

Transforming with **Legacy** Progressing with **Purpose**



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Corporate Information

Name Tamilnad Mercantile Bank Ltd

Address 57, Victoria Extension Road, Thoothukudi 628002

Website – www.tmbank.in

CIN – L65110TN1921PLC001908

Phone No. 0461-2325136

Email – shareholders@tmbank.in

Board Members

Shri.Salee S Nair

Managing Director & CEO

Shri.Vincent M.D.

Executive Director

Shri.A.Niranjana Sankar

Director

Shri.S.R.Ashok

Director

Shri.D.N.Nirranjan Kani

Director

Shri.K.V.Rama Moorthy

Director

Shri.C.Chiranjeeviraj

Independent Director

Shri.S.Sridharan

Independent Director

Shri.R.Deepak Shankar

Independent Director

Smt.R.Kanagavalli

Independent Director

Shri.A.Shidambaranathan

Independent Director

Shri.K.Ramachandran

Additional Independent Director

Shri.Thomas Mathew

Additional Director, RBI Nominee

Shri.C.S.Ram Kumar

Additional Director, RBI Nominee

Joint Statutory Central Auditors

Sundaram & Srinivasan

Chartered Accountants

23, C P Ramaswamy Road,
Alwarpet, Chennai – 600 018

Chandran & Raman

Chartered Accountants

No.2, Dr. RK Road, 2nd Street, Mylapore,
Chennai – 600 004

Secretarial Auditor

SPNP & Associates

Practising Company Secretaries

No.10/28, II Floor, 3rd Cross street, R.K.Nagar,
Raja Annamalaipuram, Chennai – 600028

Registrar and Transfer Agent

M/s.MUFG Intime India Private Limited

(formerly known as Link Intime India Private Limited)

Surya 35, Mayflower Avenue, Behind Senthil Nagar,
Sowripalayam Road, Coimbatore – 641028.

Phone: +91 (422) 231 4792, +91 (422) 495 8995.
+91 (422) 253 9835, +91 (422) 253 9836.

E mail coimbatore@in.mpms.mufg.com

Vision and Mission



OUR VISION

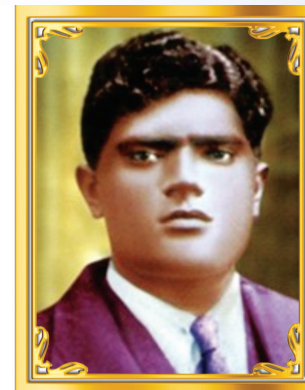
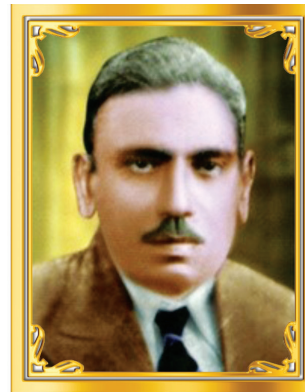
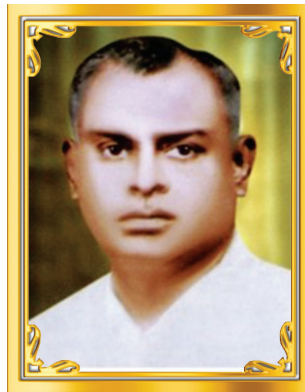
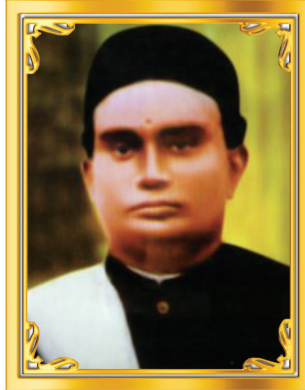
To be a progressive bank with strong brand equity, enhancing value for all the stakeholders through excellence in performance and good governance.



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.

Tribute to Founders



MD & CEO's Message



Our journey began in 1921, and for over 103 years we have remained committed to the values that define us: trust, prudence and service. These principles have helped us adapt through changing times and continue serving our customers with care and consistency.

Dear Stakeholders,

It is with immense pride and deep appreciation that I write to you at the close of a truly transformative year for Tamilnad Mercantile Bank. The financial year 2024–25 was not just a period of strong performance; it was a year of meaningful progress, guided by our legacy and shaped by a bold vision for the future.

Our journey began in 1921, and for over 103 years we have remained committed to the values that define us: trust, prudence and service. These principles have helped us adapt through changing times and continue serving our customers with care and consistency.

A Record-Breaking Financial Year

This year, we delivered the highest net profit in our history at ₹1,183 crore, reflecting a 10.35 percent growth over the previous year. Operating profit rose to ₹1,746 crore, an 18 percent increase, and total income exceeded ₹6,142 crore. These achievements were driven by disciplined execution, teamwork, and a sharp focus on customer needs.

- * Balance sheet grew to ₹66,450 crore, up 7.96 percent
- * Gross advances increased to ₹44,366 crore, up 11% and deposit to ₹53,689 crore, up 8.43%
- * Credit to Deposit ratio stood at 82.64 percent, reflecting balanced growth
- * Capital Adequacy Ratio stood at a robust 32.71 percent, indicating long-term strength and resilience

Growth Rooted in Inclusion

At the heart of our growth is the RAM (Retail, Agriculture, and MSME) portfolio which now contributes 93 percent of our total advances. This structure reflects our commitment to inclusive banking and supporting real economic activity at the grassroots level.

- * Agriculture loans stood at ₹18,591 crore, up 28.93 percent year-on-year growth, with a five-year CAGR of 21 percent
- * MSME lending reached ₹13,520 crore, maintaining our continued focus on the sector
- * Retail advances rose to ₹9,186 crore, growing 8.35 percent year-on-year, spread across housing, education, personal, and secured loans

One of our customers recently said, "TMB has always stood by us, no matter the season." That enduring trust is our most meaningful success.

A Bank in Motion

This was also a year of significant transformation. We expanded our presence beyond Tamil Nadu, recruited talent across India, and strengthened our investments in digital banking, analytics, and automation. These steps are creating faster, simpler, and more secure customer experiences.

Further,

- * Special Mention Accounts (SMA) portfolio declined to 2.55 %
- * Return on Assets improved to 1.88 %
- * Gross NPA stood at 1.25 % and Net NPA at 0.36%, the lowest in a decade



We expanded our presence beyond Tamil Nadu, recruited talent across India, and strengthened our investments in digital banking, analytics, and automation. These steps are creating faster, simpler, and more secure customer experiences.

- * Provision Coverage Ratio improved to 93.86 %, including technical write-offs

These metrics reflect the effectiveness of our systems, people, and risk practices working in sync.

Our People, Our Strength

To our employees, thank you. Your integrity, dedication, and customer-first mindset continue to be the foundation of our success. Whether it is a rural branch officer staying late to support a farmer or a technology team deploying new digital tools, your contributions are visible in every milestone we achieve.

A Stronger, Smarter Tomorrow

As we step into FY26, we are focused on profitable, responsible, and technology-enabled growth. India's economic momentum presents real opportunity, and TMB is prepared to

rise to that challenge with strength and agility.

Our growth strategy rests on three clear pillars:

- * Scaling with discipline by expanding into new markets while remaining rooted in compliance, service excellence, and local understanding
- * Embracing a digital-first approach to deliver smarter, faster, and more intuitive banking experiences
- * Fostering a culture of integrity and impact through investment in leadership, governance, and purpose-driven decision-making

We remain committed to supporting the dreams of farmers, small business owners, students, and families across India with the same sincerity and service that have defined us for over a century.

In closing, I extend my heartfelt gratitude to our customers, shareholders, employees, board members, and regulators. Your trust continues to be our greatest strength.

Tamilnad Mercantile Bank is ready for the future — stronger, smarter, and always close to the people we serve.

Let us move forward together.

Warm regards

Salee S Nair

Managing Director and CEO

Tamilnad Mercantile Bank Limited

Message from Executive Director



During the financial year, we recorded a strong Balance Sheet growth, with total business surpassing ₹ 98,055 crore by registering a Y-o-Y growth of 9.58%. Bank's Operating Profit rose to ₹ 1,746 crore, reflecting an impressive 18% Y-o-Y growth, underpinned by growth in advances and continuous improvements in asset quality.

Dear Stakeholders,

It gives me immense pleasure to present this year's Annual Report, marking a period of resilient performance and steady growth for our bank. Despite a highly competitive banking landscape, we have navigated the year with prudence, agility and a clear strategic focus.

During the financial year, we recorded a strong Balance Sheet growth, with total business surpassing ₹ 98,055 crore by registering a Y-o-Y growth of 9.58%. Bank's Operating Profit rose to ₹ 1,746 crore, reflecting an impressive 18% Y-o-Y growth, underpinned by growth in advances and continuous improvements in asset quality. Our Gross NPA stood at 1.25%, reaffirming our commitment to prudent lending practices and effective risk management.

We further strengthened our capital base by achieving a CRAR of 32.71% thus providing a strong foundation to support our long term growth strategy. Our Return on Assets improved to 1.88%. Our Initiatives in cost optimization, customer-centric services delivery and digital onboarding have continued to yield positive results.

In the Financial Year 2024-25, we launched several key initiatives ; a few of which include:

- * Formation of Transaction Banking Group (TBG), Global NRI Center (GNC) and Elite Service Group (ESG) for rapid growth in Deposits, through excellence in service delivery and ease of doing business.
- * Integration with CBDT and GST platforms for seamless payment of taxes.



Our Commitment to sustainability and responsible banking continues to grow. We are increasingly involved in environmental and social initiatives, reinforcing our role as a responsible corporate citizen.

- * Undertaken the process of thoroughly revamping the Internet Banking Platform for extending best in class digital platform to customers.
- * Formation of Credit Management Centre (CMC) to handle entire life cycle of advances, with state of the art digital technologies.
- * I am Sanguine that the above initiatives would catapult the Bank into the select league of most Professional and Customer Centric Bank's in the Country in the near future.

Aligned with our innovation strategy, we will actively pursue fintech partnerships to enhance operational efficiencies, introducing cutting edge financial products and enhance the customer experience and thereby ensuring that we

remain at the forefront of the digital banking transformation.

Exploring new verticals and diversifying revenue streams remain our core priorities. By Strategically expanding our product suite, we aim to capture emerging market opportunities and meet evolving customer expectations.

Our Commitment to sustainability and responsible banking continues to grow. We are increasingly involved in environmental and social initiatives, reinforcing our role as a responsible corporate citizen.

Looking ahead, we remain focused on operational excellence, technology-led solutions and employee engagement. We are committed to continue to enhancing customer satisfaction, expanding service channels, and delivering long-term value to all stakeholders.

I extend my sincere gratitude to our shareholders , regulators, customers, employees and all other stakeholders for their unwavering support. Together, we will continue to build on our legacy of trust and innovation, delivering sustainable value and shared prosperity.

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

Sincerely,

Vincent Menachery Devassy
Executive Director
Tamilnad Mercantile Bank Ltd

Major Highlights

Highest ever.....

₹1,183 Cr

Net Profit

▲ YoY Growth: **10%**

₹6,142 Cr

Total Income

▲ YoY Growth: **12%**

₹1,746 Cr

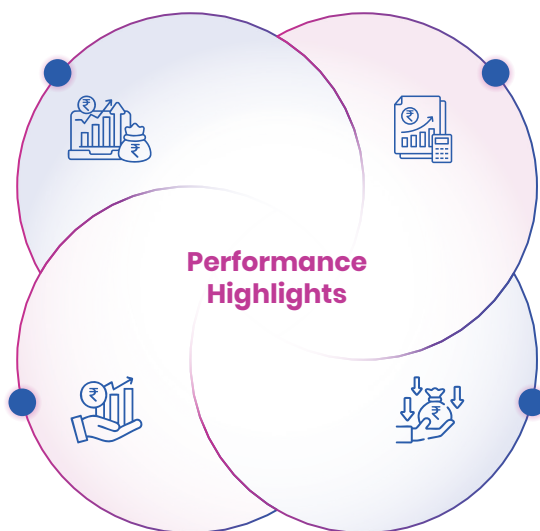
Operating Profit

▲ YoY Growth: **18%**

₹5,291 Cr

Interest Income

▲ YoY Growth: **9%**



.....At 1.25%, lowest GNPA in the last 10 years

Performance Highlights for the FY2025

Total Business increased to **₹98,055 crore** from **₹89,485 crore**, Y-o-Y growth of **9.58%**

The RAM segment increased to **93%** from **91%**, up **200 Bps** Y-o-Y

Total Income increased to **₹6,142 crore** from **₹5,493 crore**, Y-o-Y growth of **11.82%**

Interest Income improved to **₹5,291 crore** from **₹4,848 crore**, Y-o-Y growth of **9.14%**

Net profit surged to **₹1,183 crore** from **₹1,072 crore**, Y-o-Y growth of **10.35%**

Book value per share increased to **₹569** from **₹500**, Y-o-Y growth of **13.80%**

The CRAR% increased to **32.71%** from **29.37%**, up **334 Bps** Y-o-Y

Total SMA to Gross Advances declined to **2.55%** from **3.97%**, down **142 Bps** Y-o-Y

Stressed Assets ratio decreased to **2.01%** from **2.70%**, down **69 Bps** Y-o-Y

Gross NPA decreased to **1.25%** from **1.44%** improved by **19 Bps**

Net NPA decreased to **0.36%** from **0.85%** improved by **49 Bps**

ROA improved to **1.88%** from **1.84%**

Bank at a Glance

Performance Highlights FY25 vis-à-vis FY24

Term Deposits

₹34,839 Cr

31.03.2024

₹39,496 Cr

31.03.2025

Total Deposits

₹49,515 Cr

31.03.2024

₹53,689 Cr

31.03.2025

Total Advances

₹39,970 Cr

31.03.2024

₹44,366 Cr

31.03.2025

RAM

₹36,484 Cr

31.03.2024

₹41,297 Cr

31.03.2025

Total Business

₹89,485 Cr

31.03.2024

₹98,055 Cr

31.03.2025



Board of Directors



Shri.K.Ramachandran
Additional Independent
Director



Shri.Salee S Nair
Managing Director & CEO



Shri.Vincent M.D.
Executive Director



Shri.A.Niranjan Sankar
Director



Shri.S.R.Ashok
Director



Shri.D.N.Nirranjan Kani
Director



Shri.K.V.Rama Moorthy
Director



Shri.C.Chiranjeeviraj
Independent Director



Shri.S.Sridharan
Independent Director



Shri.R.Deepak Shankar
Independent Director



Smt.R.Kanagavalli
Independent Director



Shri.A.Shidambaranathan
Independent Director



Shri.Thomas Mathew
Additional Director,
RBI Nominee



Shri.C.S.Ram Kumar
Additional Director,
RBI Nominee

Senior Management & KMP



D. Ramesh

Executive Vice President –
HRD & Corporate Services



J. Sundaresh Kumar

Executive Vice President –
Chief Compliance Officer



K. Vijayan

Executive Vice President –
Chief Quality Control Officer



P. R. Ashok Kumar

Executive Vice President –
Country Head Branch Banking



V. Jayaraman

Executive Vice President – IT



Laxman Karkala Kudva

Executive Vice President –
Chief Risk Officer



S. Ilangovan

Executive Vice President –
Head of Internal Audit



K. Arvind

Executive Vice President –
Head of Integrated Treasury



Ananda Ganesan R.

Executive Vice President – Credit



Sanjoy Kumar Goel

Executive Vice President –
Chief Financial Officer



Swapnil Yelgaonkar

Company Secretary



Transforming with **Legacy** Progressing with **Purpose**

With over a century of trusted service, we continue to evolve honoring its legacy while embracing innovation. In FY 2024–25, TMB advanced its digital capabilities, expanded its reach, and strengthened customer relationships across diverse segments.

Our transformation is rooted in purpose: to deliver inclusive, efficient, and future-ready banking. Guided by our values, we remain committed to sustainable growth and empowering communities, building on a legacy that inspires progress for generations to come.

Highlights of the 102nd AGM



103rd Foundation Day



TMB Family Day





**Inauguration of
6 new branches**

TMB National
Bank Ltd
We will prosper you

**575 Branch
PERUNTHOLUVU**

**576 Branch
ETTAYAPURAM**

**577 Branch
KARIMNAGAR**

**578 Branch
AYODHYA**

**573 Branch
RATHINAPURI**

**574 Branch
PN ROAD**

TMB

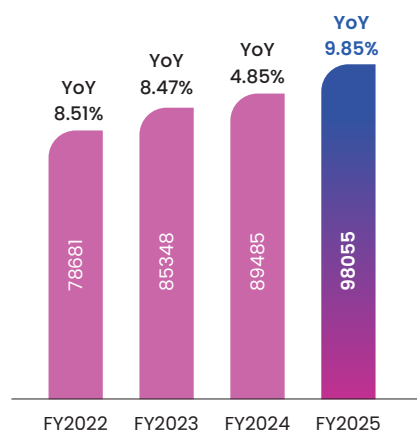
27.03.2025
Thursday



Performance Highlights: Business growth

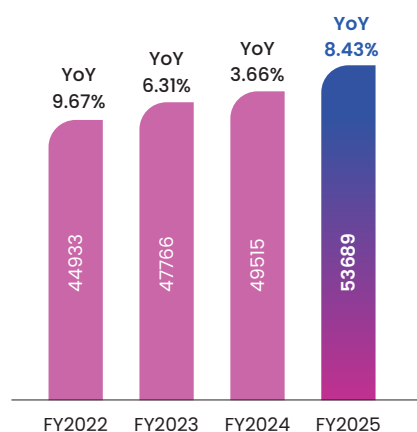
TOTAL BUSINESS

(₹ in Crores)



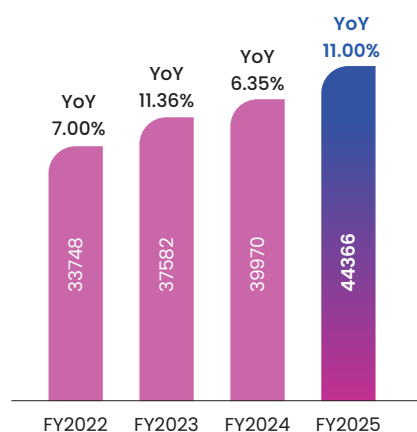
DEPOSITS

(₹ in Crores)



ADVANCES

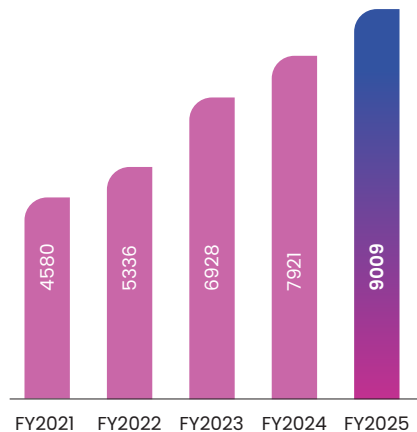
(₹ in Crores)



Shareholders Value- Enhanced (Y-o-Y)

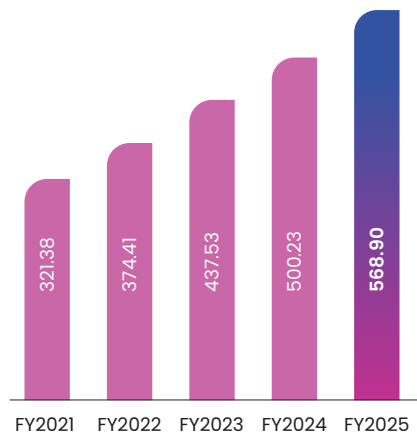
NET WORTH

(₹ in Crores)



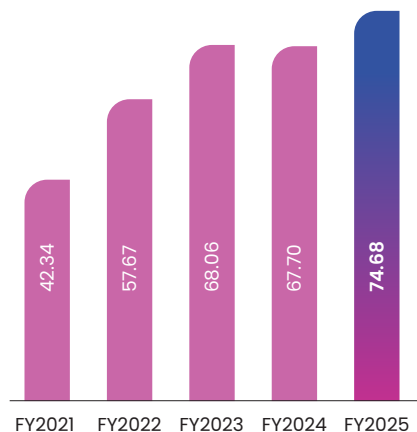
BOOK VALUE PER SHARE

(in ₹)



EPS

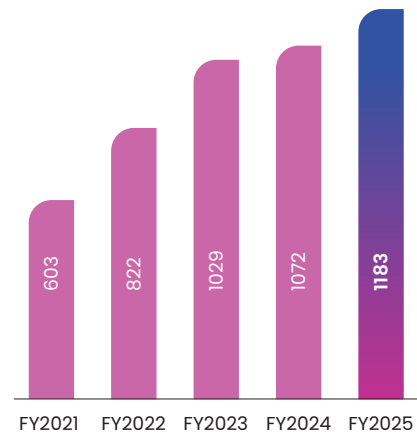
(in ₹)



Key Ratios / Parameters (Y-o-Y)

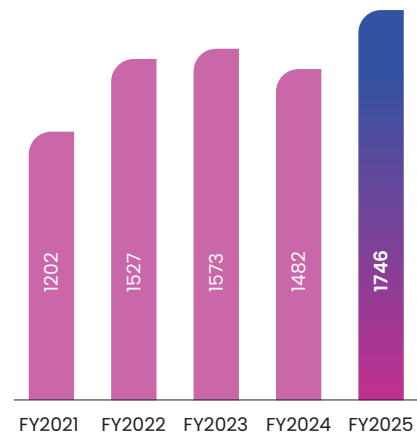
NET PROFIT

(₹ in Crores)



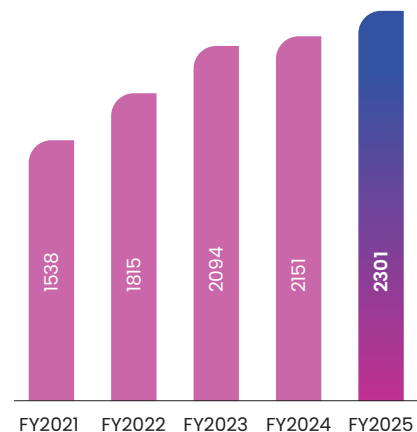
OPERATING PROFIT

(₹ in Crores)



NET INTEREST INCOME (NII)

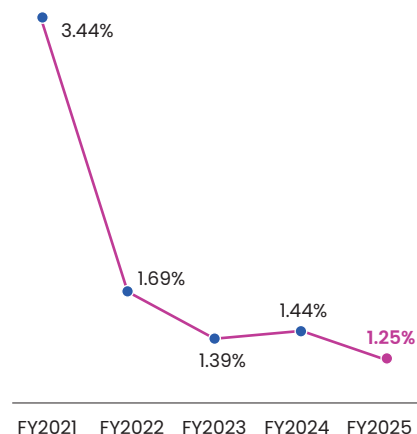
(₹ in Crores)



Key Ratios / Parameters (Y-o-Y)

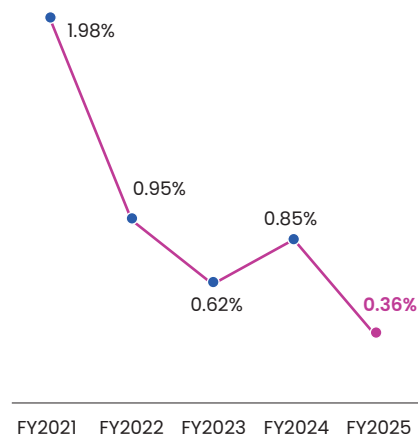
GROSS NPA

(%)



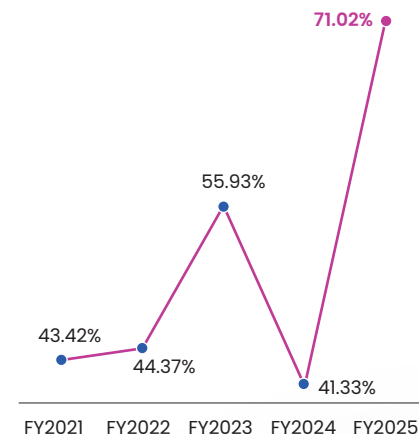
NET NPA

(%)



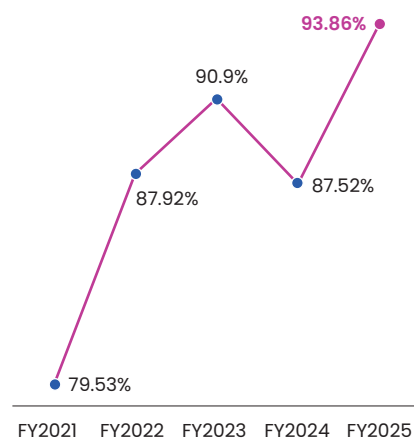
PCR

(%) Without technical write-off



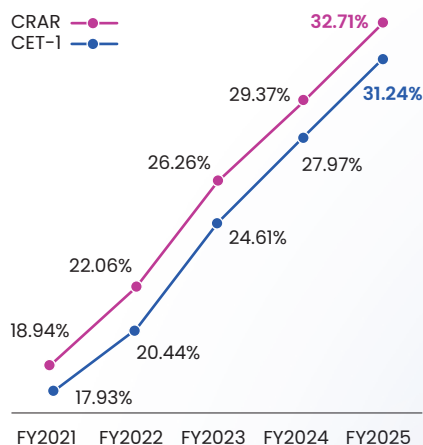
PCR

(%) With technical write-off



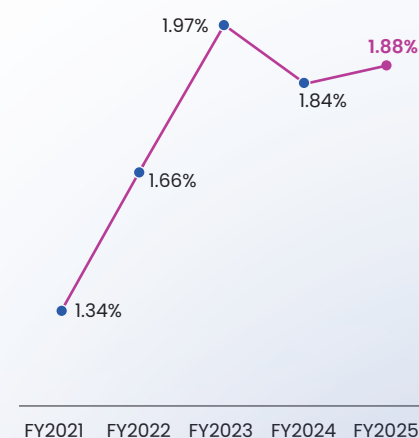
CAPITAL ADEQUACY

(%)



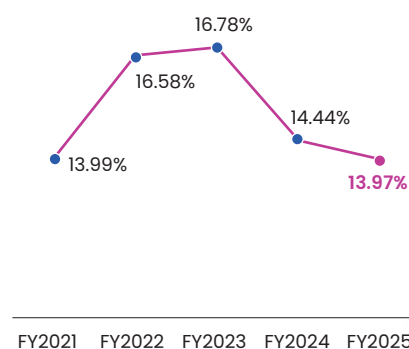
ROA

(%)



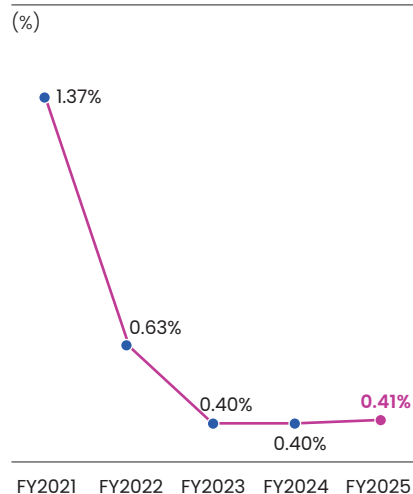
ROE

(%)

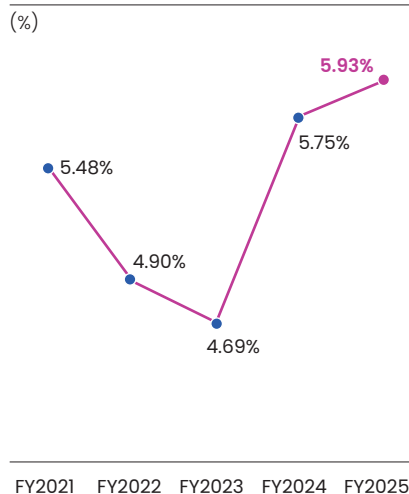


Efficiency Ratios (Y-o-Y)

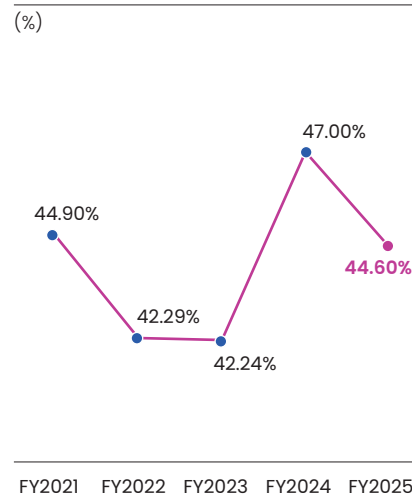
CREDIT COST



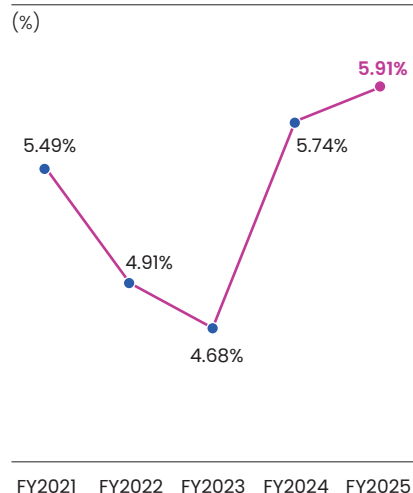
COST OF FUNDS



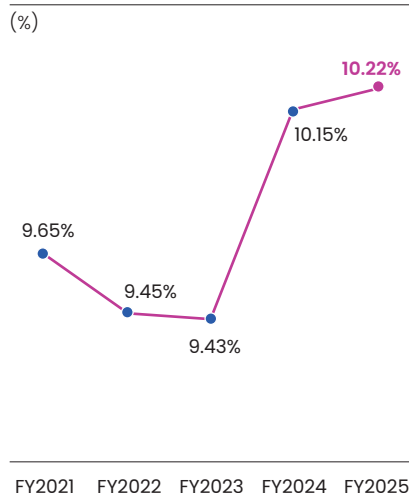
COST TO INCOME RATIO



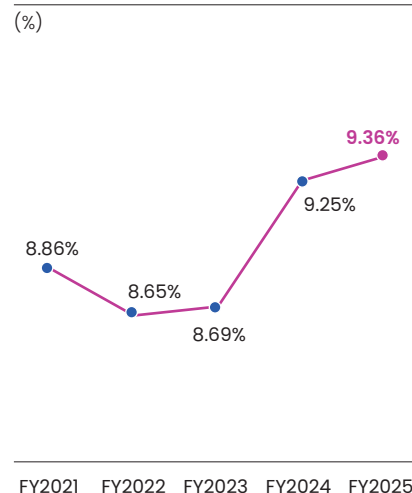
COST OF DEPOSITS



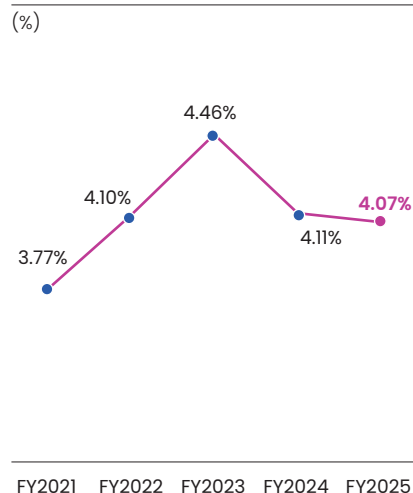
YIELD ON ADVANCES



YIELD ON FUNDS



NIM*



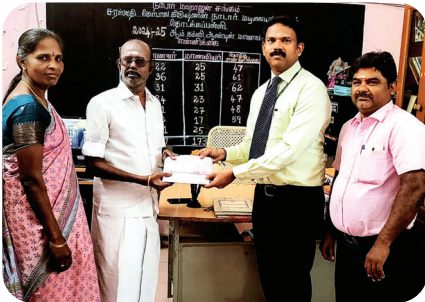
*NIM with HOT interest recovery

External Ratings

CRISIL Ratings



CSR Activities



Happy Moments



Products and Services

Product Innovation, New Products and Services, Major Initiatives during 2024-25:

Launched Online Demat Account Opening through our bank website.

Launched TMB 400 Term Deposit Scheme

Launched TMB Apartment Savings Bank Account exclusively for Apartment Resident/ Gated Communities.

Launched Online Foreign Exchange Operation TMB Fx e-connect to customers.

Revamped TMB Student Savings Bank Account.

Launched TMB Akshay Deposit Scheme targeting HNI customers.

Launched GST and CBDT payment facility to the customers.

Launched TMB 300 Term Deposit Scheme.

Launched Instant Kits for Savings Bank Accounts.

Launched TMB Prime Salary and Super Salary Savings Bank Account with Personal Accident Insurance Coverage.

Partnered with Pine Labs for Enhanced POS Services

Awards & Accolades



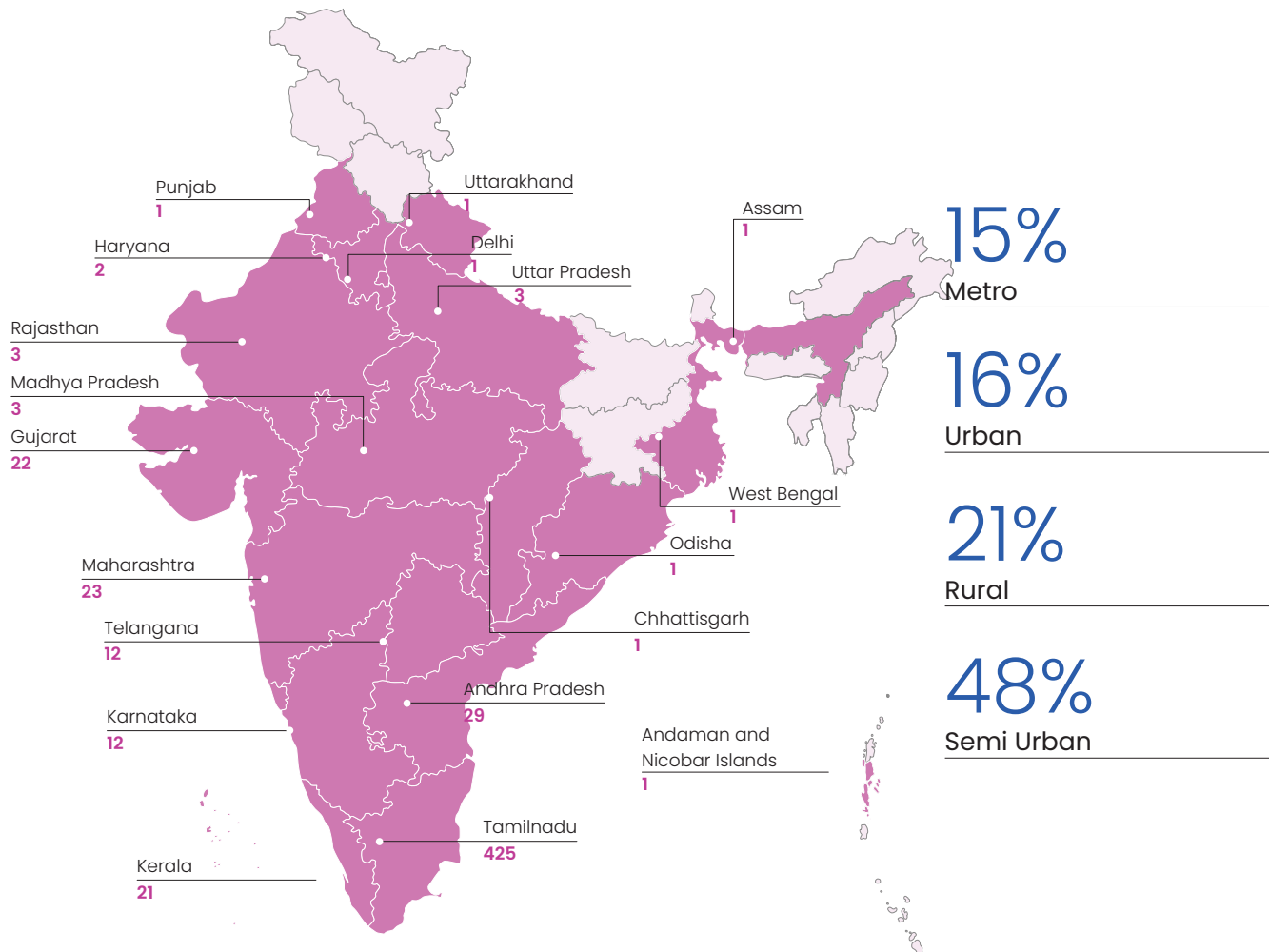
The Bank has bagged two Atal Pension Yojana (APY) awards during the Felicitation program conducted by PFRDA on 21st June 2024 at New Delhi.



The Bank has bagged six Atal Pension Yojana (APY) awards during the Felicitation program conducted by PFRDA on 28th June 2024 at Chennai.



PAN India Network



Name of the State	Banking outlets			ATM(s)	CRM(s)	E-Lobby(ies)
	Branches	Business Correspondents (BCs)	Total			
TAMILNADU	425	153	578	959	338	113
ANDHRA PRADESH	29	-	29	43	11	4
MAHARASHTRA	23	-	23	28	6	2
GUJARAT	22	-	22	23	3	2
KARNATAKA	22	-	22	29	4	-
KERALA	21	2	23	24	3	1
TELANGANA	12	-	12	13	7	-
MADHYA PRADESH	3	-	3	3	-	-
RAJASTHAN	3	-	3	4	-	-
UTTAR PRADESH	3	-	3	1	2	-
HARYANA	2	-	2	2	-	-
ASSAM	1	-	1	-	1	-
CHHATTISGARH	1	-	1	1	-	-
ODISHA	1	-	1	1	-	-
PUNJAB	1	-	1	1	-	-
UTTARAKHAND	1	-	1	1	-	-
WEST BENGAL	1	-	1	1	1	1
UNION TERRITORIES (4)	7	-	7	16	4	1
TOTAL	578	155	733	1150	380	124

Directors' Report for the Year 2024-25

Your Board of Directors have great pleasure in presenting the 103rd Annual Report along with the Audited Financial Statements as on March 31, 2025 along with the Cash Flow Statement for the year ended March 31, 2025.

1. Business Performance

The Bank had a successful year in its 103rd year of operations and recorded satisfactory performance. During the year under review, the total business increased from ₹89,485.47 crores to ₹ 98,054.49 crores registering a growth of 9.58%.

Performance Highlights:

- Operating profit increased from ₹1,481.78 crores to ₹1,745.74 crores (+17.81%).
- Net profit Increased from ₹ 1,072.03 crores to ₹1,182.61 crores (+10.32%).
- Deposits of the Bank increased from ₹ 49,515.07 crores to ₹ 53,688.96 crores (+8.43%) during the year.
- Gross Advances increased from ₹ 39,970.40 crores to ₹ 44,365.52 crores (+11%) during the year.
- Net Advances increased from ₹ 39,733.75 crores to ₹ 43,983.67 crores (+10.70%) during the year.
- Gross NPAs Decreased from 1.44% to 1.25%.
- Net NPAs Decreased from 0.85% to 0.36%.
- Provision Coverage Ratio (PCR) increased from 87.52% to 93.86%.

The total income increased by ₹648.90 crores during the year from ₹5,492.85 crores in the previous year to ₹6,141.75. crores during the year under review (+11.81%).

Interest income increased from ₹4,847.91 crores to ₹5,291.26 crores. Other income increased from ₹644.94 crores to ₹850.49 crores during the FY 2024-2025. Increase in total expenditure was at ₹384.94 crores. The total expenditure increased from ₹4,011.07 crores during the FY 2023-2024 to ₹4,396.01 crores during the FY 2024-2025. Earnings per share increased from ₹67.70 to ₹74.68, the book value of the share increased from ₹500.23 to ₹568.90.

2. Profit and appropriation

The net profit stood at ₹ 1,182.61 crores for the financial year ended March 31, 2025 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 2024-25 are as under:

Transferred to:	₹ in crores
Profit and Loss account opening balance	219.14
Add: Net profit during the year 2024-25	1,182.61
Less: Final Dividend for 2023-24 @ ₹10/- per share	158.35
Available for appropriation	1,243.40
Statutory Reserve	355.00
Special Reserve u/s 36(1)(viii) of IT Act, 1961	50.00
Investment Fluctuation Reserve	-
Capital Reserve	3.11
Transfer to General Reserve	575.00
Balance carried over to next year	260.29
Total	1,243.40

3. Dividend

Your Directors have recommended the payment of a final dividend at the rate of ₹11.00 (Rupees Eleven only) per equity share of the face value of ₹10/- each (110%) for the year ended March 31, 2025. 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 i.e. August 01, 2025.

4. Capital and Reserves

The Bank's issued and paid-up capital was ₹ 158.35 Crores as on March 31, 2025.

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 ₹ 74.68 (basic) and ₹ 74.68 (diluted) for the financial year ended March 31, 2025. This was ₹67.70 (Basic) and ₹67.70 (diluted) during the previous year. The book value per share has further improved to ₹568.90 as on March 31, 2025, as against ₹500.23 during the previous year.

7. Capital adequacy

The Capital to Risk Weighted Assets Ratio (CRAR) stood at 32.71% (as per Basel III) as on March 31, 2025, 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 I) which was 31.24% out of 32.71% of CRAR.

8. Deposits

The aggregate Deposits of the Bank as on March 31, 2025 stood at ₹ 53,688.96 crores, registering a growth of 8.43% over ₹ 49,515.07 crores as on 31.03.2024. 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 ₹ 39,970.40 crores as on 31.03.2024 to ₹ 44,365.53 crores as on 31.03.2025. The increase in advances is mainly due to the growth recorded in Retail and Agricultural 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 ₹ 34,278.68 crores as on March 31, 2025. The Total PS Advances (Net of PSLCs Sold) at ₹ 21,675.70 Crores constitutes 69.94% of ANBC as on March 3, 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 73.82%.

Agricultural Advances reached ₹ 18,583.69 Crores as on March 31st, 2025. The Total Agricultural Advances (Net of PSLCs Sold) and including RIDF and other qualifying investments for Priority – Agriculture constitutes 20.02% 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 24.77%.

Total advances to the weaker sections stood at ₹ 14,619.71 Crores as on March 31, 2025. The Total advances to Weaker Sections (Net of PSLCs Sold) at ₹ 5,004.71 Crores represents 16.15% 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 19.53%.

Similarly, the bank achieved the mandatory targets for the sub-sectors like Loans to Small and Marginal Farmers (at 10.75% as on March 31, 2025 based on the ANBC as on March 31, 2024, 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 14.52% and Advances to Micro Enterprises (at 25.52% as on March 31, 2025 based on the ANBC as on March 31, 2024, 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 26.12%.

Under export credit, the bank achieved a level of ₹ 597.76 Crores as on March 31, 2025 as against ₹ 834.60 crores achieved as on March 31, 2024, due to underutilization of sanctioned Export limits.

The Bank has sanctioned totally 20,761 No of Working Capital Term Loans (WCTLs) to the tune of ₹ 2675.01 crores as on March 31, 2025 since the inception of the scheme Emergency Credit Guarantee Line Credit Scheme (ECLGS). There is no account opened during the FY 2024-25 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), 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 ₹ 12,640.00 crores till 31/03/2025, which fetched an income of ₹ 195.92 Crores. In Category-wise, the Bank had sold PSLC– Small & Marginal Farmers for ₹ 9,615.00 Crores, PSLC– Agriculture for ₹ 2,800.00 Crores and PSLC–Micro Enterprises for ₹ 225.00 Crores as on 31/03/2025.

Financial Inclusion:

Under the Financial Inclusion (FI) Programme, the Bank has covered 142 villages as on 31.03.2025. The total Basic Savings Bank Deposit Account (BSBDA) of the bank as on 31st March 2025 stood at 1.50 lakhs.

10. Investments and treasury operations

During the financial year ended March 31st, 2025, the Bank achieved a turnover of ₹ 20,679.75 crores in trading operations, resulting in a net profit of ₹ 21.77 crores, as against ₹ 6.53 crores in the previous year.

The net investments of the Bank stood at ₹ 15,100.50 crores as on March 31, 2025, as against ₹ 15,262.60 crores as at the end of the previous year. The Investment-to-Deposit Ratio of the Bank was 28.13%, as against 30.82% at the end of the previous year.

The average realized yield on the investment portfolio during the year stood at 6.77% 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 ₹ 1017.42 crores as against ₹ 1055.86 crores 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 2024-25 in terms of actual inflows was ₹ 11,269.96 crores (Previous Year ₹ 11,577.57 crores) whereas Foreign Exchange outflows was ₹ 8,071.76 crores (previous year ₹ 9,400.97 crores)

The total merchant turnover of the bank for the year 2024-25 was ₹ 19,341.72 crores against ₹ 20,978.54 Crores during the previous year 2023-24. The profit on foreign exchange business for the year 2024-25 was ₹ 38.91 crores against ₹ 40.38 Crores during the previous year 2023-24.

Your Bank has correspondent relationship with 328 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 customers.

During the year under review, 56 branches are linked to Forex Processing Centre (FPC) and the total number of branches linked to FPC has been increased to 525 from 469 branches. Your 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 branches & FPC and direct view access to your forex customers. FX-Retail platform is provided to Forex customers.

12. Branch network

During the year under review, your bank has added 26 new branches and the branch network of the bank has been increased to 578 branches. In addition to that, your bank has added 4 ATMs, 22 CRMs. The Bank's ATM and alternate delivery channel network stood at 1150 ATMs, 380 CRMs, 124 e-lobbies, covering 17 States and 4 Union Territories.

13. Human Resources Development

As on 31st March 2025, the Bank's total staff strength is 4,743 (including 20 contract employees) consisting of 2,368 Officers, 1,738 Customer Service Executives and 637 Supporting Staff. During the year under review, 365 regular employees and 6 contract employees were recruited and 476 employees were promoted. Out of 4,743 employees, 2,853 employees were moved to the CTC structure.

The Business per employee has increased from ₹ 19.34 crores to ₹ 20.67 crores in the FY 2024-25.

The Bank's Staff Training College at Nagercoil had conducted 74 physical training programmes and 12 online training sessions on various banking subjects like Credit, Forex, Recovery, KYC/AML, Information Security etc. 3,001 staff members had undergone training programmes during the FY 2024-25.

TMB eSMART, an online e-learning Management System was indigenously developed by your 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. In order to build skill sets in different facets of Banking, your bank has introduced 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. 1350 staff members were trained in these leading institutions during FY 2024-25.

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 work 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 reconcile all the balances up to March 31st, 2025. 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 2024-25, RBIA were conducted through TMB eTHIC Module in 540 branches (Totally 619 audits) of the bank. Submission of compliance reports and closure of audits are followed up through the respective regional offices. Besides, RBIA was conducted at critical Departments such as 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.

Credit Audit

During the year under review, Credit Audit has been conducted for 1154 borrowal accounts in 229 branches.

Concurrent Audit system

The bank continued to have the system of Concurrent Audit through TMB eTHIC Module, which covered 268 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 Thoothukudi 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 (619 audits) along with Risk Based Internal Audit, 11 Departments and 12 Regional offices.

Every year, critical Information systems deployed in your 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 18 months.

During the year under review, Management Audits were conducted at 10 Regional Offices (Ahmedabad Region, Chennai Region, Bengaluru Region, Hyderabad Region, Madurai Region, Salem Region, Tirunelveli Region, Trichy Region, Mumbai Region and Thiruvananthapuram Region) and 25 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, Disciplinary Action Cell (DAC), Bancassurance Cell, Customer Service Cell & Internal Ombudsman Department, Compliance Department, Establishment Department, Legal Department, Chennai Service Branch, RTGS/WUMT, CPC, Chennai, CPC, Tirunelveli, IBD-Treasury-FPC, Information Security Department, Planning Development Resource Mobilization Department and DPS Cell).

Period	Number of Audits conducted at Region	Number of Audit Conducted at Departments
01.04.2022 to 31.03.2024	8	11
01.04.2023 to 30.09.2024	2	14

In addition to the above audit the Bank regularly conducts revenue audit in the branches, to detect 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 July 13, 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 the ongoing 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, Shri.V.Seetharaman was appointed as the Internal Ombudsman for your Bank and he joined duty on October 4, 2024. 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 developments 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, IMPS, UPI, AEPS, Point of Sale terminals, Cash Deposit Kiosk, Passbook Printing Kiosk, WhatsApp 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 1,150 ATMs and 380 CRMs as on 31 March, 2025.

Your Bank has implemented Software Defined WAN (SD-WAN) for both primary and secondary link at Branches. Implementing SD-WAN enables Branches to use Bandwidth more efficiently by utilizing both Primary and Secondary link providing 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. The Bank has 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. The Bank has 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 IPO, applications, Foreign Exchange Transactions utility services payment, scheduled payments, etc. Payments to TMB Credit Card dues and Prepaid Card Top-up facility are also provided through Internet Banking.

Mobile Banking as Super App:

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, Beneficiary Name Lookup, Voice Authentication, Loan against Deposits, Overdraft against Deposits and Form 15 G / H declaration are available for the Mobile Banking Customers. The Bank is striving to continuously add new features in our Mobile Banking application.

UPI:

Unified Payment Interface (Acquirer and Issuer) service is available as an additional feature in TMB MBank Application to our customers. Customers using TMB MBank app can Send Money, Receive Money, Approve Payments, Scan and Pay QR, IPO Mandates, One Time Mandates, Recurring Mandates and more, by linking your Bank account or other Bank accounts in TMB MBank app, similar to various NPCI Certified Third Party UPI applications like BHIM.

NRI Customers can send funds through Foreign Inward Remittance via UPI to your Bank accounts. UPI Lite facility with auto top-up is available where customers can do their UPI Payments up to ₹1000 without entering UPI Pin. Recently your Bank is live in UPI International Payments, Credit Card on UPI, UPI Circle (Delegate Payments) and Credit Line on UPI as issuer.

Bank has initiated various steps to increase its digital footprint.

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 on real time for Server related parameters such as CPU Utilization, CPU Load, Memory Usage, Process, Threads, Disk Space Usage, Network Traffic, Uptime, Regex (Regular Expression) based alerts etc.

PAM (Privileged Access Management) solution was implemented to provide access to the servers in a more secure way. We are activating the DR Site on quarterly basis, to ensure that the Disaster Recovery operations remain accurate, relevant and operable during adverse conditions.

Security Infrastructure:

Your Bank is having Endpoint Extended Detection and Response (XDR) system to protect our Endpoints from Malware and Ransomware attacks. Also, the Bank has 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.

1. Security Incident & Event Management (SIEM)
2. Database Activity Monitoring (DAM)
3. Privileged Access Management (PAM)
4. Web Application Firewall (WAF)

During Financial year 2024-25, your Bank has completed the following major IT Projects:

1. Enabling of GST Payment by Customers in Government Business Module.
2. Implementation of Direct Tax (CBDT) payments by Customers in Government Business Module.
3. Engaged Fintech as Merchant Aggregator to onboard merchants and provide QR Code to merchants.
4. Implementation of Rupay National Common Mobility Card (NCMC) to travel in Metro and Buses.
5. Enabled Online Foreign Exchange Operations to Customers in Internet Banking.

6. Introduced Insta Kit for Savings Account Opening.
7. Enabled UPI on Rupay Credit Card as issuer. Customer can link their Rupay Credit Card for UPI Transactions.
8. Enabled Voice Authentication as additional factor of authentication for Transactions in Mobile Banking.
9. Enabled Loan against Deposits and Overdraft Against Deposit in Mobile Banking.
10. UPI Credit Line, Auto Topup for UPI Lite and Delegate Payments (UPI Circle), Credit Card on UPI is enabled for Customers as Issuer.
11. IT Infrastructure has been revamped to handle increased transaction volume growth.

18. Product Innovation, New Products and Services

Major initiatives during Financial Year 2024-25:

- Launched TMB Apartment Savings Bank Accounts
- Launched TMB Student Saving Bank Accounts
- Launched TMB Prime Salary and Super Salary SB Accounts
- Launched various Term Deposit Schemes with attractive interest rates
 - TMB 400 (400 Days)
 - TMB 300 (300 Days)
 - TMB Akshay Deposit Scheme

19. Awards / Ratings obtained by the Bank:

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

- The Bank has bagged two Atal Pension Yojana (APY) awards during the Felicitation program conducted by PFRDA on 21 June, 2024 at New Delhi
 - Ultimate Champions Trophy
 - Award of Ultimate Achiever
- The Bank has bagged six Atal Pension Yojana (APY) awards during the Felicitation program conducted by PFRDA on 28 June, 2024 at Chennai
 - Numero Uno Exemplary Award of Par Excellence
 - Diamond Cup
 - Award of Exemplary Leadership
 - Exemplary Award of Par Excellence (2)
 - Award of Achievement

External Rating:

During the financial year 2024-25, 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 crores Fixed Deposits
Short Term	CRISIL A1+	₹ 25,000 crores short term Fixed Deposits ₹ 1,000 crores 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. Your Bank is also conducting stress testing and scenario analysis periodically to assess our resilience under extreme but plausible situations. Your 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, 2025 comprises of 13 Directors and the composition of Board are given below:

S. No	Name	Sector Represented / Area of specialized knowledge
1	Shri Salee S Nair	Majority Sector - Banking
2	Shri Vincent M.D.	Majority Sector - Banking
3	Shri A.Nirranjan Sankar	Minority Sector - Business Management and Human Resource
4	Shri S.R Ashok	Minority Sector - SSI
5	Shri D.N.Nirranjan Kani	Minority Sector - Business Management and Human Resource
6	Shri K.V.Rama Moorthy	Majority Sector - Banking and Agriculture
7	Shri B.Prabaharan	Minority Sector - Information Technology
8	Shri C.Chiranjeeviraj	Majority Sector - Accountancy and Finance
9	Shri S.Sridharan	Majority Sector - Banking, Economics and Law
10	Shri R.Deepak Shankar	Minority Sector - SSI (MSME)
11	Smt R.Kanagavalli	Minority Sector - Law
12	Shri Thomas Mathew	Additional Director, RBI
13	Shri C S Ramkumar	Additional Director, RBI

All Directors, other than Managing Director and CEO & the Executive Director, are non-executive Directors on 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. Employee Stock Option Plan

The Board of Directors of the Bank in their meeting held on January 17, 2025, have approved the Tamilnad Mercantile Bank Limited (TMB) Employee Stock Option Plan 2024 ("TMB ESOP 2024") and the same was approved by the shareholders of the Bank on March 12, 2025 through Postal Ballot. The Bank has filed an application with the Stock Exchanges for obtaining in-principle approval from them for issuing new shares under TMB ESOP 2024. In connection with the application submitted for in-principle approval, the National Stock Exchange of India has advised the Bank to modify some clauses in the TMB ESOP 2024 scheme so as to comply with the rules & regulations prescribed under SEBI (Share Based Employee Benefits) Regulations, 2021. Based upon the requirement, the Compensation Committee has approved the

modifications in the scheme. Approval from the Stock Exchanges is awaited.

Pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, a certificate from the Secretarial Auditor is attached as **Annexure 9**.

23. 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.

24. Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013, and Regulation 17 of SEBI (LODR) Regulations, 2015, the Bank has appointed Smt. R. Kanagavalli (DIN: 00883998) as Woman (Independent) Director on the Board of the Bank.

25. Details of Subsidiaries and Associates

Your bank does not have any subsidiaries or Associates or Joint Ventures for the financial year ended March 31, 2025.

26. Change in the nature of Business

During the Financial year ended March 31, 2025, there is no change in the nature of business of the Bank.

27. Directors' Responsibility Statement

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

- In the preparation of the annual accounts for the financial year ended March 31, 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 2024-25 and of the profit of the Bank for that period.
- 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, 2025, 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.

28. 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' and available at the link <https://www.tmb.in/pages/Regulatory-Policies>

29. Board Level Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Nomination and Remuneration Committee of the Board had laid down the criteria for Performance Evaluation of the Board as a whole, Individual Directors including Independent Directors, Non-Independent Directors, the Chairman and the Committees of the Board, as well as the process for such evaluation.

The Bank has aligned its Board Evaluation Framework in line with the Guidance Note on Board Evaluation issued by the SEBI as per Circular dated January 5, 2017. The Board of Directors has carried out the annual evaluation of the performance of the Board as a whole, Individual Directors including Independent Directors, Non-Independent Directors, the Chairman and the Committees of the Board.

The performance of the Board as a whole, Individual Directors including Independent Directors, Non-Independent Director, the Chairman and the Committees of the Board have been evaluated / reviewed by the Nomination and Remuneration Committee, by the Independent Directors and by the Board of Directors

The Board has formulated a Policy on Performance Evaluation which includes the aspects such as

- 1) Acting in the best interest of the Bank
- 2) Exercise of due and reasonable care, skill, diligence and independent judgement

- 3) Avoidance of director indirect conflicts of interest
- 4) Avoidance of undue gain or advantage either to self or relatives, partners or associates
- 5) Maintaining confidentiality of information, including commercial secrets and unpublished market – sensitive information
- 6) To oversee the Bank's financial reporting process and ensuring correct, adequate and credible disclosure of financial information.
- 7) To review with the management, the financial statements with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements, concerning financial statements
- 8) To review the adequacy, quality and effectiveness of external and internal audit, internal control system, interaction with external auditors before finalization of Annual accounts and reports.
- 9) To review Bank's finance and risk management policies.
- 10) Striving to attend all committee Meetings
- 11) Display of requisite knowledge and expected level of awareness of the Bank and external environment in meetings and comments
- 12) Seeking appropriate clarification or amplification of information where necessary
- 13) Contribution in terms of constructive ideas, guidance and knowledge of better decision making and management of Bank's affairs.

30. 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, the Executive Director and all executives of the Bank.

The remuneration of the MD & CEO and the Executive Director 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 and the Executive Director 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>

31. 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.

32. Board/Committee meetings

During the year under review, total 19 meetings of the Board and 77 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.

33. Annual General Meetings

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

34. 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 Executive Vice President, 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.

35. 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. The Bank has filed an sue moto application before the Registrar of Companies, Chennai under Section 441 of the Companies Act, 2013 for which final order is awaited.

36. 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 chartered 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.

37. 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 2025-26. The Reserve Bank of India vide its letter dated 26 June, 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.

38. 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.

39. Details in respect of frauds reported by Auditors

During the year under review, the Auditors have not reported any 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.

40. Secretarial Audit

The Bank had appointed M/s. SPNP & Associates, Practicing Company Secretaries, Chennai, as the Secretarial Auditor to conduct the Secretarial Audit of the Bank for the FY 2024-25. The report of the Secretarial Auditor is enclosed as **Annexure 1**.

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

- During the period under review, Mr. K. Ananth and Mr. S. Ilangoan were appointed as Heads of Internal Audit. However, the Audit Committee did not formally review and approve the appointments and the terms of remuneration of the Chief Internal Auditor, in deviation from the duties of Audit Committee as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This has been marked as a remark, with a suggestion that, going forward, the Bank shall ensure formal compliance with the aforementioned SEBI regulation.

The comment made by the Secretarial Auditor is self-explanatory in nature and Your Bank has taken necessary steps to ensure compliance with regulatory guidelines as amended from time to time.

- The Bank received a demand notice from the Income Tax Department on March 29, 2024. However, the intimation to Stock exchange was made only on April 2, 2024 causing a three days delay in intimation of demand notice as per SEBI Circular dated July 13, 2023, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This has been marked as a remark, with a suggestion that, going forward, the Bank shall ensure formal compliance with the aforementioned SEBI regulation.

The above facts came to the knowledge of the Bank on 30.03.2024 and having consecutive holidays on 31.03.2024 and 01.04.2024, the said intimation was made on 02.04.2024. However, the filings submitted with stock exchanges contains the factual condition also, which is reproduced as below: "Due to intervening holiday and Financial year end closure, the intimation is being provided today"

- The Risk Management Committee (RMC) had not reviewed the appointment and terms of remuneration of Chief Risk Officer in deviation from the duties of Risk Management Committee as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This has been marked as a remark, with a suggestion that, going forward, the Bank shall ensure formal compliance with the aforementioned SEBI regulation.

The comment made by the Secretarial Auditor is self-explanatory in nature and Your Bank has taken necessary steps to ensure compliance with regulatory guidelines as amended from time to time.

- During the period under review, Mr. Sanjoy Kumar Goel was appointed as the Chief Financial Officer (CFO) at the Board meeting held on January 29, 2025. However, the said appointment was neither presented to nor approved by the Audit Committee, which is in deviation from the duties of Audit Committee as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The comment made by the Secretarial Auditor is self-explanatory in nature and Your Bank has taken necessary steps to ensure compliance with regulatory guidelines as amended from time to time.

- During the period under review, the Bank made contributions in the form of non-monetary assets which are not classified under Schedule VII of the Companies Act 2013, including barricades, CCTV cameras, waiting sheds, and computers—to various Police Departments.

Though the contributions in the form of non-monetary assets which were provided to the Police Departments, the same will be used for the benefits of the general public at large.

- During the period under review, the Bank has transferred Rs. 6.78 Crores to the unspent CSR account which was originally contributed to TMB Foundation, during the financial year 2020-21. And the same was categorized under "ongoing projects.". In compliance with Section 135 of the Companies Act, 2013, the said amount should have been transferred to the specified unspent CSR account by the end of FY 2023-24.

The implementing agency has informed the Bank that due to some unavoidable circumstances / conditions, the ongoing projects were continued after the expected completion time. In view of the above, the aforesaid delay was caused.

41. Annual Secretarial Compliance Report:

The Bank has undertaken an audit for the Financial Year ended March 31, 2025 for all applicable compliances as per SEBI Listing Regulations and Circulars / Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by M/s. SPNP & Associates, Practicing Company Secretaries, Chennai, has been submitted to the Stock Exchanges and is enclosed as **Annexure 2** to this Directors' Report.

42. Compliance to Secretarial Standards

The Bank has complied with the provisions of the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and has put in place systems which are adequate and are operating effectively.

43. 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.

44. Corporate Social Responsibility

The Bank has constituted a Corporate Social Responsibility (CSR) Committee which 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 ₹ 26.09 crores for the Corporate Social Responsibility activities for the financial year 2024-25 and a sum of ₹ 18.83 crores has been transferred as ongoing and multiyear projects to the implementing agency.

45. 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, 2025 is available in the Bank's website. The same can be accessed at <https://www.tmb.in/pages/Annual-Return>.

46. Disclosures Pertaining to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Maternity Benefit Act, 1961

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.

Number of complaints pending as at the beginning of the financial year – **Nil**

Number of complaints filed during the financial year – 1 (The same has been disposed)

Number of complaints pending as at the end of the financial year – **Nil**

Also, your Bank is in compliance with the Maternity Benefit Act, 1961 as amended from time to time.

47. 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.

48. Strictures and Penalties

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

- RBI has imposed penalty of ₹4,30,000/- under the scheme of penalty for Non-replenishment of ATM (DCM(RMMT) No.S153/11.01.01/2022-23) dated August 10, 2021. (debited in our account maintained with RBI on various dates).
- RBI has imposed penalty of ₹10,000/- for deficiency in rendering customer service observed during incognito visit by RBI official at Cheranmadevi Branch on 11.11.2024 (Order date: 11.11.2024 & Paid on 17.12.2024).
- RBI has imposed penalty of ₹20,050/- on 28.05.2024 for the reason of irregularities and directions violated during their visit at our Madurai Currency Chest. (debited in our account maintained with RBI on 28.05.2024).

49. 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.

50. Management Discussion & Analysis

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

51. 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.

52. 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. SPNP & 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.

53. Business Responsibility and Sustainability Report:

The 'Business Responsibility and Sustainability Report' (BRSR) of your Bank for the Financial Year ended March 31, 2025 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.

54. 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.

55. 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 2024-25, 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.

56. 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.

57. Insider Trading Compliances

The Bank has adopted the Code of Conduct for Prevention of Insider Trading in the securities ('PIT Code'), adopted in line with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'). The PIT Code, inter-alia requires, pre-clearance for trading in the securities and prohibits the purchase or sale of securities while in possession of unpublished price sensitive information (UPSI) and during the closure of trading window.

The Board has also adopted a Board approved Code of Practices and Procedures for Fair Disclosure of UPSI, which is available on the website of the Bank at <https://www.tmb.in/doc/Code%20of%20conduct%20to%20regulate%20monitor%20and%20report%20trading%20by%20insiders.pdf>.

The Board reviews the PIT Code on an annual basis and whenever required. The PIT Code has been reviewed by the ACB and the Board, as part of annual review process, during the financial year under review and certain changes are made therein in order to provide more clarity in certain clauses as per recent development in the aforesaid regulations. The Company Secretary of the Bank acts as the 'Compliance Officer' in terms of the PIT Code and PIT Regulations, and is responsible for implementation and overseeing compliance with the PIT Code across the Bank.

The Bank has also undertaken various initiatives during the financial year to spread awareness amongst the employees of your Bank about the provisions of the PIT Code and PIT Regulations. The Bank has automated the process for submission of declarations and disclosures by designated persons electronically through software. Further, your Bank has maintained the Structured Digital Database ('SDD') internally with adequate internal controls, in compliance with the provisions of Regulation 3(5) of the PIT Regulations. The report on the compliance with the PIT Code is also submitted to the ACB/ Board periodically.

58. Acknowledgment

The Board of Directors are grateful for the valuable guidance and support received from the Government of India, various State Governments, regulatory bodies such as SEBI, MCA, RBI, IBA, UIDAI, CERSAI, IRDAI as well as to all the shareholders, Lenders, Credit Rating Agencies for their unwavering support and trust in the Bank.

The Board would further like to express appreciation to BSE Limited, National Stock Exchange of India Ltd., National Securities Depository Limited, Central Depository Services (India) Limited, Registrar & Share Transfer Agent, Vendors and Service Providers for their continued support & co-operation.

The Board also wishes to place on record its profound appreciation for the valuable contribution of the Bank's Staff at all levels and looks forward to their continued involvement with commitment towards achieving the future goals.

Lastly, our sincere thanks to all our customers in India and abroad and our shareholders for their patronage and continued faith in Brand TMB as we strive to improve the Bank's position and performance on an ongoing basis and remain strongly committed to creating value for our stakeholders.

59. Conclusion

This year has been a significant milestone for the Bank, marking 103 years since its establishment — a truly commendable accomplishment.

Both the banking sector as a whole and your Bank in particular remain committed to supporting the MSME segment through the effective rollout of initiatives introduced by the government and regulatory authorities. The Bank has adopted a prudent approach in expanding its operations while maintaining strong financial performance.

Looking ahead, your Bank remains optimistic and self-assured, confidence rooted in its ability to overcome numerous challenges over the past century. With the knowledge and experience gained, the Bank is well-positioned to embrace the next hundred years with renewed vigor, driven by the trust of its valued customers and the unwavering dedication of its employees.

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.

For and on behalf of the Board of Directors

Place : Thoothukudi
Date : July 08, 2025

Salee S Nair
MD & CEO

K. Ramachandran
Additional Independent 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 of,
Tamilnad Mercantile Bank Limited,
57, Victoria Extension Road,
Thoothukudi - 628002.

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 in electronic mode, 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 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, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Designation	Original Date of appointment in Bank	Date of appointment in the current Designation
1	Shri. Salee S Nair @	09231101	Managing Director & CEO	29/08/2024	29/08/2024
2	Shri. Vincent M.D (#)	09850306	Executive Director, Whole-time Director	27/09/2024	27/09/2024
3	Shri. A.Niranjan Sankar	00084014	Non-Executive - Non-Independent Director	28/10/2020	28/10/2020
4	Shri.S.R. Ashok	07933713	Non-Executive - Non-Independent Director	28/10/2017	28/10/2020
5	Shri. D.N.Nirranjan Kani	00455352	Non-Executive - Non-Independent Director	28/10/2017	28/10/2020
6	Shri. K.V. Ramamoorthy (\$)	07034994	Non-Executive - Non-Independent Director	09/07/2024	09/07/2024
7	Shri.B. Prabakaran	00209875	Non-Executive - Independent Director	28/10/2020	03/08/2021
8	Shri. C. Chiranjeeviraj	08730382	Non-Executive - Independent Director	28/10/2020	16/07/2021
9	Shri.S. Sridharan	07205781	Non-Executive - Independent Director	27/02/2024	27/02/2024
10	Shri. R. Deepak Shankar (%)	05223027	Non-Executive - Independent Director	09/07/2024	09/07/2024
11	Smt. R. Kanagavalli (*)	00883998	Non-Executive - Independent Director	19/08/2024	19/08/2024
12	Shri.Thomas Mathew (^)	10642487	Additional Director RBI	12/04/2024	12/04/2024
13	Shri. C.S. Ramkumar	09777115	Additional Director RBI	04/10/2022	04/10/2022

(@) Shri. Salee S Nair was appointed as an additional director in the capacity of Managing Director & Chief Executive Officer of the Bank, for a period of three years with effective from 29th August 2024 at the board meeting held on 19th August 2024. His appointment was regularized in the Annual General Meeting of the Bank held on 27th September 2024.

(#) Shri. Vincent M.D was appointed as an additional Director in the capacity of the Whole Time Director (Executive Director) of the Bank, for a period of three years, with effective from 27th September 2024 at the board meeting held on 25th September 2024. His appointment was regularized via postal ballot on 23rd December 2024.

(\$) Shri. K.V Ramamoorthy was appointed as an additional director in the capacity of Non-Executive – Non-Independent Director, for a period of three years at the board meeting held on 09th July 2024. His appointment was regularized in the Annual General Meeting of the Bank held on 27th September 2024.

(%) Shri. R. Deepak Shankar was appointed as an additional director in the capacity of Non-Executive – Independent Director, for a period of three years at the board meeting held on 09th July 2024. His appointment was regularized in the Annual General Meeting of the Bank held on 27th September 2024.

(*) Smt. R. Kanagavalli was appointed as an additional director in the capacity of Non-Executive – Independent Director for a period of three years at the board meeting held on 19th August 2024. Her appointment was regularized in the Annual General Meeting of the Bank held on 27th September 2024.

(^) RBI vide its order, Ref.No. CO.DOR.HGG.No. S313/08.55.001/2024-25 dated April 12, 2024 has appointed Mr. Thomas Mathew, Regional Director, Reserve Bank of India, Thiruvananthapuram as Additional Director, RBI for a period of two years from April 12, 2024 to April 11, 2026 or till further orders.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

FOR SPNP & ASSOCIATES

P. SRIRAM

FCS No. 4862/C P No: 3310

FRN: FR/CHENNAI CENTRAL/102/2020

PEER REVIEW NO: 1913/2022

UDIN: F004862G000693462

Place: Chennai

Date: July 02, 2025

Annexure - 1

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2025

[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 ("**Bank/TMB**"). 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 Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the Financial Year ended March 31, 2025 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Bank 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 Bank" for the Financial Year ended March 31, 2025 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 (Not Applicable to the Bank during the review period) and
 - (i) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (Not Applicable to the Bank during the review 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;
- (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 Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

1. During the period under review, Mr. K. Ananth and Mr. S. Ilangoan were appointed as Heads of Internal Audit. However, the Audit Committee did not formally review and approve the appointments and the terms of remuneration of the Chief Internal Auditor, in deviation from the duties of Audit Committee as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This has been marked as a remark, with a suggestion that, going forward, the Bank shall ensure formal compliance with the aforementioned SEBI regulation.

2. The Bank received a demand notice from the Income Tax Department on March 29, 2024. However, the intimation to Stock exchange was made only on April 2, 2024 causing a three days delay in intimation of demand notice as per SEBI Circular dated July 13, 2023, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This has been marked as a remark, with a suggestion that, going forward, the Bank shall ensure formal compliance with the aforementioned SEBI regulation.

3. The Risk Management Committee (RMC) had not reviewed the appointment and terms of remuneration of Chief Risk Officer in deviation from the duties of Risk Management Committee as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This has been marked as a remark, with a suggestion that, going forward, the Bank shall ensure formal compliance with the aforementioned SEBI regulation.

4. During the period under review, Mr. Sanjoy Kumar Goel was appointed as the Chief Financial Officer (CFO) at the Board meeting held on January 29, 2025. However, the said appointment was neither presented to nor approved by the Audit Committee, which is in deviation from the duties of Audit Committee as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. During the period under review, the Bank made contributions in the form of non-monetary assets which are not classified under Schedule VII of the Companies Act 2013, including barricades, CCTV cameras, waiting sheds, and computers—to various Police Departments.
6. During the period under review, the Bank has transferred Rs. 6.78 Crores to the unspent CSR account which was originally contributed to TMB Foundation, during the financial year 2020-21. And the same was categorized under “ongoing projects.”. In compliance with Section 135 of the Companies Act, 2013, the said amount should have been transferred to the specified unspent CSR account by the end of FY 2024-25.

We further report that the Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Woman Director. However, there was a temporary deviation from the prescribed composition of the Board owing to the retirement of an Independent Director on March 26, 2025. As a result, the Board was not duly constituted for five days starting from March 27, 2025 to March 31, 2025. However, the Bank has appointed Mr. Arumugasami Shidambaranathan as an Additional Independent Director w.e.f. 01.04.2025 in their meeting held on 26.03.2025. 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 Bank commensurate with the size and operations of the Bank 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 Bank's affairs in pursuance of the above referred laws, rules, regulations, guidelines,

and standards and that the Bank has complied with such of those relevant clauses thereto which are applicable:

- i. During the period under review, at the board meeting held on January 17, 2025 the board considered and approved the adoption / formulation of Employee Stock Option Plan viz., "Tamilnad Mercantile Bank Limited Employee Stock Option Plan 2024" (TMB ESOP 2024) and the same was approved by the shareholders by way of special resolution dated March 12, 2025.

FOR SPNP & ASSOCIATES

P. SRIRAM

FCS No. 4862/C P No: 3310

FRN: FR/CHENNAI CENTRAL/102/2020

PEER REVIEW NO: 1913/2022

UDIN: F004862G000693385

Place: Chennai

Date: July 02, 2025

Annexure A

To,
The Members,
Tamilnad Mercantile Bank Limited
57, Victoria Extension Road
Thoothukudi – 628002
Tamil Nadu.

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the Bank. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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. I believe that the processes and practices, the Bank had followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Wherever required, I 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. My 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 Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

FOR SPNP & ASSOCIATES

P. SRIRAM

FCS No. 4862/C P No: 3310

FRN: FR/CHENNAI CENTRAL/102/2020

PEER REVIEW NO: 1913/2022

UDIN: F004862G000693385

Place: Chennai
Date: July 02, 2025

Annexure – 2

Secretarial Compliance Report of Tamilnad Mercantile Bank Limited for the year ended March 31, 2025

I, P. Sriram, Partner of SPNP & 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, 2025 ("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 thereunder by the Securities and Exchange Board of India ("SEBI");

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018,
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *(Not Applicable to the Bank during the review period)*
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; as amended
- (h) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;

and circulars guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except as mentioned in **Annexure 1**
- (b) The listed entity has taken the following actions to comply with the observations made in previous report mentioned in **Annexure 2**

ADDITIONAL DISCLOSURES:

I hereby report that, during the review period the compliance status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS*
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).	Yes	
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. - All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI	Yes	
3.	Maintenance and disclosures on Website: - The Listed entity is maintaining a functional website - Timely dissemination of the documents/ information under a separate section on the website - 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	
4.	Disqualification of Director: None of the Director of the Bank are disqualified under Section 164 of Companies Act, 2013	Yes	
5.	Details related to Subsidiaries of listed entities: (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	NA	
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	
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 as prescribed in SEBI Regulations.	Yes	
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions; (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit committee.	Yes	

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS*
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III, SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
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	
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	
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity or its material subsidiary(ies) has 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.	NA	
13.	No additional non-compliances observed: No additional non-compliance observed for any of the SEBI regulation/ circular/ guidance note etc. except as reported above	NA	

Annexure 1

Sr. No	Compliance Requirement/ (Regulations/Guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remark
1.	The Audit Committee (AC) shall mandatorily review the appointment, removal and terms of remuneration of the Chief Internal Auditor.	Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), 2015 (SEBI LODR), read with Schedule II, Part C of Para B (5)	The AC had not reviewed the appointment and terms of remuneration of the Chief Internal Auditor	NA	NA	Deviation of Schedule II, Part C of Para B (5) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015	NA	Remark : During the period under review the Bank had appointed internal auditors. Though the Board of Directors of the Bank had approved the said appointment, the same ought to have been reviewed by the Audit Committee of the Bank	Being in the banking industry, concurrent auditors function as internal auditors with AC approval, and their reports are regularly placed before the AC. As per the Banking Regulation Act, banks are required to have an Internal Audit/Inspection Department headed by a General Manager-level officer reporting directly to the AC or Executive Director.	NIL
2.	Any actions taken or orders passed by any Regulatory, Statutory, Enforcement authority should be intimated to stock exchange within 24 hours.	SEBI Circular dated July 13, 2023, and Schedule II, Part A, Clause 20 of SEBI LODR	There was delay in intimation of demand notice received from Income Tax Department on 29.03.2024.	NA	NA	There was three days delay in intimation of demand notice received from Income Tax Department	NA	Remark: The Bank received a demand notice from the Income Tax Department on March 29, 2024. However, the intimation to Stock exchange was made only on April 2, 2024.	The above facts came to the knowledge of the Bank on 30.03.2024 and having consecutive holidays on 31.03.2024 and 01.04.2024, the said intimation was made on 02.04.2024. However, the filings submitted with stock exchanges contains the factual condition also, which is reproduced as below: Due to intervening holiday and Financial year end closure, the intimation is being provided today"	NIL

Sr. No	Compliance Requirement (Regulations/Guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remark
3.	The appointment, removal and terms of remuneration of the Chief Risk Officer (CRO) shall be subject to review by the Risk Management Committee (RMC).	Regulation 21 of SEBI LODR, read with Schedule II Part A Para C sub rule 6	The RMC had not reviewed the appointment and terms of remuneration of the CRO	NA	NA	Deviation of Regulation 21 of SEBI (Listing Obligation and Disclosure Requirements) 2015, read with Schedule II Part A Para C sub rule 6	NA	Remark : During the period under review the Bank had appointed the CRO. Though the Board of Directors of the Bank had approved the said appointment, the same ought to have been reviewed by the Risk Management Committee	Being Banking Company, Risk Management is one of the core department of the Bank and headed by General Manager cadre. As per Banking Regulation Act, 1949 CRO reports to the RMCB and one level below to the Board. Upon their appointment, their introduction had been given to RMCB after their appointment.	NIL
4.	The Audit Committee (AC) shall approve the appointment of Chief Financial Officer (CFO) after assessing the qualifications, experience and background, etc. of the candidate.	Regulation 18 of SEBI LODR, read with Schedule II, Part C of Para A (19)	The appointment of CFO was not approved by the Audit Committee	NA	NA	Deviation of Regulation 18 of SEBI LODR, read with Schedule II, Part C of Para A (19)	NA	Observation- During the period under review the Bank had appointed CFO. Though the Board of Directors of the Bank had approved the said appointment, the same ought to have been approved by the Audit Committee.	Being Banking Company, accounts department needs to be headed by General Manager Cadre and the person shall have experience in Banking Company. As per Banking Regulation Act, 1949 CFO reports to the one level below to the Board and ACB. Upon their appointment, their introduction had been given to ACB after their appointment.	NIL

Annexure 2

Sr. No	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
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NIL

We further, report that the listed entity is in compliance with the disclosure requirements of Employee Benefit Scheme Documents in terms of regulation 46(2) (za) of the LODR Regulations.

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 SPNP & ASSOCIATES

P. SRIRAM

FCS No. 4862/C P No: 3310

FRN: FR/CHENNAI CENTRAL/102/2020

PEER REVIEW NO: 1913/2022

UDIN: F004862G000513711

DATE: May 30, 2025

PLACE: CHENNAI

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 to 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 Salee S Nair	MD & CEO	3	3
2	Shri A.Niranjana Sankar	Director	3	3
3	Shri S.R.Ashok	Director	3	3
4	Shri D.N.Nirranjan Kani	Director	3	3
5	Shri B.Prabaharan	Independent Director	3	2
6	Shri.R.Deepak Shankar	Independent Director	3	3

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	31.03.2024	31.03.2023	31.03.2022
Net Profit After Tax for the year as per Profit and Loss Account	1072,03,24,552.34	1029,25,90,538.35	821,90,88,153.52
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	321,54,69,678.00	363,32,30,540.00	302,70,23,168.00
Less: Dividend Received from Companies who complied with CSR Activities as per CSR Rules	7,79,300.00	9,82,500.00	21,17,096.16
Net Profit for the year as per section 198	1393,50,14,930.34	1392,48,38,578.35	1124,39,94,225.36
Average Net Profit for the last 3 years		1303,46,15,911.35	
2% of the average net profit to be spent towards CSR		26,06,92,318.23	

(b) Two percent of average net profit of the company as per section 135 (5): **₹2606.92 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)] **₹2606.92 lakh**

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

(both multiyear and ongoing projects)											(₹ in lakh)	
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		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	-	Yes	TN	Multiple District	3 years	1883*	1883	Yes	No	TMB Foundation	CSR 00000375

*Allocated towards multiyear and ongoing projects.

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 to the Act	Local area Yes / No	Location of the project		Amount spent in the current financial year	Mode of implementation – 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	Tamilnadu	Multiple Districts	33,43,765.00	Direct	-	-
2	Construction of toilets etc.	Clause (i)	Yes	Tamilnadu	Multiple Districts	48,85,160.00	Direct	-	-
3	Protection of National Heritage, art and culture	Clause (v)	Yes	Tamilnadu	Thoothukudi	71,98,880.96	Direct	-	-
4	Healthcare and sanitation facilities	Clause (i)	Yes	Tamilnad West Bengal	Multiple Districts	2,01,64,732.00	Direct	-	-
5	Provision of free clinics, medical consultancy etc	Clause (i)	Yes	Tamilnadu	Multiple Districts	23,24,000.00	Direct	-	-
6	CSR Donations to schools for setting of various facilities etc.	Clause (ii)	Yes	Tamilnadu	Multiple Districts	3,10,62,812.00	Direct	-	-
7	Setting up of homes and hostel for women and orphans, old age homes etc	Clause (iii)	Yes	Tamilnadu	Multiple Districts	10,47,490.30	Direct	-	-
8	Provision of infrastructure and aiding machinery for differently abled people	Clause (iii)	Yes	Tamilnadu	Multiple Districts	3,01,640.00	Direct	-	-
9	Setting up a library for the public	Clause (v)	Yes	Tamilnadu	Multiple Districts	15,27,136.00	Direct	-	-
10	Providing financial assistance to Charitable trusts meant for the differently abled etc	Clause (ii)	Yes	Tamilnadu	Multiple Districts	-	Direct	-	-
11	Providing education, employment enhancing vocational skills	Clause(ii)	Yes	Tamilnadu	Multiple Districts	2,629.00	Direct	-	-
12	Planting of trees / saplings	Clause (iv)	Yes	Tamilnadu	Multiple Districts	96,000.00	Direct	-	-
13	Providing training to promote rural sports nationally recognised	Clause (vii)	Yes	Tamilnadu	Multiple Districts	6,00,000.00	Direct	-	-
Total						7,25,54,245.26			

(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)] **₹ 2608.54 lakh**

Annexure – 4

Management Discussion and Analysis Report

(a) Industry structure and developments.

Global Economy

Steady global growth and varied regional dynamics:

Globally, 2024 has been an eventful year. The year witnessed unprecedented electoral activity on the political front, with more than half of the global population voting in major elections across countries. Meanwhile, adverse developments like the Russia-Ukraine conflict and the Israel-Hamas conflict increased regional instability. These events impacted energy and food security, leading to higher prices and rising inflation. Cyber-attacks also became more frequent and severe, with growing human and financial consequences due to the increasing digitisation of critical infrastructure. Geopolitical tensions, have reshaped global trade. Geopolitical risks and policy uncertainty, especially around trade policies, have also contributed to increased volatility in global financial markets.

The global economic growth moderated to 3.3 percent in 2024 (3.5 percent in 2023) and it is expected to be even lower in 2025 (2.8 percent). Over the **next five years**, global growth is expected to average around **3.2 per cent**, which is modest by historical standards. While the overall global outlook remains steady, growth varies across different regions.

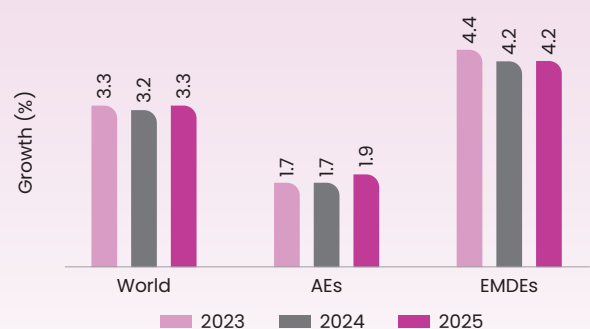
State of the Economy

Chart 1.1: Resilient global growth trends in 2024



Source: OECD Economic Outlook, Volume 2024
Issue 2

Chart 1.2: Steady growth outlook across country groups



Source: IMF WEO (January 2025)

Note: AEs- Advanced Economies, EMDEs- Emerging market and developing economies

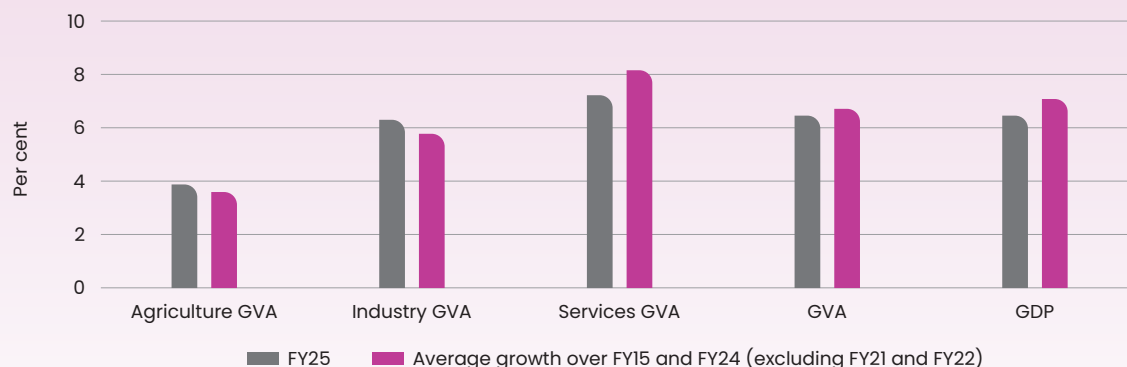
Domestic Economy

Domestic economy remains steady amidst Global uncertainties

As per the first advance estimates released by the National Statistical Office, Ministry of Statistics & Programme Implementation (MoSPI), the real Gross Domestic Product (GDP) growth for FY25 is estimated to be **6.4 per cent**. From the angle of aggregate demand in the economy, Private Final Consumption Expenditure at constant prices is estimated to grow by **7.3 per cent**, driven by a rebound in rural demand. PFCE as a share of GDP (at current

prices) is estimated to increase from **60.3 per cent in FY24 to 61.8 per cent in FY25**. This share is the highest since FY03. Gross Fixed Capital Formation (GFCF) (at constant prices) is estimated to grow by **6.4 per cent**.

Chart 1.20: Despite global uncertainty, India's growth remains close to decadal average (at constant prices)



Source: Calculations based on Statement 13: Annual and Quarterly Estimates of GDP at constant prices, MoSPI

Note: FY25 values are First Advance Estimates.

On the supply side, real Gross Value Added (GVA) is also estimated to grow by 6.4 per cent. The agriculture sector is expected to rebound to a growth of 3.8 per cent in FY25. The industrial sector is estimated to grow by 6.2 per cent in FY25. Strong growth rates in construction activities and electricity, gas, water supply and other utility services are expected to support industrial expansion. Growth in the services sector is expected to remain robust at 7.2 per cent, driven by healthy activity in financial, real estate, professional services, public administration, defence, and other services.

(b) Banking Sector:

i) Deposits & Credit growth:

All Scheduled Commercial Banks (ASCB):

During the Financial Year 2024-25, ASCB Deposits grew by ₹21.50 lacs crore, with a Y-o-Y growth of 10.43% and credit grew by ₹17.93 lacs crore, Y-o-Y growth of 10.99% which has pushed the incremental CD Ratio to 83.40%.

TMB:

During the Financial Year 2024-25, we registered a growth in Deposits by ₹4,174 crore, with a Y-o-Y growth of 8.43%. Loans and Advances grew by ₹4,395 crore, a Y-o-Y growth of 11.00% which has pushed the incremental CD Ratio to 105.29%.

ii) Lending Rate Movements:

- The weighted average lending rate (WALR) on fresh Rupee loans of ASCBs stood at 9.35 percent in March 2025 (9.37 percent in March 2024).

- The WALR on outstanding Rupee loans of ASCBs declined to 9.77 percent in March 2025 from 9.85 percent in March 2024).
- 1-Year median Marginal Cost of fund-based Lending Rate (MCLR) of SCBs increased to 9.00 percent in March 2025 from 8.80 percent in March 2024.

iii) Deposit Rate Movements:

- The weighted average domestic Term Deposit rate (WADTDR) on fresh rupee term deposits of SCBs stood at 6.65 percent in March 2025 as compared to 6.62 percent in March 2024.
- The weighted average Domestic Term Deposit rate (WADTDR) on outstanding rupee term deposits of SCBs stood at 7.03 percent in March 2025 (6.88 percent in March 2024).

Performance highlights of the Bank

- Total Deposit portfolio of the Bank crossed ₹50,000 crores.
- Opened 26 new branches during the FY2025.
- Total Business increased to ₹98,055 crore from ₹89,485 crore Y-o-Y.
- Gross Advances increased to ₹44,366 crore from ₹39,970 crore Y-o-Y.
- Book value of share increased to ₹569 from ₹500 Y-o-Y.
- Net profit surged to ₹1,183 crore from ₹1,072 crore Y-o-Y.

- Interest Income improved to ₹5,291 crore from ₹4,848 crore Y-o-Y.
- Total Income moved to ₹6,142 crore from ₹5,493 crore Y-o-Y.
- The RAM (Retail, Agri & MSME advances) segment increased to 93% from 91% Y-o-Y.
- The CRAR% increased to 32.71% from 29.37% Y-o-Y.
- Total SMA to Gross Advances declined to 2.55% from 3.97% Y-o-Y.
- Stressed Assets ratio decreased to 2.01% from 2.70% Y-o-Y.
- The Bank's Net worth increased to ₹9,009 crores (PY ₹7,921 crores) with an absolute rise of ₹1088 crores registering a growth rate of 13.74%.

(c) Segment-wise / product-wise performance: Advances

(₹ in Crores)

Particulars	MAR'24	MAR'25	Y-o-Y Growth (MAR'25 over MAR'24)
Gross Advances	39,970	44,366	11.00%
Of which			
Retail Sector	8,478	9,186	8.35%
Agriculture Sector	14,420	18,591	28.93%
MSME Sector	13,586	13,520	-0.49%
Total of RAM	36,484	41,297	13.19%
RAM % to Gross Advances	91%	93%	200 bps
Others	3,486	3,069	-11.96%
CD Ratio (%)	80.72%	82.64%	192 bps

- Bank's Retail and Agriculture sectors have grown by 8.35% and 28.93% respectively on a Y-o-Y basis.
- The Bank has achieved the highest ever Net Profit, Operating profit, Interest Income & Total Income in the history of the Bank.

Total Income
₹ 6,142 Cr
YoY Growth: 12%

1



Net Profit
₹ 1,183 Cr
YoY Growth: 10%

2



Operating Profit
₹ 1,746 Cr
YOY Growth: 18%

3

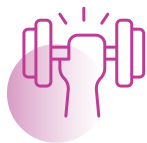


Interest Income
₹ 5,291 Cr
YoY Growth: 9%.

4



(d) SWOT Analysis



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 everything bank.
- A large bouquet of products both in liabilities and assets.
- Strong market share in southern Tamilnadu districts (Thoothukudi, Virudhunagar, Kanyakumari, Madurai & Tenkasi).
- Consistent financial performance.
- Diversified Loan Portfolio
- High Customer Retention



Weakness

- Branch network predominantly in Tamilnadu.
- Limited presence in Metro or Urban centers outside Tamilnadu
- Relatively low digital presence.
- Banking technology is not at par compared to leading competitors.



Opportunities

- India's GDP is projected to increase by 6.4% in the 2025-26.
- Formation of CMC to handle entire life cycle of advance other than jewel loans making the branch liability focused and to grow rapidly in Advances.
- 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.
- Partnerships with Fintech Platforms.
- Expansion into Rural Areas



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.
- Continued Geopolitical tensions

(e) Outlook

Highlights of the Union Budget FY2025-26



Focus area



Macro economic indicators

- The budget emphasizes 10 broad areas: **Garib (Poor), Youth, Annadata (Farmers), and Nari (Women), powered by four key growth engines: Agriculture, MSMEs, Investment, and Exports.**
- **Sectoral reforms** across **taxation, power, urban development, mining, financial sector, and regulatory improvements.**
- **Nominal GDP Growth:** Estimated at 10.1% for FY26.
- **Fiscal Deficit:** Pegged at **4.4%** of GDP (₹15.68 lakh crore), lower than **4.8% in FY25.**
- **Market Borrowings:** Gross at ₹ **14.8 lakh crore**, net at ₹ **11.5 lakh crore.**



Rural & Agricultural initiatives

- **PM Dhan-Dhaanya Krishi Yojana:** Targeting 1.7 crore farmers in **100 low-productivity districts**.
- Multi-sectoral Rural Prosperity & Resilience Programme to improve **skilling, investment, and technology adoption** in rural areas.
- **Higher Kisan Credit Card (KCC) interest subvention** to boost credit flow to farmers.
- **Mission for Aatmanirbharta in Pulses** to enhance domestic production of pulses (Tur, Urad, Masoor).
- 'Grameen Credit Score' framework for Self-Help Groups (SHGs) and rural borrowers to improve credit access.



Banking & Financial sector reforms

- Partial Credit Enhancement Facility under NaBFID for corporate bonds financing infrastructure.
- Bharat Trade Net (BTN): A unified platform for trade finance and documentation.
- Expansion of IFSC tax exemptions extended until March 31, 2030.
- Investment & turnover limits for MSMEs increased by 2.5x and 2x, respectively.



MSME Growth

- Customized Credit Cards (₹5 lakh limit) for MSMEs registered on the Udyam portal.
- New Fund of Funds (₹10,000 crore) for MSME financing.
- Credit scheme for first-time entrepreneurs (₹2 crore loans for SC/ST & women entrepreneurs).



Infrastructure development

- ₹11.2 lakh crore allocated for capital expenditure (3.1% of GDP).
- ₹1.5 lakh crore in 50-year interest-free loans to states for capital investment.
- Urban Challenge Fund of ₹1 lakh crore for redevelopment of cities, water & sanitation.



Personal Income tax & reforms

- No income tax for earnings up to ₹12 lakh under the new tax regime.
- Standard deduction of ₹75,000 for salaried taxpayers.
- Higher TDS exemption limits:
- Senior citizens' interest deduction limit raised from ₹50,000 to ₹1 lakh.
- TDS on rent increased from ₹2.4 lakh to ₹6 lakh.

Budget Impact on CASA

Higher disposable income:

- Increase in personal income tax exemption (₹12 lakh limit) leaves higher disposable income with individuals and likely to increase savings in banks.
- Higher rural credit flow (KCC, MSME credit cards) will improve transaction-based CASA growth in rural and semi-urban areas.

Digital & Credit Inclusion:

- Bharat Trade Net (BTN) for trade finance will facilitate cross-border banking transactions, enhancing CASA balances for banks involved in trade finance.
- New MSME credit schemes (credit cards, term loans) will boost digital banking adoption, increasing low-cost CASA deposits.

Budget Impact on Deposits

Higher Tax free income → Higher Bank Deposits:

- Senior citizens' interest deduction limit doubled (₹50K → ₹1 lakh) which will encourage fixed deposits and recurring deposits.
- Reduced personal income tax for the middle class (₹7L-12L bracket) will increase savings in Banks, benefiting fixed deposits (FDs).

Government Capex & Fiscal stability → Safe haven appeal:

- Fiscal consolidation (lower deficit at 4.4%) & stable borrowing plans improve investor confidence in banking deposits.
- Higher government borrowing (₹14.8 lakh crore) could boost G-Sec-linked deposit instruments like sovereign bonds, term deposits in PSU banks.

Challenges:

- Increased competition from mutual funds and other investment instruments due to higher disposable income and market growth.
- Low deposit rates due to stable inflation and liquidity might reduce attractiveness of Fixed Deposits (FDs).

Budget Impact on Advances**MSME & Rural Credit Expansion → Higher loan demand:**

- Credit guarantee expansion for MSMEs and ₹ 5 lakh MSME credit cards will increase loan disbursement to small businesses.
- Grameen Credit Score for SHGs & rural borrowers will improve credit underwriting, boosting rural advances growth.
- Higher KCC loan limits and interest subvention for farmers will increase agricultural credit demand.

Infrastructure lending boom → More corporate loans:

- ₹ 11.20 lakh crore capex allocation will increase demand for infrastructure loans, benefiting PSU banks & NBFCs.
- Asset Monetization Plan (₹ 10 lakh crore) will support bank lending to PPP projects & corporate debt financing.

Challenges:

- Risk of higher NPAs in MSME lending due to high default risks in unsecured credit.
- Corporate lending still dependent on global economic conditions, which may impact credit growth in large-scale projects.

In the backdrop of the above macroeconomic scenario, your bank would be adopting the following strategies to grow its business

1. Leveraging the Transaction Banking Group (TBG), Global NRI Centre (GNC) and Elite Service Group (ESG) for rapid growth in Deposits.
2. Launch of CMC at all RH centers to handle entire life cycle of advance other than jewel loans making the branch liability focused and to grow rapidly in Advances.
3. Thrust for value-based CASA NCA accounts through marketing team. Thrust will be given for opening more number of Royal and Premium accounts under Savings Bank schemes, Flexi Current Account, TASC and GBG accounts.

4. Expanding services to underserved and Rural areas to increase the customer base and promote inclusive growth.
5. Implementing targeted marketing strategies and loyalty programs to attract new customers and retain existing customers.
6. Collaboration with third party products partners to deepen customer engagement.

The above strategies would be adopted on the back of robust technology platforms, which would be functional in the FY 25-26. Prominent among them include:

- (a) A comprehensive LOS/LMS platform to take care of the entire credit life cycle of customers with a robust BRE built therein with state-of-the-art CX/CRM features.
- (b) A thoroughly revamped New Internet Banking Platform, DEH by Edgeverve (Infosys).
- (c) Leveraging CBDT and GST Payment Facility through your Bank network.
- (d) A state-of-the-art Vendor Management System for Single Expense Management System across the bank, that will manage all payments other than HR related expenses.

(f) 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 of the Board (RMCB) 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 has also 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 of 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, there are also 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 to 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 limits with regard to its foreign currency position like Net Overnight Open position, Currency wise aggregate gap limits etc., so that the fluctuations of 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 not enter into any high exposures with banks.

The Bank also understands that the Operational risk is one 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.

(g) 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 to ACB with dotted line reporting to the ED. 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

Your 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. 619 Risk Based Internal Audits were conducted during the financial year 2024-25.

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 External Audit firms and Internal Auditors of the Bank. Information System Audit is covering various security aspects of IT systems and business continuity procedures is conducted at branches/ offices. During the financial year 2024-25, Information System Audit was conducted in 642 branches/departments (619 branches and 23 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 and 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 Monitoring Department, KYC/AML Cell, Risk Management Department, Secretarial Section, Compliance Department, Planning Development and Resource Mobilization Department, Operations & Services Department, Customer Service Cell & Internal Ombudsman Department, Legal Department, Staff Training College, Bancassurance cell, DPS cell, Establishment Department, Service Branch, RTGS/WUMT cell, Central Processing Centre, Disciplinary Action Cell (DAC). The feedback from management audit is relied upon by the auditee units to improve the processes, procedures and systems that are in place in such offices. During the financial year 2024-25, Management Audit was conducted in 10 Regional Offices and 25 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. OTMS (Offsite Transactions Monitoring System) is validating 49 different nature of alerts in the CBS system and generate the respective alerts and communicated to the branches for taking immediate actionable steps.

Concurrent Audit

Your 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 268 branches and 37 offices, covering 69.045% of total advances and 80.06% of total deposits of your 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 Mobilization 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. 284 External Auditors / Audit Firms were engaged for concurrent audit assignments during the period.

Credit Audit

In your Bank, verification of account operations, end-use, stock, documents, etc. of big borrowal account limits (above Rs.3 crore) are carried out periodically at post-sanction level and referred as Credit Audit. During the financial year 2024-25, 1154 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 2024-25, 29 outsourced agencies were audited.

The Inspection Department is manned by appropriately qualified personnel and has a staff strength of 43 officers (as on March 31, 2025) 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.

(h) Key Financial and Operating Ratios:

Operating performance:

Particulars	31.03.2024	31.03.2025
Total Income	5,492.86	6141.75
Total Expenditure	4,011.08	4396.02
Net Interest income	2,150.89	2300.93
Non-Interest income	644.95	850.48
Operating expenses	1,314.06	1405.68
Operating Profit	1,481.78	1745.73
Net profit	1,072.03	1182.61

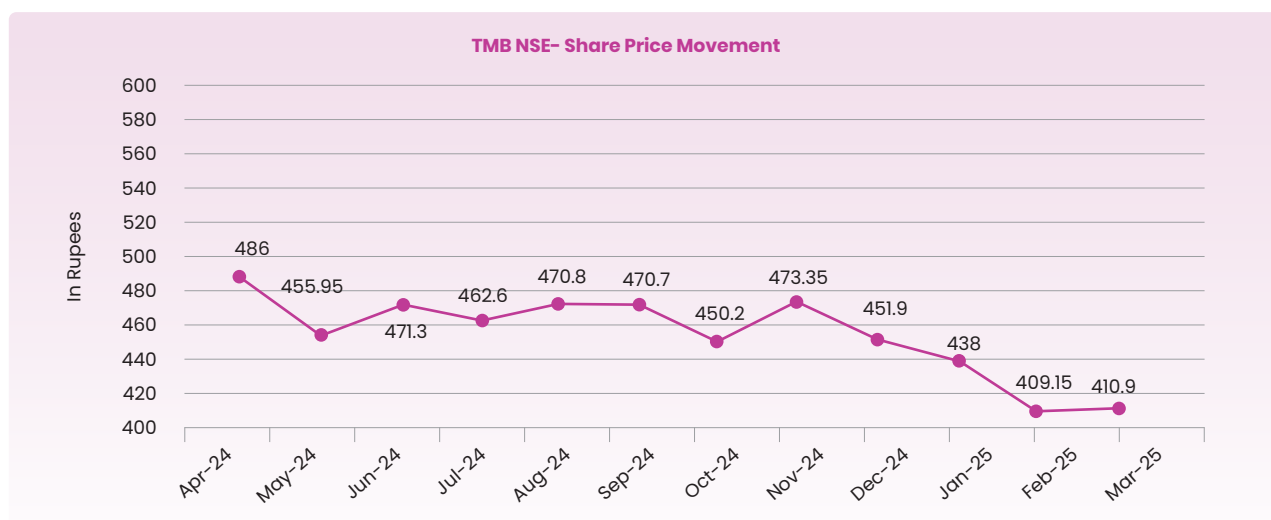
Key Financial Ratios:

Particulars	31.03.2024	31.03.2025
Cost to Income Ratio	47.00%	44.60%
Yield on Advances	10.15%	10.22%
Book value per share (₹)	500.23	568.90
Net worth (₹ in Crore)	7921	9009

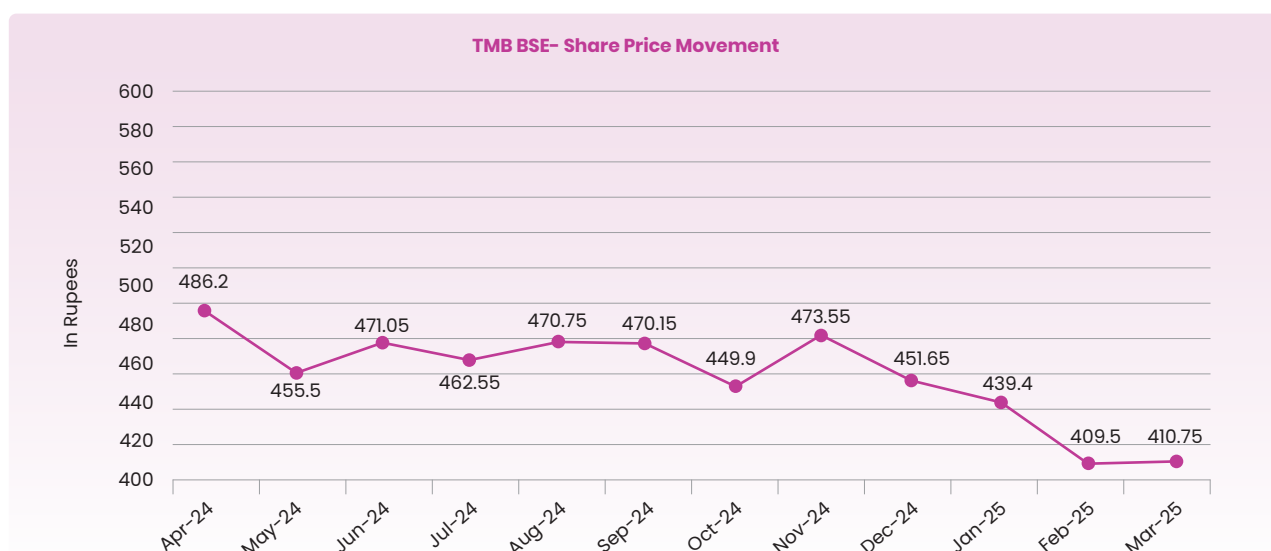
The Bank's Net worth has increased by ₹ 1088 crore i.e. 13.74% over the previous year.

Movement of Your Bank's share price vis-à-vis NSE and BSE Index for the period from April 2024 to March 2025

This graph shows our bank's share price movement in NSE for the period from April 2024 to March 2025.



This graph shows our bank's share price movement in BSE for the period from April 2024 to March 2025.



(i) 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, our 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,

(d) One Hour Learning.

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

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 Executive Director, Executive Vice President (HRDD), Executive Vice President (PD&RM), Executive Vice President (Recovery), Executive Vice President (Credit) & Executive Vice President (I.T), and faculty, 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. Digital Transformation, Emerging Technologies and use of Data Analytics in Banking & Finance
- v. IBM integrated API management application- M/s.Amstar Technologies.
- vi. Advanced AI/ML for Banking-IDRBT
- vii. Emerging AI/ML Technologies for Smart Banking-IDRBT

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 'One Hour Learning for Communication upskilling, Confidence building, managerial effectiveness and Soft Skill Development'.

Online Training Programs –

- i. Conference of Treasury Heads – Emerging Trends and Challenges
- ii. Cyber Security and Phishing Mail
- iii. Webinar on Cyber Security: Past, Present & Future

- iv. 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
- vi. Advanced Management Programme in Banking and Finance-IIBF

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 are 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 3.86%.

TMB Foundation (CSR Initiatives)

Building bridges towards an equitable and empowered society

In the financial year 2024-25, the TMB Foundation has continued its commitment to making a meaningful difference in the lives of countless individuals. The CSR fund has been contributed towards following socially relevant causes, the foundation has reaffirmed its focus on creating a sustainable impact in rural Tamil Nadu



Education and Skill Development

Education remains a cornerstone of the following efforts. Recognizing the transformative power of education, the TMB Foundation has invested in initiatives that aim to provide sustainable learning opportunities for children and young adults in rural communities. Through modern facilities, amenities, quality resources, and more importantly, the skill development programs initiated in Madurai, the foundation envisions brighter futures for the rural youth, equipping them to overcome barriers and achieve their aspirations



Sports

There are numerous untapped sporting talents with immense potential, yet many are unable to achieve their dreams due to financial and resource constraints. The TMB Foundation stands as a beacon of hope, identifying such gifted individuals and providing the essential support to turn their aspirations into reality.

One shining example is Anton, a remarkable athlete who competed in the prestigious Para Olympic Games held in Dubai. With unwavering determination and the foundation's backing, Anton has now qualified to represent in the National Olympic—a testament to his hard work and the support he received.





Healthcare

The Foundation's dedication extends to health care as well. Offering essential medical support to underserved populations it has brought much-needed relief to individuals who otherwise struggle to access quality healthcare services.



Safe Drinking Water

Additionally, the Foundation has addressed a fundamental necessity for life, clean drinking water. Projects have been undertaken to ensure that even the most remote communities have access to safe and clean water, thereby improving their overall quality of life and health.





Environment

At the TMB Foundation, environmental conservation stands as one of our core objectives. In our commitment to protecting rivers and waterways, we actively collaborate with NGOs and government initiatives.

Our efforts in Thoothukudi focused on preventing floods by clearing and maintaining waterways, ensuring the safety and well-being of the community. Additionally, we have undertaken measures to clean the Thambirabarani river and safeguard the region's flora and fauna. These initiatives represent our dedication to sustainability and the preservation of our environment for generations to come.



The TMB Foundation's unwavering commitment to these key areas underscores its mission of fostering inclusive development and uplifting underprivileged communities. Through these endeavours, TMB continues to not only uphold its values but also solidify its role as a socially responsible institution that truly cares for the well-being of society.

Annexure - 5

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

I. None of the employees employed throughout the financial year was in receipt of remuneration for that year which, in the aggregate, amounted to not less than Rupees One crores and Two lakhs

Top Ten Employees in terms of Remuneration drawn during the financial year 2024-25

S. No	Name	Designation	Remuneration (₹ in lakhs)	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. Ashokkumar P R (7158)	Executive Vice President	46.94	B.Com, CAIIB	30	30/10/2019	50	Deputy Vice President at Equitas Small Finance Bank	0.00000
2.	Shri. Ramesh D (7152)	Executive Vice President	45.71	B.Com, M.B.M (Banking), CAIIB	29	09/10/2019	52	Vice President at Axis Bank	0.00079
3.	Shri. J. Sundaresh Kumar (1937)	Executive Vice President	45.14	B.Com, M.Com, CAIIB	33	18/05/1992	52	-	0.00016
4.	Shri.Salee S Nair (M00007)	MD & CEO	44.76	M.Sc. Physics, CAIIB	37	29/08/2024	60	Deputy Managing Director & Chief Credit Officer at State Bank of India	0.00088
5.	Shri. Jebananth Julius (2009)	Vice President	44.20	B.Sc, CAIIB	31	17/05/1993	52	-	0.00000
6.	Shri. Vijayan K (2137)	Executive Vice President	44.06	B.B.A., CAIIB	30	06/06/1994	51	-	0.00088
7.	Shri. M.Navaneetha Krishnan (2002)	Vice President	41.96	B.Sc, CAIIB	31	06/05/1993	52	-	0.00000
8.	B.Kesava Babu (1993)	Deputy Vice President	41.89	B.Com., M.Com, CAIIB	31	17/05/1993	53	-	0.00063
9.	Shri. K. Ananth (1995)	Vice President	41.80	B.Sc. (C.S), CAIIB	31	17/05/1993	53	-	0.00120
10.	Shri. C.Shermugadurai (1975)	Vice President	41.61	B.Sc., MCA, CISA, CAIIB	31	17/05/1993	53	-	0.00006

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.** None of the employees 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
- III.** None of the employees 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.

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. Salee S Nair (DOJ - 29.08.2024)	7.37:1
2.	Shri. Vincent Menachery Devassy (DOJ - 27.09.2024)	5.45:1

#Except Managing Director & CEO and Executive Director 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. Salee S Nair (DOJ - 29.08.2024)	MD and CEO	Newly appointed
2.	Shri. Vincent Menachery Devassy (DOJ - 27.09.2024)	Executive Director	Newly appointed
3.	Shri Sanjoy Kumar Goel (DOJ - 20.03.2025)	CFO	Newly appointed
4.	Shri. Swapnil Ashok Yelgaonkar (DOJ - 25.03.2024)	Company Secretary	Newly appointed

3. Percentage increase in the median remuneration of employees:

The percentage of increase in the Median employee remuneration is 17.09% 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, 2025 is 4,723 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 2024-25, the overall salary increased to employees was around 8.01% (which excludes Managerial Remuneration)
2.	Percentile increase in managerial remuneration	--
3.	The comparison with the percentile increase in the employee remuneration with managerial remuneration and justification thereof	--
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

Report on Corporate Governance

Philosophy of Corporate Governance:

The Bank's approach to Corporate Governance is deeply rooted in its unwavering dedication to ethical business practices and its continuous efforts to enhance stakeholder value. The Bank consistently strives to implement exemplary governance standards across all areas of its operations. It upholds key principles such as transparency, accountability, integrity, responsible disclosure, social responsibility, and compliance with regulatory requirements. The Bank diligently complies with the Corporate Governance norms and guidelines issued by the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) and the Stock Exchanges (BSE & NSE) from time to time. In addition, the Bank remains committed to its longstanding traditional values, which emphasize ethical conduct and meaningful contributions to society.

Your Directors present below the Directors' Report on compliance to Corporate Governance requirements as prescribed in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board of Directors:

Composition of the Board:

The Composition of the Board consists of 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, 2025, the Board of Directors of the Bank comprised of 13 Directors including the Managing Director & CEO, Executive Director and Two Additional Directors nominated by RBI, five Independent Directors and four Non-Executive Directors. 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 and the Executive Director, all other members of the Board are Non-Executive Directors and 5 directors out of the total 13 directors are Independent Directors. During the period under review, there was a temporary deviation from the prescribed composition of the Board owing to the retirement of an Independent Director on March 26, 2025. As a result, the Board was not duly constituted for five days starting from March 27, 2025 to March 31, 2025. Further, the Bank has appointed Mr. Arumugasami Shidambaranathan as an Additional Independent Director w.e.f. 01.04.2025 in their meeting held on 26.03.2025. 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 names 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, 2025, are as under:

S.No.	Name	Sector Represented / Area of specialized knowledge
1	Shri Salee S Nair	Majority Sector – Banking
2	Shri Vincent M.D.	Majority Sector – Banking
3	Shri A.Niranjana Sankar	Minority Sector – Business Management & Human Resource
4	Shri S.R Ashok	Minority Sector – SSI
5	Shri D.N.Nirranjan Kani	Minority Sector – Business Management & Human Resource
6	Shri K.V.Rama Moorthy	Majority Sector – Banking and Agriculture
7	Shri B.Prabaharan	Minority Sector – Information Technology
8	Shri C.Chiranjeeviraj	Majority Sector – Accountancy and Finance
9	Shri S.Sridharan	Majority Sector – Banking, Economics and Law
10	Shri R.Deepak Shankar	Minority Sector – SSI (MSME)
11	Smt R.Kanagavalli	Minority Sector – Law
12	Shri C S Ramkumar	Additional Director, RBI
13	Shri Thomas Mathew	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.

The following changes in the composition of the Board of Directors and Key Managerial Personnel has taken place in your Bank during the period from **01.04.2024 to 31.03.2025**.

S.No	Name of Directors	Designation	Appointment / Retirement Resignation / Co-opted
1	Shri S.B.Suresh Kumar	Additional Director, RBI	Retired on 11.04.2024
2	Shri Thomas Mathew	Additional Director, RBI	Appointed on 12.04.2024
3	Shri S.Krishnan	Managing Director & CEO	Relieved on 07.06.2024
4	Shri Swapnil Yelgaonkar	Company Secretary	Appointed on 18.06.2024
5	Shri K.V.Rama Moorthy	Non-Executive Director	Appointed on 09.07.2024
6	Shri R.Deepak Shankar	Non-Executive Independent Director	Appointed on 09.07.2024
7	Smt R.Kanagavalli	Non-Executive Independent Director	Appointed on 19.08.2024
8	Shri Salee S Nair	Managing Director & CEO	Joined on 29.08.2024
9	Shri C S Ram Kumar	Additional Director, RBI	Re-appointed on 19.09.2024
10	Shri Vincent M.D.	Executive Director	Joined on 27.09.2024
11	Shri S.R.Ashok	Non-Executive Director	Re-appointed on 27.09.2024
12	Shri P.A.Krishnan	Chief Financial Officer	Tenure completed on 01.02.2025
13	Shri Sanjoy Kumar Goel	Chief Financial Officer	Joined on 20.03.2025
14	Smt S.Ezhil Jothi	Non-Executive Independent Director	Retired on 26.03.2025
15	Shri A.Shidambaranathan	Non-Executive Independent Director	Appointed on 26.03.2025 with effect from 01.04.2025

During the current year,

- 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.S317/08.55.001/2024-25 dated April 12, 2024 had 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.
- Based on the request of Shri S.Krishnan, expressing his desire to get relieved from the post of Managing Director & 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 (ICoE) as an Interim Arrangement.

In response to the Bank's request, RBI vide letter no CO.DOR.HGG.No.SI314/08-55-001/2024-2025 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 an ICoE 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 took charge as an Interim arrangement with effect from commencement of business hours as on June 08, 2024.

- Your Board of Directors at their meeting held on June 18, 2024, on the basis of the recommendation of the Nomination and Remuneration Committee, had 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.
- Your Board of Directors at their meeting held on July 09, 2024, on the basis of the recommendation of the Nomination and Remuneration Committee, had approved the appointment of Shri K.V.Rama Moorthy (DIN-07034994) and Shri R.Deepak Shankar (DIN-05223027) as Additional Directors on the Board of the Bank for a period of three consecutive years, with effect from July 09, 2024, in the capacity of a Non-Executive Non Independent Director and Non-Executive Independent Director respectively. In terms of Section 149(13) of the Companies Act, 2013, Shri R.Deepak Shankar (DIN-05223027) shall not be liable to retire by rotation during his tenure as an Independent director of the Bank and Shri K.V.Rama Moorthy (DIN-07034994) shall be liable to retire by rotation. The Shareholders of the Bank had approved

their appointments in the 102nd Annual General Meeting of the Bank held on September 27, 2024.

5. Your Board of Directors at their meeting held on August 19, 2024, on the basis of the recommendation of the Nomination and Remuneration Committee, had approved the appointment of Smt R.Kanagavalli (DIN-00883998) as an 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. 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. The Shareholders of the Bank had approved her appointment in the 102nd Annual General Meeting of the Bank held on September 27, 2024.
6. In exercise of the powers conferred under sub-section (1) of Section 35B 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 had approved the appointment of Shri Salee S Nair (DIN-09231101), as the Managing Director and Chief Executive Officer (MD & CEO) of the Bank for a period of three years from the date of taking charge and he had assumed charge as MD & CEO of the Bank on August 29, 2024. Consequent to his assuming charge, the Interim Committee of Executives of the Bank stands dissolved.
7. 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.S3506/08.55.001/2024-25 dated September 19, 2024 had extended the term of Shri C.S.Ram Kumar, General Manager, Reserve Bank of India, as Additional Director of the Bank for a further period of two years from October 4, 2024 to October 3, 2026 or till further orders, whichever is earlier.
8. In exercise of the powers conferred under sub-section (1) of Section 35B of the Banking Regulation Act, 1949, the Reserve Bank of India, vide its approval letter Ref.No.CO.DOR.HGG.No.S3299/8.55.001/2024-25 dated September 19, 2024 had approved the appointment of Shri Vincent Menachery Devassy (DIN-09850306), as the Executive Director of the Bank for a period of three years from the date of taking charge and he had assumed charge as the Executive Director of the Bank on September 27, 2024.
9. Shri S.R.Ashok, Non-Executive Director of the Bank, who retired by rotation and being eligible, offered himself for re-appointment and was reappointed as Non-Executive Director by the shareholders in the 102nd Annual General Meeting of the Bank, held on September 27, 2024.
10. Shri.P.A.Krishnan, Chief Financial Officer (CFO) has been relieved from the Bank on February 01, 2025 on completion of his tenure in the Bank.
11. Your Board of Directors at their meeting held on January 29, 2025, on the basis of the recommendation of the Nomination and Remuneration Committee, had approved the appointment of Shri Sanjoy Kumar Goel as the Chief Financial Officer (Key Managerial Personnel) of the Bank on contractual basis. He had joined the Bank on March 20, 2025.
12. Smt S.Ezhil Jothi, Non-Executive Independent Director of the Bank retired from the Board of the Bank, with effect from the close of business hours on March 26, 2025, upon completion of her tenure, pursuant to Section 10A(2A) of the Banking Regulation Act, 1949 and Section 149(11) of the Companies Act, 2013. In the same meeting, on the basis of the recommendation of the Nomination and Remuneration Committee, had approved the appointment of Shri A.Shidambaranathan as an Additional Director on the Board of the Bank for a period of three consecutive years, with effect from April 01, 2025, in the capacity of Independent Director. 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. His appointment was approved by the shareholders on June 04, 2025 through postal ballot.

Material Events occurred after the Balance Sheet date:

1. Shri B.Prabaharan (DIN: 00209875), Non-Executive Independent Director has resigned from the Board of the Bank on June 09, 2025 with effect from the close of the business hours on June 11, 2025, due to his pre-occupations and other personal commitments.
2. Your Board of Directors at their meeting held on June 12, 2025, on the basis of the recommendation of the Nomination and Remuneration Committee, has approved the appointment of Shri K.Ramachandran (DIN: 08589628) as Additional Director on the Board of the Bank, for a period of three consecutive years, with effect from June 12, 2025 to June 11, 2028 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, he shall not be liable to retire by rotation during his tenure as an Independent Director of the Bank. In the same meeting, the Board has approved the appointment of Shri K.Ramachandran (DIN: 08589628) as Non-Executive Part-Time Chairman of the Bank, from the date of approval to be granted by RBI till the date of his tenure as Independent Director, with a remuneration of ₹1.50 lakhs per month, subject to the approval of RBI and the Bank has submitted an application to RBI in this regard.

Competency at the Board level:

The chart mapping the skills/expertise/competence of the Board of Directors of the Bank (as on 31.03.2025) is as under:

S.No	List of Core skills/ expertise/ competencies required in terms of statutory requirement as per BR Act	Saloo S Nair	Vincent M.D.	A.Niranjana Sankar	S.R.Ashok	D.N.Nirranjan Kani	K.V.Rama Moorthy	B.Prabakaran	C.Chiranjeeviraj	S.Sridharan	R.Deepak Shankar	R.Kanagavalli	Thomas Mathew	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 19 times, and its sub-committees including the Committee of Directors held a total of 77 meetings during the financial year 2024-25. The date of Board meetings conducted are as detailed below:

Date of Board Meeting		
22.04.2024	12.09.2024	25.02.2025
09.05.2024	25.09.2024	26.02.2025
07.06.2024	04.10.2024	26.03.2025
18.06.2024	28.10.2024	
09.07.2024	04.12.2024	
02.08.2024	18.12.2024	
19.08.2024	17.01.2025	
29.08.2024	29.01.2025	

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 attended / held	No of Committee Meetings attended / held	Whether attended the last AGM (27.09.2024)
Shri S.Krishnan@	3/3	9/9	NA
Shri Saloo S Nair#	12/12	33/33	Yes
Shri Vincent M.D.°	9/9	35/35	Yes
Shri A.Niranjana Sankar	19/19	30/30	Yes
Shri S.R.Ashok	19/19	31/31	Yes
Shri D.N.Nirranjan Kani	19/19	43/43	Yes
Shri K.V.Rama Moorthy%	15/15	25/25	Yes
Shri B.Prabakaran	19/19	18/21	Yes
Shri C.Chiranjeeviraj	19/19	48/48	Yes
Smt S.Ezhil Jothi	19/19	42/42	Yes
Shri S.Sridharan	18/19	41/42	Yes
Shri R.Deepak Shankar^	15/15	27/27	Yes

Name of the Director	No of Board meetings attended / held	No of Committee Meetings attended / held	Whether attended the last AGM (27.09.2024)
Smt R.Kanagavalli [¶]	12/12	14/14	Yes
Shri Thomas Mathew [*]	16/19	17/19	No
Shri C.S.Ramkumar	16/19	18/20	No

@ - Relieved on 07.06.2024

\$ - Joined on 27.09.2024

^ - Appointed w.e.f. 09.07.2024

* - Appointed on 12.04.2024

- Joined on 29.08.2024

% - Appointed w.e.f. 09.07.2024

& - Appointed w.e.f. 19.08.2024

Directorships/committee positions held in other companies as on March 31, 2025:

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 Salee S Nair	Nil	Nil	Nil	Nil
2.	Shri Vincent M.D.	Nil	Nil	Nil	Nil
3.	Shri A.Nirranjan Sankar [*]	Nil	Nil	1	Non-Executive Director
4.	Shri S.R Ashok	Nil	Nil	Nil	Nil
5.	Shri D.N.Nirranjan Kani	Nil	Nil	Nil	Nil
6.	Shri K.V.Rama Moorthy	Nil	Nil	Nil	Nil
7.	Shri B.Prabaharan	Nil	Nil	Nil	Nil
8.	Shri C.Chiranjeeviraj	Nil	Nil	Nil	Nil
9.	Shri S.Sridharan	Nil	Nil	Nil	Nil
10.	Shri R.Deepak Shankar	Nil	Nil	Nil	Nil
11.	Smt R.Kanagavalli	Nil	Nil	Nil	Nil
12.	Shri Thomas Mathew	Nil	Nil	Nil	Nil
13.	Shri C S Ramkumar	Nil	Nil	Nil	Nil

*-He is also a Non-Executive Director in M/s. India Gelatine and Chemicals Limited.

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 are related to each other.

Details of shareholding of the Non-Executive Directors of the Bank as on 31.03.2025:

S.No	Name of the Director	Designation	Number of shares held as on 31.03.2025
1	Shri A.Nirranjan 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	11,53,167
4	Shri K.V.Rama Moorthy	Non-Executive Director	Nil
5	Shri B.Prabaharan	Non-Executive Independent Director	14,523
6	Shri C.Chiranjeeviraj	Non-Executive Independent Director	Nil
7	Shri S.Sridharan	Non-Executive Independent Director	Nil
8	Shri R.Deepak Shankar	Non-Executive Independent Director	400
9	Smt R.Kanagavalli	Non-Executive Independent Director	3,006
10	Shri Thomas Mathew	RBI Nominee Director	Nil
11	Shri C S Ram Kumar	RBI Nominee Director	Nil
Total			13,04,061

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, Executive Director, Material Risk Takers and Control Function 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 packages of the Managing Director & CEO and of the Executive Director include 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 and the Executive Director 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 2024-25.

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

A. Remuneration of Former Managing Director & CEO:

S.No	Particulars of Remuneration	Name of Managing Director & CEO
		Shri.S.Krishnan (01.04.2024 to 07.06.2024)
1.	Gross salary	8,93,333.33
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites under section 17(2) Income-tax Act,1961	1,84,129.72
	(c) Profits in lieu of salary under section 17(3) Income- tax Act,1961	
2.	Stock Option	
3.	Sweat Equity	
4.	Commission	
	- as % of profit	
	- Others, specify...	
5.	Others	
	PF Bank Contribution	1,07,200.00
	Gratuity	8,00,000.00
	PL Encashment	7,33,333.33
	Entertainment Expenses	---
	Newspaper Expenses	1,885.00
	Variable Pay	4,56,581.00
	Travelling Expenses	---
	Total (A)	31,76,462.38

B. Remuneration of Managing Director & CEO:

S.No	Particulars of Remuneration	Name of Managing Director & CEO
		Shri.Salee S. Nair (29.08.2024 to 31.03.2025)
1.	Gross salary	40,80,645.16
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites under section 17(2) Income-tax Act,1961	3,95,492.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act,1961	
2.	Stock Option	
3.	Sweat Equity	
4.	Commission	
	- as % of profit	
	- Others, specify...	
5.	Others	
	PF Bank Contribution	4,89,677.00
	Gratuity	--
	PL Encashment	--
	Entertainment Expenses	--
	Newspaper Expenses	9,608.00
	Variable Pay*	--
	Travelling Expenses	--
	Total (A)	49,75,422.16

C. Remuneration of Executive Director:

S.No	Particulars of Remuneration	Name of Executive Director
		Shri.Vincent M.D. (27.09.2024 to 31.03.2025)
1.	Gross salary	26,06,666.67
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites under section 17(2) Income-tax Act,1961	2,13,290.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act,1961	
2.	Stock Option	
3.	Sweat Equity	
4.	Commission	
	- as % of profit	
	- Others, specify...	
5.	Others	
	PF Bank Contribution	3,12,800.00
	Gratuity	--
	PL Encashment	--
	Entertainment Expenses	--
	Newspaper Expenses	--
	Variable Pay*	--
	Travelling Expenses	--
	Total (A)	31,32,756.67

(*– The Bank has submitted an application with RBI for approval of variable pay payable to both MD & CEO and Executive Director for the FY 2024-25 and approval for the same is awaited)

Fees to Non-Executive Directors:

(Amount in Lakhs)

S.No	Name of the directors	Sitting Fees*	Commission	Total
1	Shri A.Niranjana Sankar	17.00	Nil	17.00
2	Shri S.R Ashok	17.25	Nil	17.25
3	Shri D.N.Nirranjan Kani	20.25	Nil	20.25
4	Shri K.V.Rama Moorthy	13.75	Nil	13.75
5	Shri B.Prabaharan	14.00	Nil	14.00
6	Shri C.Chiranjeeviraj	21.50	Nil	21.50
7	Smt S.Ezhil Jothi	20.00	Nil	20.00
8	Shri S.Sridharan	19.25	Nil	19.25
9	Shri R.Deepak Shankar	14.25	Nil	14.25
10	Smt R.Kanagavalli	9.50	Nil	9.50
11	Shri C.S.Ramkumar	NA	Nil	NA
12	Shri Thomas Mathew	NA	Nil	NA
Total				166.75

*Sitting fees quoted above includes sitting fees for Board Meetings and Committee Meetings held during the financial year 2024-25.

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 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 for Monitoring and Follow-Up of Cases of Frauds (SCBMF)
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, 2025 are as under:

S.No	Name of the Director	NRC	ACB	RMC	SRCSC	MC	ITSC	HRMC	NPA	SCBMF	CSR	RCWDF	DC
1	Shri.Salee S Nair, MD&CEO			✓	✓	✓	✓	✓	✓	✓	✓	✓	
2	Shri.Vincent M.D, ED			✓	✓	✓	✓	✓	✓	✓		✓	
3	Shri.A.Niranjana Sankar, NED	✓			✓		✓				✓		
4	Shri.S.R.Ashok, NED				✓	✓	✓	✓		✓	✓		✓
5	Shri.D.N.Nirranjan Kani, NED	✓			✓	✓	✓	✓	✓		✓		
6	Shri.K.V.Rama Moorthy, NED			✓		✓		✓	✓	✓		✓	
7	Shri.B.Prabaharan, ID			✓			✓		✓		✓		✓
8	Shri.C.Chiranjeeviraj, ID	✓	✓	✓	✓			✓					
9	Shri.S.Sridharan, ID	✓		✓		✓	✓		✓	✓		✓	✓
10	Shri.R.Deepak Shankar, ID	✓	✓		✓	✓				✓	✓		
11	Smt.R.Kanagavalli, ID	✓	✓	✓								✓	
12	Shri.Thomas Mathew, AD - RBI		✓						✓	✓			
13	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 of RBI 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 / Quarterly 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. 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.

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: 11 meetings

All the members of the ACB are financially literate. The Company Secretary acts as the secretary to the Committee. The Managing Director & CEO, Executive Director, Executive Vice Presidents, 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 quarterly / 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	Smt.S.Ezhil Jothi	Shri.S.Sridharan (#)	Shri.Thomas Mathew	Shri.C.S.Ram Kumar	Smt.R.Kanagavalli (\$)
22.04.2024	✓	✓	✓	✓	✓	
29.05.2024	✓	✓	✓	✓	✓	
21.06.2024	✓	✓	✓	✓	✓	
02.08.2024	✓	✓	✓	✓	✓	
20.09.2024	✓	✓		✓	✓	✓
18.10.2024	✓	✓		✓	✓	✓
28.10.2024	✓	✓		✓	✓	✓
22.11.2024	✓	✓		✓	✓	✓
03.01.2025	✓	✓		✓	✓	✓
29.01.2025	✓	✓		✓	✓	✓
14.03.2025	✓	✓		✓	✓	✓
Meetings attended / held	11/11	11/11	4/4	11/11	11/11	7/7

(#) Member of the Committee till 18.08.2024

(\$) Member of the Committee from 19.08.2024

2. Stakeholders' Relationship and Customer Service Committee of the Board of Directors (SRCSC)

Terms of Reference / Roles and Responsibilities of the Committee are:

- To look into matters relating to transmission of shares, issue of new/duplicate certificates, general meetings etc. and any other shareholders request / shares related issues.
- To permit the transfer of Dividend and shares thereon to the IEPF Authority and any other matter in this regard.
- To review the measures taken for effective exercise of voting rights by the shareholders.
- 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.
- 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;
- To formulate the procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time.
- 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.
- Reviewing and recommending to the Board for the amendments to the memorandum of association and the articles of association of the Bank, if so required.
- Approving suitable policies on insider trading, whistle-blower mechanism, risk management and any other policies as may be required under applicable laws.
- The main function of the Committee shall be to consider and resolve the grievances of security-holders of the company.
- The committee would deal in capital planning and draw up an action plan for capital augmentation of our Bank.
- To oversee the functions of Standing Committee on customer service such as:
 - To look into simplifications of procedures and practices with a view to safeguarding the interest of common persons.
 - To review the systems in place for providing services to the customers.
 - To review the regulations and procedures prescribed by RBI that impinge on customer service of the Banks.

13. To ensure the compliance of the recommendations of the Committee on Procedures and Performance Audit and Public Services (CPPAPS).
14. To devise innovative measures for enhancing the quality of customer service.
15. To improve the level of customer satisfaction for all categories of clientele at all times.
16. 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.
17. 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
18. 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.Salee S Nair (#)	Shri.Vincent M.D. (@)	Shri.A.Niranjana Sankar	Shri.S.R.Ashok	Shri.D.N.Nirranjan Kani	Shri.C.Chiranjeeviraj	Shri.R.Deepak Shankar (&)
23.05.2024	✓			✓	✓	✓	✓	
01.08.2024				✓	✓	✓	✓	✓
22.10.2024		✓	✓	✓	✓	✓	✓	✓
21.11.2024		✓	✓	✓	✓	✓	✓	✓
28.01.2025		✓	✓	✓	✓	✓	✓	✓
26.02.2025		✓	✓	✓	✓	✓	✓	✓
Meetings attended / held	1/1	4/4	4/4	6/6	6/6	6/6	6/6	5/5

(\$) Member of the Committee till 07.06.2024

(#) Member of the Committee from 29.08.2024

(@) Member of the Committee from 04.10.2024

(&) Member of the Committee from 09.07.2024

3. Risk 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.

Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
 6. Keep the board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
 7. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
 8. 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.
 9. Promoting an enterprise risk management competence throughout the bank, including facilitating development of IT-related enterprise risk management expertise.
 10. Establishing a common risk management language that includes measures around likelihood and impact and risk categories.
 11. Overseeing the overall Management of Risks.
 12. Deciding the Risk Management Policy.
 13. Setting out limits for various risks like liquidity risk, interest rate risk, foreign exchange risk, equity price risk etc.
 14. To review and monitor the functions of the Executive Level Asset Liability Management Committee.
 15. It is the decision making unit responsible for Balance sheet planning from Risk – Return perspective.
 16. 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.
 17. 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.
 18. It will take position of the Bank's cash inflow and outflow every 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 measuring the bank's future liquidity excess or shortfall. It will endeavor to fill the gaps.
 19. 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.
 20. It will review and monitor the entire investment portfolio of the bank and make investment suggestions for the ensuing quarter.
 21. 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.
 22. 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.
 23. It will meet once in a quarter and review the business trend and submit a quarterly report to the Board / Committee along with its suggestions on gap reports.
 24. It will meet in case of any crisis to take stock of the position and to decide on the corrective measures.
 25. Setting out risk assessment and minimization procedures and the procedures to inform the Board of the same;
 26. Formulate a business continuity plan
 27. To ensure the effective implementation of Environmental and Social Management System (ESMS) across the bank.
- 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: 6 meetings

The RMC meeting dates and the attendance record is as below:

Date of Meeting	Shri.S.Krishnan (@)	Shri.Salee S Nair (#)	Shri.Vincent M.D. (\$)	Shri.C.S.Ram Kumar	Shri.K.V.Rama Moorthy (%)	Smt.R.Kanagavalli (&)	Shri.B.Prabaharan	Shri.S.Sridharan	Shri.C.Chiranjeeviraj
06.06.2024	✓			✓			✓	✓	✓
02.09.2024		✓		✓	✓	✓	✓	✓	✓
12.09.2024		✓		✓	✓	✓	✓	✓	✓
29.11.2024		✓	✓	-	✓	✓	✓	✓	✓
17.12.2024		✓	✓	✓	✓	✓	✓	✓	✓
10.03.2025		✓	✓	✓	✓	✓	✓	✓	✓
Meetings attended / held	1/1	5/5	3/3	5/6	5/5	5/5	6/6	6/6	6/6

(@) Member of the Committee till 07.06.2024

(#) Member of the Committee from 29.08.2024

(\$) Member of the Committee from 04.10.2024

(%) Member of the Committee from 09.07.2024

(&) Member of the Committee from 19.08.2024

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 of RBI;
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 situation and 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 of RBI, 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 of RBI, 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.A.Niranjana Sankar	Shri.D.N.Nirranjan Kani (@)	Shri.C.Chiranjeeviraj	Smt.S.Ezhil Jothi	Shri.S.Sridharan (#)	Shri.R.Deepak Shankar (s)
17.04.2024	✓		✓	✓		
09.05.2024	✓		✓	✓		
29.05.2024	✓		✓	✓		
12.06.2024	✓		✓	✓		
25.06.2024	✓		✓	✓		
04.07.2024	✓		✓	✓		
01.08.2024	✓	✓	✓	✓		✓
19.08.2024	✓	✓	✓	✓		✓
12.09.2024	✓	✓	✓	✓		✓
25.09.2024	✓	✓	✓	✓		✓
22.10.2024	✓	✓	✓	✓		✓
21.11.2024	✓	✓	✓	✓	✓	✓
26.12.2024	✓	✓	✓	✓	✓	✓

Date of Meeting	Shri.A.Niranjana Sankar	Shri.D.N.Nirranjan Kani (@)	Shri.C.Chiranjeeviraj	Smt.S.Ezhil Jothi	Shri.S.Sridharan (#)	Shri.R.Deepak Shankar (\$)
28.01.2025	✓	✓	✓	✓	✓	✓
26.02.2025	✓	✓	✓	✓	✓	✓
26.03.2025	✓	✓	✓	✓	✓	✓
Meetings attended / held	16/16	10/10	16/16	16/16	5/5	10/10

(@) Member of the Committee from 09.07.2024

(#) Member of the Committee from 28.10.2024

(\$) Member of the Committee from 09.07.2024

5. Corporate Social Responsibility Committee of the Board of Directors (CSR)

Terms of Reference / Roles and Responsibilities of the Committee are:

- 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.
- Recommend to the Board the amount of expenditure to be incurred, on the corporate social responsibility activities.
- Review and monitor the implementation of corporate social responsibility policy of the Bank.
- 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.
- Formulate and recommend to the Board an annual action plan in pursuance of CSR Policy including
 - 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.
 - The manner of execution of such projects or programmes as specified in rule 4(1) of CSR Rules.
 - The modalities of utilization of funds and implementation schedules for the projects or programmes.
 - Monitoring and reporting mechanism for the projects or programmes; and
 - Details of need and impact assessment, if any, for the projects undertaken by the Company, appointment of independent agency for undertaking impact assessment
- 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
- 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.
- To oversee the Business Responsibility and Sustainability Reporting (BRSR) and review of various activities of the Bank under the prescribed ESG Framework.

Number of meetings held: 3 meetings

The CSR meeting dates and the attendance record is as below:

Date of Meeting	Shri.Salee S Nair	Shri.A.Nirranjan Sankar	Shri.S.R.Ashok	Shri.D.N.Nirranjan Kani	Shri.B.Prabaharan	Shri.R.Deepak Shankar
29.08.2024	✓	✓	✓	✓	✓	✓
28.01.2025	✓	✓	✓	✓	✓	✓
19.03.2025	✓	✓	✓	✓	-	✓
Meetings attended / held	3/3	3/3	3/3	3/3	2/3	3/3

6. Management Committee of the Board of Directors (MCB)

Terms of Reference / Roles and Responsibilities of the Committee are:

1. All fresh sanction of loans and advances under its delegated powers.
2. All renewal of loan and advances limits under its delegated powers.
3. All changes and modifications either additional limits or reduced limits or addition or reduction in facilities under its powers.
4. Any change in the conditions of sanctioned limits under its powers.
5. Any matter relating to securities, either by way of addition, relinquishment, substitution etc.
6. Levying or reduction of penal interest.
7. Restructuring debts / loans / advances.
8. Sanction of Forward Exchange Contract limits.

Delegated power for loans and advances as detailed below: -

Sl. No.	Type of advance (Irrespective of security coverage)	Limit (Including lending under consortium) ₹ in Crores	
		Individual	Group
1.	Commercial Real Estate Sector	50	75
2.	Capital Market Sector	20	40
	NBFC Sector	30	60
3.	Other than 1 and 2 as mentioned above	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 ₹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 Executive Vice President / 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 Executive Vice President (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 fixed assets in excess of the MD&CEO's delegated powers.
5. To sanction expenditure of revenue in nature in excess of the MD&CEO's delegated powers.

Number of meetings held: 9 meetings

The MCB meeting dates and the attendance record is as below:

Date of Meeting	Shri.S.Krishnan (@)	Shri.Salee S Nair (#)	Shri.Vincent M.D. (\$)	Shri.S.R.Ashok	Shri.D.N.Nirranjan Kani	Shri.S.Sridharan	Shri.K.V.Rama Moorthy (%)	Shri.R.Deepak Shankar (^)
23.05.2024	✓			✓	✓	✓		
21.06.2024				✓	✓	✓		
01.08.2024				✓	✓	✓	✓	✓
24.09.2024		✓		✓	✓	✓	✓	✓
30.11.2024		✓	✓	✓	✓	✓	✓	✓
26.12.2024		✓	✓	✓	✓	✓	✓	✓
24.01.2025		✓	✓	✓	✓	✓	✓	✓
07.03.2025		✓	✓	✓	✓	✓	✓	✓
27.03.2025		✓	✓	✓	✓	✓	✓	✓
Meetings attended / held	1/1	6/6	5/5	9/9	9/9	9/9	7/7	7/7

(@) Member of the Committee till 07.06.2024

(#) Member of the Committee from 29.08.2024

(\$) Member of the Committee from 04.10.2024

(%) Member of the Committee from 09.07.2024

(^) Member of the Committee from 09.07.2024

7. Information Technology Strategy Committee of the Board of Directors (ITSC)

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 the same.
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 the management has implemented the 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 the 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 the resources to ensure that there is 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 of Executives (at a senior management level).
2. Investigate activities within this scope.
3. Seek information from any employee.
4. Obtain outside IT, 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.

Number of meetings held: 5 meetings

The meeting dates and the attendance record is as below:

Date of Meeting	Shri.S.Krishnan (@)	Shri.Salee S Nair (#)	Shri.Vincent M.D. (\$)	Shri.A.Niranjana Sankar	Shri.S.R.Ashok	Shri.D.N.Nirranjan Kani	Shri.B.Prabaharan	Shri.S.Sridharan (%)
23.05.2024	✓			✓	✓	✓	✓	
01.08.2024				✓	✓	✓	✓	
04.12.2024		✓	✓	✓	✓	✓	✓	-
18.12.2024		✓	✓	✓	✓	✓	✓	✓
19.03.2025		✓	✓	✓	✓	✓	-	✓
Meetings attended / held	1/1	3/3	3/3	5/5	5/5	5/5	4/5	2/3

(@) Member of the Committee till 07.06.2024

(#) Member of the Committee from 29.08.2024

(\$) Member of the Committee from 04.10.2024

(%) Member of the Committee from 28.10.2024

8. Human Resources Management Committee of the Board of Directors (HRMC)

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.Salee S Nair (#)	Shri.Vincent M.D. (\$)	Shri.S.R.Ashok	Shri.D.N.Nirranjan Kani	Shri.C.Chiranjeeviraj	Smt.S.Ezhil Jothi	Shri.K.V.Rama Moorthy (%)
24.05.2024	✓			✓	✓	✓	✓	
19.08.2024				✓	✓	✓	✓	✓
14.10.2024		✓	✓	✓	✓	✓	✓	✓
26.12.2024		✓	✓	✓	✓	✓	✓	✓
07.03.2025		✓	✓	✓	✓	✓	✓	✓
Meetings attended / held	1/1	3/3	3/3	5/5	5/5	5/5	5/5	4/4

(@) Member of the Committee till 07.06.2024

(#) Member of the Committee from 29.08.2024

(\$) Member of the Committee from 28.10.2024

(%) Member of the Committee from 09.07.2024

9. NPA Monitoring Committee of the Board of Directors (NPAMC)

Terms of Reference / Roles and Responsibilities of the Committee are:

- Monitoring the major NPA accounts.
- Review Region wise position of NPAs.
- Ensure that NPA classifications are consistent with RBI requirements.
- Set in motion steps against slippages within NPA portfolio.
- Ensure that accurate and proper provisions have been made for NPA and a suitable mechanism is in place for the purpose
- Monitor recovery in respect of NPA accounts.
- All matters relating to Debt Recovery Tribunals including sanctions for filing of cases.
- All matters relating to Securitization Act.
- All matters relating to LOK Adalat.
- Review of 100 Top borrowal accounts of NPAs (As per RBI guidelines).
- Review of Loss Assets with balance of ₹1.00 lakh and above for more than 2 years, where no legal action has been initiated.
- Review of suit filed accounts of ₹5.00 lakhs and above.
- Periodical review of the large corporate loans and delinquent accounts appearing in SMA lists.
- Periodical review of Non-Performing Assets of large value (₹2.5 Crores and above) and also a pool of NPAs in various categories (substandard, doubtful and loss);
- To review the position of stressed assets (SMA 1, SMA 2) position in the Bank;
- To review the: -
 - Progress of recovery and monitor the process of recovery mechanism of the Bank;
 - Status of SARFAESI compliance for every six months;
 - Report of quick mortality accounts in the Bank;
 - Trends of NPAs in the industry and direct the recovery measures;
 - Status on technical write off accounts;
 - Recovery policy of the Bank; and
 - Provisioning requirements and disclosures to be made in the financial statements with respect to NPAs.

Number of meetings held: 5 meetings

The meeting dates and the attendance record is as below:

Date of Meeting	Shri.S.Krishnan (@)	Shri.Salee S Nair (#)	Shri.Vincent M.D. (\$)	Shri.D.N.Nirranjan Kani	Shri.B.Prabaharan	Shri.C.Chiranjeeviraj	Shri.S.Sridharan	Shri.Thomas Mathew	Shri.K.V.Rama Moorthy (%)
06.06.2024	✓			✓	✓	✓	✓	✓	
31.07.2024				✓	✓		✓	✓	✓
02.09.2024		✓		✓	✓		✓	✓	✓
17.12.2024		✓	✓	✓	✓		✓	✓	✓
18.03.2025		✓	✓	✓	-		✓	-	✓
Meetings attended / held	1/1	3/3	2/2	5/5	4/5	1/1	5/5	4/5	4/4

(@) Member of the Committee till 07.06.2024

(#) Member of the Committee from 29.08.2024

(\$) Member of the Committee from 04.10.2024

(%) Member of the Committee from 09.07.2024

10. Special Committee of the Board for Monitoring and Follow-Up of Cases of Frauds (SCBMF)

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 ₹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 mitigate 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 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 the internal controls.
6. Put in place other measures as may be considered relevant, to strengthen preventive measures against frauds.

Number of meetings held: 3 meetings

The meeting dates and the attendance record is as below:

Date of Meeting	Shri.S.Krishnan (@)	Shri.Salee S Nair (#)	Shri.Vincent M.D. (\$)	Shri.S.R.Ashok	Shri.C.Chiranjeeviraj (%)	Smt.S.Ezhil Jothi	Shri.S.Sridharan	Shri.Thomas Mathew	Shri.C.S.Ram Kumar	Shri.K.V.Rama Moorthy (^)
06.06.2024	✓			✓	✓	✓	✓	✓	✓	
29.11.2024		✓	✓	✓		✓	✓	✓	-	✓
18.03.2025		✓	✓	✓		✓	✓	-	✓	✓
Meetings attended / held	1/1	2/2	2/2	3/3	1/1	3/3	3/3	2/3	2/3	2/2

(@) Member of the Committee till 07.06.2024

(#) Member of the Committee from 29.08.2024

(\$) Member of the Committee from 04.10.2024

(%) Member of the Committee till 08.07.2024

(^) Member of the Committee from 09.07.2024

11. Disciplinary Committee of Board of Directors (DC)

Terms of Reference / Roles and Responsibilities of the Committee are:

1. For disposing Disciplinary Cases as the Appellate Authority for the Executive Vice Presidents and above cadre.
2. Reviewing Authority for Officers' in the Cadre of Deputy Vice Presidents (Scale V) and Vice Presidents (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: NIL

12. Independent Directors Committee of the Board of Directors (IDC)

Brief terms of reference

1. Review the performance of Non-Independent Directors and the Board as whole.
2. Review the performance of the Chairman of the Bank, taking into account the views of Executive Directors 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: 2 meetings

The meeting dates and the attendance record is as below:

Date of Meeting	Shri.B.Prabaharan	Shri.C.Chiranjeeviraj	Smt.S.Ezhil Jothi	Shri.S.Sridharan	Shri.R.Deepak Shankar	Smt.R.Kanagavalli
28.01.2025	✓	✓	✓	✓	✓	✓
26.03.2025	✓	✓	✓	✓	✓	✓
Meetings attended / held	2/2	2/2	2/2	2/2	2/2	2/2

13. Review Committee on Wilful Defaulters of the Board of Directors (RCWDF)

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: 5 meetings

The meeting dates and the attendance record is as below:

Date of Meeting	Shri.S.Krishnan (@)	Shri.Salee S Nair (#)	Shri.Vincent M.D. (\$)	Smt.S.Ezhil Jothi	Shri.S.Sridharan	Shri.K.V.Rama Moorthy (%)
20.04.2024	✓			✓	✓	
24.05.2024	✓			✓	✓	
30.10.2024		✓	✓	✓	✓	✓
24.01.2025		✓	✓	✓	✓	✓
18.03.2025		✓	✓	✓	✓	✓
Meetings held / attended	2/2	3/3	3/3	5/5	5/5	3/3

(@) Member of the Committee till 07.06.2024

(#) Member of the Committee from 29.08.2024

(\$) Member of the Committee from 04.10.2024

(%) Member of the Committee from 09.07.2024

Particulars of Senior Management as on March 31, 2025

Name	Designation	Date of Joining in the Bank	Remarks
Shri J. Sundaresk Kumar	Executive Vice President	18/05/1992	
Shri Vijayan K	Executive Vice President	06/06/1994	Promoted as EVP w.e.f 01/04/2024
Shri Ramesh D	Executive Vice President	09/10/2019	
Shri Ashokkumar P R	Executive Vice President	30/10/2019	Promoted as EVP w.e.f 01/04/2024
Shri Jayaraman V	Executive Vice President	06/09/2021	
Shri Laxman Karkala Kudva	Chief Risk Officer	12/08/2024	
Shri Ilangoan S	Head of Internal Audit	11/11/2024	
Shri Arvind K	Executive Vice President	12/12/2024	
Shri Ananda Ganesan R	Executive Vice President	02/01/2025	
Shri Sanjoy Kumar Goel	Chief Financial Officer	20/03/2025	
Shri Swapnil Yelgaonkar	Company Secretary	25/03/2024	Designated as Company Secretary w.e.f 18/06/2024
Shri V. Murugesan.	Vice President	08/01/1990	
Shri Natarajan J	Vice President	10/01/1990	Promoted as VP w.e.f 01/04/2024
Shri C. Shermuga Durai	Vice President	17/05/1993	Promoted as VP w.e.f 01/04/2024
Shri K. Ananth	Vice President	17/05/1993	
Shri M. Navaneetha Krishnan.	Vice President	06/05/1993	Promoted as VP w.e.f 01/04/2024
Shri Jebananth Julius P	Vice President	17/05/1993	Promoted as VP w.e.f 01/04/2024
Shri Lakshmi Prakash J	Vice President	27/03/1995	Promoted as VP w.e.f 01/04/2024
Shri R. Gouthaman	Vice President	27/03/1995	Promoted as VP w.e.f 01/04/2024
Shri K. Ganesh Kumar	Vice President	02/01/1997	Promoted as VP w.e.f 01/04/2024
Shri N. Raj Kumar	Vice President	02/01/1997	Promoted as VP w.e.f 01/04/2024
Shri Vijayakumar S	Vice President	23/11/2023	
Shri Seetharaman V	Internal Ombudsman	04/10/2024	

Changes in Senior Management during the financial year 2024-25

Name	Previous Designation	New Designation	Remarks
Shri Inbamani D	General Manager	-	Retired on 30/04/2024
Shri P. Suriaraj	General Manager	-	Retired on 31/05/2024
Shri Vijayan K	Vice President	Executive Vice President	Promoted as EVP w.e.f 01/04/2024
Shri Ashokkumar P R	Vice President	Executive Vice President	Promoted as EVP w.e.f 01/04/2024

Name	Previous Designation	New Designation	Remarks
Shri Krishnan P A	Chief Financial Officer	-	Tenure Completed on 01/02/2025
Shri Narayanan S	General Manager	-	Tenure Completed on 27/09/2025
Shri Laxman Karkala Kudva	Chief Risk Officer	-	Joined on 12/08/2024
Shri Ilangovan S	Head of Internal Audit	-	Joined on 11/11/2024
Shri Arvind K	Executive Vice President	-	Joined on 12/12/2024
Shri Ananda Ganesan R	Executive Vice President	-	Joined on 02/01/2025
Shri Sanjoy Kumar Goel	Chief Financial Officer	-	Joined on 20/03/2025
Shri N. Surendran	Deputy General Manager	-	Retired on 31/07/2024
Shri S. Pratheep Kumar	Deputy General Manager	-	Retired on 30/04/2024
Shri Natarajan J	Deputy Vice President	Vice President	Promoted as VP w.e.f 01/04/2024
Shri C. Shermuga Durai	Deputy Vice President	Vice President	Promoted as VP w.e.f 01/04/2024
Shri M. Navaneetha Krishnan	Deputy Vice President	Vice President	Promoted as VP w.e.f 01/04/2024
Shri Jebananth Julius P	Deputy Vice President	Vice President	Promoted as VP w.e.f 01/04/2024
Shri Lakshmi Prakash J	Deputy Vice President	Vice President	Promoted as VP w.e.f 01/04/2024
Shri R. Gouthaman	Deputy Vice President	Vice President	Promoted as VP w.e.f 01/04/2024
Shri K. Ganesh Kumar	Deputy Vice President	Vice President	Promoted as VP w.e.f 01/04/2024
Shri N. Raj Kumar	Deputy Vice President	Vice President	Promoted as VP w.e.f 01/04/2024
Shri Parthasarathy R	Chief Risk Officer	-	Tenure Completed on 30/04/2024
Shri Sethuraman Venkataraman	Chief Technology Officer	-	Termination of Employment Contract on 02/01/2025
Shri Selvaraj K	Internal Ombudsman	-	Resigned and relieved on 31/07/2024
Shri Francy Jos E	Chief Learning Officer	-	Resigned and relieved on 29/06/2024
Shri Seetharaman V	Internal Ombudsman	-	Joined on 04/10/2024

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
2024	Held through Video	27.09.2024	Friday	10:00 AM	Yes
2023	Conferencing / Other	05.09.2023	Tuesday	11.00 AM	Yes
2022	Audio-Visual Means	09.06.2022	Thursday	12.30 PM	Yes

B. POSTAL BALLOT – FY 2024-25

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 ballots.

i) Postal Ballot 1 – April 2024:

Date of Postal Ballot Notice	: February 27, 2024
Voting Period	: March 06, 2024 to April 04, 2024
Date of Approval	: April 04, 2024
Declaration of result	: April 04, 2024
E-voting facility provider	: M/s. National Securities Depository Limited
Scrutinizer	: Shri.P.Sriram, (Membership No. FCS 4862) (CP No. 3310), partner of M/s.SPNN & Associates, firm of Practicing Company Secretaries
Any Special Resolutions Passed	: Yes

S.No	Description of the Resolution*	Type of Resolution
1	Alteration of Articles of Association of the Bank	Special Resolution
2	Appointment of Shri.S.Sridharan (DIN: 07205781) as an Independent Director of the Bank	Special Resolution

ii) Postal Ballot 2 – December 2024:

Date of Postal Ballot Notice	: October 28, 2024
Voting Period	: November 24, 2024 to December 23, 2024
Date of Approval	: December 23, 2024
Declaration of result	: December 24, 2024
E-voting facility provider	: M/s. National Securities Depository Limited
Scrutinizer	: Shri.P.Sriram, (Membership No. FCS 4862) (CP No. 3310), partner of M/s.SPNN & Associates, firm of Practicing Company Secretaries

Any Special Resolutions Passed : No

S.No	Description of the Resolution*	Type of Resolution
1	Appointment of Shri.Vincent Menachery Devassy (DIN: 09850306) as the Whole Time Director (Executive Director) of the Bank and approval of his remuneration	Ordinary Resolution

iii) Postal Ballot 3 – March 2025:

Date of Postal Ballot Notice	: January 29, 2025
Voting Period	: February 11, 2025 to March 12, 2025
Date of Approval	: March 12, 2025
Declaration of result	: March 14, 2025
E-voting facility provider	: M/s. National Securities Depository Limited
Scrutinizer	: Shri.P.Sriram, (Membership No. FCS 4862) (CP No. 3310), partner of M/s. SPNN & Associates, firm of Practicing Company Secretaries

Any Special Resolutions Passed : Yes

S.No	Description of the Resolution*	Type of Resolution
1	Approval and adoption of "Tamilnad Mercantile Bank Limited Employee Stock Option Plan 2024" [TMB ESOP 2024]	Special Resolution
2	Extension of benefits under the "Tamilnad Mercantile Bank Limited Employee Stock Option Plan 2024 [TMB ESOP 2024]" to the Eligible Employees of its subsidiary companies, associate companies and group companies of Tamilnad Mercantile Bank Limited	Special Resolution

(*) 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, The Times of India etc., and vernacular newspaper such as Dinakaran, The Hindu (Tamil) 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 (AGM) for the FY 2024-25 to be held:

Day	Friday
Date	August 08, 2025
Time	10:00 AM
Venue	Not Applicable (to be held through VC/OAVM)
Mode	Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")
Dividend Payment Date	On or before September 07, 2025.
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. Financial Calendar for the results declared for the financial year 2024-25 are as under:

- | | |
|--|--------------------|
| a) Quarter ended 30 th June, 2024 | : August 02, 2024 |
| b) Quarter ending 30 th September, 2024 | : October 28, 2024 |
| c) Quarter ending 31 st December, 2024 | : January 29, 2025 |
| d) Quarter ending 31 st March 2025 | : April 23, 2025 |

E. Dividend:

Your Directors have recommended the payment of a final dividend at the rate of ₹11.00 (Rupees Eleven only) per equity share of the face value of ₹10/- each (110%) for the year ended March 31, 2025. 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 i.e., August 01, 2025.

F. Year wise details of Unclaimed Dividend:

The following Table provides the position of unclaimed dividend for the past seven years as on March 31, 2025:

Year	Unclaimed dividend (₹)	Date of declaration	Last date for claiming dividend
2017-2018(1st Interim)	7,61,20,280.40	07.02.2018	14.03.2025
2017-2018(2nd Interim)	12,32,53,678.00	25.06.2018	30.07.2025
2018-2019	19,06,94,870.40	30.05.2019	04.07.2026
2019-2020 No Dividend was declared due to restriction imposed by RBI for all banking companies.			
2020-2021	23,14,06,230.00	27.04.2021	01.06.2028
2021-2022	45,38,79,878.00	09.06.2022	14.07.2029
2022-2023 (Interim)	22,74,65,781.00	14.02.2023	21.03.2030
2022-23 (Final)	22,99,85,808.00	05.09.2023	10.10.2030
2023-24 (Final)	51,37,87,649.00	27.09.2024	02.11.2031

G. Demat Suspense Account:

Necessary Demat account have already been opened towards the same and your Bank has transferred the unclaimed shares to Demat Suspense account. During the year under review, the shares lying in the suspense account were 19,373 shares. There was no claim lodged with the Bank during the year. The voting rights on the 19,373 shares had been frozen till the rightful owner of such shares claims the shares.

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, 2018 have to be transferred to the IEPF authority on 18.08.2024 and 13.04.2025 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, 2018 have to be transferred to the IEPF authority on 13.09.2023, 25.03.2024, 17.09.2024 and 13.05.2025 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	Regd. Office Address
Scrip Code	Name of the Stock Exchange	
TMB	National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, 5th Floor, Plot No.C/1, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400051
543596	BSE Ltd. (BSE)	Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001

The Bank has paid the annual listing fees for the year 2025-26 to the above Stock Exchanges.

K. Registrar & Share Transfer Agent (RTA):

The Bank has appointed M/s. MUFG Intime India Private Limited (formerly known as M/s. Link Intime India Private Limited) as common Registrar and Share Transfer Agent (RTA) 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. MUFG Intime India Private Ltd.,
(Formerly known as Link Intime India Pvt 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@in.mpms.mufg.com

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. The Securities and Exchange Board of India has issued a circular vide SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 02, 2025, on Ease of Doing Investment – Special window for Re-lodgment of Transfer Requests of Physical shares. SEBI has notified a Special Window for shareholders to re-lodge physical share transfer applications that were submitted on or before April 1, 2019, but were subsequently rejected/ returned due to deficiencies in documents or processes. This facility is available from July 7, 2025, till January 6, 2026.

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 54.34% of the equity shares of the Bank are in demat form as on March 31, 2025.

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 better liquidity and easy transferability.

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, Specimen Signature and Nomination 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, Address with PIN code, Mobile Number, Bank Account Details, Specimen Signature and Nomination 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 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/download-forms.aspx> / <https://in.mpms.mufig.com>. Shareholders are requested to submit duly filled in forms to the address mentioned below:

MUFG Intime India Private Limited.,
(Formerly Link Intime India Private Limited)
Coimbatore Branch
Surya 35, Mayflower Avenue, Behind Senthil Nagar,
Sowripalayam Road, Coimbatore - 641028.
Phone: +91 (422) 231 4792, +91 (422) 495 8995.
+91 (422) 253 9835, +91 (422) 253 9836.
E mail : coimbatore@in.mpms.mufig.com

Please note that

- 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.
- If a security holder updated the PAN or Contact Details including Mobile Number or Bank Account Details or Specimen Signature after April 01, 2024, then the security holder would receive all the dividend/interest etc. declared during that period (from April 01, 2024 till date of updation) pertaining to the securities held after the said updation automatically.

N. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Bank has not issued any GDRs/ADRs/Warrants or convertible instruments. Hence outstanding instruments, conversion date and likely impact on equity are not applicable.

O. 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.

There is no derivative transaction were undertaken during the year 2024-25, other than Forward Forex Contracts. Bank is not involved in commodity trading/hedging activities.

P. Plant locations:

As the Bank is engaged in the business of Banking / Financial Services, there are no Plant Locations. However, the Bank has 578 Branches and 13 Administrative Offices

Q. In case the securities are suspended from trading, the directors report shall explain the reason thereof – Not applicable

R. Distribution of shareholding as on March 31, 2025:

Shares holding of nominal value of	Number of Shareholders	% to Total	Shares	% to Total
(1)	(2)	(3)	(4)	(5)
Upto 5,000	116589	87.2196	5967278	3.77
5,001 - 10,000	9326	6.9767	5257266	3.32
10,001 - 20,000	4038	3.0208	4870317	3.08
20,001 - 30,000	1491	1.1154	3599968	2.27
30,001 - 40,000	419	0.3135	1373395	0.87
40,001 - 50,000	233	0.1743	1059717	0.67
50,001 - 1,00,000	732	0.5476	4581205	2.89
1,00,001 and above	845	0.6321	131642308	83.13

S. SHAREHOLDING PATTERN:

i) Shareholding pattern by ownership as on March 31, 2025: -

Shareholder Category	No. of Shares	Percentage
Mutual Funds	3754	0.0024
Financial Institutions/Bank/ Insurance Companies	3276017	2.07
Foreign Portfolio Investor & Foreign Institutional Investor	6684950	4.22
Body Corporates	7526931	4.75
Individuals (Including NRI)	100608264	63.54
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)	39560888	24.98
Total	158351454	100.00

ii) Shareholding more than 1% as on March 31, 2025:-

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	RAJENDRAN C S	2124688	1.34
9	HIBISCUS ENTERPRISES LLP	2041275	1.29
10	MEENAKSHI R	1903862	1.20
11	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	1888254	1.20
12	SENTHIL G M	1735181	1.10

T. OTHER DISCLOSURES (as per Schedule V of SEBI (LODR) 2015:

- 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 instances:

- The Stock Exchanges have observed that the Bank had not complied with the provisions of Regulation 19 of the SEBI Listing Regulations on composition of Nomination and Remuneration Committee, during the period from October 9, 2024 to October 27, 2024 and levied a fine of ₹38,000/- each (BSE & NSE), besides GST.
- The Stock Exchanges have observed that the Bank was found not in compliance with the regulation 17 of SEBI LODR Regulations, 2015, that half of the Board is not Independent for the period from

March 27, 2025 to March 31, 2025, due to tenure completion of Smt S.Ezhil Jothi, Independent Director of the Bank on March 26, 2025 and the Board had appointed Shri A.Shidambaranathan as an Additional Director of the Bank w.e.f April 01, 2025, the Stock Exchanges (BSE & NSE) have levied a fine of ₹ 25,000/- each, besides GST.

Your Bank had filed waiver applications with the Stock Exchanges on March 27, 2025 & June 10, 2025 respectively. We are awaiting the responses from the Stock Exchanges.

- There were no materially significant transactions entered into by the Bank with its directors, management or their relatives conflicting with the interest of the Bank at large during the year ended March 31, 2025. 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:

Name of the Authority	Amount in Crores		
	2024-25	2023-24	2022-23
SEBI	Nil	Nil	Nil
BSE/NSE	0.02*	Nil	Nil
RBI	0.05	1.34	0.11
Other Statutory Authority	Nil	Nil	Nil

(*The Bank has not paid the penalty and has filed waiver applications with Stock Exchanges)

For the year 2024-25, the details of penalties are given below:

- RBI has imposed penalty of ₹4,30,000/- under the scheme of penalty for Non-replenishment of ATM (DCM (RMMT) No.S153/11.01.01/2022-23) dated August 10, 2021. (debited in our account maintained with RBI on various dates)
- RBI has imposed penalty of ₹10,000/- for deficiency in rendering customer service observed during incognito visit by RBI at Cheranmahadevi Branch on 11.11.2024 (Order date : 11.11.2024 & Paid on 17.12.2024).

- RBI has imposed penalty of ₹20,050/- on 28.05.2024 for the reason of irregularities and directions violated during their visit at our Madurai Chest. (debited in our account maintained with RBI on 28.05.2024)

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 2024-25:

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	0.48
Reimbursement of Expenses	0.43
Certification charges	--
Total	0.91

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 the Board members and Senior Management Personnels have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Place: Thoothukudi
Date: July 08, 2025

Salee S Nair
Managing Director & CEO
DIN: 09231101

MD & CEO and CFO Certificate

{Pursuant to Regulation 17(8) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015}

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, 2025 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

Salee S Nair

Managing Director & CEO
DIN:09231101

Place: Thoothukudi
Date: 23.04.2025

Sd

Sanjoy Kumar Goel

Chief Financial Officer

Annexure – 7

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members of
TAMILNAD MERCANTILE BANK LIMITED,
57, Victoria Extension Road,
Thoothukudi – 628002.

We have examined the compliance of conditions of Corporate Governance by Tamilnad Mercantile Bank, for the year ended on March 31, 2025 as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of Sub regulation(2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Bank with the stock exchange.

MANAGEMENT RESPONSIBILITY:

The Management is responsible for ensuring that the Bank complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

AUDITORS RESPONSIBILITY:

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

We have examined the relevant records and documents maintained by the Bank for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Bank.

OPINION:

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the Management, We certify that the Bank has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2025 except to the extent of the following:

1. During the period under review, there was a temporary deviation from the prescribed composition of the

Board owing to the retirement of an Independent Director on March 26, 2025. As a result, the Board was not duly constituted for five days starting from March 27, 2025 to March 31, 2025. Further, the Bank has appointed Mr. Arumugasami Shidambaranathan as an Additional Independent Director w.e.f. 01.04.2025 in their meeting held on 26.03.2025.

2. During the period under review, Mr. K. Ananth and Mr. S. Ilangoan were appointed as Heads of Internal Audit. However, the Audit Committee did not formally review and approve the appointments and the terms of remuneration of the Chief Internal Auditor, in deviation from the duties of Audit Committee as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The Risk Management Committee (RMC) had not reviewed the appointment and terms of remuneration of Chief Risk Officer in deviation from the duties of Risk Management Committee as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. During the period under review, Mr. Sanjoy Kumar Goel was appointed as the Chief Financial Officer (CFO) at the Board meeting held on January 29, 2025. However, the said appointment was neither presented to nor approved by the Audit Committee, which is in deviation from the duties of Audit Committee as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

FOR **SPNP & ASSOCIATES**

P. SRIRAM

FCS No. 4862/C P No: 3310

PEER REVIEW NO: 1913/2022

UDIN: F004862G000717288

Date: 05/07/2025

Place: Chennai

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

Sl.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	2024-2025
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange (NSE) and Bombay Stock Exchange (BSE)
11	Paid-up Capital (in Rs)	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

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

Sl. 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):

Sl. No	Product / Service	NIC Code	% of total Turnover contributed
1	Service	99711	100%

18 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Nil	578	578
International	Nil	Nil	Nil

19 Market Served by the entity:

Number of locations

Locations	Number
a. National (No. of States)	21 (including 4 Union Territories)
International (No. of Countries)	Nil
b. What is the contribution of exports as a percentage of the total turnover of the entity?	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 1.40% 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, 2025, 21% of the credit customers were Retail customers, 42% were Agriculture Customers, 30% were MSME and 7% were Other Advances. TMB caters to deposit customers, wherein 89.04% were Retail Term deposits and 10.96% were Bulk deposits.

20 Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

SI.No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.(C)	% (C/A)
Employees						
1	Permanent (D)	2346	2112	90.03%	234	9.97%
2	Other than Permanent (E)	20	19	95.00%	1	5.00%
3	Total employees (D+E)	2366	2131	90.07%	235	9.93%
Workers						
4	Permanent (F)	2375	1926	81.09%	449	18.91%
5	Other than Permanent (G)	0	0	0	0	0
6	Total workers (F+G)	2375	1926	81.09%	449	18.91%

b. Differently abled Employees and workers:

SI.No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.(C)	% (C/A)
Differently Abled Employees						
1	Permanent (D)	12	9	75.00%	3	25.00%
2	Other than Permanent (E)	0	0	0	0	0
3	Total differently abled employees (D+E)	12	9	75.00%	3	25.00%
Differently Abled Workers						
4	Permanent (F)	8	6	75.00%	2	25.00%
5	Other than Permanent (G)	0	0	0	0	0
6	Total differently abled workers (F+G)	8	6	75.00%	2	25.00%

21 Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	13	1	7.69%
Key Management Personnel	4	0	0%

22 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5.30%	5.16%	5.28%	3.18%	2.61%	3.11%	3.03%	4.76%	3.17%
Permanent Workers	4.56%	7.22%	5.02%	2.43%	3.14%	2.54%	2.73%	0.92%	2.49%

23 a. Name of holding / subsidiary / associate companies / joint ventures

Sl. 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				

24 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

(ii) Turnover (in ₹) 61,41,75,29,653.59

(iii) Net worth (in ₹) 90,08,69,24,468.33

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:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024 - 25			FY 2023 - 24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	0	0	NA	0	0	NA
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. MUFG Intime Pvt Ltd (formally known as M/s. Link Intime India Pvt Ltd,) Coimbatore. Complaints received on SCORES are attended within the stipulated timelines	0	0	NA	0	0	NA
Shareholders	Yes	35	0	All complaints were resolved	81	4	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	NA	0	0	NA

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024 – 25			FY 2023 – 24		
		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
Customers	Yes, customers can register their grievances and complaints at customerservice@tmbank.in and complaints@tmbank.in	6	0	NA	45	0	NA
Value Chain Partners	-	0	0	NA	0	0	NA
Other (please specify)	-	0	0	NA	0	0	NA

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

Sl. No	Material issue identified	Indicate whether Risk or 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	O	As an established bank, TMB recognises the importance of measuring and managing its carbon footprint. With increasing investor requirements, regulatory developments, and public expectation, it is important to track and reduce GHG emissions across operations and financed emissions. Poor performance may impact future access to sustainable finance.	-	Positive: Efficient energy and resource use can lower operational costs, improve climate resilience, enhance ESG ratings, and strengthen access to green/sustainable finance.
2	Data Privacy	R	With increasing digitisation of financial services and growing reliance on digital infrastructure, TMB faces heightened risks related to data privacy breaches and cyberattacks. A breach of sensitive customer or employee data could severely impact operational continuity, customer trust, regulatory standing, and brand reputation.	TMB has adopted a multi-layered data security approach, including implementation of ISO/IEC 27001:2022-aligned controls, endpoint security, firewalls, and access controls. Regular VAPT (vulnerability assessment & penetration testing), employee training, DLP solutions, and incident response protocols are also being enforced. Cybersecurity awareness at the Board level is strengthened through targeted briefings.	Negative: A data breach could result in direct financial loss, regulatory fines (under RBI or IT Act), customer attrition, and reputational damage. It could also lead to business disruption and erosion of stakeholder confidence. Investments in cybersecurity helps to reduce long-term risk exposure

Sl. No	Material issue identified	Indicate whether Risk or 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)
3	Business Continuity	R	As a part of the financial institution, TMB is exposed to operational risks from natural disasters, cyber threats, infrastructure failures, or pandemics. Disruptions in IT systems, branch operations, or personnel availability can impact customer service, loan disbursements, collections, and regulatory compliance—potentially harming financial and reputational stability.	TMB has adopted a Board-approved Business Continuity Plan (BCP) and Disaster Recovery (DR) framework covering IT, physical assets, and personnel. The company conducts regular DR drills, periodic risk assessments, and offsite data backups. Fire safety audits, evacuation drills, and system redundancies are built into the continuity architecture. Testing and revisions are carried out quarterly.	Negative: Failure to maintain operational resilience can lead to service interruptions, financial losses, compliance issues, reputational damage, and reduced stakeholder trust. However, strong BCP/DR capability reduces recovery time, minimises losses, and enhances long-term resilience.
4	Financial Inclusion	O	Expanding access to formal credit for low-income households, MSMEs, and underserved regions is closely aligned with TMB's core mission of inclusive banking. By strengthening financial inclusion, the Bank not only promotes social equity and economic resilience but also enhances long-term business growth by reaching untapped customer segments and deepening its presence in semi-urban and rural markets.	-	Positive: Financial inclusion enhances business sustainability by increasing the customer base, improving portfolio diversification, and building brand reputation. It also opens access to priority sector lending benefits and ESG-aligned impact investment opportunities.
5	Customer fairness and right-selling	R	As a bank, it must ensure that its products and practices align with customer needs, especially for underserved segments. Misaligned sales incentives, lack of product clarity, or unethical selling can erode trust, increase customer grievances, and attract regulatory scrutiny from RBI or consumer forums.	TMB promotes a strong customer-first culture through staff training on ethical sales conduct, suitability assessments, and transparent disclosure of product features. It uses multilingual communication channels (website, app, call centre, branches) to enhance product clarity. Internal audits and grievance redressal mechanisms further help ensure fair practices.	Negative: Mis-selling can lead to loss of customers, reputational harm, regulatory penalties, and long-term brand dilution. Upholding fairness builds loyalty, and strengthens stakeholder confidence.
6	Employee Benefits & Development	O	A strong focus on employee welfare, upskilling, and career development boosts productivity, reduces attrition, and fosters innovation. For TMB, investing in talent enables improved service delivery, enhanced customer experience, and a future-ready workforce—key for scaling responsibly and maintaining a competitive edge in the financial services sector.	-	Positive: High employee engagement and retention reduce hiring and onboarding costs, enhance institutional knowledge, and contribute to better customer outcomes. An inclusive, growth-oriented work culture strengthens TMB's employer brand and supports sustained business performance.

Sl. No	Material issue identified	Indicate whether Risk or 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)
7	Systematic Risk Management	R	As a regulated entity under RBI, TMB is exposed to credit, market, operational, and strategic risks that can impact financial performance, business continuity, and stakeholder confidence. Inadequate risk governance may amplify vulnerabilities across the business functions and affect the company's ability to respond to economic shocks or sector-level disruptions.	TMB has implemented a comprehensive enterprise risk management (ERM) framework aligned with RBI and Basel norms. A Board-level Risk Management Committee oversees the risk appetite, internal control systems, and scenario-based assessments. The company also conducts regular stress testing, internal audits, and monitoring through risk dashboards.	Negative: Inadequate risk management may lead to financial losses, compliance breaches, reputational harm, or operational disruptions. A strong risk framework improves resilience, enhances investor trust, and supports long-term business sustainability.
8	Regulatory & Legal Compliances	R	TMB operates in a complex legal environment, including financial, data, Labour, and environmental compliance. Non-compliance can result in fines, legal action, reputational damage, and restrictions on operations. A proactive compliance posture ensures business continuity, transparency, and stakeholder confidence.	TMB has established a dedicated Compliance function reporting to senior management, supported by regular internal audits, policy reviews, and training programs. Compliance management systems track regulatory updates and trigger corrective actions. Legal reviews and external expert consultations ensure policy alignment with evolving statutory requirements.	Negative: Non-compliance may lead to monetary penalties, litigation costs, reputational setbacks, and regulatory sanctions. However, robust compliance enhances process integrity, reduces long-term legal exposure, and signals strong corporate governance to investors and regulators.
9	ESG (Environmental, Social and Governance) Oversight	O	Strong ESG governance at the leadership level enhances transparency, accountability, and alignment with long-term stakeholder interests. For TMB, embedding ESG within business strategy supports regulatory readiness (e.g., BRSR Core), aligns with global ESG goals, and helps manage environmental and social risks in lending and operations.	-	Positive: Strong ESG governance enhances investor confidence, improves ESG ratings, enables access to green/sustainable finance, and supports long-term value creation. It also helps in anticipating future regulatory trends and stakeholder expectations.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

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)								
	b	Has the policy been approved by the Board? (Yes/No)								
	c	Web Link of the Policies, if available								
2		Whether the entity has translated the policy into procedures. (Yes / No)								
3		Do the enlisted policies extend to your value chain partners? (Yes/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.								
5		Specific commitments, goals and targets set by the entity with defined timelines, if any.								
		Environment: • Drive the adoption of digital technologies to reduce paper consumption • Initiate the process to calculate Scope 3 emissions (2-3 categories) • Commit to reducing carbon emissions by optimizing energy efficiency in operations • Promote the integration of renewable energy sources at TMB's branches wherever viable Social: • Build a workplace culture that fosters diversity and inclusiveness, with targeted efforts to improve gender balance across all levels of the bank • Ensure every employee has access to training, skill enhancement, and career development programs • Strengthen employee engagement initiatives to boost workplace satisfaction and support talent retention • Safeguard employee welfare through effective grievance handling systems • Enhance the customer feedback process by institutionalizing a systematic mechanism that drives continuous improvements in service quality and customer satisfaction								

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Governance: - Embed robust ESG oversight with regular Board evaluations to ensure alignment with company's strategic objectives - Strengthen risk management frameworks to proactively identify, assess, and mitigate potential operational risks - Uphold the highest standards of transparency, integrity, and responsibility in all governance activities - Foster a culture of compliance by ensuring adherence to all applicable laws, regulations, and internal policies across all levels of the organization - Advance sustainability reporting by progressively aligning disclosures with established international frameworks, improving both scope and accuracy of the information shared								
		Environment: - Water intensity per ₹ Cr turnover decreased by 5.8%, from 25.67 to 24.18, suggesting better water productivity despite higher withdrawal - Energy intensity per ₹ Cr turnover decreased by 4.9%, from 20.21 to 19.22, indicating improved operational efficiency relative to revenue - Despite the rise in absolute emissions, the GHG intensity (Scope 1 + 2 per ₹ Cr turnover) improved by 4.1%, decreasing from 3.41 tCO₂e/₹ Cr to 3.27 tCO₂e/₹ Cr, indicating better emissions efficiency relative to business growth - During the reporting period, TMB has maintained its focus on advancing environmental sustainability initiatives, including (i) the promotion of digital customer onboarding, (ii) the facilitation of virtual meetings to reduce travel, and (iii) efforts aimed at minimizing paper usage. The organization has also begun exploring the integration of renewable energy solutions at select operational locations Social: - The percentage of employees receiving skill upgradation training rose from 92.26% (2,158 out of 2,158) in FY 2023–24 to 97.69% (2,292 out of 2,346) in FY 2024–25, indicating a stronger focus on capability building - Employee coverage under Provident Fund (PF) increased from 22.10% in FY 2023–24 to 29.49% in FY 2024–25, reflecting improved formal social security coverage - Performance and career development reviews continued to cover 100% of permanent employees and workers in both FY 2023–24 and FY 2024–25, reflecting sustained efforts in structured professional growth - TMB continues to prioritize the holistic development of its workforce by providing comprehensive access to training and upskilling programs. Efforts to cultivate a diverse and inclusive workplace culture, with particular emphasis on improving gender diversity at all organizational levels, remain ongoing. The bank is also actively engaged in strengthening employee engagement and workplace satisfaction as part of its broader talent retention strategy. Progress in these areas is being closely monitored to ensure effectiveness and inform future initiatives.								

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
		Governance: The bank remains committed to embedding ESG principles across its governance framework and operational processes. Regular reviews are conducted to ensure alignment with sustainability objectives, and efforts to enhance transparency through adherence to recognized reporting frameworks are underway. Additionally, TMB is focused on advancing stakeholder engagement. These governance enhancements are in progress and continue to evolve in response to emerging best practices and regulatory developments								
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)	At Tamilnad Mercantile Bank (TMB), we believe that our role as a financial institution extends beyond banking — it includes driving sustainable development, strengthening community ties, and conducting our business with transparency and accountability. As we navigate an evolving business landscape shaped by environmental and social expectations, our commitment to responsible growth remains unwavering. During the year, we focused on enhancing our operational efficiency and environmental performance through a series of initiatives aimed at reducing resource consumption and promoting cleaner alternatives. A key area of progress has been the expansion of digital infrastructure, which has streamlined services and reduced reliance on paper-intensive processes. We are gradually exploring cleaner energy alternatives by initiating energy-efficient practices across our operations. From a social perspective, we have continued to support inclusive access to financial services, particularly in underserved and semi-urban regions. We have strengthened employee development efforts through targeted training and capacity-building initiatives, ensuring that our workforce is equipped to meet emerging regulatory and technological demands. On the governance front, we have initiated steps to embed sustainability more deeply into our internal policies and decision-making processes. ESG awareness has been built among cross-functional teams, and we are moving toward establishing clearer oversight and accountability mechanisms to monitor sustainability performance. We recognize that challenges persist—especially in aligning data systems for consistent ESG reporting, preparing for sector-wide climate risk assessments, and translating high-level commitments into measurable KPIs. However, we are approaching these challenges with a sense of purpose and clarity, driven by the long-term value ESG integration can bring to our stakeholders. Going forward, TMB will continue to build on these efforts, with a sharper focus on setting quantifiable sustainability targets, expanding clean energy coverage, and aligning with national and global ESG frameworks. Our vision is to grow responsibly while contributing meaningfully for environmental protection, social wellbeing, and good governance practices.								
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 entrusted with overseeing the Bank's Business Responsibility and Sustainability Reporting (BRSR) and reviewing various initiatives under the defined ESG framework. Additionally, the Risk Management Committee (RMC) of the Board holds overall responsibility for ensuring the effective implementation of the 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																		
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		

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:

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)	Not Applicable
d.	It is planned to be done in the next financial year (Yes/No)	
e.	Any other reason (please specify)	

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**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	Banking Conclave on Enabling the Climate Transition in India, Program for Non-Executive Chairman & Directors on the Boards of Banks, NBFCs, FIs, Certification Programme for IT and Cyber Security for Board Members	61.54%
Key Managerial Personnel	5	Webinar on Understanding SEBI's Evolving Regulatory Landscape & SEBI (LODR) Amendments, Program on Business Ethics and Corporate Governance, Program for Company Secretaries and Secretaries to the Boards	50.00%
Employees	165	Faculty Development Program, Workshop on Climate Risk for Banks, Flow, Workshop on Sales and Marketing, Orientation Programme for Newly Promoted Assistant Managers, Webinar on Impact of Information Technology on Human Behaviour, Workshop on "SWIFT - Financial messaging services, Conference of Treasury Heads - Emerging Trends, Workshop on "Write - off export receivables - Understanding FEMA provisions", Program on Security Operations Centre, Workshop of CTOs and CISOs of RBI Supervised Entities, Meeting on inclusion of ICCs under LRS and levy of TCS, Program on "The Golden Triangle", Workshop on Financing Smallholder Farmers - Innovations & Opportunities, Enhancing Proficiency in Branch Business Performance for First Time Branch Heads, Live Online Programme in Information Systems Audit, Awareness Program of Compliance on EDPMS / IDPMS by FPC, Chennai, Programme on Risk Management for SCBs, Webinar on 'Future of Human Interaction with Artificial Intelligence', Programme on MSME Banking - A Pathway to increase our Credit Portfolio for Officers, NAMCABS Workshop on Capacity Building for Branch Managers (MSME) at Coimbatore, Effective implementation of KYC / AML / CFT Norms, Webinar on Financial Consumer Protection - Policy Approaches and Initiatives of RBI, Certification Workshop on Bond Trading and Portfolio Management, Advanced Management Program in Banking & Finance 2024-25, Webinar on Understanding SEBI's Evolving Regulatory Landscape & SEBI (LODR) Amendments, Workshop on Investment Credit for Farm Mechanization and Irrigation Facilities, Conference of CFOs: Emerging Roles and Dimensions, Workshop on Jewel Appraisal at Tirupathi, Refresher Programme for Officers, Program on Payment and Settlement Systems for Middle-Level Functionaries of Banks, Banking Conclave on Enabling the Climate Transition in India, Workshop on FEMA Guarantees Regulation and Structured Obligations, Program on Life Coping Skills, Training Program on Cloud Security, Workshop on Overseas Investment Facilities for Residents, Workshop on Jewel Appraising Techniques, Induction Program for Newly Recruited Officers, Programme on Risk Management under Basel Regime (For First Time Risk Managers), PROGRAM FOR INTERNAL AUDIT OFFICERS OF BANKS, Workshop on Foreign Trade and Foreign Exchange Business, NAMCABS - Train the Trainers Workshop on MSME Financing, Workshop on Banking and investment facilities for NRI/PIO, Program on Preventive Vigilance & Fraud Management,	97.74%

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
		Program on Agricultural Value Chain Financing, Program on NRI Deposits, Conference of Statutory Auditors and CFOs, Program on “ Cyber Safety ”, Program on Credit Rating for Officers and Clerks who are handling Credit Rating at Regional Offices, Induction Program for Newly Recruited Clerks, Webinar on Sustainable Finance – Green Bonds, Program on Evaluation of Financial Statements & Ratios, Program on Discipline Management, Investigation & Disciplinary Action / Proceedings for Banks, Building Professionalism in Marketing of our Bank’s Products and Services, Programme on Financing Micro, Small and Medium Enterprises, Credit Appraisal Techniques for Officers, Training of Bank Officials on Agriculture Credit and Crop Insurance, Foreign Exchange Operations @ IBD, FPC, Chennai, Programme on Advanced AI/ML in Banking, FEDAI 5 Days Orientation Workshop on Foreign Trade and Foreign Exchange Business @ SIBSTC, Bengaluru, Advanced Credit Management Programme (ACMP), PICUP Fintech Conference and Awards 2024, Program on Reinventing You, Banking Conference on “Responsible Banking – Climate Change in Banking” for Credit / Risk Professionals, Management Development Program, Program on Designing Assessment Centre Methodology– Tool to Prepare Individual Development Plans (IDPs) of Executives, Digital Banking– An Era of Digital Revolution, API Security and Governance, Intensive Credit Appraisal Programme (ICAP), Certification Program on Integrated Treasury Management with Bourse Game for Newly Inducted Officers, Global Conference on Digital Public Infrastructure (DPI) and Emerging Technologies, Online Programme on “Marketing & Customer Service”, Digital Marketing Training with Certifications, Program on Recovery Management in Banks, Workshop on achieving the G20 Goals by easing the cross-border payments journey, Program on Application Security, Program on Foreign Exchange Business, Program on Strategic Leadership Development, NPA management and Recovery Mechanism through Legal Aspects, Program on Effective Branch Management, Program on Emotional Mastery, ISACA Chennai Conference 2024, Advanced Credit Management, Program on Credit Management, Program on IT Governance and Risk Compliance, Program on Financing Micro & Small Enterprises (MSEs), Program on Business Ethics and Corporate Governance, Program on Effective Marketing for Retail Banking, Program on “IT Security & Prevention of Cyber Crimes for General Bankers”, Workshop on Capacity Building for Branch Managers (MSME) @ Thanjavur, Training Program on “GST collection through direct integration” at our I.T. Department, Chennai, Conference of HR Heads of Banks and Financial Institutions – Theme “Empowering Growth : Effective Mentoring for Driving Performance”, Excellence in Branch Business Performance for Branch Heads, Certification Programme in IT and Cyber security for Senior Management, Webinar on Money Mules in Cyberattacks: Uncovering the Financial Backbone of Digital Attacks, Credit Proposal Preparation for Officers, Webinar on The Rise of Lumma Stealer: Exploiting CAPTCHA Pages for fraud activities, Webinar on Tracking Cyber Threats: Leveraging IoT Search Engines for Threat Analysis, Enhancing Proficiency in Branch Banking Business for Officers, Training of SAS Modules (SAS Visual Analytics, SAS Data Integration, SAS Enterprise Guide), FEDAI – ISDA Online Workshop on “Initial Margin – Collateral Management”, Programme on “Mind your Mind”, Program on Trade Based Money Laundering & Prevention of Frauds in International Trade, Program on Customer Service Excellence in the Digital Age, Webinar on The Infiltration Game: How Hackers Gain Access, Webinar on Cyber Security Awareness, Training Program for Spoken Hindi Classes handled by Dr. S. Vijaya, Zonal Seminar of National Mission for Capacity Building of Bankers Financing MSME Sector (NAMCABS),	

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
		Webinar on Securing India's Digital Frontiers: Trends and Forecast, Program on Create, Secure and Publish APIs with IBM API Connect, Program on MSME Digital Lending Platform under TMB GST Scheme, Women Excellence in Banking Industry, Conference of Heads of Inspection and Audit, Program on Know Your Customer (KYC), Anti-Money Laundering (AML) & Combating the Financing of Terrorism (CFT), Program on The Future of Banking: Embracing Digital Transformation, Program on Dealing with Difficult People, Conference on Paradigm Shift in Banking – Moving Towards a Resilient, Inclusive and Sustainable Model, Workshop on Climate related disclosures for Regulated Entities, Programme on Leadership and Development of Soft Skills for Branch Managers, Program on MSME Financing & Restructuring, Workshop on Remittances to India – Regulatory Provisions for Bankers, Treasury 2030 : Navigating Regulatory and Market Changes with eMACH.ai, Program on Gender Sensitization and Prevention of Sexual Harassment at Workplace, Branch Business Performance Excellence, Program on Financial Forecasting using AI / ML, Program on Advanced Lending Practices and Credit Management, NAMCABS 3.0 Workshop for capacity building of bankers dealing in MSMEs, CISO Summit – 3rd Chapter, Program on Administration of IBM Datapower Gateway, Workshop on NAMCABS 3.0 for Branch Managers / officials of SME Credit Centres (SMECCs) or Processing Hubs, Program on Art of making memories, Workshop on Monetary Policy and Liquidity Management: Signals for Treasury and Market Risk, Program on Effective Branch Management & how to convert Your Branch as a Profit Centre, Program on IBM APP Connect Enterprise Application Development I & II, Program on Strategic & Tactical Leadership : How to Keep your People Happy, Program on Various Recovery Strategies, Workshops for PM Internship Scheme held at ICSI, Hyderabad, Webinar on Why Am I Like This?, Webinar on KYC AML for the Officers of Scheduled Commercial Banks (SCBs), Program on Foreign Exchange Operations through FPC, Program on Wheel of Life, Program on Risk Management in Banks & financial Institutions, Program on The Compliance Roadmap – Key Essentials for KYC, AML & CFT, Program on Basel III Capital and Liquidity Regulations, Workshop on Basic Statistical Returns (BSR), NAMCABS Workshop on Capacity Building for Branch Manager (MSME) at Madurai, Programme on Emerging AI/ML Technologies for Smart Banking, Basic Credit Management Program, Workshop on EDPMS & IDPMS Guidelines and Operational Procedures, Program on Bond Portfolio Management with Trading Game, Program on FEMA Regulations and Compliance for NRI and Other Forex Retail Businesses, Program on Empathy in Personal & Professional Life, Comprehensive Credit Information Repository (CCIR), Program on "Digital Dominance – Mastering the Art of Marketing Online", Leadership Development Program for Banks/FIs, Transaction Banking Group (TBG), Certificate Programme in Forex and Rupee Dealing with 5-Day Bourse Game (Integrated Treasury), Program on Interest Rate Risk in Banking Book and ALM Optimization, Workshop on Capacity Building for Branch Managers (dealing with MSMEs) in Thoothukudi District, Workshop on Climate Change Risks and Related Aspects, Program on "Digital Defence – Mastering IT Risk Management & Cyber Crime Prevention", Special Awareness Webinar on Phishing Mails, 19th FEDAI Annual Conference at Zurich, Switzerland, Happy Retirement Life, Program on Risk Based Internal Audit – Focus – Competency Enhancement of Inspecting Officials, Conference of Chief Compliance Officers – Expectations in the Emerging Compliance Landscape, DAKSH- Reserve Bank's Advanced Supervisory Monitoring System – Hands-on user training for Chief Compliance Officers (CCOs) of Supervised Entities (SEs), Conference of Chief Economists – Emerging Issues, FIBAC 2024 (FICCI-IBA Banking Conference), Program on Compliance for Officers of Banks, Financial Institutions and NBFCs, Seminar on Cyber Security for Chief Risk Officers of Banks and NBFCs on the theme "AI/ML and the emerging cyber risk landscape", Annual Authorised Dealers Conference of Foreign Exchange Department 2024 – 2025.	

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
Workers	18	Orientation Programme for Newly Promoted Clerks, Awareness Program of Compliance on EDPMS / IDPMS by FPC, Chennai, Effective implementation of KYC / AML / CFT Norms, Induction Program for Newly Recruited Clerks, Program on NRI Deposits, Program on Credit Rating for Officers and Clerks who are handling Credit Rating at Regional Offices, Foreign Exchange Operations @ IBD, FPC, Chennai, Workshop on Jewel Appraising Techniques, Webinar on Cyber Security Awareness, Training Program for Spoken Hindi Classes handled by Dr. S. Vijaya, Banking Awareness for Clerks, Program on MSME Digital Lending Platform under TMB GST Scheme, Program on Foreign Exchange Operations through FPC, Program on Banking Awareness for Customer Service Executive, Transaction Banking Group (TBG), Induction Program for Newly Recruited Senior Customer Service Executive, Special Awareness Webinar on Phishing Mails, Happy Retirement Life.	39.71%

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	Principle 1	Reserve Bank of India	460050	RBI has imposed penalty of ₹4,30,000/- under the No scheme of penalty for Non-replenishment of ATM (DCM(RMMT) No. S153/ 11.01.2022-23) dated August 10, 2021 on various dates as below: 27.05.2024 - Rs.20,000/- 27.05.2024 - Rs.40,000/- 27.05.2024 - Rs.10,000/- 27.05.2024 - Rs.50,000/- 27.05.2024 - Rs.30,000/- 27.05.2024 - Rs.10,000/- 30.05.2024 - Rs.40,000/- 08.07.2024 - Rs.40,000/- 22.07.2024 - Rs.40,000/- 05.08.2024 - Rs.50,000/- 10.09.2024 - Rs.10,000/- 19.09.1024 - Rs.10,000/- 10.10.2024 - Rs.20,000/- 08.01.2025 - Rs.10,000/- 13.02.2025 - Rs.20,000/- 13.03.2025 - Rs.30,000/- RBI has imposed penalty of ₹20,050/- on 28.05.2024 for the reason of irregularities and directions violated during their visit at our Madurai Chest from 16.04.2025 to 17.04.2025 RBI has imposed penalty of ₹10,000/- for deficiency in rendering customer service observed during incognito visit by RBI official at Chernmadevi Branch on 11.11.2024 (Order date: 11.11.2024 & Paid on 17.12.2024).	No

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)
Settlement				Nil	
Compounding fee				Nil	

Non- Monetary				
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been 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.

Yes. 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. To ensure 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 2024-25 (Current Financial Year)	FY 2023-24 (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 2024-25 (Current Financial Year)		FY 2023-24 (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.

NA

8 Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases b. Number of trading houses where purchases are made from c. Purchases from top 10 trading houses as % of total purchases from trading houses	Not Applicable	
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales b. Number of dealers / distributors to whom sales are made c. Sales to top 10 dealers/distributors as % of total sales to dealers / distributors		
Shares of RPTs in	a. Purchases (Purchases with related parties/ total purchases) b. Sales (Sales to related parties/ total sales) c. Loans & advances (Loans & advances given to related parties / total loans and advances) d. Investments (Investments in related parties / total investments made)		

Leadership Indicators

1 Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
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The Bank ensures that all vendors receive comprehensive training on critical aspects such as ethics and transparency, thereby guaranteeing that all engagements and transactions reflect the Bank's unwavering commitment to the highest ethical standards.

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

A detailed Model Code of Conduct in 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 underscores 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>

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 Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R & D	Nil	Nil	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 footprint.
Capex	41.58%	57.15%	

- 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)	As part of the service industry, the Bank generates relatively minimal waste, resulting in limited opportunities for reuse, recycling, or disposal (particularly related to packaging). The routine waste generated is managed and disposed of through authorized municipal agencies.
(b)	E-waste	The Bank manages its e-waste disposal through pre-approved, certified vendors holding valid authorizations from the Central or State Pollution Control Boards. This ensures responsible collection and disposal of e-waste in compliance with regulatory requirements and the Bank's procurement policy. E-waste, such as old UPS systems and batteries, is primarily disposed of through a structured buyback mechanism under the procurement process.
(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 external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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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
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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 2024-25 Current Financial Year	FY 2023-24 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 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	0	0	0	0
E-waste	0	0	2.10 MT	0	0	1.96 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
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Nil

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	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities*	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	2112	2112	100%	2112	100%	0	0	2112	100%	2112	100%
Female	234	234	100%	234	100%	234	100%	0	0	234	100%
Total	2346	2346	100%	2346	100%	234	100%	2112	100%	2346	100%
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

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

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities*	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	1926	1926	100%	1926	100%	0	0	1926	100%	1926	100%
Female	449	449	100%	449	100%	449	100%	0	0	449	100%
Total	2375	2375	100%	2375	100%	449	100%	1926	100%	2375	100%
Other than Permanent workers											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	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 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.23%	0.22%

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

Benefits	FY 2024-25			FY 2023-24		
	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	29.50%	11.75%	Y	22.10%	12.08%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	0	0	NA	0	0	NA
Others	70.50%	88.25%	Y	77.90%	87.92%	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

All the premises/offices, except a few, are accessible to employees and Workers with differently abled, in accordance 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%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

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, employees and workers may raise their grievances either in writing or verbally to their respective reporting authorities, Regional Office, or Head Office. Additionally, for matters requiring confidentiality, they have the option to utilize the Whistle-blower mechanism and submit their concerns directly to the designated vigilance email ID at 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:

Benefits	FY 2024-25			FY 2023-24		
	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	2346	2240	95.48%	2158	2103	97.45%
Male	2112	2033	96.26%	1966	1912	97.25%
Female	234	207	88.46%	192	191	99.48%
Total Permanent Workers	2375	2355	99.16%	2443	2443	100%
Male	1926	1906	98.96%	2061	2061	100%
Female	449	449	100%	382	382	100%

8 Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	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	2112	1213	57.43%	2074	98.20%	1966	1415	71.97%	1815	92.32%
Female	234	174	74.35%	218	93.16%	192	163	84.90%	176	91.67%
Total	2346	1387	59.12%	2292	97.69%	2158	1578	73.12%	1991	92.26%
Workers										
Male	1926	532	27.62%	699	36.29%	2061	1339	64.97%	1046	50.75%
Female	449	195	43.43%	244	54.34%	382	286	74.87%	264	69.11%
Total	2375	727	30.61%	943	39.71%	2443	1625	66.52%	1310	53.62%

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:

Benefits	FY 2024-25			FY 2023-24		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	2112	2112	100%	1966	1966	100%
Female	234	234	100%	192	192	100%
Total	2346	2346	100%	2158	2158	100%
Workers						
Male	1926	1926	100%	2061	2061	100%
Female	449	449	100%	382	382	100%
Total	2375	2375	100%	2443	2443	100%

10 Health and safety management system:**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 places a strong emphasis on safeguarding the health and well-being of its employees. Safety infrastructure, including fire extinguishers, emergency exits, and first aid kits, is regularly inspected and maintained across all branches and offices. The Bank follows a structured, top-down approach to ensure periodic assessments of electrical and fire safety systems, with immediate corrective actions taken wherever necessary. To provide comprehensive protection, employees are covered under group term insurance and health insurance schemes. Additionally, the Bank conducts wellness programs featuring expert-led sessions focused on encouraging healthy lifestyles and holistic well-being 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 2024-25	FY 2023-24
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 remains a key priority for the Bank. Regular training programmes, including advanced and basic fire safety, first aid, and evacuation procedures, are conducted for both designated floor marshals and employees across all offices. Periodic fire evacuation drills are organized at office locations to ensure employees are well-versed with fire safety protocols and regulatory requirements. Additionally, the Bank collaborates with specialized vendors to conduct awareness sessions and practical demonstrations on the proper use of fire-fighting equipment, further strengthening its commitment to workplace safety.

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

Benefits	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0		0	0	NA
Health & Safety	0	0		0	0	NA

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 Working Conditions	The Bank actively conducts fire drills and electrical safety inspections across all its premises as part of its continued commitment to ensuring a safe and secure environment for employees, customers, and visitors.

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 Bank ensures that all necessary statutory dues deducted and deposited by its value chain partners are duly verified by the respective departments prior to processing any payments.

- 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:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees				
Workers			Nil	

- 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	The Service Level Agreements (SLAs) executed with vendors incorporate specific provisions pertaining to health, 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.**

Adequate safety measures are in place to ensure the protection of human life and the well-being of value chain partners

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
Employees	No	Both direct and digital means	Continuous	Both business and non-business aspects including employee's wellbeing
Regulators	No	Email, one-on-one meetings, conference call, videoconference	Need based	Discussions with regard to various regulations and amendments, inspections, approvals
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
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
Value Chain Partners	No	Multiple channels- Physical and digital	Frequently and need basis	Performance optimization and business enhancement

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
Research Analysts	No	Email, Concalls, meetings, conferences	Frequently and need basis	To discuss and communicate latest developments in the Bank
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 actively engages with a diverse range of stakeholders to identify material issues, align business strategies with stakeholder expectations, assess products, services, and solutions, mitigate reputational risks, and create positive outcomes for both internal and external stakeholders. These engagements are facilitated through structured mechanisms such as stakeholder engagement and materiality assessments, customer satisfaction surveys, town hall interactions, training programs, and digital platforms including social media. Insights and feedback gathered through these channels are systematically communicated to the Board and senior management to inform strategic decision-making. Furthermore, stakeholders are invited to participate in the deliberations of the Stakeholder and Customer Relationship Committee (SRCSC), ensuring that their perspectives are effectively represented and integrated into the Bank's governance and operational framework.

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 duly considered, wherever practicable, to identify and prioritize material environmental and social issues relevant to the Bank. This engagement is part of a continuous, structured process conducted through multiple channels.

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

Recommendations provided by stakeholders are duly evaluated and implemented, as appropriate, across the Bank's operations. The Bank's Corporate Social Responsibility (CSR) initiatives are primarily directed towards supporting disadvantaged, vulnerable, and marginalized sections of society.

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:

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	The Bank has its own staff training colleges where Human Rights Issues are included in the training program to ensure that the employees and workers are well informed and aware of Human Rights issues.					
Other than permanent						
Total Employees						
Workers						
Permanent	The Bank has own staff training colleges where Human Rights Issues are included in the training program to ensure that the employees and workers are well informed and aware of Human Rights issues.					
Other than permanent						
Total Workers						

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

Category	FY 2024-25 Current Financial Year					FY 2023-24 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	2346	0	0	2346	100%	2158	0	0%	2158	100%
Male	2112	0	0	2112	100%	1966	0	0%	1966	100%
Female	234	0	0	234	100%	192	0	0%	192	100%
Other than permanent	20	0	0	20	100%	26	0	0%	26	100%
Male	19	0	0	19	100%	25	0	0%	25	100%
Female	1	0	0	1	100%	1	0	0%	1	100%
Workers										
Permanent	2375	0	0	2375	100%	2443	0	0%	2443	100%
Male	1926	0	0	1926	100%	2061	0	0%	2061	100%
Female	449	0	0	449	100%	382	0	0%	382	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)*	2	500000	0	0
Key Managerial Personnel^	4	392500	0	0
Employees other than BoD and KMP	2111	107550	234	103430
Workers	1926	46434	449	53659

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 and ED

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Gross wages paid to females as % of total wages	12.79%	12.10%

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, grievances or complaints related to human rights are addressed through a structured mechanism overseen by the Internal Grievance Redressal Committee.

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

At Regional level, Regional Heads are responsible for handling such grievances, while matters of greater significance or complexity are escalated for resolution at the Head Office level.

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

Benefits	FY 2024-25 Current Financial Year			FY 2023-24 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	1	0	The matter has been addressed & resolved	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other Human rights related issues	0	0	NA	0	0	NA
Others	0	0	NA	0	0	NA

7 Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	0
Complaints on POSH as a % of female employees / workers	0.16%	0
Complaints on POSH upheld	0	0

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

The Bank 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, TMB is committed to ensuring fair treatment, transparency, and integrity in all its engagements with customers, contractors, and other stakeholders.

10 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	100% (Conducted internally)
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

NA

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 is firmly committed to upholding the principles of Human Rights across all its operations, interactions, and stakeholder engagements

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?

All premises / offices, except a few, are accessible to visitors with differently-abled, in accordance with the Rights of Persons with Disabilities Act, 2016

4 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	100% (Conducted internally)
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

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1 Details of total energy consumption (in GJ) and energy intensity, in the following format:

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A)	4572	4320
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	4572	4320
From non-renewable sources		
Total electricity consumption (D)	91324.8	86760
Total fuel consumption (E)	22186.71	19919.75
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	113511.51	106679.75
Total energy consumed (A+B+C+D+E+F)	118083.51	110999.75
Energy intensity per rupee of turnover (Total energy consumed / Turnover in ₹ Cr)	19.22	20.21
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Turnover adjusted for PPP in ₹ crores)	-	-
Energy intensity in terms of physical output (Total energy consumed / Full Time Equivalent)	-	-
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 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water		-
(ii) Groundwater	121000	115000
(iii) Third party water	27500	26000
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	148500	141000
Total volume of water consumption (in kilolitres)	148500	141000
Water intensity per rupee of turnover (Total water consumption / turnover in ₹ Cr)	24.18	25.67
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Turnover adjusted for PPP in ₹)	-	-
Water intensity in terms of physical output (Total water consumption / Full Time Equivalent)	-	-
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 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
No treatment	121000	115000
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	27500	26000
With treatment – please specify level of treatment	-	-
(v) Others (Municipal Sewers)	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	148500	141000
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 2024-25	FY 2023-24
Nox			
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)	Owing to the Bank's business operations, it is not applicable		
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 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) *	tCO ₂ e	1644.04	1476.05
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	18442.54	17255.6
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	tCO ₂ e/₹ crores	3.27	3.41
(Total Scope 1 and Scope 2 GHG emissions / Turnover in ₹ Crores)	-	-	-
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 / Turnover adjusted for PPP in ₹ Crores)	-	-	-
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 remains committed to improving energy efficiency across its operations through the adoption of various sustainable practices, including the use of energy-efficient lighting solutions, advanced HVAC systems, and building automation technologies. The Bank has undertaken periodic energy audits to systematically identify opportunities for optimizing energy consumption and has implemented targeted measures to enhance operational efficiency. Reinforcing its commitment to clean and renewable energy, TMB has also initiated the installation of solar panels across select branches, ATMs, and administrative offices

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

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	8.50	7.70
E-waste (B)	2.10	1.96
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)	-	-

Parameter	FY 2024-25	FY 2023-24
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)	10.60	9.66
Waste intensity per rupee of turnover (Total waste generated / Turnover in ₹ Crores)	0.002	0.002
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Turnover adjusted for PPP in ₹ Crores)	-	-
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	3	2
(iii) Other disposal operations (through recyclers)	7.6	7.66
Total	10.60	9.66
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 generated from the upgradation or replacement of electronic components such as computers, modems, printers, UPS systems, and related equipment is disposed of in accordance with the Bank's established E-Waste Management Policy, ensuring responsible and compliant handling of electronic waste.

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:

Sl. 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:

Sl. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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			
(iii) Water withdrawal, consumption and discharge in the following format:			
Parameter		FY 2024-25	FY 2023-24
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 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	The Bank is in the process of tracking the Scope 3 emissions	
Total Scope 3 emissions per rupee of turnover (Total Scope 3 emissions / Turnover in ₹)	tCO ₂ e/₹		
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:**

Sl. 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, to ensure the continuity, resumption, and recovery of critical business processes in the event of a disaster, a comprehensive Business Continuity Plan (BCP) is maintained. Each department or office is responsible for testing its BCP at least once a year through a scheduled mock drill, conducted with prior intimation to the designated alternate department or office. The respective branches are accountable for the smooth execution of these drills. After each exercise, the BCP testing office prepares a detailed report that includes the date and time of the test, the duration of the exercise, details of prior approvals received from controllers, and a summary of the disaster scenario tested, including assumptions and context. The report also outlines the activities carried out at the alternate site, such as the volume of operations handled, number of personnel involved, systems used, and the methodology followed. Additionally, it documents any constraints encountered, lessons learned, root cause analysis of issues faced, and the actions taken post-exercise, including necessary updates to the BCP document. This structured approach ensures continuous improvement in preparedness and enhances the organization's ability to effectively respond to potential disruptions.

- 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

- 8 How many Green Credits have been generated or procured:**

a. By the listed entity

Nil

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners

Nil

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

7

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.

Sl. 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
3	Fixed Income Money Market and Derivatives Association (FIMMDA)	National
4	Foreign Exchange Dealers Association of India (FEDAI)	National
5	Southern India Bank Staff Training College	National
6	National Institute of Bank Management	National
7	Indian Institute of Bank Management	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 anti-competitive conduct for FY 2024-25		

Leadership Indicators

1 Details of public policy positions advocated by the entity:

	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		

PRINCIPLE

8

Businesses should promote inclusive growth and equitable development

Essential Indicators

- 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					

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

Sl. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

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

The Bank has established a structured grievance redressal mechanism to address community and customer complaints effectively. Complaint forms are available at all branches and on the bank's website, clearly indicating that the first level of redressal is the bank itself. Customers receive an acknowledgment copy upon lodging a complaint, and another copy is sent to the concerned Regional Office along with the Branch Manager's remarks. Branches aim to resolve complaints within three weeks. Complaints can also be lodged through alternate channels such as the toll-free helpline (1800 425 0426), customer care number (09842 461 461), or via email at complaints@tmbank.in and customerservice@tmbank.in. All complaints are forwarded by the Customer Service Cell at Head Office to the respective branch or department for resolution. If a complaint remains unresolved after seven days or if the response is unsatisfactory, it may be escalated to the Regional Office on the eighth day. If not resolved within the next seven days, it can be further escalated to the Head Office. A final decision is expected to be communicated to the complainant within 30 days. Should the grievance remain unresolved or if the customer is dissatisfied with the response, they may approach the Banking Ombudsman. Additionally, the contact details of the Regional Manager, who oversees branch operations, are displayed on branch notice boards. Branches are also required to obtain a satisfaction or withdrawal letter once a complaint is resolved or withdrawn.

- Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Parameter	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	90%	90%
Directly sourced within India	100%	100%

- 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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Rural	12.66%	13.54%
Semi-urban	30.88%	33.17%
Urban	29.78%	27.76%
Metropolitan	26.68%	25.54%

Note: (Place categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

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:

Sl. No	State	Aspirational District	Amount spent (In INR)
1	Tamil Nadu	Chennai	2655510
2	Tamil Nadu	Dindigul	4724000
3	Tamil Nadu	Erode	600000
4	Tamil Nadu	Kanchipuram	1000000
5	Tamil Nadu	Kanyakumari	1429107
6	Tamil Nadu	Kumbakonam	300000
7	Tamil Nadu	Madurai	8601053
8	Tamil Nadu	Nagapattinam	600000
9	Kerala	Palakkad	1000000
10	Tamil Nadu	Perambur	1000000
11	Tamil Nadu	Ramanathapuram	4492331
12	Tamil Nadu	Tenkasi	300300
13	Tamil Nadu	Thanjavur	2242316
14	Tamil Nadu	Theni	360000
15	Tamil Nadu	Thiruvallur	318600
16	Tamil Nadu	Thiruvannamalai	193882
17	Tamil Nadu	Thoothukudi	26950605.3
18	Tamil Nadu	Tiruchirappalli	1500000
19	Tamil Nadu	Tirunelveli	1454460
20	Tamil Nadu	Virudhunagar	11988380
21	Andhra Pradesh	Guntur	741700
22	West Bengal	Kolkata	102000

- 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:

Sl. 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:

Sl. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Construction / Renovation of Class Rooms in Schools	2800	100%
2	Construction of Patient Room / Purchase of Hospital Necessity items/medicines	502	100%
3	Construction of Toilets in Schools	1300	100%
4	Desk / Benches / Other Accessories for School	6166	100%
5	Govt Depts / Other Old Age Homes and Orphanage's	3099	100%

PRINCIPLE 9

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

Essential Indicators

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

A dedicated Customer Service Cell operates under the Bank's Operations and Services Department to effectively address customer queries and grievances. The Bank offers a nationwide toll-free customer helpline (1800 425 0426) available during banking hours, enabling customers to seek information about products and services or to lodge complaints. In addition, a dedicated customer care number (9842-461-461) and an SMS-based helpline are available, wherein customers can simply send 'HELP' to receive prompt assistance. Customers may also register grievances or feedback through designated email addresses—customerservice@tmbank.in or via the Bank's official website (www.tmb.in), with immediate email acknowledgment sent to the registered email ID upon submission.

All complaints, whether received through letters, email, the Banking Ombudsman, or other regulatory bodies, are systematically recorded in a centralized complaint registry. Branches, Regional Offices, and the Customer Service Cell have secure access to this system via exclusive login credentials. For digital transaction-related complaints (ATM, UPI, E-Commerce, POS, etc.), an Online Dispute Resolution System (ODRS) (<https://www.tmbho.in/tmbodr/>) has been implemented. Customers receive SMS notifications containing the complaint reference number and real-time status updates.

Additionally, the Bank convenes a Standing Committee on Customer Service at each branch on a monthly basis. Feedback - tmb.in/online_feedback_form and suggestions collected through the MIS portal during these sessions are carefully evaluated, with actionable recommendations escalated to the Stakeholders Relationship and Capital Planning Committee of the Board for further consideration and implementation. These initiatives reflect the Bank's steadfast commitment to strengthening customer engagement and continuously enhancing service quality.

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 to the Bank, as it is engaged in the service sector and not involved in manufacturing activities. Nevertheless, the Bank fully complies with all applicable disclosure requirements pertaining to its products and services.
Safe and responsible usage	Additionally, the Bank actively undertakes awareness initiatives to educate the public on adopting safe banking practices to mitigate risks such as ATM frauds and phishing attacks. These initiatives include dissemination of precautionary advisories through bulk SMS, email communications, and automated voice calls from call centres, consistently emphasizing the importance of not disclosing sensitive information such as ATM PINs, internet/mobile banking passwords, and One-Time Passwords (OTPs)
Recycling and/or safe disposal	

3 Number of consumer complaints in respect of the following:

	FY 2024-25 Current Financial Year			FY 2023-24 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	11601	491	Complaints included General complaints and BO Complaints	33650	571	All the pending complaints are related to IT services Delivery of Essential i.e. complaints related to ATM, POS and E-comm transactions
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.

Yes. 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 ensure seamless delivery of essential services, the Bank has instituted a dedicated Customer Service Cell to address customer grievances in a structured and timely manner. This strategic initiative has resulted in a notable decline in the number of complaints compared to the previous financial year. For complaints of a recurring nature, the Bank undertakes detailed Root Cause Analyses (RCA) to identify systemic issues, working in close coordination with relevant departments to implement corrective and preventive actions. The Customer Service Cell also exercises continuous oversight on the grievance redressal process to uphold service quality standards. These proactive interventions reflect the Bank's steadfast commitment to enhancing customer satisfaction and continually strengthening the delivery 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 pertaining to the Bank's products and services is readily accessible through multiple channels, including its official website, dedicated call centre, mobile application, net banking platform, point-of-sale interfaces, and physical branches/offices. Furthermore, the Bank leverages various digital mediums and social media platforms to proactively engage with stakeholders and ensure widespread dissemination of information related to its offerings. Website - www.tmb.in

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

The Bank undertakes proactive measures to educate customers on safe banking practices through multiple communication channels, including social media platforms, SMS alerts, website advisories, and banners or push notifications within the mobile banking application. Dedicated SMS campaigns have been initiated to alert customers about phishing attempts and fraudulent calls, cautioning them against potential scams. Customers are regularly reminded not to disclose sensitive information such as OTPs, UPI PINs, or personal credentials through these platforms. Comprehensive guidance and awareness materials on secure banking are also accessible on the Bank's official website www.tmb.in

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

In the event of any disruption or discontinuation of essential services, the Bank ensures prompt and transparent communication through a range of channels, including emails, SMS alerts, scrolling notifications on the official website, notice boards at branches, ATM display screens, and push notifications via the Mobile Banking application.

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 is committed to upholding the highest standards of transparency, ensuring that customers have a clear and comprehensive understanding of the products and services offered. Tamilnad Mercantile Bank (TMB) provides detailed information regarding its products, services, applicable terms and conditions, and interest rates or service charges in a clear, concise, and easily comprehensible manner, empowering customers to make well-informed and appropriate financial decisions. Comprehensive product-related details and tariff schedules are prominently displayed on the Bank's official website for customers' reference. Additionally, information on interest rates, fees, and charges is disseminated through notice boards at branches, the Bank's website, and dedicated customer care helplines.

Transparent disclosures encompass product pricing, associated risks, terms and conditions throughout the product lifecycle, and the mutual responsibilities of both the Bank and its customers. The Bank also ensures that personnel engaged in the sale or servicing of products receive adequate training to provide accurate, complete, and honest information to customers.

Furthermore, TMB actively seeks customer feedback through a dedicated, 24x7 online customer satisfaction survey hosted on its website. In addition, structured customer satisfaction assessments are periodically conducted during the renewal process of the Bank's ISO certifications at branches and offices, reaffirming its commitment to service excellence and continuous improvement

Annexure – 9

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 13 of the Securities Exchange Board of India
(Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

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

I, Sriram Parthasarathy, Company Secretary in practice, have been appointed as the Secretarial Auditor vide a resolution passed at its meeting held on 26th March 2025 by the Board of Directors of **TAMILNAD MERCANTILE BANK LIMITED** (hereinafter referred to as 'the Bank'), having CIN L65110TN1921PLC001908 and having its registered office at 57, Victoria Extension Road, Thoothukudi – 628002.

This certificate is issued under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as 'the Regulations'), for the year ended 2024-2025.

Management Responsibility:

It is the responsibility of the Management of the Bank to implement the Employee Stock Option Scheme including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

It is our responsibility to certify whether the Bank has complied with the applicable provisions of the Regulations and the Resolution during the year ended 31st March 2025, in implementing the Employee Stock Option Scheme on the basis of information compiled or collated by the Management and the accounting and other relevant supporting records and documents provided to us for our examination.

Verification:

For the limited purpose of certifying the Employee Stock Option Scheme, I have reviewed the documents pertaining to the Scheme, including the Board Resolution dated 17th January 2025, the Nomination & Remuneration Committee Resolution dated 21st November 2024, the Shareholders' Resolution passed through postal ballot

on 12th March 2025, and the 'Tamilnad Mercantile Bank Limited Employee Stock Option Plan 2024' (TMB ESOP 2024).

For the purpose of verifying the compliance of the Regulations, I have examined the following:

1. Scheme(s) received from/furnished by the Bank;
2. Articles of Association of the Bank;
3. Resolutions passed at the meeting of the Board of Directors; Shareholders resolution passed through postal ballot;
4. Minutes of the meetings of the ~~Compensation—Committee/~~ Nomination and Remuneration Committee;
5. Detailed terms and conditions of the scheme as approved by ~~Compensation—Committee/~~ Nomination and Remuneration Committee;
6. Exercise Price / Pricing formula;
7. Disclosures made to the Stock exchange;
8. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder;

Certification:

In my opinion and to the best of my knowledge and according to the verifications as considered necessary and explanations furnished to me by the Bank and its Officers, I certify that the Bank has implemented the Employee Stock Option Scheme in compliance with applicable provisions, Rules and Regulations.

As on the date of this report, the Bank has applied for in-principle approval for grant of options under the 'Tamilnad Mercantile Bank Limited Employee Stock Option Plan 2024' (TMB ESOP 2024).

Assumption and Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Bank.
2. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. 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.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

FOR **SPNP & ASSOCIATES**

P. SRIRAM

FCS No. 4862/C P No: 3310

PEER REVIEW NO: 1913/2022

UDIN: F004862G000719796

Date: July 05, 2025

Place: Chennai

Financial Statements

Independent Auditor's Report

To The Members of
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, 2025, the Profit and Loss Account and the Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information (the "financial statements") in which are included the returns for the year ended on that date, of
 - i) Top 24 branches, Head Office, Integrated Treasury and International Banking Division audited by us and
 - ii) 554 branches audited by Statutory Branch Auditors located across India.
2. 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 Statutory Branch Auditors as referred to in paragraph 20 below, 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 banking companies, give a true and fair view 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, of the state of affairs of the Bank as at March 31, 2025, its profit, and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the financial statements 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 together with 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 and that obtained by the Statutory Branch Auditors, in terms of their reports referred in paragraph 20 is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, and based on the consideration of the reports of the Statutory Branch Auditors as referred to paragraph 20 below, were of most significance in our audit of the financial statements for the financial year ended March 31, 2025. 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.
5. 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**A. Identification of Non-Performing Assets ('NPA') and Provisioning on Advances****Significant estimates and judgment involved**

Identification of Non-Performing Assets ("NPA") and provisioning in respect of NPAs and restructured advances are made based on management's assessment in accordance with norms, circulars and directions issued by the RBI on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances ("IRACP norms") from time to time.

The provision for NPA is based on the valuation of the security available and also requires management estimates and significant degree of judgement by applying both quantitative and qualitative factors prescribed by the regulations. In case of restructured accounts, provision is made for diminution in fair value of restructured loans, in accordance with the RBI guidelines. Ensuring completeness and timing of recognition of NPA, measurement of the provisions, appropriate reversal of unrealized income on NPAs etc., becomes critical requiring proper control mechanism.

Accordingly, our audit focused on identification of NPAs and provision on advances as a key audit matter because of the level of management estimates and judgment involved in determining the provision and the valuation of the security of the NPA loans and the resultant impact on the financial statements of the Bank.

Auditors' Response

Our approach included assessing the design, implementation and operating effectiveness of key internal controls and substantive audit procedures over approval, recording and monitoring of loans, assessing the reliability of documentation, measurement of provisions, identification of NPA accounts, and valuation of security for NPA accounts along with basis and rationale for various other management information's.

We have examined the Bank's policies for NPA identification and provisioning and assessing compliance with the IRACP norms.

We have conducted procedures including but not limited to testing exceptional reports generated by the bank's system; review of reports of Statutory Branch Auditors, and review of minutes of meeting of Committees to identify indicators of stress or default events in loan account or product.

We have evaluated details for a sample of exposures for identification of NPA and calculation of Loan Loss provisions including review of valuation of primary and collaterals as at March 31, 2025 involving estimation.

We have evaluated the Bank's internal control systems' completeness, accuracy, and relevance of data to ensure that the same is in compliance with the RBI guidelines, circulars and directions issued from time to time.

We tested on a samples basis to ensure completeness of documentation, adherence of the approval process to the Bank's Policy, credit review of customers, review of Special Mention Accounts (SMA) reports in RBI's Central Repository of Information on Large Credits (CRILC) and other related documents including evaluation of the past trends of management judgement, governance, and review of internal control. We held discussion with the management of the Bank on various aspects wherein there has been stress and the steps taken by the Bank to mitigate such sectorial risks

We have also assessed disclosure requirements for classification and provisioning of NPAs in accordance with RBI circulars including those specifically issued for Covid-19 related matters.

We tested the technology control environment for key IT applications (systems) used in processing significant transactions and recording balances in the general ledger. We also tested automated controls embedded within these systems which link the technology-enabled business processes. Our further audit procedures included:

- Assessing the governance and higher-level controls across the IT Environment, including those regarding policy design, review and awareness, and IT Risk Management practices;

B. Information Technology – IT Systems and Controls

The Bank's operations utilise many independent and inter-dependent information technology systems for processing and recording large volume of transactions in numerous locations on a daily basis. As a result, there is a high degree of reliance and dependency on such IT systems for financial reporting process of the Bank. Controls over access and changes to IT systems are critical to the recording of financial information and the preparation of a financial statements which provides a true and fair view of the Bank's financial position and performance. Appropriate automated general and

Key Audit Matter

application controls are required to ensure that such IT systems and applications are able to process the data, as required, completely, accurately and consistently, which directly impacts the completeness and accuracy of financial reporting.

Considering the pervasive and intricate nature of the IT systems and its control environment, they may impact the financial recording and reporting of transactions and therefore is a key audit matter as our audit approach could significantly differ depending on the effective operation of the Bank's IT controls.

Auditors' Response

- Testing of design and operating effectiveness of controls across the User Access Management Lifecycle, Change Management as well as effectiveness testing of automated business process controls including segregation of duties;
- Testing of design and operating effectiveness of controls to enable Change Management including how changes are initiated, documented, approved, tested and authorised prior to migration into the production environment of critical IT Applications. We assessed the appropriateness of users with access to release changes to IT application production environments in the Bank;

We conducted review of effectiveness of mappings and flagging of financial transactions, and automated reconciliation controls (both between systems and intra-system); and Data integrity of critical system reporting used by us in our audit to select samples and analyse data used by management to generate financial reporting.

C. Claims against the bank not acknowledged as debt including provision for taxes and other matters

Claims against the bank, including provisions for taxes and other related matters, represent a significant area of judgment and estimation by management. These claims are not acknowledged as debt, yet they require detailed evaluation to assess the adequacy of provisions and the disclosure of contingent liabilities in the financial statements. These matters have been identified as a key audit matter due to its inherent uncertainty and its potential impact on the bank's financial position and performance as these items are subject to complex regulatory and legal frameworks and often depend on interpretations of statutes, ongoing litigations, and expert opinions. The evaluation of these claims requires detailed analysis to determine the adequacy of provisions and proper disclosure of contingent liabilities in the financial statements.

Our Audit Procedures to test uncertain tax litigations included understanding processes, evaluation of design and implementation of controls and testing of operating effectiveness of the bank's controls over provisioning on various aspects.

Our audit focused on assessing management's processes and judgments in estimating the provisions and disclosures. We examined relevant documentation, including legal opinions, correspondence with regulatory authorities, and other supporting evidence. Our procedures included understanding the key assumptions applied by management, evaluating their consistency with the underlying facts, and assessing the likelihood of future obligations arising from these claims. We considered the adequacy of disclosures made in the financial statements, ensuring compliance with relevant accounting standards.

We have obtained details of completed tax assessments and demands from the management of the bank for reviewing the estimation of tax related claims, provisioning and the possible outcome of the disputed cases.

We considered legal precedence and other rulings in evaluating management's position on these provisions made and/or reversed.

For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of the banks disclosures made in relation to contingent liabilities.

Information Other than the Financial Statements and Auditors' Report thereon

6. The Bank's Board of Directors is responsible for the 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.
7. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance / conclusion thereon.
8. 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
9. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

10. The Bank's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank 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 in so far as they apply to the Bank and provisions of Section 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 of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

11. 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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
12. The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

13. 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.
14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements 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.
15. Materiality is the magnitude of the misstatements in the financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.
16. 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.
17. 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.
18. 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, 2025 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.

Emphasis of Matter

19. We draw attention to Note No. 14(j) of Schedule 18 – Pending disposal of the appeal before the Appellate Tribunal, the Bank has pre-deposited penalty of Rs. 16.99 Crores on December 16, 2022, relating to alleged irregularity under FEMA in respect of transfer of shares, during the years 2007, 2011 & 2012. The Bank has also pre-deposited Penalty amount of Rs.45 Lakhs, on May 25, 2024, being 20% of Rs.225 Lakhs, levied by Directorate of Enforcement for alleged FEMA Violation against 11 persons who were directors / Company Secretary of the Bank at the time of transfer of above shares and is shown as Contingent Liabilities. Further, the bank has also provided a sum of Rs.2 lakhs on the basis of legal opinion towards penalty in respect of show-cause notice from Directorate of Enforcement, for the issue of Bonus Shares to the above-said transferees.

Our opinion is not modified in respect of the above matter.

Other Matters

20. The Statement incorporates the relevant Financial Statements / information of 554 branches audited by Statutory Branch Auditors of respective branch appointed by the Bank for this purpose whose Financial Statement / information reflect total assets of Rs. 52,115 Crores as at March 31, 2025 and the total revenue of Rs. 3,886 Crores for the year ended on that date, as considered in the Financial Statements. These branches cover 84.47% of Advances, 75.40% of Deposits and 52.58% of Non-Performing assets as at March 31, 2025, and 63.27% of revenue for the year ended March 31, 2025. The Financial Statements / information of these branches have been audited by the Statutory 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.

21. Our opinion on the financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the statutory branch auditors.
22. The comparative figures for the financial year ended March 31, 2024, provided in the Financial Statements including the disclosures were audited by predecessor, Joint Statutory Central Auditors of the bank, who have expressed an unmodified opinion on the Financial Statements on April 22, 2024.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

23. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with 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.
24. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949 and communication received by the Bank from Reserve Bank of India, and on the consideration of the reports of the Statutory Branch Auditors as referred in paragraph 20 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 purposes of our audit and have found them to be satisfactory;
 - b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - c) the returns received from the offices and branches of the Bank have been found to be adequate for the purpose of our audit.
 - d) The Profit and Loss account shows a true balance of profit for the year then ended.

With respect to the matter to be included in the auditor's report under section 197(16) of the Act, we

report that since the Bank is a banking company, as defined under the Banking Regulation Act, 1949; the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section is not applicable.

25. Being a Banking Company, the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of the powers conferred by subsection (11) of Section 143 of the Act, is not applicable.
26. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the statutory branch auditors as referred to in paragraph 20 above, we further 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 purpose 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 purposes of our audit have been received from the branches not visited by us.
 - (c) The reports on the accounts of the branch offices of the Bank audited under section 143(8) of the Act by the Statutory Branch Auditors of the Bank have been sent to us and have been properly dealt with by us in preparing this report.
 - (d) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account 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 Companies (Accounting Standards) Rules, 2021 to the extent they are not consistent with the policies prescribed by the RBI.
 - (f) On the basis of the written representation received from the directors and taken on record by the Board of Directors, none of the directors is disqualified

as on March 31, 2025 from being appointed as a director in terms of section 164(2) of the Act.

- (g) With respect to the adequacy of Internal Financial Controls with reference to the financial statements of the Bank and the operating effectiveness of such controls, our separate report in **Annexure A** is attached.
- (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, 2025 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 the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our knowledge and belief and according to the information and explanation given to us:
 - i. The Bank has disclosed the impact of pending litigations on its financial position in Schedule 12, Note 14(j) of Schedule 18 of 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 derivative contracts as detailed in Schedule 12 and Note 7 of Schedule 18 to the financial statements and;
 - 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(k) of Schedule 18 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 Note 15 of Schedule 18 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind

of funds) by the Bank to or in any other 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 Note 15 of Schedule 18 to the financial statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Bank shall, 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”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. As stated in note 1.b of Schedule 18 and as disclosed in Profit and Loss Account under ‘Appropriations’ to the Financial Statements:
 - (a) The final dividend proposed in the previous year, declared, and paid by the Bank during the year is in accordance with Section 123 of the Act, as applicable.

- (b) The Bank did not pay any interim dividend during the year.
 - (c) The Board of Directors of the Bank have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable, until the date of this report.
- vi. Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 01 April 2023.

Based on our examination which included test checks the Company has used multiple

accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) and the same has operated throughout the year for all relevant transactions recorded in the respective software.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

For Sundaram & Srinivasan,

Chartered Accountants

FRN: 004207S

S Ramkumar

Partner

M. No.: 238820

UDIN: 25238820BMKNFP3556

Place: Thoothukudi

Date: April 23, 2025

For Chandran & Raman,

Chartered Accountants

FRN: 000571S

S G Kalyanaraman

Partner

M. No.: 010652

UDIN: 25010652BMIBLE9818

Place: Thoothukudi

Date: April 23, 2025

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 26(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls with reference to Financial Statements

We have audited the internal financial controls with reference to financial statements of M/s. Tamilnad Mercantile Bank Limited (“the Bank”) as of March 31, 2025, in conjunction with our audit of the financial statements of the Bank for the year ended on that date which includes internal financial controls with reference to financial statements 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 with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). 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 (“RBI”).

Auditor’s Responsibility

Our responsibility is to express an opinion on the Bank’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by 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 with reference to financial

statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Bank’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank’s internal financial controls with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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 Statutory Branch Auditors referred to in the Other Matters paragraph of our

report on the audit of the financial statements, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2025, based on the criteria for internal control with reference to financial statements 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 ICAI.

Other Matters

Our aforesaid report insofar as it relates to the operating effectiveness of internal financial controls with reference to financial statements of 554 branches is based on the corresponding reports of the respective statutory branch auditors of those branches. Our opinion is not modified in respect of this matter.

For Sundaram & Srinivasan,

Chartered Accountants
FRN: 004207S

S Ramkumar

Partner
M. No.: 238820
UDIN: 25238820BMKNFP3556

Place: Thoothukudi
Date: April 23, 2025

For Chandran & Raman,

Chartered Accountants
FRN: 000571S

S G Kalyanaraman

Partner
M. No.: 010652
UDIN: 25010652BMIBLE9818

Place: Thoothukudi
Date: April 23, 2025

Balance Sheet

as on 31.03.2025

(₹ in thousands)

	Schedule	Audited as on 31.03.2025	Audited as on 31.03.2024
CAPITAL AND LIABILITIES:			
Capital	1	1583515	1583515
Reserves and Surplus	2	88503411	77628508
Deposits	3	536889593	495150733
Borrowings	4	5000000	13011511
Other Liabilities and Provisions	5	32522185	28150334
Total		664498704	615524601
ASSETS:			
Cash and balances with Reserve Bank of India	6	26503743	22301292
Balance with Banks and Money at Call and Short Notice	7	17578726	13379927
Investments	8	151007978	152625984
Advances	9	439836691	397337501
Fixed Assets	10	2844838	2709798
Other Assets	11	26726728	27170099
Total		664498704	615524601
Contingent Liabilities	12	67036465	66633110
Bills for Collection		8616506	8749429
Significant Accounting Policies	17		
Notes form part of Accounts	18		

The Schedules referred to above form an integral part of the Balance Sheet

Sd/-
Salee S Nair
Managing Director & CEO
DIN: 09231101

Sd/-
M.D.Vincent
Executive Director
DIN: 09850306

Sd/-
A.Niranjana Sankar
Director
DIN: 00084014

Sd/-
S.R.Ashok
Director
DIN: 07933713

Sd/-
D.N.Nirranjan Kani
Director
DIN: 00455352

Sd/-
K.V.Rama Moorthy
Director
DIN: 07034994

Sd/-
B.Prabakaran
Director
DIN: 00209875

Sd/-
C.Chiranjeeviraj
Director
DIN: 08730382

Sd/-
S.Sridharan
Director
DIN: 07205781

Sd/-
R.Deepak Shankar
Director
DIN: 05223027

Sd/-
R.Kanagavalli
Director
DIN: 00883998

Sd/-
A.Shidambaranathan
Director
DIN: 02904738

Sd/-
C.S.Ram Kumar
Director
DIN: 09777115

Sd/-
Thomas Mathew
Director
DIN: 10642487

Sd/-
R.Ramesh
Executive Vice President

Sd/-
V.Jayaraman
Executive Vice President

Sd/-
R.Ananda Ganesan
Executive Vice President

Sd/-
J.Sundaresh Kumar
Chief Compliance Officer

Sd/-
K.Vijayan
Chief Quality Control Officer

Sd/-
P.R.Ashok Kumar
Country Head Branch Banking

Sd/-
S. Ilangoan
Head of Internal Audit

Sd/-
K.Arvin
Head of Integrated Treasury

Sd/-
Laxman Karkala Kudva
Chief Risk Officer

Sd/-
Sanjoy Kumar Goel
Chief Financial Officer

Sd/-
Swapnil Yelgaonkar
Company Secretary

Vide our report of even date attached
For Sundaram & Srinivasan
Chartered Accountants
FRN No. 004207S

Sd/-
S Ramkumar
Partner (M.No.238820)

Thoothukudi
23.04.2025

vide our report of even date attached
For Chandran & Raman
Chartered Accountants
FRN No. 000571S

Sd/-
S G Kalyanaraman
Partner (M.No.010652)

Profit & Loss Account

for the year ended 31.03.2025

(₹ in thousands)

	Schedule	Audited Year ended 31.03.2025	Audited Year ended 31.03.2024
I. INCOME			
Interest earned	13	52912670	48479094
Other income	14	8504861	6449463
Total		61417531	54928557
II. EXPENDITURE			
Interest expended	15	29903401	26970158
Operating expenses	16	14056733	13140606
Provisions and contingencies		5631325	4097468
Total		49591459	44208232
III. PROFIT / LOSS			
Net profit/loss (-) for the year		11826072	10720325
Profit/Loss (-) brought forward		2191447	1232879
Total		14017519	11953204
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		3550000	3220000
Transfer to Other Reserves		5750000	5250000
Transfer to Capital Reserve		31100	0
Transfer to Investment Reserve		0	0
Transfer to Investment Fluctuation Reserve		0	0
Transfer to Special Reserve 36(1)(viii)		500000	500000
Dividend			
Final Dividend		1583514	791757
Interim Dividend		0	0
Balance carried over to Balance Sheet		2602905	2191447
Total		14017519	11953204
Earning per share (Basic and Diluted) (Rs)		74.68	67.70
Significant Accounting Policies	17		
Notes form part of Accounts	18		

The Schedules referred to above form an integral part of the Profit and loss

Sd/-

Salee S Nair

Managing Director & CEO
DIN: 09231101

Sd/-

M.D.Vincent

Executive Director
DIN: 09850306

Sd/-

A.Niranjan Sankar

Director
DIN: 00084014

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DIN: 07933713

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DIN: 00455352

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D.Ramesh

Executive Vice President

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R.Ananda Ganesan

Executive Vice President

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J.Sundaresh Kumar

Chief Compliance Officer

Sd/-

K.Vijayan

Chief Quality Control Officer

Sd/-

P.R.Ashok Kumar

Country Head Branch Banking

Sd/-

S. Ilangovan

Head of Internal Audit

Sd/-

K.Arvind

Head of Integrated Treasury

Sd/-

Laxman Karkala Kudva

Chief Risk Officer

Sd/-

Sanjoy Kumar Goel

Chief Financial Officer

Sd/-

Swapnil Yelgaonkar

Company Secretary

Vide our report of even date attached

For Sundaram & Srinivasan

Chartered Accountants
FRN No. 004207S

Sd/-

S Ramkumar

Partner (M.No.238820)

vide our report of even date attached

For Chandran & Raman

Chartered Accountants
FRN No. 000571S

Sd/-

S G Kalyanaraman

Partner (M.No.010652)

Thoothukudi
23.04.2025

Schedules

to Balance Sheet as on 31.03.2025

SCHEDULE I – CAPITAL

	Audited as on 31.03.2025	Audited as on 31.03.2024
Authorised Equity Capital 28,00,00,000 Equity Shares of Rs.10/- each	2800000	2800000
Issued, Subscribed, Called-up and Paid-up Capital	1583515	1583515
15,83,51,454 Equity Shares of Rs.10/- each		
Less: Calls unpaid	0	0
Add: Forfeited shares	0	0
Total	1583515	1583515

(₹ in thousands)

SCHEDULE 2 – RESERVES AND SURPLUS

	Audited as on 31.03.2025	Audited as on 31.03.2024
I. Statutory Reserves		
Opening Balance	24217786	20997786
Additions during the year	3550000	3220000
Deductions during the year	0	0
Total	27767786	24217786
II. Capital Reserves		
Opening Balance	989235	989235
Additions during the year	31100	0
Deductions during the year	0	0
Total	1020335	989235
III. Share Premium		
Opening Balance	7692274	7692274
Additions during the year	0	0
Deductions during the year	0	0
Total	7692274	7692274
IV. Revenue and Other Reserves		
Opening Balance	42537766	36787766
Additions during the year	7135700	5750000
Deductions during the year	253355	0
Total	49420111	42537766
V. Balance in Profit and Loss Account	2602905	2191447
Total (I, II, III, IV and V)	88503411	77628508

(₹ in thousands)

SCHEDULE 3 – DEPOSITS

	Audited as on 31.03.2025	Audited as on 31.03.2024
A. I. Demand Deposits		
(i) From Banks	1226	4090
(ii) From Others	40472005	45864974
II. Savings Bank Deposits	101456507	100891425
III. Term Deposits		
(i) From Banks	0	0
(ii) From Others	394959855	348390244
Total (I, II and III)	536889593	495150733
B. (i) Deposits of Branches in India	536889593	495150733
(ii) Deposits of Branches outside India	0	0
Total	536889593	495150733

(₹ in thousands)

Schedules

to Balance Sheet as on 31.03.2025

SCHEDULE 4 – BORROWINGS

	(₹ in thousands)	
	Audited as on 31.03.2025	Audited as on 31.03.2024
I. Borrowings in India	5000000	13011511
(a) Reserve Bank of India	0	8016151
(b) Other Banks	0	0
(c) Other Institutions and Agencies	5000000	4995360
II. Borrowings outside India	0	0
Total (I and II)	5000000	13011511
Secured borrowings included in I and II above	5000000	13011511

SCHEDULE 5 – OTHER LIABILITIES AND PROVISIONS

	(₹ in thousands)	
	Audited as on 31.03.2025	Audited as on 31.03.2024
I. Bills Payable	2332108	2111173
II. Inter Office Adjustments (Net)	0	0
III. Interest Accrued	1044678	877664
IV. Others (Including Provisions)	29145399	25161497
Total	32522185	28150334

SCHEDULE 6 – CASH AND BALANCES WITH RESERVE BANK OF INDIA

	(₹ in thousands)	
	Audited as on 31.03.2025	Audited as on 31.03.2024
I. Cash in hand (including foreign currency notes)	4503264	4988666
II. Balances with Reserve Bank of India		
(a) in Current Account	22000479	17312626
(b) in Other Accounts	0	0
Total (I and II)	26503743	22301292

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

	(₹ in thousands)	
	Audited as on 31.03.2025	Audited as on 31.03.2024
I. In India		
i) Balances with banks		
(a) in Current Accounts	27675	211005
(b) in Other Deposit Accounts	0	0
ii) Money at call and short notice		
(a) with banks	9030000	8500000
(b) with other institutions	1998125	1998916
Total (i and ii)	11055800	10709921
II. Outside India		
(i) in Current Accounts	72926	210006
(ii) in Other Deposit Accounts	6450000	2460000
(iii) Money at call and short notice	0	0
Total (i, ii and iii)	6522926	2670006
Grand Total (I and II)	17578726	13379927

Schedules

to Balance Sheet as on 31.03.2025

SCHEDULE 8 - INVESTMENTS

	Audited as on 31.03.2025	Audited as on 31.03.2024
(₹ in thousands)		
I. Investments in India in		
(i) Government Securities	118657661	130028016
(ii) Other approved securities	0	0
(iii) Shares	284279	88073
(iv) Debentures and Bonds	15852140	16062752
(v) Subsidiaries and/or joint ventures	0	0
(vi) Others - Mutual Fund, Commercial Paper	16209456	6446569
Total (i)	151003536	152625410
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	4442	574
Total (ii)	4442	574
Grand Total (I and II)	151007978	152625984

SCHEDULE 9 - ADVANCES

	Audited as on 31.03.2025	Audited as on 31.03.2024
(₹ in thousands)		
A. (i) Bills purchased and discounted	1775883	3836325
(ii) Cash credits, overdrafts and loans repayable on demand	321532110	273286590
(iii) Term Loans	116528698	120214586
Total	439836691	397337501
B. (i) Secured by tangible assets *	423890692	394899032
* includes advances against Book Debt ₹ in thousands: 3160373 (previous year: 3405868)		
(ii) Covered by Bank / Government Guarantee	14561661	640585
(iii) Unsecured	1384338	1797884
Total	439836691	397337501
C. I. Advances in India		
(i) Priority Sector	341416872	301456940
(ii) Public Sector	1741849	1443843
(iii) Banks	0	0
(iv) Others	96677970	94436718
Total	439836691	397337501
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)	439836691	397337501

SCHEDULE 10 - FIXED ASSETS

	Audited as on 31.03.2025	Audited as on 31.03.2024
(₹ in thousands)		
I. Premises		
At cost as on 31st March of the preceding year	908996	807770
Additions during the year	40384	101226
Deductions during the year	20601	0
Depreciation to date	274195	263788
Total (i)	654584	645208

Schedules

to Balance Sheet as on 31.03.2025

	(₹ in thousands)	
	Audited as on 31.03.2025	Audited as on 31.03.2024
II. Other Fixed Assets (including furniture and fixtures)		
At cost as on 31st March of the preceding year	7457044	6553235
Additions during the year	1012294	906085
Deductions during the year	34706	2276
Depreciation to date	6244378	5392454
Total (ii)	2190254	2064590
Total (I and II)	2844838	2709798

SCHEDULE 11 – OTHER ASSETS

	(₹ in thousands)	
	Audited as on 31.03.2025	Audited as on 31.03.2024
I. Inter-Office adjustments (net)	0	0
II. Interest accrued	4157640	4404325
III. Tax paid in advance / tax deducted at source	17854378	13989103
IV. Stationery and stamps	14691	4149
V. Non-Banking Assets acquired in satisfaction of claims	0	0
VI. Others Assets	4700019	8772522
Total	26726728	27170099

SCHEDULE 12 – CONTINGENT LIABILITIES

	(₹ in thousands)	
	Audited as on 31.03.2025	Audited as on 31.03.2024
I. Claims against the Bank not acknowledged as debts	6049850	4112044
II. Liability for partly paid investments	0	0
III. Liability on account of outstanding forward exchange contracts	46890669	47735511
IV. Guarantee given on behalf of constituents		
(a) In India	9702318	10316044
(b) Outside India	0	0
V. Acceptances, endorsements and other obligations	2784918	3115264
VI. Other items for which the bank is contingently liable	1608710	1354247
Total	67036465	66633110

Schedules

to Profit and Loss Account for the year ended 31.03.2025

SCHEDULE 13 – INTEREST EARNED

(₹ in thousands)

	Audited Year ended 31.03.2025	Audited Year ended 31.03.2024
I. Interest / discount on advances / bills	42461780	37576184
II. Income on investments	10174209	10558559
III. Interest on balances with Reserve Bank of India and other inter-bank funds	259343	309570
IV. Others	17338	34781
Total	52912670	48479094

SCHEDULE 14 – OTHER INCOME

(₹ in thousands)

	Audited Year ended 31.03.2025	Audited Year ended 31.03.2024
I. Commission, exchange and brokerage	2025951	2032285
II. Profit on sale of investments	270224	95265
Less: Loss on sale of investments	(4821)	(330967)
III. Profit on revaluation of investments	0	0
Less: Loss on revaluation of investments	59491	204683
IV. Profit on sale of land, building and other assets	6825	2620
Less: Loss on sale of land, building and other assets	(1551)	(585)
V. Profit on exchange transactions	193756	203276
Less: Loss on exchange transactions	(548)	(241)
VI. Income earned by way of dividends, etc. from subsidiaries/companies and/or joint ventures abroad/in India	0	0
VII. Miscellaneous income	5955534	4243127
Total	8504861	6449463

SCHEDULE 15 – INTEREST EXPENDED

(₹ in thousands)

	Audited Year ended 31.03.2025	Audited Year ended 31.03.2024
I. Interest on deposits	28972339	26493437
II. Interest on Reserve Bank of India / Inter-Bank borrowings	256015	225492
III. Others	675047	251229
Total	29903401	26970158

SCHEDULE 16 – OPERATING EXPENSES

(₹ in thousands)

	Audited Year ended 31.03.2025	Audited Year ended 31.03.2024
I. Payment to and provisions for employees	7263381	6859148
II. Rent, taxes and lighting	1166012	1080977
III. Printing and stationery	139309	137599
IV. Advertisement and publicity	165495	130897
V. Depreciation on Bank's Property	862331	751720
VI. Director's fees, allowances and expenses	21763	31555
VII. Auditors' fees and expenses (including branch auditors)	21886	20103
VIII. Law charges	11497	9253
IX. Postages, Telegrams, Telephones, etc.	234522	249260
X. Repairs and maintenance	166676	170104
XI. Insurance	593102	576515
XII. Other expenditure	3410759	3123475
Total	14056733	13140606

Schedules

Forming Part of the Accounts for the year ended 31st March 2025.

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:

- a) 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.

- b) Dividend Income is recognised when right to receive the dividend is established.
- c) 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 and commission on Government business are accounted on cash / realization basis.
- d) Income related to credit card is accounted on the basis of the bills raised.
- e) 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.
- f) 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 the Classification, 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.

- i. "Held to Maturity"(HTM),
- ii. "Available for sale"(AFS) and
- iii. "Fair value through Profit & Loss" (FVTPL). Held for trading (HFT) is a separate investment sub category within FVTPL.

Basis of Classification:

Classification of Investment is decided at the time of acquisition.

Held to Maturity (HTM):

Securities that fulfil the following conditions are classified under HTM:

- (i) The security is acquired with the intention and objective of holding it to maturity to collect the contractual cash flows;

Schedules

Forming Part of the Accounts for the year ended 31st March 2025.

- (ii) the contractual terms of the security give rise to cash flows that are solely payments of principal and interest on principal outstanding (SPPI)
- (iii) Investments in the securitization notes, other than the equity tranche is classified under HTM if the underlying pool of financial instruments meet the SPPI criteria.

Available for Sale (AFS):

Securities that meet the following conditions shall be classified under AFS:

- (i) The security is acquired with an objective that is achieved by both collecting contractual cash flows and selling securities.
- (ii) The contractual terms of the security meet the 'SPPI criterion, provided that on initial recognition, the bank makes an irrevocable election to classify an equity instrument under AFS.
- (iii) AFS securities inter-alia include debt securities held for asset liability management (ALM) purposes that meet the SPPI criterion where the bank's intent is flexible with respect to holding to maturity or selling before maturity.

Fair Value through Profit and Loss (FVTPL):

- (i) Securities that do not qualify for inclusion in HTM or AFS shall be classified under FVTPL.
- (ii) Held for Trading (HFT), is a sub-category of Fair Value through Profit and Loss (FVTPL)

SUBSEQUENT MEASUREMENT OF INVESTMENTS

i) HTM

- (a) Securities held in HTM is carried at cost and is not marked to market (MTM) after initial recognition.
- (b) Any discount or premium on the securities under HTM is amortized over the remaining life of the instrument. The amortized amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.

ii) AFS

- (a) The securities held in AFS shall be fair valued at least on a quarterly basis. Any discount or premium on the acquisition of debt securities under AFS is amortized over the remaining life of the instrument. The amortized amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.
- (b) The valuation gains and losses across all performing investments, irrespective of classification (i.e.,

Government securities, Other approved securities, Bonds and Debentures, etc.), held under AFS is aggregated. The net appreciation or depreciation is directly credited or debited to AFS Reserve without routing through the Profit & Loss Account.

- (c) Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS-Reserve shall be transferred from the AFS Reserve and recognized in the Profit and Loss Account under item II Profit on sale of investments under Schedule 14-Other Income.

iii) FVTPL

- (a) The securities held in FVTPL shall be fair valued and the net gain or loss arising on securities held in FVTPL on valuation is directly credited or debited to the Profit and Loss Account.
- (b) Any discount or premium on debt securities under FVTPL is amortised over the remaining life of the instrument. The amortised amount is reported the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.

RECLASSIFICATIONS BETWEEN CATEGORIES

Reclassification of investments between categories (viz. HTM, AFS and FVTPL) is done only with prior approval of the Board of Directors and the Department of Supervision (DoS), RBI. The reclassification is applied prospectively from reclassification date and the accounting treatment is carried out as per RBI guidelines.

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.

a) INITIAL RECOGNITION OF INVESTMENTS

- i) All investments are measured at fair value on initial recognition, unless facts and circumstances suggest that the fair value is materially different from the acquisition cost.
- ii) In respect of government securities acquired through auction (including devolvement), switch operations and open market operations (OMO) conducted by the RBI, the price, at which the security is allotted is considered as fair value.
- iii) any Day 1 gain/ loss for securities where inputs used for valuation are those inputs which are quoted prices, is recognized in the Profit and Loss Account, under Schedule 14: 'Other Income' within the subhead 'Profit on revaluation of investments' or 'Loss on revaluation of investments', as the case may be.

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Forming Part of the Accounts for the year ended 31st March 2025.

- iv) Any Day 1 loss (difference between acquisition cost and the fair value at initial recognition where the acquisition cost exceeds such fair value) arising from Investment where inputs used for valuation of investments are unobservable inputs, is recognized immediately. However, any Day 1 gains (the difference between the fair value at initial recognition and acquisition cost where such fair value exceeds the acquisition cost) on such investments is deferred. In the case of debt instruments, the Day 1 gain is amortized on a straight-line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gain is set aside as a liability until the security is listed or derecognized.

Valuation:

Investments are valued periodically as per RBI guidelines as follows:

a) Quoted Securities:

The quoted securities are valued at the prices declared by the Financial Benchmarks India Private Ltd. (FBIL). Securities for which prices are not published by FBIL are valued at quoted price as available from the trades/ quotes on recognized stock exchanges, reporting platforms or trading platforms authorized by RBI/SEBI or prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

b) Unquoted SLR Securities:

- (i) Treasury Bills is valued at carrying cost.
- (ii) Unquoted Central / State Government securities is valued on the basis of the prices/ YTM rates published by the FIBIL.
- (iii) Other approved securities is valued applying the YTM method by marking them up by 25 basis points above the yields of the Central Government Securities of equivalent maturity put out by FIBIL.

c) Unquoted Non-SLR securities:

- i) Debentures/Bonds:

Unquoted debentures and bonds are valued by applying the appropriate mark-up over the YTM rates for Central Government Securities as put out by FBIL/FIMMDA.

- ii) Zero Coupon Bonds:

Zero Coupon Bonds are valued at market price and in the absence of market value, the ZCBs is marked to market with reference to the present value of the ZCB.

- iii) Equity Shares:

Equity shares for which current quotations are not available i.e., which are classified as illiquid or which are not listed on a recognised exchange, are valued at the break-up value (without considering 'revaluation reserves', if any) which is to be ascertained from the company's latest audited balance sheet. The date as on which the latest balance sheet is drawn up shall not precede the date of valuation by more than 18 months. In case the latest audited balance sheet is not available or is more than 18 months old, the shares are valued at ₹1 per company.

- iv) Mutual Funds Units (MF Units):

- (a) Investment in un-quoted MF units is valued on the basis of the latest repurchase price declared by the MF in respect of each scheme.

- (b) In case of funds with a lock-in period or any other fund, where repurchase price/ market quote is not available, units are valued at Net Asset Value (NAV) of the scheme. If NAV is not available, these shall be valued at cost, till the end of the lock-in period.

- v) Commercial Paper:

Commercial paper is valued at the carrying cost.

- vi) Conversion of principal and unpaid interest into debt, preference or equity shares. In cases of conversion of principal and unpaid interest into debt, preference or equity instruments bank follows RBI guidelines issued from time to time.

- i. 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:

- a) Advances are classified into Standard, Sub-standard, Doubtful and Loss Assets and provisions for possible

Schedules

Forming Part of the Accounts for the year ended 31st March 2025.

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.

- b) 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.
- c) 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:

- a) 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

- b) Education loans are provided at 100% irrespective of NPA asset classification.
- c) Amounts guaranteed by NCGTC are excluded from the scope of provisioning.
- d) 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.
- e) 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 capitalized 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:

Schedules

Forming Part of the Accounts for the year ended 31st March 2025.

- a) 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.
- b) In respect of Defined Benefit Plans, viz. Gratuity and pension as well as for leave encashment, provisions are made based on actuarial valuation as per the guidelines.
- c) The summarized position of Post-employment benefits and long term employee benefits are recognized in the profit and loss account and balance sheet, as required in accordance with the Accounting Standard-15.
- d) 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 and other banking operations.

- (a) 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.
- (b) Business Segment is classified into (i) Treasury (ii) Corporate and Wholesale Banking (iii) Retail Banking and (iv) Other Banking Operations.
- (c) 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

- a) 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.
- b) 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.
- c) 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.
- d) 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:

- a) direct taxes;
- b) possible losses on standard assets, restructured advances, NPAs and other contingencies;
- c) depreciation / diminution on investments ;
- d) employee retirement benefits and
- e) 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

Schedules

Forming Part of the Accounts for the year ended 31st March 2025.

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, 2021 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

- 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.
- Contingent assets are not recognized in the financial statement since this may result in the recognition of income that may never be realized.

Sd/-

Salee S Nair
Managing Director & CEO
DIN: 09231101

Sd/-

M.D.Vincent
Executive Director
DIN: 09850306

Sd/-

A.Niranjana Sankar
Director
DIN: 00084014

Sd/-

S.R.Ashok
Director
DIN: 07933713

Sd/-

D.N.Nirranjan Kani
Director
DIN: 00455352

Sd/-

K.V.Rama Moorthy
Director
DIN: 07034994

Sd/-

B.Prabakaran
Director
DIN: 00209875

Sd/-

C.Chiranjeeviraj
Director
DIN: 08730382

Sd/-

S.Sridharan
Director
DIN: 07205781

Sd/-

R.Deepak Shankar
Director
DIN: 05223027

Sd/-

R.Kanagavalli
Director
DIN: 00883998

Sd/-

A.Shidambaranathan
Director
DIN: 02904738

Sd/-

C.S.Ram Kumar
Director
DIN: 09777115

Sd/-

Thomas Mathew
Director
DIN: 10642487

Sd/-

D.Ramesh
Executive Vice President

Sd/-

V.Jayaraman
Executive Vice President

Sd/-

R.Ananda Ganesan
Executive Vice President

Sd/-

J.Sundaresh Kumar
Chief Compliance Officer

Sd/-

K.Vijayan
Chief Quality Control Officer

Sd/-

P.R.Ashok Kumar
Country Head Branch Banking

Sd/-

S. Ilangoan
Head of Internal Audit

Sd/-

K.Arvind
Head of Integrated Treasury

Sd/-

Laxman Karkala Kudva
Chief Risk Officer

Sd/-

Sanjoy Kumar Goel
Chief Financial Officer

Sd/-

Swapnil Yelgaonkar
Company Secretary

Vide our report of even date attached
For Sundaram & Srinivasan
Chartered Accountants
FRN No. 004207S

vide our report of even date attached
For Chandran & Raman
Chartered Accountants
FRN No. 000571S

Thoothukudi
23.04.2025

Sd/-
S Ramkumar
Partner (M.No.238820)

Sd/-
S G Kalyanaraman
Partner (M.No.010652)

Notes Forming Part of Accounts

for the year ended 31st March 2025

SCHEDULE – 18: Disclosure in Financial Statements – ‘Notes to Accounts’

- 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 578 branches have been subjected to statutory audit.
- Reconciliation of inter branch / office adjustment accounts has been completed up to 31.03.2025.

1. Regulatory Capital

a) Composition of Regulatory Capital

As per Basel III

(Amount in ₹ crore)

Sr. No	Particulars	2024-25	2023-24
i)	Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	8642.16	7728.64
ii)	Additional Tier 1 capital	0.00	0.00
iii)	Tier 1 capital (i + ii)	8642.16	7728.64
iv)	Tier 2 capital	405.07	387.47
v)	Total capital (Tier 1+Tier 2)	9047.23	8116.11
vi)	Total Risk Weighted Assets (RWAs)	27659.70	27635.87
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	31.24%	27.97%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	31.24%	27.97%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.46%	1.40%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	32.71%	29.37%
xi)	Leverage Ratio	12.57%	12.12%
xii)	Percentage of the shareholding of Government of India	0.00	0.00
xiii)	Amount of paid-up equity capital raised during the year	0.00	0.00
xiv)	Amount of non-equity Tier 1 capital raised during the year	0.00	0.00
xv)	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 Guidelines 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.

Notes Forming Part of Accounts

for the year ended 31st March 2025

2. Asset liability management

a) Maturity pattern of certain items of assets and liabilities as on 31.03.25*

	Day 1	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 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	529.30	1027.46	665.05	1111.98	2343.68	2430.96	3076.79	6133.00	34208.07	719.80	1442.87	53688.96
Advances	598.71	843.95	623.14	1650.50	1696.70	1850.56	4982.84	11166.61	13734.51	2117.80	4718.35	43983.67
Investments	4211.76	182.60	163.83	816.46	635.33	511.65	783.27	1244.98	5842.70	197.06	511.16	15100.80
Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	100.00	200.00	200.00	0.00	0.00	500.00
Foreign currency in Rs.												
Assets	40.82	533.87	11.84	144.26	257.63	55.79	101.58	0.77	6.04	5.68	0.60	1158.88
Liabilities	57.35	4.22	4.72	35.27	16.27	23.27	74.96	215.69	321.94	78.65	0.00	832.34

*as per structural liquidity statement

Note: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.

Maturity pattern of certain items of assets and liabilities as on 31.03.24*

	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 1 year & 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

Note: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.

Notes Forming Part of Accounts

for the year ended 31st March 2025

b) Liquidity coverage ratio (LCR):

Quantitative information on Liquidity Coverage Ratio (LCR) for the year ended March 31, 2025 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, 2025 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 2025 is furnished below:

(Amount in ₹ crore)

Particulars	Current Year 2024-25		Previous Year 2023-24	
	Total Unweighted \$ Value (Average)	Total Weighted# Value (Average)	Total Unweighted \$ Value (Average)	Total Weighted# Value (Average)
High Quality Liquid Assets				
1 Total High Quality Liquid Assets (HQLA)	12076.67	12028.41	13450.09	13348.60
Cash Outflows				
2 Retail deposits and deposits from small business customers, of which:	38428.79	3095.78	14141.41	1005.72
(i) Stable deposits	14941.95	747.09	8168.42	408.42
(ii) Less stable deposits	23486.84	2348.69	5972.99	597.30
3 Unsecured wholesale funding, of which:	8618.89	3819.47	8247.24	4276.63
(i) Operational deposits (all counterparties)	0.00	0.00	0.00	0.00
(ii) Non-operational deposits (all counterparties)	8618.89	3819.47	8247.24	4276.63
(iii) 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	985.73	985.73	1266.40	1266.40
(i) Outflows related to derivative exposures and other collateral requirements	985.73	985.73	1266.40	1266.40
(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00
(iii) Credit and liquidity facilities	0.00	0.00	0.00	0.00
6 Other contractual funding obligations	5377.18	385.07	8988.78	600.60

Notes Forming Part of Accounts

for the year ended 31st March 2025

(Amount in ₹ crore)

Particulars	Current Year 2024-25		Previous Year 2023-24	
	Total Unweighted \$ Value (Average)	Total Weighted# Value (Average)	Total Unweighted \$ Value (Average)	Total Weighted# Value (Average)
7 Other contingent funding obligations	2207.00	944.28	2787.75	1315.60
8 TOTAL CASH OUTFLOWS	55617.59	9230.33	35431.58	8464.95
Cash Inflows				
9 Secured lending (e.g. reverse repos)	20.09	0.00	67.82	0.00
10 Inflows from fully performing exposures	1534.68	903.02	950.97	475.49
11 Other cash inflows	961.20	961.20	1301.23	1301.23
12 TOTAL CASH INFLOWS	2515.97	1864.22	2320.02	1776.72
		Total Adjusted@ Value		Total Adjusted@ Value
13 TOTAL HQLA		12028.41		13348.60
14 TOTAL NET CASH OUTFLOWS		7366.11		6688.23
15 LIQUIDITY COVERAGE RATIO (%)		163.29%		199.58%

\$ 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) and run-off factor for inflows and outflows.

@ Adjusted values are calculated after the application of both (i) haircuts on inflow and outflow and (ii) any applicable caps (i.e. cap on Level 2B and Level 2 assets for HQLA and cap on inflows).

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

i) Liquidity coverage ratio (LCR) Current Year (2024-25)

(Amount in ₹ crore)

	2024-25 (Q1)		2024-25 (Q2)		2024-25 (Q3)		2024-25 (Q4)	
	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)
High Quality Liquid Assets								
1 Total High-Quality Liquid Assets (HQLA)		12480.08		11727.07		11629.38		12277.09
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	37491.75	2967.55	37527.49	2978.80	38243.18	3042.82	40452.73	3393.96
i) Stable deposits	15632.57	781.63	15479.00	773.95	15629.99	781.50	13026.24	651.31
ii) Less stable deposits	21859.18	2185.92	22048.49	2204.85	22613.19	2261.32	27426.49	2742.65
3 Unsecured wholesale funding, of which:	8013.31	3609.50	8269.63	3703.16	8516.51	3756.52	9676.10	4208.71
i) Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) Non-operational deposits (all counterparties)	8013.31	3609.50	8269.63	3703.16	8516.51	3756.52	9676.10	4208.71
iii) 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	1657.06	1657.06	1233.91	1233.91	977.70	977.70	74.26	74.26
i) Outflows related to derivative exposures and other collateral Requirements	1657.06	1657.06	1233.91	1233.91	977.70	977.70	74.26	74.26
ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iii) Credit and liquidity facilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Notes Forming Part of Accounts

for the year ended 31st March 2025

(Amount in ₹ crore)

	2024-25 (Q1)		2024-25 (Q2)		2024-25 (Q3)		2024-25 (Q4)	
	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)
6 Other contractual funding Obligations	5343.76	381.00	5357.68	384.00	5617.62	409.41	5189.67	365.85
7 Other contingent funding obligations	1937.83	663.75	1907.28	654.95	2199.21	966.11	2783.69	1492.32
8 Total Cash Outflows	54443.70	9278.86	54295.99	8954.82	55554.22	9152.56	58176.45	9535.10
Cash Inflows								
9 Secured lending (e.g. reverse repos)	8.92	0.00	3.33	0.00	0.00	0.00	68.10	0.00
10 Inflows from fully performing Exposures	1195.13	597.57	1113.07	556.54	1305.50	700.15	2525.01	1757.81
11 Other cash inflows	1605.84	1605.84	1235.19	1235.19	993.64	993.64	10.13	10.13
12 Total Cash Inflows	2809.89	2203.41	2351.59	1791.73	2299.14	1693.79	2603.24	1767.94
		Total Adjusted Value		Total Adjusted@ Value		Total Adjusted@ Value		Total Adjusted Value
13 Total HQLA		12480.08		11727.07		11629.38		12277.09
14 Total Net Cash Outflows		7075.45		7163.09		7458.77		7767.16
15 Liquidity Coverage Ratio (%)		176.39%		163.72%		155.92%		158.06%

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

ii) Liquidity coverage ratio (LCR) Previous Year (2023-24)

(Amount in ₹ crore)

	2023-24 (Q1)		2023-24 (Q2)		2023-24 (Q3)		2023-24 (Q4)	
	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)
High Quality Liquid Assets								
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
i) Stable deposits	7846.58	392.33	7710.20	385.51	8458.38	422.92	8658.53	432.93
ii) 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
i) Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) Non-operational deposits (all counterparties)	9061.80	4544.95	9018.81	4608.68	7531.39	4005.02	7376.95	3947.87
iii) 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
i) 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
ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iii) Credit and liquidity facilities	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

Notes Forming Part of Accounts

for the year ended 31st March 2025

(Amount in ₹ crore)

	2023-24 (Q1)		2023-24 (Q2)		2023-24 (Q3)		2023-24 (Q4)	
	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)
7 Other contingent 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%

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

iii) Qualitative disclosure about LCR:

The main drivers of LCR: The bank is having adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted easily and immediately 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'24 to March'25. LCR of the bank for the Annual Financial Year 2024-25 stood at 163.29%.

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.

Notes Forming Part of Accounts

for the year ended 31st March 2025

c) 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 and is measured as under.

$$\text{NSFR} = (\text{Available Stable Funding (ASF)}) / (\text{Required Stable Funding (RSF)}) \geq 100\%$$

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 be 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 2025 based on audited financials.

At a consolidated level, the NSFR of the bank is at 163.90% as on 31st March 2025 (174.15% as on 31st March 2024) against the requirement of 100% as per RBI guideline

(Amount in ₹ crore)

NSFR Disclosure						
S. No	ASF Item	Unweighted value by residual maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	>= 1 year	
1	Capital: (2+3)	0.00	0.00	0.00	9047.23	9047.23
2	Regulatory capital	0.00	0.00	0.00	9047.23	9047.23
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)	13117.22	15319.79	11397.51	2198.64	38416.60
5	Stable deposits	3519.10	4196.91	3287.85	731.49	11148.57
6	Less stable deposits	9598.12	11122.88	8109.66	1467.15	27268.03
7	Wholesale funding: (8+9)	991.70	5376.46	3707.19	1677.08	6078.45
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	991.70	5376.46	3707.19	1677.08	6078.45
10	Other liabilities: (11+12)	3603.94	0.00	0.00	0.00	0.00
11	NSFR derivative liabilities	393.21	0.00	0.00	0.00	0.00
12	All other liabilities and equity not included in the above categories	3210.73	0.00	0.00	0.00	0.00
13	Total ASF (1+4+7+10)					53542.28
13.1	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)	5846.00	32.15	48.66	67.27	139.28
15	Deposits held at other financial institutions for operational purposes	663.15	0.00	0.00	0.00	331.57
16	Performing loans and securities: (17+18+19+21+23)	0.00	15222.73	16622.44	12691.14	25632.48
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	199.81	0.00	0.00	19.99
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	161.62	0.00	0.00	24.24

Notes Forming Part of Accounts

for the year ended 31st March 2025

(Amount in ₹ crore)

NSFR Disclosure						
S. No	ASF Item	Unweighted value by residual maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	>= 1 year	
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	14839.59	16621.41	7382.27	21871.05
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	0.01	693.39	450.71
21	Performing residential mortgages, of which:	0.00	0.25	1.03	4469.34	2985.36
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.25	0.99	4071.08	2646.82
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	21.46	0.00	839.54	731.84
24	Other assets: (sum of rows 25 to 29)	2989.47	2523.70	427.90	334.31	6272.28
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	20.70	0.00	0.00	0.00	17.60
27	NSFR derivative assets	0.00	0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted	0.00	114.76	11.89	0.41	127.06
29	All other assets not included in the above categories	2968.77	2408.94	416.01	333.90	6127.62
30	Off-balance sheet items	1245.32	1878.92	2587.67	623.23	291.85
31	Total RSF (14+15+16+24+30)	10743.94	19657.50	19686.67	13715.95	32667.46
Net Stable Funding Ratio						163.90

Notes Forming Part of Accounts

for the year ended 31st March 2025

3. Investments

Composition of Investment Portfolio: As at 31.03.2025

(Amount in ₹ crore)

	Investments in India						Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India
Held to Maturity											
Gross	9705.40	0.00	0.00	508.48	0.00	0.00	10213.88	0.00	0.00	0.00	10213.88
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
Net	9705.40	0.00	0.00	508.48	0.00	0.00	10213.88	0.00	0.00	0.00	10213.88
Available for Sale											
Gross	2160.37	0.00	0.00	1036.48	0.00	869.20	4066.05	0.00	0.00	0.00	4066.05
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	2160.37	0.00	0.00	1036.48	0.00	869.20	4066.05	0.00	0.00	0.00	4066.05
Fair Value Through Profit and Loss											
Gross	0.00	0.00	67.82	45.02	0.00	755.51	868.35	0.00	0.00	0.42	868.77
Less: Provision for NPI	0.00	0.00	-51.32	-5.00	0.00	0.00	-56.32	0.00	0.00	0.00	-56.32
Add: Provision for appreciation	0.00	0.00	4.20	0.24	0.00	1.58	6.02	0.00	0.00	0.03	6.05
Net	0.00	0.00	20.70	40.26	0.00	757.09	818.05	0.00	0.00	0.45	818.50
Held for Trading											
Gross	0.00	0.00	2.47	0.00	0.00	0.00	2.47	0.00	0.00	0.00	2.47
Less: Provision for depreciation	0.00	0.00	-0.10	0.00	0.00	0.00	-0.10	0.00	0.00	0.00	-0.10
Net	0.00	0.00	2.37	0.00	0.00	0.00	2.37	0.00	0.00	0.00	2.37
Total Investments	11865.77	0.00	70.29	1589.98	0.00	1624.71	15150.75	0.00	0.00	0.42	15151.17
Less: Provision for NPI	0.00	0.00	-51.32	-5.00	0.00	0.00	-56.32	0.00	0.00	0.00	-56.32
Less: Provision for depreciation	0.00	0.00	-0.10	0.00	0.00	0.00	-0.10	0.00	0.00	0.00	-0.10
Add: Provision for appreciation	0.00	0.00	4.20	0.24	0.00	1.58	6.02	0.00	0.00	0.03	6.05
Net	11865.77	0.00	23.07	1585.22	0.00	1626.29	15100.35	0.00	0.00	0.45	15100.80

Notes Forming Part of Accounts

for the year ended 31st March 2025

As at 31.03.2024

	(Amount in ₹ crore)											
	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity	10693.31	0.00	0.00	0.00	0.00	0.00	10693.31	0.00	0.00	0.00	0.00	10693.31
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	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											
Available for Sale	2309.49	0.00	56.83	1641.94	0.00	647.96	4656.22	0.00	0.00	0.06	0.06	4656.28
	0.00	0.00	51.32	35.67	0.00	0.00	86.99	0.00	0.00	0.00	0.00	86.99
	2309.49	0.00	5.51	1606.27	0.00	647.96	4569.23	0.00	0.00	0.06	0.06	4569.29
	Held for Trading											
Held for Trading	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	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
	Total Investments	13002.80	0.00	56.83	1641.94	0.00	647.96	15349.53	0.00	0.00	0.06	0.06
Total 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
	0.00	0.00	0.00	30.67	0.00	0.00	30.67	0.00	0.00	0.00	0.00	30.67
	13002.80	0.00	5.51	1606.27	0.00	647.96	15262.54	0.00	0.00	0.06	0.06	15262.60
	Net											

Notes Forming Part of Accounts

for the year ended 31st March 2025

a) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amount in ₹ crore)

Particulars	2024-25	2023-24
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	86.99	140.71
b) Add: Provisions made during the year	0.00	15.03
c) Less: Write off / write back of excess provisions during the year	0.00	68.75
d) Less: Transferred to General Reserve due to Fair valuation	30.67	0.00
e) Less: Appreciation due to Fair Valuation of FVTPL/HFT	5.95	0.00
f) Closing balance	50.37	86.99
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	120.20	120.20
b) Add: Amount transferred during the year	0.00	0.00
c) Less: Drawdown	0.00	0.00
d) Closing balance	120.20	120.20
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category (net of provisions)	2.46%	2.63%

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 for the current year and previous year

c) Non-SLR investment portfolio

i) Non-performing non-SLR investments

(Amount in ₹ crore)

Sr. No	Particulars	2024-25	2023-24
a)	Opening Balance	56.32	56.32
b)	Additions during the year since 1st April	0.00	0.00
c)	Reductions during the above period	0.00	0.00
d)	Closing balance	56.32	56.32
e)	Total provisions held	56.32	56.32

Notes Forming Part of Accounts

for the year ended 31st March 2025

ii) Issuer composition of non-SLR investments

Sr. No	Issuer	(2)	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities #		Extent of 'Unlisted' Securities @	
			2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
a)	PSUs		319.02	406.79	50.00	58.00	0.00	0.00	0.00	0.00	14.49	2.00
b)	FIs		779.91	766.05	30.00	50.00	0.00	0.00	0.00	0.00	2.01	1.04
c)	Banks		1377.06	1117.93	15.00	25.00	0.00	0.00	5.00	5.00	0.00	5.00
d)	Private Corporates		809.40	56.02	0.00	0.00	0.00	0.00	0.00	0.00	9.89	9.53
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 NPI		-56.32	-56.32	-5.00	0.00	0.00	0.00	-5.00	0.00	-9.47	0.00
h)	Provision held towards Appreciation		6.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.22	0.00
i)	Provision held towards depreciation		-0.10	-30.67	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total		3235.03	2259.80	90.00	133.00	0.00	0.00	0.00	5.00	21.14	17.57

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.

Notes Forming Part of Accounts

for the year ended 31st March 2025

d) Repo transactions including Liquidity Adjustment Facility (LAF) (in Face Value and market value terms) for the year 2024-25:

(Amount in ₹ crores)

	Minimum outstanding during the year 2024-25		Maximum outstanding during the year 2024-25		Daily average outstanding during the year 2024-25		Outstanding as on March 31, 2025	
	FV	MV	FV	MV	FV	MV	FV	MV
i) Securities sold under repo								
a) Government securities	0.00	0.00	2865.00	2891.59	1403.83	1423.37	0.00	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) Securities purchased under reverse repo								
a) Government securities	5.00	5.09	1357.20	1351.25	21.04	17.87	200.00	202.02
b) Corporate debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

e) Repo transactions including Liquidity Adjustment Facility (LAF) (in Face Value and market value terms) for the year 2023-24

(Amount in ₹ crores)

	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	
	FV	MV	FV	MV	FV	MV	FV	MV
i) Securities sold under repo								
a) Government securities	3.00	3.00	2092.23	2007.24	699.35	704.10	1300.00	1105.48
b) Corporate debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) Securities purchased under reverse repo								
a) Government securities	20.00	20.00	1200.00	1211.70	74.55	70.25	200.00	0.00*
b) Corporate debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Since there was lending / borrowing under Tri-party Repo on 31.03.2024, the collateral provided was netted off.

f) Government Security Lending (GSL) transactions (in market value terms)

As at 31.03.2025

(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 2025
	2024-25	2024-25	2024-25	2024-25	2024-25
Securities lent through GSL Transactions	0.00	0.00	0.00	0.00	0.00
Securities borrowed through GSL Transactions	0.00	0.00	0.00	0.00	0.00
Securities placed as collateral under GSL Transactions	0.00	0.00	0.00	0.00	0.00
Securities received as collateral under GSL Transactions	0.00	0.00	0.00	0.00	0.00

Notes Forming Part of Accounts

for the year ended 31st March 2025

As at 31.03.2024

(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
	2023-24	2023-24	2023-24	2023-24	2023-24
Securities lent through GSL Transactions	0.00	0.00	0.00	0.00	0.00
Securities borrowed through GSL Transactions	0.00	0.00	0.00	0.00	0.00
Securities placed as collateral under GSL Transactions	0.00	0.00	0.00	0.00	0.00
Securities received as collateral under GSL Transactions	0.00	0.00	0.00	0.00	0.00

g) Overseas Assets and Revenue

(Amount in ₹ crore)

	31.03.2025	31.03.2024
Deposit with Overseas Bank	645.00	246.00
Nostro	7.29	21.00
Total	652.29	267.00

4) Asset quality

a) i) Classification of advances and provisions held current year (2024-25)

(Amount in ₹ crore)

	Standard	Non-Performing				
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	Total
Gross Standard Advances and NPAs						
Opening Balance	39395.34	351.32	197.61	26.13	575.06	39970.40
Add: Additions during the year					177.76	177.76
Less: Reductions during the year					196.69	196.69
Closing balance	43809.39	132.36	407.42	16.35	556.13	44365.52
Reductions in Gross NPAs due to:						
i) Upgradation					12.90	12.90
ii) Recoveries (excluding recoveries from upgraded accounts)					156.70	156.70
iii) Technical/ Prudential Write-offs					27.09	27.09
iv) Write-offs other than those under (iii) above					0.00	0.00
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	115.99	90.76	111.96	26.14	228.86	344.85
Add: Fresh provisions made during the year					310.17	310.17
Less: Excess provision reversed/ Write-off loans					158.12	158.12
Closing balance of provisions held	127.33	33.66	330.90	16.35	380.91	508.24
Net NPAs						
Opening Balance		260.55	75.27	0.00	335.82	
Add: Fresh additions during the year					136.69	
Less: Reductions during the year					312.06	
Closing Balance		98.70	61.75	0.00	160.45	160.45

Notes Forming Part of Accounts

for the year ended 31st March 2025

(Amount in ₹ crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Floating Provisions						
Opening Balance						10.38
Add: Additional provisions made during the year						4.39
Less: Amount drawn down during the year						0
Closing balance of floating provisions						14.77
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						2127.34
Add: Technical/ Prudential write-offs during the year						28.92(**)
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						88.44(#)
Closing balance						2067.82

(**) Including adjustment entries of Rs.1.83 crore pertaining to claims.

(#) Including principal waiver of Rs.0.71 crore.

(Amount in ₹ crore)

Ratios (in per cent)	2024-25	2023-24
Gross NPA to Gross Advances	1.25%	1.44%
Net NPA to Net Advances	0.36%	0.85%
Provision coverage ratio	93.86%	87.52%

a) ii) Classification of advances and provisions held previous year (2023-24)

(Amount in ₹ crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
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	197.61	26.13	575.06	39970.40
Reductions in Gross NPAs due to:						
i) Upgradation					14.21	14.21
ii) Recoveries (excluding recoveries from upgraded accounts)					223.72	223.72
iii) Technical/ Prudential Write-offs					211.24	211.24
iv) 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

Notes Forming Part of Accounts

for the year ended 31st March 2025

(Amount in ₹ crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub- standard	Doubtful	Loss	Total Non- Performing Advances	
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 floating provisions						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

(Amount in ₹ crore)

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%

b) Sector-wise Advances and Gross NPAs

(Amount in ₹ crore)

Sr. No.	Sector	2024-25			2023-24		
		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
i) Priority Sector							
a)	Agriculture and allied activities	18583.69	49.63	0.27	14408.99	50.98	0.35
b)	Advances to industries sector eligible as priority sector lending	5349.40	102.25	1.91	5576.61	102.82	1.84
c)	Services	8174.77	106.41	1.30	7995.68	107.30	1.34
d)	Personal loans	2170.82	12.95	0.60	2282.29	6.15	0.27
	Subtotal (i)	34278.68	271.24	0.79	30263.57	267.25	0.88

Notes Forming Part of Accounts

for the year ended 31st March 2025

(Amount in ₹ crore)

Sr. No.	Sector	2024-25			2023-24		
		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
ii)	Non-priority Sector						
a)	Agriculture and allied activities	6.92	0.00	0.00	11.28	0.00	0.00
b)	Industry	913.15	173.73	19.03	1125.53	168.06	14.93
	of ii-b) Textiles	430.14	155.07	16.98	684.02	156.41	13.90
c)	Services	2051.97	94.46	4.60	2310.42	115.91	5.02
d)	Personal loans	7015.56	16.70	0.24	6195.52	23.84	0.38
	Sub-total (ii)	9987.60	284.89	2.85	9642.75	307.81	3.19
	Total (i + ii)	44266.28	556.13	1.25	39906.32	575.06	1.44

Note : Food credit Consortium O/s as on 31.03.2025 = ₹99.24 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.

(i) Particulars of resolution plan and restructuring Details of Loan assets subjected to Restructuring for the FY 24-25

(Amount in ₹ crores)

for the year ended 31st March 2025

(Amount in ₹ crores)

Foot Note 1 – The figures under S.No.6 include reduction from existing restructured accounts by way of closure / recovery / write-offs.

Foot Note 2 - The figures under S.No.7 include total provision held on restructured accounts.

Notes Forming Part of Accounts

for the year ended 31st March 2025

Particulars of resolution plan and restructuring Details of Loan assets subjected to Restructuring for the FY 23-24

(Amount in ₹ crores)

Sl. No	Type of Restructuring Asset Classification Details	Under CDR Mechanism					Under SME Debt Restructuring / MSME One time Restructuring Mechanism					Others / Resolution Framework					Total				
		Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total
1	Restructured standard category during the FY Accounts outstanding as on April 1 of Provision the FY (opening figures)*	0	0	0	0	0	77	5	10	0	92	2601	42	31	5	2679	2678	47	41	5	2771
	No. of borrowers																				
	Amount	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#	0	0	0	0	0	0	0	0	0	0	16	0	0	0	16	16	0	0	0	16
	No. of borrowers																				
	Amount	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	0	0	0	0	0	0	0	0	0	0	5	-5	0	0	0	5	-5	0	0	0
	No. of borrowers																				
	Amount	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	No. of borrowers																				
	Amount	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

Notes Forming Part of Accounts

for the year ended 31st March 2025

		(Amount in ₹ crores)														
Sl. No	Type of Restructuring Asset Classification Details	Under CDR Mechanism				Under SME Debt Restructuring / MSME One time Restructuring Mechanism				Others / Resolution Framework				Total		
		Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total
5	Down gradation of restructured borrowers accounts during the FY	0.00	0.00	0.00	0.00	0.00	-3	-3	6	0	0	-41	4	35	2	0
	Amount outstanding	0.00	0.00	0.00	0.00	-2.43	-8.06	-0.36	5.99	0.00	-2.43	-25.91	-2.86	16.35	1.11	-11.31
	Provision thereon	0.00	0.00	0.00	0.00	4.19	-0.39	-0.14	4.72	0.00	4.19	-2.66	-0.63	8.29	1.11	6.11
6	Write-offs/ Recovery of restructured accounts during the FY\$	0	0	0	0	-29	-24	0	-5	0	-29	-566	-17	-25	-5	-613
	Amount outstanding	0.00	0.00	0.00	0.00	-44.73	-33.25	0.00	-11.48	0.00	-44.73	-106.82	-0.74	-6.83	-0.04	-114.43
	Provision thereon	0.00	0.00	0.00	0.00	-6.81	-1.74	0.00	-5.07	0.00	-6.81	-12.10	-0.38	4.70	-0.04	-7.82
7	Restructured as on March 31 of the FY(closing figure@)	0	0	0	0	63	50	2	11	0	63	2015	24	41	2	2082
	Amount outstanding	0.00	0.00	0.00	0.00	63.30	45.41	4.59	13.30	0.00	63.30	458.30	2.73	44.54	1.11	506.68
	Provision thereon	0.00	0.00	0.00	0.00	12.00	2.37	1.08	8.55	0.00	12.00	50.61	0.77	21.75	1.11	74.24

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.

Notes Forming Part of Accounts

for the year ended 31st March 2025

ii) 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
2024-25	Nil	Nil
2023-24	Nil	Nil
2022-23	Nil	Nil
2021-22	Nil	Nil
2020-21	135	82.20

iii) 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 (not exceeded the same for previous year) .

e) Divergence in Asset Classification and provisioning:

Divergence in Asset classification and Provisioning for NPAs. The divergence observed by RBI for the financial year 2023-24 in respect of the Bank's asset classification and provisioning under the extant prudential norms on income recognition, asset classification and provisioning is within the prescribed limit for disclosure.

f) Disclosure of transfer of Loan exposures:

- Loans that are not in default or stressed, transferred and acquired to or from other entities – NIL (For Previous FY 2023-24 – NIL)
- Particulars of stressed loans transferred acquired – NIL (For Previous FY 2023-24 – NIL)

g) Fraud accounts

(Amount in ₹ crore)

Particulars	2024-25	2023-24
Number of frauds reported (Advances & Non- Advances)*	34	9
Amount involved in fraud*	260.43	10.47
Amount of Book Balance (excluding interest) for Advances related fraud a/cs	243.05	10.42
Amount of provision made for such frauds	243.05	10.42
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

h) Disclosure under Resolution Framework for COVID-19 related Stress:

Disclosures to be made half yearly Resolution Framework 1.0 and Resolution Framework 2.0.

For the First half year ending 30.09.2024:

(Amount in ₹ crore)

Type of the Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of the previous half-year ending 31.03.2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of this half-year ending 30.09.2024
Personal Loan	143.63	0.22	0.00	12.44	130.97
Corporate Persons*	57.99	0.00	0.00	3.97	54.02

Notes Forming Part of Accounts

for the year ended 31st March 2025

(Amount in ₹ crore)

Type of the Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at the end of the previous half-year ending 31.03.2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at the end of this half-year ending 30.09.2024
Of which MSMEs	0.78	0.00	0.00	0.10	0.68
Others	146.92	3.48	0.00	27.50	115.94
Total	348.54	3.70	0.00	43.91	300.93

*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".

For the First half year ending 30.09.2023:

(Amount in ₹ crore)

Type of the Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at the end of the previous half-year ending 31.03.2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at the end of this half-year ending 30.09.2023
Personal Loan	170.53	1.67	0.06	14.42	154.38
Corporate Persons*	80.73	3.82	0.00	15.70	61.21
Of which MSMEs	0.40	0.00	0.00	0.05	0.35
Others	218.55	8.83	0.00	27.27	182.45
Total	469.81	14.32	0.06	57.39	398.04

*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;

For the second half year ending 31.03.2025

(Amount in ₹ crore)

Type of the Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at the end of the previous half-year ending 30.09.2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at the end of this half-year ending 31.03.2025
Personal Loans	130.96	0.62	0.00	12.31	118.03
Corporate persons*	54.03	0.00	0.00	50.17	3.86
Of which MSMEs	0.68	0.00	0.00	0.14	0.54
Others	115.94	8.38	0.00	19.41	88.15
Total	300.93	9.00	0.00	81.89	210.04

*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;

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for the year ended 31st March 2025

For the second half year ending 31.03.2024

(Amount in ₹ crore)

Type of the 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 half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of this half-year ending 31.03.2024
Personal Loans	157.05	1.64	0.00	11.78	143.63
Corporate persons*	61.21	0.00	0.00	3.22	57.99
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	398.04	5.11	0.00	44.39	348.54

*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

i) COVID -19

The Bank continues to hold COVID-19 related provision of ₹ 250 crores (over and above regulatory provisions) as on March 31, 2025 (previous year 31.3.2024: ₹250 crores).

5. Exposures

a) Exposure to real estate sector

(Amount in ₹ crore)

Category	2024-25	2023-24
i) 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	4990.34	5141.62
Of Which Individual housing loans eligible for inclusion in priority sector advances Exposure include non-fund based (NFB) limits.	2167.64	2285.28
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 include non-fund based (NFB) limits;	188.02	216.79
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
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	0.00	0.00
Total Exposure to Real Estate Sector	5178.36	5358.41

Notes Forming Part of Accounts

for the year ended 31st March 2025

b) Exposure to capital market

(Amount in ₹ crore)

Particulars	2024-25	2023-24
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;	24.94	8.87
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;	2.13	4.50
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;	0.00	0.88
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	1.52	18.50
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	28.59	32.75

c) Risk category-wise country exposure

(Amount in ₹ crore)

Risk Category	Exposure (net) as at 31/03/2025	Provision held as at 31/03/2025	Exposure (net) as at 31/03/2024	Provision held as at 31/03/2024
Insignificant	642.19	0.00	231.09	0.00
Low	113.15	0.00	231.14	0.00
Moderately Low	0.00	0.00	132.83	0.00
Moderate	26.46	0.00	0.00	0.00
Moderately High	2.21	0.00	1.88	0.00
High	2.60	0.00	0.00	0.00
Very High	0.00	0.00	2.07	0.00
Total	786.61	0.00	599.01	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).

Notes Forming Part of Accounts

for the year ended 31st March 2025

d) Unsecured advances

(Amount in ₹ crore)

Particulars	2024-25	2023-24
Total unsecured advances of the bank	138.43	179.79
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

e) Factoring exposures – Nil (For Previous FY 2023-24 – NIL)

f) Intra-group exposures as on 31.03.2025

- Total amount of intra-group exposures – NIL (For Previous FY 2023-24 – NIL)
- Total amount of top 20 intra-group exposures – NIL (For Previous FY 2023-24 – NIL)
- Percentage of intra-group exposures to total exposure of the bank on borrowers/customers – NIL (For Previous FY 2023-24 – NIL)
- Details of breach of limits on intra-group exposures and regulatory action thereon, if any – NIL (For Previous FY 2023-24 – NIL)

g) Unhedged foreign currency exposure (UFCE)

Bank has a laid down policy for hedging Foreign Currency Exposure, Bank insists 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 insists on case to case basis 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.

Items which are effective hedge of each other, natural hedges and financial hedges already made are excluded for arriving at the UFCE.

Bank makes incremental provisioning and capital provisioning as prescribed by RBI, and adopts 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 follows the RBI guidelines in respect of smaller entities (i.e. total exposure of the Banking system is at ₹50 crore or less) and 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 ₹2.06 Crore (Previous Year – ₹ 1.90 Crore). Bank holds required provision towards the same. Bank holds additional capital of ₹ 16.54 Crore (Previous Year – ₹3.19 Crore) towards the unhedged foreign currency exposure as per extant guidelines.

6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

(Amount in ₹ crore)

Particulars	2024-25	2023-24
Total deposits of the twenty largest depositors	5972.81	4328.97
Percentage of deposits of twenty largest depositors to total deposits of the bank	11.12%	8.74%

b) Concentration of advances

(Amount in ₹ crore)

Particulars	2024-25	2023-24
Total advances to the twenty largest borrowers	1957.67	1992.28
Percentage of advances to twenty largest borrowers to total advances of the bank	4.41%	4.98%

Notes Forming Part of Accounts

for the year ended 31st March 2025

c) Concentration of exposures

(Amount in ₹ crore)

Particulars	2024-25	2023-24
Total exposure to the twenty largest borrowers/customers	2968.41	3312.79
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/ customers	5.43%	6.67%

d) Concentration of NPAs

(Amount in ₹ crore)

Particulars	2024-25	2023-24
Total Exposure to the top twenty NPA accounts	339.18	338.75
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	60.99%	58.91%

7) Derivatives

a) Forward rate agreement/Interest rate swap

(Amount in ₹ crore)

Particulars	2024-25	2023-24
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	2024-25	2023-24
Purchases	2147.93	2186.71
Sales	2541.14	2586.84
Total	4689.07	4773.55

Note: There are no derivative transaction undertaken during the year 2024-25, other than Forward Forex Contracts.

b) Exchange traded interest rate derivatives

(Amount in ₹ crore)

S. No	Particulars	2024-25	2023-24
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 2025 (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)		

Notes Forming Part of Accounts

for the year ended 31st March 2025

c) Disclosures on risk exposure in derivatives

i) 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 2024-25.

ii) Quantitative disclosures

(Amount in ₹ crore)

S. No	Particulars	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
		2024-25	2024-25	2023-24	2023-24
1.	Derivatives (Notional Principal Amount)				
	a) For hedging				
	b) For trading				
2.	Marked to Market Positions				
	a) Assets (+)				
	b) Liability (-)				
3.	Credit Exposure	NIL	NIL	NIL	NIL
4.	Likely impact of one percentage change in interest rate (100*PV01)				
	a) On hedging derivatives				
	b) On trading derivatives				
5.	Maximum and Minimum of 100*PV01 observed during the year				
	a) On hedging				
	b) On trading				

d) Credit default swaps – NIL

8) Disclosures relating to securitization- NIL

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

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

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

(Amount in ₹ crore)

Sr. No.	Particulars	2024-25	2023-24
i)	Opening balance of amounts transferred to DEA Fund	126.66	114.71
ii)	Add: Amounts transferred to DEA Fund during the year	27.44	14.12
iii)	Less: Amounts reimbursed by DEA Fund towards claims	2.55	2.17
iv)	Closing balance of amounts transferred to DEA Fund	151.55	126.66

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.

Notes Forming Part of Accounts

for the year ended 31st March 2025

11) Disclosure of complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sr. No.	Particulars	2024-25	2023-24
	Complaints received by the bank from its customers		
1.	Number of complaints pending at beginning of the year	571	760
2.	Number of complaints received during the year	11601	33580
3.	Number of complaints disposed during the year	11681	33769
3.1	Of which, number of complaints rejected by the bank	-	-
4.	Number of complaints pending at the end of the year	491	571
	Maintainable complaints received by the bank from Office of Ombudsman		
5.	Number of maintainable complaints received by the bank from Office of Ombudsman	222	289
5.1.	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	214	285
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	8	4
5.3	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	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
2024-25					
ATM/ Debit Cards	571	10192	-64.85%	28	-
Internet/ Mobile/Electronic Banking	-	919	-78.61%	457	-
Loans and Advances	-	110	-27.63%	5	4
Service Charges	-	34	-5.55%	-	-
Account opening/ Difficulty in operation of accounts	-	-	-	-	-
Others	-	346	103.52%	1	-
Total	571	11601	-	491	-
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	-

Notes Forming Part of Accounts

for the year ended 31st March 2025

12) Disclosure of penalties imposed by the Reserve Bank of India

- i) Penalty charged for deficiencies in exchange of notes and coins/remittances sent to RBI/operations of currency chests etc., by RBI: Penalty charged by RBI under Scheme of Incentives and Penalties for Bank Branches including Currency chests during the period from 01.04.2024 to 31.03.2025 – ₹65,150 /-
- ii) During the year, RBI has imposed penalty of ₹4,30,000/- under the scheme of penalty for Non-replenishment of ATM (DCM(RMMT) No.S153/11.01.01/2022-23) dated August 10, 2021.

13) Disclosures on remuneration:

Type of disclosure	S.No	Information
Qualitative	(a)	Information relating to the composition and mandate of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee of the Board, comprising six members, is constituted to oversee the framing, review, and implementation of the Bank's Compensation Policy on behalf of the Board. As on March 31, 2025, the Nomination & Remuneration Committee of the Board comprises the following Directors, Smt. R. Kanagavalli, Independent Director (Chairperson) Shri. A. Niranjana Sankar, Non-Executive Director Shri. D.N. Nirranjan Kani, Non-Executive Director Shri. C. Chiranjeeviraj, Independent Director Shri. S. Sridharan, Independent Director Shri. R. Deepak Shankar, Independent Director During the period from 01.04.2024 to 08.07.2024, the Nomination & Remuneration Committee of the Board comprises the following Directors, Smt. S. Ezhil Jothi, Non-Executive Independent Director (Chairperson) Shri. A. Niranjana Sankar, Director Shri. C. Chiranjeeviraj, Independent Director During the period from 09.07.2024 to 27.10.2024, the Nomination & Remuneration Committee of the Board comprises the following Directors, Smt. S. Ezhil Jothi, Non-Executive Independent Director (Chairperson) Shri. A. Niranjana Sankar, Non-Executive Director Shri. D.N. Nirranjan Kani, Non-Executive Director Shri. C. Chiranjeeviraj, Non-Executive Independent Director Shri. R. Deepak Shankar, Non-Executive Independent Director During the period from 28.10.2024 to 26.03.2025, the Nomination & Remuneration Committee of the Board comprises the following Directors, Smt. S. Ezhil Jothi, Non-Executive Independent Director (Chairperson) Shri. A. Niranjana Sankar, Non-Executive Director Shri. D.N. Nirranjan Kani, Non-Executive Director Shri. C. Chiranjeeviraj, Non-Executive Independent Director Shri. S. Sridharan, Non-Executive Independent Director Shri. R. Deepak Shankar, Non-Executive Independent Director

Notes Forming Part of Accounts

for the year ended 31st March 2025

Type of disclosure	S.No	Information
	(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 the 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 the '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, and structure of the Board, and also evaluation criteria of the directors, conduct annual review of the performance of the Chief Executive Officer, and oversee the Bank's Chief Executive Officer's succession planning process 7. Retain, motivate, and promote talent 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 are 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.

Notes Forming Part of Accounts

for the year ended 31st March 2025

Type of disclosure	S.No	Information	
	(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, former 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.

Type of disclosure	S.No	Information	2024-25	2023-24
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 sitting fees paid to the members during the year 2024-25 is ₹18,25,000/-	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/-
	(h)	i) Number of employees having received a variable remuneration award during the financial year	i) Two (Shri. K.V.Rama moorthy , Former MD & CEO & Shri.S.Krishnan, former MD & CEO) + 4352 (Other employees who are given variable Pay) Total - 4354	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
		ii) Number and total amount of sign-on/ joining bonus made during the financial year.	ii) NIL	ii) NIL

Notes Forming Part of Accounts

for the year ended 31st March 2025

Type of disclosure	S.No	Information	2024-25	2023-24
		iii) Details of severance pay, in addition to accrued benefits, if any.	iii) NIL	iii) NIL
(i)	i)	Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms.	i) a) Shri.K.V.Ramamoorthy, Former MD & CEO – ₹8,22,500/- (cash) b) Shri.S.Krishnan, former MD & CEO – ₹10,65,356/- (cash)	(i) a) Shri.K.V.Ramamoorthy, Former MD & CEO) – ₹16,45,000/- (cash) b) Shri.S.Krishnan, MD & CEO – ₹15,21,937/- (cash)
	ii)	Total amount of deferred remuneration paid out in the financial year.	ii) Shri.K.V.Ramamoorthy, Former MD & CEO – ₹8,22,500/- (cash) Shri.S.Krishnan, former MD & CEO – ₹4,56,581/- (cash)	(ii) a) Shri.K.V.Ramamoorthy, Former MD & CEO) – ₹7,05,000/- (cash)
(j)		Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Shri. Salee Sukumaran Nair, MD & CEO Fixed Pay – ₹.97,39,811/- Variable Pay – ₹.97,39,811/- Shri. Vincent Menachery Devassy Fixed Pay – ₹ 74,30,100 Variable Pay – ₹ 74,30,100	Shri. S.Krishnan, MD & CEO Fixed Pay – ₹.70,87,811/- Variable Pay – ₹.70,87,811/-
(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.	NIL	NIL
	iii)	Total amount of reductions during the financial year due to ex post implicit adjustments.		
(l)		Number of MRTs identified.	602	574
(m)	i)	Number of cases where malus has been exercised.	NIL	NIL

Notes Forming Part of Accounts

for the year ended 31st March 2025

Type of disclosure	S.No	Information	2024-25	2023-24
		ii) Number of cases where clawback has been exercised.	Nil	Nil
		(iii) Number of cases where both malus and clawback have been exercised.		
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 – ₹77,971.00 MD Pay – ₹5,75,000.00 Difference – ₹4,97,029.00 ED Pay – ₹4,25,000.00 Difference – ₹3,47,029.00	Mean Pay – ₹76,127.00 MD Pay – ₹4,00,000.00 Difference – ₹3,23,873.00

14) Other Disclosures

a) Business ratios

Particulars	2024-25	2023-24
i) Interest Income as a percentage to Working Funds	8.42%	8.33%
ii) Non-interest income as a percentage to Working Funds	1.35%	1.11%
iii) Cost of Deposits	5.91%	5.74%
iv) Net Interest Margin	4.07%	4.11%
v) Operating Profit as a percentage to Working Funds	2.78%	2.55%
vi) Return on Assets	1.88%	1.84%
vii) Business (deposits plus advances) per employee (in ₹ crore)	20.59	19.39
viii) Profit per employee (in ₹ crore)	0.25	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 is given below

(Amount in ₹ crore)

Particulars	2024-25	2023-24
Commission from General insurance business	3.98	4.55
Commission from Life insurance business	21.38	16.26
Grand Total	25.36	20.81

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)

Sr. No.	Particulars	2024-25	2023-24
1	Government Schemes related NPS, etc	1.38	2.08
2	Distribution of Mutual Fund	0.26	0.21
3	Credit Card related	4.06	4.36
4	Point of Sales	0.87	1.22
5	Depository Services	0.37	0.31
6	Others	0.72	0.74
	Total	7.66	8.92

Notes Forming Part of Accounts

for the year ended 31st March 2025

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

(Amount in ₹ crore)

S. No	Particulars	2024-25		2023-24	
		Purchase	Sale	Purchase	Sale
i)	PSLC- Agriculture	0.00	2800.00	0.00	2900.00
ii)	PSLC- Small & Marginal Farmer	0.00	9615.00	0.00	4750.00
iii)	PSLC- Micro Enterprises	0.00	225.00	0.00	1400.00
iv)	PSLC- General	0.00	0.00	0.00	0.00
	Grand Total	0.00	12640.00	0.00	9050.00

e) Provisions and contingencies

(Amount in ₹ crore)

Provisions debited to Profit and Loss Account		2024-25	2023-24
i)	Provisions for NPI	0.00	0.00
ii)	Provision towards NPA	170.32	149.00
iii)	Provision made towards Income tax	386.33	306.70
iv)	Other Provisions and Contingencies (with details)		
a)	Provision towards Standard Asset	11.33	4.55
b)	Floating Provision for Advances	4.40	2.39
c)	Deferred Tax	5.95	14.85
d)	Provision for Restructured Advances	(18.27)	(16.67)
e)	Contingency Provision for Covid and other uncertainties	0	(50.00)
f)	Provision for fair value for Restructured Advances	(0.72)	(1.74)
g)	Provision for unhedged foreign currency exposure	(1.13)	0.00
h)	Provision for stressed sector (Exp)	(2.52)	0.00
i)	Other provisions	7.44	0.67
	Grand Total	563.13	409.75

Provision for standard advances

(Amount in ₹ crore)

Particulars	31.03.2025	31.03.2024
Standard Assets	127.32	115.99
Of which Food Credit	2.72	2.77

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	2024-25	2023-24
i)	Payment of DICGC Insurance Premium*	67.75	66.31
ii)	Arrears in payment of DICGC premium	0.00	0.00

*Including GST

h) Disclosure of Letters of Comfort (LoCs) issued by bank:-

The Bank has not issued any Letters of Comfort during the financial year 2024-2025.

i) Portfolio-level information on the use of funds raised from green deposits: -

The Bank has not raised any green deposit in the Financial year 2024-2025.

Notes Forming Part of Accounts

for the year ended 31st March 2025

j) Pending Litigations with Directorate of Enforcement under FEMA on Transfer of certain shares and issue of Bonus shares thereon:-

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 your 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 noticee (previous Directors/officials) that they have also gone for appeal against the order of DoE. Considering the situation, 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 and the bank is having necessary provision.

The Bank has also pre-deposited amount of Rs.45 Lakhs, on May 25, 2024, being 20% of Rs. 225 Lakhs, levied by Directorate of Enforcement for alleged FEMA violation against 11 persons who were Directors / Company Secretary of the Bank at the time of transfer of above shares and is shown as Contingent Liabilities. Further, the bank has also provided a sum of Rs. 2 Lakhs on the basis of legal opinion towards leviable penalty in respect of show-cause notice from Directorate of Enforcement, for the issue of Bonus Shares to the above-said transferees.

k) Transfer of Dividend and shares to IEPF:

Unclaimed Dividend and shares pertaining to the Financial Years 2009-13, 2015-16 (1st Interim) have been transferred to IEPF during the FY 2024-25 and we are in the process of transferring the Unclaimed Dividend and shares pertaining to the Financial Years 2015-16 (2nd Interim), 2016-17 (1st Interim), 2016-17 (2nd Interim) which will be completed during the FY 2025-26.

15) Disclosure Requirements as per Accounting Standards where RBI has issued guidelines in respect of disclosure items for Notes to Accounts:

15.1 Changes in Accounting Policies (AS-5):

There were no material Income/Expenditure pertaining to prior period requiring disclosure as per AS5.

The Bank has applied its significant accounting policies in the preparation of these financial statements, consistent with those followed in the annual financial statements for the year ended 31 March 2024 except for classification, measurement and valuation of the Bank's investments which are carried out in accordance with the RBI Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated September 12, 2023 (the RBI Investment Master Direction) effective April 01, 2024.

Transitional adjustment on account of Available For Sale (AFS) portfolio and other securities has been credited to opening "General Reserve" to the extent ₹5695 Lakhs (net of taxes) (Which includes reversal of provision for depreciation of ₹ 3067 Lakhs and transfer of investment reserve of ₹ 2534 Lakhs).

Subsequently, the valuation gains or loss for the year ended March 31, 2025 of performing investments under available for sale (AFS) and Fair Value through Profit and Loss ('FVTPL') (Including Held for Trading (HFT)) categories have been recognised through AFS reserve and profit and loss account respectively. Accordingly, the amounts for periods prior to April 1, 2024 are not comparable.

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.

Notes Forming Part of Accounts

for the year ended 31st March 2025

15.3 Employee Benefits (AS-15):

(Amount in ₹ crore)

	2024-25		2023-24	
	Pension	Gratuity	Pension	Gratuity
(i) Principal Actuarial Assumption used				
Discount Rate	6.82%	6.92%	7.45%	7.22%
Rate of return on Plan Assets	7.45%	7.22%	7.48%	7.58%
Salary Escalation	6.50%	6.50%	6.50%	6.50%
(ii) Change in Benefit Obligation:				
Liability at the beginning of the year	711.77	208.92	629.94	190.92
Interest Cost	46.46	14.50	44.54	13.99
Current Service Cost	44.88	12.35	40.05	12.31
Benefit Paid	-61.14	-16.28	-64.28	-12.63
Actuarial (gain) / loss on obligation	55.68	-4.69	61.52	4.33
Liability at the end of the year	797.65	214.80	711.77	208.92
(iii) Fair Value of Plan Assets :				
Fair value of Plan Assets at the beginning of the year	711.66	208.74	634.99	190.89
Expected return on plan Assets	54.60	14.73	49.00	14.55
Contributions	103.86	6.92	100.73	14.91
Benefits paid	-61.14	-16.28	-64.28	-12.63
Actuarial Gain / (loss) Plan Assets	-11.27	0.81	-8.79	1.02
Fair value of Plan Assets at the End of the year	797.71	214.92	711.66	208.74
(iv) Actual Return on Plan Assets				
Expected Return On Plan Assets	54.60	14.73	49.00	14.55
Actuarial gain/ (loss) Plan Assets	-11.27	0.81	-8.79	1.02
Actual return on Plan Assets	43.33	15.54	40.21	15.57
(v) Amount Recognised in the Balance Sheet				
Liability at the end of the year	797.65	214.80	711.77	208.92
Fair value of Plan Assets at the End of the year	797.71	214.92	711.66	208.74
Amount recognised in the Balance Sheet	0.06	0.12	-0.11	-0.18
(vi) Expenses Recognised in the Income Statement				
Current Service Cost	44.88	12.35	40.05	12.31
Interest Cost	46.46	14.50	44.54	13.99
Expected Return On Plan Assets	-54.61	-14.73	-49.00	-14.55
Actuarial gain or Loss	66.95	-5.51	70.31	3.31
Past Service Cost	0.00	0.00	0.00	0.00
Expenses Recognised in P & L (Net of Provision)	103.68	6.61	105.90	15.06

Experience adjustments

i) Gratuity

(Amount in ₹ crore)

Particulars	31-03-25	31-03-24	31-03-23	31-03-22	31-03-21
Defined benefit obligations	214.80	208.92	190.92	178.73	174.72
Plan Assets	214.92	208.74	190.89	178.73	174.32
(Surplus)/Deficit	0.12	-0.18	-0.03	0.00	0.40
Experience adjustment gain / (loss) on plan assets	-0.81	-1.02	-0.39	-0.42	-1.50
Experience adjustment (gain) / loss on plan Liabilities	-11.45	-3.64	3.55	8.29	5.14

Notes Forming Part of Accounts

for the year ended 31st March 2025

II) Pension

(Amount in ₹ crore)

Particulars	31-03-25	31-03-24	31-03-23	31-03-22	31-03-21
Defined benefit obligations	797.65	711.77	629.94	592.06	544.66
Plan Assets	797.71	711.66	634.99	592.16	513.38
(Surplus)/Deficit	0.06	-0.11	5.05	0.10	31.28
Experience adjustment gain / (loss) on plan assets	11.27	8.79	0.09	0.72	-4.27
Experience adjustment (gain) / loss on plan Liabilities	55.68	61.52	61.97	1.11	202.42

Details of Provisions made for Other Long term Employee Benefits:

(Amount in ₹ crore)

Sr. No.	Other Long Term Benefits	2024-25	2023-24
1	Leave Encashment	3.20	9.51
2	Sick Leave	0.00	0.00

Notes Forming Part of Accounts

for the year ended 31st March 2025

15.4 Accounting Segment Reporting (AS-17):

PART A: Operational Segments:

Business Segments	Treasury		Corporate / Wholesale Banking		Retail Banking		Other Banking Business		Total	
Particulars	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Revenue	1256.21	1144.61	579.78	471.97	4305.76	3876.27	0.00	0.00	6141.75	5492.85
Result	256.54	206.78	156.45	128.81	1161.90	1057.99	0.00	0.00	1574.89	1393.58
Unallocated expenses									0.00	0.00
Operating profit									1574.89	1393.58
Income taxes									392.28	321.55
Extraordinary profit / loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net profit									1182.61	1072.03
Other information:										
Segment assets	16540.10	16718.46	6759.05	6939.58	41325.04	36461.90	0.00	0.00	64624.19	60119.94
Unallocated assets									1825.68	1432.52
Total assets									66449.87	61552.46
Segment liabilities	17144.77	17796.71	4524.55	3705.10	33602.01	30429.64	0.00	0.00	55271.33	51931.45
Unallocated liabilities									2169.85	1699.81
Total liabilities									57441.18	53631.26

Note:

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

PART 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:

- 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.

Notes Forming Part of Accounts

for the year ended 31st March 2025

- 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	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
(a) Revenue	6141.75	5492.85	0.00	0.00	6141.75	5492.85
(b) Assets	66449.87	61552.46	0.00	0.00	66449.87	61552.46

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 – 01.04.2024 –07.06.2024 ,Thiru Salee S Nair– Managing Director and Chief Executive Officer– 29.08.2024 –31.03.2025 and Thiru. Vincent Menachery Devassy – Executive Director – 27.09.2024 to 31.03.2025.

A. i) Emoluments: Thiru S.Krishnan

(Amount in ₹)

Particulars	2024-25	2023-24
Salary	8,93,333.33	48,00,000.00
Bank contribution to provident Fund	1,07,200.00	5,76,000.00
Other Benefits	80,612.00	1,70,229.00
Variable Pay	4,56,581.00	15,21,938.00
Terminal Benefits:		
Gratuity (Paid on 13/06/2024)	8,00,000.00	--
Provident Fund (Paid on 02/07/2024)	25,47,165.00	--
Leave Encashment (Paid on 03/07/2024)	7,33,333.00	--
Total	56,18,224.33	70,68,167.00

ii) Emoluments: Thiru Salee S Nair

(Amount in ₹)

Particulars	2024-25
Salary	40,80,645.16
Bank contribution to provident Fund	4,89,677.00
Other Benefits	33,937.00
Variable Pay	0.00
Total	46,04,259.16

iii) Emoluments: Thiru Vincent Menachery Devassy

(Amount in ₹)

Particulars	2024-25
Salary	26,06,666.67
Bank contribution to provident Fund	3,12,800.00
Other Benefits	1,54,000.00
Variable Pay	0.00
Total	30,73,466.67

Notes Forming Part of Accounts

for the year ended 31st March 2025

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 – 01.04.2024 – 07.06.2024.

Items/Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Total	
Period	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Borrowings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Deposits	Nil	Nil	Nil	Nil	Nil	Nil	0.0026	0.36	Nil	Nil	0.0026	0.36
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	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
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 by KMP	Nil	Nil	Nil	Nil	Nil	Nil	0.0045	0.0068	Nil	Nil	0.0045	0.0068
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

(Amount in ₹ crore)

(ii) Thiru Salee S Nair – Managing Director and Chief Executive Officer – 29.08.2024 – 31.03.2025.

Items/Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Total	
Period	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Borrowings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Deposits	Nil	Nil	Nil	Nil	Nil	Nil	0.043	Nil	Nil	Nil	0.043	Nil
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

(Amount in ₹ crore)

Notes Forming Part of Accounts

for the year ended 31st March 2025

(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	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
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
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 by KMP	Nil	Nil	Nil	Nil	Nil	Nil	0.0012	Nil	Nil	Nil	0.0012	Nil
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

(iii) Thiru Vincent Menachery Devassy –Executive Director – 27.09.2024 to 31.03.2025.

(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	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Borrowings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Deposits	Nil	Nil	Nil	Nil	Nil	Nil	0.19	Nil	Nil	Nil	0.19	Nil
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
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 by KMP	Nil	Nil	Nil	Nil	Nil	Nil	0.0014	Nil	Nil	Nil	0.0014	Nil

Notes Forming Part of Accounts

for the year ended 31st March 2025

(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	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
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

15.6 Earnings per Share (AS-20)

Particulars	2024-25	2023-24
Net Profit after Tax available for equity share holders (Rs. in Lakhs)	118260.72	107203.25
Average number of shares	158351454	158351454
Basic and Diluted EPS (in Rs.)	74.68	67.70
Nominal value per share (in Rs.)	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

(Amount in Rs. crore)

Particulars	Deferred tax Asset		Deferred tax Liability	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Depreciation on Fixed Assets	7.47	4.11	0.00	0.00
Provision for NPAs/Bad Debts	0.00	0.00	0.00	0.00
Special Reserve u/s 36 (1) (viii)	0.00	0.00	109.70	97.11
Provisions on retirement benefit, Leave encashment etc	21.48	22.02	0.00	0.00
Others	12.83	2.88	0.00	0.00
Deferred tax asset/liability	41.78	29.01	109.70	97.11
Net Deferred Tax Asset/(Liability)	(67.92)	(68.10)		

Note :

Deferred Tax Asset on IPO expenses ₹ 4.60

Less:/5th transfer to DTA expense ₹ 1.53

Deferred Tax Asset carried to years 2026 to 2027 ₹ 3.07

Notes Forming Part of Accounts

for the year ended 31st March 2025

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%.

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)	1.51	0.00	0.00	0.72	0.79
B. Provision for Contingencies	28.46	2.60	0.00	0.67	30.39

b) Contingent Liabilities:

(Amount in ₹ crore)

Particulars	As on 31.03.2025	As on 31.03.2024
1. Claims not acknowledged as debt		
a) Counter suits filed by the borrowers against the Bank has initiated legal action	8.77	16.38
b) Cases filed in Consumer/Civil Courts for deficiency in services	1.05	1.96
c) Any other claims against the bank not Acknowledged as debts	595.17	392.86
2. Forward exchange contracts	4689.07	4773.55
3. Guarantees issued on behalf of constituents	970.23	1031.60
4. Acceptance, endorsements & other obligations	278.49	311.53
5. Other items for which the Bank is contingently liable	160.87	135.43
TOTAL	6703.65	6663.31

Notes Forming Part of Accounts

for the year ended 31st March 2025

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	2024-25	2023-24
Proposal processing charges	62.13	58.14
PSLC fee received	195.92	75.21
Recovery in Technical Write Off a/cs	89.34	87.84

- 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

(Amount in ₹ crore)

Particulars	2024-25	2023-24
COMMISSION- NPCI SETTLEMENT	65.18	72.71

15.15. Issue of fresh shares: NIL

15.16. Dividend:

Final Dividend (paid during the year 2024-25)

The Board, in its meeting held on 22.04.2024, had approved/declared Final dividend for the financial year 2023-24, at the rate of Rs. 10 /- (Rupees Ten only) per share, i.e.100% on the fully paid up equity shares of Rs.10/- each. The same was approved by shareholders in the Annual General Meeting held on 27.09.2024. The record date for the same was fixed as Tuesday, September 20, 2024. The payout (Rs. 1,58,35,14,540/- Rs.10/- x 15,83,51,454 shares) process was completed by 08.10.2024.

Proposed dividend recommendation if any:

A final dividend for the financial year 2024-25, has been proposed at the rate of ₹11/- (Rupees Eleven per share), i.e 110% 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 **Rs.26.08 crore** (Previous year **Rs. 22.10 crore**) during the financial year 2024-25 towards Corporate Social Responsibility (CSR) in accordance with companies Act, 2013. The bank has spent an amount of **Rs.26.08 crore** (Previous year **Rs. 22.10 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 2024-25/2023-24.

- 16 Fixed assets (Land and Building) include property held in Chennai, land (UDS 753.117 sqft Rs.10.76 lakh) and building (Rs.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.

Notes Forming Part of Accounts

for the year ended 31st March 2025

- 17 TMB Employee stock option plan 2024 (TMB ESOP Plan 2024), as approved by the shareholders in March 2025, is yet to be implemented.
- 18 In respect of certain branches/offices where additional information was required, the data available at Controlling/ Head office was considered.
- 19 Previous year's figures have been regrouped wherever necessary to conform to this year's classification.
- 20 Figures have been rounded off to the nearest thousand rupees in the Financial Statements.

Sd/-
Salee S Nair
Managing Director & CEO
DIN: 09231101

Sd/-
M.D.Vincent
Executive Director
DIN: 09850306

Sd/-
A.Niranjana Sankar
Director
DIN: 00084014

Sd/-
S.R.Ashok
Director
DIN: 07933713

Sd/-
D.N.Nirranjan Kani
Director
DIN: 00455352

Sd/-
K.V.Rama Moorthy
Director
DIN: 07034994

Sd/-
B.Prabaharan
Director
DIN: 00209875

Sd/-
C.Chiranjeeviraj
Director
DIN: 08730382

Sd/-
S.Sridharan
Director
DIN: 07205781

Sd/-
R.Deepak Shankar
Director
DIN: 05223027

Sd/-
R.Kanagavalli
Director
DIN: 00883998

Sd/-
A.Shidambaranathan
Director
DIN: 02904738

Sd/-
C.S.Ram Kumar
Director
DIN: 09777115

Sd/-
Thomas Mathew
Director
DIN: 10642487

Sd/-
D.Ramesh
Executive Vice President

Sd/-
V.Jayaraman
Executive Vice President

Sd/-
R.Ananda Ganesan
Executive Vice President

Sd/-
J.Sundaresh Kumar
Chief Compliance Officer

Sd/-
K.Vijayan
Chief Quality Control Officer

Sd/-
P.R.Ashok Kumar
Country Head Branch Banking

Sd/-
S. Ilangoan
Head of Internal Audit

Sd/-
K.Arvind
Head of Integrated Treasury

Sd/-
Laxman Karkala Kudva
Chief Risk Officer

Sd/-
Sanjoy Kumar Goel
Chief Financial Officer

Sd/-
Swapnil Yelgaonkar
Company Secretary

Vide our report of even date attached
For Sundaram & Srinivasan
Chartered Accountants
FRN No. 004207S

vide our report of even date attached
For Chandran & Raman
Chartered Accountants
FRN No. 000571S

Thoothukudi
23.04.2025

Sd/-
S Ramkumar
Partner (M.No.238820)

Sd/-
S G Kalyanaraman
Partner (M.No.010652)

Cash Flow Statement

for the period ended 31.03.2025

(₹ in thousands)

Particulars	Audited Period ended 31.03.2025	Audited Period ended 31.03.2024
Cash Flow from Operating Activities		
Net Profit after Tax	1182 60 72	1072 03 25
Adjustments for :		
(Profit)/Loss on sale of assets	(52 74)	(20 35)
Depreciation on Fixed assets	86 23 31	75 17 20
Provisions & Contingencies (incl. Deferred tax adjustments)	563 13 25	3305711
Total - I	1831 44 54	1477 57 21
Adjustments for working capital changes :		
Increase / (Decrease) in Liabilities		
Deposits	4173 88 60	1748 58 73
Other liabilities & Provisions	(125 94 74)	(191 07 20)
(Increase) / Decrease in Assets		
Advances	(4249 91 90)	(2444 06 08)
Investments	225 03 51	(1106 56 06)
Other assets	416 33 71	219 99 51
Total - II	439 39 18	(1773 11 10)
Direct tax paid - III	372 00 00	315 00 00
Net Cash Flow from / (Used in) Operating Activities [I + II - III] - (A)	1898 83 72	(610 53 89)
Cash Flow from Investing Activities		
Sale/disposal of fixed assets	6 05 81	43 11
Purchase of fixed assets	(105 26 78)	(100 73 11)
Net Cash Flow from / (Used in) Investing Activities - (B)	(99 20 97)	(100 30 00)
Cash Flow from Financing Activities		
Interim / Final Dividend	(158 35 15)	(79 17 57)
Borrowings	(801 15 11)	776 15 11
Issue of Shares incl.premium		-
Net Cash Flow from / (Used in) Financing Activities - (C)	(959 50 26)	696 97 54
Net Increase / (Decrease) in Cash and Cash Equivalents - (A + B + C) - (D)	840 12 49	(13 86 35)
Cash & Cash equivalents at the beginning of the year - (E)	3568 12 19	3581 98 54
Cash & Cash equivalents at the end of the year - (D + E) - (F)	4408 24 68	3568 12 19

The Schedules referred to above form an integral part of the Cash flow

Sd/-
M.D.Vincent
Executive Director
DIN: 09850306

Sd/-
K.V.Rama Moorthy
Director
DIN: 07034994

Sd/-
R.Deepak Shankar
Director
DIN: 05223027

Sd/-
Thomas Mathew
Director
DIN: 10642487

Sd/-
J.Sundaresh Kumar
Chief Compliance Officer

Sd/-
K.Arvind
Head of Integrated Treasury

Sd/-
A.Niranjan Sankar
Director
DIN: 00084014

Sd/-
B.Prabakaran
Director
DIN: 00209875

Sd/-
R.Kanagavalli
Director
DIN: 00883998

Sd/-
D.Ramesh
Executive Vice President

Sd/-
K.Vijayan
Chief Quality Control Officer

Sd/-
Laxman Karkala Kudva
Chief Risk Officer

Sd/-
S.R.Ashok
Director
DIN: 07933713

Sd/-
C.Chiranjeeviraj
Director
DIN: 08730382

Sd/-
A.Shidambaranathan
Director
DIN: 02904738

Sd/-
V.Jayaraman
Executive Vice President

Sd/-
P.R.Ashok Kumar
Country Head Branch Banking

Sd/-
Sanjoy Kumar Goel
Chief Financial Officer

Sd/-
Salee S Nair
Managing Director & CEO
DIN: 09231101

Sd/-
D.N.Nirranjan Kani
Director
DIN: 00455352

Sd/-
S.Sridharan
Director
DIN: 07205781

Sd/-
C.S.Ram Kumar
Director
DIN: 09777115

Sd/-
R.Ananda Ganesan
Executive Vice President

Sd/-
S. Ilangoan
Head of Internal Audit

Sd/-
Swapnil Velgaonkar
Company Secretary

Vide our report of even date attached
For Sundaram & Srinivasan
Chartered Accountants
FRN No. 004207S

Thoothukudi
23.04.2025

Sd/-
S Ramkumar
Partner (M.No.238820)

vide our report of even date attached
For Chandran & Raman
Chartered Accountants
FRN No. 000571S

Sd/-
S G Kalyanaraman
Partner (M.No.010652)

Basel III – Pillar 3 Disclosures

as on March 31st, 2025

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 your 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 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 Basel III Capital Regulation 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 Capital to Risk weighted Assets Ratio (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.

Basel III – Pillar 3 Disclosures

as on March 31st, 2025

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) Amount
Common Equity Tier 1 (CET1) Capital	86421.57*
Tier 1 Capital	86421.57
Tier 2 Capital	4050.71
Total Capital	90472.28

*The effect of proposed dividend payment of ₹1741.87 million has been considered in determination of CRAR.

Quantitative Disclosure

	(₹ in millions) Amount
a) Capital requirement for Credit Risk: (@9% on risk Weighted Assets)	
• Portfolios subject to Standardised Approach	20510.74
• Securitisation exposures	Nil
b) Capital requirements for Market Risk @ 9 % :	
• Standardised Duration Approach	77.63
• Interest Rate Risk	0.00
• Equity Risk	10.80
• Foreign Exchange Risk	66.83
c) Capital requirements for Operational Risk @ 9% :	
• Basic Indicator Approach	4305.36
d) Capital required under CCB (2.50%)	6914.93
e) Total Capital required	31808.66
f) Total Capital funds available	90472.28
g) Total Risk Weighted Assets	276597.00

Basel III – Pillar 3 Disclosures

as on March 31st, 2025

Particulars	(₹ in millions) Amount
Common Equity Tier I CRAR	31.24%
Tier I CRAR	31.24%
Tier II CRAR	1.46%
h) Total CRAR	32.71%

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), Operational Risk Management Committee of Executives (ORMCE) 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, Integrated Risk 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 Monitoring 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.

Basel III – Pillar 3 Disclosures

as on March 31st, 2025

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,

- i) interest and/or installment of principal remain overdue for a period of more than 90 days in respect of a term loan.
- ii) 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).
- iii) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted.
- iv) the installment of principal or interest thereon remains overdue for two crop seasons for short duration crop.
- v) the installment of principal or interest thereon remains overdue for one crop season for long duration crops.
- vi) 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.
- vii) 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.

Basel III – Pillar 3 Disclosures

as on March 31st, 2025

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 31.03.2025

(₹ in millions)

Category	Gross Credit Exposure
Fund Based ¹	527110.32
Non Fund Based ²	15059.71
Total	542170.03

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 31.03.2025

(₹ in millions)

Exposure Distribution	Treasury	Corporate / Wholesale banking		Retail Banking		Total credit Exposure	
		FB	NFB	FB	NFB	FB	NFB
Domestic	151511.67	118930.56	10130.12	408179.76	4929.59	527110.32	15059.71
Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	151511.67	118930.56	10130.12	408179.76	4929.59	527110.32	15059.71

d. Industry type distribution of credit exposures as on 31.03.2025

(₹ in millions)

Industry Name	Exposures			
	FB	NFB	Investment	Total
A. Mining and Quarrying	1848.65	12.74	0.00	1861.39
B. Food Processing	17492.90	897.97	6.81	18397.68
C. Beverages (excluding Tea & Coffee) and Tobacco	679.66	7.50	0.00	687.16
D. Textiles	35886.83	704.85	0.00	36591.68
E. Leather and Leather products	220.95	0.00	0.00	220.95
F. Wood and Wood Products	2744.90	216.44	0.00	2961.34
G. Paper and Paper Products	4845.46	65.03	0.00	4910.49
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	360.21	3.50	42.32	406.03
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	5951.44	88.59	0.00	6040.03
J. Rubber, Plastic and their Products	3563.66	182.22	0.00	3745.88
K. Glass & Glassware	1403.09	0.84	0.00	1403.93
L. Cement and Cement Products	1221.78	35.00	0.00	1256.78
M. Basic Metal and Metal Products	4215.31	52.60	0.00	4267.91
N. All Engineering	3779.04	364.83	0.00	4143.87
O. Vehicles, Vehicle Parts and Transport Equipments	443.08	1250.82	6.94	1700.84
P. Gems and Jewellery	905.67	0.00	0.00	905.67
Q. Construction	868.29	0.00	0.00	868.29
R. Infrastructure	4394.30	141.17	1624.52	6159.99
S. Other Industries, pl. specify	2425.25	3836.82	0.00	6262.07
All Industries (A to S) *	93250.47	7860.92	1680.59	102791.98

*Exclude 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 31.03.2025 is furnished below:

(₹ in millions)

Industry	Fund Based	Non Fund Based	% to Gross Credit Exposures
Textile	35886.83	704.85	6.75%

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e. Residual Contractual Maturity Breakdown of assets as on 31.03.2025

(₹ 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	14654.68	100.60	42117.61	5987.13	0.00	1075.33	63935.35
2-7 days	451.84	7158.13	1825.98	8439.52	0.00	606.02	18481.49
8-14 days	310.93	0.00	1638.32	6231.36	0.00	426.56	8607.17
15-30 days	1039.98	0.00	8164.54	16505.03	0.00	1357.10	27066.65
31 days & Upto 2 months	278.62	1290.17	6353.29	16967.00	0.00	685.90	25574.98
2 months & Upto 3 months	1111.92	0.94	5116.49	18505.59	0.00	1099.97	25834.91
3 to 6 months	1402.06	15.17	7832.72	49828.40	0.00	937.10	60015.45
6 months to 1 year	2277.44	39.72	12449.83	111666.11	0.00	560.72	126993.82
1 year to 3 years	13028.64	108.41	58427.03	137345.08	0.00	10724.81	219633.97
3 to 5 years	341.26	187.65	1970.59	21177.99	0.00	7410.02	31087.51
Above 5 years	636.37	18.14	5111.58	47183.48	2844.84	1472.99	57267.40
Total	35533.74	8918.93	151007.98	439836.69	2844.84	26356.52	664498.70

f. Amount of Gross Non-Performing Advances (NPAs) as on 31.03.2025 :

(₹ in millions)

Amount of Gross NPAs	
Amount of NPAs (Gross)	5561.31
• Substandard	1323.64
• Doubtful	4074.16
Of which DF1	2742.97
DF2	888.93
DF3	442.26
• Loss	163.51
Net NPAs	1604.48
NPA Ratios	
• Gross NPAs to gross advances	1.25
• Net NPAs to net advances	0.36

g. Movement of NPAs (Gross):

(₹ in millions)

Movement of NPAs	
• Opening Balance as on 01.04.2024	5750.57
• Additions	1777.59
• Reductions	1966.85
• Closing Balance as on 31.03.2025	5561.31

h. Movement of provisions

a. Movement of provisions for NPAs:-

(₹ in millions)

Movement of specific provisions for NPAs	
• Opening Balance as on 01.04.2024	2197.18
• Provisions made during the period	3101.75
• Write off	270.90
• Reductions	0.00
• Write back of excess provisions	1392.99
• Any other adjustments, including transfers between provisions	0.00
• Closing Balance as on 31.03.2025	3635.04

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b. Movement of Provisions of Standard Assets:-

Particulars	Amount
• Opening Balance as on 01.04.2024	1689.77
• Provisions made during the period	113.34
• Write back of excess provisions	182.73
• Any other adjustments, including transfer between provisions	--
• Closing Balance as on 31.03.2025	1620.38

c. Stock of Technical / Prudential Write-offs and recoveries made thereon:-

Particulars	Amount
Opening balance for recoveries of Technical / Prudential written- off accounts as on 01.04.2024	21273.42
Add: Technical / Prudential write-offs accounts during the period	289.22
Less: Recoveries from previously technical / prudential written- off accounts taken to income account during the period.	884.44
Closing balance as on 31.03.2025	20678.20

i. Non-Performing Investments (NPIs) as on 31.03.2025:

	Amount
a. Non-Performing Investments	563.18
b. Provisions held for non-performing investments	563.18

k. Movement of provisions for depreciation on investments:

	Amount
• Opening Balance as on 01.04.2024	869.87
• Provisions made during the period (01.04.2024-31.03.2025)	-144.27
• Write-off	0.00
• Amount adjusted for shifting of securities	0.00
• Excess provision reversed	+84.78
• Provision transferred to General Reserve at the time transition to new RBI guidelines on 01.04.2024	-306.70
• Closing Balance as on 31.03.2025	503.68

l. Industry wise distribution of NPAs:

Industry Name	As on March 31, 2025			For the quarter ended March 31, 2025		
	Gross NPA	Provision for NPA	Standard Asset Provision	Write – Off	Provision for NPA	Standard Asset Provision
A. Mining and Quarrying	46.71	39.96	6.00	2.93	-3.27	-0.54
B. Food Processing	53.50	36.45	47.15	0.21	3.80	2.36
C. Beverages (excluding Tea & Coffee) and Tobacco	6.21	1.93	2.45	0.00	-0.47	-0.10
D. Textiles	2225.99	1763.78	82.00	3.72	136.24	-7.77
E. Leather and Leather products	10.65	2.62	3.96	0.00	1.36	0.10
F. Wood and Wood Products	21.01	12.97	7.24	5.88	-7.03	-0.45
G. Paper and Paper Products	7.58	1.97	16.35	0.34	0.90	-0.36
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	0.00	0.00	15.89	0.00	0.00	-0.17
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	0.62	0.27	12.84	0.00	0.20	-0.44
J. Rubber, Plastic and their Products	88.61	26.78	12.47	4.96	-4.88	-0.73

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(₹ in millions)

Industry Name	As on March 31, 2025			For the quarter ended March 31, 2025		
	Gross NPA	Provision for NPA	Standard Asset Provision	Write – Off	Provision for NPA	Standard Asset Provision
K. Glass & Glassware	0.00	0.00	3.68	0.00	0.00	-0.14
L. Cement and Cement Products	16.07	3.69	3.47	0.00	0.25	0.43
M. Basic Metal and Metal Products	39.21	12.36	20.74	0.00	2.26	3.14
N. All Engineering	15.00	3.75	22.66	5.60	-3.37	0.87
O. Vehicles, Vehicle Parts and Transport Equipments	4.37	1.28	1.09	0.62	-0.14	0.27
P. Gems and Jewellery	0.00	0.00	2.24	0.00	0.00	-0.05
Q. Construction	2.50	0.63	2.01	0.00	0.00	-0.24
R. Infrastructure	176.53	112.17	10.21	0.00	19.27	-5.99
S. Other Industries, pl. specify	45.32	11.56	10.38	49.69	-5.17	-1.93
All Industries (A to S)	2759.88	2032.17	282.83	73.95	139.95	-11.74
All others	2801.43	1602.87	1337.55	196.95	-214.29	0.69
Total	5561.31	3635.04	1620.38	270.90	-74.34	-11.05

m. Geographic distribution of NPAs as on 31.03.2025:

(₹ in millions)

Particulars	Domestic	Overseas	Total
Gross NPA	5561.31	0.00	5561.31
Provisions for NPA	3635.04	0.00	3635.04
Provision for Standard assets	1620.38	0.00	1620.38

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 ECRA's 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) ACUTE Ratings and Research Limited (Formerly SMERA Ratings Ltd) and (f) INFOMERICS Valuation, Rating Pvt Ltd., (INFOMERICS) and Brickwork Ratings India Private Limited (BRICKWORK). 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 ECRA's.

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.

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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	Unrated	Total *
Below 100%	9109.28	393413.78	402523.06
100%	16293.05	52976.59	69269.64
More than 100%	24809.97	42960.84	67770.81
Total Exposure before mitigation	50212.30	489351.21	539563.51
Deducted (as per Risk Mitigation)	1816.52	197127.45	198943.97
Total outstanding after mitigation	48395.78	292223.76	340619.54

*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) Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) (0%) (c) CGTMS (0%) (d) State Government (20%) (e) ECGC (20%) and (f) Bank Guarantee in the form of bills purchased / discounted under Letter of credit (20%). 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.

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Quantitative Disclosures:

- 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:

(₹ in millions)

Portfolio category	Financial collateral	Quantum of exposure covered
1. Funded – Credit	Bank's own deposits	13513.04
2. Funded – Credit	Gold jewels	178299.74
3. Funded – Credit	Life Insurance policies	225.24
4. Funded – Credit	NSC/KVP	17.07
5. Non Funded	Bank's own deposits	3217.50
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	1124.85

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 (HFT category), 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.

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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 31.03.2025 is as below,

	(₹ in millions)
• Interest Rate Risk	0.00
• Equity Position Risk	10.80
• Foreign Exchange Risk	66.83
Total	77.63

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 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 (2021-22, 2022-23 & 2023-24) average positive annual Gross income as defined by RBI. As per such estimate, the capital requirement for operational risk as on 31.03.2025 is ₹ **4305.36 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

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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-II 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 31.03.2025 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 ₹ 853.90 mn (3.97 % of previous year Net Interest Income).
2. Change in Market Value of Equity for 200 basis points interest rate shock is ₹ 5360.17 mn (5.95% 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.

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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 exposure method.

Counterparty Credit exposure as on March 31, 2025

(₹ in millions)

Nature	Notional Amount	Current Credit Exposure (positive mark to market value)	Potential Future Credit Exposure	Total Credit Exposure under Current Exposure Method (CEM)
Forward contracts	46890.67	177.19	951.17	1128.36

Composition of Capital Disclosure Templates

TABLE DF – 11: Composition of Capital

Part I

(₹ in millions)

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)	77867.27*
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	87143.06
Common Equity Tier 1 capital: Regulatory adjustments		Ref No.
7	Prudential valuation adjustments	
8	Goodwill (net of related tax liability)	
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	541.00
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	
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)	
*The effect of proposed dividend payment of ₹ 1741.87 million has been considered in determination of CRAR.		
20	Mortgage servicing rights (amount above 10% threshold)	

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Common Equity Tier 1 capital : Regulatory adjustments		Ref No.
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)	
26a	of which : Investments in the equity capital of unconsolidated insurance subsidiaries	
26b	of which : Investments in the equity capital of unconsolidated non- financial subsidiaries	
26c	of which : Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	
26d	of which: Unrealised profits arising because of transfer of loans	
26e	of which: deductions applicable on account of SRs guaranteed by the Government of India	
26f	of which: Intra-group exposures beyond permissible limits	
26g	of which: Net unrealised gains arising on fair valuation of Level 3 financial instruments recognised in the Profit and Loss Account or in the AFS-Reserve	180.49
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	721.49
29	Common Equity Tier 1 capital (CET1)	86421.57
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	
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	

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Additional Tier 1 capital: regulatory adjustments				Ref No.
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)			86421.57
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			
50	Provisions include the following			
	a) Investment Fluctuation Reserve	₹ 1202.00 mn		
	b) Provision for Standard Asset* including restructured Standard Assets	₹ 1620.38 mn		
	c) Provision for Unhedged Foreign Currency Exposure	₹ 20.64 mn		
	d) Contingency Prov. For Covid & Other Uncertainties*	₹ 2500.00 mn	4050.71	Subject to maximum of 1.25% total credit risk weighted assets*
	e) Provision for stressed Sector*	₹ 0.00 mn		
51	Tier 2 capital before regulatory adjustments (46+ 47 + 48 + 50)			4050.71
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)			
56a	of which : Investments in the Tier 2 capital of unconsolidated insurance subsidiaries			
56b	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)			4050.71
59	Total capital (TC = T1 + T2) (45 + 58)			90472.28
60	Total risk weighted assets (60a + 60b + 60c)			276597.00
60a	of which : total credit risk weighted assets			227897.14
60b	of which : total market risk weighted assets			862.52
60c	of which : total operational risk weighted assets			47837.34
Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of risk weighted assets)			31.24%
62	Tier 1 (as a percentage of risk weighted assets)			31.24%
63	Total capital (as a percentage of risk weighted assets)			32.71%
Capital ratios and buffers				Ref No.

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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 : G-SIB buffer requirement	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	31.24%
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 March 31, 2017 and March 31, 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	
82	Current cap on AT1 instruments subject to phase out arrangements	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	
84	Current cap on T2 instruments subject to phase out arrangements	
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 tax assets associated with accumulated losses Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability 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, the resultant 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 : Increase in Tier 2 capital	

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Row No. of the template	Particulars	(₹ in millions)
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then :	
	(i) Increase in Common Equity Tier 1 capital	
	(ii) Increase in risk weighted assets	
50	Eligible Provisions included in Tier 2 capital	4050.71
	Eligible Revaluation Reserves included in Tier 2 capital	
	Total of row 50	4050.71

Table DF-12:

Composition of Capital – Reconciliation Requirements

Step 1:

	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	88503.41	N.A
Minority Interest	0.00	
Total Capital	90086.92	N.A
ii. Deposits	536889.59	
of which : Deposits from banks	0.12	
of which : Customer deposits	536889.47	
of which : Other deposits (pl. specify)		
Borrowings	5000.00	
of which : From RBI	0.00	
of which : From banks	0.00	
of which : From other institutions & agencies	5000.00	
of which : Others (pl. specify) Outside India	0.00	
of which : Capital instruments	0.00	
iv. Other liabilities & provisions	32522.19	
Total	664498.70	
B Assets		
i. Cash and balances with Reserve Bank of India	26503.74	
Balance with banks and money at call and short notice	17578.73	
ii. Investments :	151007.98	
of which : Government securities	118219.21	
of which : Other approved securities	0.00	
of which : Shares	253.44	
of which : Debentures & Bonds	15801.85	
of which : Subsidiaries / Joint Ventures / Associates	0.00	
of which : Others (Certificate of Deposits, Commercial Papers, Mutual Funds etc.)	16733.48	
iii. Loans and advances	439836.69	
of which : Loans and advances to banks	0.00	
of which : Loans and advances to customers	439836.69	
iv. Fixed assets	2844.83	
v. Other assets	26726.73	

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	(₹ in millions)	
	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
	As on reporting date	As on reporting date
of which : Goodwill and intangible assets	0	
of which : Deferred tax assets	402.47	
vi. Goodwill on consolidation		
vii. Debit balance in Profit & Loss account	0	
Total Assets	664498.70	N.A

Step 2:

- 1) As the Bank is not having any subsidiary, no disclosure 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 CET I. (refer Item-1 of DF-11)
- 3) The break up for Reserves & Surplus ₹ 88503.41 mn as shown in the Bank's financial statements is given hereunder for the purpose of reconciliation for calculation of Regulatory Capital in DF-11.

(₹ in millions)		
As per Balance Sheet	Amount	As shown in DF-11 Capital
a) Statutory Reserves	43495.16	Included in Regulatory CET I capital DF-11 (item-3)
b) Capital Reserves	1020.34	Included in Regulatory CET I capital DF-11 (item-3)
c) Revenue and Other Reserves	27767.79	Included in Regulatory CET I capital DF-11 (item-3)
d) AFS reserve	363.95	Included in Regulatory CET I capital DF-11 (item-3)
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	4359.00	Included in Regulatory CET I capital DF11 (item-3)
g) Share Premium	7692.27	Included in Regulatory CET I capital DF11 (item-1)
h) Balance in P&L	2602.90*	Included in CET I capital DF-11 (item-3)
	88503.41	

*Including the proposed dividend payment of ₹1741.87 million.

4) Other Liabilities:-

- i) Provision for Standard assets including restructured standard assets ₹1620.38 millions (Item-50 - DF-11)
- ii) Provision for unhedged Foreign Currency Exposure ₹ 20.64 millions (Item-50-DF-11)
- iii) Contingency Prov. For Covid & Other Uncertainties ₹ 2500.00 millions (Item - 50 - DF - 11)

However they are shown under Tier II capital for computation of Regulatory Capital (DF-11) as noted in brackets as per extant RBI guidelines.

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Step 3

Extract of Basel III common disclosure template (with added column) – Table DF-11

(Part I / Part II whichever, applicable)

Common Equity Tier 1 capital: instruments and 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	1583.51	
2 Retained earnings		
3 Accumulated other comprehensive income (and other reserves)	84838.06*	
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	86421.57	
7 Prudential valuation adjustments	0.00	
8 Goodwill (net of related tax liability)		

*The effect of proposed dividend payment of ₹ 1741.87 million has been considered in determination of CRAR.

Table DF-13

Main Features of Regulatory Capital

S. No	Description	Equity Shares
1	Issuer	Tamilnad Mercantile Bank Ltd
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ISIN: INE668A01016
3	Governing law(s) of the instrument	Indian Laws
4	Regulatory treatment 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 (₹ in million, as of most recent reporting date)	₹ 1583.51 million
9	Par value of instrument	₹ 10 per share
10	Accounting classification	Shareholder's Equity
11	Original date of issuance	Various
12	Perpetual or 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
17	Coupons / dividends Fixed or floating dividend / coupon	NA
18	Coupon rate and any related index	NA

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S. No	Description	Equity Shares
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	Noncumulative or cumulative	Non-Cumulative
23	Convertible or non-convertible	NA
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-down trigger(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 instrument type immediately 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 Regulatory 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 and Remuneration Committee of the Board, comprising six members, is constituted to oversee the framing, review, and implementation of the Bank's Compensation Policy on behalf of the Board. As on March 31, 2025, the Nomination & Remuneration Committee of the Board comprises the following Directors, 1. Smt. R. Kanagavalli, Non-Executive Independent Director (Chairperson) 2. Shri. A. Niranjana Sankar, Non-Executive Director 3. Shri. D.N. Nirranjan Kani, Non-Executive Director 4. Shri. C. Chiranjeeviraj, Non-Executive Independent Director 5. Shri. S. Sridharan, Non-Executive Independent Director 6. Shri. R. Deepak Shankar, Non-Executive Independent Director

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Note:

During the period from 01.04.2024 to 08.07.2024, the Nomination & Remuneration Committee of the Board comprises the following Directors,

1. Smt. S. Ezhil Jothi, Non-Executive Independent Director (Chairman)
2. Shri. A. Niranjana Sankar, Director
3. Shri. C. Chiranjeeviraj, Non-Executive Independent Director

During the period from 09.07.2024 to 27.10.2024, the Nomination & Remuneration Committee of the Board comprises the following Directors,

1. Smt. S. Ezhil Jothi, Non-Executive Independent Director (Chairperson)
2. Shri. A. Niranjana Sankar, Non-Executive Director
3. Shri. D.N. Nirranjan Kani, Non-Executive Director
4. Shri. C. Chiranjeeviraj, Non-Executive Independent Director
5. Shri. R. Deepak Shankar, Non-Executive Independent Director

During the period from 28.10.2024 to 26.03.2025, the Nomination & Remuneration Committee of the Board comprises the following Directors,

1. Smt. S. Ezhil Jothi, Non-Executive Independent Director (Chairperson)
2. Shri. A. Niranjana Sankar, Non-Executive Director
3. Shri. D.N. Nirranjan Kani, Non-Executive Director
4. Shri. C. Chiranjeeviraj, Non-Executive Independent Director
5. Shri. S. Sridharan, Non-Executive Independent Director
6. Shri. R. Deepak Shankar, Non-Executive 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 the 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 the '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

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		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, and structure of the Board, and also evaluation criteria of the directors, conduct annual review of the performance of the Chief Executive Officer, and oversee the Bank's Chief Executive Officer's succession planning process 7. Retain, motivate, and promote talent 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 are 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 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 deferred remuneration payment to Shri S.Krishnan, former 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, 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.

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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) were held during the financial Year, and the sitting fees paid to the members during the year 2024-25 is ₹ 18,25,000/-
	(h) * Number of employees having received a variable remuneration award during the financial year.	Two (Shri. K.V.Ramamoorthy, Former MD & CEO & Shri.S.Krishnan, former MD & CEO) + 528 (Other employees who are given variable Pay) Total – 530
	*Number and total amount 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 into cash, shares and share-linked instruments and other forms.	Shri.K.V.Ramamoorthy , Former MD & CEO – ₹ 8,22,500/- (cash) Shri.S.Krishnan, former MD & CEO – ₹ 10,65,356/- (cash)
	*Total amount of deferred remuneration paid out in the financial year.	Shri.K.V.Ramamoorthy , Former MD & CEO – ₹ 8,22,500/- (cash) Shri.S.Krishnan, former MD & CEO – ₹ 4,56,581/- (cash)
	(j) *Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Shri. Salee Sukumaran Nair, MD & CEO Fixed Pay – ₹ 97,39,811/- Variable Pay – ₹ 97,39,811/- Shri. Vincent Menachery Devassy Fixed Pay – ₹ 74,30,100/- Variable Pay- ₹ 74,30,100/-
	(k) *Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	Nil
	*Total amount of reductions during the financial year due to ex-post explicit adjustments.	Nil

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*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 3.50%. 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'24	Amount as of Sep'24	Amount as of Dec'24	Amount as of Mar'25
1	Total consolidated assets as per published financial statements include SFTs	626707.89	633429.99	647167.88	664498.70
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	1281.32	913.00	1020.01	951.17
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)	21968.39	20386.11	21075.17	21968.35
7	Other adjustments	0.00	0.00	0.00	0.00
8	Leverage ratio exposure	649957.60	654729.10	669263.06	687418.22

Table DF – 18

Leverage ratio common disclosure

(₹ in millions)					
S. No.	Leverage Ratio Framework	Amount as of Jun'24	Amount as of Sep'24	Amount as of Dec'24	Amount as of Mar'25
On-balance sheet exposures					
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	626707.89	633429.99	647167.88	664498.70
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)	626707.89	633429.99	647167.88	664498.70

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		(₹ in millions)			
S. No.	Leverage Ratio Framework	Amount as of Jun'24	Amount as of Sep'24	Amount as of Dec'24	Amount as of Mar'25
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	1281.32	913.00	1020.01	951.17
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
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)	1281.32	913.00	1020.01	951.17
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	90788.27	83972.66	84481.50	91635.73
18	(Adjustments for conversion to credit equivalent amounts)	(68819.88)	(63586.55)	(63406.33)	(69667.38)
19	Off-balance sheet items (sum of lines 17 and 18)	21968.39	20386.11	21075.17	21968.35
Capital and total exposures					
20	Tier 1 capital	77703.98	76462.79	76222.22	86421.57
21	Total exposures (sum of lines 3, 11, 16 and 19)	649957.60	654729.10	669263.06	687418.22
Leverage ratio					
22	Basel III leverage ratio	11.96%	11.68%	11.39%	12.57%

Notes



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