20.	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	198.44	128.98
21.	Performing residential mortgages, of which	0.00	3.60	5.40	4289.03	2946.99
22.	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	2.52	4.53	3839.98	2495.99
23.	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	3.30	0.00	0.00	1086.20	926.07
24.	**Other assets: (sum of rows 25 to 29)**	270.98	2284.15	380.29	938.81	4242.26
25.	Physical traded commodities, including gold	0.00	0.00	0.00	0.00	0.00
26.	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	0.00	0.00	0.00	15.80	13.43
27.	NSFR derivative assets	0.00	2029.66	142.54	14.51	2186.72
28.	NSFR derivative liabilities before deduction of variation margin posted	0.00	0.00	0.00	0.00	0.00
29.	All other assets not included in the above categories	270.98	254.49	237.75	908.50	2042.11
30.	Off-balance sheet items		4275.83	4275.82	0.00	400.79
31.	**Total RSF (14+15+16+24+30)**	**562.38**	**19572.44**	**18926.06**	**13955.53**	**28668.48**
	Net Stable Funding Ratio					**174.15**

• INVESTMENTS

COMPOSITION OF INVESTMENT PORTFOLIO: AS AT 31.03.2024

(AMOUNT IN ₹ CRORE)

	Investments in India							Investments outside India				
HELD TO MATURITY	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	Total Investments
Gross	10693.31	0.00	0.00	0.00	0.00	0.00	10693.31	0.00	0.00	0.00	0.00	10693.31
Less: Provision for non-performing investments (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
Net	**10693.31**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10693.31**	**0.00**	**0.00**	**0.00**	**0.00**	**10693.31**

AVAILABLE FOR SALE

Gross	2309.49	0.00	56.83	1641.94	0.00	647.96	4656.22	0.00	0.00	0.06	0.06	4656.28
Less: Provision for non-performing investments (NPI)	0.00	0.00	51.32	35.67	0.00	0.00	86.99	0.00	0.00	0.00	0.00	86.99
Net	**2309.49**	**0.00**	**5.51**	**1606.27**	**0.00**	**647.9**	**4569.23**	**0.00**	**0.00**	**0.06**	**0.06**	**4569.29**

HELD FOR TRADING

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
Less: Provision for non-performing investments (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
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**

Total Investments	13002.80	0.00	56.83	1641.94	0.00	647.96	15349.53	0.00	0.00	0.06	0.00	15349.59
Less: Provision for non-performing investments	0.00	0.00	51.32	5.00	0.00	0.00	56.32	0.00	0.00	0.00	0.00	56.32
Less: Provision for depreciation and NPI	0.00	0.00	0.00	30.67	0.00	0.00	30.67	0.00	0.00	0.00	0.00	30.67
Net	**13002.80**	**0.00**	**5.51**	**1606.27**	**0.00**	**647.96**	**15262.54**	**0.00**	**0.00**	**0.06**	**0.00**	**15262.60**

AS AT 31.03.2023:

(AMOUNT IN ₹ CRORE)

	Investments in India							Investments outside India				
HELD TO MATURITY	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	Total Investments
Gross	9488.89	0.00	0.00	0.00	0.00	0.00	9488.89	0.00	0.00	0.00	0.00	9488.89
Less: Provision for non-performing investments (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
Net	**9488.89**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**9488.89**	**0.00**	**0.00**	**0.00**	**0.00**	**9488.89**

AVAILABLE FOR SALE

Gross	2882.83	0.00	58.49	1287.42	0.00	578.86	4807.60	0.00	0.00	0.26	0.00	4807.86
Less: Provision for non-performing investments (NPI)	54.62	0.00	51.32	34.77	0.00	0.00	140.71	0.00	0.00	0.00	0.00	140.71
Net	**2828.21**	**0.00**	**7.17**	**1252.65**	**0.00**	**578.86**	**4666.89**	**0.00**	**0.00**	**0.26**	**0.00**	**4667.15**

HELD FOR TRADING

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
Less: Provision for non-performing investments (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
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**

Total Investments	12371.72	0.00	58.49	1287.42	0.00	578.86	14296.49	0.00	0.00	0.26	0.00	14296.75
Less: Provision for non- performing investment	0.00	0.00	51.32	5.00	0.00	0.00	56.32	0.00	0.00	0.00	0.00	56.32
Less: Provision for non-performing investments (NPI)	54.62	0.00	0.00	29.77	0.00	0.00	84.39	0.00	0.00	0.00	0.00	84.39
Net	**12317.10**	**0.00**	**7.17**	**1252.65**	**0.00**	**578.86**	**14155.78**	**0.00**	**0.00**	**0.26**	**0.00**	**14156.04**

A) MOVEMENT OF PROVISIONS FOR DEPRECIATION AND INVESTMENT FLUCTUATION RESERVE

(Amount in ₹ crore)

Particulars	2023 - 24	2022 - 23
1). Movement of provisions held towards depreciation on investments		
a) Opening balance	140.71	90.86
b) Add: Provisions made during the year	15.03	78.35
c) Less: Write off / write back of excess provisions during the year	68.75	28.50
d) Closing balance	86.99	140.71
2). Movement of Investment Fluctuation Reserve		
a) Opening balance	120.20	78.60
b) Add: Amount transferred during the year	0.00	41.60
c) Less: Drawdown	0.00	0.00
d) Closing balance	120.20	120.20
3). Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/ Current category (net of provisions)	2.63%	2.58%

B) SALE AND TRANSFERS TO/FROM HTM CATEGORY

The value of sales and transfers of securities to/from HTM category has not exceeded 5 per cent of the book value of investments held in HTM category at the beginning of the year.

C) NON-SLR INVESTMENT PORTFOLIO

• Non-performing non-SLR investments

(Amount in ₹ crore)

Particulars	2023 - 24	2022 - 23
• Opening Balance	56.31	84.82
• Additions during the year	0.00	0.00
• Reductions during the year	0.00	28.51
• Closing balance	56.31	56.31
• Total provisions held	**56.31**	**56.31**

ISSUER COMPOSITION OF NON-SLR INVESTMENTS

(Amount in ₹ crore)

Sr. No	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities #		Extent of 'Unlisted' Securities @	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
a.	PSUs	406.79	396.99	58.00	72.00	0.00	0.00	0.00	0.00	2.00	2.00
b.	FIs	766.05	632.17	50.00	75.21	0.00	5.00	0.00	0.00	1.04	1.04
c.	Banks	1117.93	841.85	25.00	30.00	0.00	0.00	5.00	5.00	5.00	5.00
d.	Private Corporates	56.02	54.01	0.00	0.00	0.00	0.00	0.00	0.00	9.53	9.73
e.	Subsidiaries/ Joint Ventures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f.	Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g.	Provision held towards depreciation	-86.99	-86.09								
	Total	**2259.80**	**1838.94**	133.00	177.21	0.00	5.00	5.00	5.00	17.57	17.77

Excluding Investments in Equity Shares
@ Excluding Investments in units of Equity Oriented Mutual Funds

BANK INVESTMENT IN LAKSHMI VILAS BANK LIMITED (LVB)

The Bank had invested in the Tier II bonds of LVB to the tune of ₹5 Crore. As per RBI's scheme of Amalgamation with DBS Bank India with effect from 27 Nov 2020, LVB ceased to exist and the entire amount of the share Capital & Reserves and Tier II bonds were written off. The said amalgamation scheme has been challenged at various High Courts by some of the investors in the above said Tier II Bonds and as per orders of Hon'ble Supreme Court of India the said writ petitions were now transferred to the Hon'ble High Court of Madras. Considering the same, The Bank had treated the investment as NPI and holding 100 % provision.

D) REPO TRANSACTIONS INCLUDING LIQUIDITY ADJUSTMENT REPORT (LAF) (IN FACE VALUE TERMS) FOR THE YEAR 2023-24

	Minimum outstanding during the year 2023-24	Maximum outstanding during the year 2023-24	Daily average outstanding during the year 2023-24	Outstanding as on March 31, 2024
1). Securities sold under repo				
• Government securities	3.00	2092.23	699.35	1300.00
• Corporate debt securities	0.00	0.00	0.00	0.00
• Any other securities	0.00	0.00	0.00	0.00
2). Securities purchased under reverse repo				
• Government securities	20.00	1200.00	74.55	200.00
• Corporate debt securities	0.00	0.00	0.00	0.00
• Any other securities	0.00	0.00	0.00	0.00

E) REPO TRANSACTIONS INCLUDING LIQUIDITY ADJUSTMENT REPORT (LAF) (IN FACE VALUE TERMS) FOR THE YEAR 2022-23

	Minimum outstanding during the year 2022-23	Maximum outstanding during the year 2022-23	Daily average outstanding during the year 2022-23	Outstanding as on March 31, 2023
1). Securities sold under repo				
• Government securities	1.00	1305.35	415.24	525.00
• Corporate debt securities	0.00	0.00	0.00	0.00
• Any other securities	0.00	0.00	0.00	0.00

ii) Securities purchased under reverse repo				
• Government securities	5.00	1564.00	98.60	1200.00
• Corporate debt securities	0.00	0.00	0.00	0.00
• Any other securities	0.00	0.00	0.00	0.00

F) GOVERNMENT SECURITY LENDING (GSL) TRANSACTIONS* (IN MARKET VALUE TERMS)

(Amount in ₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	Outstanding as on March 31 2024
• Securities lent through GSL Transactions	NIL	NIL	NIL	NIL	NIL
• Securities borrowed through GSL Transactions	NIL	NIL	NIL	NIL	NIL
• Securities placed as collateral under GSL Transactions	NIL	NIL	NIL	NIL	NIL
• Securities received as collateral under GSL Transactions	NIL	NIL	NIL	NIL	NIL

Note: Disclosure requirement as per RBI (Government Securities Lending) Directions, 2023 notified w ef December 27, 2023_ Hence there are no particulars to be disclosed for the previous year

G) OVERSEAS ASSETS AND REVENUE

(Amount in ₹ crore)

	31-03-2024	31-03-2023
Deposit with overseas	246.00	243.00
Nostro	21.00	21.43
Total	267.00	264.43

ASSET QUALITY

• CLASSIFICATION OF ADVANCES AND PROVISIONS HELD CURRENT YEAR (2023-24)

(AMOUNT IN ₹ CRORE)

Gross Standard Advances and NPAs	Standard	Non-Performing				Total
	Total Standard Advances	Sub standard	Doubtful	Loss	Total Non- Performing Advances	
Opening Balance	37060.65	158.14	354.22	9.10	521.46	37582.11
Add: Additions during the year					502.77	502.77
Less: Reductions during the year					449.17	449.17
Closing balance	39395.34	351.32	197.60	26.13	575.06	39970.40
Reductions in Gross NPAs due to						
• Upgradation					14.21	14.21
• Recoveries (excluding recoveries from upgraded accounts)					223.72	223.72
• Technical/ Prudential Write-offs					211.24	211.24
• Write-offs other than those under (iii) above					0.00	0.00

PROVISIONS (EXCLUDING FLOATING PROVISIONS)

Opening balance of provisions held	113.96	63.45	208.71	9.02	281.18	395.14
Add: Fresh provisions made during the year					279.62	279.62
Less: Excess provision reversed/ Write-off loans					331.94	331.94
Closing balance of provisions held	115.99	90.76	111.96	26.14	228.86	344.85

NET NPAS

Opening Balance		94.68	135.06	0.08	229.82	
Add: Fresh additions during the year					223.16	
Less: Reductions during the year					117.16	
Closing Balance		260.55	75.27	0.00	335.82	335.82

FLOATING PROVISIONS

Opening Balance						7.99
Add: Additional provisions made during the year						2.39
Less: Amount drawn down during the year						0.00
Closing balance of provisions held						10.38

TECHNICAL WRITE-OFFS AND THE RECOVERIES MADE THEREON

Opening balance of Technical/ Prudential written-off accounts						2004.11
Add: Technical/ Prudential write-offs during the year						211.24
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						88.01
Closing balance						2127.34

Ratios (in per cent)	2023-24	2022-23
Gross NPA to Gross Advances	1.44%	1.39%
Net NPA to Net Advances	0.85%	0.62%
Provision coverage ratio	87.52%	90.90%

ASSET QUALITY

• CLASSIFICATION OF ADVANCES AND PROVISIONS HELD PREVIOUS YEAR (2022-23)

(AMOUNT IN ₹ CRORE)

Gross Standard Advances and NPAs	Standard	Non-Performing				Total
	Total Standard Advances	Sub standard	Doubtful	Loss	Total Non- Performing Advances	
Opening Balance	33177.25	124.83	435.31	10.78	570.92	33748.17
Add: Additions during the year					271.35	271.35
Less: Reductions during the year					320.81	320.81
Closing balance	37060.65	158.14	354.22	9.10	521.46	37582.11
Reductions in Gross NPAs due to						
• Upgradation					23.89	23.89
• Recoveries (excluding recoveries from upgraded accounts)					198.20	198.20
• Technical/ Prudential Write-offs					98.72	98.72
• Write-offs other than those under (iii) above					0.00	0.00

PROVISIONS (EXCLUDING FLOATING PROVISIONS)

Opening balance of provisions held	100.37	33.10	205.80	10.73	249.63	350.00
Add: Fresh provisions made during the year					148.59	148.59
Less: Excess provision reversed/ Write-off loans					117.04	117.04
Closing balance of provisions held	113.96	63.45	208.71	9.02	281.18	395.14

NET NPAS

Opening Balance		91.73	225.80	0.05	317.58	
Add: Fresh additions during the year					122.76	
Less: Reductions during the year					210.52	
Closing Balance		94.69	135.05	0.08	229.82	229.82

FLOATING PROVISIONS

Opening balance of Technical/ Prudential written-off accounts						4.15
Add: Technical/ Prudential write-offs during the year						3.84
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						0.00
Closing balance						7.99

TECHNICAL WRITE-OFFS AND THE RECOVERIES MADE THEREON

Opening balance of Technical/ Prudential written-off accounts						2057.14
Add: Technical/ Prudential write-offs during the year						98.72
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						151.75
Closing balance						2004.11

Ratios (in per cent)	2022-23	2021-22
Gross NPA to Gross Advances	1.39%	1.69%
Net NPA to Net Advances	0.62%	0.95%
Provision coverage ratio	90.90%	87.92%

• SECTOR-WISE ADVANCES AND GROSS NPAS

(AMOUNT IN ₹ CRORE)

		2023-24			2022-23		
Sr.No	**Sector**	**Outstanding Total Advances**	**Gross NPAs**	**Percentage of Gross NPAs to Total Advances in that sector**	**Outstanding Total Advances**	**Gross NPAs**	**Percentage of Gross NPAs to Total Advances in that sector**
a)	**Priority Sector**						
•	Agriculture and allied activities	14408.99	50.98	0.35	11562.43	69.36	0.60
•	Advances to industries sector eligible as priority sector lending	5576.61	102.82	1.84	4976.95	140.71	2.83
•	Services	7995.68	107.30	1.34	8277.03	133.15	1.61
•	Personal loans	2282.29	6.15	0.27	2277.73	26.06	1.14
	Sub-total (ii)	**30263.57**	**267.25**	**0.88**	**27094.14**	**369.28**	**1.36**
b)	**Non-priority Sector**						
•	Agriculture and allied activities	11.28	0.00	0.00	11.99	0.00	0.00
•	Industry	1125.53	168.06	14.93	1231.00	79.65	6.47
•	Services	2310.42	115.91	5.02	3597.97	54.23	1.51
•	Personal loans	6195.52	23.84	0.38	5588.49	18.30	0.33
	Sub-total (ii)	**9642.75**	**307.81**	**3.19**	**10429.45**	**152.18**	**1.46**
	Total (i + ii)	**39906.32**	**575.06**	**1.44**	**37523.59**	**521.46**	**1.39**

Note : Food credit Consortium O/s as on 31.03.2023 = ₹58.52 crore and 31.03.2024 = ₹64.08 crore (Not included in total advances)

C) OVERSEAS ASSETS, NPAS AND REVENUE – THERE IS NO FOREIGN OPERATION, HENCE NOT APPLICABLE.

D) PARTICULARS OF RESOLUTION PLAN AND RESTRUCTURING:

i) Particulars of resolution plan – NIL
ii) Details of Accounts subjected to restructuring – Not applicable
iii) Particulars of resolution plan and restructuring Details of Loan assets subjected to Restructuring for the FY 23-24

(AMOUNT IN ₹ CRORE)

Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring / MSME One time Restructuring Mechanism					Others/ Resolution Framework					Total				
Asset Classification		Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total
Details																					
1. Restructured standard category during the FY Accounts as on April 1 of the FY (opening figures)*	No. of borrowers	0	0	0	0	0	77	5	10	0	92	2601	42	31	5	2679	2678	47	41	5	2771
	Amount outstanding	0.00	0.00	0.00	0.00	0.00	86.72	4.95	18.79	0.00	110.46	586.92	6.90	35.02	0.04	628.88	673.64	11.85	53.81	0.04	739.34
	Provision thereon	0.00	0.00	0.00	0.00	0.00	4.50	1.22	8.90	0.00	14.62	65.15	1.92	8.76	0.04	75.87	69.65	3.14	17.66	0.04	90.49
2. Fresh Restructuring During the year#	No. of borrowers	0	0	0	0	0	0	0	0	0	0	16	0	0	0	16	16	0	0	0	16
	Amount outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.68	0.00	0.00	0.00	3.68	3.68	0.00	0.00	0.00	3.68
	Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.00	0.00	0.00	0.16	0.16	0.00	0.00	0.00	0.16
3. Upgradations to restructured standard category during the FY	No. of borrowers	0	0	0	0	0	0	0	0	0	0	5	-5	0	0	0	5	-5	0	0	0
	Amount outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.43	-0.57	0.00	0.00	-0.14	0.43	-0.57	0.00	0.00	-0.14
	Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06	-0.14	0.00	0.00	-0.08	0.06	-0.14	0.00	0.00	-0.08
4. Restructured standard advances which cease to attract higher provisioning and/ or additional risk weight at the end of FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Amount outstanding	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	0.00	0.00	0.00	0.00	0.00
	Provision thereon	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	0.00	0.00	0.00	0.00	0.00

Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring / MSME One time Restructuring Mechanism					Others/ Resolution Framework					Total				
Asset Classification		Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total
Details																					
5. Down gradation of restructured accounts during the FY	No. of borrowers	0	0	0	0	0	-3	-3	6	0	0	-41	4	35	2	0	-44	1	41	2	0
	Amount outstanding	0.00	0.00	0.00	0.00	0.00	-8.06	-0.36	5.99	0.00	-2.43	-25.91	-2.86	16.35	1.11	-11.31	-33.97	-3.22	22.34	1.11	-13.74
	Provision thereon	0.00	0.00	0.00	0.00	0.00	-0.39	-0.14	4.72	0.00	4.19	-2.66	-0.63	8.29	1.11	6.11	-3.05	-0.77	13.01	1.11	10.30
6. Write-offs/Recovery of restructured accounts during the FY$	No. of borrowers	0	0	0	0	0	-24	0	-5	0	-29	-566	-17	-25	-5	-613	-590	-17	-30	-5	-642
	Amount outstanding	0.00	0.00	0.00	0.00	0.00	-33.25	0.00	-11.48	0.00	-44.73	-106.82	-0.74	-6.83	-0.04	-114.43	-140.07	-0.74	-18.31	-0.04	-159.16
	Provision thereon	0.00	0.00	0.00	0.00	0.00	-1.74	0.00	-5.07	0.00	-6.81	-12.10	-0.38	4.70	-0.04	-7.82	-13.84	-0.38	-0.37	-0.04	-14.63
7. Restructured as on March 31 of the FY(closing figure@)	No. of borrowers	0	0	0	0	0	50	2	11	0	63	2015	24	41	2	2082	2065	26	52	2	2145
	Amount outstanding	0.00	0.00	0.00	0.00	0.00	45.41	4.59	13.30	0.00	63.30	458.30	2.73	44.54	1.11	506.68	503.71	7.32	57.84	1.11	569.98
	Provision thereon	0.00	0.00	0.00	0.00	0.00	2.37	1.08	8.55	0.00	12.00	50.61	0.77	21.75	1.11	74.24	52.98	1.85	30.30	1.11	86.24

EXCLUDING THE FIGURES OF STANDARD RESTRUCTURED ADVANCES WHICH DO NOT ATTRACT HIGHER PROVISIONING OR RISK WEIGHT

*Foot Note 1	Opening balance variance due to data correction
#Foot Note 2	The figures under S.No.2 include fresh accounts restructured under Flood Relief
$Foot Note 3	The figures under S.No.6 include reduction from existing restructured accounts by way of closure / recovery / write-offs.
@Foot Note 4	The figures under S.No.7 include total provision held on restructured accounts.

Instructions : For the purpose of disclosure in the above format, the following instructions are required to be followed

1. Advances restructured under CDR mechanism, SME Debt restructuring mechanism and other categories of restructuring should be shown separately

2. Under each of the above categories, restructured advances under their present asset classification i.e, standard, sub standard, doubtful and loss should be shown separately.

3. Under the standard restructured account; accounts, which have objective evidence of no longer having inherent credit weakness, need not be disclosed. For this purpose, an objective criteria for accounts not having inherent credit weakness is discussed below

   • As regards restructured accounts classified as standard advances, in view of the inherent credit weakness in such accounts, banks are required to make a general provision higher than what is required for otherwise standard accounts in the first two years from the date of restructuring. In case of moratorium on payment of interest/ principal after restructuring, such advances attract the higher general provision for the period covering moratorium and two years thereafter.

   • Further, restructured standard unrated corporate exposures and housing loans are also subjected to an additional risk weight of 25 percentage point with a view to reflect the higher element of inherent risk which may be latent in such entities.

   • The aforementioned [(a) and (b) additional / higher provision and risk weight cease to be applicable after the prescribed period if the performance is as per the rescheduled programme. However, the diminution in the fair value will have to be assessed on each balance sheet date and provision should be made as required.

   • Restructured accounts classified as sub standard and doubtful advances, when upgraded to standard category also attract a general provision higher than what is required for otherwise standard accounts for the first year from the date of up gradation, in terms of extant guidelines on provisioning requirement of restructured accounts. This higher provision ceases to be applicable after one year from the date of upgradation if the performance of the account is as per the rescheduled programme. However , the diminution in the fair value will have to be assessed on each balance sheet date and provision made as required.

   • Once the higher provisions and/or risk weights (if applicable and as prescribed from time to time by RBI) on restructured standard advances revert to the normal level on account of satisfactory performance during the prescribed periods as indicated above, such advances, henceforth, would no longer be required to be disclosed by banks as restructured standard accounts in the " Notes on Accounts " in their Annual Balance Sheets. However , banks should keep an internal record of such restructured accounts till the provisions for diminution in fair value of such accounts are maintained.

DISCLOSURE ON MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) SECTOR – RESTRUCTURING OF ADVANCES (RBI/DBR. BP.BC.NO.18/21.04.048/ 2018-19 DATED 1ST JANUARY 2019

(AMOUNT IN ₹ CRORE)

Year	No.of Accounts Restructured – MSME	Amount
2023-24	NIL	NIL
2022-23	NIL	NIL
2021-22	NIL	NIL
2020-21	135	82.20

DETAILS OF SINGLE BORROWER LIMIT (SBL)/GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE BANK.

Single Borrower limit / Group Borrower limit has not been exceeded during the financial year.

DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING

Divergence in Asset classification and Provisioning for NPAs. The divergence observed by RBI for the financial years 2022-23 in respect of the Bank's asset classification and provisioning under the extant prudential norms on income recognition, asset classification and provisioning is below the regulatory requirement for disclosure and hence the disclosure as required under RBI Master Direction on 'Financial Statements-Presentation and Disclosures' on 'Divergence in the asset classification and provisioning is not required to be made

DISCLOSURE OF TRANSFER OF LOAN EXPOSURES: NIL

• There were no loans that are not in default or stressed, transferred and acquired to or from other entities

• Particulars of stressed loans transferred acquired - NIL

FRAUD ACCOUNTS

(AMOUNT IN ₹ CRORE)

Particulars	2023-24	2022-23
Number of frauds reported (Advances & Non- Advances)*	9	96
Amount involved in fraud*	10.47	43.86
Amount of Book Balance (excluding interest) for Advances related fraud a/cs	10.42	38.52
Amount of provision made for such frauds	10.42	38.52
Amount of Unamortised provision debited from other reserves' as at the end of the year	0.00	0.00

*As per FMR reported to RBI.

DISCLOSURE UNDER RESOLUTION FRAMEWORK FOR COVID-19 RELATED STRESS

1. Disclosures to be made half yearly Resolution Framework 1.0

(AMOUNT IN ₹ CRORE)

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of the previous half-year ending 30.09.2023 (A)	Of (A) aggregate debt that slipped into NPA during the current half-year ending 31.03.2024	Of (A) amount written off during the half-year ending 31.03.2024	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 the this half-year ending 31.03.2024
Personal Loans	0.12	0.00	0.00	0.00	0.12
Corporate persons*	53.48	0.00	0.00	1.63	51.85
Of which MSMEs	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00
Total	53.60	0.00	0.00	1.63	51.97

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016. "corporate person" means a company as defined in clause (20) of section 2 of the Companies Act,2013, a limited liability partnership, as defined in clause (n) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008, or any other person incorporated with limited liability under any law for the time being in force but shall not include any financial service provider;

Personal Loan 'Personal loans', for the purpose of this circular shall have the same meaning as defined in the Circular DBR.No.BP.BC.99/08.13.100/2017-18 dated January 4, 2018 on "XBRL Returns – Harmonization of Banking Statistics".

2. Disclosures to be made half yearly Resolution Framework 2.0:

(AMOUNT IN ₹ CRORE)

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of the previous half-year ending 30.09.2023 (A)	Of (A) aggregate debt that slipped into NPA during the current half-year ending 31.03.2024	Of (A) amount written off during the half-year ending 31.03.2024	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 the this half-year ending 31.03.2024
Personal Loans	156.93	1.64	0.00	11.78	143.51
Corporate persons*	7.73	0.00	0.00	1.59	6.14
Of which MSMEs	0.97	0.00	0.00	0.19	0.78
Others	179.78	3.47	0.00	29.39	146.92
Total	344.44	5.11	0.00	42.76	296.57

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016. "corporate person" means a company as defined in clause (20) of section 2 of the Companies Act,2013, a limited liability partnership, as defined in clause (n) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008, or any other person incorporated with limited liability under any law for the time being in force but shall not include any financial service provider;

Personal Loan 'Personal loans', for the purpose of this circular shall have the same meaning as defined in the Circular DBR.No.BP.BC.99/08.13.100/2017-18 dated January 4, 2018 on "XBRL Returns – Harmonization of Banking Statistics".

COVID -19

COVID-19 pandemic has and had an extraordinary impact on macroeconomic conditions in India and around the world during the past two years. The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and Individual activities, had led to volatility in global and Indian financial markets and a decrease in global and local economic activities. The revival of economic activity has since improved supported by relaxation of restrictions due to administration of the COVID vaccines to a large population in the country. The extent to which any new wave of COVID-19 pandemic will impact the Bank results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us. On a prudent basis, the Bank holds a provision of ₹250 crores as at 31st March, 2024 against the potential impact of COVID-19 & other uncertainties (previous year 31.3.2023: Rs.300 crores).

EXPOSURES

a). Exposure to real estate sector

(AMOUNT IN ₹ CRORE)

Category	2023-24	2022-23
Direct exposure a) Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	5141.62	5126.16
Of Which Individual housing loans eligible for inclusion in priority sector advances shall be shown separately. Exposure would also include non-fund based (NFB) limits.	2285.28	2310.68
b) Commercial Real Estate Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	216.79	207.03
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures		
i. Residential	0.00	0.00
ii. Commercial Real Estate	0.00	0.00
i) Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies	0.00	0.14
Total Exposure to Real Estate Sector	5358.41	5333.33

b). Exposure to capital market

(AMOUNT IN ₹ CRORE)

Particulars	2023-24	2022-23
i) 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.	8.87	7.43
ii) 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.	4.50	2.10
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	0.00	0.00
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances;	0.88	0.73
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	18.50	15.94
vi) 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.	0.00	0.00
vii) Bridge loans to companies against expected equity flows / issues.	0.00	0.00
viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	0.00	0.00
ix) Financing to stockbrokers for margin trading.	0.00	0.00
x) All exposures to Venture Capital Funds (both registered and unregistered).	0.00	0.00
Total exposure to capital market	**32.75**	**26.20**

RISK CATEGORY-WISE COUNTRY EXPOSURE

(AMOUNT IN ₹ CRORE)

Risk Category	Exposure (net) as at 31/03/2024	Provision held as at 31/03/2024	Exposure (net) as at 31/03/2023	Provision held as at 31/03/2023
Insignificant	231.09	0.00	113.58	0.00
Low	231.14	0.00	58.26	0.00
Moderately Low	132.83	0.00	62.42	0.00
Moderate	0.00	0.00	5.09	0.00
Moderately High	1.88	0.00	2.81	0.00
High	0.00	0.00	0.19	0.00
Very High	2.07	0.00	0.00	0.00
Total	599.01	0.00	242.35	0.00

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).

UNSECURED ADVANCES

(AMOUNT IN ₹ CRORE)

Particulars	2023-24	2022-23
Total unsecured advances of the bank	179.79	202.66
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	0.00	0.00
Estimated value of such intangible securities	0.00	0.00

FACTORING EXPOSURES – NIL

INTRA-GROUP EXPOSURES AS ON 31.03.2024

i) Total amount of intra-group exposures - NIL
ii) Total amount of top 20 intra-group exposures - NIL
iii) Percentage of intra-group exposures to total exposure of the bank on borrowers/customers - NIL
iv) Details of breach of limits on intra-group exposures and regulatory action thereon, if any - NIL

UNHEDGED FOREIGN CURRENCY EXPOSURE (UFCE)

Bank has a laid down policy for hedging Foreign Currency Exposure, Bank shall insist on hedging the unhedged foreign currency risk of our Borrowers. In case of extreme resistance to hedge the Foreign Currency Exposure or bear the additional Interest Rate the Bank may stipulate, the Bank may on case to case merit, insist on the customer to place suitable term deposits with the bank under lien to the unhedged exposure to take care of the likely losses arising out of adverse currency movements.

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.

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 ₹50 crore. Bank shall follow the RBI guidelines in respect of smaller entities (i.e. total exposure of the Banking system is at ₹50 crore or less) and shall make an incremental provisioning of 10 bps over and above the extant standard asset provisioning for the unhedged exposure.

The provisioning required for currency induced Credit Risk for the bank on account of the unhedged Foreign Currency Exposure of the borrowers was estimated at **₹1.90 Crore (Previous Year – ₹ 1.87 Crore)**. Bank holds required provision towards the same. Bank holds ₹3.19 Crore as capital towards the unhedged foreign currency exposure.

6. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS

a). Concentration of deposits

(AMOUNT IN ₹ CRORE)

Particulars	2023-24	2022-23
Total deposits of the twenty largest depositors	4328.97	4703.58
Percentage of deposits of twenty largest depositors to total deposits of the bank	8.74%	9.85%

b). Concentration of advances

(AMOUNT IN ₹ CRORE)

Particulars	2023-24	2022-23
Total advances to the twenty largest borrowers	1992.28	2643.48
Percentage of advances to twenty largest borrowers to total advances of the bank	4.98%	7.03%

c). Concentration of exposures

(AMOUNT IN ₹ CRORE)

Particulars	2023-24	2022-23
Total exposure to the twenty largest borrowers/ customers	3312.79	3781.27
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/ customers	6.67%	8.25%

d). Concentration of NPAs

(AMOUNT IN ₹ CRORE)

Particulars	2023-24	2022-23
Total Exposure to the top twenty NPA accounts	338.75	211.44
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs	58.91%	42.84%

DERIVATIVES

a). Forward rate agreement/Interest rate swap

(AMOUNT IN ₹ CRORE)

Particulars	2023-24	2022-23
1). The notional principal of swap agreements	NIL	NIL
2). Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements.		
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 @		

Total outstanding of Forward contracts

(AMOUNT IN ₹ CRORE)

Particulars	2023-24	2022-23
Purchases	2186.71	2118.99
Sales	2586.84	2416.34
Total	4773.55	4535.33

b. Exchange traded interest rate derivatives **(AMOUNT IN ₹ CRORE)**

S.No	Particulars	2023-24	2022-23
1.	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	NIL	NIL
2.	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2024 (instrument-wise)		
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)		

C. DISCLOSURES ON RISK EXPOSURE IN DERIVATIVES

• Qualitative disclosures

Bank has not entered into any derivative transactions in respect of Forward rate agreement/Interest Rate Swap / Exchange Traded Interest Rate Derivatives during the year 2023-24.

• Quantitative disclosures

S.No	Particulars	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
		2023-24	2023-24	2022-23	2022-23
1.	Derivatives (Notional Principal Amount) a. For hedging b. For trading	NIL	NIL	NIL	NIL
2.	Marked to Market Positions (1) a. Assets (+) b. Liability (-)				
3.	Credit Exposure (2)				
4.	Likely impact of one percentage change in interest rate (100*PV01) a) On hedging derivates b) On trading derivates				
5.	Maximum and Minimum of 100*PV01 observed during the year a) On hedging b) On trading				

D). CREDIT DEFAULT SWAPS - NIL

Disclosures relating to securitization- NIL

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

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

Transfers to Depositor Education and Awareness Fund (DEA Fund) (AMOUNT IN ₹ CRORE)

Sr.No	Particulars	2023-24	2022-23
1.	Opening balance of amounts transferred to DEA Fund	114.71	102.66
2.	Add: Amounts transferred to DEA Fund during the year	14.12	13.47
3.	Less: Amounts reimbursed by DEA Fund towards claims	2.17	1.42
4.	Closing balance of amounts transferred to DEA Fund	126.66	114.71

The closing balance of the amount transferred to DEA Fund, as disclosed above, are also included under 'Schedule 12 – Contingent Liabilities – Other items for which the bank is contingently liable.

Disclosure of complaints

a. Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sr.No		Particulars	2023-24	2022-23
		Complaints received by the bank from its customers		
1.		Number of complaints pending at beginning of the year	760	321
2.		Number of complaints received during the year	33580	35149
3.		Number of complaints disposed during the year	33769	34710
	3.1	Of which, number of complaints rejected by the bank	-	-
4.		Number of complaints pending at the end of the year	571	760
		Maintainable complaints received by the bank from Office of Ombudsman		
5.		Number of maintainable complaints received by the bank from Office of Ombudsman	289	184

	5.1	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	285	181
	5.2	Of 5, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	4	3
		Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	-	-
6.		Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme,2006) and covered within the ambit of the Scheme.

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

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the year 2022-23	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
2023 - 24					
ATM/ Debit Cards	760	28995	-6.64%	571	-
Internet/ Mobile/ Electronic Banking	-	4297	11.11%	-	-
Loans and Advances	-	152	8.57%	-	-
Service Charges	-	36	9.09%	-	-
Account opening/ Difficulty in operation of accounts	-	-	-	-	-
Others	-	170	22.30%	-	-
Total	760	33650	-	571	-
2022 - 23					
ATM/ Debit Cards	321	30921	-10%	760	-
Internet/ Mobile/ Electronic Banking	-	3867	-24%	-	-
Loans and Advances	-	140	7%		-
Service Charges	-	33	-38%		-
Account opening/ Difficulty in operation of accounts	-	49	133%	-	-
Others	-	139	11%	-	-
Total	**321**	**35149**	**-**	**760**	**-**

DISCLOSURE OF PENALTIES IMPOSED BY THE RESERVE BANK OF INDIA

• Penalty charged for detection of counterfeit notes by RBI: Penalty charged by RBI under Scheme of Incentives and Penalties for Bank Branches including Currency chests during the period from 01.04.2023 to 31.03.2024 - ₹1,500/-

• During the year, RBI has imposed penalty of ₹1,90,000/- under the scheme of penalty for Non-replenishment of ATM (DCM(RMMT) No.S153/11.01.01/2022-23) dated August 10, 2021.

• During the year, Enforcement department of RBI has imposed penalty of ₹1,31,80,000/- related to Non-compliance with its specific directions observed during statutory inspection of the bank.

DISCLOSURES ON REMUNERATION

Type of disclosure		Information	
Qualitative	a)	Information relating to the composition and mandate of the Nomination and Remuneration Committee.	The Nomination & Remuneration Committee comprised of five members constituted to oversee the framing, review and implementation of Compensation Policy of the Bank, on behalf of the Board. As on March 31,2024, the Nomination & Remuneration Committee of the Board comprises of the following Directors Tmt.S. Ezhil Jothi, Independent Director (Chairman) Thiru.A. Niranjan Sankar, Director Thiru.C. Chiranjeeviraj, Independent Director Note: During the period from 01.04.2023 to 28.02.2024 the Nomination & Remuneration Committee of the Board comprises of the following Directors Thiru.K. Nagarajan, Independent Director (Chairman) Thiru.A. Niranjan Sankar, Director, Thiru.B.Vijayadurai, Independent Director Thiru.C. Chiranjeeviraj, Independent Director Tmt.S. Ezhil Jothi, Independent Director

	b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	The Bank has formulated and adopted a comprehensive compensation policy & HR policy covering all the employees. The policy is reviewed on an annual basis. The policy covers all aspects of the compensation structure such as fixed pay, variable compensation, perquisites, performance bonus, pension, gratuity, etc., taking into account the guidelines issued by Reserve Bank of India from time to time. **Key Features:** i) Board oversees the design of the compensation package and operations. ii) Compensation commensurate with the responsibility and accountability. **Objectives:** 1) Ensure compliance with applicable laws, rules and regulations as well as 'Fit and Proper criteria' of directors before their appointment 2. Formulate criteria for determining qualifications, positive attributes and independence of directors. 3) Develop and regularly review succession plan for the Board. 4) Develop and recommend to the Board a set of corporate governance principles, that takes a leadership role in shaping the corporate governance of the Bank.

			5) Identify, assess and recommend to the Board on nominees for appointment as directors. 6) Make recommendations to the Board as to the size, composition, structure of the Board and also evaluation criteria of the directors, conduct annual review of the performance of the Chief Executive Officer and also oversee the Bank's Chief Executive Officer's succession planning process 7) Retain, motivate and promote talent and to ensure long term sustainability of talented KMP and senior management. 8) Establish standards on compensation/ remuneration including fixed and variable, which are in alignment with the applicable rules and regulations and is based on the trends and practices of remuneration prevailing in the industry 9) Recommend to the Board in relation to appointment, removal and remuneration of Directors, KMP and senior management.
	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.	Regional Heads, Branch Heads, IT department, MIS, Information security officials and Dealers in Treasury & IBD are paid special allowance based on risk taken by them.
	d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	Performance Based Incentive scheme is approved by our Board of Directors every year. The PBI for senior management

			consists of 60% weightage for quantitative and 40% for qualitative parameters. For Department / Region staff it is measured on their role based performance. For Branch staff it is measured based on individual performance parameters, branch performance parameters, knowledge updation etc.
	e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the banks policy and criteria for adjusting deferred remuneration before vesting and after vesting.	There is deferred remuneration payment to Shri. K.V.Rama Moorthy, former MD & CEO (erstwhile) which is payment of variable pay spread over 3 years. i.e 2023-2025. Also there is deferred remuneration payment to Shri S.Krishnan, MD&CEO which is payment of variable pay spread over 3 year (2024-2026).
	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.	The remuneration is in the form of cash only. There is no remuneration in the form of Shares, ESOP and other forms.

			2023-24	2022-23
Quantitative disclosures **(The quantitative disclosures should only cover Whole Time Directors/ Chief Executive Officer/ Material Risk Takers)**	g)	Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members.	16 meetings (Nomination and Remuneration Committee) were held during the financial Year and the total remuneration & commission paid to the members during the year **2023-24 is ₹19,00,000/-**	14 meetings (Nomination and Remuneration Committee) were held during the financial Year and the total remuneration & commission paid to the members during the year is **₹12,50,000/-**
	h)	(i) Number of employees having received a variable remuneration award during the financial year. (ii) Number and total amount of sign-on/joining bonus made during the financial year. (iii) Details of severance pay, in addition to accrued benefits, if any.	i)Two (Shri K V Rama Moorthy former MD & CEO & Shri S Krishnan, MD & CEO) +4460 (other employees who are given variable remuneration award) Total -4462 NIL NIL	i) One (Shri. K.V.Rama Moorthy , Former MD & CEO) + 203 (Other employees who are given variable Pay) Total - 204 Joining Bonus - **₹6,47,220/-** Number of staff : 1 NIL
	i)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms (ii)Total amount of deferred remuneration paid out in the financial year	(i) a)Shri.K.V.Ramamoorthy, Former MD & CEO) – **₹16,45,000/- (cash)** b)Shri.S.Krishnan, MD & CEO – **₹15,21,937/- (cash)** (ii) a)Shri.K.V.Ramamoorthy , Former MD & CEO) – **₹7,05,000/- (cash)**	i) Shri.K.V.Ramamoorthy Former MD & CEO) **– ₹23,50,000/- (cash)** ii) NIL

			2023-24	2022-23
	j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Shri. S.Krishnan, MD & CEO Fixed Pay – **₹70,87,811/- Variable Pay – ₹70,87,811/-**	Shri. S.Krishnan, MD & CEO Fixed Pay – **₹70,87,811/- Variable Pay – ₹70,87,811/-** Joining date: 04/09/2022 Paid proportionately
	k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments. (ii) Total amount of reductions during the financial year due to ex post explicit adjustments. (iii) Total amount of reductions during the financial year due to ex post implicit adjustments.	NIL	NIL
	l)	Number of MRTs identified.	574	551
	m)	(i) Number of cases where malus has been exercised. (ii) Number of cases where clawback has been exercised. (iii) Number of cases where both malus and clawback have been exercised.	NIL	NIL

			2023-24	2022-23
General Quantitative Disclosure	n)	The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	Mean Pay – **₹76,127.00** MD Pay - **₹4,00,000.00** Difference – **₹3,23,873.00**	Mean Pay – **₹71,391.00** MD Pay - **₹3,76,944.00** Difference – **₹3,05,553.00**

OTHER DISCLOSURES

a. Business Ratios

Particular	2023-24	2022-23
• Interest Income as a percentage to Working Funds	8.33%	7.80%
• Non-interest income as a percentage to Working Funds	1.11%	1.20%
• Cost of Deposits	5.74%	4.71%
• Net Interest Margin	4.11%	4.46%
• Operating Profit as a percentage to Working Funds	2.55%	3.00%
• Return on Assets	1.84%	1.97%
• Business (deposits plus advances) per employee (in ₹ crore)	19.39	19.04
• Profit per employee (in ₹ crore)	0.23	0.23

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.

b. Bancassurance Business

The details of fees / brokerage earned in respect of insurance broking, agency and bancassurance business undertaken by us shall disclosed as under given below

(AMOUNT IN ₹ CRORE)

Particulars	2023-24	2022-23
Commission from General insurance business	4.55	4.13
Commission from Life insurance business	16.26	6.66
Grand Total	**20.81**	**10.79**

c. Marketing and distribution Banks shall disclose the details of fees / remuneration received in respect of the marketing and distribution function (excluding bancassurance business) undertaken by them.

(AMOUNT IN ₹ CRORE)

S.No	Particulars	2023-24	2022-23
1.	Government Schemes related NPS, etc	2.08	1.51
2.	Distribution of Mutual Fund	0.21	0.14
3.	Credit Card related	4.36	4.54
4.	Point of Sales	1.22	1.37
5.	Depository Services	0.31	0.34
6.	Others	0.74	0.88
	Total	**8.92**	**8.78**

d. Disclosures regarding Priority Sector Lending Certificates (PSLCs)

(AMOUNT IN ₹ CRORE)

S.No	Particulars	2023-24		2022-23	
		Purchase	Sale	Purchase	Sale
1.	PSLC- Agriculture	0.00	2900.00	0.00	1100.00
2.	PSLC- Small & Marginal Farmer	0.00	4750.00	0.00	2815.00
3.	PSLC- Micro Enterprises	0.00	1400.00	0.00	2288.00
4.	PSLC- General	0.00	0.00	0.00	200.00
	Grand Total	0.00	**9050.00**	0.00	**6403.00**

e. Provisions and contingencies

(AMOUNT IN ₹ CRORE)

Provision debited to Profit and Loss Account	2023-24	2022-23
i) Provisions for NPI	0.00	0.00
ii) Provision towards NPA	149.00	133.50
iii) Provision made towards Income tax	306.70	349.06
iv) Other Provisions and Contingencies (with details)		
a) Provision towards Standard Asset	4.55	13.59
b) Floating Provision for Advances	2.39	3.84
c) Deferred Tax	14.85	15.32
d) Provision for Restructured Advances	(16.67)	(22.14)
e) Contingency Provision for Covid and other uncertainties	(50.00)	50.00
f) Provision for fair value for Restructured Advances	(1.74)	0.41
g) Other provisions	0.67	0.00
Grand Total	409.75	543.58

PROVISION FOR STANDARD ADVANCES

(AMOUNT IN ₹ CRORE)

Particulars	31.03.2024	31.03.2023
Standard Assets	115.99	113.96
Of which Punjab Food Credit	2.77	2.92

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

The Proforma Financial Statement (PFS) are being submitted to RBI on a periodical basis. Bank is in the process of development of software for IFRS converged India Accounting Standard (IndAS). However bank is awaiting for the final guidance from RBI in order to make suitable system related changes.

g. Payment of DICGC Insurance Premium

(AMOUNT IN ₹ CRORE)

Sr. No.	Particulars	2023-24	2022-23
1.	Payment of DICGC Insurance Premium*	66.31	61.78
2.	Arrears in payment of DICGC premium	0.00	0.00

*Including GST

h. Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks

The Bank has incurred an additional liability of Rs.26.84 Crore on account of revision in family pension consequent to the 11th Bipartite settlement and it has been fully charged to the Profit & Loss Account during the financial year 2021-22 itself and there is no amortization expense for 2023-24.

i. Disclosure of Letters of Comfort (LoCs) issued by banks

The Bank has not issued any Letters of Comfort during the financial year 2023-2024

j. Portfolio-level information on the use of funds raised from green deposits

The Bank has not raised any green deposit in the Financial year 2023-2024

k. Penalty levied by Directorate of Enforcement

The Bank had received a show-cause notice dated 17.12.2014 from the office of the Special Director, Directorate of Enforcement, Chennai, which was simultaneously issued to 26 persons/entities, including Standard Chartered Bank (SCB) and SCB's Head of operations, in connection with the alleged violation in transfer of shares on 13.05.2007, 26.12.2011 and 11.06.2012.

Subsequently, after considering all our submissions / written replies / responses / personal hearing, the Directorate of Enforcement had levied a penalty of Rs.16.99 Crores on our bank, vide its order dated 14.08.2020.

In the meantime, on 27.01.2021, the Deputy legal advisor of the Directorate of Enforcement has filed an appeal before the appellate tribunal for foreign exchange, New Delhi with a prayer for confiscation of shares/de-nova proceedings. We understand from the other notice (previous Director) that they have also gone for appeal against the order of DoE. Considering the situation, our Bank has also filed an appeal before the Appellate Tribunal, New Delhi on 04.11.2022.

On 05.12.2022, the Appellate Tribunal was not inclined to hear the main issue in the absence of pre-deposit of the penalty amount before the Tribunal, as required under law. We have therefore agreed to deposit the amount of penalty and the penalty was deposited on 16.12.2022.

The Bank has paid the above penalty amount on 16.12.2022 and the bank is having necessary provision.

I. Transfer of Dividend and shares to IEPF

Unclaimed Dividend and shares pertaining to the Financial Years 2009-13, 2015-16 (1st Interim), 2015-16 (2nd Interim), 2016-17 (1st Interim) have not been transferred to IEPF, as the bank has received requests from six entities, seeking not to transfer shares/dividend to IEPF. Further, there are shares which are covered under various litigations including the RBI's advice on "not to transfer any share which are under investigation of DOE without the prior approval of the Foreign Exchange Capital Department of RBI". Accordingly, based on Board's advice, the bank has sought approval of RBI. The bank has also informed IEPF about the action taken by the bank on transfer of shares/dividend.

15. Disclosure Requirements as per Accounting Standards where RBI has issued guidelines in respect of disclosure items for Notes on Accounts

15.1 Changes in Accounting Policies (AS-5)

There were no material pertaining to prior period Income /Expenditure requiring disclosure as per AS

15.2 Revenue Recognition (AS-9)

The heads of income recognized on cash basis are neither material enough nor do they require disclosure under AS 9 on Revenue Recognition

15.3 Employee Benefits (AS-15)

(AMOUNT IN ₹ CRORE)

	2023-24		2022-23	
	Pension	**Gratuity**	**Pension**	**Gratuity**
(i) Principal Actuarial Assumption used				
Discount Rate	7.45%	7.22%	7.48%	7.58%
Rate of return on Plan Assets	7.48%	7.58%	7.27%	7.52%
Salary Escalation	6.50%	6.50%	6.50%	6.50%
(ii) Change in Benefit Obligation				
Liability at the beginning of the year	629.94	190.92	592.06	178.74
Interest Cost	44.54	13.99	40.54	12.88
Current Service Cost	40.05	12.31	35.45	11.49
Benefit Paid	-64.28	-12.63	-100.08	-14.74
Actuarial (gain) / loss on obligation	61.52	4.33	61.97	2.55
Liability at the end of the year	711.77	208.92	629.94	190.92

	2023-24		2022-23	
	Pension	Gratuity	Pension	Gratuity
(iii) Fair Value of Plan Assets				
Fair value of Plan Assets at the beginning of the year	634.99	190.89	592.16	178.74
Expected return on plan Assets	49.00	14.55	43.04	13.12
Contributions	100.73	14.91	99.96	13.38
Benefits paid	-64.28	-12.63	-100.08	-14.74
Actuarial Gain / (loss) Plan Assets	-8.79	1.02	-0.09	0.39
Fair value of Plan Assets at the End of the year	711.66	208.74	634.99	190.89
(vi) Actual Return on Plan Assets				
Expected Return On Plan Assets	49.00	14.55	43.05	13.38
Actuarial gain/ (loss) Plan Assets	-8.79	1.02	-0.09	0.39
Actual return on Plan Assets	40.21	15.57	42.96	13.77
(v) Amount Recognised in the Balance Sheet				
Liability at the end of the year	711.77	208.92	629.94	190.92
Fair value of Plan Assets at the End of the year	711.66	208.74	634.99	190.89
Amount recognised in the Balance Sheet	-0.11	-0.18	5.05	-0.03
(vi) Expenses Recognised in the Income Statement				
Current Service Cost	40.05	12.31	35.44	11.49
Interest Cost	44.54	13.99	40.54	12.88
Expected Return On Plan Assets	-49.00	-14.55	-43.04	-13.38
Actuarial gain or Loss	70.31	3.31	62.06	2.15
Past Service Cost	0.00	0.00	0.00	0.00
Expenses Recognised in P & L(Net of Provision)	105.90	15.06	95.00	13.14

EXPERIENCE ADJUSTMENTS

i) Gratuity

(AMOUNT IN ₹ CRORE)

Particulars	31-03-2024	31-03-2023	31-03-2022	31-03-2021	31-03-2020
Defined benefit obligations	208.92	190.92	178.73	174.72	160.69
Plan Assets	208.74	190.89	178.73	174.32	159.39
(Surplus)/Deficit	-0.18	-0.03	0.00	0.40	1.30
Experience adjustment gain/ (loss) on plan assets	-1.02	-0.39	-0.42	-1.50	-1.90
Experience adjustment (gain) / loss on plan Liablities	-3.64	3.55	8.29	5.14	-13.13

ii) Pension

(AMOUNT IN ₹ CRORE)

Particulars	31-03-2024	31-03-2023	31-03-2022	31-03-2021	31-03-2020
Defined benefit obligations	711.77	629.94	592.06	544.66	489.24
Plan Assets	711.66	634.99	592.16	513.38	489.63
(Surplus)/Deficit	-0.11	5.05	0.10	31.28	-0.39
Experience adjustment gain/ (loss) on plan assets	8.79	0.09	0.72	-4.27	-6.02
Experience adjustment (gain) / loss on plan Liablities	61.52	61.97	1.11	202.42	4.65

DETAILS OF PROVISIONS MADE FOR OTHER LONG TERM EMPLOYEE BENEFITS :

(AMOUNT IN ₹ CRORE)

S.No	Other Long Term Benefits	2023-24	2022-23
1.	Leave Encashment	9.51	11.69
2.	Sick Leave	0.00	0.00

15.4 ACCOUNTING SEGMENT REPORTING (AS-17)

PART A: Operational Segments:

(AMOUNT IN ₹ CRORE)

Business Segments	Treasury		Corporate / Wholesale Banking		Retail Banking		Other Banking Business		Total	
Particulars	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenue	1144.61	920.51	471.97	439.57	3876.27	3350.07	0.00	0.00	5492.85	4710.15
Result	206.78	216.48	128.81	136.54	1057.99	1040.62	0.00	0.00	1393.58	1393.64
Unallocated expenses									0.00	0.00
Operating profit									1393.58	1393.64
Income taxes									321.55	364.38
Extraordinary profit / loss		0.00		0.00		0.00		0.00	0.00	0.00
Net profit									1072.03	1029.26
Other information										
Segment assets	16718.46	15734.03	6939.58	8085.33	36461.90	32966.94	0.00	0.00	60119.94	56786.30
Unallocated expenses									1432.52	1109.07
Total assets									61552.46	57895.37
Segment liabilities	17796.71	16766.27	3705.10	3808.11	30429.64	29022.32	0.00	0.00	51931.45	49596.70
Unallocated liabilities									1699.81	1370.32
Total liabilities									53631.26	50967.02

Note :

1. Assets and Liabilities wherever directly related to segments have been accordingly allocated to segments and wherever not directly related have been allocated on the basis of segment revenue.

2. The Bank operates only in Domestic Segment.

3. 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 A: Operational 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:

1) 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 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.

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

Part B: Geographic segments

(AMOUNT IN ₹ CRORE)

	Domestic		International		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
(a) Revenue	5492.85	4710.15	0.00	0.00	5492.85	4710.15
(b) Assets	61552.46	57895.37	0.00	0.00	61552.46	57895.37

15.5 Related Party disclosures (AS-18)

The bank has identified the following person to be the Key Management Person(KMP) as per AS-18 on related Party Disclosures:

1. Thiru S.Krishnan – Managing Director and Chief Executive Officer – 01.04.2023 -31.03.2024.

A. Emoluments: Thiru S.Krishnan

(AMOUNT IN ₹)

Particulars	2023-24	2022-23
Salary	48,00,000	27,60,000
Bank contribution to provident Fund	5,76,000	3,31,200
Other Benefits	1,70,229	12,091
Variable Pay	15,21,938	-
Total	70,68,167	31,03,291

B. Others – The bank has not paid any remuneration other than sitting fees to its non-executive directors.

C. Other transaction with the Managing Director & CEO

i) Thiru S.Krishnan – Managing Director and Chief Executive Officer – 01.04.2023-31.03.2024

(AMOUNT IN ₹ CRORE)

Items/ Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Total	
Period	2024	2023	2024	2023	2024	2023	2024	2023*	2024	2023	2024	2023*
Borrowings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Deposits	Nil	Nil	Nil	Nil	Nil	Nil	0.36	0.11	Nil	Nil	0.36	0.11
Placement of deposits	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Advances	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Investments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non-funded commitments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Leasing/HP arrangements availed	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Leasing/HP arrangements provided	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(AMOUNT IN ₹ CRORE)

Items/ Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Total	
Period	2024	2023	2024	2023	2024	2023	2024	2023*	2024	2023	2024	2023*
Purchase of fixed assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sale of fixed assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Interest paid	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Interest received	Nil	Nil	Nil	Nil	Nil	Nil	0.0068	0.0010	Nil	Nil	0.0068	0.0010
Rendering of services	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Receiving of services	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Management contracts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* From 04.09.2022 to 31.03.2023

15.6 Earnings per Share (AS-20)

Particulars	31.03.2024	31.03.2023
Net Profit after Tax available for equity share holders (₹ in Lakhs)	107203.25	102925.90
Average number of shares	158351454	158351454
Basic and Diluted EPS (in ₹)	67.70	68.06
Nominal value per share (in ₹)	10.00	10.00

15.7 Consolidated Financial Statements (AS-21)

The Bank has no subsidiaries/Joint ventures/ Associates. Hence reporting under CFS is not applicable.

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

(AMOUNT IN ₹ CRORE)

Particulars	Deferred tax Asset	Deferred tax Liability	Deferred tax Asset	Deferred tax Liability
	31.03.2024	31.03.2024	31.03.2023	31.03.2023
Depreciation on Fixed Assets	4.11	0.00	2.84	0.00
Provision for NPAs/ Bad Debts	0.00	0.00	0.00	0.00
Special Reserve u/s 36 (1) (viii)	0.00	97.11	0.00	84.53
Provisions on retirement benefit, Leave encashment etc	22.02	0.00	24.17	0.00
Others	2.88	0.00	2.74	0.00
Deferred tax asset/liability	**29.01**	**97.11**	**29.75**	**84.53**
Net Deferred Tax Asset/ (Liability)	**(68.10)**		**(54.78)**	

Note :

Deferred Tax Asset on IPO expenses - ₹6.13

Less:1/5th transfer to DTA expense - ₹1.53

Deferred Tax Asset carried to years 2025 to 2027 - ₹4.60

15.9. Accounting for Investment in associates in CFS (AS-23)

The Bank has no associates. Hence reporting under AS 23 is not applicable.

15.10. Discontinuing Operation (AS-24)

The bank has not discontinued any operations. Hence reporting under AS 24 is not applicable.

15.11. Intangible assets (AS-26)

Depreciation on software is calculated on straight line method at 33.33% in compliance with RBI guidelines.

15.12. Impairment of Assets (AS-28)

In the opinion of the management, there is no impairment to the assets to which AS 28 "Impairment of Assets" applies.

15.13. Contingent Liabilities and Provisions (AS-29)

The details of provisions and contingencies, contingent liabilities, the movement of provisions on NPA's and depreciation on investment which are considered material are disclosed elsewhere under the appropriate headings as per RBI guidelines.

a) Provisions:

(AMOUNT IN ₹ CRORE)

Particulars	Provisions as at the beginning of the year	Additions During the year	Amount used during the year	Unused Amounts Reversed During the year	Provisions As at the Close of the year
A. Provision for Interest sacrifice on restructured accounts(DFV)	3.26	0.00	0.00	1.75	1.51
B.Provision for Contingencies	27.87	0.59	0.00	0.00	28.46

b) Contingent Liabilities:

(AMOUNT IN ₹ CRORE)

Particulars	As on 31.03.2024	As on 31.03.2023
1. Claims not acknowledged as debt		
a) Counter suits filed by the borrowers against the Bank has initiated legal action.	16.38	8.47
b) Cases filed in Consumer/Civil Courts for deficiency in services	1.96	1.71
c) Any other claims against the bank not Acknowledged as debts	392.86	278.55
2. Forward exchange contracts	4773.55	4535.33
3.Guarantees issued on behalf of constituents	1031.60	1070.93
4. Acceptance, endorsements & other obligations	311.53	623.78
5. Other items for which the Bank is contingently liable	135.43	120.29
Total	**6663.31**	**6639.06**

15.14. Additional disclosure of material items as per RBI notification reference RBI/ 2022-23/15 DOR. ACC.REC.No.91/21.04.018/2022-23 dated December 13, 2022

a) Miscellaneous Income exceeding 1% of total income

(AMOUNT IN ₹ CRORE)

Particulars	2023-24	2022-23
Proposal processing charges	58.14	61.84
PSLC fee received	75.21	74.54
Recovery in Technical Write Off a/cs	87.84	164.09

b) Other expenditure exceeding 1% of total expense Nil (PY Nil)

c) Other Liabilities and Provision-Others exceeding 1% of total assets Nil (PY Nil)

d) Other Assets-Others exceeding 1% of total assets Nil (PY Nil)

e) Commission, Exchange and Brokerage exceeding 1% of the total income

Particulars	2023-24	2022-23
COMMISSION- NPCI SETTLEMENT (₹ in crore)	72.71	0.00

5.15. Issue of fresh shares : NIL

15.16. Dividend :

Final Dividend (paid during the year 2023-24)

The Board, in its meeting held on 24.04.2023, had approved/declared Final dividend for the financial year 2022-23, at the rate of ₹5/- (Rupees five only) per share, i.e. 50% on the fully paid up equity shares of ₹10/- each. The same was approved by shareholders in the Annual General Meeting held on 05.09.2023. The record date for the same was fixed as Monday, August 28, 2023. The payout (₹79,17,57,270/- ₹5/- x 15,83,51,454 shares) process was completed by 16.09.2023.

Proposed dividend recommendation if any :

A final dividend for the financial year 2023-24, has been proposed at the rate of ₹10/- (rupees ten only) per share, i.e 100% on the fully paid up equity shares of ₹10/- each subject to the approval of the shareholders in the upcoming Annual General Meeting.

15.17. Corporate Social Responsibility :

The bank was required to spend **₹22.10 crore (Previous year ₹16.72 crore)** during the financial year 2023-24 towards Corporate Social Responsibility (CSR) in accordance with companies Act, 2013. The bank has spent an amount of **₹22.10 crore (Previous year ₹16.82 crore)** in respect of CSR activities across the country. None of the CSR expenditure incurred by the Bank is to entities controlled by related parties identified by the bank as per Accounting Standard 18, Related Party Disclosures. The amount spent as above is for the purpose other than for construction/acquisition of any asset in 2023-24/2022-23.

16. Fixed assets (Land and Building) include property held in Chennai, land **(UDS $753.117 sqft ₹10.76 lakh)** and building **(₹11.10 lakh)** purchased during January 1993. While the UDS of land was registered in Bank's name, the building was to be handed over to the Bank after construction, by the corporate debtor, who are in corporate insolvency resolution process, which they failed to do so and the bank had preferred a suit in Madras High Court against them for specific performance and damages which is pending.

17. In respect of certain branches/ offices where additional information was required, the data available at Controlling/ Head office was considered.

18. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

19. Figures have been rounded off to the nearest thousand rupees in the Financial Statements.

Sd/
S.Krishnan
Managing Director & CEO
DIN: 07261965

Sd / **A.Niranjan Sankar** **Director** DIN: 00084014	**Sd /** **D.N.Nirranjan Kani** **Director** DIN: 00455352	**Sd /** **S.R.Ashok** **Director** DIN: 07933713	**Sd/** **B.Prabaharan** **Director** DIN: 00209875	**Sd/** **C.Chiranjeeviraj** **Director** DIN: 08730382	**Sd/** **S.Ezhil Jothi** **Director** DIN: 07772888
Sd/ **S.Sridharan** **Director** DIN: 07205781	**Sd/** **C.S.Ram Kumar** **Director** DIN: 09777115	**Sd/** **Thomas Mathew** **Director** DIN: 10642487	**Sd/** **V.Jayaraman** **General Manager**	**Sd/** **D. Inbamani** **General Manager**	**Sd/** **P.Suriaraj** **General Manager**
Sd/ **D.Ramesh** **General Manager**	**Sd/** **J.Sundaresh Kumar** **General Manager**	**Sd/** **K.Vijayan** **General Manager**	**Sd/** **P.R.Ashok Kumar** **General Manager**	**Sd/** **S.Narayanan** **General Manager**	**Sd/** **P.A.Krishnan** **Chief Financial Officer**

Thoothukudi
22.04.2024

Vide our report of even date attached
For Suri & Co
Chartered Accountants
FRN No. 004283S
Sd/-
P.Prasanna
Partner (M.No.228180)

Vide our report of even date attached
For Abarna & Ananthan
Chartered Accountants
FRN No. 000003S
Sd/-
Mohan Rao G
Partner (M.No.203737)

TAMILNAD MERCANTILE BANK LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2024

(₹ In thousands)

	Year ended 31.03.2024	Year ended 31.03.2023
Cash Flow from Operating Activities		
Net Profit after Taxes	1072 03 25	1029 25 90
Adjustments for :		
(Profit)/Loss on sale of assets	(20 35)	(13 05)
Depreciation on Fixed assets	75 17 20	53 91 54
Provisions & Contingencies (incl. Deferred tax adjustments)	330 57 11	543 58 28
Total - I	**1477 57 21**	**1626 62 67**
Adjustments for working capital changes :		
Increase / (Decrease) in Liabilities		
Deposits	1748 58 73	2833 37 15
Other liabilities & Provisions	(191 07 20)	(457 71 57)
(Increase) / Decrease in Assets		
Advances	(2444 06 08)	(3798 14 65)
Investments	(1106 56 06)	(913 66 83)
Other assets	219 99 51	(198 26 82)
Total - II	**(1773 11 10)**	**(2534 42 72)**
Direct tax paid - III	**315 00 00**	**362 00 00**
Net Cash Flow from / (Used in) Operating Activities [I + II]	**(610 53 89)**	**(1269 80 05)**
Cash Flow from Investing Activities		
Sale/disposal of fixed assets	43 11	98 21
Purchase of fixed assets	(100 73 11)	(89 57 99)
Net Cash Flow from / (Used in) Investing Activities	**(100 30 00)**	**(88 59 78)**
Cash Flow from Financing Activities		
Interim / Final Dividend	(79 17 57)	(221 68 72)
Borrowings	776 15 11	525 00 00
Issue of Shares incl.premium	-	785 06 74

TAMILNAD MERCANTILE BANK LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2024

(₹ In thousands)

	Year ended 31.03.2024	Year ended 31.03.2023
Net Cash Flow from / (Used in) Financing Activities	**696 97 54**	**1088 38 02**
Net Increase / (Decrease) in Cash and Cash Equivalents	**(13 86 35)**	**(270 01 81)**
Cash & Cash equivalents at the beginning of the year	**3581 98 54**	**3852 00 35**
Cash & Cash equivalents at the end of the year	**3568 12 19**	**3581 98 54**

S.Krishnan
Managing Director & CEO
DIN: 07261965

sd/- A.Niranjan Sankar Director DIN: 00084014	sd/- D.N.Nirranjan Kani Director DIN: 00455352	sd/- S.R.Ashok Director DIN: 07933713	sd/- B.Prabaharan Director DIN: 00209875
sd/- C.Chiranjeeviraj Director DIN: 08730382	sd/- S.Ezhil Jothi Director DIN: 07772888	sd/- S.Sridharan Director DIN: 07205781	sd/- C.S.Ram Kumar Director DIN: 09777115
sd/- Thomas Mathew Director	sd/- D. Inbamani General Manager	sd/- P.Suriaraj General Manager	sd/- D.Ramesh General Manager
sd/- J.Sundaresh Kumar General Manager	sd/- K.Vijayan General Manager	sd/- P.R.Ashok Kumar General Manager	sd/- S.Narayanan General Manager
sd/- V.Jayaraman General Manager	sd/- P.A.Krishnan Chief Financial Officer		

Vide our report of even date attached
For Suri & Co
Chartered Accountants
FRN No. 004283S

sd/-
P.Prasanna
Partner (M.No.228180)

Vide our report of even date attached
For Abarna & Ananthan
Chartered Accountants
FRN No. 000003S

sd/-
Mohan Rao G
Partner (M.No.203737)

Thoothukudi
22.04.2024

BASEL III – PILLAR 3 DISCLOSURES AS ON MARCH 31ST, 2024

1. SCOPE OF APPLICATION AND CAPITAL ADEQUACY

TABLE DF-1- SCOPE OF APPLICATION

Name of the head of the banking group to which the framework applies:- **Tamilnad Mercantile Bank Ltd.,**

Qualitative Disclosures	Applicability to our Bank
a. List of Group entities considered for consolidation	The Bank does not belong to any group and does not have any associate, subsidiaries, joint venture, etc
b. List of Group entities not considered for consolidation both under the accounting and regulatory scope of consolidation.	Not Applicable
Quantitative Disclosures	
c. List of group entities considered for consolidation	The Bank does not belong to any group and does not have any associate, subsidiaries, joint venture, etc.
d. The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted and the name(s) of such subsidiaries.	Not Applicable
e. The aggregate amounts (e.g. Current book value) of the bank's total interests in insurance entities, which are risk-weighted	Not Applicable
f. Any restriction or impediments on transfer of funds or regulatory capital within the banking group.	Not Applicable

TABLE DF-2-CAPITAL ADEQUACY

QUALITATIVE DISCLOSURES

A. A SUMMARY DISCUSSION OF THE BANK'S APPROACH TO ASSESSING THE ADEQUACY OF ITS CAPITAL TO SUPPORT CURRENT AND FUTURE ACTIVITIES.

The Bank is following standardized approach, Standardized Duration approach and Basic Indicator approach for measurement of capital charge in respect of credit risk, market risk and operational risk respectively.

The computation of Capital for credit risk under Standardized Approach is done granularly borrower & account wise based on the data captured through Core Banking Solution. Bank is also taking efforts on an ongoing basis for the accuracy of the data. The various aspects of NCAF norms are imparted to field level staff regularly through circulars and letters for continuous purification of data and to ensure accurate computation of Risk Weight and Capital Charge. The Bank has used the credit risk mitigation in computation of capital for credit risk, as prescribed in the RBI guidelines under Standardized Approach.

The capital for credit risk on Loans and Advances, market risk and operational risk as per the prescribed approaches are being computed at the bank's Head Office and aggregated to arrive at the position of bank's CRAR. The bank has followed the RBI guidelines in force, to arrive at the eligible capital funds, for computing CRAR.

Besides computing CRAR under the Pillar I requirement, the Bank also periodically undertakes stress testing in various risk areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, profitability and capital adequacy.

The bank conducts Internal Capital Adequacy Assessment Process (ICAAP) on an annual basis to assess the sufficiency of its capital funds to cover the risks specified under Pillar- II of Basel guidelines. The adequacy of Bank's capital funds to meet the

future business growth is also assessed in the ICAAP document, which is approved by the Board. While the surplus CRAR available at present acts as a buffer to support the future activities, the headroom available for the bank for mobilizing Tier 1 and Tier 2 capital (subject to approval by the competent authorities) is also assessed to meet the required CRAR against future activities.

The Bank is having high quality Common Equity Tier 1 capital, as the entire components of CET1 capital comprises of Paid up Capital, Reserves & Surplus and retained earnings.

MINIMUM CAPITAL REQUIREMENTS UNDER BASEL-III:

Under the Basel III Capital Regulations, Banks are required to maintain a minimum Pillar 1 Capital (Tier-I + Tier-II) to Risk-weighted Assets Ratio (CRAR) of 9% on an on-going basis. Besides this minimum capital requirement, Basel III also provides for creation of capital conservation buffer (CCB). The CCB requirements were implemented from 31st March 2016 in phases and final tranche 0.625% was fully implemented from October 1, 2021 to the extent of 2.50% (total CCB) of Risk Weighted Assets.

The total regulatory capital funds under Basel-III norms consist of the sum of the following categories and banks are required to maintain 11.50% of Risk Weighted Assets (9% + 2.50%) from October 2021.

- **Tier 1 Capital comprises of:-**
  - Common Equity Tier 1 capital (with a minimum of 5.50%)
  - Additional Tier 1 capital (1.50%)
  - Total Tier 1 capital of minimum 7%

- **Tier 2 Capital (2%)**
  - Total Tier 1 + Tier 2 should be more than 9%

- **Capital Conservation Buffer (CCB) (with a minimum of 2.50%)**
  - Total capital including CCB should be 11.50%

In line with the RBI guidelines for implementing the New Capital Adequacy Frame Work under Basel III, the bank has successfully migrated to Basel III since April 01, 2013.

COMPONENT OF CAPITAL:

(₹ in millions)

Particulars	Amount
Common Equity Tier 1 (CET1) Capital	77286.39
Tier 1 Capital	77286.39
Tier 2 Capital	3874.67
Total Capital	81161.06

QUANTITATIVE DISCLOSURE

(₹ in millions)

	Particulars		Amount
a)	**Capital requirement for Credit Risk: (@9% on risk Weighted Assets)**		
	• Portfolios subject to Standardised Approach		19243.24
	• Securitisation exposures		Nil
b)	**Capital requirements for Market Risk @ 9 % :**		
	• Standardised Duration Approach		1699.95
	• Interest Rate Risk	1597.01	
	• Equity Risk	52.31	

	Particulars		Amount
	• Foreign Exchange Risk	50.63	
c)	**Capital requirements for Operational Risk @ 9% :**		
	• Basic Indicator Approach		3929.11
d)	Capital required under CCB (2.50%)		6908.97
e)	Total Capital required		31781.27
f)	Total Capital funds available		81161.06
g)	Total Risk Weighted Assets		276358.75
	Common Equity Tier I CRAR		27.97%
	Tier I CRAR		27.97%
	Tier II CRAR		1.40%
h)	Total CRAR		29.37%

2. RISK EXPOSURE AND ASSESSMENT

Risk is an integral part of banking business in an ever dynamic environment, which is undergoing radical changes both on the technology front and product offerings. The main risks faced by the bank are credit risk, market risk and operational risk. The bank aims to achieve an optimum balance between risk and return to maximize shareholder value. The relevant information on the various categories of risks faced by the bank is given in the ensuing sections. This information is intended to give market participants a better idea on the risk profile and risk management practices of the bank.

The Bank has a comprehensive risk management system in order to address various risks and has set up an Integrated Risk Management Department (RMD), which is independent of operational departments. Bank has a Risk Management Committee of Board functioning at apex level for formulating, implementing and reviewing bank's risk management measures pertaining to credit, market and operational risks. Apart from the Risk Management Committee of the Board at apex level, the Bank has a strong Bank-wide risk management structure comprising of Credit Risk Management Committee of Executives (CRMCE) and Asset Liability Management Committee (ALCO) at senior management level.

The Bank has formulated the required policies such as Loan Policy, Credit Risk Management Policy, Credit Risk Mitigation Techniques & Collateral Management Policy, ALM Policy, Operational Risk Management Policy, Investment Policy, Foreign Exchange Risk Management Policy, Policy guidelines for Hedging Foreign Currency Exposure, Market Risk Management Policy, Concurrent Audit Policy, Inspection Policy, IS Audit Policy, KYC policy, Credit Audit Policy, Stock Audit Policy, Outsourcing Policy, IT Business Continuity and Disaster Recovery Plan (IT BC-DRP), Risk Based Internal Audit Policy, Stress Testing Policy, Disclosure Policy, ICAAP Policy, Model Risk Policy etc., for mitigating the risks in various areas and monitoring the same. The bank continues to focus on refining and improving its risk measurement and management systems.

TABLE DF-3- CREDIT RISK: GENERAL DISCLOSURES

QUALITATIVE DISCLOSURES:

A. CREDIT RISK

Credit risk is the possibility of losses associated with diminution in the credit quality of borrowers or counter-parties. In a Bank's portfolio, Credit Risk arises mostly from lending activities of the Bank, as a borrower is unable to meet his financial obligations to the lender. It emanates from potential changes in the credit quality / worthiness of the borrowers or counter-parties.

CREDIT RATING & APPRAISAL PROCESS

The Bank has well-structured internal credit rating framework and well-established standardized credit appraisal / approval processes. Credit Rating is a decision-enabling tool that helps the bank to take a view on acceptability or otherwise of any credit proposal. In order to widen the scope and coverage further and to strengthen the credit risk management practices, the bank has developed risk sensitive in-house rating models.

The parameters in internal rating take into consideration, the quantitative and qualitative issues relating to management risk, business risk, industry risk, financial risk, credit discipline and also risk mitigation, based on the collaterals available.

Credit rating, as a concept, has been well internalized within the Bank. The rating of eligible borrower is reviewed at least once in a year. The Bank uses the credit ratings for deciding the interest rates on borrowal accounts. The advantage of credit rating is that it enables to rank different proposals and to do meaningful comparison.

With the view to migrate to advanced approaches in credit risk, the Bank has implemented the system driven rating using web based rating model solutions (RAM CRRM & CRESS) acquired from M/s.Crisil Risk & Infrastructure solutions Ltd.

The bank follows a well-defined multi layered discretionary power structure for sanction of loans. New Business Group (NBG) has been constituted at HO for considering in-principle approval for taking up fresh credit proposals above a specified cut-off.

CREDIT RISK MANAGEMENT POLICIES:

The Bank has put in place a well-structured Credit Risk Management Policy duly approved by the Bank's Board. The Policy document defines organization structure, roles & responsibilities and the processes whereby the Credit Risks carried out by the Bank can be identified, quantified & managed within the framework that the Bank considers consistent with its mandate and risk tolerance.

Credit Risk is monitored on a bank-wide basis and compliance with the risk limits approved by Board/Risk Management Committee of Board is ensured.

The Bank has taken earnest steps to put in place best credit risk management practices in the bank. In addition to Credit Risk Management Policy, the bank has also framed Board approved Loan Policy, Investment Policy, etc., which form integral part in monitoring Credit risk in the bank. Besides, the bank has framed a policy on Credit Risk Mitigation Techniques & Collateral Management which lays down the details of securities (both Primary and Collateral) normally accepted by the Bank and administration of such securities to protect the interest of the Bank. These securities act as mitigation against the credit risk to which the bank is exposed.

CLASSIFICATION OF NON-PERFORMING ASSETS

The Bank follows the prudential guidelines issued by the RBI on classification of non-performing assets as under,

- Interest and/or installment of principal remain overdue for a period of more than 90 days in respect of a term loan.
- The account remains 'out of order' if the outstanding balance remains continuously in excess of sanctioned limits / DP for more than 90 days in respect of Overdraft / Cash Credit (OD/CC).
- The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted.
- The installment of principal or interest thereon remains overdue for two crop seasons for short duration crop.
- The installment of principal or interest thereon remains overdue for one crop season for long duration crops.
- In respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.
- An account where the regular / adhoc credit limits have not been reviewed / renewed within 180 days from the due date / date of adhoc sanction will be treated as NPA.

Where the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter, the account is classified as non-performing. A non-performing asset ceases to generate income for the bank.

B. GROSS CREDIT RISK EXPOSURES AS ON 31ST MARCH 2024

(₹ in millions)

Category	Gross Credit Exposure
Fund Based 1	481784.36
Non Fund Based 2	17368.97
Total	499153.33

1. Fund based exposure includes advances, un-availed portion (including credit card un-availed) of fund based advances.

2. Non-Fund Based exposure includes outstanding Letter of Credit, Acceptances, Bank Guarantee Exposures and credit equivalent of Forward Contracts.

C. GEOGRAPHICAL DISTRIBUTION OF GROSS CREDIT EXPOSURES AS ON 31ST MARCH 2024

(₹ in millions)

Exposure Distribution	Treasury	Corporate / Wholesale banking		Retail Banking		Total credit Exposure	
		FB	NFB	FB	NFB	FB	NFB
Domestic	153495.86	124798.89	8842.79	356985.47	4721.37	481784.36	13564.16
Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	153495.86	124798.89	8842.79	356985.47	4721.37	481784.36	13564.16

D. INDUSTRY TYPE DISTRIBUTION OF CREDIT EXPOSURES AS ON 31.03.2024

(₹ in millions)

Industry Name	Exposures			
	FB	NFB	Investment	Total
A. Mining and Quarrying	1756.25	1.17	0.00	1757.42
B. Food Processing	12917.27	1217.07	6.07	14140.41
C. Beverages (excluding Tea & Coffee) and Tobacco	671.68	0.00	0.00	671.68
D. Textiles	38714.85	791.30	0.00	39506.15
E. Leather and Leather products	259.37	0.00	0.00	259.37
F. Wood and Wood Products	2878.80	401.76	0.00	3280.56

Industry Name	Exposures			
	FB	NFB	Investment	Total
G. Paper and Paper Products	4965.35	94.61	0.00	5059.96
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	667.79	7.01	36.60	711.40
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	5657.80	151.74	4.49	5814.03
J. Rubber, Plastic and their Products	4095.48	290.67	0.00	4386.15
K. Glass & Glassware	1476.43	25.68	0.00	1502.11
L. Cement and Cement Products	1196.86	28.00	0.00	1224.86
M. Basic Metal and Metal Products	4542.15	58.29	0.00	4600.44
N. All Engineering	3921.28	306.12	0.00	4227.40
O. Vehicles, Vehicle Parts and Transport Equipments	370.41	1.35	0.00	371.76
P. Gems and Jewellery	710.58	0.00	0.00	710.58
Q. Construction	921.15	0.72	0.00	921.87
R. Infrastructure	4860.21	105.92	2185.53	7151.66
S. Other Industries, pl. specify	5478.81	5655.74	0.00	11134.55
All Industries (A to S) *	96062.52	9137.15	2232.69	107432.36

*Excludes all other advances/investments

The details of the industries wherein the bank's exposure in the related industry has exceeded the 5% of total gross credit exposure as on 31.03.2024 is furnished below:

(₹ in millions)

Industry	Fund Based	Non Fund Based	% to Gross Credit Exposures
Textile	38714.85	791.30	7.91%

E. RESIDUAL CONTRACTUAL MATURITY BREAKDOWN OF ASSETS AS ON 31.03.2024

(₹ in millions)

Maturity Buckets	Cash and Balance with RBI	Balance with Banks and Money at Call and Short Notice	Investments	Advances	Fixed Assets	Other Assets	Grand Total
Next day	13793.96	401.01	54006.33	6974.86	0.00	6368.87	81545.03
2-7 days	297.18	1998.92	2433.74	5744.96	0.00	466.42	10941.22
8-14 days	255.50	1230.00	1131.48	5511.66	0.00	437.23	8565.87
15-30 days	453.60	0.00	3001.11	11006.69	0.00	1596.64	16058.04

Maturity Buckets	Cash and Balance with RBI	Balance with Banks and Money at Call and Short Notice	Investments	Advances	Fixed Assets	Other Assets	Grand Total
31 days &Upto 2 months	673.37	1230.00	4959.01	12744.40	0.00	706.12	20312.90
2 months& Upto 3 months	533.92	0.00	4302.37	15603.14	0.00	764.02	21203.45
3 to 6 months	895.04	0.00	4928.26	33793.06	0.00	965.43	40581.79w
6 months to 1 year	5807.38	0.00	27875.13	76540.08	0.00	712.25	110934.84
1 year to 3 years	7266.27	20.00	41418.26	129843.65	0.00	237.25	178785.43
3 to 5 years	273.79	0.00	2586.99	20722.15	0.00	13869.29	37452.22
Above 5 years	551.28	0.00	5983.30	78852.85	2709.80	1046.58	89143.81
Total	**30801.29**	**4879.93**	**152625.98**	**397337.50**	**2709.80**	**27170.10**	**615524.60**

F. AMOUNT OF GROSS NON-PERFORMING ADVANCES (NPAS)AS ON 31.03.2024 :

(₹ in millions)

Amount of Gross NPAs	
Amount of NPAs (Gross)	5750.57
• Substandard	3513.18
• Doubtful	1976.04
• Of which DF1	552.98
• DF2	1260.76
• DF3	162.30
• Loss	261.35
Net NPAs	3358.24
NPA Ratios	
• Gross NPAs to gross advances	1.44%
• Net NPAs to net advances	0.85%

G. MOVEMENT OF NPAS (GROSS):

(₹ in millions)

Movement of NPAs	
• Opening Balance as on 01.04.2023	5214.61
• Additions	5030.18
• Reductions	4494.22
• Closing Balance as on 31.03.2024	5750.57

G. MOVEMENT OF NPAS (GROSS):

a. Movement of provisions for NPAs :

(₹ in millions)

Particulars	
• Opening Balance as on 01.04.2023	2811.79
• Provisions made during the period	2660.82
• Write off	2077.82
• Reductions	0.00
• Write back of excess provisions / Transfers	0.00
• Any other adjustments, including transfers between provisions	1197.61
• Closing Balance as on 31.03.2024	2197.18

b. Movement of Provisions of Standard Assets:-

(₹ in millions)

Particulars	
• Opening Balance as on 01.04.2023	1836.12
• Provisions made during the period	55.52
• Write back of excess provisions	178.47
• Any other adjustments, including transfers between provisions	23.40
• Closing Balance as on 31.03.2024	1689.77

C. STOCK OF TECHNICAL / PRUDENTIAL WRITE-OFFS AND RECOVERIES MADE THEREON

(₹ in millions)

Particulars	Amount
Opening balance for recoveries of Technical / Prudential written- off accounts as on 01.04.2023	20041.07
Add: Technical / Prudential write-offs accounts during the period	2112.41
Less: Recoveries from previously technical / prudential written- off accounts taken to income account during the period.	880.06
Closing Balance as on 31.03.2024	21273.42

I. NON-PERFORMING INVESTMENTS (NPIS):

(₹ in millions)

a. Non-Performing Investments	563.18
b. Provisions held for non-performing investments	563.18

K. MOVEMENT OF PROVISIONS FOR DEPRECIATION ON INVESTMENTS:

(₹ in millions)

• Opening Balance as on 01.04.2023	1407.07
• Provisions made during the period	144.53
• Write-off	0.00
• Write-back of excess provisions	332.51
• Provision adjustment during shifting	349.22
• Closing Balance as on 31.03.2024	869.87

L. INDUSTRY WISE DISTRIBUTION OF NPAS:

Industry Name	As on March 2024			For the quarter ended March 31, 2024		
	Gross NPA	Provision for NPA	Standard Asset Provision	Write – off	Provision for NPA	Provision for NPA
A. Mining and Quarrying	69.29	51.76	6.30	0.00	51.71	-1.68
B. Food Processing	55.33	19.83	28.63	0.35	-64.70	8.20
C. Beverages (excluding Tea & Coffee) and Tobacco	1.50	0.38	4.00	0.00	-0.52	-2.72
D. Textiles	2263.93	665.71	116.99	2.28	-152.36	-0.25
E. Leather and Leather products	8.87	4.45	3.93	0.00	4.01	-1.13
F. Wood and Wood Products	49.43	37.96	9.07	0.02	19.01	-0.76
G. Paper and Paper Products	4.80	1.40	18.46	0.45	-0.59	-0.42
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	0.00	0.00	18.36	0.00	0.00	-0.46

Industry Name	As on March 2024			For the quarter ended March 31, 2024		
	Gross NPA	Provision for NPA	Standard Asset Provision	Write – off	Provision for NPA	Provision for NPA
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	12.57	3.11	13.89	1.08	-7.54	-0.67
J. Rubber, Plastic and their Products	81.83	24.97	14.71	0.63	-5.10	-0.68
K. Glass & Glassware	0.98	0.39	3.89	0.00	-1.60	-0.06
L. Cement and Cement Products	0.00	0.00	3.83	0.00	-1.15	0.13
M. Basic Metal and Metal Products	14.73	3.68	18.33	0.00	-10.37	0.21
N. All Engineering	7.12	7.12	24.43	0.38	-19.42	0.15
O. Vehicles, Vehicle Parts and Transport Equipments	5.48	1.37	0.92	0.00	0.00	0.47
P. Gems and Jewellery	0.00	0.00	2.14	0.00	-1.84	-0.05
Q. Construction	0.00	0.00	2.58	0.00	-2.08	-0.12
R. Infrastructure	119.67	32.26	60.20	0.00	2.99	-4.55
S. Other Industries, pl. specify	13.28	4.99	17.56	0.23	-1.61	17.26
All Industries (A to S)	2708.81	859.38	368.22	5.42	-191.16	12.87
All others	3041.76	1337.80	1321.55	532.29	-145.89	5.18
Total	5750.57	2197.18	1689.77	537.71	-337.05	18.05

M. GEOGRAPHIC DISTRIBUTION OF NPAS:

(₹ in millions)

Particulars	Domestic	Overseas	Total
Gross NPA	5750.57	0.00	5750.57
Provisions for NPA	2197.18	0.00	2197.18
Provision for Standard assets	2197.18	0.00	1689.77

TABLE DF – 4

CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

QUALITATIVE DISCLOSURES:

A) GENERAL PRINCIPLE:

In accordance with RBI guidelines, the Bank has adopted Standardized Approach of the New Capital Adequacy Framework (NCAF) for computation of capital for Credit Risk with effect from 31.03.2009. Bank has assigned risk weights to different assets classified as prescribed by the RBI for computation of capital.

EXTERNAL CREDIT RATINGS:

Rating of borrowers by External Credit Rating Agencies (ECRA) assume importance in the light of guideline for implementation of the New Capital Adequacy Framework (Basel-II). Exposures on Corporate / PSEs / Primary Dealers are assigned with risk weights based on the external ratings. For this purpose, the Reserve Bank of India has permitted Banks to use the rating of the six domestic ECRAs namely (a) Credit Analysis and Research Ltd., (CARE), (b) CRISIL Ratings Ltd., (c) India Ratings and Research P Ltd., (Formerly Fitch India) (d) ICRA Ltd., (e) ACUITE Ratings and Research Limited (Formerly SMERA Ratings Ltd) and (f) INFOMERICS Valuation and Rating Pvt Ltd., (INFOMERICS). Bank is also using the ratings of international credit rating agencies such as (a) Fitch (b) Moody's and (c) Standard & Poor's for assigning risk weights to claims for capital adequacy purposes where the exposure can be specified as international exposure. In consideration of the above guidelines, the bank accepts the ratings assigned by all these ECRAs.

The bank has well-structured internal credit rating mechanism to evaluate the credit risk associated with a borrower and accordingly the systems are in place for taking credit decisions with regard to acceptability of proposals, and level of exposures and pricing.

In case of bank's investment in particular issues of Corporate / PSEs, the issue specific rating of the approved ECRAs are reckoned and accordingly the risk weights applied after a corresponding mapping to rating scale is provided.

With regard to the coverage of exposures by external ratings as relevant for capital computation under Standardized Approach, the process is being popularized among the borrowers so as to take the benefit of capital relief available for better rating of customers.

- Rating assigned by one rating agency can be used for all the types of claims on the borrowing entity.
- Long term ratings are used for facilities with contractual maturity of one year & above.
- Short term ratings are generally applied for facilities with contractual maturity of less than one year.

QUANTITATIVE DISCLOSURES

For exposure amounts after risk mitigation subject to the standardized approach, amount of a bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted as per risk mitigation are given below:-

(₹ in millions)

Risk Weight	Rated Rated	Unrated	Total *
Below 100%	11864.98	344940.41	356805.39
100%	13423.14	74628.93	88052.07
More than 100%	22975.54	27348.61	50324.15
Total Exposure before mitigation	**48263.66**	**446917.95**	**495181.61**
Deducted (as per Risk Mitigation)	1481.30	143077.90	144559.20
Total outstanding after mitigation	**46782.36**	**303840.05**	**350622.41**

* This includes total gross credit exposure i.e. (FB+ NFB (including 2% of Forward Contract) + undrawn or partially undrawn fund based facility)

TABLE DF – 5

CREDIT RISK MITIGATION: DISCLOSURE FOR STANDARDISED APPROACHES

QUALITATIVE DISCLOSURES:

POLICY ON CREDIT RISK MITIGATION UNDER STANDARDIZED APPROACH:

As advised by RBI, the Bank has adopted the comprehensive approach relating to credit risk mitigation under Standardized Approach, which allows fuller offset of securities (primary and collateral) against exposures, by effectively reducing the exposure amount by the value ascribed to the securities. Thus the eligible financial collaterals are fully used to reduce the credit exposure in computation of credit risk capital. In doing so, the bank has recognized specific securities namely (a) bank's own deposits (b) Gold / Ornaments (c) Life Insurance Policies (d) Government Securities (e) NSC / KVP etc and (f) Units of Mutual Funds, in line with the RBI guidelines on the subject.

Besides, other approved forms of credit risk mitigation are "On Balance Sheet netting" and availability of "Eligible Guarantees". On balance sheet nettings has been reckoned to the extent of the deposits available against the loans /advances of the borrower (to the extent of exposure) as per the RBI guidelines. Further, in computation of credit risk capital, the types of guarantees recognized for taking mitigation, in line with RBI guidelines are (a) Central Government Guarantee (0%) (b) State Government (20%) (c) CGTMSE (0%) (d) ECGC (20%) (e) Bank Guarantee in the form of bills purchased / discounted under Letter of credit (20%) and (f) Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) (0%). The Bank has ensured compliance of legal certainty as prescribed by the RBI in the matter of credit risk mitigation.

CONCENTRATION RISK IN CREDIT RISK MITIGATION:

All types of securities eligible for mitigation are easily realizable financial securities. As such, presently no limit/ceiling has been prescribed to address the concentration risk in credit risk mitigants recognized by the Bank.

QUANTITATIVE DISCLOSURES

(₹ in millions)

a. For each separately disclosed credit risk portfolio, the total exposure (after, where applicable, on or off balance sheet netting) that is covered by eligible financial collateral (FCs) after the application of haircuts is given below:		
Portfolio category	Financial collateral	Quantum of exposure covered
1. Funded – Credit	Bank's own deposits	**12420.79**
2. Funded – Credit	Gold jewels	**126372.89**
3. Funded – Credit	Life Insurance policies	**309.52**
4. Funded – Credit	NSC/KVP	**18.97**
5. Non Funded	Bank's own deposits	**3225.86**
b. For each separately disclosed portfolio, the total exposure (after, on balance sheet netting) that is covered by Guarantees:		
1. Funded – Credit	ECGC	**2000.00**
2. Funded – Credit	CGTMSE	**554.37**

TABLE DF – 6

SECURITIZATION: DISCLOSURE FOR STANDARDIZED APPROACH

QUALITATIVE DISCLOSURES:

The bank has not undertaken any securitization activity.

QUANTITATIVE DISCLOSURES: NIL

TABLE DF – 7

MARKET RISK IN TRADING BOOK

QUALITATIVE DISCLOSURES:

A) MARKET RISK:

Market Risk is defined as the possibility of loss to a bank in on-balance sheet and off-balance sheet positions caused by the changes / movements in the market variables such as interest rates, foreign currency exchange rates, equity prices and commodity prices. Bank's exposure to market risk arises from domestic investments (interest related instruments and equities) in trading book (both AFS and HFT categories), the Foreign exchange positions (including open position in precious metals) and trading related derivatives. The objective of the market risk management is to minimize the impact of losses on earnings and equity capital arising from market risk.

POLICIES FOR MANAGEMENT OF MARKET RISK:

The bank has put in place Board approved Asset Liability Management (ALM) policy, Investment Policy and Market Risk Management Policy for effective management of market risk in the bank. The policy sets various risk limits for effective management of market risk and ensuring that the operations are in line with Bank's expectation of return to market risk through proper Asset Liability Management. The policy also deals with the reporting framework for effective monitoring of market risk.

The ALM policy specifically deals with liquidity risk management and interest rate risk management framework. As envisaged in the policy, Liquidity risk is managed through the mismatch analysis, based on residual maturity / behavioral pattern of assets and liabilities, on a daily basis based on best available data coverage, as prescribed by the RBI. The bank has put in place mechanism of short-term dynamic liquidity management and contingent funding plan. Prudential (tolerance) limits are prescribed for different residual maturity time buckets for efficient asset liability management. Liquidity profile of the bank is evaluated through various liquidity ratios. The bank has also drawn various contingent measures to deal with any kind of stress on liquidity position. Bank ensures adequate liquidity managed on a real time basis by Domestic Treasury through systematic and stable funds planning.

Interest Rate Risk is managed through use of GAP analysis of rate sensitive assets and liabilities and monitored through prudential (tolerance) limits prescribed. The bank has also put in place Duration Gap Analysis framework for management of interest rate risk. The bank estimates Earnings at Risk (EaR) and Modified Duration Gap (DGAP) periodically against adverse movement in interest rate (as prescribed in the Policy) for assessing the impact on Net Interest Income (NII) and Economic Value of Equity (EVE) with a view to optimize shareholder value.

The Asset-Liability Management Committee (ALCO) / Risk Management Committee of Board (RMCB) monitors adherence of prudential limits fixed by the bank and determines the strategy in the light of the market condition (current and expected) as articulated in the ALM policy.

QUANTITATIVE DISCLOSURES:

b) In line with the RBI's guidelines, the bank has computed capital for market risk as per Standardized Duration Approach (SDA) framework for maintaining capital.
The Capital requirements for market risk in trading Book as on 31.03.2024.

(₹ in millions)

Particulars	
• Interest Rate Risk	1597.01
• Equity Position Risk	52.31
• Foreign Exchange Risk	50.63
Total	1699.95

TABLE DF – 8

OPERATIONAL RISK

QUALITATIVE DISCLOSURES:

A) OPERATIONAL RISK:

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputation risks.

POLICIES ON MANAGEMENT OF OPERATIONAL RISK:

The Bank has framed Operational Risk Management Policy duly approved by the Bank's Board. Other policies adopted by the Board which deal with management of Operational risk are (a) Information Systems Security Policy (b) Foreign Exchange Risk Management Policy (c) Policy document on Know Your Customers (KYC) and Anti Money Laundering (AML) Procedures (d) Fraud Risk Management Policy (e) IT Business Continuity and Disaster Recovery Plan (IT BC-DRP).

The Operational Risk Management Policy adopted by the Bank outlines organization structure and detail processes for management of operational risk. The basic objective of the policy is to closely integrate operational risk management system into the day-to-day risk management processes of the bank by clearly assigning roles for effectively identifying, assessing, monitoring and controlling / mitigating operational risk and by timely reporting of operational risk exposures, including material operational losses. Operational risks in the Bank are managed through comprehensive and well-articulated internal control frameworks

QUANTITATIVE DISCLOSURES:

b) In line with the final guidelines issued by RBI, the Bank has adopted the Basic Indicator Approach for computing capital for Operational Risk. As per the guidelines, the capital charge for Operational Risk is equal to the 15 % of the previous three years (2020-21, 2021-22 & 2022-23) average positive annual Gross income as defined by RBI. As per such estimate, the capital requirement for operational risk as on 31.03.2024 is ₹ 3929.11 mn.

TABLE DF – 9

INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

QUALITATIVE DISCLOSURES:

A) INTEREST RATE RISK IN THE BANKING BOOK:

Interest Rate Risk is the risk where changes in the market interest rates might affect a bank's financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as also the net worth of the Bank (economic value perspective). The risk from earnings perspective can be measured as impact in the Net Interest Income (NII) or Net Interest Margin (NIM). Similarly, the risk from economic value perspective can be measured as drop in the Economic value of Equity (EVE).

The Bank identifies the risks associated with the changing interest rates on its on-balance sheet and off-balance sheet exposures in the banking book from a short term (Earning perspective) and long term (Economic value perspective).

The impact on income (Earning perspective) is measured by using Earnings at Risk (EaR) with the assumption that the re-pricing dates of assets and liabilities are evenly spread across the respective time buckets and the change in interest rate is uniform across the maturity spectrum. The prudential limit on EaR will be 10% of the previous year Net Interest Income (NII). For the calculation of impact on earnings, the Traditional Gap is taken from the Rate Sensitivity Statement and based on the remaining period from the mid point of a particular bucket the impact for change in interest rates upto 100 bps is arrived at. The same is reported to ALCO/Risk Management Committee of Board (RMCB) periodically along with the Rate Sensitivity statement on monthly basis.

The Bank has adopted Traditional Gap Analysis combined with Duration Gap Analysis for assessing the impact (as a percentage) on the Economic value of Equity (Economic Value Perspective) by applying a notional interest rate shock of 200 bps. As per the Guidelines on Banks" Asset Liability Management Framework-Interest Rate Risk issued by the RBI (DBOD.No.BP.BC.59/21.04.098/2010-11 dated 04.11.2010), the Bank calculates Modified Duration Gap (DGAP) & the impact on the Economic Value of equity (EVE). Assets and Liabilities are grouped as per Interest Rate Sensitivity Statement & bucket wise Modified Duration is computed for these groups of Assets and Liabilities using account level coupon and yield as per yield curves suggested by RBI, actual Re-price date of the individual account is considered for bucketing, Weighted average Modified duration is calculated at account level by using "Market value", the yield is taken as per the internal rating and external rating mapping at account level, Modified duration is calculated individually for each forward and swap contracts. For investment portfolio, the Modified Duration of individual items are computed and taken. The DGAP is calculated by the Bank once in a month and is reported to ALCO/ Risk Management Committee of Board (RMCB).

The Asset-Liability Management Committee (ALCO) / Risk Management Committee of Board (RMCB) monitors adherence of prudential limits fixed by the bank and determines the strategy in the light of market conditions (current and expected).

QUANTITATIVE DISCLOSURES:

The increase or decrease in earnings and economic value for upward and downward rate shocks based on the assets and liabilities outstanding as on 31.03.2024 are as follows.

1. The impact of change in Interest Rate i.e Earnings at Risk for increasing 100 Basis points interest rate shock is ₹ 870.20 mn (4.16 % of previous year Net Interest Income).

2. Change in Market Value of Equity for 200 basis points interest rate shock is ₹ 6511.23 mn (8.22% of Net worth)

TABLE DF – 10

GENERAL DISCLOSURES FOR EXPOSURES RELATED TO COUNTERPARTY CREDIT RISK

Counterparty Credit Risk (CCR) is the risk that a counter party to a transaction could default before the final settlement of the transaction cash flows. Unlike a firm's exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss to either party.

Counterparty credit risk in case of derivative contracts arises from the forward contracts. The subsequent credit risk exposures depend on the value of underlying market factors (e.g., interest rates and foreign exchange rates), which can be volatile and uncertain in nature. The Bank does not enter into derivative transactions other than forward contracts.

Credit exposures on forward contracts

The Bank enters into the forward contracts in the normal course of business for proprietary trading and arbitrage purposes, as well as for our own risk management needs, including mitigation of interest rate and foreign currency risk. Derivative exposures are calculated according to the current exposures method.

Counterparty Credit exposure as on March 31, 2024

(₹ in millions)

Nature	Notional Amount	Current Credit Exposure (positive mark to market value)	Potential Future Credit wExposure	Total Credit Exposure under Current Exposure Method (CEM)
Forward contracts	47735.51	83.64	979.16	1062.80

COMPOSITION OF CAPITAL DISCLOSURE TEMPLATES

TABLE DF – 11

(₹ in millions)

Basel III common disclosure template			
Common Equity Tier 1 capital: instruments and reserves			**Ref No.**
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	9275.79	
2	Retained earnings		
3	Accumulated other comprehensive income (and other reserves)	68480.87	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		
6	Common Equity Tier 1 capital before regulatory adjustments	77756.66	
Common Equity Tier 1 capital : regulatory adjustments			
7	Prudential valuation adjustments		
8	Goodwill (net of related tax liability)		
9	Intangibles (net of related tax liability)	470.27	
10	Deferred tax assets		
11	Cash-flow hedge reserve		
12	Shortfall of provisions to expected losses		
13	Securitization gain on sale		
14	Gains and losses due to changes in own credit risk on fair valued liabilities		
15	Defined-benefit pension fund net assets		
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)		
17	Reciprocal cross-holdings in common equity		

Basel III common disclosure template			
Common Equity Tier 1 capital : regulatory adjustments			**Ref No.**
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)		
20	Mortgage servicing rights (amount above 10% threshold)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		
22	Amount exceeding the 15% threshold		
23	of which : significant investments in the common stock of financial entities		
24	of which : mortgage servicing rights		
25	of which : deferred tax assets arising from temporary differences		
26	National specific regulatory adjustments (26a+26b+26c+26d)		
26 a	of which : Investments in the equity capital of unconsolidated insurance subsidiaries		
26 b	of which : Investments in the equity capital of unconsolidated non-financial subsidiaries		
26 c	of which : Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		
28	**Total regulatory adjustments to Common equity Tier 1**	470.27	
29	**Common Equity Tier 1 capital (CET1)**	77286.39	
Additional Tier 1 capital : instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)		
31	of which : classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)		
32	of which : classified as liabilities under applicable accounting standards (Perpetual debt Instruments)		
33	Directly issued capital instruments subject to phase out from Additional Tier 1		

	Basel III common disclosure template		
	Additional Tier 1 capital : instruments		**Ref No.**
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)		
35	of which : instruments issued by subsidiaries subject to phase out		
36	**Additional Tier 1 capital before regulatory adjustments**		
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments		
38	Reciprocal cross-holdings in Additional Tier 1 instruments		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
41	National specific regulatory adjustments (41a+41b)		
41a	Of which : Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries		
41b	Of which:- Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank.		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		
43	**Total regulatory adjustments to Additional Tier 1 capital**		
44	**Additional Tier 1 capital (AT1)**		
45	**Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44)**	77286.39	
	Tier 2 capital : instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus		
47	Directly issued capital instruments subject to phase out from Tier 2		
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		
49	of which : instruments issued by subsidiaries subject to phase out		

Basel III common disclosure template			
Tier 2 capital : instruments and provisions			**Ref No.**
50	Provisions include the following a) Investment Reserve ₹ 253.35 mn b) Provision for Standard Asset ₹ 1159.94 mn c) Provision for COVID Relief Advances ₹ 2500.00 mn d) Prov. For Restructured Std Asset ₹ 529.83 mn (Total a+b+c+d = subject to maximum of 1.25% total credit risk weighted assets ₹ 2672.67 mn) e) Investment fluctuation reserve ₹ 1202.00 mn	3874.67	
51	**Tier 2 capital before regulatory adjustments (46+ 47 + 48 + 50)**	3874.67	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments		
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)		
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
56	National specific regulatory adjustments (56a+56b)		
56 a	of which : Investments in the Tier 2 capital of unconsolidated insurance subsidiaries		
56 b	of which : Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank		
57	**Total regulatory adjustments to Tier 2 capital**		
58	**Tier 2 capital (T2)**	3874.67	
59	**Total capital (TC = T1 + T2) (45 + 58)**	81161.06	
60	**Total risk weighted assets (60a + 60b + 60c)**	276358.75	
60 a	of which : total credit risk weighted assets	213813.80	
60 b	of which : total market risk weighted assets	18888.19	
60 c	of which : total operational risk weighted assets	43656.76	

Basel III common disclosure template			
Capital ratios and buffers			**Ref No.**
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	27.97%	
62	Tier 1 (as a percentage of risk weighted assets)	27.97%	
63	Total capital (as a percentage of risk weighted assets)	29.37%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	8.00%	
65	of which : capital conservation buffer requirement	2.50%	
66	of which : bank specific countercyclical buffer requirement		
67	of which : higher of G-SIB and D-SIB buffer requirement		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	27.97%	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	
71	National total capital minimum ratio (if different from Basel III minimum)	11.50%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities		
73	Significant investments in the common stock of financial entities		
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)		
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)		
77	Cap on inclusion of provisions in Tier 2 under standardized approach		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach		

Capital instruments subject to phase-out arrangements (only applicable between March31, 2017and March31, 2022)			
80	Current cap on CET 1instruments subject to phase out arrangements		
81	AmountexcludedfromCET1duetocap(excess overcap after redemptionsandmaturities)		
82	Current cap on AT 1instruments subject to phase out arrangements		
83	Amount excluded from AT 1 due to cap (excess over cap after redemptions and maturities)		
84	Current capon T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

Notes to the template		
Row No. of the template	**Particulars**	**₹in millions**
10	Deferred taxas sets as sociated with accumulated losses	
	Deferred taxas sets (excluding those associated with accumulated losses) net of Deferred taxliability	
	Total as indicated in row 10	
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, there sultant increase in the capital of bank	
	of which: Increase in Common Equity Tier 1 capital	
	of which: Increase in Additional Tier 1 capital of which:Increasein Tier 2 capital	
26b	If investments in thee quity capital of unconsolidated non-financials ubsidiaries are not deducted and hence, risk weighted then:	
	(i) Increasein CommonEquity Tier1 capital	
	(ii) Increasein riskweightedassets	
50	Eligible Provisions included in Tier2 capital	3874.67
	Eligible Revaluation Reserves included in Tier2 capital	
	Totalof row 50	3874.67

Table DF-12 :

Composition of Capital – Reconciliation Requirements

Step 1:

(₹ in millions)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on reporting date	As on reporting date
A	**Capital & Liabilities**		
i.	Paid-up Capital	1583.51	N.A
	Reserves & Surplus	77628.51	N.A
	Minority Interest	0.00	
	Total Capital	**79212.02**	N.A
ii.	Deposits	495150.73	
	of which : Deposits from banks	4.09	
	of which : Customer deposits	495146.64	
	of which : Other deposits (pl. specify)		
iii.	Borrowings	**13011.51**	
	of which : From RBI	8016.15	
	of which : From banks	0.00	
	of which : From other institutions & agencies	4995.36	
	of which : Others (pl. specify) Outside India	0.00	
	of which : Capital instruments	0.00	
iv.	Other liabilities & provisions	**28150.34**	
	Total	**615524.60**	N.A
B	**Assets**		
i.	Cash and balances with Reserve Bank of India	**22301.29**	
	Balance with banks and money at call and short notice	13379.93	

			(₹ in millions)
		Balance sheet as in financial statements	**Balance sheet under regulatory scope of consolidation**
		As on reporting date	**As on reporting date**
ii.	Investments :	**152625.98**	
	of which : Government securities	130028.02	
	of which : Other approved securities	0.00	
	of which : Shares	55.64	
	of which : Debentures & Bonds	16062.75	
	of which : Subsidiaries / Joint Ventures / Associates	0.00	
	of which : Others (Certificate of Deposits, Commercial Papers, Mutual Funds etc.)	6479.57	
iii	Loans and advances	**397337.50**	
	of which : Loans and advances to banks	0.00	
	of which : Loans and advances to customers	397337.50	
iv.	Fixed assets	**2709.80**	
v.	Other assets	**27170.10**	
	of which : Goodwill and intangible assets	0	
	of which : Deferred tax assets	336.12	
vi.	Goodwill on consolidation		
vii.	Debit balance in Profit & Loss account	0	
	Total Assets	**615524.60**	N.A

Step 2:

1) As the Bank is not having any subsidiary, nodisclosure relating any legal entity for regulatory consolidation is made.

2) The entire paid up capital of the Bank amounting to ₹ 1583.51 mn is included in CETI. (referI tem I of DF-11)

3) The break up for Reserves & Surplus ₹ 77628.51 mn as shown in the Bank's financial statements is given here under for the purpose of reconciliation for calculation of Regulatory Capital in DF-11.

		(₹ in millions)
As per Balance Sheet	**Amount**	**AsshowninDF-11 Capital**
a) Statutory Reserves	24217.79	Included in Regulatory CETI capital DF - 11 (item-3)
b) Capital Reserves	989.23	Included in Regulatory CETI capital DF -11 (item-3)
c) Revenue and Other Reserves	44915.69	Included in Regulatory CETI capital DF-11(item-3)
d) Investment reserve	253.35	Included in Regulatory Tier II capital DF-11(item-50)
e) Investment Fluctuation Reserve	1202.00	Included in Regulatory Tier II capital DF-11 (item-50)
f) Special Reserve u/s 36(1) (Viii) of IT Act 1961	3859.00	Included in Regulatory CET I capital DF 11 (item-3)
g) Balance in P&L	2191.45	Included in CET I capital DF-11 (item-3)
	77628.51	

4) a) Other Liabilities:-

i) Provision for Standard assets including restructured standard assets ₹ 1689.77 mn (Item-50 - DF-11)

ii) Provision for COVID Relief Advances ₹2500.00mn (Item – 50 – DF – 11)

How ever they are shown under Tier II capital for computation of Regulatory Capital (DF-11) as noted in brackets as per extant RBI guidelines.

Step 3 :

Extract of BaselIII common disclosure template (with added column) -TableDF-11 (PartI/PartII whichever, applicable)			
	Common Equity Tier 1 capital: instrument sand reserves	**Component of regulatory capital reported by bank**	**Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2**
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	9275.79	
2	Retained earnings		
3	Accumulated other comprehensive income (andother reserves)	68480.87	
4	*Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)*		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET 1)		
6	Common Equity Tier 1 capital before regulatory adjustments	77756.66	
7	Prudential valuation adjustments	0.00	
8	Good will (net of related tax liability)	470.27	

Table DF-13 :

Main Features of Regulatory Capital Instruments

S. No.	Description	Equity Shares
1	Issuer	**Tamilnad Mercantile Bank Ltd**
2	Unique identifier (e.g. CUSIP, ISIN or Bloomber gidentifier for private placement)	ISIN:INE668A01016
3	Governing law(s)of the instrument	Indian Laws
	Regulatory treatment	
4	Transitional Basel III rules	Common equity Tier 1
5	Post-transitional Basel III rules	Common equity Tier 1
6	Eligible at solo/ group/group&solo	Solo
7	Instrument type	Common Shares
8	Amount recognized in regulatory capital (Rs.in million, as of mostre centre portingdate)	₹1583.51 million
9	Par value of instrument	₹ 10 per share
10	Accounting classification	Shareholder's Equity
11	Original date of issuance	Various
12	Perpetualor dated	Perpetual
13	Original maturity date	No Maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	Coupons/dividends	
17	Fixed or floating dividend/coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary
21	Existence of step up or other incentive to redeem	No
22	Non cumulative or cumulative	Non-Cumulative
23	Convertible or non-convertible	NA

S. No.	Description	EquityShares
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	No
31	If write-down, write-downtrigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrumentty peimmediately senior to instrument)	Subordinated to all other claims
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

Table DF-14 :

Full Terms and Conditions of Regulator Capital Instruments

The details of the Tier II capital [Bonds] raised by the Bank

Table DF-14: Full Terms and Conditions of Regulatory Capital Instruments

Instruments	Full Terms and Conditions
	Not Applicable

Table DF-15 :

Disclosure Requirements for Remuneration

Qualitative disclosures	(a)	**Information relating to the composition and mandate of the Remuneration Committee.**	The Nomination & Remuneration Committee comprised of five members constituted to oversee the framing, review and implementation of Compensation Policy of the Bank, on behalf of the Board. As on March 31,2024, the Nomination & Remuneration Committee of the Board comprises of the following Directors Tmt.S. Ezhil Jothi, Independent Director (Chairman) Thiru.A. Niranjan Sankar, Director Thiru.C. Chiranjeeviraj, Independent Director **Note:** During the period from 01.04.2023 to 28.02.2024 the Nomination & Remuneration Committee of the Board comprises of the following Directors Thiru. K. Nagarajan, Independent Director (Chairman) Thiru. A. Niranjan Sankar, Director Thiru. B. Vijayadurai, Independent Director Thiru.C. Chiranjeeviraj, Independent Director Tmt.S. Ezhil Jothi, Independent Director
	(b)	**Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy**	The Bank has formulated and adopted a comprehensive compensation policy & HR policy covering all the employees. The policy is reviewed on an annual basis. The policy covers all aspects of the compensation structure such as fixed pay, variable compensation, perquisites, performance bonus, pension, gratuity, etc., taking into account the guidelines issued by Reserve Bank of India from time to time. **Key Features:** I) Board oversees the design of the compensation package and operations. ii) Compensation commensurate with the responsibility and accountability **Objectives:** 1. Ensure compliance with applicable laws, rules and regulations as well as 'Fit and Proper criteria' of directors

			before their appointment 2. Formulate criteria for determining qualifications, positive attributes and independence of directors 3. Develop and regularly review succession plan for the Board 4. Develop and recommend to the Board a set of corporate governance principles, that takes a leadership role in shaping the corporate governance of the Bank 5. Identify, assess and recommend to the Board on nominees for appointment as directors. 6. Make recommendations to the Board as to the size, composition, structure of the Board and also evaluation criteria of the directors, conduct annual review of the performance of the Chief Executive Officer and also oversee the Bank's Chief Executive Officer's succession planning process 7. Retain, motivate and promote talent and to ensure long term sustainability of talented KMP and senior management. 8. Establish standards on compensation / remuneration including fixed and variable, which are in alignment with the applicable rules and regulations and is based on the trends and practices of remuneration prevailing in the industry
	(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.**	Regional Heads, Branch Heads, IT department, MIS, Information security officials and Dealers in Treasury & IBD are paid special allowance based on risk taken by them.
	(d)	**Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.**	Performance Based Incentive scheme is approved by our Board of Directors every year. The PBI for senior management consists of 60% weightage for quantitative and 40% for qualitative parameters. For Department / Region staff it is measured

				on their role based performance. For Branch staff it is measured based on individual performance parameters, branch performance parameters, knowledge updation etc.
	(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.**		There is deferred remuneration payment to Shri. K.V.Rama Moorthy, former MD & CEO (erstwhile) which is payment of variable pay spread over 3 years. i.e 2023-2025. Also there is a deferred remuneration payment to Shri S.Krishnan, MD&CEO which is payment of variable pay spread over 3 years (2024-2026).
	(f)	**Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.**		The remuneration is in the form of cash only. There is no remuneration in the form of Shares, ESOP and other forms.
Quantitative disclosures (The quantitative disclosures should only cover Whole Time Directors/ Chief Executive Officer/Other Risk Takers)	(g)	*	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	**16 meetings** (Nomination and Remuneration Committee) where held during the financial Year and the total remuneration & commission paid to the members during the year 2023-24 is **Rs.19,00,000/-**
	(h)	*	Number of employees having received avariable remuneration award during the financial year.	Two (Shri. K.V.Ramamoorthy, Former MD & CEO & Shri.S.Krishnan, MD&CEO) + 4460 (Other employees who are given variable remuneration award) Total - 4462
		*	Number and to talamount of sign - on awards made during the financial year.	Nil
		*	Details of guaranteed bonus, if any, paid as joining/sign on bonus.	Nil
		*	Details of severance pay, in addition to accrued benefits, if any.	Nil
	(i)	*	Total amount of outstanding deferred remuneration, split in to cash, shares and	Shri.K.V. Ramamoorthy, Former MD & CEO) – 16,45,000/- (cash)

			share-linked instruments and other forms	Shri.S.Krishnan, MD & CEO – 15,21,937/- (cash)
		*	Total amount of deferred remuneration paid out in the financial year.	Shri.K.V.Ramamoorthy , Former MD & CEO) – 7,05,000/- (cash)
	(j)	*	Break down of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Shri. S.Krishnan, MD & CEO Fixed Pay – Rs.70,87,811/- Variable Pay – Rs.70,87,811/-
	(k)	*	Total amount of outstanding deferred remuneration and retained remuneration exposed to expost explicit and / or implicit adjustments.	Nil
		*	Total amount of reductions during the financial year due to ex-post explicit adjustments.	Nil
		*	Total amount of reductions during the financial year due to ex-post implicit adjustments.	Nil

Table DF-16:

Equities-Disclosure for Banking Book Positions

The bank has no exposures in equities under Banking Book.

Table DF-17

Leverage Ratio Disclosure

The Leverage ratio act as a credible supplementary measure to the bank based capital requirement. The Bank is required to maintain a minimum leverage ratio of 3.5%. The Bank's leverage ratio, calculated in accordance with the RBI guidelines is as follows;

COMPARISON OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURE

(₹ in millions)

S. No.	Particulars	Amount as of Jun'23	Amount as of Sep'23	Amount as of Dec'23	Amount as of Mar'24
1	Total consolidated assets as per published financial statements include SFTs	576940.85	591311.46	597327.05	615524.60
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	0.00	0.00	0.00	0.00
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0.00	0.00	0.00	0.00
4	Adjustments for derivative financial instruments	668.75	710.64	1024.94	979.16
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0.00	0.00	0.00	0.00
6	Adjustment for off - balance sheet items (i.e. conversion to credit equivalent amounts of off - balance sheet exposures)	20996.72	20777.86	21188.13	21119.14
7	Other adjustments	0.00	0.00	0.00	0.00
8	**Leverage ratio exposure**	**598606.32**	**612799.96**	**619540.12**	**637622.90**

Table DF-18

Leverage ratio common disclosure

(₹ in millions)

S. No.	Leverage Ratio Framework	Amount as of Jun'23	Amount as of Sep'23	Amount as of Dec'23	Amount as of Mar'24
	On-balance sheet exposures				
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	576940.85	591311.46	597327.05	615524.60
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	0.00	0.00	0.00	0.00
3	**Total on-balance sheet exposures** (excluding derivatives and SFTs) (sum of lines 1 and 2)	**576940.85**	**591311.46**	**597327.05**	**615524.60**
	Derivative exposures				
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	0.00	0.00	0.00	0.00
5	Add-on amounts for PFE associated with all derivatives transactions	668.75	710.64	1024.94	979.16
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0.00	0.00	0.00	0.00
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0.00	0.00	0.00	0.00
8	(Exempted CCP leg of client-cleared trade exposures)	0.00	0.00	0.00	0.00
9	Adjusted effective notional amount of written credit derivatives	0.00	0.00	0.00	0.00

(₹ in millions)

S. No.	Leverage Ratio Framework	Amount as of Jun'23	Amount as of Sep'23	Amount as of Dec'23	Amount as of Mar'24
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0.00	0.00	0.00	0.00
11	**Total derivative exposures (sum of lines 4 to 10)**	**668.75**	**710.64**	**1024.94**	**979.16**
	Securities financing transaction exposures				
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	0.00	0.00	0.00	0.00
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0.00	0.00	0.00	0.00
14	CCR exposure for SFT assets	0.00	0.00	0.00	0.00
15	Agent transaction exposures	0.00	0.00	0.00	0.00
16	Total securities financing transaction exposures (sum of lines 12 to 15)	0.00	0.00	0.00	0.00
	Other off-balance sheet exposures				
17	Off-balance sheet exposure at gross notional amount	83732.81	83570.17	86110.01	85528.24
18	(Adjustments for conversion to credit equivalent amounts)	(62736.09)	(62792.31)	(64921.88)	(64409.10)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**20996.72**	**20777.86**	**21188.13**	**21119.14**
	Capital and total exposures				
20	**Tier 1 capital**	67828.10	67036.34	67036.34	77286.39
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	598606.32	612799.96	619540.12	637622.90
	Leverage ratio				
22	**Basel III leverage ratio**	11.33%	10.94%	10.82%	12.12%



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