



97<sup>th</sup>  
**ANNUAL  
REPORT** 2018-2019

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# BOARD OF DIRECTORS



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**K.V. Rama Moorthy**



**P.C.G. Asok Kumar**



**S.R. Ashok**



**S. Ezhil Jothi**



**N. Gopal**



**B.S. Keshava Murthy**



**K. Nagarajan**



**D.N. Nirranjan Kani**



**A. Sivagami**



**B. Vijayadurai**



**A. Shidambaranathan**  
Vice President

## **GENERAL MANAGERS**



**S. Senthil Anandan**



**P. Suriaraj**



**D. Inbamani**



**R. Arumugapandi**



**Board of Directors (As on 30.05.2019)**

இயக்குநர்கள் குழு

Thiru K.V Rama Moorthy

திரு. K.V ராமமூர்த்தி

Thiru S.Annamalai

திரு. S. அண்ணாமலை

Thiru P.C.G. Asok Kumar

திரு. P.C.G. அசோக் குமார்

Thiru S.R Ashok

திரு. S.R. அசோக்

Tmt S.Ezhil Jothi

திருமதி. S. எழில் ஜோதி

Thiru N.Gopal

திரு. N. கோபால்

Thiru B.S. Keshava Murthy

திரு. B.S. கேசவமூர்த்தி

Thiru K. Nagarajan

திரு. K. நாகராஜன்

Thiru D.N.Nirranjan Kani

திரு. D.N. நிரஞ்சன் கனி

Tmt A.Sivagami

திருமதி. A. சிவகாமி

Thiru B.Vijayadurai

திரு. B. விஜயதுரை

Managing Director & CEO

நிர்வாக இயக்குநர் மற்றும் தலைமை நிர்வாக அதிகாரி

Chairman

தலைவர்

RBI Nominee

ரிசர்வ் வங்கி நியமனதாரர்

RBI Nominee

ரிசர்வ் வங்கி நியமனதாரர்

**Auditors**

M/s.G Balu Associates LLP, Chennai

திருவாளர்கள். G பாலு அசோஸியேட்ஸ் எல்எல்பி, சென்னை.

Registered Office : 57, V.E. ROAD, THOOTHUKUDI - 628 002

பதிவு அலுவலகம் : 57 வி.இ. ரோடு, தூத்துக்குடி - 628 002.

## Board's Report for the year 2018-19

Your Board of Directors has great pleasure in presenting the Ninety Seventh Annual Report with the Audited Balance Sheet as on March 31, 2019, the Profit and Loss Account and the Cash Flow Statement for the year ended March 31, 2019.

### 1. Business Performance

The Bank has had a successful year in its 97<sup>th</sup> year of operations and recorded satisfactory performance. During the year under review, the total business increased from ₹56,197.05 crore to ₹61,624.19 crore registering a growth of 9.66%. The gross NPAs and net NPAs both in absolute terms and as a percentage of total advances marginally increased over the previous year.

#### Performance Highlights:

- ⇒ Operating profit decreased from ₹1,005.99 crore to ₹884.24 crore.
- ⇒ Net profit Increased from ₹221.92 crore to ₹258.58 crore (+16.52%).
- ⇒ Deposits of the Bank increased from ₹32,428.33 crore to ₹35,136.25 crore (+8.35%) during the year.
- ⇒ Gross Advances increased from ₹24,133.29 crore to ₹27,018.66 crore (+11.96%) during the year.
- ⇒ Net Advances increased from ₹23,768.72 crore to ₹26,487.94 crore (+11.44%) during the year.
- ⇒ Gross NPAs increased from 3.60% to 4.32%.
- ⇒ Net NPAs increased from 2.16% to 2.40%.
- ⇒ Provision Coverage Ratio (PCR) improved from 72.71% to 73.61%

The total income decreased by ₹ 117.84 crore during the year from ₹3,756.61 crore in the previous year to ₹ 3,638.77 crore during the year under review (-3.14%).

#### இயக்குநர்கள் குழுவின் அறிக்கை 2018-19 :

உங்கள் வங்கியின் இயக்குநர் குழு, தொண்ணூற்றி ஏழாவது வருடாந்திர அறிக்கையுடன், தணிக்கை செய்யப்பட்ட 31.03.2019 அன்று முடிவடைந்த வருடத்திற்கான இருப்பு நிலை கணக்கு இலாப நஷ்ட கணக்கு மற்றும் பணப்புழக்க அறிக்கை ஆகியவற்றை உங்கள் முன் சமர்ப்பிப்பதில் பெருமகிழ்ச்சி அடைகிறது.

#### 1. வங்கியின் வணிக செயல்திறன் :

நமது வங்கியின் 97வது வருடமான இவ்வாண்டு அனைத்து துறைகளிலும் சீரிய செயல் திறனுடன் செயல்பட்டதால் நமது வங்கிக்கு ஒரு வெற்றிகரமான ஆண்டாக அமைந்துள்ளது இவ்வாண்டு வங்கியின் மொத்த வணிகம் 56,197.05 கோடியிருந்து 61,624.19 கோடியாக உயர்ந்து 9.66% சதவிகிதம் வளர்ச்சி கண்டுள்ளது. வங்கியின் மொத்த கடனில் மொத்த மற்றும் நிகர வராக்கடன்கள் மற்றும் அதன் சதவிகிதம் கடந்த வருடத்தை விட சற்றே உயர்ந்துள்ளது.

#### செயல்பாட்டின் சிறப்பு அம்சங்கள் :

- செயல்பாட்டு இலாபம் ₹1,005.99 கோடியிலிருந்து ₹884.24 கோடியாக குறைந்துள்ளது
- நிகர இலாபம் ₹221.92 கோடியிலிருந்து ₹258.58 கோடியாக உயர்ந்துள்ளது (+16.52%)
- வங்கியின் வைப்பு நிதி ₹32,428.33 கோடியிலிருந்து ₹35,136.25 கோடியாக உயர்ந்துள்ளது (+8.35%)
- வங்கி வழங்கிய மொத்த கடன்கள் ₹24,133.29 கோடியிலிருந்து ₹27,018.66 கோடியாக உயர்ந்துள்ளது (+11.96%)
- வங்கி வழங்கிய நிகர கடன்கள் ₹23,768.72 கோடியிலிருந்து ₹26,487.94 கோடியாக உயர்ந்துள்ளது (+11.44%)
- மொத்த வராக்கடன் 3.60% சதவீதத்திலிருந்து 4.32% சதவீதமாக உயர்ந்துள்ளது
- நிகர வராக்கடன் 2.16% சதவீதத்திலிருந்து 2.40% சதவீதமாக உயர்ந்துள்ளது
- பாதுகாப்பு ஒதுக்கீடு விகிதம் 72.71% சதவீதத்திலிருந்து 73.61% சதவீதமாக உயர்ந்துள்ளது.

வங்கியின் மொத்த வருமானம் 117.84 கோடி குறைந்து கடந்த வருட வருமானமான ₹ 3,756.61 கோடியிலிருந்து ₹ 3,638.77 கோடியாக குறைந்துள்ளது. (-3.14%)



Interest income decreased from ₹3,250.49 crore to ₹3,224.46 crore. Other income decreased from ₹506.12 crore to ₹414.31 crore during the current year. Increase in total expenditure was at ₹3.91 crore. The total expenditure increased from ₹2,750.62 crore during the previous year to ₹2,754.53 crore during the current year. Earnings per share increased from ₹15.57 to ₹18.14, the book value of the share increased from ₹238.91 to ₹253.89.

## 2. Profit and appropriation

The net profit stood at ₹258.58 crore for the financial year ended 31.03.2019 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 2018-19 as under:

Transferred to:	₹ in crore
Profit and Loss account opening balance	36.04
Less: 2 <sup>nd</sup> Interim Dividend for 2017-18 paid (₹2.00 per share)	28.50
Less: Tax on Interim Dividend @ 20.555294%	5.86
Available balance in Profit and Loss account	1.68
Net profit	258.58
Available for appropriation	<b>260.26</b>
Statutory Reserve	78.00
Special Reserve u/s 36(1)(viii) of IT Act, 1961	26.00
Investment Reserve	5.83
Investment Fluctuation Reserve	29.16
Capital Reserve	3.07
Transfer to General Reserve	61.00
Balance carried over to next year	57.20
<b>Total</b>	<b>260.26</b>

## 3. Dividend

Considering the profit earned and overall growth in business of your Bank during the year, your Board of Directors was pleased to declare an interim dividend of 32% (3.20 per equity share of ₹10 each) on May 30, 2019. Subsequently, Bank has received a letter dated 11.06.2019 from the Reserve Bank of India restricting the Bank from declaring or distributing any

வட்டி வருவாய் ₹3,250.49 கோடியிலிருந்து ₹3,224.46 கோடியாக குறைந்துள்ளது. இதர வருமானம் நடப்பு ஆண்டில் 506.12 கோடியிலிருந்து ₹414.31 கோடியாக குறைந்துள்ளது. மொத்த செலவுகள் ₹3.91 கோடி உயர்ந்துள்ளது. வங்கியின் மொத்த செலவுகள் கடந்த வருட செலவான ₹2,750.62 கோடியிலிருந்து ₹2,754.53 கோடியாக உயர்ந்துள்ளது. ஒவ்வொரு பங்கிற்கும் ஈட்டிய இலாபம் ₹15.57 ரூபாய் ₹18.14 ஆக உயர்ந்துள்ளது. பங்குகளின் புத்தக மதிப்பு ₹238.91 இலிருந்து ₹253.89 ஆக உயர்ந்துள்ளது.

### 2. இலாபமும் ஒதுக்கீடுகளும் :

31.03.2019 அன்று முடிவடைந்த நிதியாண்டில் பாரத ரிசர்வ் வங்கியின் வரையறைக்கு இணங்க தேவையான ஒதுக்கீடுகளை பல்வேறு பிரிவுகளின் கீழ் செய்த பின்பு வங்கி ₹258.58 கோடி நிகர லாபம் ஈட்டியுள்ளது. இலாபம் கீழே கொடுக்கப்பட்டுள்ளபடி பகிரப்பட்டுள்ளது

ஒதுக்கீடுகள்	₹ கோடியில்
இலாப மற்றும் நடக்க கணக்கு தொடக்க இருப்பு	36.04
(-) 2வது இடைக்கால ஈவுத்தொகை 2017-18 ஆம் ஆண்டுக்காக செலுத்தப்பட்டது (ஒரு பங்கிற்கு 2.00)	28.50
(-) இடைக்கால ஈவுத்தொகையின் மீதான வரி @20.555294%	5.86
இலாப மற்றும் நடக்க கணக்கில் இருக்கக்கூடிய இருப்பு	1.68
நிகர லாபம்	258.58
ஒதுக்கீடுகளுக்கான இருப்பு	260.26
சட்டப்பூர்வ ஒதுக்கீடு	78.00
சிறப்பு ஒதுக்கீடு வருமான வரிச்சட்டம் 1961 பிரிவு 36 (I) (VIII) ன் கீழ்	26.00
முதலீடு ஒதுக்கீடு	5.83
முதலீடு ஏற்ற இறக்க ஒதுக்கீடு	29.16
மூலதன ஒதுக்கீடு	3.07
பொது ஒதுக்கீடு மாற்றப்பட்டது	61.00
அடுத்த ஆண்டிற்கு கொண்டு செல்லப்படும் மீதிக் தொகை	57.20
மொத்தம்	260.26

### 3. இலாபப் பங்கீடு :

உங்கள் இயக்குநர்கள் உங்கள் வங்கி ஈட்டியுள்ள இலாபம் மற்றும் ஒட்டு மொத்த வளர்ச்சியினைக் கருத்தில் கொண்டு 2019 மே 30 அன்று 32% சதவீதம் இடைக்கால இலாபப் பங்கீடாக அறிவிப்பதில் மகிழ்ச்சியடைகிறார்கள். ₹10 மதிப்புள்ள ஒவ்வொரு சம பங்கிற்கும் ₹3.20 இலாபப் பங்கீடாக வழங்கப்பட்டுள்ளது. வங்கியானது

interim or final dividend till further order. Hence the board decided not to distribute the declared dividend till removal of the restrictions by RBI. However, the Bank is taking all possible efforts to address the RBI's concern so that the dividend can be distributed at the earliest.

#### 4. Capital and reserves

The Bank's issued and paid up capital was ₹142.51 crore as on March 31, 2019.

During the Financial Year 2018-19, there was no change in the capital structure of the bank. The capital plus reserves of the Bank has moved up from ₹3,404.79 crore to ₹3,618.26 crore on account of balance of profit transferred from Profit and Loss Account during the current financial year.

Sec 36(1)(viii) of the Income Tax Act, 1961 provides for deduction in respect of any Special Reserve created and maintained to the extent of 20% of the profit derived from the business of providing long term finance for industrial or agricultural development or development of infrastructure facility or housing in India. Accordingly, the Bank has created a Special Reserve of ₹26.00 crore during the year to avail the tax benefit u/s 36(1)(viii) of the Income Tax Act, 1961.

#### 5. Issue of Equity shares

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

#### 6. Capital adequacy

The accretion to capital funds during the year amounted to ₹213.47 crore which raised the net worth of the Bank to ₹3,618.26 crore. The Capital to Risk Weighted Assets Ratio (CRAR) stood at 16.17% (as per Basel III) as on March 31, 2019, which is more than the minimum required level of 10.875% (including the Capital Conservation Buffer) stipulated by Reserve Bank of India. The CRAR consisted predominantly of Common Equity Tier I (CET 1) which constituted 15.52% of CRAR

#### 7. Deposits

The aggregate Deposits of the Bank as on 31.03.2019 stands at ₹35,136.25 crores, registering a growth of 8.35% over ₹32,428.33 crores as on

மறுஅறிவிப்பு வரும்வரை இலாபப்பங்கீட்டுத்தொகை அறிவிக்கவோ அல்லது வழங்கவோ கூடாது என்று பாரத ரிசர்வ் வங்கியால் அறிவுறுத்தப்பட்ட 11.06.2019 தேதியிட்ட கடிதம் ஒன்று வங்கியால் பெறப்பட்டது. இதனால் இயக்குநர் குழுவானது, ரிசர்வ் வங்கியால் விதிக்கப்பட்ட கட்டுப்பாட்டை தளர்த்தும் வரை அறிவிக்கப்பட்ட இலாபப்பங்கீட்டை வழங்க வேண்டாம் என முடிவு செய்தது. ஆனாலும் வங்கியானது இலாபம் பங்கீட்டுத்தொகையினை விரைந்து வழங்குவதற்கு அனைத்துவிதமான முயற்சிகளையும் எடுத்துவருகிறது.

#### 4. மூலதனம் மற்றும் ஒதுக்கீடுகள் :

2019ம் ஆண்டு மார்ச் 31ம் தேதியன்று வங்கியில் வழங்கப்பட்ட மற்றும் செலுத்தப்பட்ட மூலதனம் ₹142.51 கோடி ரூபாயாக இருந்தது.

2018-19ம் ஆண்டில் வங்கியின் மூலதன அமைப்பில் எந்தவொரு மாற்றமும் இல்லை. நடப்பு நிதியாண்டில் இலாப நடடக் கணக்கில் இருந்து இலாபத்தினை மாற்றம் செய்ததில் வங்கியின் மூலதனம் மற்றும் இருப்புகள் ₹3,404.79 கோடியில் இருந்து ₹3,618.26 கோடியாக உயர்ந்துள்ளது. வருமான வரிச்சட்டம் 1961 பிரிவு 36(1) (Viii) ன் படி தொழில் விவசாய அபிவிருத்தி அடிப்படை கட்டமைப்பு வசதி மற்றும் வீடு கட்டமைப்புகளுக்கு கொடுத்த நீண்ட காலக் கடன் மீதான இலாபத்தில் 20 சதவீதம் சிறப்பு ஒதுக்கீடாக செய்யப்பட்டுள்ளது. அதன்படி வருமான வரிச்சலுகை பெறுவதற்காக ₹26 கோடி வருமான வரிச் சட்டம் 1961 பிரிவு 36(1) (Viii) ன் படி சிறப்பு ஒதுக்கீடு செய்யப்பட்டுள்ளது.

#### 5. சம பங்கு மூலதனம் வழங்குதல் :

இந்த ஆண்டு ஆய்வு முடிவில் எந்தவொரு பங்குகளும் வெளியிடப்படவில்லை

#### 6. மூலதன தன்னிறைவு :

வங்கியின் மூலதன நிதி அளவு ₹ 213.47 கோடி அதிகரித்ததினால் வங்கியின் நிகர மதிப்பு ₹ 3,618.26 கோடியாக உயர்ந்துள்ளது BASEL III-ன் படி மூலதனத்திற்கும் இடர் சார்ந்த சொத்துகளுக்கான விகிதம் 31.03.2019 அன்று 16.17% இது பாரத ரிசர்வ் வங்கியினால் வரையறுக்கப்பட்டுள்ள குறைந்த பட்ச அளவான 10.875% விட அதிகமாகும். (மூலதன பாதுகாப்பு இடையகமும் சேர்த்து) சமபங்கு அடுக்கு 1 (CET1) யின் பிரதானமாக இருந்து இது மூலதனத்திற்கும் இடர் சார்ந்த சொத்துகளுக்கு சதவீதத்தில் 15.52% சதவீதமாக உள்ளது.

#### 7. வைப்பு நிதி வளர்ச்சி :

வங்கியின் வைப்புநிதி கடந்த ஆண்டு 2018 மார்ச் 31ம் தேதி நிலையான 32,428.33 கோடியிருந்து 2019



31.03.2018. The interest rates for deposits were kept aligned with the prevailing trends in the Banking Industry

### 8. Advances portfolio – management of assets and development of business

The Bank continued its lending activities in conformity with the policies and guidelines of Reserve Bank of India. The Gross Advances of the Bank has increased from ₹24,133.29 crore as on 31.03.2018 to ₹27,018.66 crore as on 31.03.2019. The increase in growth was mainly attributable to the growth in retail advances and MSME advances.

The Bank continued its thrust on lending to priority sectors including Agriculture and Micro and Small Enterprises comprising both manufacturing and service enterprises. The level of advances to priority sectors stood at ₹16,923.90 crore as on March 31, 2019, which constituted 69.19% from the level of 65.38% achieved previous year as against the regulatory minimum requirement of 40%.

Agricultural Advances reached ₹6,076.64 crore as on March 31, 2019, which constituted 24.84% of quarterly average ANBC (without including the RIDF advances and other qualifying investments for priority Agri. Advances) as against the regulatory minimum requirement of 18%.

Total advances to the weaker sections stood at ₹4,733.12 crore as on March 31, 2019, which represented 19.35 % of the quarterly average Adjusted Net Bank Credit, as against the regulatory minimum requirement of 10%.

The bank also achieved the mandatory targets for the sub-sectors like Loans to Small and Marginal Farmers and Advances to Micro Enterprises with comfortable margin.

Under export credit the bank achieved a level of ₹672.52 crore as on 31.03.2019 showing a growth of 11.89% over ₹601.04 crore achieved as on March 31, 2018.

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

The bank actively participated in all the

மார்ச் 31ம் தேதி 35,136.25 கோடியாக உயர்ந்து 8.35% வளர்ச்சியடைந்துள்ளது. வைப்பு நிதிக்கு வழங்கப்படும் வட்டி விகிதம் வங்கித்துறையில் நிலவும் வட்டி விகிதத்திற்கு நிகரான அளவிலேயே வைக்கப்பட்டிருந்தது.

### 8. வங்கியின் கடன் வழங்கல் துறை :

பாரத ரிசர்வ் வங்கியின் வரையறைக்கு உட்பட்டு நமது வங்கி கடன் வழங்குவதில் தொடர்ந்து ஈடுபட்டு வருகிறது வங்கியில் அளிக்கப்பட்ட மொத்தக்கடன் தொகையானது 2018 மார்ச் 31 அன்று ₹24,133.29 கோடியிலிருந்து சற்று அதிகரித்து 2019 மார்ச் 31 அன்று ₹27,018.66 கோடியாக இருந்தது. சில்லறை விற்பனை மற்றும் சிறுகுறு, நடுத்தர வணிகங்களின் வளர்ச்சி முக்கியமாக அதிகரித்துள்ளது.

வங்கியானது சிறு, நடுத்தர தொழில் விவசாயம் சம்மபந்தப்பட்ட உற்பத்தி சேவை நிறுவனங்களுக்கும் மற்றும் முன்னுரிமை துறை பிரிவினருக்கும் கடன் வழங்குவதிலும் அதிக முக்கியத்துவம் கொடுத்து வருகின்றது 2019 மார்ச் 31ம் தேதி நிலவரப்படி முன்னுரிமை துறைகளுக்கு வழங்கப்பட்ட மொத்த கடன்கள் ₹16,923.90 கோடி கடந்த ஆண்டில் குறைந்த பட்ச தேவையான 40% விட அதிகமாகவும் கடந்த வருட 65.38% சதவீதத்திலிருந்து 69.19% சதவீதமாகவும் உயர்ந்துள்ளது.

2019 மார்ச் 31ம் தேதி நிலவரப்படி விவசாயக் கடன்கள் ₹6,076.64 கோடியாகும் கடந்த ஆண்டு நிகரக்கடனில் இது 24.84% உள்ளது. இது வரையறுக்கப்பட்ட குறைந்தபட்ச அளவான 18% விட அதிகமானது. (முன்னுரிமை விவசாய கடன்களாக ஆர்.ஐ.டி.எப் கடன்கள் மற்றும் மற்ற தகுதி முதலீடுகள் இல்லாமல்) 2019 வருட மார்ச் 31ம் தேதி நிலவரப்படி நலிந்த பிரிவினருக்கு வழங்கப்பட்ட கடன்கள் ₹4,733.12 கோடியாகும். இது நிகர கடனில் 10% என்ற குறைந்த பட்ச அளவை விட உயர்ந்து 19.35% உள்ளது.

வங்கியானது துணைத் துறைகளில் நிர்ணயிக்கப்பட்ட இலக்குகளை அடைந்திருக்கிறது அதுவும் சிறு மற்றும் குறு விவசாய கடன்கள் நுண் நிறுவனங்களுக்கான கடன்களில் பெரும்பான்மையுடன் இலக்குகளை அடைந்துள்ளது. 2019 மார்ச் 31ம் தேதி நிலவரப்படி ஏற்றுமதி கடன்பிரிவில் வங்கி ₹672.52 கோடி அடைந்துள்ளது இது கடந்த ஆண்டு 2018-ல் ₹601.04 கோடியை விட 11.89% சதவீத வளர்ச்சியினை காட்டுகிறது.

நடப்பு நிதி ஆண்டில் வங்கி விவசாயம், சில்லறை வணிகம், நலிவடைந்த பிரிவினர் மற்றும் சிறு குறுத்தொழில்களுக்கு வழங்கப்படும் கடன்களை அதிகப்படுத்தியுள்ளது.

வங்கி அரசாங்கத்தின் திட்டங்களில் கலந்து

initiatives and schemes of Government of India including Pradhan Mantri Mudra Yojna(PMMY) with a specific loan scheme in the name of TMB Micro Entrepreneurs Scheme. Crop loans / KCC were covered under Pradhan Mandri Fasal Bhima Yojana (PMFBY). Government of India Schemes with NABARD administered subsidy, like Dairy Entrepreneurship Development Scheme (DEDS), PMAY- Pradhan Mantri Awas Yojana, Entrepreneurship Development & Employment Generation Scheme (EDEGS) etc, are implemented by the Bank.

Under the Financial Inclusion (FI) programme the number of villages allotted to the Bank has increased to 128. Under FI, 7,02,794 Basic Savings Bank accounts have been opened by our branches of which 5,92,421 have been opened under SBFIN and 91,311 accounts are opened under SBJDY. As part of its endeavor to improve credit linkage in FI villages, the bank has introduced overdraft facility to SBJDY accounts under Financial Inclusion Programme. AEPS – ON US transactions through Hand Held Machines were made operational.

### 9. Investments and treasury operations

During the year ended March 31, 2019, the Bank achieved a turnover of ₹28167.80 crore in trading operations, resulting in a net profit of ₹29.16 crore, as against ₹52.86 crore in the previous year. Sale of securities from 'Held to Maturity' category was made to the tune of ₹507.65 crore during the year resulting in a profit of ₹6.72 crore (previous year ₹14.21 crore). This was within the permissible limit of 5% as per RBI guidelines.

The net investments of the Bank stood at ₹9,106.59 crore as on March 31, 2019, as against ₹10,363.62 crores as at the end of the previous year. The Investment-to-Deposit Ratio of the Bank was 26.16%, as against 32.24% at the end of the previous year.

The average realized yield on the investment portfolio during the year increased to 7.56%, as against 7.50% in the previous year, due to increased investment in high yielding tax free bonds and reduction in low yielding investment such as Mutual funds and certificate of deposit. The income earned

கொண்டு முனைப்புடன் தனது பங்களிப்பை வழங்குகிறது பிரதான மந்திரி முத்ரயோஜனா திட்டம் வங்கியின் தொழில் முனைவோர் திட்டத்தின் கீழ் தொடங்கப்பட்டது. NABARD நிர்வாக மானியத்துடன் அரசாங்கத் திட்டங்களான பால்பண்ணை, தொழில் மேம்பாட்டு திட்டம், பிரதான மந்திரி ஆவாஸ்யோஜனா, தொழில் முயற்சி அபிவிருத்தி மற்றும் வேலை வாய்ப்புத்திட்டம் போன்றவற்றை வங்கி நடைமுறைப்படுத்தியுள்ளன.

அனைவருக்கும் வங்கி சேவை திட்டத்தின் கீழ் நமது வங்கிக்கு ஒதுக்கப்பட்ட கிராமங்கள் 128 ஆக உயர்ந்துள்ளது அனைவருக்கும் வங்கி சேவை திட்டத்தின் கீழ் 5,92,421 SBFIN கணக்குகளும் மற்றும் 91,311 SBJDY கணக்குகளும் மொத்தம் 7,02,794 அடிப்படை சேமிப்பு கணக்குகளும் எங்கள் வங்கி கிளைகளில் பராமரிக்கப்பட்டு வருகிறது. அனைவருக்கும் வங்கி சேவை திட்டத்தின் கீழ் நமது வங்கியானது கிராமங்களில் சேமிப்பு கணக்கிற்கு கடன் வழங்கும் வசதியை அறிமுகப்படுத்தியுள்ளது. ஆதார் அட்டையுடன் பணம் செலுத்தும் முறை கையடக்க இயந்திரத்தின் மூலம் நடவடிக்கை செயல்படுத்தப்பட்டது

### 9. முதலீடுகள் மற்றும் கருவூல நடவடிக்கைகள் :

31.03.2019 அன்று முடிவடையும் ஆண்டில் வங்கியானது அரசாங்க கடன் பத்திரங்கள் வாங்கி விற்கும் வணிகத்தில் ரூ.28,167.80 கோடி வியாபாரம் செய்துள்ளது. இவ்வணிகத்தின் மூலம் ஈட்டிய வருவாய் ரூ.29.16 கோடியாகும். (முந்தைய வருடம் ரூ.52.86 கோடியாகும்) இவ்வருடம் முதிர்வு காலம் வரை வைத்திருக்கக் கூடிய முதலீடுகளிலிருந்து ரூ.507.65 கோடியை விற்று ரூ.6.72 கோடி இலாபம் ஈட்டியுள்ளது (முந்தைய வருடம் இலாபம் ரூ.14.21 கோடி). வங்கியின் நிகர முதலீடுகள் 31.03.2019 அன்று ரூ.9,106.59 கோடியாக இருந்தது (முந்தைய வருடம் ரூ.10,363.62 கோடியாகும்) வங்கியின் முதலீடுகளுக்கும் வைப்பு நிதிக்கும் உள்ள விகிதம் 26.16 சதவீதமாக உள்ளது. (முந்தைய வருடம் 32.24 சதவீதம்) இவ்வருடம் வருவாய் தரக்கூடிய பத்திரங்கள் மூலம் கிடைத்த சராசரி வருமானம் 7.56 சதவீதமாக உயர்ந்துள்ளது (முந்தைய வருடம் 7.50%) இதற்கு முக்கிய காரணம் அதிக வட்டி தரக்கூடிய வருமான விலக்கு பெற்ற பத்திரங்களில் முதலீடு செய்ததும் குறைந்த வட்டி தரக்கூடிய பரஸ்பர நிதி மற்றும் வைப்பு சான்றிதழ்களின் முதலீடுகளை குறைத்ததும் ஆகும். முதலீடுகளிலிருந்து கிடைத்த வட்டி மற்றும் பங்கீட்டுத் தொகையின் வருமானம் நடப்பு ஆண்டில் ரூ.752.68 கோடியாக உள்ளது. (முந்தைய வருடம் ரூ.887.31 கோடி) (கிராமப்புற உள்கட்டமைப்பு மேம்பாட்டு நிதியில் முதலீடு செய்திருந்து பெறப்பட்ட வருடம் வருமானம் தவிர)



during the year from investments, comprising of interest income and dividend income excluding income from RIDF was ₹752.68 crore as against ₹887.31 crore in the previous year.

### 10. Foreign Exchange Business

The total merchant turnover of our bank for the year 2018-19 was ₹15,726.27 crore against ₹16,545.73 crore (Excluding STTC turnover) during the previous year 2017-18. This is due to the decrease in import turnover by the importers in branches in view of dull market conditions for the commodities viz., Pulses and Edible Oil imported by them. The profit on foreign exchange business for the year 2018-19 was ₹19.42 crores against ₹17.65 crores during the previous year 2017-18.

Our Bank has arrangement with a global network of 595 overseas banks by exchange of bilateral key under SWIFT (Society for Worldwide Interbank Financial Telecommunication). It facilitates smooth and fast flow of communication in the international business. The SWIFT arrangement has enabled the Bank to give timely and efficient service to its NRI customer.

The total number of 'B' category branches that deals in foreign exchange business is 39. Our Bank has the necessary infrastructure to render fast and efficient service relating to inward remittance and for crediting the beneficiary's accounts on receipt of the foreign currency funds in our Nostro accounts abroad.

Our International Banking Division, Chennai, provides information on Foreign Exchange market and market rates on the Bank's website to help the clients in knowing up to date information on forex. Our Bank is committed to increasing the Forex Business activities significantly for adding good revenues to the bank in the coming year. We have provided online Electronic trading platform named as TMBFXBRIDGE for concluding exchange rate to all our 39 authorised branches and direct view access to 41 of our forex customers.

### 11. Branch network

During the year 2018-19, the bank has opened 21 new ATMs, 5 e-lobbies, 1 MSME processing center, 1 specialized NRI desk, 2 link offices and 11 number of

### 10. அந்நியச் செலாவணி வணிகம்:

2018-19 ஆண்டில் வங்கியின் அந்நிய செலாவணி வணிகம் ரூ.15,726.27 கோடியாக உள்ளது (முந்தைய வருடம் ரூ.16,545.73 கோடி). குறுகிய கால வர்த்தககடன் தொகை அந்நியச் செலாவணி வணிகத்தில் சேர்க்கப்படவில்லை. அந்நிய செலாவணி வணிகத்தில் ஈட்டிய இலாபம் இவ்வாண்டில் (2018-19) ரூ.19.42 கோடி முந்தைய வருடம் ரூ.17.65 கோடியாக இருந்தது. பருப்பு மரம் மற்றும் சமையல் எண்ணெய் பொருட்களின் மந்தமான சந்தை நிலைகள் காரணமாக அந்நிய செலாவணி வணிகம் குறைந்தது.

நமது வங்கி உலக அளவிலான வங்கிகளுக்கு இடையேயான பணமாற்று தொலை தொடர்பு அமைப்பில் இருப்பதினால் உலகத்தில் உள்ள 595 வங்கிகளுடன் தொடர்பு கொள்ள முடிகிறது. இதன் மூலம் வெளிநாட்டில் தகவல் பரமாற்றங்கள் மிக விரைவாகவும் இலகுவாகவும் நடப்பதற்கு ஏதுவாகிறது. வங்கியின் வாடிக்கையாளர்களுக்கு சிறந்த முறையில் சேவைபுரியவும் உதவுகின்றது.

இவ்வாண்டு அந்நியச்செலாவணியில் ஈடுபடும் கிளைகளின் எண்ணிக்கை 39ஆக உள்ளது. நமது வங்கியானது வெளிநாட்டில் இருந்து இந்தியாவிற்கு அனுப்பப்படும் பணத்தை வங்கி வெளிநாட்டில் வைத்திருக்கும் கணக்கில் தொகையை பெற்று கொண்ட உடனேயே பயனாளிகள் கணக்கிற்கு துரிதமாக பரிமாற்றம் செய்வதற்கு வங்கியின் உட்கட்டமைப்பு போதுமானதாக உள்ளது.

நமது வங்கி அந்நியச் செலாவணி தகவல்கள் மற்றும் சந்தை நிலவரங்களை வங்கியின் இணையதளத்தில் வெளியிட்டு வருவது வாடிக்கையாளர்களுக்கு அந்நியச் செலாவணி நிலவரங்களை உடனுக்குடன் அறிந்த கொள்வதற்கு உதவியாக உள்ளது. நமது வங்கி அந்நியச்செலாவணி வணிகத்தை அதிகரிப்பதன் மூலம் வங்கியின் வருவாயை உயர்த்துவதற்கு உறுதி பூண்டுள்ளது. அந்நியச்செலாவணி அங்கீகாரம் பெறப்பட்டுள்ள 39 கிளைகள் மற்றும் 41 அந்நியச் செலாவணி வாடிக்கையாளர்களுக்கு வணிக விகிதம் அறிந்துகொள்ள TMBFXBRIDGE என்ற பெயரில் இணைய மின்னணு வர்த்தக தளம் வழங்கப்பட்டுள்ளது.

### 11. கிளைகள் விரிவாக்கம் :

2018-19 வருடத்தில் 41 புதிய மையங்களை வங்கி திறந்துள்ளது (21 புதிய தானியங்கி பணப்பட்டுவாடா இயந்திரங்கள், 5 இ-லாபிகள், 1 குறு சிறு மற்றும் நடுத்தர பரிவர்த்தன மையம், 1 வெளிநாடு வாழ் இந்தியர்கள் சேவை மையம் மற்றும் 11 நகை கடன் மையம்) அதன் விளைவாக 16 மாநிலங்கள் மற்றும் 4 யூனியன் பிரதேசங்களில் வங்கியின் கட்டமைப்பு 509 கிளைகள்

jewel loan shoppes. With this expansion, the Bank's network has increased to, 1152 ATMs, 12 Regional Offices and 27 e-lobbies, covering 16 States and 4 Union Territories.

## 12. Personnel

The Bank's total staff strength was 4259 as on 31<sup>st</sup> March 2019, consisting of 1562 Officers, 1980 Clerks and 717 Supporting Staff. During the year, 75 Clerks and 49 supporting staff were recruited. The bank promoted 152 employees to the next cadre in the normal promotion process.

Business per employee increased from ₹ 13.15 Crore to ₹ 14.59 crore during the year under review. The Bank's Staff Training College at Nagercoil and Staff Training Center at Chennai conducted 116 programmes, imparting training to 3663 employees during the year. In addition to the in-house training, - 387 officers were deputed to 81 training programmes in other institutions like SIBSTC - Bengaluru, NIBM - Pune, IDRBT - Hyderabad, FEDAI and other training institutions.

Directors of our bank attended the following programmes on various dates.

S.No	Name of the Director	From	To	Name of the Programme
1	Shri.A.Shidambaranathan	04.10.2018	05.10.2018	"Certification Programme in IT and Cyber Security for Board Members" conducted by IDRBT, Hyderabad.
2	Dr.S.R.Ashok			
3	Shri.K.Nagarajan			
4	Shri.B.Vijayadurai			
5	Tmt.S.Ezhil Jothi	03.12.2018	04.12.2018	
6	Shri.B.S.Keshava Murthy			

S.No	Name of the Director	From	To	Name of the Programme
1	Shri.S.Annamalai	25.02.2019	27.02.2019	"Strategic Leadership in Banking Business in Digital Economy" conducted by IIM, Kolkata.
2	Dr.S.R.Ashok			
3	Shri.P.C.G.Ashok Kumar			
4	Tmt.S.Ezhil Jothi			
5	Shri.B.S.Keshava Murthy			
6	Shri.K.Nagarajan			
7	Shri.B.Vijayadurai			

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

1,152 தானியங்கி பணப்பட்டுவாடா இயந்திரங்கள் 12 மண்டல அலுவலகங்கள் மற்றும் 27 இ-லாபிக்களாக உயர்த்தப்பட்டுள்ளது, 16 மாநிலங்கள் மற்றும் 4 யூனியன் பிரதேசங்களில் உள்ளது.

## 12. மனிதவள மேம்பாட்டுத்துறை :

2019ம் வருடம் மார்ச் 31ல் வங்கியின் மொத்த ஊழியர்களின் எண்ணிக்கை 4,259 ஆகும். இதில் 1,562 அதிகாரிகள், 1,980 எழுத்தர்கள் மற்றும் 717 ஆதரவு ஊழியர்கள் அடங்குவர் இந்த வருடத்தில் 75 எழுத்தர்கள் மற்றும் 49 ஆதரவு ஊழியர்கள் நியமிக்கப்பட்டுள்ளனர். மொத்தத்தில் 124 புதிய ஊழியர்கள் நியமிக்கப்பட்டுள்ளனர் 152 ஊழியர்களுக்கு வழக்கமான பதவி உயர்வு வழங்கப்பட்டுள்ளது

இவ் வருடத்தில் தனி ஒரு ஊழியரால் கையாளப்படும் வணிகம் ரூ.13.15 கோடியிலிருந்து ரூ.14.59 கோடியாக உயர்ந்துள்ளது. வங்கியின் ஊழியர் பயிற்சி கல்லூரியில் 116 பயிற்சி வகுப்புகளில் 3,663 ஊழியர்கள் கலந்து கொண்டுள்ளனர். மேலும் 387 அதிகாரிகள் பிற நிறுவனங்கள் முறையே SIBSTC பெங்களூர் IBRBT- ஹைதராபாத், NIBM-புனே மற்றும் FEDAI நடத்தும் 81 பயிற்சி வகுப்புகளில் கலந்து கொண்டனர்

வங்கியின் இயக்குநர்கள் பல்வேறு பயிற்சி வகுப்புகளில் கலந்து கொண்டனர்.

வ.எண்.	இயக்குநர் பெயர்	தேதியிருந்து	தேதிவரை	பயிற்சியின் பெயர்
1	திரு. A.சிதம்பரநாதன்	04.10.2018	05.10.2018	IDRBT கதராபாத்-நிர்வாக இயக்குநர்களுக்கான தொழில் நுட்பம் மற்றும் இணைய பாதுகாப்பு சான்றிதழ் பயிற்சி
2	திரு. S.R.அசோக்			
3	திரு. K.நாகராஜன்			
4	திரு. B.விஜயகுமார்			
5	திருமதி S.எழில்ஜோதி	03.12.2018	04.12.2018	
6	திரு. B.S.கேசவமூர்த்தி			

வ.எண்.	இயக்குநர் பெயர்	தேதியிருந்து	தேதிவரை	பயிற்சியின் பெயர்
1	திரு.S.அண்ணாமலை	25.2.2019	27.02.2019	IIM, கொல்கத்தா டிஜிட்டல் நடத்திய பொருளாதரத்தில் வங்கி வணிகத்தில் தலைமை பயிற்சி
2	திரு.S.R.அசோக்			
3	திரு.P.C.G.அசோகமூர்			
4	திருமதி.S.எழில்ஜோதி			
5	திரு.K.நாகராஜன்			
6	திரு.B.S.கேசவமூர்த்தி			
7	திரு.B.விஜயகுமார்			

இவ்வாண்டில் வங்கி நிர்வாகத்திற்கும் அதிகாரிகள் சங்கத்திற்கும் மற்றும் ஊழியர் சங்கத்திற்கும் இடையே அடிக்கடி கருத்து பரிமாற்றங்கள் நடைபெற்றன. சமூக உறவு தொடர்ந்து காணப்பட்டது. ஊழியர் நலனுக்கான பல்வேறு நடவடிக்கைகள் மேற்கொள்ளப்பட்டன நிறுவனங்கள் சட்டம் 2013 பிரிவு 197 மற்றும் நிறுவன

Number of employees who are in receipt of remuneration above the limits prescribed u/s 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 requiring the Bank to furnish a statement prescribed under the Act. Since the bank is an unlisted entity disclosure of details with regard to remuneration paid to its employees as referred to in sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is not applicable to it.

### 13. Inter branch adjustments

The Bank has continued to maintain a very good record in the matters of internal housekeeping. Since the Bank has installed a core banking solution, it was possible for the branches to balance all their accounts and the tally balances up to March 31, 2019. There was also timely submission and scrutiny of the control returns, which was given adequate importance at all levels with necessary follow up.

### 14. 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 2018-19, RBIA audits were conducted through e-audit Module in 488 branches of the bank. Besides RBIA Audit has been conducted at Risk Management Department. Submission of compliance reports and closure of audits are followed up through the respective regional offices.

#### Credit Audit

All accounts having credit limits of ₹3.00 crore and above were subjected to post-credit sanction audit. Totally 1023 such accounts in 210 branches were covered during this year. Receipt of compliance reports is monitored by Credit Audit & Monitoring Department.

(நியமன மற்றும் நிறுவன பணியாளர்கள் ஊதியம்) விதிகள் 2014ன் படி வரையறைக்கு மேல் வங்கியில் சம்பளம் எந்த ஊழியருக்கும் வழங்கப்படவில்லை

வங்கி ஒரு பட்டியலிடப்படாத நிறுவனமாதலால் ஊழியர்கள் சம்பளம் பற்றிய விபரங்கள் நிறுவன சட்டம் 2013 பிரிவு 197 உட்பிரிவு 12 மற்றும் நிறுவன (நியமன மற்றும் நிறுவன பணியாளர்கள் ஊதியம்) விதி 2014ன்படி வெளியிட தேவையில்லை.

#### 13. கிளைகளுக்கிடையேயான கணக்குகளை சரிபார்த்தல் :

வங்கியானது கிளைகளுக்கிடையே உள்ள நடவடிக்கைகளை ஒழுங்குபடுத்துவதில் கடைபிடிக்கும் சிறப்பு தன்மையை தொடர்ந்து கடைபிடித்து வருகிறது. கிளைகள் அனைத்தும் 100% பிரத்யேக மென்பொருள் மூலம் இணைக்கப்பட்டதன் பயனாக 2019ம் ஆண்டு மார்ச் 31ம் தேதியன்று அனைத்து கிளைகளுக்கிடையேயான கணக்குகள் நேர் செய்யப்பட்டுள்ளன. மேற்பார்வைக்காக வாங்கப்படும் தகவல் காலதாமதம் இல்லாமல் வாங்கி சரிபார்ப்பதற்கு போதிய முக்கியத்துவம் கொடுக்கப்படுகிறது. உரிய நேரத்தில் கிளைகளுக்கு இடையிலான பற்று வரவு கணக்குகளில் தற்காலிக வித்தியாசங்களை கண்டுபிடித்தல் மற்றும் நிலுவைகளை நேர் செய்தல் எங்கள் வங்கியில் கடைபிடிக்கப்படுகின்றன.

#### 14. உட்கட்டுபாடு, ஆய்வு மற்றும் தணிக்கை :

##### இடர்சார்ந்த உள்தணிக்கை அமைப்பு

வங்கி உறுதியான மற்றும் திறமையான இடர்சார்ந்த உள்தணிக்கை அமைப்பை கொண்டுள்ளது. 2018-19ம் வருடத்தில் 488 கிளைகள் மற்றும் இடர் மேலாண்மை துறையிலும் மின்தணிக்கை மூலம் ஆய்வு மேற்கொள்ளப்பட்டன ஆய்வு அறிக்கையில் இருக்கும் குறைகளை சரிசெய்தல் மற்றும் தணிக்கையை முடித்து வைத்தல் போன்றவை அந்தந்த பிராந்திய அலுவலகங்கள் மூலம் கண்காணிக்கப்படுகிறது.

##### கலன் வழங்கிய பின் மேற்பார்வை செய்தல்

ரூ.3.00 கோடி மற்றும் அதற்கு மேற்பட்ட கடன் வரம்புகள் கொண்ட அனைத்து கணக்குகளும் கடன் வழங்கியபின் கண்காணிப்புக்கு உள்ளாக்கப்படுகின்றன. இவ்வருடம் 210 கிளைகளில் மொத்தமாக இது போன்ற 1,023 கணக்குகள் ஆய்வு செய்யப்பட்டன ஆய்வு அறிக்கையில் இருக்கும் குறைகளை சரிசெய்வதை கடன் தணிக்கை மற்றும் கண்காணிப்பு துறை உறுதி செய்கிறது.



### Concurrent Audit system

The bank continued to have the system of Concurrent Audit, which covered 185 branches and important departments. Concurrent Audit has been recognized as an important tool of internal control and is in force at major branches including all the 39 'B' category branches designated for forex business. From May 2019 onwards Concurrent Audit has been conducted through e-audit Module.

Further (10 Departments and 4 CPC's) International Banking Division, Treasury Department, DPS Cell, Transaction Reconciliation at various divisions of ITD, Chennai Service branch, Accounts Department, Establishment Department, Planning and Development & Resource Mobilization Department, Expenses approval of ITD, Central Processing Centers at Chennai, Coimbatore, Tirunelveli and Madurai were also subjected to Concurrent Audit. Submission of compliance reports and closure of audits are followed up through the respective regional offices / departments.

### Information System Audit

An Information System audit cell has been established under Inspection Department as per RBI guidelines. Information System audits are conducted at 488 branches and 12 controlling offices along with Risk Based Internal Audit.

A process for continuous offsite monitoring of Core Banking operations is deployed by IS audit cell. Under a software tool based supervision process, certain key and vital areas are subjected to offsite monitoring.

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

Half-yearly review of the Treasury Department and annual review of the Dealing Room operations at the International Banking Division, Chennai are conducted by Inspection Department.

### உடனுக்குடன் தணிக்கை அமைப்பு :

உடனுக்குடன் தணிக்கை முறை 185 கிளைகளில் செயல்படுத்தப்பட்டுள்ளது. வங்கியானது உடனுக்குடன் தணிக்கை முறையை முக்கியமான உட்கட்டுபாட்டுத் துறையில் ஏற்றுக்கொண்டு முக்கியமான வங்கி கிளைகளிலும் அந்நியச் செலாவணி வணிகத்தை மேற்கொள்ளும் அனைத்து கிளைகளிலும் மேற்கொள்ளப்பட்டது. மே 2109ல் இருந்து உடனுக்குடன் தணிக்கை முறை மின்-தணிக்கை மூலமாக நடைபெறுகிறது.

மேலும் அந்நியச் செலாவணி வணிகப்பிரிவு, கருவூலப்பிரிவு, DPSபிரிவு, ITபிரிவு சென்னையில் உள்ள சேவைக்கிளைகள், கணக்குத் துறை, விரிவாக்கத்துறை, திட்டமிடுதல், முன்னேற்றம் மற்றும் வளங்களை தீரட்டுதல்துறை, சென்னை, கோயம்புத்தூர், திருநெல்வேலி, மற்றும் மதுரையில் உள்ள மத்திய செயலாக்க மையங்களில் உடனுக்குடன் தணிக்கை செய்யும் முறை மேற்கொள்ளப்படுகிறது.

ஆய்வு அறிக்கையில் இருக்கும் குறைகளை சரிசெய்தல் மற்றும் தணிக்கையை முடித்து வைத்தல் போன்றவை அந்தந்த பிராந்திய அலுவலகங்கள் மற்றும் துறைகளின் மூலம் கண்காணிக்கப்படுகிறது.

### தகவல் ஒழுங்குமுறை தணிக்கை :

ரிசர்வ் வங்கியின் வழிகாட்டுதலின் படி ஒரு தகவல் அமைப்பு தணிக்கை மையம், ஆய்வு துறையின் கீழ் நிறுவப்பட்டுள்ளது. தகவல் மற்றும் இடர்சார்ந்த உட்தணிக்கை 488 கிளைகள் மற்றும் 12 கட்டுப்பாட்டு அலுவலகங்களிலும் நடத்தப்பட்டுள்ளது.

வங்கியின் நடவடிக்கைகளுக்கான அடிப்படையான மென்பொருளானது தகவல் அமைப்பு தணிக்கை மையத்தினால் ஒரு தொடர்ச்சியான கண்காணித்தலுக்கு உட்படுத்தப்படுகிறது. மிக முக்கியமான துறைகளும் மென்பொருள் அடிப்படையிலான வெளிதணிக்கை கண்காணித்தலுக்கும் உட்படுத்தப்படுகிறது.

ஒவ்வொரு வருடமும் வங்கியின் முக்கியமான தகவல் அமைப்புகளான வங்கியின் அடிப்படை மென்பொருள், மின்னணு வங்கி ATM, RTGS, கருவூலம், CTS தீர்வு செயல்முறை, சர்வர் மற்றும் இணைய உட்கட்டமைப்பு, இவை அனைத்தும் வெளித்தகவல் அமைப்பு தணிக்கைக்கு உட்படுத்தப்படுகிறது.

கருவூலத் திணைகளத்தின் அரையாண்டு ஆய்வு அந்நியச் செலாவணி பிரிவு சென்னையில் கையாளும் அறை நடவடிக்கைகளின் வருடாந்திர மறு ஆய்வு துறையால் நடத்தப்படுகின்றது.

### Management Audit system

To assess the robustness of the systems and procedures established in various operational units in the Bank and to have an oversight of the effectiveness of management, various departments at Head Office and all Regional Offices are subjected to Management Audits once in two years.

During the year under review, Management Audits were conducted at (10 Regions and 12 Departments). Customer Service Cell, Bancassurance Cell, Chennai Service Branch, Compliance Department, Secretarial Section, Staff Training College – Chennai, Treasury Department, International Banking Division, RTGS/WUMT Cell, DPS Cell, Legal Department, Establishment Department, Chennai, Tirunelveli, Thoothukudi, Bengaluru, Hyderabad, Thiruvananthapuram, Trichy, Madurai, Ahmedabad and Salem Regions by the Inspection Department of the Bank.

### Revenue Audit

For the calendar year 2018, offsite Revenue Audit & onsite Revenue Audit were conducted for all the branches during the month of January 2019 and March 2019 respectively. Further revenue leakages which are monitored and reported by concurrent auditors at branches were followed up for recovery through concerned regional offices then and there.

### Audit Automation

Audit automation was implemented in our Bank for RBIA module (including IS audit, KYC AML audit, customer service audit), Credit audit module and Offsite transaction monitoring system (OTMS) during the year 2017-18. In the year 2018-19, Concurrent Audit was automated which facilitates paperless audit environment and minimization of manual data entry through seamless integration with Core Banking Solution.

### 15. Vigilance

The functions of the vigilance machinery of the Bank are broadly divided into 3 types, viz. preventive, predictive and punitive. The Vigilance Department undertakes a study of existing procedures and practices prevailing in the organization with a view to modifying those procedures or practices that provide

### மேலாண்மை தணிக்கை :

வங்கியின் பல்வேறு இயக்கங்களின் அலகுகளில் உள்ள அமைவுகள் மற்றும் நடைமுறைகளின் வலுவான ஆரோக்கியமான நிலையை மதிப்பீடு செய்வதற்கும், மற்றும் மேலாண்மை திறனை மேற்பார்வை செய்வதற்கும், தலைமை அலுவலகத்தில் உள்ள பல்வேறு துறைகளும் மற்றும் அனைத்து பிராந்திய அலுவலகங்களிலும் இரண்டு ஆண்டுக்கு ஒரு முறை மேலாண்மை தணிக்கைக்கு உட்படுத்தப்படுகின்றது.

இவ்வாண்டில் 10 மண்டல அலுவலகங்கள் மற்றும் 12 துறை அலுவலகங்கள், புலனாய்வுத்துறை மனிதவள மேம்பாடு, வணிகவள துறை, KYC/AML, கடன் தணிக்கை மற்றும் மேற்பார்வை துறை, கணக்குதுறை, நிர்வாக தகவல் அமைப்புதுறை, தகவல் தொழில்நுட்ப துறை, ஊழியர் பயிற்சி கல்லூரி, நாகர்கோவில், கண்காணிப்புதுறை, கடன் வசூலித்தல் மற்றும் கண்காணிப்பு துறை, கடன் துறை, இடர்மேலாண்மை துறை, சென்னை, திருநெல்வேலி, தூத்துக்குடி, பெங்களூர், திருவனந்தபுரம், ஹைதராபாத், திருச்சி, மதுரை, அகமதாபாத், மற்றும் சேலம் ஆகிய மண்டல அலுவலகங்களிலும் மேலாண்மை தணிக்கை நடத்தப்பட்டது.

### வருவாய் தணிக்கை :

நாட்காட்டி ஆண்டு 2018க்கான வெளிவருவாய் தணிக்கை மற்றும் உள்வருவாய் தணிக்கை யானது அனைத்து கிளைகளிலும் ஜனவரி 2019 மற்றும் மார்ச் 2019ல் நடத்தப்படுகின்றது. கிளைகளின் வருவாய் இழப்புகள் எவ்வாறு என்று தணிக்கையாளர்களால் கண்டுபிடிக்கப்பட்டவைகள் சம்பந்தப்பட்ட மண்டல அலுவலகங்களால் உடனுக்குடன் வசூல் செய்யப்படுகிறது.

### தணிக்கை தானியங்குதல் :

2017-18 வருடத்திற்கான தணிக்கை தானியங்குதல் முறை நடைமுறைப்படுத்தப்பட்டது. RBIA தொகுதி (தகவல் ஒருமுறை தணிக்கை KYC/AML தணிக்கை, வாடிக்கையாளர் சேவை தணிக்கை உட்பட) கடன் தணிக்கை தொகுதி மற்றும் வெளிச்செல்லும் பரிவர்த்தனை கண்காணிப்பு அமைப்புகள் தானியங்கியாக்கப்பட்டது. நடப்பாண்டு 2018-19 இடையேயான ஒருங்கிணைப்பு மூலம் காகிதமற்ற தணிக்கை சூழல், தணிக்கை வேலை நாட்கள் குறைப்பு மற்றும் மனிதர் மூலம் தகவல் பதிவை குறைக்க உதவுகின்றது.

### 15. கண்காணிப்பு :

கண்காணிப்பு பிரிவு மூன்று வகையாக பிரிக்கப்படுகிறது. அவை தடுத்தல், முன்கூட்டியறிதல், தண்டித்தல். நடப்பில் உள்ள கண்காணிப்பு முறை தவறுகளை தடுப்பதற்கு ஏதுவாக குறிப்பிட்ட கால

scope for malpractice/fraud perpetrated by the staff members and also finding out the causes of delay 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 31<sup>st</sup> of 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 1<sup>st</sup> April 2013 and the Policy was lastly reviewed on May 15, 2019. The 'Whistle Blower mechanism' is being actively encouraged as a tool for better governance.

Further, a scheme of 'Protected Disclosure' framed in accordance with the guidelines issued by Reserve Bank of India on April 18, 2007 is in operation in the Bank.

As per the provisions of Section 177 of the Companies Act, 2013, the Bank being a company accepting deposits from the public is required to set up a 'vigil mechanism' for genuine concerns or grievances of the directors and employees. Further, the vigil mechanism should provide for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism. While the purpose of both the protected disclosure scheme and 'the vigil mechanism' is the same, under the 'Protected Disclosure Scheme' prepared on the lines prescribed by RBI, Reserve Bank of India is the Nodal Agency designated to receive complaints under the Scheme, whereas under the 'vigil mechanism' set up in accordance with the provisions of the new Companies Act, the Chief of Internal Vigilance in the Bank will be the designated authority to receive the complaints from employees and the Chairman of the Audit Committee of the Board will be the designated authority to receive the complaints from stake holders/directors

With a view to ensuring compliance with both the RBI directions and the provisions of the Companies Act, 2013, the Bank had re-drafted its 'Protected Disclosure Scheme' in tune with the requirements of Section 177 of the Companies Act, 2013. It was felt that as the two different schemes on the same subject being in operation simultaneously may lead to conflicts and it would be advisable to converge the two schemes

இடைவெளியில் விதிமுறைகள் மாற்றி அமைக்கப்படுகிறது. மேலும் ஊழியர்களுக்கு கல்விபுகட்டும் வகையில் முறைகேடு தொடர்பான அறிக்கைகள் சரியான கால இடைவெளியில் பயிற்சி அளிக்கப்பட்டு வருகிறது. ஊழியர்களுக்கிடையே விழிப்புணர்வு ஏற்படுத்துவதற்காக ஒவ்வொரு வருடமும் அக்டோபர் 31ம் தேதியன்று "விஜிலென்ஸ் தினம்" கடைபிடிக்கப்படுகின்றது. கண்காணிப்புத் துறையானது, பாரத ரிசர்வ் வங்கியால் அவ்வப்போது வெளியாகும் அறிக்கைகளையும் வழிகாட்டுதல்களையும் வங்கியினால் அமல்படுத்துவதற்கும், கடைபிடிப்பதற்கும் முக்கிய பங்காற்றுகின்றது. மேலும் RBI வழிகாட்டுதலின்படி கண்காணிப்பு கொள்கைகளை ஏப்ரல் 2013 முதல் தேதியிலிருந்து வழங்கி வருகின்றது. இதன் மறுபரிசீலனை மே 15, 2019ல் செய்யப்பட்டது. Whistle blowing என்ற கொள்கை நடைமுறைப்படுத்தப்பட்டுள்ளது. மேலும் பாரத ரிசர்வ் வங்கியின் ஏப்ரல் 18, 2017 வழிகாட்டுதலின்படி பாதுகாப்பான வெளிப்படுத்துதல் திட்டமானது வங்கியில் செயல்படுத்தப்படுகிறது.

நிறுவனச் சட்டம் 2013 பிரிவு 177 விதிகளின் கீழ் வங்கியானது வைப்பு நிதிகளை ஏற்பதால் விழிப்புணர்வு இயக்கமுறை ஏற்படுத்தி இயக்குநர்கள் மற்றும் ஊழியர்கள் அவர்கள் குறைகள் மற்றும் உண்மையான தகவல்களை தெரிவிக்க உதவுகின்றது மேலும் விழிப்புணர்வு இயக்க முறை வங்கி இயக்குநர்கள் மற்றும் ஊழியர்களுக்கு பாதுகாப்பிற்கு வழிவகையாக இருக்கும் வெளிப்படுத்துதல் திட்டம் மற்றும் விழிப்புணர்வு மாதிரியானது. இது சம்பந்தமாக பாரத ரிசர்வ் வங்கியிடம் இருந்து விளக்கம் பெறப்பட்டுள்ளது. உள் லஞ்ச ஒழிப்பு தலைமை அதிகாரியோ அல்லது தணிக்கை குழு தலைவரோ முழுமையாக புகார்களை பெறுவதில் எந்த ஆட்சபனையும் இல்லை என்று தெரிவித்துள்ளனர். அதன்படி பாதுகாப்பான வெளிப்படுத்துதல் திட்டமானது விழிப்புணர்வு இயக்கமுறையில் கீழ் பொறுத்தமான முறையில் பரிசீலிக்கப்பட்டு நிறுவனச் சட்டம் 2013 பிரிவு 177ன் படி கீழ் 28 பிப்ரவரி 2017ல் நடைபெற்ற எங்களது நிர்வாகக்குழு கூட்டத்தில் ஒப்புதல் பொறுப்பு மே 15 2019ல் நடைபெற்ற கூட்டத்தில் குழு ஆய்வு செய்து மற்றும் ஏற்றுக்கொள்ளப்பட்டது அதன்படி சம்பந்தப்பட்ட



into one.

We had sought clarifications from RBI whether it would be in order to revise the scheme, *inter alia*, by providing for a common nodal agency, say for example the Chief of Internal Vigilance in the Bank, to receive the complaints under the revised protected disclosure scheme.

We, later received clarification from RBI that they have no objection in making the Chief of Internal Vigilance or the Chairman of Audit Committee of Board, as the case may be the Nodal Officer for receiving complaints. Accordingly, the "Protected Disclosure Scheme" suitably reviewed in line with whistle blowing/ vigil mechanism under section 177 of the Companies Act, 2013 was approved by the Board of Directors in the meeting held on February 28, 2017 and the same was reviewed by the Board in the meeting held on May 15, 2019 and was adopted. Accordingly the communication for the purpose of reporting any event/ information of concern, the complaint should be sent in a closed/secured envelope to the Chief of Internal Vigilance and the complaint can also sent by e-mail to [civ@tmbank.in](mailto:civ@tmbank.in). A director or an employee who wants to avail this mechanism may directly represent to the Chairman of the Audit Committee of the Board in exceptional cases through e-mail ID [acbtmbho@gmail.com](mailto:acbtmbho@gmail.com).

Further, preventive vigilance visit is being done by the officials attached with Vigilance Department on annual basis to selected branches and deficiencies observed are being informed to the branches through the respective regional offices for taking corrective measures.

## 16. Customer Service

Customer service is an important part of maintaining 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.

In order to provide a platform to the customers for addressing their queries, a dedicated Customer Service Cell has been formed at Head Office. The Bank has also provided an all-India toll-free help line (1800-425-0426) wherein the customers can clarify

நிகழ்வு மற்றும் புகார்களை தெரிவிக்க கூடிய பாதுகாப்பான முறையில் உள் கண்காணிப்பு தலைவருக்கு அனுப்பலாம் மற்றும் [Civ@tmbank.in](mailto:Civ@tmbank.in) என்ற மின்னஞ்சல் மூலம் புகார்களை அனுப்பலாம் ஒரு இயக்குநர் அல்லது ஒரு ஊழியர் இந்த செயல்முறை பயன்படுத்தி கொள்ள நினைத்தால் நேரடியாக குழுவின் தலைவரிடம் விதி விலக்கான சந்தர்ப்பங்களில் [acbtmbho@gmail.com](mailto:acbtmbho@gmail.com) என்ற மின்னஞ்சல் மூலம் தெரிவிக்கலாம் தேர்ந்தெடுக்கப்பட்ட கிளைகளுக்கான வருடாந்திர அடிப்படையில் கண்காணிப்பு துறையில் இணைக்கப்பட்ட அலுவலர்கள் மேலும் விழிப்புணர்வு கண்காணிப்பு செய்யப்படுகிறது மற்றும் கவனிக்கப்பட்ட குறைபாடுகள் சரியான நடைமுறைகளை அந்தந்த மண்டலங்கள் வழியாக கிளைகளுக்கு அனுப்பப்படுகின்றது.

## 16. வாடிக்கையாளர் சேவை

வாடிக்கையாளர் சேவையின் முக்கிய பங்கு நடப்பு வாடிக்கையாளர் உறவை பராமரிப்பதாகும். இதன் மூலம் தொடர்ச்சியான வியாபார வளர்ச்சி மற்றும் வாடிக்கையாளர்களை தக்க வைத்து கொள்ள முடிகிறது. வங்கியானது அதன் சிறந்த கனிவான மற்றும் பரிபூரண சேவைக்கு பெயர் பெற்றது. மற்றும் நவீன தொழில்நுட்ப வாடிக்கையாளர்களின் எதிர்பார்புகளை பூர்த்தி செய்யும் பொருட்டு தொடர்ச்சியான டிஜிட்டல் அனுபவத்தின் மூலம் புதுமையான தயாரிப்புகளை தந்து கொண்டிருக்கிறது.

வாடிக்கையாளர்களுக்கு ஒரே இடத்தில் மிகச்சிறந்த சேவையை அளிப்பதற்காக வாடிக்கையாளர்கள் மையம் வங்கியின் தலைமை அலுவலகத்தில் நிறுவப்பட்டுள்ளது. வாடிக்கையாளர்களுக்கு தகவல் அளிக்கவும் உதவவும் இலவச தொலைபேசி எண் 1800-0425-0426 மூலம் சேவை அளிக்கப்படுகிறது.

வாடிக்கையாளர்கள் குறுஞ்செய்தி மூலம் உதவி பெற HELP என டைப் செய்து 98424-61461 என்ற எண்ணிற்கு அனுப்பி உதவிபெற முடியும் மேலும்

their doubts about the products / schemes and also register their grievances. We have a dedicated Phone Number (9842461461) for Customer care / Help. It also includes “SMS” based Customer Help Line. Customers can invoke help by sending a SMS with the text, “HELP”. We are also having two E-Mail Ids for the use of customers to register their grievances and complaints – [customerservice@tmbank.in](mailto:customerservice@tmbank.in) and [complaints@tmbank.in](mailto:complaints@tmbank.in). Customers can also register their suggestions / feedback / complaints / grievances through our website [www.tmb.in](http://www.tmb.in). The customer will receive instant acknowledgement to their E-Mail ID for the suggestions / feedback / complaints / grievances registered by them. Our Bank has also implemented a centralized registry / database for recording and follow-up of complaints. Branches and Regional Offices can also register the complaints received at their level in the CCTS (Customer Complaint Tracking System) module.

#### **17. Technology Advancement:**

Our Bank is taking various steps to provide technology-enabled products and services to customers by adopting latest technologies. Expansion of Branches and ATMs by using multiple network technologies, such as MPLS, Leased Line, VSAT, GSM and VPNoBB with redundant connectivity to provide continuous customer service without any disruption through various delivery channels viz. Internet Banking, ATM, Mobile Banking, Point of Sale terminals, Cash Deposit Kiosk, Passbook Printing Kiosk, Cheque Deposit Kiosk, Product Information Kiosk etc.

#### **18. Product Innovation, New Products and Services**

##### **Major initiatives during 2018-19:**

- Two link offices at Delhi and Vijayawada TMB were inaugurated.
- A dedicated MSME processing centre in Surat has been set up.
- Specialized NRI Desk at Mumbai has been inaugurated
- 11 “Jewel Loan shoppies” in rural areas have been set up.

[customerservice@tmbank.in](mailto:customerservice@tmbank.in) மற்றும் [complaints@tmbank.in](mailto:complaints@tmbank.in). முகவரி வழியாக வாடிக்கையாளர்கள் தங்களுடைய குறைகளையும் புது ஆலோசனைகளையும் கருத்துகளையும் பதிவுசெய்ய இயலும் மேலும் (CCTS Customer Complaint Tracking System) வாடிக்கையாளர்கள் குறைகளின் நிலைபாடு பற்றி தெரிந்து கொள்ள (CCTS) என்ற அமைப்பு ஏற்படுத்தப்பட்டுள்ளது. மேலும் வங்கியின் எந்த ஒரு தகவலையும் [www.tmb.in](http://www.tmb.in) இணையதளம் வழியாக பெற இயலும்

#### **17. தொழில் நுட்ப வளர்ச்சி :**

வாடிக்கையாளர்களுக்கு சிறந்த சேவை அளிப்பதற்காக வங்கி முன்பு இருந்தது போலவே பல்வேறு உயர்ந்த தொழில் நுட்பங்களை அளித்து வருகிறது. MRLS குத்தகை இணைப்பு, VSAT/ GPRS/ CDMA/ போன்ற பலதரப்பட்ட தொழில் நுட்பங்கள் மூலம் கிளை மற்றும் ATM விரிவாக்கம் செய்து வருகிறது. வாடிக்கையாளர்கள் வசதிக்காக ATM இணையதள வங்கி சேவை, மொபைல் வங்கி சேவை, Point of Sale, மற்றும் பற்று அட்டை, பணம் செலுத்தும் இயந்திரம், காசோலை செலுத்தும் இயந்திரம், வங்கி சேவைகள் பற்றி அறிய உதவும் தகவல் இயந்திரம் ஆகியவற்றின் மூலம் தடையில்லா சேவை வழங்கி வருகிறது.

#### **18. புதிய சேவைகள் :**

##### **2018-19 நிதி ஆண்டின் புதிய சேவைகள் :**

இரண்டு இணைப்பு அலுவலகம் டெல்லி மற்றும் விஜயவாடாவில் திறக்கப்பட்டது

சூரத்தில் புதிய MSME செல் திறக்கப்பட்டது

மும்பையில் சிறப்பு NRI செல் திறக்கப்பட்டது

11 புதிய நகைகடன் அலுவலகம் கிராமப்புறங்களில் திறக்கப்பட்டது

### IT related Initiatives made during 2018-19:

- TMB Multi Currency Travel Card.(Picture Card)
- TMB International Rupay Debit Card.
- TMB Contactless Debit Card.

### 19. Awards / Ratings obtained by the Bank:

- TMB has won **ASSOCHAM awards** under Small Bank class for the following categories for the year 2017 -18.
- ✓ **Winner** - Agricultural Banking category.
- ✓ **Winner** –Overall Best Social Bank category.
- ✓ **2<sup>nd</sup> Runner up** -Priority Sector Lending category.
- ✓ **2<sup>nd</sup> Runner up** -Technology category.

### External Rating:

During the financial year 2018 -19, CRISIL renewed the rating for the Certificate of Deposit programme of the Bank for ₹1,000 crore as A1+ (indicating “Very Strong” rating).

### 20. Risk Management

The 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

2018-19 நிதி ஆண்டின் புதிய டெக்னாலஜி சேவைகள் :

**TMB Multi Currency Travel Card (Picture Card)**

**TMB International Rupay Debit Card**

**TMB Contactless Debit Card**

### 19. வங்கி பெற்ற விருதுகள் மற்றும் மதிப்பீடுகள் :

நமது வங்கியின் ASSOCHAM ஆல் அறிவிக்கப்பட்ட சிறு வங்கிகள் வகைக்கான விருதை 2017-18 ஆம் ஆண்டில் கீழ்க்கண்ட பிரிவுகளில் பெற்றுள்ளது.

- விவசாய கடன் வழங்குவதில் வெற்றி பெற்றுள்ளது.
- சிறந்த சமூக வங்கி வகைகளில் ஒட்டுமொத்தமாக வெற்றி பெற்றுள்ளது
- முன்னுரிமை துறைகளுக்கு கடன் வழங்குவதில் இரண்டாம் இடம் பெற்றுள்ளது
- தொழில் நுட்ப வகையின் கீழ் இரண்டாம் இடம் பெற்றுள்ளது

### தர மதிப்பீடு :

இந்த நிதி ஆண்டு 2018-19 ஆண்டில் CRISIL தர மதிப்பீட்டில் நமது வங்கிக்கான வைப்பு சான்றிதழ் திட்டம் 1,000 கோடியாக பதுப்பிக்கப்பட்டுள்ளது மேலும் A1+ (மிகுந்த வலிமையானது) என்ற தர மதிப்பீடும் வழங்கப்பட்டுள்ளது.

### 20. இடர் மேலாண்மை :

நமது வங்கியானது இடர் மேலாண்மையின் முன் நடவடிக்கை அணுகுமுறையை கையாண்டு வருகிறது வங்கி ஒழுங்குமுறை விதிகளுக்கு உட்பட்டு தனக்கு ஏற்ப ஒரு ஆரோக்கியமான இலாக்காவை உருவாக்கி பராமரித்து வருவதே வங்கியின் கொள்கையாகும்.

மேலாண்மை கட்டமைப்பு ஒரு சுதந்திரமான இடர் மேலாண்மை அமைப்பை கொண்டுள்ளது. இடர் மேலாண்மை கொள்கை இடர் அளவீட்டு கருவிகள், இடர் கண்காணிப்பு மற்றும் நிர்வாக அமைப்பு. இடர் கோட்பாடுகளுக்கு உட்பட்ட வங்கி செயல்பாட்டினை உறுதி செய்ய வங்கியானது நன்கு வரையறுக்கப்பட்ட இடர் அறிக்கை மற்றும் சுயாதீனமான இடர் செயல்பாட்டினை கொண்டுள்ளது.

ஒருங்கிணைந்த இடர் மேலாண்மையை நிறுவுதல்



establishing an integrated risk management and control system. 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) and the Risk Management Committee of the Executives (RMCE). 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.

### Credit Risk:

The credit risk mechanism consists of policies and practices that include mechanisms for risk identification, risk measurement, risk grading/aggregation techniques, reporting and risk control/mitigation techniques, documentation, legal issues and management of problem loans to protect asset quality and ensure orderly growth and targeted risk adjusted return on assets.

The Credit Risk Management policy along with Credit Risk Mitigation Techniques & Collateral Management Policy address the Credit Risk related to lending. Credit Approving Authority, Prudential Exposure Limits, Risk Rating System, etc., are used in managing credit risk.

The bank has migrated to system driven internal rating using web based rating models solution acquired from M/s.Crisil Risk & Infrastructure Solutions Ltd.

### Market Risk:

Asset Liability Management Policy and Investment Policy aid the management in mitigating the Market Risk in the Banking and Trading books. The overall responsibility of managing the market risk lies with the Asset Liability Management Committee (ALCO) of the Bank. The Committee meets regularly and decides on the size, mix, tenor, pricing and composition of various assets and liabilities. It primarily does identification, measurement, monitoring and management of liquidity and interest rate risk. It uses tools such as Ratio analysis, Gap analysis

கட்டுபடுத்துதல் மற்றும் இடர் அளவுகளை குறைத்தல் ஆகியவை வங்கி இயக்குநர் குழுவின் முதன்மை பொறுப்பாகும் நிர்வாக குழுவின் துணை குழுவான இடர் மேலாண்மைக்குழு மற்றும் சொத்து பொறுப்பு குழு ஆகியவை நிர்வாக இயக்குநர்களுக்கு துணை புரிகின்றன நிர்வாகிகள் நிலையில் நடைபெறும் வங்கியின் இடர் மேலாண்மை குழு இடர் மேலாண்மை கொள்கையை ஒப்புதல் அளிப்பதுடன் இடர் மேலாண்மைக்கு காலவரையற்ற அமைத்தல் மற்றும் அதற்கான திறன் அறிதல் ஆகியவற்றையும் நிர்வகிக்கின்றன.

### கடன் இடர் :

கடன் இடர் செயல்முறையானது கொள்கை மற்றும் சில நடைமுறைகளை கொண்டு அமைக்கப்பட்டது. இவற்றில் இடர் அடையாளம் காண்பது, இடர் அளவு, இடர் தரப்படுத்துதல் முறைகள், இடர் கட்டுப்படுத்துதல் முறைகள், இடர் அறிக்கை ஆவணப்படுத்துதல், சட்ட பிரச்சனைகள் ஆகியவை உள்ளடக்கியதாகும். கடனளிப்புடன் தொடர்புடைய கடன் இடரை குறைப்பதற்கு கடன் ஆபத்து குறைப்பு நுட்பங்களுடனான கடன் இடர் மேலாண்மை கொள்கை மற்றும் பிணைய மேலாண்மை கொள்கை பின்பற்றப்பட்டுள்ளது. கடன் இடர் நிர்வாகித்தலில் கடன் ஒப்புதல் அதிகார அமைப்பு, விவேக வெளிப்பாடு வரம்பு, இடர் மதிப்பீட்டு அமைப்பு ஆகியவை உபயோகப்படுத்தப்படுகின்றன.

வங்கியானது இணையம் மூலம் மதிப்பீட்டும் முறைக்கு மாறிவிட்டது இதற்கான தொழில் நுட்பம் M/s. Crisil Risk & Infrastructure Solutions Ltd. நிறுவனத்திடம் இருந்து வாங்கப்பட்டது

### சந்தை இடர்

வியாபார கணக்கு புத்தகங்களில் வங்கியின் சந்தை இடரை குறைப்பதற்கு சொத்து பொறுப்பு நிர்வாகக்கொள்கை மற்றும் முதலீட்டு கொள்கை ஆகியவை துணை புரிகின்றன. ஒட்டு மொத்த சந்தை இடரை நிர்வகிக்கும் பொறுப்பு வங்கியின் சொத்து பொறுப்பு நிர்வாக குழுவை சார்ந்தது. அந்த குழுவானது வழக்கமாக கூட்டங்கள் கூட்டி அளவு காலம், கலவை, விலை மற்றும் பல்வேறு சொத்து தொகுப்புகளை காணுதல் அளவிடுதல் கண்காணித்தல் மற்றும் நீர்மை நிர்வகித்தல் வட்டி விகித இடர் ஆகியவற்றை முதன்மையாக கொண்டுள்ளது. இதற்கான கருவிகளாக விகிதம் பகுப்பாய்வு இடைவெளி பகுப்பாய்வு அறிக்கை கட்டமைப்பு நீர்மை மாறும் நீர்மை, வட்டி விகித அடிப்படை ஆகியவற்றை உபயோகிக்கின்றன.

reports - Structural liquidity, Interest Rate Sensitivity, Value at Risk (VaR), Duration Gap Analysis etc. for management of liquidity and interest rate risks. The fundamental focus is to measure value both from the earnings perspective and from the economic value perspective.

#### Operational Risk:

Comprehensive systems and procedures, internal control system audit and intensive training, swift and correct dissemination of information are used as primary means for managing Operational Risk. The Bank has put in place a Board approved Operational Risk Management Policy based on Reserve Bank/BASEL guidelines. All new products introduced by the Bank pass through a 'New Product Approval Process' in order to identify and address operational risk issues, apart from evaluation of other risks.

#### Implementation of New Capital Adequacy Framework:

The Bank has implemented the New Capital Adequacy Framework under Basel-II as per the timelines prescribed by RBI. While the Bank, to start with, has adopted Standardized Approach for Credit Risk, Standardized Duration method for market risk and Basic Indicator approach for Operational Risk, the initiatives so far undertaken / envisaged are geared towards enabling the Bank to comply with the standards set out for more advanced capital measurement approaches in the Basel-II Accord.

The Bank has also developed a framework for quantifying the Pillar-2 risks and has put in place a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) framework in line with RBI guidelines, which has been validated by external agencies

In order to shift the matrices of measurement from traditional volume based measures to risk based measures, bank has implemented a robust and scientific fund transfer pricing system.

The Bank strives to provide maximum returns to its stakeholders while maintaining a solid capital base to support the risks associated with its diversified business. It has a strong capital adequacy ratio in

#### செயல்பாடு இடர் :

செயல்பாடு இடர் நிர்வாகத்தில் விரிவான அமைப்புகள் மற்றும் நடைமுறைகளான கட்டுப்பாட்டின் அமைப்பு தணிக்கை மற்றும் துரிதமாகவும் சரியான தகவல்களை பரப்புதல் ஆகியவை முதன்மையாக உள்ளது. பாரத ரிசர்வ் வங்கி மற்றும் BASIL ஆகியவற்றின் வழிகாட்டுதல்களை அடிப்படையாக கொண்டு செயல்பாட்டு இடர் மேலாண்மைக் கொள்கையானது வங்கியின் மேலாண்மை குழுவில் வைக்கப்பட்டு ஒப்புதல் அளிக்கப்பட்டது. வங்கி அறிமுகப்படுத்தும் புதிய பொருட்களை மற்ற இடர்களை மதிப்பீடு செய்வதோடு செயல்பாடு இடர் பிரச்சினைகளையும் அடையாளம் காணவும் மற்றும் தெரியப்படுத்தவும் புதிய தயாரிப்பு ஒப்புதல் செயல்முறை கீழ் ஒப்புதல் அளிக்கப்பட்டு களையப்படுகிறது.

#### புதிய மூலதன தன்னிறைவு வரைமுறைகள் அமல்படுத்தல் :

வங்கியானது பாஸல் 2ன்படி புதிய மூலதன தன்னிறைவு வரைமுறைகளை இந்திய ரிசர்வ் வங்கி ஆலோசனையின்படி அமல்படுத்தியுள்ளது. கடனுக்கான இடர்களுக்கு நிலைப்படுத்திய அணுகுமுறையையும் சந்தைக்கான இடர்களுக்கு நிலைப்படுத்திய காலத்தொடர்ச்சி முறையையும் மற்றும் செயல்முறைகளுக்கான இடர்களுக்கு அடிப்படைகள் சுட்டிகாட்டும் அணுகுமுறையையும் வங்கி அமல்படுத்த ஆரம்பித்து அதற்கான வங்கியின் முயற்சிகள் வங்கியானது பாஸல் 2 ஒப்பந்தப்படி ஏற்படுத்தப்பட்ட மேம்படுத்தப்பட்ட மூலதன அளவீடு அணுகுமுறைகளுக்கான வரையறைகளை கடைப்பிடிப்பதற்கு உதவுகிறது.

வங்கியானது பில்லர் 2 இடர்களை அளவிடுவதற்காக ஒரு வரைமுறையை உருவாக்கியுள்ளது. மேலும் பாரத ரிசர்வ் வங்கியின் விதிமுறைகளின்படி ஒரு முழுமையான மூலதன தன்னிறைவு மதிப்பீடுமுறை வரைமுறைகளை உருவாக்கியுள்ளது. இது வெளி நிறுவனங்களால் சோதனை செய்யப்பட்டு உறுதி செய்யப்பட்டுள்ளது.

வங்கியானது பாரம்பரிய அளவின் அடிப்படையில் அமைந்த நடைமுறைகளிலிருந்து இடர்பாடுகளின் அடிப்படையிலமைந்த நடைமுறைகளுக்கு மாறுவதற்காக ஒரு உறுதியான மற்றும் விஞ்ஞானப் பூர்வமான நிதிமாற்ற விலை நிர்ணயமுறையை அமல்படுத்தியுள்ளது.

வங்கியானது தனது வேறுபட்ட வியாபார இடர்களுக்கு ஆதரவாக வலிமையான மூலதன அடித்தளத்தை பராமரிப்பதோடு வங்கியின் முதலீட்டாளர்களக்கும் அதிகப்படியான இலாபத்தை கொடுப்பதற்கு பாடுபடுகிறது. வங்கியானது திடமான

order to support the execution of its growth plans and business strategies, while meeting the regulatory capital requirements at all times.

### Strengthening the Resilience: Basel-III Initiatives

Basel-III guidelines which are a comprehensive set of reforms, to strengthen the regulation, supervision and risk management of the banking sector were issued by Reserve Bank of India in May 2012. Liquidity Risk Management and Basel-III framework on Liquidity Standards were also issued in July 2012.

The capital standards and new capital buffers will require banks to hold more capital and higher quality of capital than under the current Basel II rules. The new leverage ratio introduces a non-risk based measure to supplement the risk-based minimum capital requirements.

The new liquidity ratios under Basel-III framework on Liquidity Standards ensure that adequate funding is maintained. The Bank is complying with RBI guidelines in computing and reporting the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) norms.

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

### 21. Board of Directors

The bank's Board as on March 31, 2019 consists of 11 Directors, the composition of Board was as under:

S.No	Name	Designation
1	Thiru K.V Rama Moorthy	Majority – Banking
2	Thiru S.Annamalai	Minority
3	Thiru P.C.G. Asok Kumar	Majority-SSI
4	Thiru S.R Ashok	Minority
5	Tmt S.Ezhil Jothi	Majority – Corporate Law
6	Thiru N.Gopal	RBI Nominee
7	Thiru B.S. Keshava Murthy	Majority – Banking
8	Thiru K. Nagarajan	Majority – Law, Agriculture and Rural economy (Independent Director)
9	Thiru D.N.Nirranjan Kani	Minority
10	Tmt A.Sivagami	RBI Nominee
11	Thiru B.Vijayadurai	Majority – Accountancy (Independent Director)

All Directors, other than Managing Director and CEO are non-executive Directors on Board.

பொது பங்கு மூலதன தகுதி வீதத்தை பராமரித்துக்கொண்டு வங்கியின் வளர்ச்சி திட்டங்களுக்கும் வியாபார உத்திகளுக்கும் எப்போதும் ஆதரவாக உள்ளது.

### பாஸல் 3 முயற்சிகள் :

பாஸல் 3 விதிமுறைகள் வங்கித்துறையை வலிமைப்படுத்துவதற்கும், கண்காணிப்பிதற்கும் மற்றும் இடர் மேலாண்மைக்காகவும் பாரத ரிசர்வ் வங்கியால் 2012 மே மாதம் வெளியிடப்பட்ட ஒரு முழுமையான சீர்திருத்தமாகும். பணப்புழக்க இடர் மேலாண்மை மற்றும் பாஸல் 3 விதி முறைகள் ஜூலை 2012ல் வெளியிடப்பட்டது.

புதிய மூலதன நெறிமுறைகளின்படி தற்போதுள்ள பாஸல் 2 விதிமுறைகளின் கீழ் கணக்கிடப்படும் மூலதனத்தைக் காட்டிலும் அதிக மூலதனம் வங்கிகளுக்கு தேவைப்படுகிறது. பாஸல் 3 நெறிமுறையின்படி புதிய நீர்மை விகிதங்கள் போதுமான நிதி வைத்திருப்பதை உறுதி செய்கிறது. வங்கியானது நம் நாட்டிற்கான பணப்புழக்க விகிதம் மற்றும் நிகர நிலையான நிதி விகிதத்தை இந்திய ரிசர்வ் வங்கி ஆலோசனைகளின்படி கடைபிடிக்கப்படுகின்றது.

நமது வங்கியானது முன் நடவடிக்கையாக பாஸல் 3 நெறிமுறைகளின்படி மூலதன தேவை, பணப்புழக்க விகிதங்கள் மற்றும் பங்கு மூலதனத்திற்கு கடனுக்கான விகிதங்களை உள்மதிப்பீடு செய்கிறது. வங்கியின் மூலதன விகிதம் பாஸல் 3 விதிமுறைகளின்படி தேவைப்படும் குறைந்தபட்ச அளவைவிட அதிகமாக உள்ளது.

### 21. இயக்குநர்கள் குழு :

வங்கி இயக்குநர் குழு மார்ச் 31, 2019 அன்று 11 இயக்குநர்களை உள்ளடக்கியுள்ளது.

S.No	Name	Designation
1	Thiru K.V Rama Moorthy	Majority – Banking
2	Thiru S.Annamalai	Minority
3	Thiru P.C.G. Asok Kumar	Majority-SSI
4	Thiru S.R Ashok	Minority
5	Tmt S.Ezhil Jothi	Majority – Corporate Law
6	Thiru N.Gopal	RBI Nominee
7	Thiru B.S. Keshava Murthy	Majority – Banking
8	Thiru K. Nagarajan	Majority – Law, Agriculture and Rural economy (Independent Director)
9	Thiru D.N.Nirranjan Kani	Minority
10	Tmt A.Sivagami	RBI Nominee
11	Thiru B.Vijayadurai	Majority – Accountancy (Independent Director)

நிர்வாக இயக்குநர் மற்றும் தலைமை நிர்வாக அதிகாரி தவிர அனைத்து இயக்குநர்களும் செயல்சாரா இயக்குநர்கள் ஆவார்கள். இயக்குநர் குழுவானது வங்கி



The composition of the Board of Directors is governed by the Banking Regulation Act, 1949, the Companies Act, 2013, and the Code of Conduct on Corporate Governance adopted by the Bank. The Board comprises of 11 Directors as on 31.03.2019, with rich experience and specialized knowledge in various areas of relevance to the Bank, including banking, accountancy, small scale industry, agriculture, Excluding the MD & CEO, all other members of the Board are non-executive directors and two directors out of the total eleven Directors are Independent Directors Declaration has been obtained from the Independent Directors as required under the Companies Act, 2013.

The remuneration and other benefits paid to MD & CEO of the Bank and other Non-Executive directors during the financial year 2018-19 are disclosed in Corporate Governance Report.

## **22. Changes in the composition of the Board of Directors and other Key Managerial Personnel**

During the year, Smt Shivavel Ezhil Jothi (DIN: 07772888), Thiru S.R.Ashok (DIN: 07933713) and Thiru D.N. Nirranjan Kani (DIN: 00455352) were re-appointed as the Additional Directors of the Bank with effective from October 11, 2018 pursuant to the provisions of Section 161 of the Companies Act, 2013 after automatic vacation of office of additional director on September 30, 2018.

RBI had appointed Tmt A Sivagami as an Additional Director vide their letter dt.11.09.2018 in the place of Thiru K.V Rajan who had retired in the Board meeting dated 10.07.2018. RBI had appointed Thiru N. Gopal as an Additional Director vide their letter dt.04.10.2018 in the place of Thiru Anup Kumar, whose nomination was withdrawn by appointing authority (RBI) vide their letter dated 04.10.2018.

Thiru A.Shidambaranathan, Independent Director of our Bank had resigned from the directorship in the Board meeting dated 10.12.2018.

Thiru B.S Keshavamuthy's tenure as independent director of the Bank came to an end on 28.01.2019 and subsequently the Board in their meeting held on 04.02.2019 has appointed him as an additional director of our Bank.

ஒழுங்குமுறை சட்டம் 1949, நிறுவனச் சட்டம் 2013 மற்றும் வங்கியால் ஏற்று கொள்ளப்பட்ட நிறுவன இணக்க நடத்தை விதி ஆகிய சட்ட விதிமுறைகளுக்கு உட்பட்டு உருவாக்கப்பட்டுள்ளது இயக்குநர் குழுவானது சிறந்த அனுபவம் மற்றும் வங்கியியல், கணக்கியல், சிறுதொழிலுக்கான துறை, விவசாயம் போன்ற பல்வேறு துறைகளில் வங்கி சார்ந்த சிறப்பு அறிவுடன் கூடிய 11 இயக்குநர்களைக் கொண்டுள்ளது. நிர்வாக இயக்குநர் தவிர மற்ற இயக்குநர்கள் செயல்சாரா இயக்குநர்கள் ஆவார்கள். 11 இயக்குநர்களில் 2 இயக்குநர்கள் தன்னிச்சையான இயக்குநர்கள் ஆவார்கள். நிறுவனச் சட்டம் 2013ன் படி தன்னிச்சையான இயக்குநரிடம் உறுதிமொழி பெறப்பட்டுள்ளது

2018-19 நிதியாண்டில் நிர்வாக இயக்குநர் மற்றும் செயல்சாரா இயக்குநர்களுக்கு வழங்கப்படும் ஊதியம் மற்றும் இதர செலவுகளை நிறுவன இணக்க அறிக்கையில் வெளியிடப்பட்டுள்ளது

## **22. இயக்குநர்கள் குழு மற்றும் பிற முக்கிய மேலாண்மை பணியிடத்தில் மாற்றங்கள் :**

இந்த வருடம் திருமதி.சிவவேல் எழில்ஜோதி (DIN:07772888) திரு.S.R.அசோக் (DIN:07933713) மற்றும் திரு.D.N.நிரன்ஜன்கனி (DIN:00455352) ஆகியோர் செப்டம்பர் 30, 2018 அன்று கூடுதல் இயக்குநர் பதவியிலிருந்து விடுவிக்கப்பட்டனர். அதன்பின் நிறுவனச் சட்டம் 2013 பிரிவு 161ன்படி 11.10.2018 முதல் மறுபடியும் கூடுதல் இயக்குநர்களாக நியமிக்கப்பட்டனர். பாரத ரிசர்வ் வங்கியானது 11.09.2018 தேதியிட்ட கடிதம் மூலமாக 10.07.2018 அன்று நடந்த இயக்குநர்குழு கூட்டத்தில் பணிநிறைவு செய்த திரு.K.V.ராஜன் இடத்தில் திருமதி. A.சிவகாமி அவர்களை கூடுதல் இயக்குநராக நியமனம் செய்துள்ளது.

பாரத ரிசர்வ் வங்கியானது தனது 04.10.2018 தேதியிட்ட கடிதத்தின் வாயிலாக திரு.அனுப்குமார் அவர்களின் நியமனம் வாபஸ் பெறப்பட்டதால் அந்த இடத்தில் திரு. N.கோபால் அவர்களை தனது 04.10.2018 தேதியிட்ட கடிதத்தின் மூலமாக நியமனம் செய்துள்ளது. திரு. A.சிதம்பரநாதன் அவர்கள் 10.12.2018 அன்று நடந்த இயக்குநர் குழு கூட்டத்தில் தன்னுடைய தன்னிச்சையான இயக்குநர் பதவியை ராஜினாமா செய்தார்.

திரு. B. S. கேசவமூர்த்தி வங்கியின் தன்னிச்சையான இயக்குநர் பதவிக்காலம் 28.01.2019 அன்று முடிவுக்கு வந்ததையடுத்து 04.02.2019 அன்று நடந்த வங்கியின் இயக்குநர்குழு கூட்டத்தில் கூடுதல் இயக்குநராக நியமனம் செய்யப்பட்டார் திரு. C. சுகுமாரன் நிறுவனச் சட்டம் 2013 பிரிவு 203ன் படி வங்கியின் தலைமை நிதி அதிகாரியாக 21.03.2019 முதல் நியமிக்கப்பட்டார்.

Thiru C Sukumaran was appointed as a Chief Financial Officer of the Bank with effect from 21<sup>st</sup> March, 2019 in compliance of Section 203 of the Companies Act, 2013.

### **23. Appointment of independent directors**

In tune with the definition of Independent Director as prescribed under Section 149(6) of Companies Act, 2013 and based on the confirmation/disclosures received from the Directors, the following are Independent Directors of the Bank as on the date of this report

1. Thiru K. Nagarajan (DIN 02274426)
2. Thiru B. Vijayadurai. (DIN 07403509)

Thiru K. Nagarajan and Thiru B. Vijayadurai Independent Directors have given their declarations as referred to in sub-section (7) of Section 149 of the Companies Act, 2013 to the effect that they meet the criteria of independence as provided in the Act.

### **24. Woman Director**

In terms of the provisions of Section 149 of the Companies Act, 2013, the Bank had appointed Smt Shivavel Ezhil Jothi (DIN: 07772888) as Woman Director on the Board of the Bank.

### **25. Directors' Responsibility Statement**

Pursuant to the requirement under section 134(5) of the Companies Act 2013, it is hereby confirmed that

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the accounting policies adopted by the Bank has been applied 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 2018-19 and of the profit of the Bank for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate

### **23. தன்னிச்சையான இயக்குநர்களின் நியமனம் :**

நிறுவனச்சட்டம் 2013 பிரிவு 149(6)ன் கீழ் பரிந்துரை செய்யப்பட்ட தன்னிச்சையான இயக்குநர்களுக்கான வரையரையுடன் இயக்குநர்களிடம் இருந்து பெறப்பட்ட உறுதிப்படுத்துதல் / வெளிப்படுத்துதல் ஆகியவற்றின் அடிப்படையில் இந்த அறிக்கையின் தேதியில் கீழ்க்கண்டவர்கள் தன்னிச்சையான இயக்குநர்களாக உள்ளார்கள்.

1. திரு. K. நாகராஜன் (DIN 02274426)
2. திரு. B. விஜயதுரை (DIN 07403509)

திரு. K. நாகராஜன் மற்றும் திரு. B. விஜயதுரை ஆகிய தன்னிச்சையான இயக்குநர்கள் 2013 ஆண்டு நிறுவனச்சட்டம் பிரிவு 7ல் குறிப்பிடப்பட்டுள்ள விதிகளை பூர்த்தி செய்யும் பொருட்டு தங்களின் உறுதி மொழிகளை வழங்கியுள்ளனர்.

### **24. பெண் இயக்குநர் :**

நிறுவனச்சட்டம் 2013 பிரிவு 149ன்படி திருமதி. சிவவேல் எழில்ஜோதி (DIN : 07772888) வங்கியின் பெண் இயக்குநராக நியமிக்கப்பட்டுள்ளார்.

### **25. இயக்குநர்களின் பொறுப்புணர்வு அறிக்கை :**

நிறுவனச்சட்டம் 2013 பிரிவு 134(5)ன் தேவைக்கிணங்க கீழ்க்கண்டவைகள் உறுதிப்படுத்தப்பட்டுள்ளது.

அ. 2019ம் ஆண்டின் மார்ச் 31ம் தேதி முடிவடைந்த நிதியாண்டிற்கான வருடாந்திர கணக்கை தயாரிப்பதில் பொருந்தக்கூடிய கணக்கு நெறிமுறைகள் கடைபிடிக்கப்பட்டுள்ளது. முறையான விளக்கங்களும் அளிக்கப்பட்டுள்ளது.

ஆ. வங்கியால் ஏற்றுக்கொள்ளப்பட்ட கணக்குக் கொள்கைகள் தொடர்ச்சியாக பயன்படுத்தப்பட்டு வருகின்றன. 2018-19ம் நிதியாண்டின் இறுதியில் வங்கியின் நிலைமை மற்றும் இவ்வருடத்திற்கான வங்கியின் லாபம் குறித்து உண்மையான மற்றும் நேர்மையான பார்வையை வழங்குவதற்கு நியாயமாகவும், விவேகமாகவும் முடிவுகள் மற்றும் மதிப்பீடுகள் செய்யப்பட்டுள்ளது

இ. இயக்குநர்குழு நிறுவனச்சட்டம் 2013ன்படி வங்கியின் சொத்துக்களைப் பாதுகாப்பதற்கும் மோசடிகளை நடைபெறாவண்ணம் இருப்பதற்கும் மற்றும் கண்டுபிடிப்பதற்கும் போதுமான கணக்கு பதிவுகளை

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 directors had prepared the annual accounts for the financial year ended on March 31, 2019, on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and

the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 26. Details of contracts or arrangements with related parties

No contracts or arrangements in the nature referred to in sub-section (1) of Section 188 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 were entered into by the Bank with related parties during the year under review. The details of remuneration paid to the Managing Director & CEO forms part of the 'notes to accounts' pursuant to the requirement of Accounting Standard – 18. However, as the office of Managing Director is not a place of profit as defined in Section 188, no disclosure with regard to the said payment of remuneration is annexed to this report.

## 27. Board Level Performance Evaluation

The Companies Act, 2013 stipulates evaluation of the performance of the Directors including Chairman, Board and its Committees. In terms of the said provisions, the formal performance evaluation of the directors has been done.

The Committee of Independent Directors at their separate meeting evaluates the performance of MD & CEO, Non-Independent Directors including Chairman of the Bank and the Board as a whole. The Board evaluates the performance of the Independent

பராமரிப்பதற்கு முறையான மற்றும் போதுமான அக்கறை எடுத்துக்கொண்டது.

ஈ. 2019ம் ஆண்டின் மார்ச் 31ம் தேதி முடிவடைந்த நிதி ஆண்டிற்கான வருடாந்திர கணக்குகளை இயக்குநர்கள் தயாரித்துள்ளனர்.

உ. இயக்குநர்கள் அமல்படுத்திய உள்நிதிக் கட்டுப்பாடுகள் வங்கியால் பின்பற்றப்படுகிறது மற்றும் அத்தகைய உள்நிதிக் கட்டுப்பாடுகள் போதுமானவையாகவும் திறம்படவும் செயல்படுகின்றன.

ஊ. இயக்குநர்கள் சரியான நெறிமுறைகளை திட்டமிட்டு பொருந்தும் அனைத்து சட்டங்களின் விதிமுறையின்படி இணங்குவதற்கு போதுமானதாகவும் திறம்பட செயல்படுவதாகவும் வகுத்துள்ளனர்

## 26. வங்கியுடன் தொடர்புடையவர்களோடு செய்த ஒப்பந்தங்கள் அல்லது உடன்படிக்கையின் விபரங்கள்:

எந்த ஒரு ஒப்பந்தங்களும் அல்லது உடன்படிக்கைகளும் நிறுவனச்சட்டம் 2013 பிரிவு 188ன் உட்பிரிவு(1)ல் (வங்கி குழு அதன் அதிகாரங்கள்), விதி 15ன்படி வங்கி தொடர்புடையவர்களிடம் ஏற்படுத்தவில்லை நிர்வாக இயக்குநர் ஊதிய விபரம் கணக்கு முறை விதி 18ல் குறிப்பிட்டுள்ளபடி கணக்குகளுக்கான விளக்கங்கள் கீழே கொடுக்கப்பட்டுள்ளது. மேலும் நிறுவனச்சட்டம் பிரிவு 188ன் படி, நிர்வாக இயக்குநரின் அலுவலகம் இலாபம் சம்பாதிக்கும் இடமாக கருதப்படாததால், அவருக்கு அளிக்கும் ஊதியம் பற்றிய தகவல்கள் இந்த அறிக்கையுடன் வெளியிடப்படவில்லை.

## 27. இயக்கநர்குழு செய்திறன் மதிப்பீடு :

நிறுவனச்சட்டம் 2013 தலைவர் குழு அதன் குழுக்கள் உள்ளிட்ட இயக்குநர்களின் செயல்திறனை மதிப்பீடு செய்கிறது. கூறப்பட்ட விதிகள் அடிப்படையில் இயக்குநர்களின் முறையான செயல்திறன் மதிப்பீடு செய்யப்பட்டுள்ளது

தன்னிச்சையான இயக்குநர்களின் குழு அவர்களின் தனி கூட்டத்தில் நிர்வாக இயக்குநர் மற்றும் தலைமை நிர்வாக அதிகாரி, தன்னிச்சை அல்லாத இயக்குநர்கள், வங்கியின் தலைவர் மற்றும் நிர்வாக குழு உட்பட அவர்களின் செயல்திறனை மதிப்பீடு செய்கிறது. தன்னிச்சையான இயக்குநர்களின் செயல்



Directors wherein the director who is evaluated is excluded. The Board also evaluates the performance of Board level committees.

## **28. Bank's policy on directors' appointment and remuneration**

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

As a banking company, the bank is required to have not less than fifty-one percent of its directors, fulfilling the specified eligibility criteria referred to in Section 10 A (2) of Banking Regulation Act, 1949. Further, for determining the independence of directors the Bank strictly follows the criteria laid down in sub-section (6) of Section 149 of Companies Act, 2013.

The remuneration of the MD & CEO is recommended by the Nomination & Remuneration Committee (NRC) to the Board for approval after considering the factors prescribed under the Compensation Policy. The Board considers the recommendations of NRC and approves the remuneration, with or without modifications, subject to shareholders' and regulatory approvals. The remuneration payable to MD & CEO is subject to prior approval of the Reserve Bank of India (RBI). Therefore, the remuneration or any revision in remuneration to MD & CEO is payable only after receipt of the approval from RBI.

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 did not undergo any change during the year 2018-19.

## **29. Board/Committee meetings**

The Bank's Board met 21 times, and its sub-committees including the Committee of Directors held a total of 79 meetings during the year 2018-2019. The date of Board meeting conducted are as detailed below:

திறனை இயக்குநர்குழு மதிப்பீடு செய்கிறது. அதில் மதிப்பீடு செய்யப்படும் இயக்குநர் பங்குபெற்றமாட்டார். துணை குழுக்களின் செயல்திறனையும் இயக்குநர்குழு மதிப்பீடு செய்கிறது.

## **28. இயக்குநர்களின் நியமனம் மற்றும் ஊதியம் பற்றி வங்கியின் கொள்கை :**

வங்கியானது நிர்வாக குழுவால் அங்கீகரிக்கப்பட்ட இழப்பீடுக்கொள்கை, வங்கி ஊழியர்களுக்கும் நிர்வாக இயக்குநர் தலைமை நிர்வாக அதிகாரிக்கும் பொருந்துவதாக கொண்டுள்ளது. வங்கி ஒழுங்குமுறை சட்டம் 1949பிரிவு 10அ (2)ன்படி இயக்குநர்கள் ஐம்பத்து ஒரு சதவிதத்திற்கு குறைவாக இருக்கக்கூடாது என்று இருப்பதை நிறைவேற்றி உள்ளது. வங்கி இயக்குநர்களின் சுதந்திரத்தை தீர்மானிப்பதில் உட்பிரிவு 6பிரிவு 149 நிறுவனச் சட்டம் 2013ல் குறிப்பிட்டுள்ள விதிகளை பின்பற்றுகிறது.

நிர்வாக இயக்குநர் மற்றும் தலைமை நிர்வாக அதிகாரியின் ஊதியத்தை நியமனம் மற்றும் ஊதியக்குழுவின் கீழ் பரிந்துரைக்கப்படும் காரணிகளை கருத்தில் கொண்டு இயக்குநர் குழு கூட்டத்தில் ஒப்புதல் தரப்படும். NRC-ன் பரிந்துரைகளை கருத்தில் கொண்டு பங்குதாரர்களின் மற்றும் ரிசர்வ் வங்கியின் அனுமதிக்கு உட்பட்டு மாற்றங்களுடன் அல்லது இல்லாமல் ஊதியம் அங்கீகரிக்கப்படுகிறது MD&CEO-வின் ஊதியத்தில் ஏதேனும் மாற்றம் இருந்தால் மத்திய ரிசர்வ் வங்கியின் ஒப்புதலுக்கு பின்னரே கொடுக்கப்படும்

செயல்சாரா இயக்குநர்களுக்கு உட்காருதல் கட்டணம் நிர்வாககுழு மற்றும் அதன் துணை குழுவில் கலந்து கொள்பவருக்கு மட்டுமே கொடுக்கப்படுகிறது MD & CEO உள்ளிட்ட இயக்குநர்களுக்கு லாபம் சம்பந்தப்பட்ட ஊதியம் கொடுக்கப்படுவதில்லை செயல்சாரா இயக்குநர்களுக்கு கொடுக்கப்படும் உட்காருதல் கட்டணத்தில் 2018-19ல் எந்த ஒரு மாற்றமும் இல்லை.

## **29. இயக்குநர் குழு மற்றும் துணைகுழு கூட்டங்கள் :**

2018-19 ஆண்டில் வங்கியின் இயக்குநர் குழு 21 முறையும் துணை குழுக்கள் 79 முறையும் கூடியுள்ளது.

Date of Board Meeting		
28.04.2018	27.07.2018	11.12.2018
16.05.2018	16.08.2018	04.01.2019
23.05.2018	05.09.2018	22.01.2019
24.05.2018	11.10.2018	04.02.2019
18.06.2018	26.10.2018	28.02.2019
25.06.2018	12.11.2018	21.03.2019
16.07.2018	10.12.2018	28.03.2019

The details of attendance of each Director at the Board meetings and Committee meetings held during the period from 01st April 2018 to 31st March 2019 are given below:

2018-19ம் ஆண்டில் நடைபெற்ற இயக்குநர்க்குழு மற்றும் அதன் உட்குழுக்கள் கூட்டங்களில் கலந்துகொண்ட இயக்குநர்களின் வருகை விபரம்

Directors Name	No of Board meetings held	No of Board meetings attended	No of Committee Meetings held	No of committee meetings attended
Thiru S.Annamalai	21	19	6	6
Thiru P.C.G. Asok Kumar	21	16	45	38
Thiru S.R Ashok	21	21	45	45
Tmt S.Ezhil Jothi	21	19	13	12
Thiru N.Gopal	11	8	10	9
Thiru B.S. Keshava Murthy	21	21	37	37
Thiru K. Nagarajan	21	21	59	58
Thiru D.N.Nirranjan Kani	21	20	27	27
Tmt A.Sivagami	11	8	10	9
Thiru B.Vijayadurai	21	21	63	63
Thiru K.V Rajan	6	6	5	5
Thiru Anup Kumar	10	6	10	7
Thiru A Shidambaranathan	14	14	38	38

### 30. Audit Committee

The Audit Committee of the Board is chaired by Thiru B.Vijayadurai, who is a Chartered Accountant and an independent director. The other members of the committee are Thiru B. S. Keshava Murthy, Thiru K. Nagarajan (Independent Director), and Thiru N.Gopal, Tmt A.Sivagami (RBI Nominee Directors). The constitution of the Committee is in compliance with the regulatory requirements. The terms of reference of the Audit Committee are as per the Companies Act, 2013 and RBI guidelines.

### 31. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was reconstituted with three directors as its members including two independent directors and is in compliance with the requirements of Section 178 of the Companies Act 2013 and RBI guidelines.

### 30.தணிக்கை குழு :

தணிக்கை குழு தலைவராக உள்ள திரு. B. விஜயதுரை அவர்கள் ஒரு பட்டய கணக்காளர் மற்றும் தன்னிச்சை இயக்குநர். இக்குழுவின் உறுப்பினர்களாக திரு. B. S. கேசவமூர்த்தி, திரு. K. நாகராஜன் (தன்னிச்சை இயக்குநர்) மற்றும் திரு. N. கோபால், திருமதி A. சிவகாமி (RBI நியமன இயக்குநர்கள்) உள்ளனர். இந்த அமைப்பு நிறுவன சட்டம் 2013 மற்றும் ரிசர்வ் வங்கி வழிகாட்டுதல்களுக்கு இணக்கமாக உள்ளது.

### 31. நியமனம் மற்றும் ஊதியக்குழு :

மாற்றியமைக்கப்பட்ட பரிந்துரை மற்றும் ஊதியக்குழுவில் இரண்டு தன்னிச்சையான இயக்குநர்கள் உட்பட மூன்று உறுப்பினர்கள் உள்ளனர். இது நிறுவன சட்டம் 2013 பிரிவு 178 மற்றும் ரிசர்வ் வங்கி வழிகாட்டுதல்களுக்கு இணக்கமாக உள்ளது.

### **32. Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship and Capital Planning Committee**

The Bank has constituted a Corporate Social Responsibility Committee of the Board in pursuance of the requirements of Section 135 and a Stakeholders Relationship and Capital Planning Committee of the Board in pursuance of the requirements of Section 178 of the Companies Act, 2013. The CSR Committee met once during the year under review.

### **33. Annual General Meetings**

The desire and the efforts of the Bank to conduct its 94<sup>th</sup>, 95<sup>th</sup>, 96<sup>th</sup> and 97<sup>th</sup> Annual General Meeting for the years 2015-16, 2016-17, 2017-18 and 2018-19 has not materialised so far because the bank's petition before the division bench of Madras High Court for holding AGMs is yet to be heard. Bank has advised the legal counsel to expedite early listing of the case in order to hold AGMs of the bank. The Board in its meeting held on 30.05.2019 decided to convene all the pending AGMs at the earliest and accordingly approach the High Court of Madras for early listing of the case.

### **34. Corporate Governance**

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

It has also complied with the various requirements of the Companies Act, 1956 and the Companies Act, 2013 with regard to corporate governance.

### **32. நிறுவன சமூகப்பொறுப்பு குழு மற்றும் பங்குதாரர்களின் உறவுமுறை மற்றும் மூலதன திட்டமிடல் குழு :**

நிறுவனச்சட்டம் 2013, பிரிவு 135ன் படி விதிகளை பின்பற்றும் வகையில் வங்கியானது நிறுவன சமூக பொறுப்பு குழு ஒன்றையும் பிரிவு 178ன் படி விதிகளை பின்பற்றும் வகையில் பங்குதாரர்களின் உறவுமுறை மற்றும் மூலதன திட்டமிடல் குழு ஒன்றையும் ஏற்படுத்தியது. நிறுவன சமூக பொறுப்பு குழு இவ்வருடத்தில் ஒரு முறை சந்தித்துள்ளது.

### **33. வருடாந்திர பொதுக்குழு கூட்டங்கள் :**

வங்கியின் 94, 95, 96 மற்றும் 97 வது 2015-16, 2016-17, 2017-18 மற்றும் 2018-19 ஆவது வருடத்திற்கான வருடாந்திர பொதுக்குழு கூட்டங்கள் நடத்த இயலவில்லை. இது சம்பந்தமான வங்கியின் விளக்க மனு சென்னை உயர்நீதி மன்றத்தில் தாக்கல் செய்யப்பட்டு இன்னும் விசாரணைக்கு வராமல் உள்ளது. வங்கியானது பொதுக்குழு நடத்துவதற்கும் நீதிமன்றத்திலிருந்து அனுமதி பெறுவதற்கும் வங்கியின் சட்ட வல்லுநர்களிடம் அறிவுறுத்தியுள்ளது. கடந்த 30.05.2019 ல் நடைபெற்ற இயக்குநர் குழு கூட்டத்தில் பொதுக்குழு கூட்டத்தை விரைவில் நடத்தவும் அதற்காக சென்னை உயர்நீதி மன்றத்தில் தாக்கல் செய்யப்பட்ட மனுவை விரைவில் விசாரணைக்கு கொண்டு வர முயற்சி செய்ய முடிவு செய்யப்படுகிறது.

### **34. நிறுவன மேலாண்மை:**

வங்கி மேலாண்மை தத்துவம் பங்குதாரரின் மதிப்பை அதிகரிக்க கடினமாக முயற்சி செய்துள்ளது. மேலும் அதன் வணிக நடத்தையில் உள்ள ஒழுக்க நடைமுறைகள் அதன் முழுமையான அர்ப்பணிப்பு சுற்றி பின்னப்பட்டுள்ளது. உங்கள் வங்கி எங்கெல்லாம் முடியுமோ அங்கெல்லாம் சிறந்த நிறுவன ஆளுகையின் நடைமுறைகளை பின்பற்ற பெருமுயற்சியில் ஈடுபட்டிருந்தது. இது வணிக நடவடிக்கைகள் தகவல்களை வெளியிடுதல், ஒருமைப்பாடு, சமூக பொறுப்பு, சட்டவிதிகளை கடைப்பிடித்தல் ஆகியவற்றில் வெளிப்படையான கொள்கைகளை பின்பற்றுகிறது. வங்கி நிறுவன ஆளுகையில் அவ்வப்போது வழங்கப்படும் ரிசர்வ் வங்கியின் நெறிமுறைகள் மற்றும் வழிகாட்டுதலின்படி செயல்படுகிறது. மேலும் மதிப்பான தொழில் நெறிமுறைகளை சமூகத்திற்கு வழங்குவதை கொள்கையாக கொண்டுள்ளது

வங்கி நிறுவன ஆளுகையில் நிறுவனச்சட்டம்



The Bank has set up the following committees of the Board for focused governance in the important functional areas and for effective control of the affairs of the Bank.

Sl. No	Name of the Committee
1	Management Committee
2	Information Technology Strategy Committee
3	Audit Committee
4	NPA Monitoring Committee
5	Fraud Monitoring Committee
6	Customer Service Committee
7	HRM Committee
8	Disciplinary Committee (Appellate Authority for Officers)
9	Risk Management Committee
10	Nomination and Remuneration Committee
11	Corporate Social Responsibility Committee
12	Stakeholders Relationship and Capital Planning Committee
13	Share Transfer Committee
14	Independent Directors Committee
15	Review of Willful Defaulters Committee

The Bank has been exhibiting its keenness to attain and maintain high standards in corporate governance by constituting various committees, both mandatory and non-mandatory, to guide the bank in crucial aspects of banking business. As a mark of its urge to embark on the path of excellence in corporate governance, the Bank has chosen voluntarily to selectively adhere to the provisions of SEBI (Listing obligations and Disclosure requirements) Regulations, 2015. The Bank considers shareholders' rights as paramount and takes all efforts to protect that right as well as facilitate the participation of shareholders to exercise the rights.

### 35. Compliance Function

The bank has embraced compliance as a part of good governance and not with the intention of being purely regulatory in its approach. 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 Deputy General Manager for ensuring regulatory 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

1956 மற்றும் நிறுவனச்சட்டம் 2013க்கு இணக்கமாய் பல்வேறு சீர்திருத்தங்களை செய்துள்ளது.

வங்கி முக்கிய செயல்பாட்டுப் பகுதிகளில் வங்கி நடவடிக்கைகளில் சரியான கவனம் செலுத்துவதற்கும் மற்றும் கட்டுப்பாட்டை கடைபிடிப்பதற்கும் பின்வரும் குழுக்களை அமைத்துள்ளது

வ.எண்	குழுவின் பெயர்
1	நிர்வாகக் கிளைக் குழு
2	தகவல் தொழில் நுட்ப செயல் திட்டக்குழு
3	தணிக்கைக் குழு
4	செயல்பாடற்ற கடன்களை கண்காணிக்கும் குழு
5	மோசடி வேலைகள் நடைபெறா வண்ணம் கண்காணிக்கும் குழு
6	வாடிக்கையாளர்கள் சேவைக் குழு
7	மனிதவள மேலாண்மைக் குழு
8	ஒழுங்கு நடவடிக்கைக் குழு (அதிகாரிகளுக்கான மேல் முறையீடு)
9	இடர் மேலாண்மைக் குழு
10	நியமனம் மற்றும் ஊதியக்குழு
11	சமூக பொறுப்புணர்வு குழு
12	பங்குதாரர்கள் உறவுமுறைக் குழு மற்றும் மூலதன திட்டக்குழு
13	பங்கு மாற்றம் குழு
14	தன்னிச்சையான இயக்குநர்கள் குழு
15	திராணி இருந்தும் திரும்ப செலுத்தாத கடனாளிகளின் மீளாய்வு திட்டக் குழு

வங்கியானது சிறப்பான குழு மேலாண்மையை செயல்படுத்த பல்வேறு குழுக்களை அமைத்து கொள்கைகளையும் வசதிகளையும் ஏற்படுத்தியுள்ளது. இதன் சிறப்பு அம்சமான SEBI ஒழுங்குமுறைச் சட்டம் (கடமைப் பட்டியல் மற்றும் தேவைகளை வெளிப்படுத்துதல்) 2015ல் கண்டுள்ள விதிமுறைகளை பின்பற்றி வருகிறது. வங்கியானது பங்குதாரர்களின் பங்கேற்பை அதிகரிப்பதற்கும் எல்லா விதமான முயற்சிகளையும் எடுத்து வருகிறது

### 35. வங்கி நிறைவேற்ற வேண்டியவைகள் :

வங்கி நல்ல ஆட்சியின் ஒரு பகுதியாக இணக்கத்தை ஏற்றுக்கொண்டது. அதன் அணுகுமுறையில் முழுமையாக ஒழுங்கு நெறிமுறைகளை பின்பற்றும் நோக்கம் கொண்டது. எனவே வங்கி முழுவதும் வலுவான ஒத்துழைப்பு கலாச்சாரம் மற்றும் அமைப்பு முழுவதும் நிறுவன மயமாக்கப்பட்டது. அனைத்து பங்குதாரர்களும் சம்பந்தப்பட்ட வெளிப்படைத் தன்மை மற்றும் நம்பிக்கையின் கொள்கைகளை அடிப்படையாக கொண்டது இதற்காக துணை பொது மேலாளர் அவர்களின் தலைமையில் அனைத்து வர்த்தக நடவடிக்கை செயல்பாடுகளை கண்காணிக்கப்படுகிறது. இதன் முக்கிய நோக்கம் வியாபார பாதிப்பைக் கண்டறிதல் முன்னோக்கி செயல்படுத்தல் மற்றும்

compliance perspective, provide guidance on compliance-related matters, among others.

### **36. Compliance with the provisions of Companies Act, 2013**

The Bank has complied with the various provisions of the Companies Act, 2013 to the extent that they are applicable to the Bank. Due to non conduct of AGMs, the Bank is unable to comply with the Provisions of Section 96 of the Companies Act and the related provisions on AGMs.

### **37. 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 of the functions and activities of the Bank.

As the Bank already has concurrent auditors, internal inspecting officers, compliance department etc. pursuant to the various requirements applicable to a banking company, performing all the activities expected to be done by the Internal Auditors, the functions of internal audit is already enabled. Hence the requirement of internal audit is deemed to be complied.

### **38. Statutory Auditors**

M/s. Maharaj N R Suresh and Co., Chartered Accountants, Chennai has vacated their position as the Statutory Central Auditors of the Bank after completing 4 years of continuous service. The board of directors placed their appreciation to M/s. Maharaj N R Suresh & Co for service rendered. The Board of Directors has recommended the appointment of M/s G.Balu Associates LLP, Chennai as the Statutory Central Auditors of the Bank for the year 2018-19, to Reserve Bank of India. Reserve Bank of India vide its letter dated 16.10.2018 has approved the same. Their appointment is 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.

வழிகாட்டுதல்களையும் வழங்குகிறது.

### **36. நிறுவனச் சட்டம் 2013ன் படி பின்பற்றப்பட வேண்டியவை:**

வங்கியானது நிறுவன சட்டம் 2013ன் படி நிறுவனச் சட்ட பிரிவுகளை பொருத்தமான முறையில் செயல்படுத்தி வருகிறது.

### **37. உள் தணிக்கையாளர்கள் :**

நிறுவனச்சட்டம் 2013 பிரிவு 138 தேவைகளின்படி வங்கி ஒரு பட்டயக்கணக்கர் அல்லது ஒரு அடக்க மதிப்பு கணக்காளர் அல்லது மற்ற தொழில் முறை சார்ந்த நபரை உள் தணிக்கையாளராக நியமிக்க வேண்டும் என்றும் வங்கியின் செயல்பாடுகள் மற்றும் நடவடிக்கைகள் உள்தணிக்கை செய்யப்படும் என்றும் குழுவில் முடிவு செய்யப்பட்டது. உள்தணிக்கையாளர்கள் தேவைக்கேற்ப வங்கியில் ஏற்கனவே தணிக்கையாளர்கள் உள் ஆய்வு அதிகாரிகள், இணக்கத்துறை ஆகியோர் உள்ளதால் வேறுபட்ட தேவைகளும் ஏற்கனவே இணக்கம் செய்யப்பட்டுள்ளது.

### **38. சட்டப்பூர்வமான தணிக்கையாளர்கள் :**

M/s மகராஜ் N.R.சுரேஷ் அண்ட் கோ அவர்கள் மத்திய தணிக்கையாளராக கடந்த நான்கு ஆண்டுகள் செயல்பட்டு வந்தார்கள். இயக்குநர்கள் குழு அவர்களது செயல்பாடுகளை பாராட்டியுள்ளது இயக்குநர்கள் குழு 2018-19ன் வங்கியின் சட்டப்பூர்வமான மத்திய தணிக்கையாளராக M/s.G.பாலு அசோசியேட்ஸ் LLP சென்னை அவர்களை நியமிக்க இந்திய ரிசர்வ் வங்கி 16.10.2018 தேதியில் உள்ள கடிதத்தில் ஒப்புதல் அளித்துள்ளது. இவர்களது நியமனம் வங்கியின் ஆண்டு பொதுக்குழு கூட்டத்தின் ஒப்புதலுக்கு உட்பட்டது

பிரிவு 141 நிறுவனச்சட்டம் 2013ன்படி இவர்கள் வங்கியின் தணிக்கையாளர்களாக நியமிப்பதற்கு அவர்களுக்கு தகுதியுள்ளது என்பதை உறுதி செய்துள்ளனர்.

### 39. 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.

### 40. Details in respect of frauds reported by auditors

There was no fraud reported by auditors under sub-section (12) of section 143 of the companies Act, 2013.

### 41. Secretarial Audit

As the Bank is a public company having a turnover of more than 250 crore, in terms of Section 204 of Companies Act, 2013, Secretarial audit has to be conducted and a report as prescribed in Form MR-3 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is required to be annexed to this report.

The Bank had appointed M/s P Sriram & Associates, Practicing Company Secretaries, Chennai as its Secretarial Auditors to conduct the secretarial audit of the Bank for the FY 2018-19. The report of the Auditor is annexed as Annexure 2

There are no material remarks or observations in the report which require any explanation on the part of the Board, except the following:

- (i) Regarding compliance with Section 12 (1) of Banking Regulation Act, 1949: -.

The Bank is taking effective steps to comply same by conducting Annual General Meeting of the Bank.

- (ii) Regarding non conduct of AGM: -The Board in its meeting held on 30.05.2019 decided to convene all the pending AGMs at the earliest and accordingly approach the High Court of Madras for early listing of the case.

### 39. தணிக்கையாளர்களின் அறிக்கை மீதான விளக்கங்கள் :

தணிக்கையாளர்களின் அறிக்கையில் குறிப்பிட்டுள்ள குறிப்புகள் சுயவிளக்கம் உள்ளவை. நிறுவனச்சட்டம் 2013 பிரிவு 134(3)(f) ன்படி எந்த ஒரு குறிப்புகளும் பாதகமானதாக இல்லாததால் இயக்குநர் குழுவின் விளக்கங்கள் தேவையானதாக இல்லை

### 40. தணிக்கையாளர்களால் அறிவிக்கப்பட்ட மோசடிகளின் விவரங்கள் :

நிறுவனச்சட்டம் 2013 பிரிவு 143 உட்பிரிவு 12ன் கீழ் எந்த மோசடி அறிக்கையும் தணிக்கையாளர்களால் அறிவிக்கப்படவில்லை.

### 41. செயலக தணிக்கை :

நிறுவனச்சட்டம் 2013 பிரிவு 204 ன்படி 250 கோடிக்கு அதிகமாக வருவாய் கொண்ட ஒரு பொது நிறுவனமாக வங்கி செயல்பட்டு வருவதால் செயலக தணிக்கை நடத்தப்பட்டு மற்றும் அதன் அறிக்கையை பரிந்துரைக்கப்பட்ட படிவும் MR-3 நிறுவன (நியமனம் மற்றும் நிர்வாக பணியாளர்கள் ஊதியம்) விதிகள் 2014 ன்படி இந்த அறிக்கை இணைக்கப்பட வேண்டும்

அதன்படி வங்கி 2018-19ம் நிதியாண்டிற்கான வங்கியின் செயலக ரீதியிலான தணிக்கைக்கு M/s. P.Sriram & Associates சென்னை நியமித்து செயலக கணக்காய்வாளர்கள், செயலக தணிக்கையை நடத்தினார்கள். கணக்காய்வாளர் அறிக்கை இணைப்பு 2 இணைக்கப்பட்டுள்ளது. கீழ்க்கண்டவற்றைத் தவிர இயக்குநர் குழு விளக்கம் தரவேண்டிய குறிப்புகள் செயலக தணிக்கை அறிக்கையில் இல்லை

1. வங்கி ஒழுங்குமுறைச்சட்டம் 1949 ன்படி பிரிவு 12(1) உடன் இணங்குவதும் இதை வங்கி பூர்த்தி செய்வதற்கான நடவடிக்கைகளை எடுத்து வருகிறது.
2. வருடாந்திர பொதுக்கூட்டம் விரைவில் நடத்துவதற்கு நிர்வாகக்குழு கூட்டம் 30.05.2019ல் முடிவு செய்தது. இதுவரை நடக்காத வருடாந்திர



(iii) Other observation except point no 6 made by the Secretarial Auditor will be complied in due course.

(iv) RBI levied penalty of ₹ 6 crore and ₹ 1 crore that were paid by the Bank on 26.06.2018 and 13.03.2019 respectively and the bank will ensure that in future such type of noncompliance shall not occurred.

#### 42. Compliance to Secretarial Standards

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and adopted by MCA have been complied with by the Bank.

#### 43. Funding sources of renewable 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 to 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.

#### 44. Corporate Social Responsibility

As stated elsewhere, the Bank has constituted a Corporate Social Responsibility (CSR) Committee and has also adopted a CSR Policy. The policy document 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, we have to spend a sum of ₹

கூட்டங்களை விரைவில் நடத்துவதற்கு சென்னை உயர் நீதிமன்றத்தை அணுக முடிவு செய்யப்பட்டுள்ளது.

3. செயலக தணிக்கையரால் வரிசை எண். 6 தவிர மேற்கொள்ளப்பட்ட ஏனைய கவனிப்புகளும் முறையாக கடைப்பிடிக்கப்படும்
4. இந்திய ரிசர்வ் வங்கியால் விதிக்கப்பட்ட அபராதம் ரூ. 6 கோடி மற்றும் 1 கோடி நமது வங்கியால் 26.06.2018 மற்றும் 13.03.2019ல் செலுத்தப்பட்டது மேலும் இதுபோன்று மீண்டும் வராதபடி பார்த்து கொள்ளப்படும்

#### 42. செயலக தரநிலைகளுக்கு இணங்குதல் :

நிறுவனத்தின் கம்பெனி செயலாளர்கள் (ICSI) நிறுவனம் மற்றும் MCA -ல் வழங்கப்பட்ட தொடர்புடைய செயலக தரநிலைகள் வங்கியால் இணைக்கப்படுகின்றன

#### 43. ஆற்றல் புதுப்பிக்கத்தக்க நிதி ஆதாரங்கள் :

மாற்று ஆற்றல் உற்பத்தியை மேம்படுத்துவதற்காக வங்கி பல்வேறு நடவடிக்கைகளை ஆதரித்து வருகிறது. புவி வெப்பமயமாதலுக்கு எதிராக உலகளாவிய முயற்சிக்கு அதன் பங்களிப்பாக இந்த முயற்சிக்கு ஆண்டு முழுவதும் சிறந்த புதுப்பிக்கத்தக்க மாசுபடுத்தும் இலவச ஆற்றலுக்கான முக்கிய ஆதாரமாக காற்று மற்றும் சூரிய ஆற்றல் வங்கி அளிக்கப்படுகிறது இதன்படி சூரிய ஆற்றல் உற்பத்தி ஆலைகளுக்கு நிதி அளிப்பதன் மூலம் சூரிய ஒளியால் ஆற்றல் அமைக்க வங்கி ஊக்கமளிக்கிறது. அதன் வளாகத்தில் ஆற்றலை பாதுகாக்க பல்வேறு நடவடிக்கைகளையும் வங்கி எடுத்துள்ளது.

#### 44. நிறுவன சமூக பொறுப்பு :

மற்ற இடங்களில் குறிப்பிட்டது போன்று வங்கி ஒரு சமூக பொறுப்புணர்வு குழுவை அமைத்துள்ளது. மேலும் ஒரு சமூக பொறுப்புணர்வு கொள்கையை ஏற்று கொண்டுள்ளது. கொள்கை ஆவணம் வங்கியில் இணையதளத்தில் உள்ளது. நிறுவனங்கள் விதிகள் 2014ன் படி இணைப்பு 3ல் வங்கியின் சமூக பொறுப்புணர்வு நடவடிக்கைகள் குறிப்பிடப்பட்டுள்ளது.

900.24 lakhs for the Corporate Social Responsibility activities for the financial year 2018-19 and the bank has spent the same.

The balance unspent amount for the last financial years are as under:

2015-16	-₹ 893.49 lakhs
2016-17	-₹ 895.92 lakhs
2017-18	-₹ 834.21 lakhs

MCA vide its letter Ref.No.18(P)/23/2018-CSR dt.23.05.2018 called for information to further examine the CSR compliance for the Financial Year 2015-16. In response, we had replied vide our letter dated 02.07.2018. Also we had received another letter Ref.18(P)/23/2018-CSR dt.15.02.2019 from Ministry of Corporate Affairs CSR-Cell asking about a concrete plan for utilization of unspent amount for the financial year 2015-16 in accordance with the Schedule VII of the Act by the end of financial year 2018-19. The unspent amount for the financial year 2015-16 was spent and the same was informed to Ministry of Corporate Affairs by the CSR Cell on 27.03.2019. The unspent amount for the financial year 2016-17 and 2017-18 will be spent during the financial year 2019-20.

#### 45. Extract of annual return

Extracts of Annual Return Pursuant to provision of sec 134(3)(a) and sec 92(3) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extract of the Annual Return as at 31st March 2019 is given as Annexure 4 of this report and also uploaded in Bank's website. The same can be accessed at <https://www.tmb.in>

#### 46. Number of cases filed, if any, and their disposal under section 22 of the sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank has zero tolerance towards any act on the part of any executive/employees which may fall under the ambit of 'Sexual Harassment' at workplace,

நிறுவனச்சட்டம் 2013 பிரிவு 135ன்படி சமூக பொறுப்புணர்வு நடவடிக்கைகளுக்கு ரூ.900.24 லட்சங்கள் நடப்பு நிதியாண்டு 2018-19ல் கொடுத்துள்ளது. செலவிடப்படாத இருப்பு தொகை கடந்த நிதியாண்டு பின்வருமாறு.

2015 -16	ரூ.893.49 Lakhs
2016 -17	ரூ.895.92 Lakhs
2017-18	ரூ.834.21 Lakhs

MCA அதன் Ref. No. 18(P)/23/2018 - CSR dt.23.05.2018 ,2015-16 ஆண்டின் இறுதி ஆண்டுக்கான CSR இணக்கத்தை மேலும் ஆராய தகவல்களுக்கு அழைப்பு விடுக்கப்பட்டது. அதற்கு பதிலளிக்கும் விதமாக 02.07.18 தேதியிட்ட எங்கள் கடிதத்தின்படி பதிலளித்தோம். கார்ப்பரேட் விவகாரங்கள் அமைச்சகத்திடமிருந்து மற்றொரு கடிதம் 15.02.2019ல் வந்தது. 2015-16 நிதியாண்டில் செலவிடப்படாத தொகையைப் பயன்படுத்துவதற்கான உறுதியான திட்டத்தை பற்றி 2018-19ல் கேட்கப்பட்டது. 2015-16ம் நிதியாண்டிற்கான செலவிடப்படாத தொகை செலவிடப்பட்டுள்ளது, அதே போல் கார்ப்பரேட் விவகார அமைச்சகத்திற்கு 27.03.2019 அன்று தெரிவிக்கப்பட்டுள்ளது. 2016-17 மற்றும் 2017-18ம் நிதியாண்டிற்கான செலவிடப்படாத தொகை 2019-20 ஆம் நிதியாண்டில் செலவிடப்படும்.

#### 45. வருடாந்திர படிவம் :

படிவம் MGT-9 பிரிவு 92(3) மற்றும் 134(3)(a) பிரிவு நிறுவனங்களின் ( மேலாண்மை மற்றும் நிர்வாகம்) விதிமுறைகள், 2014 படி இணைப்பு 4-ல் இந்த அறிக்கை இணைக்கப்பட்டுள்ளது. மேலும் வங்கியின் இணையதளத்திலும் இது பதிவேற்றப்பட்டுள்ளது.

#### 46. வேலை நிறுத்தம் (தடுப்பு, தடை மற்றும் நீக்கம்) சட்டம், 2013 இல் பெண்களின் பாலியல் துன்புறுத்தல் பிரிவு 22-ன் கீழ் ஏதேனும் ஒரு வழக்கு, தாக்கல் செய்யப்பட்ட வழக்குகளின் எண்ணிக்கை :

பணியிடத்தில் பாலியல் துன்புறுத்தல் பாதிப்பின் கீழ் வரும் எந்த ஒரு நிர்வாகியும், ஊழியர்களும்,

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 and redressal of such complaints. All the employees (permanent, contractual, temporary, trainees) are covered under this policy.

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

Number of complaints filed during the financial year - Nil

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

#### **47. Unclaimed dividend and shares**

Your Bank, in compliance with the provisions of Section 125 of the Companies Act, 2013 together with the applicable rules and circulars issued thereunder by the Ministry of Corporate Affairs, has transferred 1,53,807 equity shares to the IEPF Authority, in respect of which no claim of dividend has been made continuously for a period of seven years. Further, in terms of the said provisions, consequent to expiry of seven years period:

- Unclaimed amounts pertaining to Dividend declared during FY 2011-12 has been transferred to IEPF during the financial year under review, and
- Unclaimed amount pertaining to Dividend declared during FY 2012-13 together with shares will be transferred during financial year 2019-20 within the stipulated time.

#### **48. Strictures and Penalties**

During the last financial years, no penalties or strictures imposed/passed against the Bank by the MCA and/or any other statutory authorities on matters relating to Share Capital except the following.

For the year 2018-19, RBI by an order dated June 19, 2018, in terms of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949, has imposed a penalty of ₹6 crores for non-compliance with the directions issued by RBI with regard to the action of the bank in issuing Bonus shares in favour of 6 non – resident entities holding 46862 original shares

முற்றிலும் சகிப்புத்தன்மையற்று, நடவடிக்கை எடுக்கப்படும். மற்றும் வங்கியில் பணியாற்றும் ஒவ்வொரு பெண்ணின் கண்ணியத்தை முழுமையாக பராமரிக்கக் கடமைப்பட்டுள்ளது. பணிபுரியும் பெண்களுக்கு எதிரான பாலியல் துன்புறுத்தல் மற்றும் அத்தகைய புகார்களை நீக்குவதற்கு எதிராக தடுப்பு மற்றும் பாதுகாப்பிற்கான கொள்கைகளை வழங்குகிறது. அனைத்து பணியாளர்களும் (நிரந்தர, ஒப்பந்த, தற்காலிக, பயிற்சி பெறுவோர்கள்) இந்த கொள்கையின் கீழ் உள்ளனர்.

நிதியாண்டின் தொடக்கத்தில் நிலுவையிலுள்ள புகார்களின் எண்ணிக்கை - 1.

நிதியாண்டில் சமர்ப்பிக்கப்பட்ட புகார்களின் எண்ணிக்கை - இல்லை.

நிதியாண்டின் இறுதியில் நிலுவையிலுள்ள புகார்களின் எண்ணிக்கை - இல்லை.

#### **47. கோரப்படாத பங்கீட்டுத்தொகை மற்றும் பங்குகள்:**

நிறுவனச்சட்டம் 2013, பிரிவு 125ன் படியும், கார்ப்பரேட் விவகாரங்கள் அமைச்சரவையின் சுற்றறிக்கைகளின் படியும், உங்கள் வங்கியானது தொடர்ச்சியாக ஏழு வருடங்களாக பங்கீட்டுத்தொகை கோரப்படாத 1,53,807 பங்குகளை முதலீட்டாளர்கள் கல்வி மற்றும் பாதுகாப்பு நிதிக்கு மாற்றியுள்ளது. மேலும் மேற்கண்ட விதிகளின்படி,

- 2011-12 நிதியாண்டில் அறிவிக்கப்பட்ட பங்குலாபத்தொகையில் கோரப்படாத பங்குலாபத்தொகையானது முதலீட்டாளர் கல்வி மற்றும் பாதுகாப்பு நிதியில் செலுத்தப்பட்டது.
- 2012-13 நிதியாண்டில் அறிவிக்கப்பட்ட பங்குலாபத்தொகையில் கோரப்படாத பங்குலாபத்தொகையானது, 2019-20 நிதியாண்டில் வரையறுக்கப்பட்ட காலத்திற்குள், முதலீட்டாளர் கல்வி மற்றும் பாதுகாப்பு நிதியில் செலுத்தப்படும்.

#### **48. கண்டிப்புகள் மற்றும் அபராதங்கள்:**

கடந்த வருடம், கார்ப்பரேட் விவகார அமைச்சரவையாலும் மற்றும் சட்டநீதியான அதிகாரம் படைத்த அமைப்புகளாலும் வங்கியின் மேல் கீழ்க்கண்டவற்றை தவிர வேறு அபராதங்கள் விதிக்கப்படவில்லை.

2018-19 வருடத்தில், பாரத ரிசர்வ் வங்கியால், 19.06.2018 தேதியிட்ட ஆணையின்படி, வங்கி ஒழுங்குமுறைச்சட்டம் பிரிவு 47A(1)(c) மற்றும் பிரிவு 46(4)(i) படி, 46,862 பங்குகள் வைத்திருக்கும் 6



which was termed as violation of the permission granted under FEMA. Further, RBI by an order dated 25.02.2019, in terms of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949 has imposed a penalty of ₹1 crore for non – compliance with and contravention of directions, contained in the RBI circular DBS.CO. CSITE/ 4493/ 31.01.015/2017-18 dated February 20,2018 on 'Time bound implementation and strengthening of swift related operational controls' that were observed during the compliance assessment conducted by RBI between May 8 and 10, 2018.

#### 49. Others

As the Bank has no activity relating to conservation of energy and technology absorption, such particulars are not required to be furnished under sub-section (3)(m) of Section 134 of the Companies Act 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014.

1. The statement containing particulars of the employees as required under Section 197(12) of the act read with rule 5(2) of the companies (Appointment of Managerial Personnel) Amendment Rules, 2016.

2. Top ten employees in term of remuneration drawn - Annexure –I

3. Secretarial Audit Report - Annexure –II

4. Annual Report on CSR Activities - Annexure III

5. Form No.MGT-9 - Annexure IV

#### 50. Acknowledgment

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

வெளிநாட்டு நிறுவனங்களுக்கு போனஸ் பங்குகள் வங்கியால் வழங்கப்பட்டது. அந்நிய மேலாண்மை சட்டத்தின் கீழ் வழங்கப்பட்ட அனுமதியை மீறியதாகக் கருதப்பட்டு, ரூபாய். 6 கோடி அபராதம் விதிக்கப்பட்டது. மேலும் பாரத ரிசர்வ் வங்கியின் 25.02.19 தேதியிட்ட ஆணையின்படி வங்கி ஒழுங்குமுறைச்சட்டம் பிரிவு 47A(1)(c) மற்றும் 46(4)(i) படியும், பாரத ரிசர்வ் வங்கியின் 20.02.2018 தேதியிட்ட சுற்றறிக்கையில் சொல்லப்பட்ட உலக வங்கிகளுக்கிடையேயான தகவல் பரிமாற்றத்தில் நடைமுறையில் உள்ள கட்டுப்பாடுகளை பலப்படுத்தவற்கான வழிமுறைகளை அமல்படுத்துவதில் சுணக்கம் காணப்பட்டதாக ரிசர்வ் வங்கியால் கருதப்பட்டதால் ரூபாய்.1 கோடி அபராதம் விதிக்கப்பட்டது.

#### 49. மற்றவை

எரிசக்தி சேமிப்பு மற்றும் அதற்கான தொழில்நுட்ப நடவடிக்கைகளில் வங்கி ஈடுபடாததால் பிரிவு (3) (அ) பகுதி 134, கம்பெனி சட்டம் 2013, விதிகள் (8)(3) கம்பெனி (கணக்குகள்) விதிகள் 2014 கீழ் சமர்ப்பிக்கப்பட தேவையில்லை.

##### இணைப்பு - 1

1. கம்பெனி விதி 5(2) உடன் (1967), பிரிவு 197(12)ன் கீழ் தேவைப்படும் ஊழியர்களின் விவரங்களை உள்ளடக்கிய அறிக்கை (நிர்வாக அதிகாரி) திருத்த சட்டங்கள், 2016
2. முதல் பத்து ஊழியர்களின் ஊதியம் பெறும் காலம்

##### இணைப்பு - 2

1. செயலக தணிக்கை அறிக்கை

##### இணைப்பு - 3

1. CSR நடவடிக்கைகளின் வருடாந்திர அறிக்கை

##### இணைப்பு - 4

1. படிவம் எண். MGT-9

#### 50. நன்றியுரை:

வங்கியின் நிர்வாகக்குழு வாடிக்கையாளர்கள், சக வங்கிகள், நிதி நிறுவனத்தில் மற்றும் வெளிநாட்டில் வசிக்கும் இந்தியர்கள் வங்கியின் மீது வைத்திருக்கும் நன்மதிப்பு மற்றும் வங்கிக்கு நல்கிய ஒத்துழைப்பு, உதவி ஆகியவற்றிற்கு பாராட்டினை தெரிவிக்கிறது. வங்கி ஊழியர்கள் அயராது உழைப்பு மற்றும்

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

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

வாடிக்கையாளர்களின் ஒத்துழைப்பு வங்கியின் எல்லா முயற்சிகளிலும் உறுதுணையாக அமைகிறது.

வங்கியின் இயக்குநர் குழு, பாரத ரிசர்வ் வங்கி, இந்திய அரசாங்கம் மற்றும் மாநில அரசுகள் மற்றும் ஒழுங்குமுறைப்படுத்தும் எல்லா ஆணையங்களுக்கும் அவர்கள் வழங்கிய ஆதரவிற்கும், அறிவுரைகளுக்கும் நன்றியினை சமர்ப்பிக்கிறது. வங்கியின் ஊழியர்கள் மிகுந்த ஈடுபாட்டுடன் செயல்பட்டு வருகின்றனர். எல்லா நிலையிலும் உள்ள ஊழியர்களின் ஒருங்கிணைந்த கூட்டு முயற்சி ஈடுபாடு தேவையான தொழில் நுட்பம் ஆகியவை இவ்வங்கியை சாதனை படைக்க உதவியது. வங்கி ஊழியர்கள் ஆற்றும் பங்கினை இயக்குநர் குழு நினைவு கூர்ந்து வருங்காலத்திலும் இது தொடரும் என்று நம்புகிறது.

Place: Thoothukudi  
Date: 11.07.2019

For and on behalf of the Board  
S.Annamalai  
Chairman

இடம் : தூத்துக்குடி  
நாள் : 11.07.2019.

இயக்குநர் குழுவின் ஆணைப்படி  
திரு. அண்ணாமலை  
சேர்மன்

**Annexure-I**

1. The statement containing particulars of the employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

(a) Top ten employees in term of remuneration drawn (2018-19)

Employee Name (Designation) [Age(in years)]	Educational Qualification	Experience (in years)	Date of Joining	Gross Remuneration Paid (Rs. lakh)	Previous Employment (Designation)
1. Shri.K.V.Rama Moorthy (MD & CEO ) (Age - 60 Years)	B.Sc (Agri)., CAIIB	1	04/09/2017	45.00	United bank of India (Executive Director)
2. Shri.S. Senthil Anandan (General Manager) (Age - 56 Years)	M.Com., CAIIB	32	02/04/1986	21.63	-
3. Shri.P.Suriaraj (General Manager) (Age - 55 Years)	M.Com., CAIIB	32	22/01/1987	21.09	-
4. Shri.M.Venkatesan (Deputy General Manager) (Age - 57 Years)	M.Sc., M.Tech (CS)	17	06/08/2001	20.35	-
5. Shri. R.Sankara Subramanian (Deputy General Manager) (Age - 63 Years)	B.Com., CAIIB	3	01/09/2015	20.07	Canara Bank (Deputy General Manager)
6. Shri.R. Ravindran (General Manager) (Age - 53 Years)	B.Com., MBA., CAIIB	33	28/03/1986	19.81*	-
7. Shri.D.Inbamani (General Manager) (Age - 55 Years)	B.Com., JAIIB	35	24/10/1983	19.58	-
8. Shri.J.Chidambara kani (Deputy General Manager) (Age - 54 years)	B.Com., ICWA(Inter)., CAIIB	32	22/01/1987	18.84	-
9. Shri.P. Ravichandran (Deputy General Manager) (Age - 54 Years)	B.Com., CAIIB	33	28/03/1986	18.82	-
10. Shri.S.Arumugapandian (Deputy General Manager) (Age - 56 Years)	B.B.A., M.Com., CAIIB	36	01/11/1982	18.10	-

\* Remuneration paid upto January 2019 (01.04.2018 to 31.01.2019)



**Annexure - II****Form No.MR-3****SECRETARIAL AUDIT REPORT**FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2019

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the  
Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,

**THE MEMBERS,  
TAMILNAD MERCANTILE BANK LIMITED  
57, VICTORIA EXTENSION ROAD  
THOOTHUKUDI TN 628002**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tamilnad Mercantile Bank Limited (hereinafter called the “**Bank**”). 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 my verification of Tamilnad Mercantile Bank Limited'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, including the Court Orders and without expressing any opinion on subject matter of pending litigation or matter covered in order of the Hon'ble Court, I hereby report that in my opinion, the Bank has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions listed here under 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent

applicable;

- 3) 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.

#### **Other Specific Laws applicable to the Bank**

- 1) In relation to the other laws we have relied on the representation made by the Bank's Audit's Officers for systems and mechanism formed by the Bank for compliances under applicable Acts, Laws and Regulations as applicable to the Bank.
  - (a) Banking regulation Act, 1949 read with rules made thereunder
  - (b) Reserve Bank of India, 1934 read with circulars, notifications & rules made thereunder
  - (c) Securitization and reconstruction of Financial Assets and enforcement of Security Interest Act, 2002
  - (d) The Bankers Book Evidence Act, 1891
  - (e) Banking Companies Rules, 1949
  - (f) Prevention of Money Laundering Act, 2002 read with rules made thereunder

I have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The subscribed capital and paid -up capital of the Bank is not in compliance to provisions of Banking Regulation Act, 1949 which requires the subscribed capital of the Bank should be not be less than one-half of the authorised capital , and the paid- up capital should not be less than one-half of the subscribed capital.
2. The Bank during the financial year under review has kept in abeyance a dividend of Rs.17,91,33,408/-in respect of 5,59,79,190 shares on account of disputes/other issues.
3. The Bank has not convened Annual General Meetings (AGM) for the financial year ended 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2017 & 31<sup>st</sup> March 2018 and has approached (as per details provided) Hon'ble High Court seeking directions for holding Annual General Meetings for the years 2016, 2017, 2018 along with 2019. However, the matter has not been taken up for hearing till date. The Bank has represented that, based on

multiplicity of the litigations covering shareholdings and percentage of shares held by different group which is pending before the Hon'ble High Court and due to pendency of its application as indicated above, the Bank could not convene AGMs for the Financial year ended 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 & 31<sup>st</sup> March 2018 pursuant to Section 92 & Section 129 of the Companies Act, 2013.

4. The provision of Companies Act, 2013 which mandates retirement of minimum one-third of Directors at each AGM. However, as stated in clause 3 of the report, the AGM for the Financial Year ended 31<sup>st</sup> March, 2016, 31<sup>st</sup> March 2017 & 31<sup>st</sup> March 2018 has not been held and hence re-appointment of Directors those who ought to have been retired by rotation at the AGM had not taken place.
5. The Board has approved the appointment and remuneration of Mr. Rama Moorthy Kumarabommarajpuram Venkata as Managing Director & CEO with effect from 9th July 2017/4th September 2017 and same was also approved by Reserve Bank of India. However, the said appointment and remuneration of the Managing Director has not yet approved by the shareholders as contemplated under Section 196 & 197 of the Companies Act, 2013.
6. During the period under review, the RBI had levied a penalty of Rs. 1 Crore for non-compliance with various directions on time-bound implementation and strengthening of SWIFT operations and a penalty of Rs. 6 Crores towards failure of the bank to adhere to the directions while issuing bonus shares to certain non-resident entities.
7. During the year under review, the Bank has received a Notice from the Ministry of Corporate Affairs seeking clarification on the non-spending of Corporate Social Responsibility and necessary clarification in this regard was made by the Bank. Wherever notice was received by the Bank from RBI or wherever clarification were sought, the Bank had duly replied to them within reasonable time and same was also placed before the Board.

### **I further report that**

The Board of Directors of the Bank is duly constituted pursuant to Interim order passed by Hon'ble Division Bench, High Court, Madras declaring the appointment of Directors, with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The



subsequent 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/RBI directives.

Adequate notices were given to all the directors for the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance 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. The Minutes of the Meetings have recorded the discussions, observations, directions and resolutions of the Board/Committees of the Board. All decisions were carried out with requisite majority approval of the Board and there was no instance of dissent voting by any member during the period under review, was seen in the minutes of the meeting.

I have examined the systems and processes of the Bank in place to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the Bank and its Officers for systems and mechanisms formed by the Bank for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Bank and its observance by them.

**I 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.

**I further report that** during the audit period, there were no instances of:

- i. Public / Rights / Preferential issue of shares / debentures / sweat equity.
- ii. Redemption / buy-back of securities.
- iii. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- iv. Merger / amalgamation / reconstruction etc.
- v. Foreign technical collaborations.

Place: Chennai

Date: 1<sup>st</sup> July, 2019

Signature:

**(P.Sriram)**

**P. Sriram & Associates**

**FCS No. 4862/CP No: 3310**

**Annexure A**

**To**  
**THE MEMBERS,**  
**TAMILNAD MERCANTILE BANK LIMITED**  
**57, VICTORIA EXTENSION ROAD**  
**THOOTHUKUDI TN 628002**

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.

Place: Chennai  
Date: 1<sup>st</sup> July, 2019

Signature:  
**(P. Sriram)**  
**P. Sriram & Associates**  
**FCS No. 4862 / C P No: 3310**

### **Annexure- III**

#### **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 CSR Policy as recommended by the CSR Committee and as approved by the Board is available on the Bank's website viz.,

[http://www.tmb.in/policy\\_csr/know\\_about\\_our\\_corporate\\_social\\_responsibility\\_policy.html](http://www.tmb.in/policy_csr/know_about_our_corporate_social_responsibility_policy.html)

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).

2. The Composition of the CSR Committee of Board:

Thiru K. V. Rama Moorthy, MD & CEO

Thiru S. Annamalai

Thiru S. R. Ashok

Thiru D.N. Nirranjan Kani

3. Average net profit of the company for last three financial years:

Rs. 450.12 lakh

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): Rs.

900.24 lakh

5. Details of CSR spent during the financial year.

As per Annexure

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

As per Section 135 of the Companies Act 2013 and Rules thereunder, we have to spend a sum of 900.24 lakhs for the Corporate Social Responsibility activities for the financial year 2018-19 and the bank has spent the same.

The balance unspent amount for the last financial years are as under:

2015-16 - ₹ 893.49 lakhs

2016-17 - ₹ 895.92 lakhs

2017-18 - ₹ 834.21 lakhs

MCA vide its letter Ref.No.18(P)/23/2018-CSR dt.23.05.2018 called for information to further examine the CSR compliance for the Financial Year 2015 - 16. In response, we had replied vide our letter dated 02.07.2018. Also we had received another letter Ref.18(P)/23/2018-CSR dt.15.02.2019 from Ministry of Corporate Affairs CSR-Cell asking about a concrete plan for utilization of unspent amount for the financial year 2015 - 16 in accordance with the Schedule VII of the Act by the end of financial year 2018 - 19. The unspent amount for the financial year 2015 - 16 was spent and the same was informed to Ministry of Corporate Affairs by the CSR Cell on 27.03.2019. The unspent amount for the financial year 2016-17 and 2017-18 will be spent during the financial year 2019-20.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

It is hereby certified by the CSR Committee of the Board as well as the Board of Directors that the sum incurred towards various activities under the CSR initiatives of the bank during the year 2018-19 are in conformity with the CSR policy guidelines of the bank and it is monitored as envisaged in the said policy.



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget project or programs wise	Amount spent on the projects or programs Sub-Heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Providing RO plants to schools, old age home etc	Clause (i)	Tamilnadu	514575	514575	514575	Direct
2	Construction of toilets etc..	Clause (i)	Tamilnadu	1600000	1600000	2114575	Direct
3	Setting up bore-wells in schools etc.	Clause (i)	Tamilnadu	50000	50000	2164575	Direct
4	Healthcare and sanitation facilities	Clause (i)	Tamilnadu West Bengal	2080600	2080600	4245175	Direct
5	Provision of free clinics, medical consultancy etc	Clause (I)	Punjab,	10000	10000	4255175	Direct
6	Donations to schools etc.	Clause (ii)	Tamilnadu	11443140	11443140	15698315	Direct
7	Setting up of homes and hostel for women and orphans, old age homes etc	Clause (iii)	Tamilnadu,	900000	900000	16598315	Direct
8	Provision of infrastructure and aiding machinery for differently abled people	Clause (iii)	Tamilnadu	520000	520000	17118315	Direct
9	Setting up a library for the public	Clause (v)	Tamilnadu	550000	550000	17668315	Direct
10	Providing financial assistance to Charitable trusts meant for the differently abled etc	Clause (ii)	Tamilnadu	500000	500000	18168315	Direct
11	Providing bicycles, sewings machines etc	Clause(ii)	Tamilnadu	820000	820000	18988315	Direct
12	Development of relief and welfare of the SC/ST, other backward classes etc	Clause (viii)	Tamilnadu	110000	110000	19098315	Direct
<b>Total</b>				19098315	19098315		

**Annexure - IV****Form No.MGT-9****Extract of Annual Return as on the financial year ended on 31/03/2019**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

**I. Registration and other details:**

1	CIN	U65110TN1921PLC001908
2	RegistrationDate	May 11, 1921
3	Name of the Company	Tamilnad Mercantile Bank Limited
4	Address of the Registered office and contact details	57, V. E. Road, Thoothukudi, Tamil Nadu – 628 002
5	Category / Sub-Category of the Company	Public Company/Limited by Shares
6	Whether listed company Yes / No	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	None

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl.No.	Name and Description of main products/ services	NIC Code of the Product / service	% total turnover of the company
1	BANKING	NA	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

S.NO.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	%OF SHARES HELD	APPLICABLE SECTION
1	NONE				

#### IV. SHARE HOLDING PATTERN

##### SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):								
Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative holding during the year	
		No. of shares at the beginning/end of the year	% of total shares of the Bank				No. of shares	Percentage
1	ROBERT AND ARDIS JAMES COMPANY LIMITED	7054080	4.94983	-	-	-	7054080	4.94983
2	STARSHIP EQUITY HOLDINGS LTD	6727500	4.72067	-	-	-	6727500	4.72067
3	SUBCONTINENTAL EQUITIES LIMITED	6617709	4.64363	-	-	-	6617709	4.64363
4	EAST RIVER HOLDINGS LIMITED	5305089	3.72257	-	-	-	5305089	3.72257
5	SWISS RE INVESTORS (MAURITIUS) LIMITED	5072124	3.55910	-	-	-	5072124	3.55910
6	FI INVESTMENTS (MAURITIUS) LIMITED	2704899	1.89802	-	-	-	2704899	1.89802
7	C.S.RAJENDRAN	2079849	1.45872	Purchase	3555	Purchase	2083404	1.46192
8	HIBISCUS ENTERPRISES LLP	1993479	1.39882	Purchase	22545	Purchase	2016024	1.41464
9	MEENAKSHI.R.	1899792	1.33308	-	-	-	1899792	1.33308
10	SENTHIL.M.G	1899792	1.33308	-	-	-	1899792	1.33308

##### **(ii) Share holding of Promoters:**

There were ten persons who promoted the Bank in the year 1921 by subscribing to its Memorandum of Association, collectively holding 11505 equity shares of Rs.10 each. Since all these persons are deceased now, we have not made any attempt to identify the promoter group at present. Some of the descendants of these persons might be holding some shares in the bank still. Since we are an unlisted company we have not formally categorized the bank's shareholders into promoter group and non-promoter group.

(iii) Change in Promoters' Share holding (please specify, if there is no change)- Not Applicable

(iv) Share holding of Directors and Key Managerial Personnel:

Shareholding of Directors and Key Managerial Personnel								
Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative holding during the year	
		No. of shares at the beginning/end of the year	% of total shares of the Bank				No. of shares	Percentage
1	Shri K.V Rama Moorthy (MD&CEO)	-	-	-	-	-	-	-
2	Shri S.Annamalai	342684	0.240	-	-	-	342684	0.240
3	Shri S. R.Ashok	47595	0.03340	-	-	-	47595	0.03340
4	Shri P. C. G. Asok Kumar	1577649	1.107	-	-	-	1577649	1.10703
5	Shri B. S. Keshava Murthy	-	-	-	-	-	-	-
6	Shri K. Nagarajan	7014	0.004	-	-	-	7014	0.004
7	Shri D.N NirranjanKani	935367	0.65634	-	-	-	935367	0.65634
8	Shri K.V. Rajan	-	-	-	-	-	-	-
9	Shri Anup Kumar	-	-	-	-	-	-	-
10	Shri A. Shidambaranathan	9018	0.006	10.04.2018	1503	Transmission	10521	0.007
11	Shri B. Vijayadurai	1503	0.001	15.07.2017	2500	Purchase	4003	0.002
12	Tmt S.Ezhil Jothi	-	-	-	-	-	-	-
13	Tmt A.Sivagami	-	-	-	-	-	-	-
14	Thiru N Gopal	-	-	-	-	-	-	-



## V.INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Rs.in crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	Nil	Nil	32,428.33	32,428.33
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	Nil	Nil	32,428.33	32,428.33
<b>Change in Indebtedness during the Financial year</b>	Nil	Nil	2,707.92	2,707.92
· Addition				
· Reduction				
<b>Net Change</b>	Nil	Nil	2,707.92	2,707.92
<b>Indebtedness at the end of the financial year</b>	Nil	Nil	35,136.25	35,136.25
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	Nil	Nil	35,136.25	35,136.25

## VI. Remuneration of Directors and key managerial personnel

### A. Remuneration to Managing Director, Whole-time Directors and / or Manager during 2018-19:

(Amount in ₹)

S.No	Particulars of Remuneration	Name of MD / WTD
		Shri.K.V.Rama Moorthy (MD&CEO) (01.04.2018 to 31.03.2019)
1.	Gross salary  (a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961  (b)Value of perquisites under section 17(2) Income-tax Act, 1961  (c)Profits in lieu of salary under section 17(3) Income- tax Act, 1961	  45,00,000.00  5,07,701.00  -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - Others, specify...	-
5.	Others PF Gratuity PL Encashment Hospitalisation Expenses	 - - - 1,71,626.40
	<b>Total (A)</b>	<b>51,79,327.40</b>
	Ceiling as per the Act	

**B. Remuneration to other directors:**

(Amount in ₹)

Sl.No.	Name of Directors	Sitting Fees	Commission	Total
1	Shri.K.V.Rajan	255000	Nil	255000
2	Shri.S.Annamalai	690000	Nil	690000
3	Shri.S.R.Ashok	1350000	Nil	1350000
4	Shri.P.C.G.Asok Kumar	1050000	Nil	1050000
5	Shri.S.Ezhil Jothi	750000	Nil	750000
6	Shri.B.S.Keshavamurthy	1215000	Nil	1215000
7	Shri.K.Nagarajan	1500000	Nil	1500000
8	Shri.D.N.Niranjana Kani	1020000	Nil	1020000
9	Shri.B.Vijayadurai	1635000	Nil	1635000
10	Shri.A.Shidambaranathan	1020000	Nil	1020000

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN  
MD / MANAGER / WTD**

(Amount in ₹)

Sl. no	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO*	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	-	10,85,006.75	-	10,85,006.75
	(b) Value of perquisites under section 17 (2) Income tax Act, 1961	-	1,72,795.00	-	1,72,795.00
	(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, please specify				
	Closing Allowance	-	4,000.00	-	4,000.00
	Exgratia	-	1,43,853.59	-	1,43,853.59
	PL Encashment	-	93,599.72	-	93,599.72
	Apparel Allowance	-	37,500.00	-	37,500.00
	<b>Total</b>	-	<b>15,36,755.06</b>	-	<b>15,36,755.06</b>

\* CFO has been appointed w.e.f. 21.03.2019 and salary paid to him from the month of April 2019.

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A.COMPANY</b>					
Penalty	1. RBI in exercise of the powers conferred under Section 47A (1)© read with Section 46 (4)(i) of the Banking Regulation Act, 1949 has imposed a penalty of Rs.6 Crore vide their letter dated 19.06.2018 for contravention of the instruction/guidelines stipulated by RBI regarding issue of Bonus Shares to six non-resident entities.  2. RBI has by an order dated 25.02.2019, in terms of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949 has imposed a penalty of Rs.1 crore for non – compliance with and contravention of directions, contained in the RBI circular DBS.CO. CSITE/ 4493/ 31.01.015/2017-18 dated February 20,2018 on ‘ Time bound implementation and strengthening of swift related operational controls’ that were observed during the compliance assessment conducted by RBI between May 8 and 10, 2018				
Punishment					
Compounding					
<b>B.DIRECTORS</b>					
Penalty	NONE				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NONE				
Punishment					
Compounding					



### Basel III - Pillar 3 Disclosures as on March 31<sup>st</sup>, 2019

#### 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.,**

<b>Qualitative Disclosures</b>	<b>Applicability to our Bank</b>
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
<b>Quantitative Disclosures</b>	
c. List of group entities considered for consolidation	The Bank does not belong to any group and does not have any associate, subsidiaries, joint venture, etc.
d. The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted and the name(s) of such subsidiaries.	Not Applicable
e. The aggregate amounts (e.g. Current book value) of the bank's total interests in insurance entities, which are risk-weighted.	Not Applicable
f. Any restriction or impediments on transfer of funds or regulatory capital within the banking group.	Not Applicable

## Table DF-2-Capital Adequacy

### Qualitative Disclosures

#### **A. A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.**

The Bank is following standardized approach, Standardized Duration approach and Basic Indicator approach for measurement of capital charge in respect of credit risk, market risk and operational risk respectively.

The computation of Capital for credit risk under Standardized Approach is done granularly borrower & account wise based on the data captured through Core Banking Solution. Bank is also taking efforts on an ongoing basis for the accuracy of the data. The various aspects of NCAF norms are imparted to field level staff regularly through circulars and letters for continuous purification of data and to ensure accurate computation of Risk Weight and Capital Charge. The Bank has used the credit risk mitigation in computation of capital for credit risk, as prescribed in the RBI guidelines under Standardized Approach.

The capital for credit risk on Loans and Advances, market risk and operational risk as per the prescribed approaches are being computed at the bank's Head Office and aggregated to arrive at the position of bank's CRAR. The bank has followed the RBI guidelines in force, to arrive at the eligible capital funds, for computing CRAR.

Besides computing CRAR under the Pillar I requirement, the Bank also periodically undertakes stress testing in various risk areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, profitability and capital adequacy.

The bank conducts Internal Capital Adequacy Assessment Process (ICAAP) on an annual basis to assess the sufficiency of its capital funds to cover the risks specified under Pillar- II of Basel guidelines. The adequacy of Bank's capital funds to meet the future business growth is also assessed in the ICAAP document, which is approved by the Board. While the surplus CRAR available at present acts as a buffer to support the future activities, the headroom available for the bank for mobilizing Tier 1 and Tier 2 capital (subject to approval by the competent authorities) is also assessed to meet the required CRAR against future activities.

The Bank is having high quality Common Equity Tier 1 capital, as the entire components of CET1 capital comprises of Paid up Capital, Reserves & Surplus and retained earnings.

#### **Minimum capital requirements under Basel-III:**

Under the Basel III Capital Regulations, Banks are required to maintain a minimum Pillar 1 Capital (Tier-I + Tier-II) to Risk-weighted Assets Ratio (CRAR) of 9% on an on-going basis. Besides this minimum capital requirement, Basel III also provides for creation of capital conservation buffer (CCB). The transitional period of full implementation of Basel III capital regulation in India is extended up to 31<sup>st</sup> March 2020. Accordingly the CCB requirements were implemented from 31<sup>st</sup> March 2016 in phases and are to be fully implemented by March 31, 2020 to the extent of 2.50% of Risk weighted Assets. The banks are required to maintain minimum CRAR of 10.875% (including CCB of 1.875%) as on 31.03.2019.

The total regulatory capital funds under Basel-III norms consist of the sum of the following categories and banks are required to maintain 10.875% of Risk Weighted Assets (9% +1.875%) by March 2019 with the phase in requirements under CCB from 2016.

- 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 1.875%)
  - Total capital including CCB should be 10.875%

In line with the RBI guidelines for implementing the New Capital Adequacy Framework under Basel III, the bank has successfully migrated since April 01, 2013.

#### **Component of Capital:**

(₹ in millions)	
Particulars	Amount
Common Equity Tier 1 (CET1) Capital	35637.60
Tier 1 Capital	35637.60
Tier 2 Capital	1496.05
Total Capital	37133.65

## Quantitative Disclosure

(₹ in millions)

	Particulars		Amount
<b>a)</b>	<b>Capital requirement for Credit Risk: (@9% on risk Weighted Assets)</b>		
	• Portfolios subject to Standardised Approach		16785.35
	• Securitisation exposures		Nil
<b>b)</b>	<b>Capital requirements for Market Risk @ 9 % :</b>		
	• Standardised Duration Approach		1288.55
	○ Interest Rate Risk	1218.48	
	○ Equity Risk	52.22	
	○ Foreign Exchange Risk	17.85	
<b>c)</b>	<b>Capital requirements for Operational Risk @ 9% :</b>		
	• Basic Indicator Approach		2595.78
<b>d)</b>	Capital required under CCB (1.875%)		4306.18
<b>e)</b>	Total Capital required		24975.86
<b>f)</b>	Total Capital funds available		37133.65
<b>g)</b>	Total Risk Weighted Assets		229663.12
	Common Equity Tier I CRAR		15.52%
	Tier I CRAR		15.52%
	Tier II CRAR		0.65%
<b>h)</b>	Total CRAR		16.17%

## 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 Risk Management Committee of Executives (RMCE) and Asset Liability Management Committee (ALCO) at senior management level.

The Bank has formulated the required policies such as Loan Policy, Credit Risk Management Policy, Credit Risk Mitigation Techniques & Collateral Management Policy, ALM Policy, Operational Risk Management Policy, Investment Policy, Foreign Exchange Risk Management Policy, Policyguidelines for Hedging Foreign Currency Exposure, Concurrent Audit Policy, Inspection Policy, IS Audit Policy, KYC policy, Credit Audit Policy, Stock Audit Policy, Outsourcing Policy, IT Business Continuity and Disaster Recovery Plan (IT BC-DRP), Risk Based Internal Audit Policy, Stress Testing Policy, Disclosure Policy, ICAAP Policy, 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 during the year 2008-09 and 2009-10.

The parameters in internal rating take into consideration, the quantitative and qualitative issues relating to management risk, business risk, industry risk, financial risk, credit discipline, and also risk mitigation, based on the collaterals available.

Credit rating, as a concept, has been well internalized within the Bank. The rating for 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.

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<sup>st</sup> March 2019**

(₹ in millions )

Category	Gross Credit Exposure
Fund Based <sup>1</sup>	338169.94
Non Fund Based <sup>2</sup>	21491.30
Total	359661.24

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<sup>st</sup> March 2019**  
**(₹ in millions)**

Exposure Distribution	Treasury	Corporate / Wholesale banking		Retail Banking		Total credit Exposure	
		FB	NFB	FB	NFB	FB	NFB
Domestic	91924.51	124772.18	16058.74	213397.77	5432.55	338169.95	21491.29
Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>91924.51</b>	<b>124772.18</b>	<b>16058.74</b>	<b>213397.77</b>	<b>5432.55</b>	<b>338169.95</b>	<b>21491.29</b>

**d. Industry type distribution of credit exposures as on 31.03.2019**

**(₹ in millions)**

Industry Name	Exposures			
	FB	NFB	Investment	Total
A. Mining and Quarrying	1218.64	522.35	0.00	1740.99
B. Food Processing	3440.63	3531.88	13.31	6985.82
C. Beverages (excluding Tea & Coffee) and Tobacco	472.59	5.01	13.80	491.40
D. Textiles	42685.01	1925.31	0.00	44610.32
E. Leather and Leather products	230.42	4.00	0.00	234.42
F. Wood and Wood Products	2068.64	758.51	0.00	2827.15
G. Paper and Paper Products	2297.21	45.50	2.59	2345.30
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	270.01	1.43	86.60	358.04
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	3193.50	36.64	34.37	3264.51
J. Rubber, Plastic and their Products	1973.19	198.90	0.00	2172.09
K. Glass & Glassware	67.01	0.00	0.00	67.01
L. Cement and Cement Products	95.42	0.00	0.00	95.42
M. Basic Metal and Metal Products	4271.38	298.40	285.06	4854.84
N. All Engineering	2248.51	783.97	2.49	3034.97
O. Vehicles, Vehicle Parts and Transport Equipments	100.93	12.93	33.92	147.78
P. Gems and Jewellery	349.67	4.82	0.00	354.49
Q. Construction	1833.70	510.01	0.00	2343.71
R. Infrastructure	14034.30	2033.46	3181.10	19248.86
S. Other Industries, pl. specify	14132.77	1323.32	0.00	15456.09
<b>All Industries (A to S)</b>	<b>94983.53</b>	<b>11996.44</b>	<b>3653.24</b>	<b>110633.21</b>



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 31.03.2019 is furnished below:

(₹ in millions)

Industry	Fund Based	Non Fund Based	% to Gross Credit Exposures
Textile	42685.01	1925.31	12.40%

**e. Residual Contractual Maturity Breakdown of assets as on 31.03.2019**  
(₹ 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	3848.65	3320.11	15458.50	19406.89	0.00	1335.98	43370.13
2-7 days	177.67	7475.02	2272.00	4621.60	0.00	92.80	14639.09
8-14 days	209.79	0.00	1884.40	4020.71	0.00	0.00	6114.90
15-30 days	631.48	0.00	2798.40	7166.60	0.00	1267.49	11863.97
31 days & Upto 2 months	296.18	759.00	2594.68	8820.09	0.00	28.76	12498.71
2 months & Upto 3 months	503.98	276.00	2203.00	7668.51	0.00	24.90	10676.39
3 to 6 months	916.37	0.00	4170.79	15679.69	0.00	49.02	20815.87
6 months to 1 year	3924.66	0.00	17566.40	32753.51	0.00	83.35	54327.92
1 year to 3 years	5285.47	20.00	26449.50	111129.90	0.00	745.95	143630.82
3 to 5 years	893.18	0.00	5274.79	17033.30	0.00	9062.06	32263.33
Above 5 years	665.99	0.00	10393.40	36578.60	1383.82	3727.40	52749.21
<b>Total</b>	<b>17353.42</b>	<b>11850.13</b>	<b>91065.86*</b>	<b>264879.40*</b>	<b>1383.82*</b>	<b>16417.71</b>	<b>402950.34</b>

(Covers Net Assets for Domestic Operations)\*Net of Provisions/ depreciation

**f. Amount of Gross Non-Performing Advances (NPAs) as on 31.03.2019:****(₹ in millions )**

Amount of Gross NPAs	
Amount of NPAs (Gross)	11681.12
• Substandard	5356.86
• Doubtful	5998.19
• Of which DF1	1887.02
• DF2	3790.57
• DF3	320.60
• Loss	326.08
<b>Net NPAs</b>	<b>6365.10</b>
<b>NPA Ratios</b>	
• Gross NPAs to gross advances	4.32%
• Net NPAs to net advances	2.40%

**g. Movement of NPAs(Gross):****(₹ in millions )**

Movement of NPAs	
• Opening Balance as on 01.04.2018	8682.77
• Additions	9472.35
• Reductions	6474.00
• Closing Balance as on 31.03.2019	11681.12

**h. Movement of provisions****a. Movement of provisions for NPAs \*:****(₹ in millions)**

Particulars	
• Opening Balance as on 01.04.2018	3549.93**
• Provisions made during the period	4446.80
• Write off	2680.70
• Reductions	0.00
• Write back of excess provisions / Transfers	0.00
• Any other adjustments, including transfers between provisions	0.00
• Closing Balance as on 31.03.2019	5316.03**

\*\* includes floating provision and claims receivable (CGTMSE, ECGC &amp; UIIC)

**b. Movement of Provisions of Standard Assets:-****(₹ in millions)**

Particulars	
• Opening Balance as on 01.04.2018	975.47
• Provisions made during the period	77.81
• Write back of excess provisions	--
• Any other adjustments, including transfer between provisions	181.29
• Closing Balance as on 31.03.2019	871.99

**c. Stock of Technical/Prudential Write-offs and recoveries made thereon;****(₹ in millions)**

Particulars	Amount
Opening balance for recoveries of Technical/Prudential written- off accounts as on 01.04.2018	10125.17
Add: Technical/Prudential write-offs accounts during the period	2726.24
Less: Recoveries from previously technical/ prudential written- off accounts taken to income account during the period.	413.21
Closing balance as on 31.03.2019	12438.20

**i. Non-Performing Investments (NPIs):****(₹ in millions)**

<b>a. Non-Performing Investments</b>	798.24
<b>b. Provisions held for non-performing investments</b>	798.24

**k. Movement of provisions for depreciation on investments:****(₹ in millions)**

• Opening Balance as on 01.04.2018	899.21
• Provisions made during the period	1429.80
• Write-off	0.00
• Write-back of excess provisions	383.09
• Provision adjustment during shifting	1087.27
• Closing Balance as on 31.03.2019	858.65

**I. Industry wise distribution of NPAs:**

(₹ in millions)

Industry Name	As on March 2019			For the quarter ended March 31, 2019		
	Gross NPA	Provision for NPA	Standard Asset Provision	Write – off	Provision for NPA	Standard Asset Provision
A. Mining and Quarrying	27.17	6.99	3.57	0.00	6.73	(0.44)
B. Food Processing	471.53	118.84	5.16	0.00	(10.37)	0.11
C. Beverages (excluding Tea & Coffee) and Tobacco	2.24	0.58	1.15	0.00	(0.56)	(0.33)
D. Textiles	1232.06	525.71	95.92	0.00	(72.90)	10.95
E. Leather and Leather products	0.25	0.12	0.55	0.00	(0.07)	0.07
F. Wood and Wood Products	60.78	32.75	11.48	0.00	(6.89)	7.53
G. Paper and Paper Products	592.50	314.27	3.78	0.00	48.33	(0.09)
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	0.30	0.30	0.64	0.00	0.00	(0.04)
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	19.72	5.31	5.14	0.00	(0.64)	0.08
J. Rubber, Plastic and their Products	5.93	2.64	4.87	0.00	(11.30)	(0.34)
K. Glass & Glassware	0.00	0.00	0.14	0.00	0.00	0.02
L. Cement and Cement Products	0.00	0.00	0.21	0.00	0.00	0.02
M. Basic Metal and Metal Products	9.93	3.41	7.83	0.00	(2.18)	0.51
N. All Engineering	16.73	6.70	6.50	0.00	0.77	0.13
O. Vehicles, Vehicle Parts and Transport Equipments	1.25	0.50	0.18	0.00	(498.77)	0.01
P. Gems and Jewellery	0.58	0.23	0.80	0.00	0.00	0.00
Q. Construction	24.39	11.85	4.59	0.00	2.47	1.40
R. Infrastructure	4181.36	1774.81	33.95	0.00	(1093.14)	1.48
S. Other Industries, pl. specify	260.07	93.59	28.33	0.00	(18.19)	1.09
<b>All Industries (A to S)</b>	<b>6906.79</b>	<b>2898.60</b>	<b>214.79</b>	<b>0.00</b>	<b>(1656.71)</b>	<b>22.16</b>
All others	4774.33	2034.11	656.45	0.00	(319.48)	57.42
<b>Total</b>	<b>11681.12</b>	<b>4932.71**</b>	<b>871.24*</b>	<b>0.00</b>	<b>(1976.19)</b>	<b>79.58</b>

\* Excess provision of ₹ 0.75millions kept under standard asset provision

\*\*Excludes floating provision and claims receivable (CGTMSE&amp; ECGC) - ₹ 383.20millions)



**m. Geographic distribution of NPAs:**

(₹ in millions)

Particulars	Domestic	Overseas	Total
Gross NPA	11681.12	0.00	11681.12
Provisions for NPA*	5315.91*	0.00	5315.91*
Provision for Standard assets	849.78	0.00	849.78

\*Includes floating provision and claims receivable (CGTMSE, ECGC & UIIC) - ₹ 383.20 millions)

**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 seven domestic ECRAs namely (a) Credit Analysis and Research Ltd., (CARE), (b) CRISIL Ltd., (c) Fitch India, (d) ICRA Ltd., (e) Brickwork Ratings India P Ltd., (Brickwork), (f) ACUTE Rating s and Research Limited (SMERA) and (g) INFOMERICS Valuation and Rating Pvt Ltd., (INFOMERICS). In consideration of the above guidelines , the bank accepts the ratings assigned by all these ECRAs.

The bank has well-structured internal credit rating mechanism to evaluate the credit risk associated with a borrower and accordingly the systems are in place for taking credit decisions with regard to acceptability of proposals, and level of exposures and pricing.

In case of bank's investment in particular issues of Corporate / PSEs, the issue specific rating of the approved ECRA's 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)

<b>Risk Weight</b>	<b>Rated</b>	<b>Unrated</b>	<b>Total *</b>
Below 100%	11509.07	166396.79	177905.86
100%	19745.81	109546.06	129291.87
More than 100%	32736.50	57799.62	90536.12
<b>Total Exposure before mitigation</b>	<b>63991.38</b>	<b>333742.47</b>	<b>397733.85</b>
Deducted (as per Risk Mitigation)	2976.51	67358.31	70334.82
<b>Total outstanding after mitigation</b>	<b>61014.87</b>	<b>266384.16</b>	<b>327399.03</b>

\* This includes total gross credit exposure i.e. (FB+ NFB (including 2% of Forward Contract) + undrawn or partially undrawn fund based facility)

### Table DF – 5

## CREDIT RISK MITIGATION: DISCLOSURE FOR STANDARDISED APPROACHES

### Qualitative disclosures:

#### Policy on Credit Risk Mitigation under Standardized Approach:

As advised by RBI, the Bank has adopted the comprehensive approach relating to credit risk mitigation under Standardized Approach, which allows fuller offset of securities (primary and collateral) against exposures, by effectively reducing the exposure amount by the value ascribed to the securities. Thus the eligible financial collaterals are fully used to reduce the credit exposure in computation of credit risk capital. In doing so, the bank has recognized specific securities namely (a) bank's own deposits (b) Gold/Ornaments (c) Life Insurance Policies (d) Government Securities (e) NSC/KVP etc and (f) Units of Mutual Funds, in line with the RBI guidelines on the subject.

Besides, other approved forms of credit risk mitigation are "On Balance Sheet netting" and availability of "Eligible Guarantees". On balance sheet nettings has been reckoned to the extent of the deposits available against the loans /advances of the borrower (to the extent of exposure) as per the RBI guidelines. Further, in computation of credit risk capital, the types of guarantees recognized for taking mitigation, in line with RBI guidelines are (a) Central Government Guarantee (0%) (b) State Government (20%) (c) CGT MSE (0%) (d) ECGC (20%) (e) Bank Guarantee in the form of bills purchased / discounted under Letter of credit (20%) and (f) Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) (0%). The Bank has ensured compliance of legal certainty as prescribed by the RBI in the matter of credit risk mitigation.

#### Concentration Risk in Credit Risk Mitigation:

All types of securities eligible for mitigation are easily realizable financial securities. As such, presently no limit/ceiling has been prescribed to address the concentration risk in credit risk mitigants recognized by the Bank.

**Quantitative Disclosures:**

(₹ in million)

<b>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:</b>		
Portfolio category	Financial collateral	Quantum of exposure covered
1. Funded – Credit	Bank's own deposits	<b>30965.03</b>
2. Funded – Credit	Gold jewels	<b>69361.93</b>
3. Funded - Credit	Life Insurance policies	<b>421.73</b>
4. Funded - Credit	NSC/KVP	<b>41.07</b>
4. Non Funded	Bank's own deposits	<b>6023.90</b>
<b>b. For each separately disclosed portfolio, the total exposure (after, on balance sheet netting) that is covered by Guarantees:</b>		
1. Funded - Credit	ECGC	<b>800.00</b>
2. Funded – Credit	CGTMSE	<b>321.27</b>

**Table DF - 6****Securitization: Disclosure for standardized approach****Qualitative Disclosures**

The bank has not undertaken any securitization activity.

**Quantitative Disclosures:** NIL

**Table DF-7****MARKET RISK IN TRADING BOOK****Qualitative Disclosures:****a) Market Risk:**

Market Risk is defined as the possibility of loss to a bank in-on balance sheet and off-balance sheet positions caused by the changes / movements in the market variables such as interest rates, foreign currency exchange rates, equity prices and commodity prices. Bank's exposure to market risk arises from domestic investments (interest related instruments and equities) in trading book (both AFS and HFT categories), the Foreign exchange positions (including open position in precious metals) and trading related derivatives. The objective of the market risk



management is to minimize the impact of losses on earnings and equity capital arising from market risk.

### **Policies for management of Market Risk:**

The bank has put in place Board approved Asset Liability Management (ALM) policy and Investment Policy for effective management of market risk in the bank. The policy sets various risk limits for effective management of market risk and ensuring that the operations are in line with Bank's expectation of return to market risk through proper Asset Liability Management. The policy also deals with the reporting framework for effective monitoring of market risk.

The ALM policy specifically deals with liquidity risk management and interest rate risk management framework. As envisaged in the policy, Liquidity risk is managed through the mismatch analysis, based on residual maturity / behavioral pattern of assets and liabilities, on a daily basis based on best available data coverage, as prescribed by the RBI. The bank has put in place mechanism of short-term dynamic liquidity management and contingent funding plan. Prudential (tolerance) limits are prescribed for different residual maturity time buckets for efficient asset liability management. Liquidity profile of the bank is evaluated through various liquidity ratios. The bank has also drawn various contingent measures to deal with any kind of stress on liquidity position. Bank ensures adequate liquidity managed on a real time basis by Domestic Treasury through systematic and stable funds planning.

Interest Rate Risk is managed through use of GAP analysis of rate sensitive assets and liabilities and monitored through prudential (tolerance) limits prescribed. The bank has also put in place Duration Gap Analysis framework for management of interest rate risk. The bank estimates Earnings at Risk (EaR) and Modified Duration Gap (DGAP) periodically against adverse movement in interest rate (as prescribed in the Policy) for assessing the impact on Net Interest Income (NII) and Economic Value of Equity (EVE) with a view to optimize shareholder value.

The Asset-Liability Management Committee (ALCO) /Risk Management Committee of Board (RMCB) monitors adherence of prudential limits fixed by the bank and determines the strategy in the light of the market condition (current and expected) as articulated in the ALM policy.

### **Quantitative Disclosures:**

b) In line with the RBI's guidelines, the bank has computed capital for market risk as per Standardized Duration Approach (SDA) framework for maintaining capital. The Capital requirements for market risk in trading Book as on 31.03.2019.

(₹ in millions)

• Interest Rate Risk	1218.48
• Equity Position Risk	52.22
• Foreign Exchange Risk	17.84
<b>Total</b>	<b>1288.54</b>

**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) IT Business Continuity and Disaster Recovery Plan (IT BC-DRP).

The Operational Risk Management Policy adopted by the Bank outlines organization structure and detail processes for management of operational risk. The basic objective of the policy is to closely integrate operational risk management system into the day-to-day risk management processes of the bank by clearly assigning roles for effectively identifying, assessing, monitoring and controlling / mitigating operational risk and by timely reporting of operational risk exposures, including material operational losses. Operational risks in the Bank are managed through comprehensive and well-articulated internal control frameworks.

**Quantitative Disclosures:**

b) In line with the final guidelines issued by RBI, the Bank has adopted the Basic Indicator Approach for computing capital for Operational Risk. As per the guidelines, the capital charge for Operational Risk is equal to the 15 % of the previous three years (2016-17, 2017-18 & 2018-19) average positive annual Gross

income as defined by RBI. As per such estimate, the capital requirement for operational risk as on 31.03.2019 is ₹ 2 595.78 mn.

### Table DF – 9

## INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

### Qualitative Disclosures:

#### **a) Interest Rate Risk in the Banking Book:**

Interest Rate Risk is the risk where changes in the market interest rates might affect a bank's financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as also the net worth of the Bank (economic value perspective). The risk from earnings perspective can be measured as impact in the Net Interest Income (NII) or Net Interest Margin (NIM). Similarly, the risk from economic value perspective can be measured as drop in the Economic value of Equity (EVE).

The Bank identifies the risks associated with the changing interest rates on its-on balance sheet and off-balance sheet exposures in the banking book from a short term (Earning perspective) and long term (Economic value perspective).

The impact on income (Earning perspective) is measured by using Earnings at Risk (EaR) with the assumption that the re pricing dates of assets and liabilities are evenly spread across the respective time buckets and the change in interest rate is uniform across the maturity spectrum. The prudential limit on EaR will be 10% of the previous year Net Interest Income (NII). For the calculation of impact on earnings, the Traditional Gap is taken from the Rate Sensitivity Statement and based on the remaining period from the mid point of a particular bucket the impact for change in interest rates upto 100 bps is arrived at. The same is reported to ALCO /Risk Management Committee of Board (RMCB) periodically along with the Rate Sensitivity statement on monthly basis.

The Bank has adopted Traditional Gap Analysis combined with Duration Gap Analysis for assessing the impact (as a percentage) on the Economic value of Equity (Economic Value Perspective) by applying a notional interest rate shock of 200 bps. As per the Guidelines on Banks' Asset Liability Management Framework-Interest Rate Risk issued by the RBI (DBOD.No.BP.BC.59/21.04.098/2010 11 dated 04.11.2010), the Bank calculates Modified Duration Gap (DGAP) & the impact on the Economic Value of equity (EVE). Assets and Liabilities are grouped as per Interest Rate Sensitivity Statement & bucket wise Modified Duration is computed for these

groups of Assets and Liabilities using account level coupon and yield as per yield curves suggested by RBI, actual Re price date of the individual account is considered for bucketing, Weighted average Modified duration is calculated at account level by using “Market value”, the yield is taken as per the internal rating and external rating mapping at account level, Modified duration is calculated individually for each forward and swap contracts. For investment portfolio, the Modified Duration of individual items are computed and taken. The DGAP is calculated by the Bank once in a month and is reported to ALCO/ Risk Management Committee of Board (RMCB).

The Asset-Liability Management Committee (ALCO) / Risk Management Committee of Board (RMCB) monitors adherence of prudential limits fixed by the bank and determines the strategy in the light of market conditions (current and expected).

#### **Quantitative Disclosures:**

The increase or decrease in earnings and economic value for upward and downward rate shocks based on the assets and liabilities outstanding as on 31.03.2019 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 ₹ 513.20 mn (4.24 % of previous year Net Interest Income).
2. Change in Market Value of Equity for 200 basis points interest rate shock is ₹ 3426.49 mn (9.47% of Net worth)

### **TABLE DF – 10**

#### **General disclosures for exposures related to counterparty credit risk**

Counterparty Credit Risk (CCR) is the risk that a counter party to a transaction could default before the final settlement of the transaction cash flows. Unlike a firm's exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss to either party.

Counterparty credit risk in case of derivative contracts arises from the forward contracts. The subsequent credit risk exposures depend on the value of underlying market factors (e.g., interest rates and foreign exchange rates), which can be volatile and uncertain in nature. The Bank does not enter into derivative transactions other than forward contracts.

Credit exposures on forward contracts

The Bank enters into the forward contracts in the normal course of business for proprietary trading and arbitrage purposes, as well as for our own risk management needs, including mitigation of interest rate and foreign currency risk. Derivative exposures are calculated according to the current exposures method.

Counterparty Credit exposure as on March 31, 2019

( ₹ 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	50746.55	435.58	1073.21	1508.79

## Composition of Capital Disclosure Templates

### TABLE DF – 11: Composition of Capital

#### Part I: Template to be used only from March 31, 2017

( ₹ In Millions)

Basel III common disclosure template to be used from March 31, 2017			
Common Equity Tier 1 capital: instruments and reserves			Ref No.
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	1425.11	
2	Retained earnings		
3	Accumulated other comprehensive income (and other reserves)	34212.49	
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</i>	To be disclosed half yearly & yearly	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	35637.60	
Common Equity Tier 1 capital : Regulatory adjustments			
7	Prudential valuation adjustments		
8	Goodwill (net of related tax liability)		
9	Intangibles other than mortgage-servicing rights (net of related tax liability)		



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)		
20	Mortgage servicing rights (amount above 10%		
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 : Unamortised pension funds expenditures		

27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		
28	<b>Total regulatory adjustments to Common equity Tier 1</b>		
29	<b>Common Equity Tier 1 capital (CET1)</b>	35637.60	
<b>Additional Tier 1 capital : instruments</b>			
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	<b>Additional Tier 1 capital before regulatory adjustments</b>		
<b>Additional Tier 1 capital: regulatory adjustments</b>			
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	<i>Of which</i> : Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries		

41b	Of which:- Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank.		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>		
44	<b>Additional Tier 1 capital (AT1)</b>		
45	<b>Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44)</b>	35637.60	
<b>Tier 2 capital : instruments and provisions</b>			
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	<b>Provisions include the following</b> a) Investment Reserve ₹ 253.36 mn b) Investment Fluctuation Reserve ₹ 291.60 mn c) Provision for Standard Asset including restructured standard assets ₹ 871.99 mn d) Provision for unhedged Foreign Currency Exposure ₹ 31.90 mn e) Provision for MSME Advances ₹ 47.20 mn	1496.05	
51	<b>Tier 2 capital before regulatory adjustments (46+ 47 + 48 + 50)</b>	1496.05	
<b>Tier 2 capital: regulatory adjustments</b>			
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	<i>of which</i> : Investments in the Tier 2 capital of unconsolidated insurance subsidiaries		
56b	<i>of which</i> : Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank		
57	<b>Total regulatory adjustments to Tier 2 capital</b>		
58	<b>Tier 2 capital ( T2)</b>	1496.05	
59	<b>Total capital (TC = T1 + T2) (45 + 58)</b>	37133.65	
60	<b>Total risk w eighted assets (60a + 60b + 60c)</b>	229663.12	
60a	<i>of which</i> : total credit risk weighted assets	186503.94	
60b	<i>of which</i> : total market risk weighted assets	14317.16	
60c	<i>of which</i> : total operational risk weighted assets	28842.02	
<b>Capital ratios and buffers</b>			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	15.52%	
62	Tier 1 (as a percentage of risk weighted assets)	15.52%	
63	Total capital (as a percentage of risk weighted assets)	16.17%	
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)		
65	<i>of which</i> : capital conservation buffer requirement		
66	<i>of which</i> : bank specific countercyclical buffer requirement		
67	<i>of which</i> : G-SIB buffer requirement		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	NA	
<b>National minima (if different from Basel III)</b>			
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%	6.00%
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%	10.875%

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		
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	0.00
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	0.00
	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	
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	1496.05
	Eligible Revaluation Reserves included in Tier 2 capital	
	Total of row 50	1496.05

**Table DF-12:**  
**Composition of Capital – Reconciliation Requirements**

Step 1:

		(₹. in million)	
	-	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on reporting date	As on reporting date
<b>A</b>	<b>Capital &amp; Liabilities</b>		
i.	Paid-up Capital	1425.11	N.A
	Reserves & Surplus	34757.44	N.A
	Minority Interest	0	
	Total Capital	<b>36182.55</b>	N.A
ii.	Deposits	<b>351362.48</b>	
	of which : Deposits from banks	0.09	
	of which : Customer deposits	351362.39	
	of which : Other deposits (pl. specify)		
iii.	Borrowings	<b>0.00</b>	
	of which : From RBI	0.00	
	of which : From banks	0	
	of which : From other institutions & agencies	0	
	of which : Others (pl. specify) Outside India	0.00	
	of which : Capital instruments	0	
iv.	Other liabilities & provisions	<b>17782.92</b>	
	<b>Total</b>	<b>405327.95</b>	N.A
<b>B</b>	<b>Assets</b>		
i.	Cash and balances with Reserve Bank of India	<b>17353.42</b>	
	Balance with banks and money at call and short notice	<b>11850.13</b>	
ii.	Investments :	<b>91065.87</b>	
	of which : Government securities	73843.77	
	of which : Other approved securities	0.00	

	of which : Shares	168.24	
	of which : Debentures & Bonds	14559.60	
	of which : Subsidiaries / Joint Ventures / Associates	0.00	
	of which : Others (Commercial Papers, Mutual Funds etc.)	2494.26	
iii.	Loans and advances	<b>264879.40</b>	
	of which : Loans and advances to banks	0.00	
	of which : Loans and advances to customers	264879.40	
iv.	Fixed assets	<b>1383.82</b>	
v.	Other assets	<b>18795.31</b>	
	of which : Goodwill and intangible assets	0	
	of which : Deferred tax assets	594.48	
vi.	Goodwill on consolidation		
vii.	Debit balance in Profit & Loss account	0	
	<b>Total Assets</b>	<b>405327.95</b>	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 ₹ 1425.11 million is included in CET I. (refer Item I of DF-11)
- 3) The break up for Reserves & Surplus ₹ 3 4757.44 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 )

<b>As per Balance Sheet</b>	<b>Amount</b>	<b>As shown in DF-11 Capital</b>
a) Statutory Reserves	12397.79	Included in Regulatory CET I capital DF-11 (item-3)
b) Capital Reserves	287.84	Included in Regulatory CET I capital DF-11 (item-3)
c) Revenue and Other Reserves	19337.47	Included in Regulatory CET I capital DF-11 (item-3)
d) Investment reserve	253.36	Included in Regulatory Tier II capital DF-11(item-50)
e) Special Reserve u/s 36(1) (Viii) of IT Act 1961	1909.00	Included in Regulatory CET I Capital (DF11-item 3)
f) Balance in P&L	571.98	Included in CET I (item 3- DF11)
	<b>34757.44</b>	

- 4) a) Other Liabilities:- a) Provision for Standard assets including restructured standard assets ₹ 871.99 mn (Item- 50 - DF- 11)
- b) Provision for unhedged Foreign Currency Exposure ₹ 31.90 mn (item-50 -DF- 11)
- c) Provision for MSME Advances ₹ 47.20 mn (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.

### 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	1425.11	
2	Retained earnings		
3	Accumulated other comprehensive income (and other reserves)	34212.49	
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock</i>		
5	Common share capital issued by subsidiaries and held by third parties		
6	Common Equity Tier 1 capital before regulatory adjustments	35637.60	
7	Prudential valuation adjustments	0.00	
8	Goodwill (net of related tax liability)		

Table DF-13Main Features of Regulatory Capital

S.No	Description	Equity Shares
1	Issuer	<b>Tamilnad Mercantile Bank Ltd</b>
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Not listed
3	Governing law(s) of the instrument	Indian Laws
	<b>Regulatory treatment</b>	
4	Transitional Basel III rules	Common equity Tier 1
5	Post-transitional Basel III rules	Common equity Tier 1
6	Eligible at solo / group / group & solo	Solo
7	Instrument type	Common Shares
8	Amount recognized in regulatory capital (Rs. in million, as of most recent reporting date)	₹1425.11 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
	<b>Coupons / dividends</b>	
17	Fixed or floating dividend / coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or	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	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 Regulator Capital Instruments**

The details of the Tier II capital [Bonds] raised by the Bank

<b>Table DF-14 : Full Terms and Conditions of Regulatory Capital Instruments</b>	
Instruments	Full Terms and Conditions
	Not Applicable
	Not Applicable

**Table DF-15: Disclosure Requirements for Remuneration**

<b>Qualitative disclosures</b>	(a)	Information relating to the composition and mandate of the Remuneration Committee.	The Nomination and Remuneration Committee has been formed with 4 Directors and the MD & CEO. The mandate of the committee is to fix remuneration in line with the risk taken by employees.
	(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	Bank's Compensation Policy, containing the guidelines on compensation of Whole time directors/ Chief executive officers/ risk takers, control functionaries etc., was approved by Board of Directors in their meeting dated 28.02.2019. The key principle of the policy would be that the compensation shall be aligned with the type and nature of risk taken by employees.
	(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 officials and Dealers in Treasury & IBD are paid special pay 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.	A performance based incentive scheme was approved by our Board of Directors in their meeting held on 06.10.2017.
	(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 no deferred remuneration payment to employees.
	(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.
<b>Quantitative disclosures</b> (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.	Number of meetings held by the Nomination and Remuneration committee is two (12.10.2018, and 04.02.2019) and remuneration paid to its members is NIL.
	(h)	* Number of employees having received a variable remuneration award during the financial year.	Nil
		* 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.	Nil

	*	Total amount of deferred remuneration paid out in the financial year.	Nil
(j)	*	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Nil
(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
	*	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 4.5%. The Bank's leverage ratio, calculated in accordance with the RBI guidelines is as follows;

**COMPARISON OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURE**

( ₹ in millions )

S.No.	Particulars	Amount as of Jun'18	Amount as of Sep'18	Amount as of Dec'18	Amount as of Mar'19
1	Total consolidated assets as per published financial statements include SFTs	366416.58	374475.28	379548.15	405327.96
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	1190.41	1117.04	1133.36	1073.21
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)	22588.76	19055.22	19296.87	19551.76
7	Other adjustments	0.00	0.00	0.00	0.00
8	<b>Leverage ratio exposure</b>	<b>390195.75</b>	<b>394647.54</b>	<b>399978.38</b>	<b>425952.93</b>



**Table DF – 18****Leverage ratio common disclosure**

(₹ in millions)

S.No	Leverage Ratio Framework	Amount as of Jun'18	Amount as of Sep'18	Amount as of Dec'18	Amount as of Mar'19
On-balance sheet exposures					
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	366416.58	374475.28	379548.15	405327.96
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	0.00	0.00	0.00	0.00
3	<b>Total on-balance sheet exposures</b> (excluding derivatives and SFTs) (sum of lines 1 and 2)	<b>366416.58</b>	<b>374475.28</b>	<b>379548.15</b>	<b>405327.96</b>
Derivative exposures					
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	0	0	0	0
5	Add-on amounts for PFE associated with all derivatives transactions	1190.41	1117.04	1133.36	1073.21
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)				
11	<b>Total derivative exposures (sum of lines 4 to 10)</b>	1190.41	1117.04	1133.36	1073.21
<b>Securities financing transaction exposures</b>					
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	<b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>	0.00	0.00	0.00	0.00
<b>Other off-balance sheet exposures</b>					
17	Off-balance sheet exposure at gross notional amount	58361.84	54177.61	53931.61	50746.55
18	(Adjustments for conversion to credit equivalent amounts)	(35773.08)	(35122.39)	(34634.74)	(31194.79)
19	<b>Off-balance sheet items (sum of lines 17 and 18)</b>	22588.76	19055.22	19296.87	19551.76
<b>Capital and total exposures</b>					
20	<b>Tier 1 capital</b>	33509.23	33509.23	33509.23	35637.60
21	<b>Total exposures (sum of lines 3, 11, 16 and 19)</b>	390195.75	394647.54	399978.38	425952.93
<b>Leverage ratio</b>					
22	<b>Basel III leverage ratio</b>	<b>8.59%</b>	<b>8.49%</b>	<b>8.38%</b>	<b>8.37%</b>

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## TAMILNAD MERCANTILE BANK LTD INTERNATIONAL BANKING DIVISION

### NOSTRO CORRESPONDENT BANKS as on 31.03.2019

Bank Name and Address	Currency	Account No.	Swift Code
<u>Wells Fargo Bank, N.A.</u> , 11 Penn Plaza, 4th Floor, New York NY 10001, ABA 026005092	USD	2000193008674	PNBPUS3NNYC
<u>Standard Chartered Bank</u> , One Madison Avenue, New York, NY 10010-3603 U.S.A.	USD	3582 089935 001	SCBLUS33
<u>Standard Chartered Bank</u> , 1 Basinghall Avenue, London EC2V 5DD, U.K., IBAN GB12 SCBL 6091 0412 7040 21, Sort Code: 609104	GBP	0001270402101	SCBLGB2L
<u>Wells Fargo Bank, N.A.</u> , Yamato International Nihonbashi Bldg., 8th Floor, 2-1-3, Nihonbashi Horidomecho Chuo-Ku, Tokyo 103-0012, Japan	YEN	99848069	PNBPJPJX
<u>Zuercher Kantonal Bank</u> , Bahnhofstrasse 9, Zurich 8010, Switzerland	CHF	CH5000700070001302132	ZKBKCHZZ80A
<u>Standard Chartered Bank, London</u> , (IBAN : GB05SCBL60910412722577), Intermediary Bank: Royal Bank of Canada (BIC : ROYCCAT2)	CAD	01272257758	SCBLGB2L
<u>Standard Chartered Bank</u> , 8 Marina Boulevard, # 27-01 Marina Bay Financial Centre, Singapore 018981.	SGD	0106343548	SCBLSG22
<u>Commercial Bank of Dubai</u> , Al Ittihad Street, Dubai, United Arab Emirates	AED	AE220230000001001461068	CBDUAEAD
Commerzbank AG, Juergen-Ponto-Platz 1, 60301 Frankfurt am Main, Germany	AUD	400875030900AUD	COBADEFF
<u>Bank of India</u> , Succursale de Paris, 3, Rue Scribe, 75009 Paris, France	EURO	4310 EUR 002006	BKIDFRPP
<u>Commerzbank AG</u> , Juergen-Ponto-Platz 1, 60301 Frankfurt am Main, Germany	EURO	400875030900EUR	COBADEFF
<u>Wells Fargo Bank, N.A.</u> , London Branch, One Plantation Place, 30 Fenchurch Street, London EC3M 3BD, United Kingdom. IBAN GB97 PNBP 1656 7106 5031 62.	EURO	06503162	PNBPGB2L
<u>Standard Chartered Bank</u> Colombo, Sri Lanka	USD	15384878701USD	SCBLKLX

**TAMILNAD MERCANTILE BANK LIMITED , THOOTHUKUDI****BALANCE SHEET AS ON 31ST MARCH 2019**

இருப்பு நிலை குறிப்பு கணக்கு 31.03.2019

(₹ in thousands)

	<b>Schedule</b> அட்டவணை	<b>As on 31.03.2019</b>	<b>As on 31.03.2018</b>
<b>CAPITAL &amp; LIABILITIES :</b> மூலதனமும் பொறுப்புகளும்			
Capital	1	1425115	1425115
பங்கு மூலதனம்			
Reserves & Surplus	2	34757439	32622776
ஒதுக்கீடுகள் மற்றும் எஞ்சியிருப்பவை			
Deposits	3	351362481	324283322
வைப்பு நிதிகள்			
Borrowings	4	Nil	5130000
பெற்ற கடன்கள்			
Other Liabilities and Provisions	5	17782921	15738309
இதர பொறுப்புகள் மற்றும் ஒதுக்கீடுகள்			
<b>ASSETS :</b> சொத்துக்கள்	<b>TOTAL</b>	<b>405327956</b>	<b>379199522</b>
Cash and balances with Reserve Bank of India	6	17353424	17017777
ரொக்க இருப்பும் ரிசர்வ் வங்கியில் உள்ள இருப்பும்			
Balances with Banks and Money at Call and Short Notice	7	11850130	3017248
இதரவங்கியில் உள்ள இருப்பும்			
Investments	8	91065865	103636131
முதலீடுகள்			
Advances	9	264879403	237687185
கொடுத்த கடன்கள்			
Fixed Assets	10	1383824	1402973
நிலையான சொத்துக்கள்			
Other Assets	11	18795310	16438208
இதர சொத்துக்கள்			
<b>Contingent Liabilities</b> சந்தர்ப்பங்களை அனுசரித்த பொறுப்புகள்	<b>TOTAL</b>	<b>405327956</b>	<b>379199522</b>
Bills for Collection	12	72040952	130574814
வசூலுக்கு பெற்றுக்கொண்ட பில்கள்			
Significant Accounting Policies	17		
முக்கிய கணக்கு நெறிமுறைகள்			
Notes form part of Accounts	18		
கணக்குகள் சம்பந்தமான விளக்கவுரை			
The Schedules referred to above form an integral part of the Balance Sheet மேலே குறிப்பிட்டுள்ள அட்டவணைகள், வங்கி இருப்புநிலை கணக்கோடு இணைந்த பகுதியாகும்.			

Sd/- S.Annamalai  
**Chairman**

Sd/- K.V.Rama Moorthy  
**Managing Director & CEO**

Sd/- P.C.G.Asok Kumar

Sd/- S.R.Ashok

Sd/- S.Ezhil Jothi

Sd/- N.Gopal

Sd/- B.S.Keshava Murthy

Sd/- K.Nagarajan

Sd/- D.N.Nirranjan Kani

Sd/- A.Sivagami

Sd/- B.Vijayadurai

**Directors****Directors****Directors**

Thoothukudi  
30.05.2019

**TAMILNAD MERCANTILE BANK LIMITED , THOOTHUKUDI****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2019**

இலாப நஷ்டக் கணக்கு 31.03.2019

(₹ in thousands)

	அட்டவணை Schedule	YEAR ENDED	
		31.03.2019	31.03.2018
<b>I. INCOME</b> வருமானம்			
Interest earned (வட்டியின் மூலம் பெற்றது)	13	32244566	32504925
Other Income (இதர வருமானம்)	14	4143411	5061222
	<b>TOTAL</b>	<b>36387977</b>	<b>37566147</b>
<b>II. EXPENDITURE</b> செலவுகள்			
Interest Expended கொடுக்கப்பட்ட வட்டி	15	19943044	20407554
Operating Expenses நடைமுறை செலவுகள்	16	7602262	7098578
Provisions & Contingencies ஒதுக்கீடுகள் மற்றும் எதிர்பாரா செலவுகள்		6256866	7840853
	<b>TOTAL</b>	<b>33802172</b>	<b>35346985</b>
<b>III. PROFIT / LOSS</b> இலாபம்/ நஷ்டம்			
Net Profit for the year இந்த வருடத்தின் நிகர இலாபம்		2585805	2219162
Add : Profit brought forward		360389	238268
சென்ற வருடத்திய இலாபத்தில் மீதித்தொகை			
	<b>TOTAL</b>	<b>2946194</b>	<b>2457430</b>
<b>IV. APPROPRIATIONS</b> ஒதுக்கீடுகள் செய்தவை			
Transfer to Statutory Reserve சட்டப்பூர்வமான ஒதுக்கீட்டிற்கு மாற்றப்பட்டது		780000	670000
Transfer to Other Reserves ஏனைய ஒதுக்கீட்டிற்கு மாற்றப்பட்டது		610000	660000
Transfer to Capital Reserve மூலதன ஒதுக்கீட்டிற்கு மாற்றப்பட்டது		30700	65025
Transfer to Investment Reserve முதலீடு ஒதுக்கீட்டிற்கு மாற்றப்பட்டது		58300	360
Transfer to Investment Fluctuation Reserve		291600	Nil
Transfer to Special Reserve 36(1)(viii) சிறப்பு ஒதுக்கீட்டிற்கு மாற்றப்பட்டது		260000	290000
Dividend Interim Dividend & Dividend tax paid இடைக்கால இலாப பங்கீடு வரி உட்பட		343610	411656
Balance carried over to Balance Sheet அடுத்த ஆண்டிற்கான கொண்டு செல்லப்படும் தொகை		571984	360389
Face value of the equity share is ₹10/-			
	<b>TOTAL</b>	<b>2946194</b>	<b>2457430</b>
Earning per share (Basic and Diluted) (Rs)		18.14	15.57
Significant Accounting Policies	17		
Notes form part of Accounts	18		

The Schedules referred to above form an integral part of the Profit &amp; Loss Account.

Sd/- A.Shidambaranathan  
**Vice President**

Sd/- S.Senthil Anandan

Vide our report of even date attached  
**For G.Balu Associates LLP**  
Chartered Accountants  
FRN No. 000376S/S200073Sd/- C.Sukumaran  
**Chief Financial Officer**

Sd/- P.Suriaraj

Sd/- D.Inbamani

Sd/- P.C.Panda  
**Company Secretary**Sd/- R.Arumugapandi  
**General Managers**Sd/- R.Ravishankar  
Partner (M.No.26819)Thoothukudi  
30.05.2019



### TAMILNAD MERCANTILE BANK LIMITED , THOOTHUKUDI

Schedules to Balance Sheet	(₹ in Thousands)	
SCHEDULE I - CAPITAL	As on 31.03.2019	As on 31.03.2018
அட்டவணை 1 மூலதனம்		
Authorised Equity Capital அங்கீகாரம் பெற்ற மூலதனம்		
50,00,00,000 Equity Shares of ₹10/- each	5000000	5000000
ரூ10/- வீதம் 50,00,00,000 பங்குகள்		
Issued, Subscribed, Called-up and Paid-up Capital	1425115	1425115
14,25,11,454 Equity Shares of ₹10/- each		
வழங்கப்பட்டதும் பெற்றுக் கொள்ளப்பட்டதும் ரூ10/-		
வீதம் 14,25,11,454 TOTAL	1425115	1425115

SCHEDULE 2 - RESERVES AND SURPLUS	As on 31.03.2019	As on 31.03.2018
அட்டவணை 2 ஒதுக்கீடுகள் மற்றும் எஞ்சியிருப்பவை		
<b>I. Statutory Reserves</b>		
சட்டப்பூர்வமான ஒதுக்கீடுகள்		
Opening Balance	11617786	10947786
ஆரம்ப இருப்பு		
Additions during the year	780000	670000
நடப்பு ஆண்டில் சேர்த்தது		
TOTAL	12397786	11617786
<b>II Capital Reserve</b>		
மூலதன ஒதுக்கீடுகள்		
Opening Balance	257135	192110
ஆரம்ப இருப்பு		
Additions during the year	30700	65025
நடப்பு ஆண்டில் சேர்த்தது		
Deductions during the year	Nil	Nil
நடப்பு ஆண்டில் கழித்தது		
TOTAL	287835	257135
<b>III Revenue and Other Reserves</b>		
வருவாய் மற்றும் இதர ஒதுக்கீடுகள்		
Opening Balance	18738466	18078106
ஆரம்ப இருப்பு		
Additions during the year	959900	660360
நடப்பு ஆண்டில் சேர்த்தது		
Less: Transfer to Provisions	107532	Nil
TOTAL	19590834	18738466
<b>IV Special Reserve U/s.36(1)(viii) of I.T.Act</b>		
சிறப்பு ஒதுக்கீடு - வருமானவரி சட்டப்பிரிவு 36(1)(viii)		
Opening Balance	1649000	1359000
ஆரம்ப இருப்பு		
Additions during the year	260000	290000
நடப்பு ஆண்டில் சேர்த்தது		
Deductions during the year	Nil	Nil
நடப்பு ஆண்டில் கழித்தது		
TOTAL	1909000	1649000
<b>V Balance in Profit and Loss Account</b>		
இலாப நஷ்டக் கணக்கின்படி மிகுதியான இலாபம்	571984	360389
TOTAL : (I, II, III, IV & V)	34757439	32622776

**TAMILNAD MERCANTILE BANK LIMITED , THOOTHUKUDI**

Schedules to Balance Sheet		(₹ in Thousands)	
<b>SCHEDULE 3 - DEPOSITS</b>		<b>As on 31.03.2019</b>	<b>As on 31.03.2018</b>
அட்டவணை 3 வைப்புநிதிகள்			
A. I.	Demand Deposits		
	கேட்பு வைப்புநிதிகள்		
	I) From Banks	89	361
	வங்கிகளிடமிருந்து		
	ii) From Others	28101564	27587739
	மற்றவர்களிடமிருந்து		
II.	Savings Bank Deposits	58475454	54518010
	சேமிப்பு கணக்குகள்		
III.	Term Deposits		
	குறித்த கால வைப்புநிதி		
	I) From Banks	4250000	Nil
	வங்கிகளிடமிருந்து		
	ii) From Others	260535374	242177212
	மற்றவர்களிடமிருந்து		
	<b>TOTAL</b>	<b>351362481</b>	<b>324283322</b>
B. I.	Deposits of Branches in India	351362481	324283322
	இந்தியாவில் இருக்கும் கிளைகளில் உள்ள வைப்புநிதிகள்		
II.	Deposits of Branches outside India	Nil	Nil
	வெளிநாட்டு கிளைகளில் உள்ள வைப்புநிதிகள்		

<b>SCHEDULE 4 - BORROWINGS</b>		<b>As on 31.03.2019</b>	<b>As on 31.03.2018</b>
அட்டவணை 4 பெற்ற கடன்கள்			
I.	Borrowings in India		
	இந்தியாவில் வாங்கிய கடன்கள்		
	i. Reserve Bank of India	Nil	4480000
	ரிசர்வ் வங்கியிடமிருந்து		
	ii. Other Banks	Nil	Nil
	இதர வங்கியிடமிருந்து		
	iii. Other Institutions and Agencies	Nil	Nil
	இதர நிதி நிறுவனங்களிடமிருந்து		
II.	Borrowings outside India	Nil	650000
	வெளிநாடுகளில் பெற்ற கடன்கள்		
	<b>TOTAL</b>	<b>Nil</b>	<b>5130000</b>
Secured borrowings included in I and II above		Nil	4480000
மேலே குறிப்பிட்ட மற்றும் I இல் II பாதுகாக்கப்பட்ட கடன்கள்			

**TAMILNAD MERCANTILE BANK LIMITED , THOOTHUKUDI**

Schedules to Balance Sheet	(₹ in Thousands)	
SCHEDULE 5-OTHER LIABILITIES AND PROVISIONS	As on 31.03.2019	As on 31.03.2018
அட்டவணை 5 இதர பொறுப்புகள் மற்றும் ஒதுக்கீடுகள்		
I. Bills Payable கொடுக்கப்பட வேண்டிய பில்கள்	1651200	1633540
II. Inter Office Adjustments (Net) கிளைகளுக்கிடையே உள்ள நிலுவைகள்	Nil	Nil
III. Interest Accrued கொடுக்கப்பட வேண்டிய வட்டி	2458335	2210343
IV. Deferred Tax liability தள்ளி வைக்கப்பட்ட வரிக்கான பொறுப்புகள்	666836	570444
V. Others ( Including Provisions ) மற்றவை (ஒதுக்கீடுகள்)	13006550	11323982
TOTAL	17782921	15738309

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA	As on 31.03.2019	As on 31.03.2018
அட்டவணை 6 ரொக்க இருப்பும் ரிசர்வ் வங்கியில் உள்ள இருப்பும்		
Cash in hand ரொக்க இருப்பு	2510289	2203049
Balance with Reserve Bank of India in Current Account ரிசர்வ் வங்கியில் நடப்பு கணக்குகளில் உள்ள இருப்பு	14843135	14814728
TOTAL	17353424	17017777

SCHEDULE 7-BALANCES WITH BANKS & MONEY AT CALL AND SHORT NOTICE	As on 31.03.2019	As on 31.03.2018
அட்டவணை 7 இதர வங்கியில் உள்ள இருப்பும் குறுகிய காலத்தில் வாங்கக்கூடிய தொகையும்		
I. In India இந்தியாவில்		
I) Balances with Banks இதர வங்கியில் உள்ள இருப்பு		
a) In current accounts நடப்பு கணக்குகளில்	157416	389405
b) In other Deposits மற்ற கணக்குகளில்	25	25
ii) Money at call and short notice குறுகிய காலத்தில் வாங்கக்கூடிய தொகை		
a) With Banks வங்கிகளில்	5750000	2500000
b) With other institutions இதர நிறுவனங்களிடமிருந்து	Nil	Nil
TOTAL	5907441	2889430
II. Outside India வெளிநாடுகளில்		
a) In current accounts நடப்பு கணக்குகளில்	3182689	127818
b) In other Deposits மற்ற கணக்குகளில்	2760000	Nil
TOTAL	5942689	127818
GRAND TOTAL	11850130	3017248

### TAMILNAD MERCANTILE BANK LIMITED , THOOTHUKUDI

Schedules to Balance Sheet		(₹ in Thousands)	
SCHEDULE 8 - INVESTMENTS		As on 31.03.2019	As on 31.03.2018
அட்டவணை 8 முதலீடுகள்			
<b>I) Investments in India</b>			
இந்தியாவில் முதலீடுகள்			
i.	Government securities அரசு பத்திரங்கள்	73843747	87336246
ii.	Other approved securities மற்ற அங்கீகரிக்கப்பட்ட பத்திரங்கள்	Nil	Nil
iii.	Shares பங்குகள்	168258	331394
iv.	Debentures & Bonds கடன் பத்திரங்கள்	14559595	14787467
v.	Others - Mutual Fund, Commercial Paper மற்றவை - பரஸ்பரநிதி, வர்த்தக பத்திரங்கள்	2494265	1181024
TOTAL		91065865	103636131
Gross Investments மொத்த முதலீடுகள்		91924512	104535346
Less: Depreciation கழிக்க : தேய்மானத்திற்கான ஒதுக்கீடு		858647	899215
TOTAL		91065865	103636131
<b>II. Investments outside India</b>		Nil	Nil
வெளிநாடுகளில் முதலீடுகள்			

SCHEDULE 9 - ADVANCES		As on 31.03.2019	As on 31.03.2018
அட்டவணை 9 கொடுத்த கடன்கள்			
A. i)	Bills purchased and discounted டிஸ்கவுண்ட் செய்ததும் வாங்கியதுமான பில்கள்	5162910	5208802
ii)	Cash credits, overdrafts and loans repayable on demand ரொக்கப் பற்று .அதிகப் பற்று வகை மற்றும் கேட்கும் பொழுது கொடுக்க வேண்டிய கடன்கள்	184083336	155568280
iii)	Term Loans காலக் கெடுவுள்ள கடன்கள்	75633157	76910103
TOTAL		264879403	237687185
B. i)	Secured by tangible assets தொடு சொத்தை பிணையமாக பெற்றது	260394220	230350605
ii)	Covered by Bank / Government Guarantee வங்கி மற்றும் அரசாங்க உத்தரவாதத்துடன் கூடியது	693769	5718097
iii)	Unsecured பிணையமில்லாதது	3791414	1618483
TOTAL		264879403	237687185
C.	Advances in India இந்தியாவில் கடன்கள்		
i)	Priority Sector முன்னுரிமைப் பிரிவு	167603193	144630485
ii)	Public Sector பொதுத்துறைப் பிரிவு	3180975	7679628
iii)	Banks வங்கிகள்	Nil	Nil
iv)	Others மற்றவை	94095235	85377072
TOTAL		264879403	237687185

**TAMILNAD MERCANTILE BANK LIMITED , THOOTHUKUDI**

Schedules to Balance Sheet		(₹ in Thousands)	
SCHEDULE 10 - FIXED ASSETS		As on 31.03.2019	As on 31.03.2018
அட்டவணை 10 நிலையான சொத்துக்கள்			
I	Premises கட்டிடங்கள்		
	At cost as on March 31, preceding year முந்தைய ஆண்டு மார்ச் 31 ல் வாங்கிய விலைப்படி	697724	680538
	Additions during the year நடப்பு ஆண்டில் வாங்கியது	26619	17186
	TOTAL *	724343	697724
	Deductions during the year நடப்பு ஆண்டில் கழித்தது	724343	697724
	Depreciation to date நாளது வரையில் தேய்மானம்	220525	212918
	TOTAL	503818	484806
II	Other Fixed Assets ( including furniture and fixtures) பிறநிலையான சொத்துக்கள் (அலுவலக பொருட்களும் சேர்ந்தவை) At cost as on March 31, preceding year முந்தைய ஆண்டு மார்ச் 31 ல் வாங்கிய விலைப்படி	3796710	3558073
	Additions during the year நடப்பு ஆண்டில் வாங்கியது	314174	242004
	TOTAL	4110884	3800077
	Deductions during the year நடப்பு ஆண்டில்கழித்தது	4321	3367
	Depreciation to date நாளது வரையில் தேய்மானம்	3226557	2878543
	TOTAL	880006	918167
* - Includes building under construction at cost (₹ in thousands) 1894 (Previous year 13267)			
GRAND TOTAL (I & II)		1383824	1402973

SCHEDULE 11 - OTHER ASSETS		As on 31.03.2019	As on 31.03.2018
அட்டவணை 11 - இதர சொத்துக்கள்			
I	Inter-Office adjustments (Net) கிளைகளுக்கிடையே உள்ள நிவகைகள்	Nil	Nil
II	Interest accrued வரவேண்டிய வட்டி	2377596	2649331
III	Tax paid in advance / tax deducted at source முன்னதாக செலுத்திய / பிடித்தம் செய்யப்பட்ட வரி	8052476	6839821
IV	Stationery and stamps புத்தகங்கள், பாரங்கள் மற்றும் அஞ்சல் தலைகள்	13932	16490
V	Non-Banking Assets acquired in satisfaction of claims கடன் வகைகளுக்காக பெற்ற வங்கியின் தொழில் சாரத சொத்துக்கள்	Nil	Nil
VI	Deferred Tax Asset தள்ளி வைக்கப்பட்ட வரிக்கான சொத்துக்கள்	594477	521256
VII	Other Assets இதர சொத்துக்கள்	7756829	6411310
TOTAL		18795310	16438208



### TAMILNAD MERCANTILE BANK LIMITED , THOOTHUKUDI

Schedules to Balance Sheet		(₹ in Thousands)	
SCHEDULE 12 - CONTINGENT LIABILITIES		As on 31.03.2019	As on 31.03.2018
அட்டவணை 12 சந்தர்ப்பங்களை அனுசரித்த பொறுப்புகள்			
I	Claims against the Bank not acknowledged as debts வங்கிக்கு எதிரான நஷ்டஈடு கோரிக்கைகள்	112068	123351
II	Liability on account of outstanding forward exchange contracts எதிர்பார்ப்பு அந்நிய செலவாணி ஒப்பந்தங்களினால் கொடுக்க வேண்டிய பொறுப்புகள்	50746554	97605693
III	Guarantee given on behalf of constituents in India வாடிக்கையாளர்களுக்கான (இந்தியாவில்) உத்தரவாதம் கொடுத்தவை	9920879	20958528
IV	Acceptances, endorsements and other obligations அடுத்தவர்களுக்கான ஆதரவான நடவடிக்கைகளில் ஏற்படக்கூடிய பொறுப்புகள்	10565131	11267619
V	Estimated amount of contracts remaining to be executed on capital account not provided for and Liab.under DEAF முடிக்கப்பட வேண்டிய ஒப்பந்தங்களுக்கான மூலதன செலவுகளுக்காக ஒதுக்கப்பட்ட தொகை	696320	619623
TOTAL		72040952	130574814

### SCHEDULES TO PROFIT AND LOSS ACCOUNT

		For the year ended (₹ in Thousands)	
SCHEDULE 13 - INTEREST EARNED		31.03.2019	31.03.2018
அட்டவணை 13 வட்டி வகையில் வருமானம்			
I	Interest / discount on advances / bills கடன்களுக்கு வட்டி மற்றும் பில்களை டிஸ்கவுண்ட் செய்த வகையில்	24462990	23279979
II	Income on investments முதலீடுகளின் பேரில் வருமானம்	7504361	8830042
III	Interest on balances with Reserve Bank of India and other inter-bank funds ரிசர்வ் வங்கி மற்றும் இதர வங்கிகளில் உள்ள இருப்புகளுக்குரிய வட்டி	109665	228866
IV	Others மற்றவை	167550	166038
TOTAL		32244566	32504925

		31.03.2019	31.03.2018
SCHEDULE 14 - OTHER INCOME			
அட்டவணை 14 இதர வருமானம்			
I	Commission, exchange and brokerage கமிஷன் மற்றும் தரகு வகையில்	1487074	1389055
II	Profit on sale of investments முதலீடுகளை விற்பனை வகையில் இலாபம்	309726	615379
	Loss on sale of investments முதலீடுகளை விற்பனை வகையில் நஷ்டம்	(40236)	(67842)
III	Profit on revaluation of investments முதலீடுகளை மறுமதிப்பீடு செய்தவகையில் இலாபம்	--	--
IV	Profit on sale of land, building and other assets நிலம், கட்டிடம் மற்ற சொத்துக்களை விற்பனை வகையில் இலாபம்	1238	1309
	Loss on sale of land, building and other assets நிலம், கட்டிடம் மற்ற சொத்துக்களை விற்பனை வகையில் நஷ்டம்	(890)	(1196)
V	Profit on exchange transactions அந்நிய செலவாணி மாற்றம் மூலம் பெற்ற இலாபம்	145114	153264
VI	Miscellaneous income பிற வகைகளில் வருமானம்	2241385	2971253
TOTAL		4143411	5061222

**TAMILNAD MERCANTILE BANK LIMITED , THOOTHUKUDI**

<b>Schedules to Profit &amp; Loss Account</b>		<b>For the year ended (₹ in Thousands)</b>	
<b>SCHEDULE 15 - INTEREST EXPENDED</b>		<b>31.03.2019</b>	<b>31.03.2018</b>
அட்டவணை 15 வட்டி செலவினங்கள்			
I	Interest on deposits வைப்பு நிதிகளுக்கான வட்டி	19472662	20295815
II	Interest on Reserve Bank of India / Inter-Bank borrowings ரிசர்வ் வங்கி மற்றும் இதர வங்கிகளிடமிருந்து வாங்கிய கடன்களுக்குரிய வட்டி	180766	26686
III	Others மற்றவை	289616	85053
<b>TOTAL</b>		<b>19943044</b>	<b>20407554</b>

<b>SCHEDULE 16 - OPERATING EXPENSES</b>		<b>31.03.2019</b>	<b>31.03.2018</b>
அட்டவணை 16 இயக்க செலவுகள்			
I	Payment to and provisions for employees ஊழியர்களுக்கான சன்மானம் மற்றும் ஒதுக்கீடு செய்யப்பட்டவை	3753057	3621446
II	Rent, taxes and lightings வாடகை, வரி மற்றும் மின்சார செலவுகள்	826874	777687
III	Printing and stationery அச்சுக்கலி மற்றும் எழுதுபொருள் வகைகள்	94376	90996
IV	Advertisement and publicity விளம்பரம்	65496	46366
V	Depreciation on Bank's Property வங்கியின் சொத்துக்களில் தேய்மானம்	355622	396715
VI	Directors Fees Allowances & Exp. இயக்குநர்களின் பீஸ் மற்றும் அலவன்ஸ் மற்றும் செலவுகள்	15830	18759
VII	Auditors' fees and expenses (including branch auditors) தணிக்கையாளர்களின் பீஸ் மற்றும் செலவுகள் (கிளைகளின் தணிக்கையாளர்களுக்கான பீஸ்சேர்ந்தவை)	21661	4029
VIII	Law charges சட்ட செலவுகள்	7184	3419
IX	Postages, telegrams, telephones, etc. தபால், தந்தி, தொலைபேசி செலவுகள்	162269	186328
X	Repairs and maintenance பழுதுபார்த்தல் மற்றும் பாராமரிப்பு செலவுகள்	111132	145803
XI	Insurance காப்பீட்டு தொகை	314242	316355
XII	Other expenditure மற்றசெலவுகள்	1874519	1490675
<b>TOTAL</b>		<b>7602262</b>	<b>7098578</b>

## **TAMILNAD MERCANTILE BANK LIMITED**

57 VE ROAD THOOTHUKUDI-628002

**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> March 2019.**

### **SCHEDULE – 17: SIGNIFICANT ACCOUNTING POLICIES**

#### **1. GENERAL:**

##### **A. Basis of Preparation**

The financial statements have been prepared on an ongoing concern concept, historical cost convention unless otherwise stated and conform to the Generally Accepted Accounting Principles, (GAAP) which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI) from time to time, Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and current practices prevailing in the Banking Industry in India and conform to statutory provisions and practices prevailing within the banking industry.

The financial statements have been prepared in accordance with the requirements prescribed under the Third schedule (Form A and Form B) of the Banking Regulations Act 1949. The items of income and expenditure are taken on accrual basis except where specifically stated and it conforms to the guidelines issued by Reserve Bank of India (RBI) for banks.

##### **B. Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statement and the reported income and expenses during the reporting period. Management believes that the estimates and assumptions used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

##### **C. Significant changes in Accounting policies**

##### **Proposed dividend:**

In terms of Revised Accounting Standard [AS4] Contingencies and events occurring after Balance sheet date as notified by the Ministry of Corporate affairs through amendments to companies (Accounting Standards) amendment rules 2016, dated 30 March 2016, the company has not accounted for proposed dividend as a liability as at 31<sup>st</sup> March 2019. The proposed dividend was

however accounted for as a liability upto 31<sup>st</sup> March 2016 in line with the existing accounting standard applicable at that time.

## 2. FOREIGN EXCHANGE TRANSACTIONS:

- i. Foreign currency balances both, under assets and liabilities, outstanding forward exchange contracts and swaps are evaluated at the year-end rates published by FEDAI. The resultant profit / loss is shown as income / loss.
- ii. Deposit accounts denominated in foreign currency such as FCNR (B) , EEFC, RFC and placement of such deposits in foreign currency are recorded at year-end Foreign Exchange Dealers Association of India (FEDAI) rates. Foreign currency loan accounts are also disclosed at the year-end FEDAI rates.
- iii. Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of transaction.
- iv. Contingent liabilities on account of acceptances, endorsements and other obligations including guarantees and Letters of Credit denominated in foreign currencies are translated at year-end FEDAI rates.

## 3. INVESTMENTS:

A) Classification of investments has been made as per the guidelines of Reserve Bank of India.

i) The entire investment portfolio of the Bank is classified under three categories viz. "Held to Maturity", "Available for sale" and "Held for Trading".

Securities that are held principally for resale within 90 days from the date of purchase are classified under the HFT Category. Investments that the company intends to hold till maturity are classified under the HTM category or as per RBI guidelines. Securities which are not classified in the above categories are classified under the AFS category.

- Transfer between the categories – Reclassification of investments from one category to other, if done, is in accordance with RBI guidelines. Transfer of script from AFS/HFT Category to HTM category is made at book value or market value, whichever is lower.
- In case of transfer of securities from HTM to AFS/HFT category, the investments held under HTM at a discount are transferred to AFS/HFT category at the acquisition price and investments placed in the HTM category at a premium are transferred to AFS/HFT at amortized cost.

- Transfer of investments from AFS to HFT or vice versa is done at the book value. Depreciation carried if any on such investments is also transferred from one category to another.

The investments are classified for the purpose of Balance Sheet under five groups viz. (i) Government securities, (ii) Other approved securities, (iii) Shares, (iv) Debentures and Bonds and (v) Others.

Brokerage/commission received on subscriptions is reduced from the cost. Brokerage, commission, securities transaction tax etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost. Broken period interest paid / received on debt instruments is treated as interest expense / income and is excluded from cost / sale consideration.

B) Valuation of investments is done as follows:

- i) Investments held under “Held to Maturity” are valued at cost price. Wherever the cost price is more than the face value, the premium paid is amortized over the remaining period of maturity. Profit on sale of securities under “Held to Maturity” category is initially taken to Profit & Loss account and then appropriated to Capital Reserve Account. The amount so appropriated would be net of taxes and the amount required to be transferred to statutory reserves. If there is a loss it is charged to Profit & Loss account.
- ii) Investments classified under “Available for Sale” category are marked to market on quarterly basis. Shares held under “Available for sale” are marked to market on weekly basis. Scrip wise appreciation / Depreciation is segregated group-wise. The Net Depreciation category wise is charged to Profit & Loss account. The Net Appreciation in any category is ignored.
- iii) Investments classified under “Held for Trading” category except shares are marked to market scrip-wise on daily basis. Shares held under “Held for Trading” are marked to market on weekly basis. The net depreciation group wise is charged to Profit and Loss account and the net appreciation is ignored.
- iv) Investments received in lieu of restructured advances/under SDR scheme are valued in accordance with RBI guidelines.
- v) Investments are valued at year-end as per RBI guidelines as follows:
  - a) Central Government Securities are valued as per price list of RBI, prices declared by Primary Dealers Association of India (PDAI) jointly



with FIMMDA published by Fixed Income Money Market and Derivatives Association of India (FIMMDA).

- b) State Government Securities and Other Approved Securities are valued after appropriate mark up over Yield to Maturity (YTM) rates for Central Government securities declared by FIMMDA.
- c) Debenture and Bonds have been valued with appropriate mark up over the YTM rates for Central Government Securities declared by FIMMDA.
- d) Quoted shares are valued at market rates quoted on NSE.
  - e) Unquoted shares are valued at book value ascertained from the latest available Balance Sheet and in case the latest Balance Sheet is not available, the same is valued at Re.1 per company.
- f) Preference shares are valued at YTM, if dividend is received regularly. Where dividend is in arrears, appropriate depreciation is provided based on the number of years for which dividend is in arrears as per RBI guidelines.
- g) Mutual Fund units are valued at market rates/NAV/ Repurchase price as applicable.
- h) Treasury bills, certificate of deposits and commercial papers are valued at carrying cost.
- i) Provisions for investments are made as per RBI prudential norms.

C. Prudential norms: Securities guaranteed by the State Government where the principal / interest is due but not paid for a period of more than 90 days are treated as non performing investments and appropriate provision is made and interest in respect of such investments is recognized as income only on cash basis.

D. (i) In terms of the instructions of RBI, the excess of acquisition cost over face value of securities kept under “Held to Maturity” category is amortized up to the date of maturity and the amount amortized is reflected as a deduction in Profit & Loss account Schedule 13– Interest Earned, under item II– Income on Investments.

(ii) Brokerage / Commission / Stamp Duty paid in connection with acquisition of securities are treated as revenue expenses.

## E. Accounting for REPO Transactions

Repo and reverse Repo transactions are accounted in accordance with the extant RBI guidelines. Securities purchased/sold under Liquidity Adjustment Facility (LAF) 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 AND PROVISIONS:

a) Advances are classified into Standard Sub -standard, Doubtful and Loss Assets and provisions for possible losses on such advances are made as per prudential norms/directions of the Board of Directors/directions issued by Reserve Bank of India from time to time. 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.

b) In addition the bank adopts an approach to provisioning that is based on past experience evaluation of security and other related factors.

c) Provisioning on categorized assets are made as follows:

Asset Classification	Provisioning
Sub-standard	25%
Doubtful 1	Secured 25%
	Unsecured 100%
Doubtful 2	Secured 40%
	Unsecured 100%
Doubtful 3	100% on outstanding
Loss	100% on outstanding
NCLT referred loans	As per RBI instruction

Education loans were provided at 100% irrespective of NPA asset classification.

d) Sufficient incremental provisioning for Unhedged Foreign currency exposure is made as per RBI guidelines.

Reserve Bank of India has given methodology to arrive at UFCE and for introduction of incremental provision and capital requirements.

d) Advances disclosed are net of provisioning made for non performing assets and floating provisions, provisioning on diminution in fair value of assets on restructured accounts.

e) In case of loan accounts classified as NPA, an account may be reclassified as performing asset if it confirms to the guidelines prescribed by RBI.

f) Accounts are written off in accordance with bank's policies. Recoveries from bad debts written off are recognized in profit and loss account and included under other income.

## 5. FIXED ASSETS AND DEPRECIATION

- a) Fixed assets are carried at cost of acquisition less accumulated depreciation. Cost includes freight, applicable duties, taxes and incidental expense related to the acquisition and installation of the asset, except for items on which input credit is availed.
- b) Depreciation on fixed assets is provided 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%

Prescribed rate

Class of Asset	Rates of depreciation per annum
Building	1.67%
Office equipment	20%
Computer Hardware & Software	33.33%
Vehicles	12.50%
Furniture and Electrical Fittings	10%

- c) Depreciation on additions is pro rata basis, from the date of capitalization.
- d) Expenditure during construction/capital works pending completion is shown at cost.

## 6. EMPLOYEE BENEFITS

The bank is following Accounting Standard 15 (Revised 2005) "Employee Benefits" as under:

- (1) 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.

- (2) In respect of Defined Benefit Plans, viz. Gratuity and pension as well as for leave encashment, provision has been made based on actuarial valuation as per the guidelines.
- (3) The summarized position of Post-employment benefits and long term employee benefits have been recognized in the profit and loss account and balance sheet, as required in accordance with the Accounting Standard-15.
- (4) The actuarial gain / loss is recognized in the profit and loss account.

## 7. TAXES ON INCOME

1. 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 Accounting Standard-22 issued by ICAI.
2. 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.
3. 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.
4. 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.

## 8. REVENUE RECOGNITION:

Income and expenditure is generally accounted on accrual basis except in the following cases:

- i) In the case of NPAs, S4A and SDR schemes 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.

- ii) Dividend on investments in shares, units of mutual fund, income from sale of mutual fund products, locker rent, Insurance claims, commission on LCs, income on auxiliary services and other services, overdue charges on bills, commission on Government business and insurance business are accounted on cash/realization basis.
- iii) Income related to credit card is accounted on the basis of the bills raised.
- iv) 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.
- v) Funded Interest on Standard Restructured Advances and Interest on FITL are accounted as per the guidelines of Reserve Bank of India.
- vi) Expenditure is charged on accrual basis.

## 9. EARNINGS PER SHARE

The bank reports basic and diluted earnings per share in accordance with applicable Accounting Standard-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.

## 10. CASH FLOW STATEMENT

The Bank has adopted the respective Accounting Standard prescribed under Companies (Accounting Standard) Rules, 2006 and follows indirect method.

## 11. SEGMENT REPORTING

As per RBI guidelines on enhancement of disclosures relating to segment reporting under AS-17, the reportable segments have been divided into treasury, corporate / wholesale, retail banking operations.

- (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 (a) Treasury (b) Corporate and Wholesale Banking (c) Retail Banking and (d) Other Banking Operations.

(c) Geographical Segment consists only of the Domestic Segment since the Bank does not have any foreign branches.

## 12. 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.

## 13. 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.

## 14. IMPAIRMENT OF ASSETS

Impairment losses, if any, on fixed assets are recognized in accordance with the Accounting Standard 28 'impairment of assets' and charged to profit and loss account.

## 15. NET PROFIT

The net profit is arrived at after provisions for:

- i) direct taxes;
- ii) possible losses on standard assets, restructured advances, NPAs and other contingencies;
- iii) depreciation / diminution on investments ;
- iv) employee retirement benefits and
- v) Other usual and necessary provisions.

## 16. 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.

## 17. INTANGIBLE ASSETS

In respect of Intangible Assets, the Bank has adopted the respective Accounting Standard (AS26)



## 18. ACCOUNTING FOR PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a) As per the Accounting Standard 29, the bank recognizes provisions only when it has a present obligation as a result of past event, it is probable that an outflow of resources is required to settle the obligation and when a reliable estimate of the amount can be made. The required disclosure for contingent liability is made on possible obligation that arises from past events, the existence of which depends on occurrence or non occurrence of future event not under control.

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

Sd/- K.V.Rama Moorthy  
**Managing Director & CEO**

Sd/- S.Annamalai  
**Chairman**

Sd/- P.C.G.Asok Kumar  
**Director**

Sd/- S.R.Ashok  
**Director**

Sd/- S.Ezhil Jothi  
**Director**

Sd/- N.Gopal  
**Director**

Sd/- B.S.Keshava Murthy  
**Director**

Sd/- K.Nagarajan  
**Director**

Sd/- D.N.Nirranjan Kani  
**Director**

Sd/- A.Sivagami  
**Director**

Sd/- B.Vijayadurai  
**Director**

Sd/- A.Shidambaranathan  
**Vice President**

Sd/- S.Senthil Anandan  
**General Manager**

Sd/- P.Suriaraj  
**General Manager**

Sd/- D.Inbamani  
**General Manager**

Sd/- R.Arumugapandi  
**General Manager**

Sd/- C.Sukumaran  
**Chief Financial Officer**

Vide our report of even date attached  
**For G Balu Associates LLP**  
 Chartered Accountants  
 FRN No.000376S /S200073

Thoothukudi  
 30.05.2019

Sd/- P.C.Panda  
**Company Secretary**

Sd/- R.Ravishankar  
 Partner (M.No.26819)

**TAMILNAD MERCANTILE BANK LIMITED**

57, V.E ROAD, THOOTHUKUDI-628002

**SCHEDULE – 18:**
**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**

1. 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.
2. During the year, all the 509 branches have been subjected to statutory audit.
3. Reconciliation of inter branch / office adjustment accounts has been completed up to 31.03.2019
4. (i). In accordance with RBI guidelines, the investments portfolio of the Bank has been classified into three categories as given below:

<b>Category</b>	<b>Book value (Gross) (₹ in crore)</b>	<b>% to total investments</b>
Held to Maturity	5872.52	63.88%
Available for Sale	3066.41	33.36%
Held for Trading	253.52	2.76%
<b>Total</b>	<b>9192.45</b>	<b>100.00%</b>

SLR securities under 'Held to Maturity' category accounted for 17.19% of Bank's Net Demand and Time Liabilities as on 31.03.2019 as against the ceiling of 19.50% stipulated by Reserve Bank of India.

(ii) During the year, the excess of acquisition cost over face value of securities kept under 'Held to Maturity' category was amortized up to the date of maturity and the amortized amount for the year aggregates to ₹29.37 crore (previous year ₹ 30.80 crore). As per Reserve Bank of India guidelines, the said amount has been reflected as a deduction in Schedule –13 Interest Earned under item–II 'Income on Investments'.

(iii) Interest received on sale of securities for ₹261.14 crore (previous year ₹247.47 crore) and interest paid on purchase of securities ₹241.88 crore (previous year ₹263.95 crore) have been netted and shown under the head 'Income on Investments'.

(iv) There was shifting of securities to the tune of ₹23 18.16 crore (face value ₹2322.51 crore) from/to HTM category. Previous year, there was shifting of securities to the tune of ₹3123.31 crore (face value ₹3015.00 crore) from/to HTM category.

(v) As per RBI circular Ref.No.RBI/2017-18/200 DBR.No.BP.BC.113/21/21.04.048/2017-18 dated 15.06.2018, we have utilized the option to spread provisioning for the mark to market (MTM) losses on all investments held in AFS and HFT for the quarter ending 30.06.2018 as under:-

(₹ in crore)

Category	MTM Loss as on 30.06.2018	Provision made on 30.06.2018	Provision staggered		
			September 2018	December 2018	March 2019
SLR – AFS	28.62	7.16	7.16	7.15	7.15
Non SLR Bonds AFS	21.52	5.38	5.38	5.38	5.38
<b>TOTAL</b>	<b>50.14</b>	<b>12.54</b>	<b>12.54</b>	<b>12.53</b>	<b>12.53</b>

The provisions were made as per the above schedule in the subsequent quarters as well. On 31.03.2019, we have reversed the entire provision on AFS category of SLR and Non SLR Bonds made during the year as the MTM loss on AFS category of SLR and Non SLR bonds was NIL by the year ending 31<sup>st</sup> March 2019.

(vi) During the year ended March 31,2019, the value of sale of securities from HTM category (excluding one time transfer of securities permitted to be undertaken by banks at the beginning of the year, sales to RBI under OMO auctions, repurchased of government securities by Government of India and sale/transfer of securities consequent to reduction of ceiling on SLR securities under HTM) did not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

vii) As per RBI circular Ref.No.RBI/2017-18/147 DBR.No.BP.BL.102/21.04.048/2017-2018 dated 02.04.2018, we have created an Investment Fluctuation Reserve (IFR) for an amount of ₹29.16 crore.

## 5. Additional disclosures

## A. Capital

Items	Current Year		Previous Year	
	BaseI II	BaseI III	BaseI II	BaseI III
Common Equity Tier I capital ratio (%)	15.55	15.52	14.35	14.31
Tier I capital (%)	15.55	15.52	14.35	14.31
Tier II Capital (%)	0.65	0.65	0.51	0.52
Total Capital Ratio (CRAR %)	16.20	16.17	14.86	14.83
Percentage of the shareholding of the Government of India in public sector banks	NA		NA	
Amount of equity capital raised				
Amount of Additional Tier 1 capital raised of which;	Nil		Nil	
PNCPS:				
PDI:				
Amount of Tier 2 capital raised;	Nil		Nil	
Of which				
Debt capital instrument:	Nil		Nil	
Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares/ Redeemable Non-Cumulative Preference Shares/ Redeemable Cumulative Preference Shares]				

## B. i. Investments

(₹ in crore)

Items	Current Year 2018-19	Previous Year 2017-18
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	9192.45	10453.53
(b) Outside India,	Nil	Nil
(ii) Provisions for Depreciation		
(a) In India	85.86	89.92
(b) Outside India,	Nil	Nil
(iii) Net Value of Investments		
(a) In India	9106.59	10363.62
(b) Outside India.	Nil	Nil
(2) Movement of provisions held towards depreciation on investments.		
(i) Opening balance	89.92	102.25
(ii) Add: Provisions made during the year	142.98	41.39
(iii) Less: Write-off/ write-back of excess provisions during the year	147.04	53.72
(iv) Closing balance	85.86	89.92

**ii. Repo Transactions (In face value terms):**

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on 31.03.2019
Securities sold under Repos				
a) Govt Securities	24.00	800.00	161.52	---
b) Corporate debt Securities	--	--	--	---
Securities sold under MSF				
a) Govt Securities	16.00	250.00	3.23	---
b) Corporate debt Securities	--	--	--	---
Securities sold under TREPS				
a) Govt Securities	18.00	1110.60	169.64	---
b) Corporate debt Securities	--	--	--	---
Securities sold under Market Repo				
a) Govt Securities	2.98	143.75	2.14	---
b) Corporate debt Securities	--	--	--	---
Securities purchased under Reverse Repos				
a) Govt Securities	10.00	970.00	48.82	575.00
b) Corporate debt Securities	--	--	--	--
Securities purchased under Market Reverse Repos				
a) Govt Securities	4.81	10.07	0.57	---
b) Corporate debt Securities	--	--	--	---
Securities purchased under TREPS				
a) Govt Securities	5.00	158.00	1.72	---
b) Corporate debt Securities	--	--	--	---

**iii. Non-SLR Investment Portfolio****a) Issuer composition of Non SLR investments**

(₹ in crore)

No.	Issuer	Amount	Extent of Private placement	Extent of 'Below Investment Grade' securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	PSUs	530.99	97.00	--	--	2.00
2.	FIs	698.51	131.04	5.00	--	1.04
3.	Banks	475.08	71.00	5.00	--	--
4.	Private Corporate	102.49	--	--	--	37.98
5.	Subsidiaries/ Joint Venture	--	--	--	--	--
6.	Others	1.00	--	--	--	--
7.	Provision held towards depreciation	(85.86)	--	--	--	(37.98)
	TOTAL*	1722.21	299.04	10.00	--	3.04

Note:

(1) \*Total under column 3 should tally with the total of investments included under the following categories in Schedule 8 to the balance sheet:

- a) Shares
- b) Debentures & Bonds
- c) Subsidiaries / joint ventures
- d) Others

(2) Amount reported under columns 4, 5, 6 and 7 above may not be mutually exclusive

#### Break up particulars for Non SLR Investments:

(₹ in crore)

	31.03.2019	31.03.2018
Shares	16.82	33.14
Debentures and Bonds	1455.96	1478.75
Subsidiaries and Joint Ventures	0	0
Others (CD, CP, MF)	249.43	118.10
<b>Total</b>	<b>1722.21</b>	<b>1629.99</b>

#### b) Non performing Non-SLR investments

(₹ in crore)

Particulars	Amount
Opening Balance	28.51
Additions during the year	51.31
Reductions during the year	0
Closing balance	79.82
<b>Total provisions held</b>	<b>79.82</b>

#### Break up for NPI

Category	Nature of Investment	Name of the Issuer	Amount (₹ in Cr)
Non SLR Investment under AFS Category	Equity Shares	M/s BRG Iron & Steel P Ltd.	28.51
Non SLR Investment under AFS Category	Equity Shares	M/s IVRCL Infrastructure Ltd.	38.18
Non SLR Investment under AFS Category	Equity Shares	M/s IVRCL Indore Gujarat Tollways Ltd	9.47
Non SLR Investment under AFS Category	Equity Shares	M/s Gujarat NRE Coke Ltd.	3.66
		<b>Total</b>	<b>79.82</b>

#### C. Derivatives

The Bank has not entered into any forward rate agreement/interest rate swap or exchange traded interest rate derivative during the year.



**D. Asset Quality****i. a. Non-Performing Asset**

(₹ in crore)

Items	Current Year	Previous Year
(i) Net NPAs to Net Advances (%)	2.40%	2.16%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	868.28	648.64
(b) Additions during the year	947.23	1242.16
(c) Reductions during the year	647.40	1022.52
(d) Closing balance	1168.11	868.28
(iii) Movement of Net NPAs		
(a) Opening balance	513.29	381.92
(b) Additions during the year	492.73	553.68
(c) Reductions during the year	369.51	422.31
(d) Closing balance	636.51	513.29
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	354.99	266.72
(b) Provisions made during the year	444.68	688.48
(c) Write-off/ write-back of excess provisions	268.07	600.21
(d) Closing balance	531.60	354.99

**i.b. Non-performing Loan Provisioning coverage Ratio is 73.61%****ii. Movement of NPAs**

(₹ in Crore)

Particulars	Amount as on 31.03.2019	Amount as on 31.03.2018
Gross NPAs as on 1 <sup>st</sup> April 2018 (Opening Balance)	868.28	648.64
Additions (Fresh NPAs) during the year	947.23	1242.16
Sub-total (A)	1815.51	1890.80
Less:-		
(i) Upgradations	237.32	267.39
(ii) Recoveries	146.31	161.18
(iii) Technical/Prudential write-offs	263.77	593.96
(iii) Write-offs	---	---
Sub-total (B)	647.40	1022.52
Gross NPAs as on 31 <sup>st</sup> March 2019 (closing balance) (A-B)	1168.11	868.28

**Stock of Technical write-offs and the recoveries made thereon:**

(₹ in crore)

Particulars	2018-19	2017-18
Opening balance of Technical/Prudential written-off accounts as at 1 <sup>st</sup> April 2018	1012.52	491.72
Add: Technical/Prudential write-offs during the year	263.77	593.96
Sub-total (A)	1276.29	1085.68
Less: Recoveries made from previously technical/prudential written-off accounts during the year	32.47	73.16
Closing balance as at 31st March 2019	1243.82	1012.52

**(iii) Sector-wise NPAs**

(₹ in Crore)

Sl. No.	Sector*	Current year (Fy 2018-19)			Previous year (Fy 2017-18)		
		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
<b>A</b>	<b>Priority Sector</b>						
1	Agriculture and allied activities	6076.64	51.17	0.84	5153.40	58.85	1.14
2	Industry	3640.37	72.99	2.00	3140.80	87.91	2.80
2a	Of which; Textile	1482.08	33.50	2.26	1306.63	45.68	3.50
3	Services	5910.10	140.27	2.37	5126.80	167.76	3.27
4	Personal loans	1296.79	36.99	2.85	1230.53	48.13	3.91
	Sub-total (A)	16923.90	301.42	1.78	14651.54	362.64	2.48
<b>B</b>	<b>Non Priority Sector</b>						
1	Agriculture and allied activities	0.70	0	0	0.34	0	0
2	Industry	3385.06	617.69	18.24	3728.70	415.49	11.14
2a	Of which; Textile	1440.03	89.71	6.22	1520.34	37.99	2.50
3	Services	2718.00	234.53	8.62	2953.26	76.98	2.60
4	Personal loans	3921.53	14.47	0.36	2727.66	13.17	0.48
5	Food Credit	69.47	0	0	71.79	0	0
	Sub-total (B)	10094.76	866.69	8.64	9481.75	505.64	5.37
	Total (A+B)	27018.66	1168.11	4.33	24133.29	868.28	3.60

**(iv) Concentration of NPAs**

(₹ in Crore)

	As on 31.03.2019	As on 31.03.2018
Total Exposure to top four NPA accounts	370.76	314.23

**(v) Disclosure on Divergence in the Asset Classification and Provisioning**

The Reserve Bank of India additional disclosures vide DBR.BP.BC.NO.63/21.04.018/ 2016-17 dated 18<sup>th</sup> April 2017 are not applicable to the bank for the reference period (FY 2018-19)

**(vi) Provisioning pertaining to Fraud Accounts**

As per RBI circular DBR.No.BP.BC.92/21.04.048/2015- 16 dated 18.04.2016, where the bank chooses to provide for the fraud over two to four quarters and this results in the full provisioning being made in more than one financial year, banks should debit “other reserves” [i.e., reserves other than the one created in terms of section 17(2) of the Banking Regulation Act 1949] by the amount remaining un-provided at the end of the financial year by credit to provisions. However banks should proportionately reverse the debits to “other reserves” and complete the provisioning by debiting profit and loss account, in the subsequent quarters of the next financial year.

To comply with the above instructions of Reserve Bank of India, unamortized provision for NPA has been made by debiting the other reserves for the following fraud accounts.

(₹ in Lakh)

S.No	Name of the Borrower	Amount Involved	Provision made during the year	Unamortised Provision debited from other reserves
1	One world Industries P Ltd, Mumbai Chembur	2000.00	1000.00	1000.00
2	Angel Motors, Marthandam	150.64	75.32	75.32
	<b>Total</b>	<b>2150.64</b>	<b>1075.32</b>	<b>1075.32</b>

**(vii) Change in Accounting Policy :**

The bank has followed the same significant accounting policies in the preparation of financial statements as those followed in the annual financial statements for the year ended 31.3.2018 except that for expenditure like electricity, water, rent, property taxes, telephone, insurance, annual maintenance contracts, law charges, advertisement & publicity which were accounted not on accrual basis till 31.3.2018, with effect from current year 2018-19, the same are accounted on accrual basis. This change has the impact on increasing the operating expenses on “Rent, taxes and lighting”, “Printing and stationery”, “Postage, telegram, telephone etc” in the current year with consequent increase of “Total Expenditure” and decrease of “Net Profit” for the current year, but however, the amount involved is not material.

## vii. Details of Loan assets subjected to Restructuring

(₹ in crore)

Sl No	Type of Restructuring —→		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total					
	Asset Classification —→	Details ↓	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 as on April 1 of the FY (opening figures)*	No. of borrowers	1	0	0	0	1	0	0	0	0	0	6	0	0	0	0	7	0	0	0	0	7
Amount outstanding		139.03	0	0	0	139.03	0	0	0	0	0	0.16	0	0	0	0	139.19	0	0	0	0	139.19	
Provision thereon		18.13	0	0	0	18.13	0	0	0	0	0	0	0.01	0	0	0	0	18.14	0	0	0	0	18.14
2	Fresh restructuring During the year	No. of borrowers	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	3	0	0	0	0	3
Amount outstanding		0.00	0.00	0.00	0.00	0.00	25.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.15	0.00	0.00	0.00	0.00	25.15	
Provision thereon		0.00	0.00	0.00	0.00	0.00	1.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.32	0.00	0.00	0.00	0.00	1.32	
3	Upgradations to restructured standard category during the FY	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Amount outstanding		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Provision thereon		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Sl No	Type of Restructuring →	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total					
	Asset Classification →																					
	Details ↓	Standard	Sub standard	Doubtful	Loss	Total	Standard d	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total	
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	1	0	0	0	1	0	0	0	0	0	32	0	0	0	0	32	33	0	0	0	33
	Amount outstanding	49.08	0	0	0	49.08	0	0	0	0	0	178.20	0	0	0	0	178.20	227.28	0	0	0	227.28
	Provision thereon	0.20	0	0	0	0.20	0	0	0	0	0	0.70	0	0	0	0	0.70	0.90	0	0	0	0.90
5	Down gradation of restructured accounts during the FY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Amount outstanding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Provision thereon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Write-offs of restructured accounts during the FY	0	0	1		1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1
	Amount outstanding	0	0	120.85		120.85	0	0	0	0	0	0	0	0	0	0	0	0	0	120.85	0	120.85
7	Restructured as on March 31 of the FY(closing figure*)	0	0	0	0	0	3	0	0	0	3	1	0	0	0	0	1	4	0	0	0	4
	Amount outstanding	0	0	0	0	0	25.15	0	0	0	25.15	0.02	0	0	0	0	0.02	25.17	0	0	0	25.17
	Provision thereon	0	0	0	0	0	1.32	0	0	0	1.32	0	0	0	0	0	0	1.32	0	0	0	1.32

\*Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight

## 1. Disclosures on Flexible Structuring of Existing Loans:

(₹ in Crore)

Period	No. of borrowers taken up for flexible structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
Previous Financial Year	NIL	NIL	NIL	Not Applicable	Not Applicable
Current Financial Year From April to March 19)	NIL	NIL	NIL	Not Applicable	Not Applicable

## 2. Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

(₹ in Crore)

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
--	NIL	-	NIL	NIL	NIL	-

## 3. Disclosures on the Scheme for Sustainable Structuring of Stressed Assets as on 31.03.2019

(₹ in Crore)

No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision Held
		In Part A	In Part B	
Classified as Standard	NIL	NIL	NIL	Not Applicable
Classified as NPA	NIL	NIL	NIL	Not Applicable



4. Disclosures on Change in Ownership of Projects Under Implementation  
(accounts which are currently under the stand-still period)

No. of project loan accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		
	Classified as standard	Classified as standard restructured	Classified as NPA
	NIL	NIL	NIL
	NIL	NIL	NIL

viii) Details of financial assets sold to Securitization / Reconstruction Company for Asset Reconstruction

(₹ in crore)

Item	2018-19	2017-18
(i) No. of accounts	Nil	Nil
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	Nil	Nil
(iii) Aggregate consideration	Nil	Nil
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v) Aggregate gain/loss over net book value.	Nil	Nil

ix). Details of non performing financial assets purchased/sold

a. Details of non performing financial assets purchased:

(₹ in crore)

Particulars	2018-19	2017-18
1.a) No of accounts purchased during the year	Nil	Nil
b) Aggregate outstanding	Nil	Nil
2.a) Of these number of accounts restructured during the year	Nil	Nil
b) Aggregate outstanding	Nil	Nil

b. Details of non performing financial assets sold:

(₹ in crore)

Particulars	2018-19	2017-18
1. No of accounts sold	Nil	Nil
2. Aggregate outstanding	Nil	Nil
3. Aggregate consideration received	Nil	Nil

**x) Provisions on Standard Asset**

(₹ in crore)

Item	Current year as at 31.03.19	Previous Year as at 31.03.18
Provisions towards Standard Assets	84.98	78.45
Provisions towards Restructured Standard Assets	2.22	19.10
<b>Total</b>	<b>87.20</b>	<b>97.55</b>

**xi) Floating Provisions**

(₹ in crore)

	Current year as at 31.03.19	Previous Year as at 31.03.18
Opening balance of floating provisions	31.56	29.20
Floating provisions made during the year	2.88	2.36
Amount of draw down made during the year	--	---
<b>Closing balance</b>	<b>34.44</b>	<b>31.56</b>

**E. Draw Down from Reserves**

The bank has not made any draw down from the reserves during the year: Nil  
(previous year Nil)

**F. Business Ratios**

Items	Current year	Previous year
(i) Interest Income as a percentage to Working Funds \$	8.45%	8.64%
(ii) Non-interest income as a percentage to Working Funds \$	1.09%	1.35%
(iii) Operating Profit as a percentage to Working Funds \$	2.32%	2.67%
(iv) Return on Assets@	0.68%	0.59%
(v) Business (Deposits plus advances) per employee # (₹ in lakhs)	1436.94	1309.04
(vi) Profit per employee (₹ in lakhs)	6.07	5.16
(vii) Earnings per share (in ₹)	18.14	15.57

\$ Working funds is reckoned as an average of total assets (excluding accumulated losses, if any).

@ 'Return on Assets' is with reference to average working funds (i.e. total of assets excluding accumulated losses, if any).

# For the purpose of computation of business per employee (deposits plus advances) interbank deposits is excluded.

## G. Asset Liability Management (As certified by management)

Maturity pattern of certain items of assets and liabilities:

(₹ in crore)

	Deposits	Advances	Investments	Borrowings	Foreign Currency assets	Foreign Currency liabilities
1 day	259.11	1940.69	1545.85	0	622.89	47.96
2 to 7 days	1232.23	462.16	227.20	0	13.48	1.07
8 to 14 days	623.69	402.07	188.44	0	12.17	1.14
15 to 30 days	729.17	716.66	279.84	0	40.65	1.28
31 days to 2 months	1008.96	882.01	259.47	0	82.42	6.39
Over 2 months and up to 3 months	1432.96	766.85	220.30	0	43.66	11.90
Over 3 months and up to 6 months	2412.76	1567.97	417.08	0	54.79	22.65
Over 6 months and up to 1 year	10207.81	3275.35	1756.64	0	4.89	98.96
Over 1 year and up to 3 years	13367.19	11112.99	2644.95	0	10.36	156.95
Over 3 years and up to 5 years	2227.59	1703.33	527.48	0	12.08	165.68
Over 5 years	1634.78	3657.86	1039.34	0	46.49	0
<b>TOTAL</b>	<b>35136.25</b>	<b>26487.94</b>	<b>9106.59</b>	<b>0</b>	<b>943.88</b>	<b>513.98</b>

## H. Lending to Sensitive Sector

### i. Exposure to Real Estate Sector

(₹ in crore)

Category	Current Year Exposure	Previous Year Exposure
I) <i>Direct exposure</i>		
(a) Residential Mortgages –		
Lending fully secured by Mortgages on residential properties that are or will be occupied by the borrower or that is rented	2470.10	1984.14
<b>of which</b>		
Individual housing loans eligible for inclusion in priority sector advances	1226.51	1135.20
(b) Commercial Real Estate –		
Lending fully secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure included- non fund based (NFB) limits also;	222.57	244.42
(c) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –	Nil	Nil
a. Residential,	Nil	Nil
b. Commercial Real Estate.		
II) <i>Indirect Exposure</i>	6.00	9.00
Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		
Total Exposure to Real Estate Sector	2698.67	2237.56

## ii. Exposure to Capital Market

(₹ in Crore)

Particulars	Current Year 2018-19	Previous Year 2017-18
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;	102.69	110.66
(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;	2.47	3.57
(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;	0.69	1.67
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	24.42	31.86
(vi) loans sanctioned to corporate against the security of shares / bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii) bridge loans to companies against expected equity flows/issues;	Nil	Nil
(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;	Nil	Nil
(ix) financing to stockbrokers for margin trading;	Nil	Nil
(x) all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
<b>Total Exposure to Capital Market</b>	<b>130.27</b>	<b>147.77</b>

### iii. Risk Category wise Country Exposure

As the country-wise net funded exposure does not exceed 1% of the Bank's total assets for any country, no provision is required for the risk involved.

(₹ in crore)

<b>Risk Category wise Country Exposure</b>				
Risk Category	Exposure(Gross) as at March 31,2019	Provision held as at March 31,2019	Exposure(Gross) as at March 31,2018	Provision held as at March 31,2018
Insignificant Risk	833.90	NIL	169.34	NIL
Low Risk	204.93	NIL	121.08	NIL
Moderately Low Risk	12.70	NIL	7.52	NIL
Moderate Risk	3.85	NIL	13.56	NIL
Moderately High Risk	4.96	NIL	5.33	NIL
High Risk	0.00	NIL	0.00	NIL
Very High Risk	0.00	NIL	0.00	NIL
<b>Total</b>	<b>1060.34</b>	<b>NIL</b>	<b>316.83</b>	<b>NIL</b>

### iv. Details of single borrower limit (SBL)/group borrower limit (GBL) exceeded by the Bank.

a) Details of single borrower limit in excess of the prudential exposure limits of RBI:

- Nil -

b) Details of Group borrower limit exceeded by the bank: Nil

### I. Miscellaneous

#### i. Amount of Provisions made for Income-tax during the year;

(₹ in crore)

	<b>Current year</b>	<b>Previous year</b>
Provision for Income Tax – Current Year	135.60	85.00
Earlier years	--	62.00
<b>Total Provision for Income Tax</b>	<b>135.60</b>	<b>147.00</b>



**ii. Penalties imposed on the Bank by RBI :** During the year RBI has imposed penalty on the Bank which was paid (i) ₹6, 00,00,000 towards not adherence of the permissions granted under FEMA on issue of bonus shares to non residents ii) ₹ 1,00,00,000 towards non compliance with various directions issued by RBI on time bound implementation and strengthening of SWIFT related operational controls and iii) ₹28,100 towards mutilated and FICN notes.

**iii. Special reserve:** As per section 36(1) (viii) of I.T.Act 1961, the bank has created a special reserve of ₹ 26.00 Crore during the year 2018-19.

**iv. Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account**

(₹ in crore)

	Current Year	Previous Year
Diminution on Investment	34.25	9.37
Provision towards NPA	440.86	683.09
Provision towards Standard Asset	6.53	0.00
Floating provision for Advances	2.89	2.35
Provision made for Taxation	135.60	147.00
Deferred Tax	2.32	-59.21
Provision for MSME Advances	3.24	1.47
Others :Diminution in fair value - Restructured Advances	---	---
<b>Total</b>	<b>625.69</b>	<b>784.07</b>

**v. Details of complaints / unimplemented awards of Banking Ombudsman**

<b>A. customer complaints *</b>	
Number of complaints pending at the beginning of the year as at 01.04.2018 (96 ATM failed transaction claims)	96
Number of complaints received during the year 2018-19 (Including 9047 ATM failed transaction claims)	9373
Number of complaints redressed during the year 2018-19 (Including 9019 ATM failed transaction claims)	9343
Number of complaints pending at the end of the year as at 31.03.2019 (Including 124 ATM failed transaction claims which were settled within 7/4/2019)	126*
*Number of complaints pending at the end of the year as at 31.03.2019 (Other than ATM failed transaction claims)	2

<b>B. Awards passed by the Banking Ombudsman</b>	
Number of Unimplemented awards at the beginning of the year	--
Number of awards passed by the Banking Ombudsman during the year	--
Number of awards implemented during the year	--
Number of unimplemented awards pending at the end of the year	--

**vi. Letter of Comfort disclosure**

(₹ in crore)

Particulars	31.03.2019	31.03.2018
Letter of comfort issued in earlier years and outstanding as on 01.04.2018	1257.90	2643.52
Add: Letter of comfort issued during the year	--	6445.21
Less: Letter of comfort expired during the year	1257.90	7830.83
Letter of comfort outstanding as on 31.03.2019	--	1257.90

**vii. The details of fees / remuneration received during the year in respect of Banc assurance business undertaken.**

(₹ in Lakhs)

<b>Commission on Banc assurance</b>	31-03-2019	31-03-2018
Non – Life Insurance – Net of GST	622.87	522.60
Mutual Fund Products	15.64	17.40
Life Insurance – Net of GST	139.32	164.67

**viii. Concentration of Deposits**

(₹ in Crore)

	31-03-2019	31-03-2018
Total Deposits of twenty largest depositors	3831.99	4335.37
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	10.91%	13.37%

**ix. Concentration of Advances**

(₹ in Crore)

	31-03-2019	31-03-2018
Total Advances to twenty largest borrowers	2371.38	2583.85
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	8.78%	10.71%

**x. Concentration of Exposures**

(₹ in Crore)

	31-03-2019	31-03-2018
Total Exposure to twenty largest borrowers/customers	2684.38	3270.16
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	7.57%	10.07%

## 6. Disclosure Requirements as per Accounting Standards where RBI has issued guidelines in respect of disclosure items for Notes on Accounts:

**6.1.** There were no material pertaining to prior period Income /Expenditure requiring disclosure as per AS 5.

**6.2.** The heads of income recognized on cash basis are neither material enough nor do they require disclosure under AS 9 on Revenue Recognition.

### 6.3 Accounting Standard -15: Employee Benefits

(₹ in crore)

	2018-19		2017-18	
	Gratuity	Pension	Gratuity	Pension
<b>(i) Principal actuarial assumption used</b>				
Discount Rate	7.80%	7.80%	7.68%	7.68%
Rate of return on Plan Assets	7.95%	7.95%	7.75%	7.75%
Salary Escalation	6.50%	6.50%	6.50%	6.50%
<b>(ii) Change in Benefit Obligation:</b>				
Liability at the beginning of the year	144.25	483.40	136.22	470.84
Interest Cost	10.68	35.00	9.92	33.77
Current Service Cost	12.29	29.24	10.89	31.24
Benefit paid	-14.77	-69.32	-14.19	-62.22
Actuarial (gain) / loss on obligation	-4.73	-5.95	-9.18	9.77
Liability at the end of the year	147.72	472.37	144.25	483.40
<b>(iii) Fair value of Plan Assets:</b>				
Fair value of Plan Assets at the beginning of the year	135.08	478.21	133.56	468.61
Expected return on Plan Assets	11.27	37.85	10.41	36.69
Contributions	17.63	29.44	5.87	38.77
Benefit paid	-14.77	-69.32	-14.19	-62.22
Actuarial Gain / (loss) on Plan Assets	-0.70	-2.29	-0.57	-3.64
Fair value of Plan Assets at the End of the year	148.51	473.89	135.08	478.21
<b>(iv) Actual return on Plan Assets:</b>				
Expected Return on Plan Assets	11.27	37.85	10.41	36.69
Actuarial gain / (loss) on Plan Assets	-0.70	-2.29	-0.57	-3.64
Actual return on Plan Assets	10.57	35.56	9.84	33.05
<b>(v) Amount recognized in the Balance Sheet:</b>				
Liability at the end of the year	147.72	472.37	144.25	483.40
Fair value of Plan Assets at the End of the year	-148.51	-473.89	135.08	478.21
Amount Recognized in the Balance Sheet	-0.79	-1.52	9.17	5.19
<b>(vi) Expenses recognized in The Income Statement:</b>				
Current Service Cost	12.29	29.24	10.89	31.24
Interest Cost	10.68	35.00	9.92	33.77
Expected Return on Plan Assets	-11.27	-37.85	-10.41	-36.69
Actuarial Gain or Loss	-4.02	-3.67	-8.61	13.41
Past Service Cost	0.00	0.00	10.59	0.00
Expenses Recognized in P & L	7.67	22.73	12.38	41.73

Details of Provisions made for Other Long term Employee Benefits:

(₹ in crore)			
S.no	Other Long Term Benefits	2018-19	2017-18
1	Leave Encashment	4.85	2.95
2	Sick Leave	4.72	-1.66

## 6.4 Accounting Standard-17: Segment Reporting

### PART A: Operational Segments:

(₹ in crore)

Particulars	For the year ended 31.03.2019				For the year ended 31.03.2018			
	Treasury	Corporate/Wholesale Banking	Retail Banking	Total	Treasury	Corporate/Wholesale Banking	Retail Banking	Total
Revenue	801.88	702.56	2134.35	3638.79	975.94	901.76	1878.91	3756.61
Result (Profit+)/Loss(-))	167.75	62.88	191.02	421.65	241.91	22.72	47.33	311.96
Unallocated income /Expenses				25.15				2.25
Operating Profit				396.50				309.71
Income Tax				137.92				87.79
Extraordinary Profit								
Net Profit				258.58				221.92
Other Information	As at 31.03.2019				As at 31.03.2018			
Segment assets	10328.04	9434.67	19905.31	39668.02	11226.79	9357.43	16599.55	37183.77
Unallocated assets				59.52				52.20
Total assets				39727.54				37235.97
Segment Liabilities	11253.31	6995.03	21250.53	39498.87	12673.91	7902.28	16465.16	37041.35
Unallocated liabilities				228.67				194.62
Total liabilities				39727.54				37235.97

Note:

1. Assets and Liabilities wherever directly related to segments have been accordingly allocated to segments and wherever not directly related have been allocated on the basis of segment revenue.

2. The Bank operates only in Domestic Segment.

### PART B –Geographic Segments

Particulars	Domestic		International		Total	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Revenue	3638.79	3756.61	--	--	3639.30	3756.61
Assets	39727.54	37235.97	--	--	39727.91	37235.97

### 6.5 Related Party disclosures (AS-18)

The Bank has identified the following person to be the key management person as per AS-18 on Related Party Disclosures:

Thiru. K.V. Rama Moorthy – Managing Director and Chief Executive Officer –  
01.04.2018 to 31.03.2019

#### A. Emoluments:

Particulars	(Amount in ₹)	
	01.04.2018 to 31.03.2019	04.09.2017 to 31.03.2018
Salary	45,00,000.00	25,87,500.00
Bank Contribution to Provident Fund	5,40,000.00	3,10,500.00
Other Benefits	2,02,408.40	8,17,310.83@
<b>Total</b>	<b>52,42,408.40</b>	<b>37,15,310.83</b>

@ includes travelling expenses of ₹7,73,299.35.

Thiru. H.S. Upendra Kamath – Managing Director and Chief Executive Officer –  
01.04.2017 to 17.05.2017.

Particulars	(Amount in ₹)	
	01.04.2018 to 31.03.2019	01.04.2017 to 17.05.2017
Salary	---	6,45,161.28
Bank Contribution to Provident Fund	---	77,419.00
Other Benefits	---	4,54,657.61
<b>Total</b>	<b>---</b>	<b>11,77,237.89</b>

#### B. Others: Nil

C. There is no other transaction with the Managing Director & CEO.

D. TMB Foundation Trust (Associate) :- Payment made for CSR expenditure  
₹16,02,00,000/- (Previous year :Nil)

### 6.6. Earnings per Share (AS – 20)

Items	Amount	
	2018 – 19	2017 – 18
Net Profit after Tax available for equity share holders (₹ in Lakhs)	25858.04	22191.62
Average number of shares	142511454	142511454
Basic and Diluted EPS (in ₹)	18.14	15.57
Nominal value per share (in ₹)	10.00	10.00

### 6.7. Consolidated Financial Statements (AS – 21)

The Bank has no subsidiary and hence the need for consolidation of financial statements does not arise.

### 6.8. Accounting for Taxes on Income (AS – 22)

In respect of Income Tax, the assessment has been completed up to the Assessment Year 2016-17 (Year ended 31.03 2016). Appeals are pending with appellate authorities /High Court for various assessment years. The income tax demand disputed on appeal is ₹122.25 crore (previous year ₹99.17crore). The management does not envisage any liability in respect of the disputed issues, however adequate provision has been made for the same. There were various demands raised by Service Tax Department during 2015 to 2018 amounting to ₹11.64 crore (previous year ₹ 2.57crore), which the Bank has disputed on appeals. The Bank has been advised a fair chance of their succeeding their appeals and hence no provision has been made for these demands.

The bank had recorded the cumulative net Deferred Tax Liability of ₹4.92 crore relating to the period up to 31.03.2018 arising out of timing difference. The amount debited to the Profit and Loss account during the year is ₹2.32 crore and the net Deferred Tax Liability is ₹ 7.24 crore as on March 31, 2019.

The major components of deferred tax assets/liabilities as at 31.03.2019 arising out of timing difference are as follows;

( ₹ in Crore)

Particulars	Deferred tax Asset	Deferred tax Liability	Deferred tax Asset	Deferred tax Liability
	2018-19	2018-19	2017-18	2017-18
Depreciation on Fixed Assets	5.95		2.86	
Provision for NPAs/Bad Debts	27.88		14.74	
Interest accrued on Investments	--		--	
Special Reserve u/s 36 (1) (viii)	--	66.68	--	57.04
Depreciation on Investments	--		--	
Provisions on retirement benefit, Leave encashment etc	21.99		23.31	
Provision for DFV on Restructured Standard Assets	--		7.60	
Others	3.62		3.61	
<b>Deferred tax asset/liability</b>	<b>59.44</b>	<b>66.68</b>	<b>52.12</b>	<b>57.04</b>
<b>Net Deferred Tax Asset/Liability</b>	<b>-7.24</b>		<b>-4.92</b>	

### 6.9. Intangible assets (AS – 26)

Depreciation on software is calculated on straight line method at 33.33% in compliance with RBI guidelines.

### 6.10 Impairment of Assets (AS – 28)

The fixed assets, mainly immovable properties, furniture fittings, the required indications prescribed in AS 28, not being met with, in the opinion of the management, there is no impairment of any asset of the Bank.



### 6.11 Contingent Liabilities (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 in the financial statements.

(₹ 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)	12.60	---	---	9.60	3.00
B.Provision for Frauds	10.43	10.76	0.06	---	21.13

### Contingent Liabilities:

(₹ in Lakhs)

PARTICULARS	As on 31.03.2019	As on 31.03.2018
1. Claims not acknowledged as debt		
a)Counter suits filed by the borrowers against the Bank has initiated legal action.	Nil	Nil
b)Cases filed in Consumer/Civil Courts for deficiency in services	115.36	115.36
c)Any other claims against the bank not Acknowledged as debts.	1005.32	1118.15
2.Guarantees issued on behalf of constituents	99208.79	209585.28
3.Acceptance, endorsements & other obligations	105651.31	112676.19
4. Other items for which the Bank is contingently liable.	514428.74	982253.16
<b>TOTAL</b>	<b>720409.52</b>	<b>1305748.14</b>

### 6.12 Dues to Micro and Small Enterprises

Under MSMED Act 2006 certain disclosures are required to be made relating to micro small and medium enterprises. There have been not reported cases of interest payments due to delays in such payments to micro small and medium enterprises. Auditors have relied upon the above management assertion.

### 6.13 Transfers to Depositor Education and Awareness Fund (DEAF)

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Opening balance of amount transferred to DEAF	6046.34	5282.67
Add: Amounts transferred to DEAF during the year	906.15	826.84
Less: Amounts reimbursed by DEAF towards claims	55.59	63.17
Closing Balance of amounts transferred to DEAF	6896.90	6046.34

#### 6.14 Un hedged Foreign Currency Exposure:

The bank has a board approved policy dated 16.04.2019 on Un hedged Foreign Currency Exposure.

#### 6.15 Proposed dividend:

In terms of Revised Accounting Standard [AS4] Contingencies and events occurring after Balance sheet date as notified by the Ministry of Corporate affairs through amendments to companies (Accounting Standards) amendment rules 2016, dated 30 March 2016, the company has not accounted for proposed dividend as a liability as at 31st March 2019. The proposed dividend was however accounted for as a liability up to 31<sup>st</sup> March 2016 in line with the accounting standard applicable at that time.

**6.16** Auditors' fees and expenses under schedule 16 Operating expenses includes prior year statutory branch audit expenditure of ₹ 82.10 lakh (Previous year: Nil)

#### 6.17 Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) is one of the Basel Committee's key reforms 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 a bank's stock of HQLA by its total net cash outflows over a 30-days stress period. HQLA of 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. The present requirement, as on March 31, 2019 is 100%. Bank prepares daily Liquidity Coverage Ratio statement 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. 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 2019 is furnished below:

LCR Disclosure Template (Consolidation)					
		Current Year 2018-19		Previous Year 2017-18	
Particulars		Total Unweighted <sup>8</sup> Value (Average)	Total Weighted <sup>9</sup> Value (Average)	Total Unweighted <sup>8</sup> Value (Average)	Total Weighted <sup>9</sup> Value (Average)
<b>High Quality Liquid Assets</b>					
1	Total High Quality Liquid Assets (HQLA)	6053.81	5954.72	7198.74	6896.94
<b>Cash Outflows</b>					
2	Retail deposits and deposits from small business customers, of which:	<b>19063.67</b>	<b>1524.41</b>	<b>21227.19</b>	<b>1716.45</b>
(i)	Stable deposits	7642.16	382.26	8125.30	406.26
(ii)	Less stable deposits	11421.51	1142.15	13101.89	1310.19
3	Unsecured wholesale funding, of which:	<b>2092.97</b>	<b>1149.59</b>	<b>1190.80</b>	<b>644.92</b>
(i)	Operational deposits (all counterparties)	36.23	7.66	13.16	1.45
(ii)	Non-operational deposits (all counterparties)	2056.74	1141.93	1177.64	643.47
(iii)	Unsecured debt	0.00	0.00	0.00	0.00
4	Secured wholesale funding	<b>648.12</b>	<b>0.00</b>	<b>146.87</b>	<b>0.00</b>
5	Additional requirements, of which	<b>1871.93</b>	<b>1871.93</b>	<b>2429.26</b>	<b>2429.26</b>
(i)	Outflows related to derivative exposures and other collateral requirements	1871.93	1871.93	2429.26	2429.26
(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	<b>4639.96</b>	<b>316.41</b>	<b>4371.88</b>	<b>297.64</b>
7	Other contingent funding obligations	<b>2454.19</b>	<b>186.44</b>	<b>4172.89</b>	<b>212.92</b>
8	<b>TOTAL CASH OUTFLOWS</b>	<b>30770.84</b>	<b>5048.78</b>	<b>33538.89</b>	<b>5301.19</b>
<b>Cash Inflows</b>					
9	Secured lending (e.g. reverse repos)	68.90	18.13	331.27	91.55
10	Inflows from fully performing exposures	936.59	497.12	1142.08	666.07
11	Other cash inflows	1879.87	1879.87	2365.24	2365.24
12	<b>TOTAL CASH INFLOWS</b>	<b>2885.36</b>	<b>2395.12</b>	<b>3838.59</b>	<b>3122.86</b>
		Total Adjusted <sup>10</sup> Value		Total Adjusted <sup>10</sup> Value	
21	<b>TOTAL HQLA</b>	<b>5954.72</b>		<b>6896.94</b>	
22	<b>TOTAL NET CASH OUTFLOWS</b>	<b>2653.66</b>		<b>2178.33</b>	
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>	<b>224.3965%</b>		<b>316.6159%</b>	

<sup>8</sup> Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows) except where otherwise mentioned in the circular and LCR template.

<sup>9</sup> Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

<sup>10</sup> Adjusted values must be calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e. cap on Level 2B and Level 2 assets for HQLA and cap on inflows).

### **B Qualitative disclosure about LCR::**

**The main drivers of LCR Results:** The bank is having an adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted easily and immediately in markets into cash to meet liquidity needs for a 30 calendar days under liquidity stress scenario.

The net cash outflows for the next 30 days has been calculated after deducting the cash inflows from the outflows for the period. The inflows and outflows have been calculated based on RBI prescribed haircuts and run-off factors.

The Bank's LCR has been more than the minimum regulatory requirement for all the dates from April'18 to March'19 LCR of the bank for the Annual Financial Year 2018-19 stood at 224.3965%.

### **Composition of HQLA**

The Level 1 Assets of our bank comprises of Cash in hand & Cash at ATM, Excess CRR and SLR, MSF (2% on NDTL) and FALLCR (13% on NDTL). Level 1 asset is the main driver of HQLA, contributing around 98.36% in the total 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

7. Fixed assets (Land and Building) include property held in Chennai, land (UDS 753.117 sqft ₹10.76 lakh) and building (₹11.10 lakh) purchased during January 1993. While the UDS of land was registered in Bank's name, the building was to be handed over to the Bank after construction, by the corporate debtor, who are in corporate insolvency resolution process, which they failed to do so and the bank had preferred a suit in Madras High Court against them for specific performance and damages which is pending.

8. The amount of advances for which intangible securities such as charge over rights licenses, authority etc., has been taken as collateral security and the value of such collateral security ----- NIL -----

9. In respect of certain branches/offices where additional information was required, the data available at Controlling/Head office was considered.

10. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

11. Figures have been rounded off to the nearest thousand rupees in the Financial Statements.

sd/- K.V.Rama Moorthy  
**Managing Director & CEO**

sd/- S.Annamalai  
**Chairman**

sd/- P.C.G.Asok Kumar  
**Director**

sd/- S.R.Ashok  
**Director**

sd/- S.Ezhil Jothi  
**Director**

sd/- N.Gopal  
**Director**

sd/- B.S.Keshava Murthy  
**Director**

sd/- K.Nagarajan  
**Director**

sd/- D.N.Nirranjan Kani  
**Director**

sd/- A.Sivagami  
**Director**

sd/- B.Vijayadurai  
**Director**

sd/- A.Shidambaranathan  
**Vice President**

sd/- S.Senthil Anandan  
**General Manager**

sd/- P.Suriaraj  
**General Manager**

sd/- D.Inbamani  
**General Manager**

sd/- R.Arumugapandi  
**General Manager**

sd/- C.Sukumaran  
**Chief Financial Officer**

Vide our report of even date attached  
**For G Balu Associates LLP**  
 Chartered Accountants  
 FRN No.000376S /S200073

Thoothukudi  
 30.05.2019

sd/- P.C.Panda  
**Company Secretary**

sd/- R.Ravishankar  
 Partner (M.No.26819)

## **INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF

**M/s. TAMILNAD MERCANTILE BANK LIMITED**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **M/s. TAMILNAD MERCANTILE BANK LIMITED** ("the Bank"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, and the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are incorporated in these financial statements are the returns of 14 branches audited by us and 495 branches audited by branch auditors.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 in the manner so required for the banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2019, and its profit/loss, and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the Bank including its branches in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management for the Standalone Financial Statements**

The Bank's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and provision of Sec.29 of the

Banking Regulation Act 1949 and circulars and guidelines issued by the Reserve Bank of India(RBI) from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going



concern basis of accounting unless the management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other Matter**

We did not audit the financial statements / information of 495 branches included in the standalone financial statements of the bank whose financial statements/financial information reflect total assets of Rs. 23,330

Crores as at 31<sup>st</sup> March 2019 and the total revenue of Rs. 2,131 Crores for the year ended on that date, as considered in the standalone financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is solely based on the report of such branch auditors.

Our report is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014.
2. Being a Banking Company, the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of the powers conferred by subsection (11) of section 143 of the Companies Act, 2013, is not applicable.
3. As required by Sub Section 3 of Section 30 of the Banking Regulation Act 1949, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory.
  - (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
  - (c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
4. Further as required by Section 143 (3) of the Companies Act, 2013 we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us.
- (b) The reports on the accounts of the branches audited by branch auditors of the bank under section 143(8) of the Companies Act, 2013 have been sent to us and have been dealt with the audited returns from the branches.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts and with the audited returns from the branches.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the Accounting Policies prescribed by the Reserve Bank of India.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to adequacy of the Internal Financials control over Financial Reporting of the Bank and the operating effectiveness of such controls, refer to our separate report in Annexure – I, and

(g) With respect to other matters to be included in the Auditors report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 6.12 to the financial statements;
- ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including forward derivative contracts – Refer Schedule 12 to the financial statements.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank.

**For G Balu Associates LLP,  
Chartered Accountants,  
FRN: 000376S/S200073**

**R.RAVISHANKAR  
Partner  
M No 26819**

**Place: Thoothukudi  
Date: 30- 05-2019**

### **Annexure - I to the Auditors' Report**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **M/s. TAMILNAD MERCANTILE BANK LIMITED** ("the Bank") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Bank's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of

the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us ,the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For G BALU ASSOCIATES LLP,  
Chartered Accountants  
FRN: 000376S/S200073**

**R.RAVISHANKAR  
Partner  
M.No: 26819**

**Place: Thoothukudi  
Date: 30- 05-2019**

**TAMILNAD MERCANTILE BANK LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019**

	Year ended 31.03.2019	Year ended 31.03.2018
<b>Cash profit generated from operations I</b>	<b>₹ In thousands</b>	
Net profit for the year	258 58 05	221 91 62
<u>Add/Deduct</u>		
Loss/(Profit) on sale of assets	( 3 48)	( 1 13)
Depreciation on Fixed assets	35 56 22	39 67 15
Provisions & Contingencies (incl. Deferred tax adjustments)	625 68 66	784 08 53
<b>Total</b>	<b>919 79 45</b>	<b>1045 66 17</b>
<b>Cash flow from operating assets &amp; liabilities II</b>		
<u>Increase/Decrease in liabilities</u>		
Deposits	2707 91 59	238 18 27
Other liabilities & Provisions	(431 97 87)	(780 43 25)
<u>Increase/Decrease in assets</u>		
Advances	(2719 22 18)	(1796 39 88)
Investments	1257 02 66	1140 86 35
Other assets	(235 71 02)	(236 39 70)
<b>Total</b>	<b>578 03 18</b>	<b>(1434 18 21)</b>
<b>A Net cash flow from operating activities I + II</b>	<b>1497 82 63</b>	<b>(388 52 04)</b>
<u>Cash flow from investing activities</u>		
Sale/disposal of fixed assets	46 69	34 80
Purchase of fixed assets	(34 07 93)	(25 91 90)
<b>B Net Cash flow from investing activities</b>	<b>(33 61 24)</b>	<b>(25 57 10)</b>
<u>Cash flow from financing activities</u>		
Interim Dividend incl. tax	(34 36 10)	(41 16 56)
Borrowings	(513 00 00)	513 00 00
<b>C Net Cash flow from financing activities</b>	<b>(547 36 10)</b>	<b>471 83 44</b>
<b>Total cash flow during the year (A+B+C)</b>	<b>916 85 29</b>	<b>57 74 30</b>
<u>Cash &amp; Cash equivalents as on 01-04-2018</u>		
Cash & bank balances with RBI	1701 77 77	1458 20 46
Balances with banks & money at call & short notice	301 72 48	487 55 49
<b>Total</b>	<b>2003 50 25</b>	<b>1945 75 95</b>
<u>Cash &amp; Cash equivalents as on 31-03-2019</u>		
Cash & bank balances with RBI	1735 34 24	1701 77 77
Balances with banks & money at call & short notice	1185 01 30	301 72 48
<b>Total</b>	<b>2920 35 54</b>	<b>2003 50 25</b>
<b>Increase or decrease in cash flow</b>	<b>916 85 29</b>	<b>57 74 30</b>

Sd/- K.V.Rama Moorthy  
**Managing Director & CEO**

Sd/- S.Annamalai  
**Chairman**

Sd/- P.C.G.Asok Kumar  
**Director**

Sd/- S.R.Ashok  
**Director**

Sd/- S..Ezhil Jothi  
**Director**

Sd/- N.Gopal  
**Director**

Sd/- B.S.Keshava Murthy  
**Director**

Sd/- K.Nagarajan  
**Director**

Sd/- D.N.Nirranjan Kani  
**Director**

Sd/- A.Sivagami  
**Director**

Sd/- B.Vijayadurai  
**Director**

Sd/- A.Shidambaranathan  
**Vice President**

Sd/- S.Senthil Anandan  
**General Manager**

Sd/- P.Suriaraj  
**General Manager**

Sd/- D.Inbamani  
**General Manager**

Sd/- R.Arumugapandi  
**General Manager**

Sd/- C.Sukumaran  
**Chief Financial Officer**

Vide our report of even date attached  
**For G.Balu Associates LLP**  
Chartered Accountants  
FRN No. 000376S/S200073

Thoothukudi  
30.05.2019

Sd/- P.C.Panda  
**Company Secretary**

Sd/- R.Ravishankar  
Partner (M.No.26819)



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

Registration Details

Registration No.

		1	9	0	8
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State Code

1	8
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Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	1	9
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(Rupees in Thousands)

(Rupees in Thousands)

**Capital raised during the Year**

Public Issue

				N	I	L
				N	I	L

Bonus Issue

Rights Issue

Private Placement

				N	I	L
				N	I	L

**Position of mobilisation and Deployment of funds**

Total Liabilities

4	0	5	3	2	7	9	5	6
---	---	---	---	---	---	---	---	---

Total Assets

4	0	5	3	2	7	9	5	6
---	---	---	---	---	---	---	---	---

**Sources of funds**

Paid-up Capital

1	4	2	5	1	1	5
				N	I	L

Secured Loans

Reserves and Surplus

Unsecured Loans

	3	4	7	5	7	4	3	9
3	5	1	3	6	2	4	8	1

**Application of funds**

Net Fixed Assets

		1	3	8	3	8	2	4
2	9	5	0	9	5	3	4	6
						N	I	L

Net Current Assets

Accumulated Losses

Investments

Miscellaneous Expenditure

	9	1	0	6	5	8	6	5
						N	I	L

**Performance of Company**

Turnover

3	6	3	8	7	9	7	7
3	2	4	2	3	0	0	0

Total Expenditure

Profit/(Loss) Before Tax

	3	9	6	4	9	7	7
	2	5	8	5	8	0	5

Profit/(Loss) After Tax

Earning per share in Rs.

Dividend Rate %

						1	8
						3	2

Generic names of three principal products / services of the Company (as per monetary terms)

Item Code No. : NOT APPLICABLE

Product Description : Banking Company

Sd/- K.V.Rama Moorthy

**Managing Director & CEO**Sd/- S.Annamalai  
**Chairman**Sd/- P.C.G.Asok Kumar  
**Director**Sd/- S.R.Ashok  
**Director**Sd/- S..Ezhil Jothi  
**Director**Sd/- N.Gopal  
**Director**Sd/- B.S.Keshava Murthy  
**Director**Sd/- K.Nagarajan  
**Director**Sd/- D.N.Nirranjan Kani  
**Director**Sd/- A.Sivagami  
**Director**Sd/- B.Vijayadurai  
**Director**Sd/- A.Shidambaranathan  
**Vice President**Sd/- S.Senthil Anandan  
**General Manager**Sd/- P.Suriaraj  
**General Manager**Sd/- D.Inbamani  
**General Manager**Sd/- R.Arumugapandi  
**General Manager**Sd/- C.Sukumaran  
**Chief Financial Officer**

Vide our report of even date attached

**For G.Balu Associates LLP**

Chartered Accountants

FRN No. 000376S/S200073

Thoothukudi  
30.05.2019Sd/- P.C.Panda  
**Company Secretary**Sd/- R.Ravishankar  
Partner (M.No.26819)

## LIST OF BRANCH - STATE WISE

**Tamilnadu**

1. Thoothukudi Main
2. Madurai Main
3. Sivakasi
4. Virudhunagar
5. Nagercoil
6. Dindigul
7. Theni
8. Chennai-21
9. Vilathikulam
10. Muhavoor
11. Kamuthi
12. Pavoorchatram
13. Puthiamputhur
14. Rajakkamangalam
15. N.Pudukottai
16. Coimbatore Main
17. Pudur
18. Anjugramam
19. Tiruchirapalli
20. Chennai G.T
21. Kommadikottai
22. Megnanapuram
23. Yercaud
24. Kayamozhi
25. Tirunelveli
26. Thalakulam
27. Mullakkadu
28. Salem
29. Radhapuram
30. Tisayanvilai
31. TKallikulam
32. Vellore
33. Elayirampennai
34. Kovilpatti
35. Pudukottai (035)
36. Erode
37. Kumbakonam
38. Aruppukottai
39. Kalloorani
40. Alangulam
41. Bommidi
42. Thickenamcode
43. Thiruvapur
44. Villupuram
45. Palliyadi
46. Verkhizambi
47. Chinnamanur
48. Colachel
49. Agasteeswaram
50. Eriyodu
51. Sayalkudi
52. Siruthondanallur
53. Prahasapuram
54. Chennai T.Nagar
55. Rayagiri
56. Kanjampuram
57. Podanur
58. K.Puthur
59. Kannankurichi
60. Ayyalur
61. Thanjavur
62. Sonakanvilai
63. Arumanai
64. Usilampatti
65. Vallalnathi
66. Pannaipuram
67. Rajapalayam
68. Tirupur
69. Odaipatti
70. Kallimandayam
71. Viralipatti
72. Pavithrampudur
73. Pottireddipatti
74. Vattur
75. Cuddalore
76. Govindakudi
77. Vengadampatti
78. Karur
79. Palani
80. Pollachi
81. Puliampatti
82. Edalakudy
83. Madurai Simmakal
84. Mayiladuthurai
85. Chennai Mount Road
86. Porulur
87. Padanthalumoodu
88. Mayiladumparai
89. Kappukadu
90. Kancheepuram
91. Thoothukudi South
92. Chengavilai
93. Vadamalaikurichi
94. Pandaravilai
95. Varaghur
96. Chockalingapuram
97. M.M.Kovilur
98. Madurai Chinthamani
99. Dr.Nanjappa Road
100. Chennai T.T.K.Road
101. Udumalpet
102. Tiruchengodu
103. Karaikudi
104. Pudukottai (128)
105. Namakkal
106. Ramanathapuram
107. Sattur
108. Thiruvannamalai
109. Nagapattinam
110. Coimbatore R.S.Puram
111. Dharmapuri
112. Sankarankoil
113. Mettupalayam
114. Chennai Aminjikarai
115. Marthandam
116. Hosur
117. Chennai Tambaram
118. Palayamkottai
119. Thirumangalam
120. Sivaganga
121. Cumbum
122. Sipcot, Thoothukudi
123. Chennai Perambur
124. Chennai Thiruvannamiyur
125. Valliyoor
126. Chengalpattu
127. Chennai Anna Nagar
128. Madurai Tallakulam
129. Gobichettipalayam
130. Chennai Purasawalkam
131. Thuckalay
132. Gingee
133. Tiruchendur Road
134. Kovilpatti Pasuvanthanai Road

- |                            |                        |                          |
|----------------------------|------------------------|--------------------------|
| 135. Vadakkankulam         | 180. Chitlapakkam      | 225. Pachanampatti       |
| 136. Alagappapuram         | 181. Medavakkam        | 226. Uchipuli            |
| 137. Kulasekaram           | 182. Chatrapatti       | 227. Checkanurani        |
| 138. Perundurai            | 183. Melur             | 228. Bikshandarkoil      |
| 139. Bodinayakanur         | 184. Chengam           | 229. Devakottai          |
| 140. Paramakudi            | 185. Somanur           | 230. Tharamangalam       |
| 141. Virudhachalam         | 186. Sankaraperi       | 231. Kilambi             |
| 142. Pillayarapuram        | 187. Natham            | 232. Dharapuram          |
| 143. Aranthangi            | 188. Thuraiyur         | 233. Harur               |
| 144. Surandai              | 189. Sathankulam       | 234. Sevagampatti        |
| 145. Bhavani               | 190. Sankari           | 235. Chikkandarchavadi   |
| 146. Ranipet               | 191. Avinashi          | 236. T.Saveriyapuram     |
| 147. Tindivanam            | 192. Kaveripattinam    | 237. Chinnappampatti     |
| 148. Krishnagiri           | 193. Elampillai        | 238. Soolakkarai         |
| 149. Arakonam              | 194. Panagudi          | 239. Coonoor             |
| 150. Sivakasi, A.J.College | 195. Ariyalur          | 240. Pattukottai         |
| 151. Panruti               | 196. Punnaiyapuram     | 241. Arni                |
| 152. Sholinganallur        | 197. Arcot             | 242. Arumuganeri         |
| 153. Shenkottai            | 198. Authoor           | 243. Vembar              |
| 154. Perumanallur          | 199. Manapparai        | 244. Chidambaram         |
| 155. Rasipuram             | 200. Udangudi          | 245. Senapathipalayam    |
| 156. Sathyamangalam        | 201. Mudhukulathur     | 246. Aralvaimozhi        |
| 157. Sriperumbudur         | 202. Thiruthuraipoondi | 247. Attur               |
| 158. Kunnathur             | 203. Kuthukkalvalasai  | 248. Kadayanallur        |
| 159. Poonamalle            | 204. Poovanthi         | 249. Pasuvanthanai       |
| 160. Valasaravakkam        | 205. Katpadi           | 250. Komarapalayam       |
| 161. Kottivakkam           | 206. Veppadai          | 251. Thiruvengadam       |
| 162. Maduravoyal           | 207. Koolipatti        | 252. Pallagoundenpalayam |
| 163. Thiruvallur           | 208. Bellaipalayam     | 253. Madampalayam        |
| 164. Pallavaram            | 209. Othakuthirai      | 254. Villapuram          |
| 165. Gudiyatham            | 210. Therekalputhur    | 255. Srivilliputhur      |
| 166. Guduvancheri          | 211. Kanyakulam        | 256. Madurantakam        |
| 167. Melmaruvathur         | 212. Oddanchatram      | 257. Kalangani           |
| 168. Andipatti             | 213. Kallakurichi      | 258. Athipatti           |
| 169. Palamedu              | 214. Kariapatti        | 259. Mathvarayapuram     |
| 170. Maraimalainagar       | 215. Kulathur          | 260. Tirupathur          |
| 171. Neelambur             | 216. Thirunagar        | 261. Reddiarpatti        |
| 172. Annur                 | 217. Asesham           | 262. Pappakudi           |
| 173. Vandavasi             | 218. Kalakkad          | 263. Venkateswarapuram   |
| 174. Madipakkam            | 219. Chekkadu          | 264. Vilampatti          |
| 175. Naravarikuppam        | 220. Perambalur        | 265. Ambur               |
| 176. Porur                 | 221. Adayalampattu     | 266. Iravathanallur      |
| 177. Pettai Rural          | 222. Chinnalapatti     | 267. Thippanampatti      |
| 178. Thiruthangal          | 223. Pallipalayam      | 268. Edappadi            |
| 179. Kavundampalayam       | 224. Dasanaickenpatti  | 269. Senneerkuppam       |

270. Sular  
 271. Kannicheriputhur  
 272. Sivathaiyapuram  
 273. Puthagaram  
 274. Kulayankarisal  
 275. Peraiyur  
 276. Vandiyur  
 277. Kuruvikulam  
 278. Vazhkkai  
 279. Poravachery  
 280. Lalgudi  
 281. Kanakkan kadu  
 282. Mettur  
 283. Somayampalayam  
 284. Servaikaranpati  
 285. 87-Goundenpalayam  
 286. Sikkarayapuram  
 287. Tiruchendur  
 288. Allampatti  
 289. Ayapakkam  
 290. Rameswaram  
 291. Poonjeri  
 292. Malayandipattinam  
 293. Siruvalur  
 294. Saravanampatti  
 295. Thoothukudi Port Trust  
 296. Avadi  
 297. Thillai nagar- Trichy  
 298. Mdu SS colony  
 299. Karungal  
 300. Kulithalai  
 301. Ammapalayam  
 302. Neelankarai  
 303. Pudugummidipoondi  
 304. Kazhugumalai  
 305. Veerasigamani  
 306. Vedaranyam  
 307. Pallikaranai  
 308. Gudalur  
 309. Ayyampalayam  
 310. Ponneri  
 311. Dharmaapuri  
 312. Ariyakulam  
 313. Sithurajapuram  
 314. Keelaeral

315. Kallikudi  
 316. Kangeyam  
 317. Palladam  
 318. Vickramasingapuram  
 319. Nerkundram  
 320. Vengatadampatti  
 321. Kilakarai  
 322. Tirunelveli NGO Colony  
 323. Ganapathy  
 324. Singanallur  
 325. Regunathapuram  
 326. Ambasamudram  
 327. Kelambakkam  
 328. Tenkasi  
 329. Sirkali  
 330. SME Branch, Thoothukudi  
 331. Thoothukudi - Mattakadai  
 332. Sivakasi, Palaniadavarpuram  
 333. Chennai - Adyar  
 334. Chappadi  
 335. Madambakkam  
 336. Cbe Oppanakara Street  
 337. Nalumavadi  
 338. Chennai-Mylapore  
 339. Madurai- K.K Nagar  
 340. Srivaikundam  
 341. Salem Ramakrishna Road  
 342. Chennai-Velachery  
 343. Midalam  
 344. Erichanatham  
 345. Periyanaickenpalayam  
 346. Kuniyamuthur  
 347. Anthiyur  
 348. Mannargudi  
 349. Chennai\_Nungambakkam  
 350. Kurinjipadi  
 351. Manamadurai  
 352. Periyakulam  
 353. Vasudevanallur  
 354. Chennai-Kodambakkam  
 355. Eruvadi  
 356. Ambattur  
 357. Cheranmahadevi  
 358. Silvarpatti  
 359. Therku Kallidaikurichi

360. Idumbavanam  
 361. Venkarai  
 362. Tirupattur  
 363. Adiyamankottai  
 364. Chennai- Guindy  
 365. Tirunelveli-Vannarapettai  
 366. Coimbatore\_Peelamedu  
 367. Madurai Palanganatham  
 368. Madurai Pudur  
 369. Trichy Srinivasnagar

### Andhra Pradesh

1. Guntur
2. Vijayawada
3. Nellore
4. Rajamundry
5. Tadepalligudam
6. Vishakapatnam
7. Kakinada
8. Tirupathi
9. Kurnool
10. Nandyal
11. Gollapudi
12. Chebrolu
13. Pedanandipadu
14. Tanuku
15. Vinukonda
16. Jaggayyapet
17. Mandapeta
18. Chirala
19. Chilakaluripet
20. Narasaraopet
21. Kavali
22. Sirkalahasti
23. Bapatla
24. Bhimavaram
25. Vijayawada-Benz Circle
26. Gudur

### Chattisgarh

1. Raipur

### Gujarat

1. Ahmedabad
2. Surat

3. Unjha
4. Vadodara
5. Surat, Ring Road
6. Sidhpur
7. Bardoli
8. Himatnagar
9. Vapi
10. Sachin
11. Deesa
12. Visnagar
13. Gandhinagar
14. Bilimora
15. Borsad
16. Rajkot
17. Amreli
18. Gondal
19. Anjar
20. Jamnagar
21. Dharangadhra

### Haryana

1. Faridabad
2. Gurugram

### Karnataka

1. Bangalore City
2. Gulburga
3. Bangalore Cantt.
4. Mangalore
5. Hassan
6. Anekal
7. Nelamangala
8. Hebbagodi
9. Kanakapura
10. Yelahanka
11. Yadgiri
12. Ramanagara
13. Channapatna
14. Chamarajanagara
15. Kengeri
16. Ranebennur
17. Bagalkot
18. Dod Ballapur
19. Hubli
20. Mysuru

### Kerala

1. Tirupuram
2. Kottugal
3. Thiruvananthapuram
4. Kollam
5. Ernakulam
6. Kozhikode
7. Chenganachery
8. Kottayam
9. Kalamassery
10. Pappanamcode
11. Pathanamthitta
12. Kayankulam
13. Chavakad
14. Kanhangad
15. Palakkad
16. Malappuram
17. Payyanur
18. Kasargod
19. Kodungallur
20. Taliparamba
21. Thrissur

### Madhyapradesh

1. Pithampur
2. Dhar
3. Indore

### Maharastra

1. Mumbai Mandvi
2. Mumbai Vashi
3. Ichalkaranji
4. Pune
5. Mumbai Andheri (E)
6. Mumbai Sion
7. Andheri(West), Mumbai
8. Sewri, Mumbai
9. Chembur, Mumbai
10. Mumbai Dharavi
11. Boisar
12. Sukapur
13. Vita
14. Madhavnagar
15. Ratnagiri
16. Jaysingpur

17. Nanded
18. Manmad
19. Chiplun
20. Khopoli
21. Vasai
22. Thane
23. Mumbai\_Mulund

### Orissa

1. Cuttack

### Punjab

1. Ludhiana

### Rajasthan

1. Bhilwara
2. Bhiwadi
3. Jaipur

### Telangana

1. Hyderabad
2. Secunderabad
3. Rikab Gunj, Hyderabad
4. Miryalguda
5. Suryapet
6. Mehdipatnam
7. Hyderabad-Manikonda
8. Hyderabad-Malakpet

### Uttar Pradesh

1. Ghaziabad

### Uttarakhand

1. Roorkee

### West Bengal

1. Kolkata

### Union Territory

1. Delhi
2. Pondicherry
3. Karaikkal
4. Shahdara, Delhi
5. Karol bhagh, Delhi
6. Silvassa
7. Port Blair

**PROGRESS AT A GLANCE**

(Rs. in Lakh)

Year	Capital	Reserves	Investment	Deposits	Advances	Profit	No. of Branches
1983	19	134	2064	9269	5338	49	103
1984	19	171	2815	12487	6580	58	106
1985	19	240	3091	13409	6752	90	108
1986	19	337	3915	14556	7345	136	108
1987	19	424	4765	16795	7810	157	108
1988-89	19	576	5473	17792	10820	228	115
1989-90	28	1025	6309	22604	12445	235	115
1990-91	28	1320	9309	30906	17257	305	117
1991-92	28	1826	12012	40819	20662	498	117
1992-93	28	2470	15975	54769	28838	665	123
1993-94	28	3874	20912	78897	43210	1036	133
1994-95	28	5528	29306	104404	63412	1683	139
1995-96	28	7916	34100	111687	69580	2405	139
1996-97	28	11317	49698	125830	74619	3420	142
1997-98	28	15107	66238	160445	82547	3815	142
1998-99	28	18587	88605	205595	97147	3503	144
1999-2000	28	22623	123899	266453	125504	4063	157
2000-2001	28	27643	148532	319807	158835	5040	160
2001-2002	28	33167	181571	372999	177266	5535	163
2002-2003	28	39660	214211	408458	195998	6376	165
2003-2004	28	47654	235371	440427	211399	8068	171
2004-2005	28	55856	228557	482688	262624	8235	172
2005-2006	28	65650	236194	520287	312639	10119	173
2006-2007	28	75887	231641	601988	404672	10578	183
2007-2008	28	85800	255354	767026	533132	12673	200
2008-2009	28	98824	320719	956604	657169	15021	213
2009-2010	28	114790	349919	1163930	828761	18453	216
2010-2011	28	136573	376714	1379330	1075865	25090	233
2011-2012	28	163456	489027	1711044	1377886	31346	280
2012-2013	28	202179	534827	2022381	1625599	44028	320
2013-2014	28	226931	677189	2264568	1714385	30077	370
2014-2015	28	259403	767111	2564986	1933595	37940	430
2015-2016	28	294139	886470	3036886	2257771	40215	487
2016-2017	14251	308153	1150447	3219015	2197232	31666	505
2017-2018	14251	326228	1036361	3242833	2376872	22192	509
2018-2019	14251	347574	910659	3513625	2648794	25858	509





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Two types of credit cards from TMB.  
To suit different lifestyles. Both offer  
unmatched comfort and convenience.  
Go ahead, experience the advantage of  
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### TMB Titanium Credit Card

- Credit Limit up to ₹ 5 lakh
- Free Credit period up to 45 days
- Cash withdrawal limit - 25% of Credit limit

**Eligibility:**

Gross annual income of ₹ 3 lakh and above



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- Credit Limit up to 75% of term deposit value
- Maximum credit limit upto Rs. 5 lakh
- Deposit must be in the name of cardholder

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Minimum period of deposit 3 years

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