SOUTH INDIAN Bank

DEPT : SECRETARIAL
REF No. SEC/ST EX.STT/ 6 /2015-16

May 5, 2015

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

Dear Sirs,

Sub: Compliance under Clause 41 & 20 of the Listing Agreement

In pursuance of Clause 41 of the Listing Agreement, we submit herewith the Audited Financial Results of the Bank for the quarter/year ended 31st March, 2015, which was taken on record by the Board at its meeting held today, the 5th day of May, 2015.

Further, Pursuant to Clause 20(a) of the Listing Agreement, you are hereby informed that the Board of Directors of the Bank has recommended a dividend of Re.0.60 per equity shares of face value of Re.1/- each (i.e. 60%) for the financial year ended 31st March, 2015, subject to the approval of the shareholders of the Bank in the ensuing Annual General Meeting.

Yours faithfully,

(JIMMY MATHEW)
COMPANY SECRETARY

Encl: a/a

SOUTH INDIAN Bank

The South Indian Bank Ltd., Head Office: SIB House, T.B. Road, Thrissur - 680 001, Kerala, Tel: 0487-2420020, 2442021 (Fax), e-mail: sibcorporate@sib.co.in, Toll Free 1800-843-1800, 1800-425-1809 (BSNL)

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2015

[₹ in Lakhs]

Particulars	3 months ended			Year Ended	
	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
	Audited #	Unaudited	Audited #	Audited	Audited
1. Interest earned (a) + (b) + (c) + (d)	1,32,243	1,30,679	1,30,260	5,28,622	5,01,507
(a) Interest/discount on advances/bills	1,04,305	1,03,271	1,03,195	4,15,297	3,94,974
(b) Income on investments	26,828	25,906	25,163	1,05,373	95,448
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	1,110	1,502	1,902	7,952	11,085
(d) Others	-	-	-	-	-
2. Other Income	12,194	16,034	9,658	49,707	36,846
3. Total income (1+2)	1,44,437	1,46,713	1,39,918	5,78,329	5,38,353
4. Interest expended	97,534	98,688	93,792	3,91,999	3,61,629
5. Operating Expenses (i) + (ii)	30,405	26,083	25,634	1,04,704	88,289
(i) Employees cost	19,786	15,504	16,108	63,370	52,896
(ii) Other operating expenses	10,619	10,579	9,526	41,334	35,393
6. Total expenditure (4)+(5) excluding provisions & contingencies	1,27,939	1,24,771	1,19,426	4,96,703	4,49,918
7. Operating Profit before provisions and contingencies (3) - (6)	16,498	21,942	20,492	81,626	88,435
8. Provisions (other than tax) and contingencies	13,774	8,597	2,828	41,405	15,541
9. Exceptional Items	-	-	-	-4,339	-
10. Profit from Ordinary Activities before tax (7)-(8)-(9)	2,724	13,345	17,664	44,560	72,894
11.Tax expense	1,092	4,552	5,204	13,840	22,144
12.Net Profit from Ordinary Activities after tax (10)-(11)	1,632	8,793	12,460	30,720	50,750
13. Extra ordinary items (Net of Tax Expense)	-	-	-	-	-
14. Net Profit for the period (12+13)	1,632	8,793	12,460	30,720	50,750
15. Paid up Equity Share Capital (Face Value ₹ 1)	13,502	13,501	13,439	13,502	13,439
16. Reserves excluding revaluation reserves				3,31,581	3,10,200
17. Analytical Ratios					
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil
ii) Capital Adequacy Ratio (%) - BASEL II	12.06	11.57	12.53	12.06	12.53
BASEL III	12.01	11.38	12.42	12.01	12.42
iii) Earnings Per Share (EPS)					
(a) Basic EPS - before and after Extraordinary items (₹)	0.12 *	0.65 *	0.93 *	2.28	3.78
(b) Diluted EPS - before and after Extraordinary items (₹)	0.12 *	0.65 *	0.92 *	2.27	3.77
iv) NPA Ratios (a) Gross NPA	64,345	66,127	43,262	64,345	43,262
Net NPA	35,705	37,956	28,167	35,705	28,167
(b) % of Gross NPA	1.71	1.80	1.19	1.71	1.19
% of Net NPA	0.96	1.04	0.78	0.96	0.78
v) Return on Assets (Annualised)	0.12	0.63	0.94	0.56	1.00
18. Public Shareholding					
- No.of Shares (in lakhs)	13,502	13,501	13,439	13,502	13,439
- Percentage of shareholding	100%	100%	100%	100%	100%
19. Promoters and promoter group shareholding					
(a) Pledged/ Encumbered					
- Number of shares	NIL	NIL	NIL	NIL	NIL
- Percentage of shares[as a % of the total shareholding of promoter and promoter group]	NIL	NIL	NIL	NIL	NIL
- Percentage of shares [as a % of the total share capital of the company]	NIL	NIL	NIL	NIL	NIL
(b) Non Encumbered					
- Number of shares	NIL	NIL	NIL	NIL	NIL
- Percentage of shares[as a % of the total shareholding of promoter and promoter group]	NIL	NIL	NIL	NIL	NIL
- Percentage of shares [as a % of the total share capital of the company]	NIL	NIL	NIL	NIL	NIL

** Not annualised*

 # Refer Note 3

The South Indian Bank Ltd. CFM DEPT. H.O. Thrissur

FOR IDENTIFICATION PURPOSES ONLY S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS CHENNAI

F.No:259/1,00,000/9-12/NP

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Segmentwise Results

[₹ in Lakhs]

	3 months ended			Year Ended	
	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
	Audited #	Unaudited	Audited #	Audited	Audited
1. Segment Revenue					
a) Treasury	31,453	35,442	27,700	1,32,047	1,16,345
b) Corporate/ Wholesale Banking	63,808	61,913	60,751	2,45,164	2,25,208
c) Retail Banking	46,253	46,349	48,327	1,89,462	1,88,215
d) Other Banking Operations	2,923	3,009	3,140	11,656	8,585
Total	1,44,437	1,46,713	1,39,918	5,78,329	5,38,353
Less : Inter – segment Revenue	-	-	-	-	-
Income from Operations	1,44,437	1,46,713	1,39,918	5,78,329	5,38,353
2. Segment Results					
Profit(+)/Loss(-) before tax and after interest from each segment					
a) Treasury	(10,939)	(498)	(3,048)	(14,148)	(3,277)
b) Corporate/ Wholesale Banking	1,414	1,301	1,476	6,298	18,898
c) Retail Banking	9,939	10,069	16,647	38,525	50,095
d) Other Banking Operations	2,310	2,473	2,589	9,546	7,178
Total	2,724	13,345	17,664	40,221	72,894
Less: unallocated expenditure	-	-	-	-	-
Profit Before Tax	2,724	13,345	17,664	40,221	72,894
3. Capital Employed					
a) Treasury	1,09,954	1,04,276	1,01,512	1,09,954	1,01,512
b) Corporate/ Wholesale Banking	1,21,627	1,22,194	1,33,700	1,21,627	1,33,700
c) Retail Banking	72,943	75,711	84,661	72,943	84,661
d) Other Banking Operations	-	-	-	-	-
e) Unallocated	54,417	63,724	16,932	54,417	16,932
Total	3,58,941	3,65,905	3,36,805	3,58,941	3,36,805

 # Refer Note 3

Notes:

1. Statement of Assets and Liabilities as on March 31, 2015 is given below:

[₹ in Lakhs]

	As at	
	31.03.2015	31.03.2014
	Audited	Audited
CAPITAL AND LIABILITIES		
Capital	13,502	13,439
Employees Stock Option Outstanding	238	230
Reserves and Surplus	3,45,439	3,23,365
Deposits	51,91,249	47,49,109
Borrowings	2,23,247	2,73,078
Other Liabilities and Provisions	1,37,957	1,39,375
Total	59,11,632	54,98,596
ASSETS		
Cash and Balances with Reserve Bank of India	2,44,158	2,20,081
Balances with Banks and money at call & short notice	1,15,350	1,01,712
Investments	16,71,716	14,35,178
Advances	37,39,164	36,22,985
Fixed Assets	47,905	41,220
Other Assets	93,339	77,420
Total	59,11,632	54,98,596

2 The above audited financial results for the year ended March 31, 2015 reviewed by the Audit Committee of the Board have been approved the Board of Directors at their meeting held on May 05, 2015.

3 The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and the unaudited published year to date figures upto the end of the third quarter of the financial year which was subject to Limited Review.

4 The financial results have been arrived at after providing for Standard/Non performing assets as per RBI norms, taxes and other necessary provisions.

5 During the quarter ended March 31 2015, the Bank has assigned certain non-performing financial assets having a net book value of ₹ 8,207 lakhs to an Asset Reconstruction company. The Bank has, in terms of RBI Circular DBOD.BP.BC.No.9/21.04.048/2014-15 on "Prudential norms on income recognition, asset classification and provisioning pertaining to advances" dated July 1, 2014 spread the net shortfall in recovery of net book value of ₹ 832 lakhs over a period of two years. Consequently an amount of ₹ 166 lakhs has been charged to the profit and loss account during the quarter ended March 31 2015 and the unamortised balance as at March 31 2015 amounts to ₹ 666 lakhs.

The South Indian Bank Ltd. CFM DEPT. H.O.Thrissur

FOR IDENTIFICATION PURPOSES ONLY S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS

www.southindianbank.com

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6a Effective April 1, 2014, the Bank has changed it's accounting policy for charging depreciation from Written Down Value ("WDV") method to Straight Line Method ("SLM") in respect of all fixed assets other than computers which were already being depreciated under SLM. The management believes that such change better reflects the actual use of assets acquired. On account of this change in accounting policy, the Bank had in the current year reversed an amount of ₹ 6,574 lakhs during the quarter ended June 30, 2014 representing the excess depreciation charge for the period upto March 31, 2014 and disclosed the same net of related tax effect of ₹2,235 lakhs as an exceptional item.

6b In accordance with the requirements of Schedule II to the Companies Act, 2013, the Bank has also re-assessed the useful lives of the fixed assets and :
i) recognised an additional depreciation charge of ₹ 525 lakhs and ₹ 2,883 lakhs for the quarter and year ended March 31, 2015 respectively being the depreciation on the carrying value of assets as at April 1, 2014 on the remaining useful lives, and;
ii) an amount of ₹ 938 lakhs (net of tax) has been charged to the opening balance of the retained earnings in respect of assets whose useful remaining life is nil as at April 1, 2014.

7 Pursuant to the clarification issued by Reserve Bank of India ('RBI') vide para 14.2.5 of Master Circular dated July 1, 2014 in relation to "Prudential norms for conversion of unpaid interest into Funded Interest Term loan, Debt or Equity instruments, the Bank based on special dispensation issued by RBI vide their letter no.DBOD.No.BP.5886/21.04.132/2014-15 dated October 20, 2014, deferred the provision over the current financial year. Accordingly, the bank has charged ₹.2,809 lakhs during the quarter ended March 31, 2015 and the amortisation is completed as permitted by Reserve Bank of India.

8 The additional Pension and Gratuity liability arising on exercise of second option of pension by employees (other than separated/retired employees) and enhancement of gratuity limit of ₹ 15,653 lakhs is being amortized equally over a period of 5 years commencing from the year ended on March 31, 2011, and accordingly an amount of ₹ 2,249 lakhs, being the proportionate liability in respect thereof, for the year ended 31.03.2015 (₹ 562 lakhs for the quarter ended 31.03.2015) have been charged to Profit and Loss Account and the amortization is complete as permitted by the Reserve Bank of India vide letter No. DBOD.BP.BC.15896/21.04.018/2010-11 dated 08 th April,2011.

9 During the quarter ended March 31, 2015, the Bank allotted 7,635 shares, pursuant to the exercise of stock option by certain employees.

10 In accordance with the RBI Circular DBOD.No.BP.BC.6/21.06.201/2014-15 dated July 1, 2014, Banks are required to make half yearly Pillar 3 disclosures under BASEL III capital requirements. The Bank has made these disclosures which are available on its website at the following link.
http://www.southindianbank.com/content/viewContentLvl1.aspx?linkIdLvl2=5&LinkIdLvl3=532&linkId=532.

11 The Board of Directors have recommended a dividend of ₹0.60 per share (60%) for the year ended March 31, 2015 (Previous year ₹ 0.80 per share (80%)), subject to approval of the members in the ensuing Annual General Meeting.

12 Details of Investor complaints received and disposed off:

Complaints at the beginning of the quarter	Received during the quarter	Redressed during the quarter	Unresolved as on March 31, 2015
Nil	52	52	Nil

13 In computing the Segment information certain estimates and assumptions have been made by the management which have been relied upon by the Statutory Central Auditor.

14 Previous period's/year's figures have been regrouped, wherever necessary to conform to the current period's classification.

V.G Mathew
(MD & CEO)

Kochi
May 5, 2015

The South Indian Bank Ltd. CFM DEPT. H.O. Thrissur

FOR IDENTIFICATION PURPOSES ONLY S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS CHENNAI

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

6th & 7th Floor- "A" Block
Tidel Park, (Module 601, 701 & 702)
No. 4, Rajiv Gandhi Salai, Taramani
Chennai-600 113, India
Tel : +91 44 6654 8100
Fax : +91 44 2254 0120

Auditor's Report on Quarterly Financial Results and Year to Date Results of The South Indian Bank Limited Pursuant to the Clause 41 of the Listing Agreement

To
The Board of Directors of
The South Indian Bank Limited

1. We have audited the quarterly financial results of The South Indian Bank Limited (the "Bank") for the quarter ended March 31, 2015 and the financial results for the year ended March 31, 2015, attached herewith, being submitted by the Bank pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. Further the disclosure relating to "Pillar 3 under Basel III Capital Regulations" as have been disclosed on the bank's website and in respect of which a link have been provided in aforesaid financial results, have not been audited by us. These quarterly financial results as well as the year-to-date financial results have been prepared on the basis of the interim financial statements and the relevant requirements of Clause 41 of the Listing Agreement, which are the responsibility of the Bank's management and have been approved by the Board of Directors, and are the derived figures between the audited figures in respect of the current full year ended March 31, 2015 and the published year-to-date figures up to December 31, 2014, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review.Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, and the relevant requirements of Clause 41 of the Listing Agreement and the audited financial statements for the year ended March 31, 2015.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. We draw attention to Note No 5 to the financial results which describe the deferment of short-fall of Rs 832 lakhs arising from sale of certain non-performing financial assets in terms of RBI Circular DBOD.BP.BC.No.9/21.04.048/2014-15 on "Prudential norms on income recognition, asset classification and provisioning pertaining to advances" dated July 1, 2014 and the unamortised balance as at March 31, 2015 is Rs 666 lakhs. Our opinion is not qualified in respect of this matter.



S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

6th & 7th Floor- "A" Block
Tidel Park, (Module 601, 701 & 702)
No. 4, Rajiv Gandhi Salai, Taramani
Chennai-600 113, India
Tel : +91 44 6654 8100
Fax : +91 44 2254 0120

4. In our opinion and to the best of our information and according to the explanationsgiven to us, these quarterly financial results as well as the year to date results:

   i. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and

   ii. give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2015as well as the year to date results for the period from April 1, 2014to March 31, 2015.

5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2015represent the derived figures between the audited figures in respect of the current full financial year ended March 31, 2015and the published year-to-date figures up to December 31, 2014, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Clause 41(I)(d) of the Listing Agreement.

6. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Bank in terms of clause 35 of the Listing Agreement and found the same to be correct.

For S.R. Batliboi&AssociatesLLP
Chartered Accountants
ICAI Firm registration number:101049W

perSubramanian Suresh
Partner
Membership No.:83673
Ernakulam
May 5, 2015

S.R. Batliboi & Associates LLP, a Limited Liability Partnership with LLP Identity No. AAB-4295
Regd. Office : 22, Camac Street, Block 'C', 3rd Floor, Kolkata-700 016