



# CORPORATE GOVERNANCE REPORT

In accordance with the provisions of Regulation 34(3) read with Schedule V and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), the Directors of The Federal Bank Limited (“the Bank”) have pleasure in presenting the Bank’s Report on Corporate Governance for the Financial Year 2022-23.

## **BANK’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. The Bank fosters a culture in which high standards of ethical behavior, individual accountability and transparent disclosure are ingrained in all its business dealings and shared by its Board of Directors, Management and Employees. The Bank has established systems and procedures to ensure that its Board of Directors are well-informed and well-equipped to fulfil its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value. The Bank places utmost importance in creating value for all its stakeholders and it actively promotes sustainable business practices. The Bank promotes a safe, healthy and happy workplace and always strives to be the employer of choice. The Bank’s initiatives towards improving its Environmental, Social and Governance (ESG) performance and its contribution towards Sustainable Development Goals are placed in the Annual Report.

The Bank has complied with requirements of Corporate Governance set forth in Regulation 17 to 27, as well as Schedule and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations, as applicable.

## **BOARD OF DIRECTORS**

### **A. COMPOSITION OF THE BOARD**

The Board has an optimum combination of Executive and Non-Executive Directors with Independent Directors constituting more than one-third of its total strength. As on March 31, 2023, Bank’s Board comprises of 11 Directors out of which eight Directors are Non-Executive Directors and three are Executive Directors, including one-woman executive director. The Bank has a Non-Executive Independent Chairman and seven other Independent Directors, including one-woman Independent Director.

The Board represents a diverse combination of professionalism, knowledge, expertise and experience as relevant for the banking business. As on date of the report, the Board consists of 10 Directors comprising of 7 Independent Directors, and 3 Executive Directors. 70% of the Board is represented by Non-Executive Directors and 30% by Executive Directors.

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

The Bank’s Board comprises highly experienced and competent individuals of notable integrity. They possess strong financial acumen, strategic astuteness, leadership qualities, and are committed to the Bank, devoting sufficient time to meetings and preparation.

The Board periodically evaluates the need for change in its composition and size. Detailed profile of our directors is available on the website of the Bank at [www.federalbank.co.in/key-personnel](http://www.federalbank.co.in/key-personnel).

The composition of the Board is governed under the relevant provisions of the Companies Act, 2013 read with the relevant rules made thereunder, the SEBI Listing Regulations, the Banking Regulation Act, 1949, the guidelines issued by the Reserve Bank of India (RBI), as amended, from time to time and the Articles of Association of the Bank. None of our Directors serve as Director in more than seven listed companies and neither of the Executive Directors serve as Independent Directors in any listed company. Further, none of our Independent Directors serve as Non-Independent Director of any company on the board of which any of our Non-Independent Director is an ID.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they





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are not aware of any circumstance or situation which exists or may reasonably be anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs. The present tenure of Independent Directors of the Bank is subject to Regulation 10 A of the Banking Regulation Act, 1949 and subject to the tenure fixed for appointment of all the Independent Directors of the Bank by the shareholders/Board. As required under Regulation 46 of

the SEBI Listing Regulations, as amended, the terms and conditions of appointment of IDs including their roles, responsibilities and duties are available on our website at [www.federalbank.co.in/shareholder-information](http://www.federalbank.co.in/shareholder-information).

During the Financial Year 2022-23, none of our directors served as Member in more than 10 Committees or as Chairperson in more than 5 committees across all listed entities where they serve as a director. For determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1) (b) of SEBI Listing Regulations. None of the Directors or their relatives are related to each other. None of the Directors have any business relationship with the Bank nor have received any loans and advances from the Bank during the year. The Bank has not issued any convertible instruments; hence, disclosure in this respect is not applicable.

The composition of the Board and Directorships held as on March 31, 2023 are given below;

<b>Name of the Directors</b>	<b>Category</b>	<b>Number of Directors</b>	<b>% to total number of Directors</b>
Mr. C Balagopal <sup>#</sup>	Non - Executive Independent Directors	8	72.73
Mr. A P Hota			
Mr. Siddhartha Sengupta			
Mr. Manoj Fadnis			
Mr. Sudarshan Sen			
Ms. Varsha Purandare			
Mr. Sankarshan Basu			
Mr. Ramanand Mundkur			
Mr. Shyam Srinivasan	Executive Directors	3	27.27
Mr. Ashutosh Khajuria*			
Ms. Shalini Warriier			
<b>Total</b>		<b>11</b>	<b>100</b>



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The shareholders in the 91<sup>st</sup> Annual General Meeting held on July 27, 2022 approved the appointment of Mr. C Balagopal (DIN: 00430938) as Part-Time Chairman of the Bank with effect from November 22, 2021 till June 28, 2023 and approved the payment of remuneration to Mr. C Balagopal of ₹ 25,00,000 (Rupees Twenty five Lakh only) per annum. The shareholders in the 91<sup>st</sup> Annual General Meeting held on July 27, 2022 approved the appointment of Mr. Sankarshan Basu (DIN: 06466594) as an Independent Director of the Bank to hold office for a term of five consecutive years with effect from October 01, 2021, not liable to retire by rotation. The Shareholders further approved appointment of Mr. Ramanand Mundkur (DIN: 03498212) as an Independent Director of the Bank to hold office for a term of five consecutive years with effect from October 01, 2021, not liable to retire by rotation.

The shareholders in the 91<sup>st</sup> Annual General Meeting held on July 27, 2022 approved re-appointment of Mr. Shyam Srinivasan (DIN: 02274773) as Managing Director & Chief Executive Officer of the Bank for a period of three years with effect from September 23, 2021 to September 22, 2024.

Ms. Shalini Warriar (DIN: 08257526), Executive Director was re-appointed as the Executive Director of the Bank for a period of three years with effect from January 15, 2023 to January 14, 2026 with the approval of RBI vide its letter DoR. GOV. No. S6506/08.38.001/2022 23 dated January 11, 2023. The shareholders through Postal Ballot approved re-appointment of Ms. Shalini Warriar on April 06, 2023 with requisite majority.

As on date of the report:

- Mr. Harsh Dugar (DIN: 00832748) was appointed as Additional Executive Director of the Bank for a period of three years with effect from June 23, 2023 for a period of 3 years with the approval of Reserve Bank of India vide letter DoR.GOV.No. 1627/08.38.001/2023-24 dated June 22, 2023. Accordingly, approval of the shareholders for the appointment of Mr. Harsh Dugar as the Executive

Director of the Bank through ordinary resolution is being sought at the ensuing AGM of the Bank.

- RBI had had vide its letter DoR.GOV No.1676/08.38.001/2023-24 dated June 26, 2023 accorded its approval for the appointment of Mr. A P Hota (DIN- 02593219), Independent Director, as Part Time Chairman of the Bank with effect from June 29, 2023, till January 14, 2026, consequent to retirement of Mr. C Balagopal (DIN: 00430938), Part time Chairman and Independent Director from the Board of the Bank with effect from end of June 28, 2023 upon completion of his tenure of 8 years on the Board of the Bank, in accordance with the regulatory requirements.
- \*Mr. Ashutosh Khajuria, Executive Director of the Bank retired from the Board of the Bank upon completion of his term of office from end of the day, April 30, 2023.
- \*Mr. C Balagopal, Chairman & Independent Director of the Bank retired from the Board of the Bank upon completion of his term of office from end of the day, June 28, 2023.

**B. NO. OF BOARD MEETINGS, ATTENDANCE, AND OTHER DIRECTORSHIPS/ COMMITTEE MEMBERSHIPS**

During the review period, the Board met seventeen (17) times with meetings held on May 06, 2022, June 27, 2022, June 30, 2022, July 05, 2022, July 15, 2022, September 06, 2022, September 22, 2022, September 27, 2022, October 10, 2022, October 14, 2022, November 24, 2022, December 16, 2022, December 22, 2022, January 16, 2023, March 01, 2023, March 04, 2023, and March 18, 2023. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under the Companies Act, 2013, Regulation 17 of the Listing Regulations and Secretarial Standards. The requisite quorum was present for all the meetings.

Relevant details of the Board of Directors of the Bank as on March 31, 2023 are given below:





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Name of the Director	Attendance Particulars			No. of Directorships and Committee positions in other Public Companies (1 & 2)			Shareholding in the Bank (equity shares of ₹ 2/- each) (As on March 31, 2023)
	No. of Board Meetings		Attendance at the last AGM held on July 27, 2022	Other Directorships <sup>#</sup>	Committee Memberships	Committee Chairmanships	
	Held	Attended					
Mr. C Balagopal	17	16	Yes	1	Nil	Nil	Nil
Mr. A P Hota	17	15	Yes	4	3	2	Nil
Mr. Siddhartha Sengupta	17	17	Yes	5	2	2	Nil
Mr. Manoj Fadnis	17	17	Yes	4	1	3	Nil
Mr. Sudarshan Sen	17	16	Yes	1	1	Nil	Nil
Ms. Varsha Purandare	17	15	Yes	9	4	5	Nil
Mr. Ramanand Mundkur	17	17	Yes	Nil	Nil	Nil	Nil
Mr. Sankarshan Basu	17	17	Yes	Nil	Nil	Nil	Nil
Mr. Shyam Srinivasan	17	17	Yes	2	Nil	Nil	7,98,595 equity shares
Mr. Ashutosh Khajuria	17	15	Yes	1	1	Nil	5,27,000 equity shares
Ms. Shalini Warriar	17	16	Yes	1	1	Nil	2,60,000 equity shares

**Note:**

1. Directorships in Indian Public Companies (listed and unlisted) excluding The Federal Bank Limited and Section 8 Companies.
2. In terms of Regulation 26(1)(b) of the SEBI Listing Regulations, the disclosure includes chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee in other Indian Public companies (listed and unlisted) excluding The Federal Bank Limited. Further, membership excludes positions as Chairperson of Committee.

***#Details of other Board Directorships are separately mentioned in Annexure 1 to this report.***

**C. LIST OF CORE SKILLS/ EXPERIENCE/COMPETENCIES IDENTIFIED BY THE BOARD**

The Members of the Board are committed to ensuring that the Board is in compliance with the highest standard of Corporate Governance. The Bank considers the principles relating to fit and proper norms as prescribed by the RBI and confirms that each Director is also in compliance with the norms as prescribed by the Ministry of Corporate Affairs and the Securities and Exchange Board of India (SEBI) under applicable laws, whilst determining the composition of its Board.

Section 10A (2) of the Banking Regulation Act, 1949 read with RBI notification no. DBR. Appt. BC. No.38/29.39.001/ 2016-17 dated November 24, 2016, requires that not less than 51% of the total number of members of the Board of Directors of a banking company shall comprise of persons who shall have special knowledge or practical experience, in respect of one or more of the matters, namely: Accountancy, Agriculture and rural economy, Banking, Co-operation, Information Technology, Accountancy, Credit, Treasury Operations, Human resources, Governance, Compliance, Economics, Finance, Small – Scale Industry, Law, Payment & settlement systems, Risk management, Business Management. The Bank is in compliance with the above requirements as the Directors of the Bank has rich experience and specialised knowledge in the said areas of relevance to the Bank.



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To operate effectively, the Board has identified key skills, expertise, and competencies that are relevant to the Bank's business and sector. The following skills, expertise, and competencies have been recognised by the Board as fundamental to the Bank's efficient operation:

Skill set/Area of expertise/Knowledge	Mr. C Balagopal	Mr. A P Hota	Mr. Siddhartha Sengupta	CA Manoj Fadnis	Mr. Sudarshan Sen	Ms. Varsha Purandare	Mr. Sankarshan Basu	Mr. Ramanand Mundkur	Mr. Shyam Srinivasan	Mr. Ashutosh Khajuria	Ms. Shalini Warriar
<b>KNOWLEDGE</b>											
Specialisation / Expertise in one or more fields	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
In the field of:											
Banking	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes
Economics	Yes	-	-	Yes	Yes	-	Yes	Yes	-	-	Yes
Governance	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes
Compliance	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes
Law								Yes			
Agriculture	Yes	-	-	-	-	Yes			-	Yes	-
Rural Economy	Yes	-	-	-	-	-			-	-	-
Information Technology	-	Yes	-	-	-	Yes			Yes	-	Yes
Payment and Settlement Systems	-	Yes	-	-	-	-			Yes	-	Yes
Investment Banking	-	-	-	Yes	-	-		Yes	-	-	-
Finance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Accountancy	-	-	-	Yes	Yes	-			-	Yes	Yes
Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Risk Management	-	-	Yes	-	Yes	Yes	Yes		Yes	Yes	-
Credit	Yes	Yes	Yes	Yes	Yes	Yes			Yes	Yes	Yes
Treasury Operations	-	-	Yes	-	Yes	Yes	Yes		Yes	Yes	-
SSI	Yes	-	Yes	-	-	Yes			-	Yes	-
Retail Lending	-	-	-	-	-	Yes			Yes	-	Yes
Wealth Management	-	-	-	-	-	-			Yes	-	Yes
SME Banking	-	-	Yes	-	-	Yes			Yes	-	Yes
Investment	Yes	Yes	Yes	Yes	Yes	Yes			Yes	Yes	Yes
Human Resource			Yes								
Co- Operation	Yes						Yes				
Business Management			Yes		Yes	Yes					





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### D. BOARD PROCEDURE

The Board has complete access to all information within the Bank. All the meetings are conducted as per a well -designed and structured agenda and in line with the compliance requirement under the Companies Act, 2013, SEBI Listing Regulations and applicable Secretarial Standards prescribed by ICSI. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately in advance or placed at the meeting) to enable the Board/Committee to discharge their responsibilities effectively and take informed decisions. The agenda also includes minutes of the previous meetings of all the Board and unlisted subsidiaries for the information of the Board. The information mentioned in Part A of Schedule II of the SEBI Listing Regulations is placed before the Board at its meeting for its consideration, whenever applicable. The Board/ Committee agenda and notes are uploaded on the Bank's e-meeting portal wherein the Directors can review the same in a secure environment and at their convenience. A video conferencing facility is provided to facilitate Directors to participate in the meetings. The members of the Board exercise due diligence in the performance of their functions as Directors of the Bank and follow highest degree of business ethics, transparent practices and code of good governance amidst cordial environment. For any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board / Committee Meeting for noting.

The Board/Committee has an effective post meeting follow up procedure. Items arising out of previous Board/ Committee Meetings and their follow up action report are placed at the immediately succeeding meeting for information of the Board/ Committees.

The Board has established procedures to periodically review compliance report pertaining to all laws applicable to the Bank as well as steps taken by the Bank to rectify instances of non - compliance, if any.

The Board of Directors has satisfied itself that plans are in place for orderly succession for appointment to the Board of Directors and Senior Management.

The Minutes of the Board/Committee meetings are circulated to the Chairman and other Members of the Board/Committee for their comments/inputs in accordance with the Secretarial Standards on meetings of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India (ICSI).

### E. REMUNERATION TO DIRECTORS

During the year, Mr. Shyam Srinivasan, Managing Director & Chief Executive Officer, was paid ₹ 2,96,47,104.00 (gross), Mr. Ashutosh Khajuria, Executive Director was paid ₹ 1,55,43,122.00 (gross) and Ms. Shalini Warriar, Executive Director was paid ₹ 1,53,04,332.00 (gross) in accordance with the terms and conditions approved by Reserve Bank of India.

During the Financial Year 2022-23, the Bank did not advance any loan to any of its Directors.

The criteria of making payments to Independent Directors/ Non-executive Directors of the Bank are contained in the Comprehensive Compensation Policy for Non-Executive Directors and is available on the website at <https://www.federalbank.co.in/shareholder-information>.

The Non-Executive Directors are paid sitting fees as per the provisions of Companies Act, 2013 and as per SEBI Listing Regulations as indicated below:

SI No.	Name of Directors	Sitting fee paid to Non-Executive Directors for FY 2022-23 (In ₹)
1	Mr. C Balagopal*	15,25,000
2	Mr. A P Hota	27,95,000
3	Mr. Siddhartha Sengupta	34,90,000
4	Mr. Manoj Fadnis	30,10,000
5	Mr. Sudarshan Sen	30,50,000
6	Ms. Varsha Purandare	31,20,000
7	Mr. Sankarshan Basu	34,90,000
8	Mr. Ramanand Mundkur	44,80,000

#### Note:

In addition to above sitting fees, Profit related Commission for FY 2021-22 was paid.

- ₹ 10.00 Lakh each were paid to Mr. A P Hota, Mr. Siddhartha Sengupta, Mr. Manoj Fadnis, Mr. Sudarshan Sen and Ms. Varsha Purandare towards profit related commission.
- ₹ 6.44 Lakh and ₹ 4.82 Lakh were paid to Mr. C Balagopal and Mr. K Balakrishnan respectively towards profit-related commission.
- ₹ 4.99 Lakh each were paid to Mr. Sankarshan Basu and Mr. Ramanand Mundkur towards profit-related commission.
- \*₹ 25.00 Lakh was paid to Mr. C Balagopal towards honorarium during the year



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**The details of remuneration paid to Mr. Shyam Srinivasan, MD & CEO, Mr. Ashutosh Khajuria and Ms. Shalini Warriar, Executive Directors during FY 2022-23 are as under:**

Particulars	Mr. Shyam Srinivasan MD & CEO (₹)	Mr. Ashutosh Khajuria ED (₹)	Ms. Shalini Warriar ED (₹)
Basic Pay	2,25,00,000.00	26,00,004.00	30,42,469.00
Allowances & Perquisites	71,47,104.00	78,95,500.00	84,24,041.00
Stock Option*	-	28,47,618.00	20,77,822.00
Severance fees	-	-	-
Variable Pay (Cash)	Nil	22,00,000.00	17,60,000.00
<b>Total</b>	<b>2,96,47,104.00</b>	<b>1,55,43,122.00</b>	<b>1,53,04,332.00</b>

\*Fair Value of Stock Options granted as per the Guidelines on Compensation of Whole-Time Directors / Chief Executive Officers / Material Risk Takers and Control Function staff, issued by the RBI on November 04, 2019.

**Note:**

- In addition to above, employer contribution to Provident Fund of ₹ 22,50,000/- was paid to Mr. Shyam Srinivasan, MD & CEO, ₹ 2,60,004/- was paid to Mr. Ashutosh Khajuria, Executive Director and ₹ 3,04,236/- to Ms. Shalini Warriar, Executive Director during the FY 2022-23.
- During FY 2022-23, Mr. Shyam Srinivasan, MD & CEO has relinquished 2,80,000 Stock Options (non-cash) and ₹ 32,00,000/- (cash) offered to him as Variable Pay pertaining to FY 2022-23.
- In addition to the above Mr. Ashutosh Khajuria, Executive Director had exercised 200000 ESOS options having a perquisite value of ₹ 94,22,000/- and Ms. Shalini Warriar had Exercised 260000/- ESOS options having a perquisite value of ₹ 1,93,85,000/-, during the FY 2022-23.
- Arrears of Salary is paid to Ms. Shalini Warriar for the period from April 01, 2021 to March 31, 2022, vide RBI order no.DoR.GOV.No.S5217/08.38.001/2022-23 dated November 18, 2022.

**F. SEPARATE MEETING OF INDEPENDENT DIRECTORS**

In compliance with Regulation 25 (3) of the Listing Regulations and Schedule IV of the Act, a separate meeting of Independent Directors was convened on May 03, 2023, and June 22, 2023 for FY 2022-23. The meeting was chaired by Mr. C Balagopal and was held without the presence of Non-Independent Directors and members of the management.

As on date of report, separate meeting of Independent Directors were held on May 03, 2023 and June 22, 2023. All the Independent Directors attended the meeting except Mr. Sudarshan Sen in the meeting held on May 03, 2023. The Independent Directors, inter alia, evaluated the performance of the Independent Directors and the Board of Directors as a whole and Committees of the Board, evaluated the performance of the Chairman of the Board after taking into account the views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Bank, the Management and the Board for FY 2022-23 in its meeting held on May 03, 2023. In the meeting held on June 22, 2023, Independent Directors evaluated the performance of the Non-Independent Directors for the FY 2022-23.

**G. FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS**

The Bank has an orientation process/familiarisation programme for its directors (including Independent Directors), which includes sessions on various business and functional matters, and strategy sessions. The Company ensures induction and training programmes are conducted for newly appointed Directors. New Independent Directors are taken through a detailed induction and familiarisation programme, including briefing on their role, responsibilities, duties, and obligations, the nature of the business and business model, matters relating to Corporate Governance, Code of Business Conduct, Risk Management, Compliance Programmes, Internal Audit, etc.







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On an on-going basis, periodic presentations are made at the Board and Committee meetings on Risk Dash Board / ICAAP and Brand Perception Study etc. The Directors are also provided with quarterly update on relevant statutory changes, judicial pronouncements and important amendments.

The details of the familiarisation and training programmes attended by Independent Directors are available on the Bank's website <https://www.federalbank.co.in/shareholder-information>.

The Independent Directors are essential in the Board's decision-making process, bringing with them a diverse range of experience, expertise, and knowledge to oversee the Bank's performance and overall strategy. Their unbiased and focused insights are invaluable. Upon appointment, the Company issues formal letters to all Independent Directors outlining their roles, responsibilities, code of conduct, functions, and duties. The roles, functions and duties of Independent Directors are also disclosed in the Code of Conduct for the Board of Directors and Management and the same is available on the Bank's website <https://www.federalbank.co.in/shareholder-information>.

### H. DIRECTORS AND OFFICERS INSURANCE

In compliance with Regulation 25 (10) of the SEBI Listing Regulations the Bank had undertaken Directors and Officers insurance ('D and O insurance') for all its Directors, including Independent Directors, for a quantum and risks as determined by the Board of Directors of the Bank.

### I. SPECIAL CONTINGENCY INSURANCE POLICY FOR ISSUANCE OF DUPLICATE SECURITIES

In compliance with SEBI circular on Simplification of procedure and standardization of formats of documents for issuance of duplicate securities certificates, the Bank has undertaken special contingency insurance policy towards the risk arising out of the requirements relating to the issuance of duplicate securities in order to safeguard and protect the interest of the listed company.

### J. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS OF THE BANK

#### The performance evaluation criteria for Independent Directors include:

- a. Attendance at the Board and Committee meetings
- b. Study of agenda papers in depth prior to meeting and active participation at the meeting.
- c. Contributes to discussions on strategy as opposed to focus only on agenda
- d. Participate constructively and actively in the Committees of the Board in which they are Members.
- e. Exercises his/her skills and diligence with due and reasonable care and brings an independent judgment to the Board
- f. The Director remains abreast of developments affecting the Company and external environment in which it operates independent of his being appraised at meetings.
- g. Knowledge and Competency:
  - How the person fares across different competencies as identified for effective functioning of the entity and the Board
  - Whether the person has enough understanding and knowledge of the entity and the sector in which it operates.

The outcomes of the evaluation of the Independent Directors of the Bank and Performance evaluation criteria of Non - Independent Directors are detailed in Directors' Report.

### BOARD COMMITTEES AND ITS TERMS OF REFERENCE

The Committees of the Board play an important role in the governance structure of the Bank and have been constituted to focus on specific areas and make informed decisions within the delegated authority. Each Committee is guided by its Charter or Terms of Reference, which provides for the composition, scope, powers, duties and responsibilities. The recommendation and/or observations and decisions are placed before the Board for information or approval. The Chairman of respective Committee updates the Board regarding the discussions held / decisions taken at the Committee Meeting. Details on the role and composition of Board Committees, including the number of meetings held during the financial year and the related attendance are provided below.





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**A. AUDIT COMMITTEE**

**Composition & Meetings**

As on March 31, 2023, Audit Committee comprises of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2022-23, the Audit Committee met 21 (Twenty One) times on April 19, 2022, April 29,

2022, May 06, 2022, May 23, 2022, July 01, 2022, July 15, 2022, August 24, 2022, August 30, 2022, September 16, 2022, October 06, 2022, October 14, 2022, November 12, 2022, December 13, 2022, December 23, 2022, January 16, 2023, February 15, 2023, February 24, 2023, March 01, 2023, March 06, 2023, March 22, 2023 and March 30, 2023. The time gap between any two meetings was less than one hundred and twenty days.

The details of attendance of members and composition are as under:

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
CA Manoj Fadnis	Independent Director	Chairman	21	21
Mr. A P Hota	Independent Director	Member	21	20
Mr. Sudarshan Sen	Independent Director	Member	21	21
Mr. Ramanand Mundkur	Independent Director	Member	21	21

During the financial year 2022-23, the Committee was not re-constituted.

CA Manoj Fadnis, who is the Chairman of Audit Committee, attended the AGM held on July 27, 2022.

The terms of reference of the Audit Committee as incorporated in the Bank's Code of Corporate Governance, are in accordance with the SEBI Listing Regulations, Companies Act, 2013 and RBI guidelines.

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

1. Review the Company's financial policies and, where necessary, recommend changes for the Board's approval.
2. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
3. Review periodically the adequacy of internal control systems (including the risk-assessment and management systems) with the management and external and internal auditors, assure itself that the systems are being effectively observed and monitored, and, where necessary, approve changes or recommend changes for the Board's approval;

4. Review the adequacy of the internal audit function, including -
  - a. monitoring and reviewing the effectiveness of the Internal audit function;
  - b. the structure of the internal audit department, staffing, and the suitability and seniority of the official heading it, reporting structure coverage, and the frequency of internal audit, and, where necessary, approve changes;
  - c. approving internal audit plan, scope and budget;
  - d. reviewing and discussing internal audit reports;
  - e. ensuring internal audit function maintains open communication with senior management, external auditors, the supervisory authority, and the audit committee;
  - f. assessing the performance of the head of the internal audit function; and
  - g. approving / recommending to the Board for its approval, the appointment, re-appointment or removal of the head of the internal audit function and the key internal auditors;
5. Discussion with internal auditors of any significant findings and follow up there on.





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6. Discussion with the Head of Internal Audit in a private session, in the absence of the management, on issues of interest.
7. Reviewing the findings of any internal investigations by the internal auditors or vigilance officials into matters where there is actual or suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
8. Review of adequacy of internal control systems and internal audit functions through structural reporting formats specifically designed for the purpose, submitted by the respective functional heads. Engage one-to-one interaction with the functional heads so as to assure itself that the systems are being effectively managed. Direct the functional heads to implement necessary systems to plug the deficiencies in/ improve internal control, risk management and reporting systems and require them to report compliance with the directives to the Committee periodically
9. Review and have oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible, and present a true and fair view of the state of affairs and of the profit or loss of the Bank for the relevant financial year or other period as the case may be;
10. Recommend to the Board for shareholders' approval, the appointment, reappointment, removal, or replacement and terms of appointment of statutory auditors, and the fee payable to them for the audit, taking into consideration any relationship between the auditors and the Bank that may impact on the independence of the auditors in carrying out the audit.
11. Approve the terms of engagement of the services of the statutory auditors for rendering any other professional services to the Bank and the fee therefore;
12. Discuss with the external auditors, before they commence the audit, the nature and scope of the audit, and ensure coordination where more than one audit firm is employed.
13. Reviewing and examine with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i) any changes in accounting policies and practices and reasons for the same.
  - ii) major accounting entries involving estimates based on the exercise of judgment by management
  - iii) significant adjustments made in the financial statements arising out of audit findings;
  - iv) compliance with the applicable accounting standards;
  - v) compliance with listing and other legal requirements relating to financial statements, and RBI guidelines and directives, concerning financial policies and statements;
  - vi) to review the Company's statement on internal control systems prior to endorsement by the Board
  - vii) the going-concern assumption;
  - viii) disclosure of any related-party transactions, i.e., transactions of the Bank with the Directors, senior executives, their relatives, or associated concerns, that may potentially conflict with the Bank's interests at large; and
  - ix) modified opinion(s) in the draft audit report;
  - x) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
14. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
15. Review with the external auditors, without the presence of the executive directors and Bank officials, and summarize their conclusion (in writing) at a full Board in the presence of the external auditors and without the presence of the management (Executive Directors, Bank Officials etc.)
  - i) The auditors' report on the annual, half-yearly, and quarterly financial statements,
  - ii) Their assessment of the internal control and reporting systems and procedures, the quality of the accounting principles applied and significant judgments affecting the statements, and the Bank's compliance with statutory and regulatory requirements, and



## CORPORATE GOVERNANCE REPORT (Contd.)

- iii) The auditors' long-form audit report and management letter and the management's response, and
- iv) Any concerns of the auditors with respect to the said systems and procedures, the financial statements, any aspect of compliance, or any other matter arising from or related to the audit;
16. Discuss with the management the auditors' report and assessment, their qualifications, and concerns, if any, and the management's response to the auditors' management letter and long-form audit report;
17. Review with the management, and if necessary, with the external auditors, any inspection or other report of RBI on the Bank or other communication from RBI on the audit, internal controls, financial reporting, or other aspects of the Bank falling within the remit of the Committee, and the management's response thereto;
18. To review and oversight the functioning of the Whistle Blower mechanism.
19. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
20. Approval or any subsequent material modification of transactions of the Bank with related parties. ACB, shall review applicable information, for approval of a proposed RPT in line with regulatory requirements from time to time. The audit committee shall define "material modifications" and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions.
21. Approval of related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
22. Valuation of undertakings or assets of the Bank, wherever it is necessary;
23. Evaluation of internal financial controls and risk management systems.
24. Monitoring the end use of funds raised through public offers and related matters.
25. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
26. Scrutiny of inter-corporate loans and investments, if any;
27. To consider and approve/grant omnibus approval for certain Related Party Transactions (RPTs)
28. Perform any other function or duty as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.
29. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
30. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
31. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
32. Review arrangements by which staff of the bank may confidentially raise concerns about possible improprieties in matters of financial reporting.
33. reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
34. Periodic reviews on borrower entities in which directors of any wilful defaulter companies are present.





## CORPORATE GOVERNANCE REPORT (Contd.)

35. The Audit Committee of the Board shall:
  - i) ensure that senior management is taking necessary corrective actions to address the findings and recommendations of internal auditors and external auditors in a timely manner;
  - ii) address control weaknesses, non-compliance with policies, laws and regulations and other problems identified by internal auditors and external auditors, and
  - iii) ensure that deficiencies identified by supervisory authorities related to the internal audit function are remedied within an appropriate time frame and that progress of necessary corrective actions are reported to the board of directors.
36. Review of Internal Financial Control (IFC) process including Risk Control and Self- Assessment (RCSA).
37. Review of Position pertaining to opening of Internal/ branch GL heads, the purpose for which used and its reconciliation on a quarterly basis.
38. Oversee the Ind AS implementation process at quarterly intervals.
39. Ensure adequate coverage of internal audit to satisfy effective implementation of policies and procedures.
40. Constitute a Committee of Executives named the Inspection Review Committee of Executives to oversee the Inspection and Audit functions and review the structure and functions of the Committee periodically.
41. The audit committee shall review the status of long-term (more than one year) or recurring RPTs on an annual basis
42. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
43. To review the policy for empanelment of advocates on a yearly basis
44. Review of Supervisory/regulatory compliance reports including Risk Mitigation Plan submitted to RBI
45. Review of responses to the regulator with respect to Regulatory Non- compliance

46. Periodical review of the Compliance functions through quarterly and annual reports submitted by Compliance Department

### **Powers of Audit Committee:**

The Audit Committee shall have the authority –

- a) to call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board.
- b) to discuss any related issues with the internal and statutory auditors and the management of the Company.
- c) to investigate into any matter in relation to the items referred to it by the Board.
- d) to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice
- e) to have full access to information contained in the records of the Bank

### **Review of information by Audit Committee as per LODR, Regulations, 2015**

The Audit Committee shall mandatorily review the following information:

- i. Management discussion and analysis of financial condition and results of operations;
- ii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iii. Internal audit reports relating to internal control weaknesses; and
- iv. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
- v. statement of deviations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of issue of securities of any nature. (if any)
  - b) annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of issue of securities of any nature. (if any)



CORPORATE GOVERNANCE REPORT (Contd.)

- vi. Review the financial statements of unlisted subsidiary, in particular, the investments made by unlisted subsidiary.

**Other matters**

1. In carrying out its functions as aforesaid, the Committee shall have full access to information contained in the Bank's records and may seek information from any employee of the Bank, or, if considered necessary, obtain outside legal or other professional advice, or discuss with outsiders having the relevant expertise, and thereafter place the same to the Board.
2. The chairperson of the committee shall be present at Annual general meeting to answer shareholder queries.
3. The Company Secretary shall act as the secretary to the Audit committee.
4. The minutes of the Committee meetings and decisions taken by the Committee shall be promptly submitted to the Board.
5. The Auditors and key managerial personnel shall have a right to be heard in the meetings of the Audit

Committee when it considers the auditor's report but shall not have the right to vote.

**B. NOMINATION, REMUNERATION, ETHICS AND COMPENSATION COMMITTEE**

**Composition and Meetings**

As on March 31, 2023, the Nomination, Remuneration, Ethics and Compensation Committee comprises of members as stated below. The composition of the Committee is in conformity with the regulatory requirements, with all Directors being Non-Executives and more than fifty per cent of them being Independent Directors. Chairman of the Committee is an Independent Director. The Committee also includes one member from Risk Management Committee of the Board.

During the financial year 2022- 23, the Nomination, Remuneration, Ethics and Compensation Committee met 03 (Three) times on June 18, 2022, September 19, 2022 and February 17, 2023, [February 20, 2023 (Adjourned Meeting of Nomination, Remuneration, Ethics and Compensation Committee dated February 17, 2023)]

The details of the attendance of the members are as under:

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. A P Hota	Independent Director	Chairman	3	3
Mr. C Balagopal	Independent Director	Member	3	3
Mr. Siddhartha Sengupta	Independent Director	Member	3	3
Mr. Manoj Fadnis <sup>1</sup>	Independent Director	Member (appointed w.e.f February 14, 2023)	3	1

<sup>1</sup>Mr. Manoj Fadnis joined as a member of the Committee w.e.f. February 14, 2023

During the financial year 2022-23, the Committee was re- constituted once on February 14, 2023

Mr. A P Hota, who was the Chairman of Committee attended the AGM held on July 27, 2022.

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

1. recommending to the Board for its consideration and approval on the size and composition of the Board taking into account the available and needed diversity and balance in terms of experience, knowledge, skills, and judgment of the Directors;
2. reviewing, from time to time, possible candidates for current or potential Board vacancies, including Directors who are to retire and are eligible for reappointment or re-election and other persons who may be recommended by the Chairman or the MD&CEO or other Directors, shareholders or others;





## CORPORATE GOVERNANCE REPORT (Contd.)

3. recommending to the Board, candidates for election (including re-election) or appointment (including reappointment) to the Board. For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates
4. carrying out evaluation of every director's performance.
5. deciding on the matter of whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal; formulation of the criteria for determining qualifications, positive attributes and independence of a director;
7. devising a policy on diversity of board of directors;
8. recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

The Committee shall ensure the following while formulating the policy as above:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management of the quality required to run the Bank successfully;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
  - c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Bank and its goals.
9. Formulating and determining the Bank's policies on remuneration packages payable to the Directors and key managerial personnel including performance/achievement bonus, perquisites, retinals, sitting fees.
  10. Considering grant of Stock Options to employees.
  11. Reviewing the composition of the existing Committees of the Board.
  12. Formulation of criteria for performance evaluation of Independent Directors and the Board;
  13. Validation of 'fit and proper' status of all Directors on the Board of the Bank in terms of the Guidelines issued by the RBI or other regulatory authorities;
  14. Developing and recommending to the Board the Corporate Governance guidelines applicable to the Bank for incorporating best practices from time to time;
  15. Recommend to the board, all remuneration, in whatever form, payable to senior management\*

\* senior management shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer

### Other Matters

1. The Chairman of the Nomination, Remuneration, Ethics and Compensation Committee may be present at the Annual General Meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.
2. The Company Secretary, who shall also act as the secretary to the Committee, shall ensure that all appointments or elections of Directors to the Board



CORPORATE GOVERNANCE REPORT (Contd.)

are properly made, and shall obtain all necessary information from the Directors or candidates recommended by the Committee to ensure that they are not disqualified to act as Directors of the Bank under any statute or regulatory directives or guidelines, and that by appointing or electing them as Directors the Bank would meet its statutory and regulatory obligations and those arising from listing requirements of stock exchanges on which the Bank's shares are listed.

3. Perform any other function or duty as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

4. The Chairman, the MD&CEO and/or other Executive Directors shall not participate in discussions by the Board on matters relating to his/their compensation package or any components thereof.

**C. STAKEHOLDERS RELATIONSHIP COMMITTEE**

**Composition and Meetings**

As on March 31, 2023, Stakeholders Relationship Committee consists of members as stated below. The composition of the Committee is in conformity with the regulatory requirements. Mr. A P Hota, Chairman of Committee, attended the AGM held on July 27, 2022. Mr. Samir P Rajdev, SVP & Company Secretary acts as the Compliance Officer.

During the financial year 2022- 23, the Committee met One (01) time on June 08, 2022

The details of the attendance of the members are as under:

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. A P Hota	Independent Director	Chairman	01	01
Mr. C Balagopal	Independent Director	Member	01	01
Mr. Shyam Srinivasan	Executive Director	Member	01	01
Mr. Ashutosh Khajuria	Executive Director	Member	01	01

During the financial year 2022- 23, there was no re-constitution of the Committee.

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

1. Review, where necessary, complaints received from shareholders or others regarding transfer/ transmission of shares, non-receipt of declared dividends, non-receipt of annual accounts or reports, or other matters relating to shareholding in the Bank, and any action taken by the Bank on such complaints;
2. Initiate such (further) action on the complaints as is considered necessary or desirable by way of redressal or to prevent similar complaints arising in the future; and
3. Approve or reject applications for transmission of shares referred to the Committee by the Bank's Registrar and Share Transfer Agent in terms of such criteria as may be determined by the Committee and conveyed to the Agent.
4. To oversee and review all matters connected with transfers, transmissions, dematerialization, rematerialisation, splitting and consolidation of securities issued by the Bank, issue of duplicate share certificates;
5. Review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent.
6. Recommends measures for overall improvement in the quality of investor services;
7. Review of measures taken for effective exercise of voting rights by shareholders.
8. Review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
9. Approve the allotment for release of shares kept under abeyance of the Bank in compliance with court order.







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**Other matters**

The chairperson of the committee or, in his absence, any other member of the committee authorised by him in this behalf shall attend the general meetings of the Bank to answer queries of the security holders. The Bank attended to the complaints promptly and to the satisfaction of the shareholders. Details of complaints received and resolved by the Bank during the financial year 2022-23 are given below:

Complaint pending for redressal at the beginning of the year	Total complaints received during the year	Number of complaints redressed	Number of complaints pending for redressal
Nil	8	8	Nil

As on March 31, 2023, apart from the complaints, around 1326 requests/information were received from the shareholders relating to change of address, nomination requests, email id and contact details updation, IFSC / MICR code updation, National Automated Clearing House (NACH) Mandates, queries relating to the annual reports, request for re-validation of dividend warrants and other investor related matters. This requests/information has also been responded.

**D. CREDIT, INVESTMENT AND RAISING CAPITAL COMMITTEE**

**Composition and Meetings**

As on March 31, 2023, the Credit, Investment and Raising Capital Committee consisted of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2022-23, the Credit, Investment and Raising Capital Committee met twenty- five (25) times on April 21, 2022, May 19, 2022, June 08, 2022, June 23, 2022, June 25, 2022, July 02, 2022, July 16, 2022, August 01, 2022, August 23, 2022, September 17, 2022, September 21, 2022, September 24, 2022, October 27, 2022, October 31, 2022, November 21, 2022, December 13, 2022, December 26, 2022, January 27, 2023, February 14, 2023, February 20, 2023, March 04, 2023, March 17, 2023, March 18, 2023, March 25, 2023 and March 29, 2023.

The details of attendance of members are given below:

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. Siddhartha Sengupta	Independent Director	Chairman	25	25
Ms. Varsha Purandare	Independent Director	Member	25	24
Mr. Sankarshan Basu	Independent Director	Member	25	25
Mr. Ramanand Mundkur	Independent Director	Member	25	25
Mr. Shyam Srinivasan	Executive Director	Member	25	24
Mr. Ashutosh Khajuria	Executive Director	Member	25	23

During the financial year 2022-23, the Committee was not re- constituted.

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

1. Consider proposals for approval, renewal, review etc., or modification of various types of funded and non-funded credit facilities to existing/ proposed clients.
2. Monitor the credit exposures of the Bank, review the adequacy of the credit risk and compliance of statutory and regulatory norms.
3. Periodically review the large corporate advances appearing in SMA lists and standard restructured advances.
4. Take note of the details of credit facilities sanctioned by MD level committee and call for more particulars/comments/ clarifications, if found necessary.
5. Take note of the details of compromise settlements approved by the ED and MD level committees and call for more particulars/comments/clarifications, if necessary.



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6. Periodically review Non-Performing Assets of large value (₹ 5 Crore and above).
7. Committee has the power to approve compromise proposals as per delegation in the NPA management policy.
8. Committee shall recommend the compromise proposals beyond their power to the Board of Directors for approval.
9. Status report of the position of assets sold to ARCs under Security Receipt Basis held as investment.
10. Any other matter of materialist information that management deems fit for reporting to the committee for noting, review, ratification or approval.
11. Consider proposals for approval of Investments of the Bank within such authority as delegated to it by the Board from time to time.
12. Approve the Policies related to the Treasury Investment and Trading activities and recommend the same to the Board.
13. Approve the new products launched by the Treasury Department and recommend the same to the Board.
14. Review of the investment activities, risk management thereof, and policies, internal control systems and compliance of statutory, regulatory and other applicable norms.
15. Approve the capital raising programme of the Bank and recommend the same to the Board.
16. Periodic review of Bank's investments in Subsidiaries, JVs & Associates in addition to other unlisted investments including VCF/ PE and strategic investments.
17. Any divestment of shares in Subsidiaries/ JVs and Associates should be put up to this Committee for vetting before submitting to Board for approval.
18. Any other matter as delegated by other Board level committee / Board, as the case may be.

### E. RISK MANAGEMENT COMMITTEE

#### Composition and Meetings

As on March 31, 2023, the Risk Management Committee consisted of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2022 -23, the Committee met Six (6) times on June 28, 2022, September 22, 2022, December 12, 2022, February 01, 2023, March 02, 2023 and March 14, 2023.

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. Sudarshan Sen	Independent Director	Chairman	06	06
Mr. Siddhartha Sengupta	Independent Director	Member	06	06
Mr. Sankarshan Basu	Independent Director	Member	06	06
Mr. Shyam Srinivasan	Executive Director	Member	06	06

During the financial year 2022- 23, the Committee was not re- constituted.

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

Risk Management Committee shall approve/ recommend to the Board to approve the policy, strategy and methods for risk management, by evaluating the overall risks faced by the Bank and determining the acceptable level of risks, its management and control in the best interest of the Bank. The Committee shall oversee all risk management functions in the Bank and undertake the following functions.

- a) Recommend to the Board to approve the policies and strategies for implementing bank-wide integrated risk management system, for addressing various risks faced by the Bank.
- b) Review the Risk Appetite framework formulated in line with bank's strategy and recommend the same to the board for approval.





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- c) Oversee functions of Credit Risk Management Committee (CRMC), Market Risk Management Committee (MRMC also known as Asset Liability Management Committee - ALCO), Operational Risk Management Committee (ORMC), Information Security Committee (ISC) and E&S committee (Environmental & Social).
- d) Recommend to the Board policies and guidelines for measurement, management and reporting of credit risk, market risk and operational risk.
- e) Recommend to the Board risk mitigation and stop-loss parameters in respect of all the three risks. Ensure adherence to the risk appetite limits set by the Board.
- f) Ensure management processes (including people, systems, operations, limits and controls) for implementing risk management systems.
- g) Ensure robustness and effectiveness of financial / rating models and their appraisal systems for assessing various risks faced by the Bank.
- h) Review of the Internal Capital Adequacy Assessment Process. (ICAAP)
- i) Review of credit rating process, fixation of exposure ceilings for various types of exposures, geographies, sectors, industries etc and based on internal / external rating, borrower category/ groups etc.
- j) Ensure availability of qualified and competent officers and risk managers in the Integrated Risk Management Department for ensuring effectiveness of risk management systems in the Bank.
- k) Decide/approve adoption of technology/appropriate and adequate MIS system needed for risk management.
- l) Reinforce the culture and awareness of risk management throughout the organisation that would attach high priority on effective risk management and adherence to sound internal controls.
- m) Review of functions related to management of Business continuity, Reputation risk, Model risk, Strategic risk, Information & cyber security risk, outsourcing risk, Pension obligation risk and other material risks faced by the Bank.
- n) Review of Transfer Pricing Mechanism in the Bank
- o) Review of Stress Testing methodology, Stress Scenarios, stress testing results and monitor the actions plans and corrective measures. Decide additional provision requirements on exposure to stressed sectors.
- p) Review of Liquidity risk management including Contingency Funding Plans and contingency funding under stress scenario.
- q) Risk Management Committee of the Board to meet with the Chief Risk Officer of the Bank independently on one to one basis without the presence of MD & CEO on a quarterly basis.
- r) Ensure effective implementation of Environmental and Social Management System (ESMS) across the bank.
- s) Overseeing Environmental, Social and Governance (ESG) Reporting and review of various activities of the Bank under the prescribed ESG Framework.
- t) The Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

### **Powers of the Risk Management Committee (RMC)**

RMC shall exercise the following powers, subject to approval by the Board.

- a) Review of the policy and strategy for integrated risk management covering credit, market and operational risks.
- b) Review of the risk limits and exposure ceilings of the Bank, and its periodic review as and when needed.
- c) Review standards / delegation for credit dispensation.
- d) Review of the risk categories under Credit Risk Assessment (CRA) system and classification as acceptable and unacceptable category and periodic changes needed to such classification.
- e) Review of systems and tools for management of all the three categories of risks.
- f) Reviewing norms for Loan Review Mechanism (LRM), level of dependence on the system and all related procedures
- g) Analysing credit rating migration/ Default studies of large value exposures to assess quality and concentration of credit exposures.



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- h) Reviewing norms/ceilings for maturity profile and mix of the incremental assets and liabilities.
- i) Fixing of tolerance levels for Liquidity risk monitoring, interest rate sensitivity/EaR, trigger points for realignment of assets/liabilities
- j) Review the functions of the CRMC, ALCO, ORMC, ISC and E&S Committee from time to time.
- k) Reviewing policy for interest rate view/funding/ pricing of products etc of the Bank.
- l) Ensuring capital adequacy management with due regard to various risks impacting the balance sheet.
- m) Monitor and review the non-compliance, limit breaches, audit / regulatory findings, and policy exceptions with respect to risk management.
- n) Recommending to the Board to approve reviews on assessment, monitoring and controlling of non-quantifiable risks like strategic risk, reputation risk, outsourcing risk etc.

**F. CUSTOMER SERVICE, MARKETING STRATEGY & DIGITAL BANKING COMMITTEE**

**Composition and Meetings**

As on March 31, 2023, the Customer Service, Marketing Strategy & Digital Banking Committee consisted of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2022- 23, the Committee met 4 (four) times on June 13, 2022, September 26, 2022, December 19, 2022 and March 23, 2023.

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
Ms. Varsha Purandare	Independent Director	Chairperson	04	04
Mr. Ramanand Mundkur	Independent Director	Member	04	04
Mr. Shyam Srinivasan	Executive Director	Member	04	04
Ms. Shalini Warriar	Executive Director	Member	04	04

During the financial year 2022-23, the Committee was not re-constituted.

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

In respect of Customer Service, the key roles & responsibilities of the Committee are provided below:

1. Approving the various policies that relate to customer service ; examples thereof include and are not limited to :
  - a. Comprehensive Deposit Policy
  - b. Policy on Settlement of Claims Related to Assets of Deceased Customers
  - c. Grievance Handling process
  - d. Collection of cheques
2. Reviewing metrics and indicators that provide information on the state of customer service in the Bank; providing direction to the management of the Bank on actions to be taken to improve the metrics
3. Reviewing the actions taken/ being taken by the Bank to standardize the delivery of customer experience across all branches
4. Reviewing results of the surveys conducted that provide quantitative and qualitative information on the state of customer experience
5. Providing inputs on the products introduced by the Bank with a view to ensure suitability and appropriateness.
6. Monitoring the implementation of the Banking Ombudsman Scheme with particular reference to:
  - a. Reviewing all the awards against the Bank with a focus on identifying issues of systemic deficiencies and the Bank’s plan to address these deficiencies
  - b. Reviewing all awards that remain unimplemented after 3 months from the date of the award with the reasons thereof; to report to the Board such delays in implementation without valid reasons and for initiating remedial action.
7. Review, on an overall basis, the customer service aspects in the Bank on the basis of the detailed memorandum submitted in this regard and report





CORPORATE GOVERNANCE REPORT (Contd.)

to the Board of Directors thereafter; this is done once every six months and based on the review, the Committee will direct the Bank to initiate prompt corrective action wherever service quality / skills gaps have been noticed.

8. Monitoring the activities of the Standing Committee on Customer Service (executive level committee) on a quarterly basis.
9. Review of minutes of product and process approval committee
10. Biennial audit of depositor services
11. Review of relevant instructions issued by other regulators
12. Review of cases reported under Limited Liability in unauthorised electronic banking transactions Policy.
13. Review of details of claims received from legal heirs of deceased depositors/locker hirers/depositors of safe custody articles and pending cases beyond the stipulated period, on a yearly basis.

In respect of the Marketing functions of the Bank, the key roles & responsibilities of the Committee are provided below:

1. Reviewing the Bank’s marketing strategy; providing direction on areas of focus
2. Providing direction on the communication strategy and media focus
3. Reviewing the Bank’s progress in implementing the marketing strategy

In respect of Digital Banking, the key roles & responsibilities of the Committee are provided below:

1. Reviewing the Bank’s Digital Banking strategy; providing direction on areas of focus
2. Reviewing the progress made on the metrics relating to Digital Banking; these metrics cover performance metrics as determined by the Board of Directors (as part of the annual budget) and also cover metrics that are determined by the Government of India from time to time and to review the customer service rendered on digital platform from time to time.
3. Progress on various new initiatives and partnerships
4. Approving various policies relating to Digital Banking; including and not limited to :
  - (a) Merchant Acquisition Policy
  - (b) Digital Payment Products and Services Policy

**G. SPECIAL COMMITTEE OF THE BOARD FOR MONITORING AND FOLLOW UP OF CASES OF FRAUDS**

**Composition and Meetings**

As on March 31, 2023, the Special Committee of the Board for Monitoring and Follow up of Cases of Frauds consist of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

As required under the RBI regulations, all fraud cases of ₹ 1 Crore and above are considered by the Committee and as directed by the Audit Committee, all fraud cases of ₹ 1 Lakh and above are reported to this Committee.

During the financial year 2022- 23, the Committee met 4 (four) times on, June 13, 2022, September 17, 2022, December 19, 2022 and March 21, 2023.

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. Shyam Srinivasan	Executive Director	Chairman	04	04
CA Manoj Fadnis	Independent Director	Member	04	04
Mr. Ramanand Mundkur	Independent Director	Member	04	04
Mr. Sankarshan Basu	Independent Director	Member	04	04
Mr. Ashutosh Khajuria	Executive Director	Member	04	04



CORPORATE GOVERNANCE REPORT (Contd.)

During the financial year 2022-23, the Committee was not re-constituted.

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

The major functions of the Committee would be to monitor and review all frauds of ₹ 100 Lakh and above so as to:

- i. Identify the systemic lacunae if any that facilitated perpetration of the fraud and put in place measures to plug the same.
- ii. Identify the reasons for delay in detection, if any, reporting to top management of the bank and RBI.
- iii. Monitor progress of CBI/Police investigation and recovery position.
- iv. Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
- v. Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls.
- vi. Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

All the frauds involving an amount of ₹ 100 Lakh and above should be monitored and reviewed by SCBF. The periodicity of the meetings of the Committee may be decided according to the number of cases involved. In addition, the Committee

should meet and review as and when a fraud involving an amount of ₹ 100 Lakh and above comes to light. Information of Frauds of ₹ 100 Lakh and above shall be reported to the Special Committee of the Board for Monitoring & follow up of cases of Frauds (SCBF) immediately on detection through Circular Resolution Memorandum, followed by placing the Noting of the Circular Resolution before the immediate next meeting of SCBF.

In addition to the monitoring and review of frauds of ₹ 100 Lakh and above,

1. The Committee shall monitor and review the progress of the mitigating steps taken by the Bank in case of Cyber and Electronic Banking frauds and the efficacy of the same in containing the number of frauds and values at least on a quarterly basis.
2. The Committee shall review the Red Flagged Accounts (RFA) and the remedial actions proposed by the Fraud Monitoring Group (FMG), when an account is classified as RFA.

**H. HUMAN RESOURCES COMMITTEE OF THE BOARD**

**Composition and Meetings**

As on March 31, 2023, the Human Resources Committee of the Board consisted of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2022-23, the Committee met 2 (two) times September 20, 2022 and February 01, 2023.

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. Siddhartha Sengupta	Independent Director	Chairman	02	02
CA Manoj Fadnis	Independent Director	Member	02	02
Mr. Shyam Srinivasan	Executive Director	Member	02	02

During the financial year 2022-23, the Committee was not re-constituted.

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

1. To Review HR Strategy aligning with business strategy of the Bank
2. Periodic review of existing HR policy of the Bank.
3. To review productivity levels of employees benchmarking with peers in the industry
4. To review compensation policy of the Bank
5. To review Learning Initiatives
6. To review Talent pool creation/ Succession Planning Policy
7. To review Funding Superannuation Policy
8. To review periodic HR Plans and Activities





CORPORATE GOVERNANCE REPORT (Contd.)

**I. INFORMATION TECHNOLOGY & OPERATIONS COMMITTEE**

**Composition and Meetings**

The Information Technology and Operations Committee of the Board shall advice on the strategic direction of the Technology and Operations functions within the Bank.

As on March 31, 2023, the Information Technology & Operations Committee consist of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2022-23, the Committee met 4 (four) times on June 08, 2022, September 28, 2022, December 17, 2022 and March 23, 2023.

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. A P Hota	Independent Director	Chairman	04	04
Ms. Varsha Purandare	Independent Director	Member	04	04
Mr. Shyam Srinivasan	Executive Director	Member	04	04
Ms. Shalini Warriar	Executive Director	Member	04	04

During the financial year 2021-22, the Committee was not re- constituted.

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

In respect of the Technology functions of the Bank, the key roles & responsibilities of the Committee are provided below:

1. Recommending to Board for approval of IT strategy and policy documents and reviewing the same from time to time.
2. Ensuring that the management has put an effective strategic planning process in place
3. Ensuring that the IT strategy is indeed aligned with business strategy.
4. Ensuring that the IT organisational structure complements the business model and its direction.
5. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.
6. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.
7. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
8. Ensuring proper balance of IT investments for sustaining bank's growth.

9. Becoming aware about exposure towards IT risks and controls. And evaluating effectiveness of management's monitoring of IT risks through oversight over the proceedings of the Information Security Committee.
10. Assessing Senior Management's performance in implementing IT strategies.
11. Issuing high-level policy guidance (e.g. related to risk, funding, or sourcing tasks), including review and recommendation of Information Systems Security Policy and Cyber Security Policy to the Board for approval.
12. Confirming whether IT or business architecture is to be designed, so as to derive the maximum business value from IT.
13. Overseeing the aggregate funding of IT at a bank-level, and ascertaining if the management has resources to ensure the proper management of IT risks.
14. Reviewing IT performance measurement and contribution of IT to businesses.

In respect of the Operations functions of the Bank, the key roles & responsibilities of the Committee are provided below:

1. Ensuring that the management has put an effective strategic planning process in place for operational activities that balances risk, customer experience and costs reviewing the same from time to time.





CORPORATE GOVERNANCE REPORT (Contd.)

2. Ensuring that the Operations organisational structure complements the business model and its direction
3. Ensuring that management has put in place effective steps to mitigate operational risks relating to the core operational processes of the Bank
4. Issuing high-level policy guidance (e.g. related to risk, funding, or sourcing tasks)
5. Reviewing metrics and measurement relating to operational processes so as to ensure due contribution to the business

Board members and Management officials shall engage in and promote honest and ethical conduct of Bank’s business in a professional manner in order to protect Banks public image and reputation. Board members and

Senior Management officials must act honestly, while discharging their duties. Board members are required to discharge certain duties as mentioned in Section 166 of the Companies Act, 2013 and the duties, roles and functions of Independent Directors as contained in Schedule IV of the Companies Act, 2013.

**J. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

**Composition and Meetings**

As on March 31, 2023, the Corporate Social Responsibility Committee (CSR Committee) consist of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2022-23, the CSR Committee met 2 (two) times on June 24, 2022, and February 16, 2023.

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. C Balagopal	Independent Director	Chairman	02	02
Mr. Sankarshan Basu	Independent Director	Member	02	02
Mr. Shyam Srinivasan	Executive Director	Member	02	02
Mr. Ashutosh Khajuria	Executive Director	Member	02	02
Ms. Shalini Warriar	Executive Director	Member	02	02

During the year, the Corporate Social Responsibility Committee was not re-constituted.

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

The CSR Committee shall:

1. Formulate and recommend to the Board for approval, the Corporate Social Responsibility Policy which shall indicate the activity or activities to be undertaken by the Bank in areas or subjects as specified in schedule VII of the Companies Act, 2013;
2. Guide and monitor the activities of the Bank in the area of CSR such that the spends are in line with the activities stipulated in the CSR Policy
3. Provide inputs, on an ongoing basis, to the formulation of strategic objectives and tactical plans that would help ensure the Bank is able to fulfill its corporate social responsibilities in a responsible and effective manner
4. Recommend the amount of expenditure to be incurred on the activities undertaken by the Bank.

5. Recommend to the Board about approach and direction of CSR
6. Formulate and recommend to the Board an annual action plan in pursuance of CSR Policy including
  - (a) the list of CSR projects or programmes that are approved to be undertaken in areas of subjects specified in Schedule VII of Companies Act, 2013
  - (b) the manner of execution of such projects or programmes as specified in rule 4(1) of CSR Rules
  - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes
  - (d) monitoring and reporting mechanism for the projects or programmes; and
  - (e) details of need and impact assessment, if any, for the projects undertaken by the Company, appointment of independent agency for undertaking impact assessment





CORPORATE GOVERNANCE REPORT (Contd.)

7. Recommendation to the Board for transfer of unspent amount related to on going project to separate bank account and unspent amounts other than ongoing projects, to funds specified in Schedule VII to the Act
8. Monitoring of all projects (ongoing or otherwise). Reviewing and recommending to the Board CFO Certification about utilisation of funds disbursed for the purposes and manner approved by the Board.

**K. Review Committee of the Board on Non- Cooperative Borrowers and Identification of Willful Defaulters**

**Composition and Meetings**

As on March 31, 2023, the Review Committee of the Board on Non- Cooperative Borrowers and Identification of Willful Defaulters consists of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2022-23, the Committee met 2 (two) times on May 02, 2022 and December 12, 2022.

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. Shyam Srinivasan	Executive Director	Chairman	02	02
CA Manoj Fadnis	Independent Director	Member	02	02
Mr. Sudarshan Sen	Independent Director	Member	02	01

During the year, the Review Committee of the Board on Non- Cooperative Borrowers and Identification of Willful Defaulters was not re-constituted.

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

a) **Non-Cooperative Borrowers:** The Review Committee finalizes the decision with regard to classification & declassification of Non Cooperative Borrowers. In compliance with RBI directions on Non Cooperative Borrowers (NCB), the Bank has put in place a policy on identification, classification & declassification of Non Cooperative Borrowers and reporting of such borrowers to the Central Repository of Information on Large Credits (CRILC). The policy envisages formation of a Committee headed by an Executive Director & consisting of two other Senior Executives of the rank of SVP/VP to take a decision on classification & declassification of Non Cooperative Borrowers. Accordingly, an ED level committee headed by ED formed. Review committee of the Board reviews the order of the ED level Committee and the order shall become final only after it is confirmed by the Review Committee.

b) **Willful Defaulters:** The Review Committee reviews the order of the Internal Committee that identifies accounts to be reported as wilful default to comply with the regulatory guidelines. While reviewing the Identification Committee's order, the Review Committee shall also consider the representations if any made by the borrowers against such order. The Review Committee shall pass a reasoned order and the copy thereof shall also serve on the borrowers. This Review Committee reviews the order of the Internal Committee that identifies accounts to be reported as wilful default to comply with the regulatory guidelines. The Order shall become final only after it is confirmed by the Review Committee.

**SUBSIDIARY AND JOINT VENTURE COMPANY OF THE BANK**

The Bank has two subsidiary companies, Fedbank Financial Services Limited and Federal Operations and Services Limited. The Bank has no material subsidiaries as per the conditions laid down in the SEBI Listing Regulations.

As on March 31, 2023, the Bank has two Associate Companies, a Joint Venture Life Insurance Company, named Ageas Federal Life Insurance Company Limited (formerly known as IDBI Federal Life Insurance Co Limited) and an Investment Banking subsidiary named Equirus Capital Private Limited.



## CORPORATE GOVERNANCE REPORT (Contd.)

The Directors of the Bank who are also in the subsidiary/ associate companies as on March 31, 2023 are as follows:

- Mr. Shyam Srinivasan, Managing Director and Chief Executive Officer (MD & CEO) is the Non-Executive Director and Mr. Ashutosh Khajuria, Executive Director is a Nominee Director in Fedbank Financial Services Limited.
- Mr. A P Hota, Independent Director is the Non-Executive Director in Federal Operations and Services Limited Mr. A P Hota holds the position of Chairman in Federal Operations and Services Limited
- Mr. Shyam Srinivasan, MD & CEO and Ms. Shalini Warriar, Executive Director of the Bank, are Non-Executive Directors in Ageas Federal Life Insurance Company Limited.

The Bank monitors performance of its subsidiary Companies, inter-alia, by the following means:

- The Audit Committee reviews financial statements of the subsidiary Companies, along with investments made by them.
- The Board of Directors reviews the Board Meeting minutes and statements of all significant transactions and arrangements, if any, of subsidiary Companies.

The Bank does not have any listed subsidiary company.

### GENERAL BODY MEETINGS

#### A. DETAILS OF THE LAST THREE GENERAL BODY MEETINGS, SPECIAL RESOLUTIONS TAKEN UP IN THOSE MEETINGS AND PASSED WITH REQUISITE MAJORITY ARE MENTIONED HEREUNDER:

<p><b>Name of Meeting</b> - 89<sup>th</sup> Annual General Meeting</p> <p><b>Day, Date and Time of Meeting</b> - Thursday, July 16, 2020 at 11.00 AM</p> <p><b>Venue</b> – Through Video Conferencing/Other Audio Visual Means("OAVM")</p> <p><b>Special Resolution</b></p> <ul style="list-style-type: none"> <li>a) Approval for Raising of Funds through Issuance of Bonds for FY 2020-21.</li> <li>b) Raising of Tier I Capital of the Bank through Issuance of Securities.</li> <li>c) Alteration of Object Clauses of Memorandum of Association.</li> </ul>
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<p><b>Name of Meeting</b> - 90<sup>th</sup> Annual General Meeting</p> <p><b>Day, Date and Time of Meeting</b> - Friday, July 09, 2021 at 11.00 AM</p> <p><b>Venue</b> – Through Video Conferencing/Other Audio Visual Means("OAVM")</p> <p><b>Special Resolutions</b></p> <ul style="list-style-type: none"> <li>a) Re-appointment of Mr. A P Hota (DIN- 02593219) as an Independent Director of the Bank.</li> <li>b) Raising of Tier I Capital of the Bank through Issuance of Securities</li> <li>c) Raising of Funds through Issuance of Bonds</li> <li>d) To approve the issuance of equity shares on preferential basis</li> </ul>
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<p><b>Name of Meeting</b> - 91<sup>st</sup> Annual General Meeting</p> <p><b>Day, Date and Time of Meeting</b> - Friday, July 27, 2022 at 11.00 AM</p> <p><b>Venue</b> – Through Video Conferencing/Other Audio Visual Means("OAVM")</p> <p><b>Special Resolutions</b></p> <ul style="list-style-type: none"> <li>a) Appointment of Mr. Sankarshan Basu (DIN: 06466594) as an Independent Director of the Bank.</li> <li>b) Appointment of Mr. Ramanand Mundkur (DIN: 03498212) as an Independent Director of the Bank</li> <li>c) Raising of Funds through Issuance of Bonds</li> <li>d) Raising of Tier I Capital of the Bank through Issuance of Securities</li> <li>e) Amendments in Memorandum of Association (MOA) of the Bank</li> </ul>
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During the year, all recommendations of the Board of Directors were accepted by the Shareholders of the Bank in respect of special businesses mentioned in the 91<sup>st</sup> Annual General Meeting notice.

#### B. POSTAL BALLOT

The Bank sought the approval of its shareholders on a specific matter through a Special Resolution by postal ballot by utilising a remote e-voting process only. The notice of this postal ballot, dated March 04, 2023, was circulated on March 07, 2023 Remote e-voting began on March 08, 2023 and concluded on April 06, 2023. On the final day of remote e-voting, i.e. April 06, 2023 the resolutions were passed with the necessary majority, and the outcomes were declared on April 07, 2023. Please see the information below for a description of the resolutions and details on the voting pattern:





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Description of Resolution and Type of resolution	Number of Votes			
	For	%	Against	%
Re appointment and payment of remuneration including variable pay to Ms. Shalini Warriar (DIN: 08257526), Executive Director of the Bank	1433221287	99.7568%	3493849	0.2432%
Payment of Performance Linked Incentive and grant of Stock Options to Ms. Shalini Warriar (DIN: 08257526), Executive Director of the Bank for the FY 2021 22	1433145742	99.7515%	3569611	0.2485%
Payment of Performance Linked Incentive and grant of Stock Options to Mr. Ashutosh Khajuria (DIN: 05154975), Executive Director of the Bank for the FY 2021 22	1432639678	99.7500%	3590755	0.2500%

The aforementioned Postal Ballot was conducted solely through the Remote E-Voting process in accordance with the regulations set forth in Sections 108 and 110, as well as other applicable provisions of the Companies Act, 2013 and its corresponding Rules.

M/s. M Damodaran & Associates LLP, Practicing Company Secretaries, were appointed as Scrutinizer, for conducting the above Postal Ballot through the Remote E-Voting process fairly and transparently and following the provisions of the Companies Act, 2013 and the rules made thereunder.

**ETHICAL STANDARDS EMPLOYED BY THE BANK**

All the employees of the Bank are required to comply with Bank’s service manuals which, inter alia, provides for various ethical practices to be adhered to by them. It also includes Code of Ethics and Business Conduct, which provides the guidelines on standards of business conduct and it applies to all employees of the Bank. The Code explains the conduct and ethical behavior to be exhibited by each employee towards customers, colleagues and other stakeholders to uphold the collective interest of the Bank. This includes Bank’s obligation to comply with all general laws, local rules and regulations relevant to our activity and its commitment to enhance shareholders’ value. The guidelines on the usage of social media published by the Bank outlines the standards employees are expected to observe when using social media.

**POLICIES, AFFIRMATIONS AND DISCLOSURES**

**A. CODE OF CORPORATE GOVERNANCE AND CODE OF CONDUCT**

The Board of Directors of the Bank has adopted the Code of Corporate Governance and Code of Conduct for the Directors of the Bank and for Management, and the code is reviewed on an annual basis. All the Board

members and the senior management of the Bank have affirmed compliance to the Bank’s Code of Corporate Governance and Code of Conduct. Bank’s Code of Corporate Governance and Code of Conduct for Directors and Management are available on the website of the Bank <https://www.federalbank.co.in/shareholder-information>.

All the Board Members and Senior Management Personnel have confirmed compliance with the code during the year 2023. A declaration to that effect signed by the Managing Director and CEO forms part of the Annual Report of the Bank.

**B. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered during the financial year were in the ordinary course of the business of the Bank and were on arm’s length basis. There were no materially significant related party transactions entered by the Bank with Related parties which may have a potential conflict with the interest of the Bank. All Related Party Transactions were placed before the Audit Committee of the Board for approval. Prior omnibus approval for transactions which are of repetitive nature is obtained from the Audit Committee and accordingly the required disclosures are made to the Committee on quarterly basis in terms of the approval of the Committee.

The policy on Related Party Transactions as approved by the Audit Committee and the Board of Directors is uploaded on the website of the Bank and the link for the same is <https://www.federalbank.co.in/our-commitments>.

Since all related party transactions entered into by the Bank were in the ordinary course of business and were on an arm’s length basis, disclosures as per Form AOC-2 is not applicable to the Bank. There were also no material contracts or arrangement or transactions with related parties during the period.



## CORPORATE GOVERNANCE REPORT (Contd.)

**C. DETAILS OF NON-COMPLIANCE BY THE BANK**

The Bank received a notice from National Stock Exchange of India Limited regarding the non-compliance with Regulation 52 (7) / (7A) (Non-submission of statement indicating the utilisation of issue proceeds/ material deviation in the use of proceed) of SEBI (LODR) Regulations, 2015 and directing the Bank to pay a penalty of ₹ 9,000/- plus GST, totaling to ₹ 10,620/-.

Accordingly, the Bank paid ₹ 10,620/- to National Stock Exchange of India Limited on March 17, 2023.

**D. DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN SEBI LISTING REGULATIONS**

The Bank has complied with the requirements of Part C (Corporate Governance Report) of sub-Paras (2) to (10) of Schedule V of the SEBI Listing Regulations.

The Bank has complied with and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of SEBI Listing Regulations (relating to disclosure on the website of the Bank).

**E. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES**

The Foreign Exchange Risk arising out of Forex positions of the Bank is monitored by the Market Risk Division of Integrated Risk Management Department. Various risk limits such as Daylight Limit, NOOP, AGL and Forex VAR are defined in the Market Risk Management Policy of the Bank and are closely monitored by the Market Risk Division. The policy of the Bank on Investment, Forex and Derivative operations lays out the operative guidelines for Foreign Exchange operations. The Foreign Currency Assets and Liability gap is ascertained by Treasury Department and is managed using hedging tools such as swaps, wherever found necessary. Bank is not involved in Commodity trading/ hedging activities.

**F. FEDERAL BANK CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING TRADING BY INSIDERS AND CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE**

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Bank has in place a Code of Conduct for Regulating, Monitoring and Reporting Trading by Insiders and Code of Practices and Procedures for Fair Disclosure.

The same have been revised during the year in accordance with amendments in the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct for Prevention of Insider Trading lays down guidelines advising the Management, staff and other connected persons, on procedures to be followed and disclosures to be made by them while dealing with the shares of Bank, and while handling any Unpublished Price Sensitive Information, cautioning them of the consequences of violations.

Mr. Samir P Rajdev, Company Secretary of the Bank has been designated as Compliance Officer.

**G. WHISTLE BLOWER POLICY/VIGIL MECHANISM**

Fraud Risk is managed by the Bank methodically in line with the robust Fraud Risk Management Policy of the Bank which covers all significant aspects like various mitigation measures and the surveillance mechanism that complements prevention, detection, investigation and monitoring of both, internal and external frauds. Public and employees are sensitized on different fraud prevention techniques. With a view to create an atmosphere of alertness. Vigilance Communications (Alerts) are issued on a regular basis that disseminates various modus operandi of frauds across the employees along with suggestions on safeguards and precautions to be adopted to prevent such frauds. Preventive Vigilance Workshop is a flagship programme designed by Vigilance Department for employees which explicates different gaps exploited by miscreants to perpetrate fraud in the banking industry. The programme also ensures deliverance of strategies to be taken to avert such frauds. Fraud Prevention Committee meetings are conducted at Branches on a regular basis so as to discuss various modus operandi of trending frauds and their corresponding preventive measures. Branches are identified based on risk rating and Preventive Vigilance Audits are conducted annually in the identified Branches.

Customer awareness on fraudulent activities is another area that is well covered by the Bank through multiple communication channels including SMS, E-Mails, posters at Branches, ribbon messages on Bank website, internet banking webpage, etc. Bank is also giving special focus to Cyber related frauds and awareness messages are disseminated among the public through various mediums including social media, website, etc. A dedicated campaign is launched, titled "TwiceisWise", with an aim to spread awareness among the public, on cyber related frauds.





## CORPORATE GOVERNANCE REPORT (Contd.)

Posters and videos cautioning the public about novel fraud incidents were shared through social media handles, TV channels, web channels, etc.

All cases reported in the Bank are investigated in detail as part of detective vigilance activity. Need for process refinements/ systemic corrections, if any observed during the course of investigation are highlighted in the forums concerned for corrective measures/necessary directions. Process refinements/systemic corrections are implemented to avert similar incidents in future.

Bank has a robust Whistle Blower Policy termed as Protected Disclosure Scheme (PDS) with a view to enhance public confidence in the Bank and also in compliance of RBI directions in this regard. The policy aims at establishing an effective vigil mechanism in the Bank to quickly spot aberrations and deal with it at the earliest. It is disseminated among the employees assuring confidentiality and protection to the whistle blower against any personal vindictive actions such as humiliation, harassment or any other form of unfair treatment. Directors and Employees of the Bank, employee representative bodies, customers, stakeholders, non-governmental organisations (NGO) and members of the public can lodge complaints / disclosures under this scheme. A dedicated e-mail ID is provided for sending complaints/disclosures under PDS. Investigation is conducted in all complaints /information received through the PDS mechanism and investigation reports are placed before MD & CEO. The details of the complaints and findings are also placed before the Audit Committee of the Board on a quarterly basis for review. The scheme is popularized through various measures such as preventive vigilance classes, internal circulars, alerts etc. No personnel have been denied access for giving any information as envisaged in the Protected Disclosure scheme. PDS policy is made available in Bank's website and Intranet. To access Bank's Whistle Blower Policy <https://www.federalbank.co.in/our-commitments>

### **H. DIVIDEND DISTRIBUTION POLICY**

In accordance with the Regulation 43A of SEBI Listing Regulations, the Bank has formulated a Dividend Distribution Policy. The policy has been displayed on the Bank's website at <https://www.federalbank.co.in/our-commitments> and also available in the Director's Report which forms part of the Annual Report.

### **I. CEO/CFO CERTIFICATION**

The MD and CEO and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

### **J. UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT**

During the year, the Bank did not raise any funds through preferential allotment or through Qualified Institutions Placement.

### **K. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE REGARDING DISQUALIFICATION OF DIRECTORS**

As required under Clause 10 (i) of Part C under Schedule V of the SEBI Listing Regulations, the Bank has received a certificate from M/s. SEP & Associates, Practicing Company Secretaries certifying that none of our Directors have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI /Ministry of Corporate Affairs or any such statutory authority, is annexed to this report.

### **L. RECOMMENDATIONS OF COMMITTEE(S) OF THE BOARD OF DIRECTORS**

During the year under review, there has been no instances of rejection by the Board of any recommendations made by any of its committees.

### **M. INTERNAL CONTROLS**

The Bank has through the years developed and stabilised an effective internal control system calibrated to the risk appetite of the Bank and aligned to the scale, size and complexity of its operations. The scope and authority of the internal audit function is defined in the Audit and Inspection Policy of the Bank, duly approved by the Board of Directors. In order to help Bank in achieving its mission of adopting the best professional practices prevailing in the industry, while framing the policy, substantial inputs are taken from - RBI guidance note on Risk Based Internal Audit, 'The internal audit function in banks' published by Basel Committee on Banking Supervision and RBI Circular





## CORPORATE GOVERNANCE REPORT (Contd.)

on 'Concurrent Audit System'. Audit and Inspection Policy is reviewed annually. Policy is reviewed considering various guidelines of RBI, Basel Committee recommendations, ICAI guidelines, other statutory / regulatory guidelines, directions of Board / Audit Committee of the Board issued from time to time and periodic internal guidelines / instructions issued by the Bank. Risk based Audit framework is reviewed in line with the present business model and industry best practices. At the enterprise level, the Internal Audit Department, on a continuous basis, assesses and monitors the effectiveness of the control systems and its adequacy to meet the growing complexities. The audit function essentially validates the compliance of Bank's processes and operations with regulatory guidelines, accounting procedures and Bank's own internal rules and guidelines. A department level group meets on periodical intervals to discuss latest internal / RBI / regulatory guidelines for ensuring that the required changes are implemented for making the audit function updated and dynamic.

The Bank has a robust system towards escalating the audit findings to appropriate levels in the hierarchy of Management and discussions in various committees towards suggesting corrective action and its follow up. The Bank in compliance of the requirements of Section 138 of the Companies Act, 2013, has designated the Head of Internal Audit Department as Chief Internal Auditor of the Bank. Chief Internal Auditor of the Bank directly reports to the Managing Director & CEO of the Bank. Audit Committee of the Board reviews the adequacy and effectiveness of the Internal Audit Function. The Bank has various types of audits which inter-alia include Risk Based Internal Audit, Information System Audit, Third Party Risk Audit, Offsite Audit (audit through use of technology and data analysis), Concurrent Audit, Gold Loan Audit and Management Audit. Branches / Departments are risk rated and the frequency of Risk Based Internal Audit / Management Audit is decided based on the Risk Rating of the unit. Significant Audit findings and observations are presented to Inspection Review Committee of Executives and a report on the meetings of Inspection Review Committee of Executives along with significant audit findings, directions / suggestions of the Committee and action taken in such cases are placed to the Audit Committee of the Board for review periodically. Other findings are placed before a department level committee

called the 'Inspection Department Review Committee' for review and its observations are placed before Inspection Review Committee of Executives.

As per the requirement of Companies Act, 2013, Bank has formulated Internal Financial Controls framework. Risk and Controls associated with each process in the Bank are documented under the Internal Financial Controls Framework. Internal Audit Department plays a significant role in testing the control effectiveness for each process under the framework.

The Internal Audit function provides independent assurance to the Board of Directors and Senior Management on the quality and effectiveness of the bank's internal control, risk management and governance systems and processes, thereby helping the Board and Senior Management protect the bank and its reputation.

### **N. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The disclosure regarding the complaints of sexual harassment is given in the Board's Report.

### **O. FEES PAID TO STATUTORY AUDITORS**

The total fees incurred by the Bank and its subsidiaries on a consolidated basis, for services rendered by Joint Statutory Central Auditors (M/s. Varma & Varma and M/s Borkar & Muzumdar) and its affiliates entities, is given below:

(₹ in Crore)	
Particulars	FY 2022-23
Audit Fee*	5.26
Reimbursement of Expenses	0.26

\*Includes fee for certification and other matters

### **P. CREDIT RATINGS AND CHANGE/ REVISIONS IN CREDIT RATINGS FOR DEBT INSTRUMENTS**

Details of Credit Ratings obtained by your Bank during the financial year are as follows;

- CRISIL A1+ for the Certificate of Deposit Programme of the Bank
- CRISIL A1+ for the Short Term Fixed Deposits of the Bank
- CRISIL AA+ (Stable) for Fixed Deposit Programme of the Bank







## CORPORATE GOVERNANCE REPORT (Contd.)

- CARE AA (Positive) [Double A, Outlook: Positive] for the Tier II bonds (Under Basel III)
- IND AA/Positive by India Rating and Research for the Tier II bonds (Under Basel III)

There was no revision in the rating during review period as compared to previous year. However, the outlook for Tier II bonds rating was upgraded from stable to positive.

### Q. DEBENTURE TRUSTEES

The SEBI Listing Regulations require companies which have listed their debt securities, to disclose the names of their debenture trustees with contact details in their Annual Report. The following are the debenture trustees for the privately placed bonds of the Bank:

IDBI Trusteeship Services Limited,  
Universal Insurance Building,  
Ground Floor, Sir P.M. Road,  
Fort, Mumbai – 400001

- For ₹ 700 CR Issuance bearing ISIN INE171A08032 issued on 20-01-2022:
- For ₹ 995 CR Issuance bearing ISIN INE171A08040 issued on 29-03-2023

Beacon Trusteeship Limited  
4C & D Siddhivinayak Chambers,  
Gandhi Nagar,  
Opp MIG Cricket Club,  
Bandra East, Mumbai - 400051

- For ₹ 300 CR Issuance bearing ISIN INE171A08024 issued on 20-06-2019:

### R. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Bank has 2,53,61,023 GDRs (equivalent to equity shares) outstanding, which constituted 1.198% of the Bank's paid up capital as of March 31, 2023.

### S. COMPLIANCE WITH MANDATORY REQUIREMENTS

The Bank has complied with all applicable mandatory requirements of the SEBI Listing Regulations during the financial year 2022-23. Quarterly compliance report on Corporate Governance, in the prescribed format, duly signed by the compliance officer, is submitted regularly

with the Stock Exchanges where the shares of the Bank are listed. The required disclosures under SEBI Listing Regulations are detailed under various portions of Directors Report and Corporate Governance Report and compliance has been ensured.

## ADOPTION OF DISCRETIONARY REQUIREMENTS

### A. MODIFIED OPINION(S) IN AUDIT REPORT

The Auditors have expressed an unmodified opinion in their report on the financial statements of the Bank.

### B. SEPARATE POSTS OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Bank has also complied with the adoption of non-mandatory requirement on separate posts of Chairman and Chief Executive Officer. Mr. C Balagopal, Independent Director is the Part time Chairman and Mr. Shyam Srinivasan is the Managing Director & CEO of the Bank as on March 31, 2023.

### C. REPORTING OF INTERNAL AUDITOR

The Internal Auditors of the Bank report directly to the Audit Committee of the Bank.

### D. SHAREHOLDERS RIGHTS

Financial Results are uploaded on the Bank's website [www.federalbank.co.in](http://www.federalbank.co.in).

## MEANS OF COMMUNICATION

### A. FINANCIAL RESULTS

The quarterly, unaudited and annual audited Standalone & Consolidated financial results were published in Financial Express and Deepika Daily. The results were also displayed on the Bank's website, [www.federalbank.co.in](http://www.federalbank.co.in).

### B. NEWS RELEASES/ PRESENTATIONS

As a part of good governance, official press releases, results, webcasts, analyst presentations are displayed on the Bank's website, [www.federalbank.co.in](http://www.federalbank.co.in). We encourage investors to visit our website for reading the documents.

### C. EARNINGS CALLS, AND INVESTOR PRESENTATIONS:

The Bank conducts regular earnings calls to discuss its financial performance and outlook with investors and analysts. In addition, it attends investor conferences and investor/ analyst meets, schedule whereof is submitted to Stock Exchange and are published on website.



## CORPORATE GOVERNANCE REPORT (Contd.)

### D. WEBSITE

The Bank's website, [www.federalbank.co.in](http://www.federalbank.co.in) contains a separate section 'Investor Relations' for use of investors. The quarterly, half yearly and annual financial results, official news releases and presentations made to institutional Investors and to analysts are promptly and prominently displayed on the website. Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern and other Corporate Communications made to the Stock Exchanges are also available on the website. Annual Report of subsidiary Companies is also posted on the website.

The 'Investor Relations' section provides the details of unclaimed dividends warrants for dividends declared up to the financial year ended March 31, 2023, to help shareholders to claim the same. In addition, various downloadable forms required to be executed by the shareholders have also been provided on the website.

Share price page are also provided in 'Investor Relations' section. Share price page includes, inter alia, real time updates on stock price, stock movement, historical share price data etc.

### E. COMMUNICATION TO SHAREHOLDERS ON E-MAIL

Documents like Notices, Annual Report etc. are sent to the shareholders at their email address, as registered with their Depository Participants/ Company/ Registrar and Transfer Agents (RTA). This helps in prompt delivery of document, reduce paper consumption and avoid loss of documents in transit. Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/ updated either with their depositories or by writing to the Bank/ RTA.

### F. REMINDERS TO SHAREHOLDERS

Reminders for claiming unclaimed shares lying with the Bank which are liable to be transferred to the Investor Education and Protection Fund Authority are sent to the Shareholders as per Bank records.

### G. NEAPS (NSE ELECTRONIC APPLICATION PROCESSING SYSTEM) AND BSE LISTING CENTRE

NSE and BSE have developed web based applications for Corporates. All compliances like financial results, Shareholding Pattern and Corporate Governance Report, etc., are filed electronically on NEAPS/ BSE Listing centre.

### H. SCORES (SEBI COMPLAINTS REDRESSAL SYSTEM)

SEBI processes investor complaints in a centralized web based complaints redressal system i.e., SCORES. Through this system a shareholder can lodge complaint against a Company for his grievance. The Bank uploads the action taken on the complaint which can be viewed by the shareholder. The Bank and shareholder can seek and provide clarifications online through SCORES.

### I. SOCIAL MEDIA:

The Bank utilises social media platforms to engage with its stakeholders and provide updates on various activities.

## GENERAL INFORMATION FOR SHAREHOLDERS

### A. COMPANY REGISTRATION DETAILS

The Bank is registered in Kerala, India. The Corporate Identification Number (CIN) allotted by the Ministry of Corporate Affairs (MCA) is L65191KL1931PLC000368.

### B. ANNUAL GENERAL MEETING

Date: August 18, 2023; Time: 11.00 AM;

Venue: Through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM')

### C. FINANCIAL CALENDAR

Financial Year: April 01, 2022 to March 31, 2023

For the financial year ended March 31, 2023, results were announced on:

- First Quarter: July 15, 2022
- Second Quarter: October 14, 2022
- Third Quarter: January 16, 2023
- Fourth Quarter & Annual: May 05, 2023

### D. BOOK CLOSURE

The dates of Book Closure are from August 12, 2023 to August 18, 2023 (both days inclusive).

### E. DIVIDEND PAYMENT DATE:

If the final dividend of 50% per equity share of Re.1 each, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on or after August 24, 2023 by way of electronic mode or through physical dividend warrants.





CORPORATE GOVERNANCE REPORT (Contd.)

**F. DATES FOR TRANSFER OF UNCLAIMED DIVIDEND TO INVESTORS EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to Section 124 of the Companies Act, 2013, final dividend for the financial year 2014- 15 amounting to ₹ 1,11,64,280.60/- which remained unpaid /unclaimed for a period of seven years from the date it was lying in the unpaid dividend account, has been transferred by the Bank to the Investors Education and Protection Fund (IEPF) of the Central Government on August 08, 2022.

The dividend for following years (see table below), which remains unclaimed for seven years from the date it was lying in the unpaid dividend account of the Bank, will be transferred to the IEPF in accordance with the schedule

Financial Year	Type of Dividend	Dividend rate %	Date of Declaration	Due date for transfer to IEPF
2015-16	Final	35	August 11, 2016	September 17, 2023
2016-17	Final	45	July 14, 2017	August 16, 2024
2017-18	Final	50	August 10, 2018	September 12, 2025
2018-19	Final	70	July 25, 2019	August 30, 2026
2020-21	Final	70	July 09, 2021	August 09, 2028
2021-22	Final	90	July 27, 2022	August 26, 2029

**G. MANDATORY TRANSFER OF SHARES TO DEMAT ACCOUNT OF INVESTORS EDUCATION AND PROTECTION FUND AUTHORITY (IEPFA) IN CASE OF UNPAID/ UNCLAIMED DIVIDEND ON SHARES FOR A CONSECUTIVE PERIOD OF SEVEN YEARS**

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholder from IEPFA by following the procedure prescribed under the aforesaid rules. Therefore, it is in the

given below. Shareholders who have not encashed their dividend warrants relating to the dividends specified below are requested to immediately send their request for issue of duplicate warrants/ for credit to their bank account with requisite documents. The details of dividends specified below are available on the website of the Bank, [www.federalbank.co.in](http://www.federalbank.co.in). Once unclaimed dividends are transferred to IEPF, no claim shall lie in respect thereof with the Bank. However, shareholders may claim their unclaimed amount as per the procedures/guidelines issued by the Ministry of Corporate Affairs (MCA). For details, Investors can visit the website of IEPF Authority viz., [www.iepf.gov.in](http://www.iepf.gov.in).

interest of shareholders to regularly claim the dividends declared by the Bank.

Consequent to the above, during the financial year 2022-23, 2,88,095 equity shares of the Bank were transferred to the IEPFA. Relevant details of such shares are available on the website of the Bank, [www.federalbank.co.in](http://www.federalbank.co.in).

**H. LISTING**

At present, the equity shares of the Bank are listed at:

- **BSE Limited (BSE)**  
Address: Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400 001
- **National Stock Exchange of India Limited (NSE)**  
Address: Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E)

The GDRs issued by the Bank in 2006 have been listed on the London Stock Exchange, 10 Paternoster Sq., London EC4M 7LS, United Kingdom.

The Bank's shares were also listed in Cochin Stock Exchange, but as per exit order granted by SEBI to Cochin Stock Exchange Limited vide, order dated December 23, 2014, the Banks shares are no more listed/traded in Cochin Stock Exchange.



CORPORATE GOVERNANCE REPORT (Contd.)

**I. BANK'S STOCK EXCHANGE CODE**

BSE Scrip Code : 500469 (Scrip ID: FEDBANK)  
 NSE Symbol : FEDERALBNK  
 LSE Scrip Code : FEDS  
 Demat ISIN Code : INE171A01029

The annual listing fees up to the financial year 2023-24 to BSE and NSE has been paid.

The Bank have paid the custodial fees to the NSDL and CDSL as per the SEBI Circular CIR/MRD/DP/05 2011 dated April 27, 2011 for the FY 2023-24.

**J. EQUITY EVOLUTION DURING THE YEAR**

As of March 31, 2023, the paid-up share capital of the Bank was ₹ 4,23,24,02,286/- consisting of 2,11,62,01,143 equity shares of ₹ 2/- each. Details of equity evolution of the Bank during the year under review is as under;

<b>Allotment of Equity Shares pursuant to exercise of ESOS/ Preferential Allotment (Face Value per Share is ₹ 2/-)</b>	
April 11, 2022	2,25,930
April 19, 2022	97,712
April 25, 2022	97,955
April 30, 2022	49,703
May 07, 2022	55,684
May 16, 2022	75,468
May 23, 2022	2,67,844
May 30, 2022	36,558
June 03, 2022	38,638
June 08, 2022*	17,500
July 02, 2022	1,09,728
July 07, 2022	31,163
July 15, 2022	33,505
July 25, 2022	1,42,127
August 01, 2022	4,25,707
August 09, 2022	3,73,180
August 16, 2022	4,49,215
August 22, 2022	3,15,433
August 29, 2022	4,56,840
September 05, 2022	7,13,122
September 13, 2022	19,98,850

<b>Allotment of Equity Shares pursuant to exercise of ESOS/ Preferential Allotment (Face Value per Share is ₹ 2/-)</b>	
September 20, 2022	7,27,148
September 27, 2022	2,67,525
October 01, 2022	2,76,380
October 10, 2022	49,758
October 17, 2022	3,16,375
October 25, 2022	799892
October 31, 2022	5,87,853
November 08, 2022	8,07,692
November 15, 2022	4,81,838
November 21, 2022	3,01,703
December 02, 2022	367665
December 09, 2022	3,32,312
December 17, 2022	3,27,662
December 23, 2022	1,69,010
December 31, 2022	1,99,320
January 06, 2023	1,81,868
January 14, 2023	1,83,489
January 22, 2023	2,24,808
January 31, 2023	1,57,710
February 02, 2023	1,51,209
February 13, 2023	85,290
February 22, 2023	1,60,286
February 27, 2023	78,191
March 04, 2023	1,38,287
March 13, 2023	1,26,683
March 20, 2023	1,42,954

\* During the year under review, 17,500 Fully Paid Equity Shares of ₹ 2/- each issued as Rights Shares were allotted which were earlier kept in abeyance.

**K. STOCK MARKET DATA**

**a. Market price data- high, low during each month in the Financial Year 2022-23**

Monthly high and low quotations for each month during the Financial Year 2022-23 at the National Stock Exchange of India Limited and the BSE Limited, are as follows:

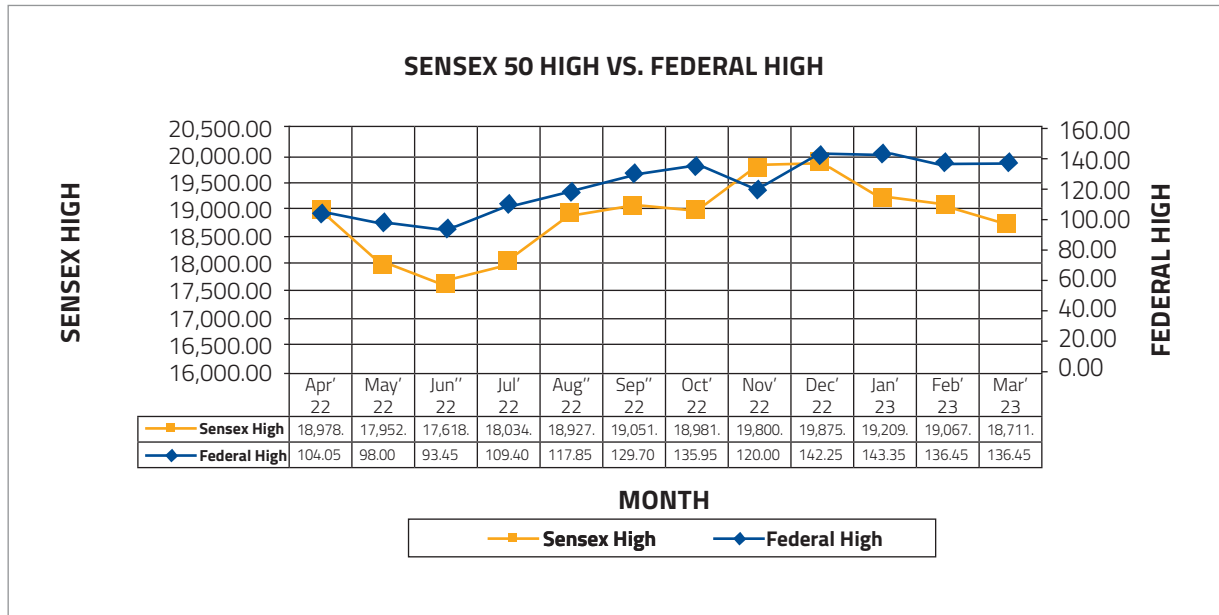




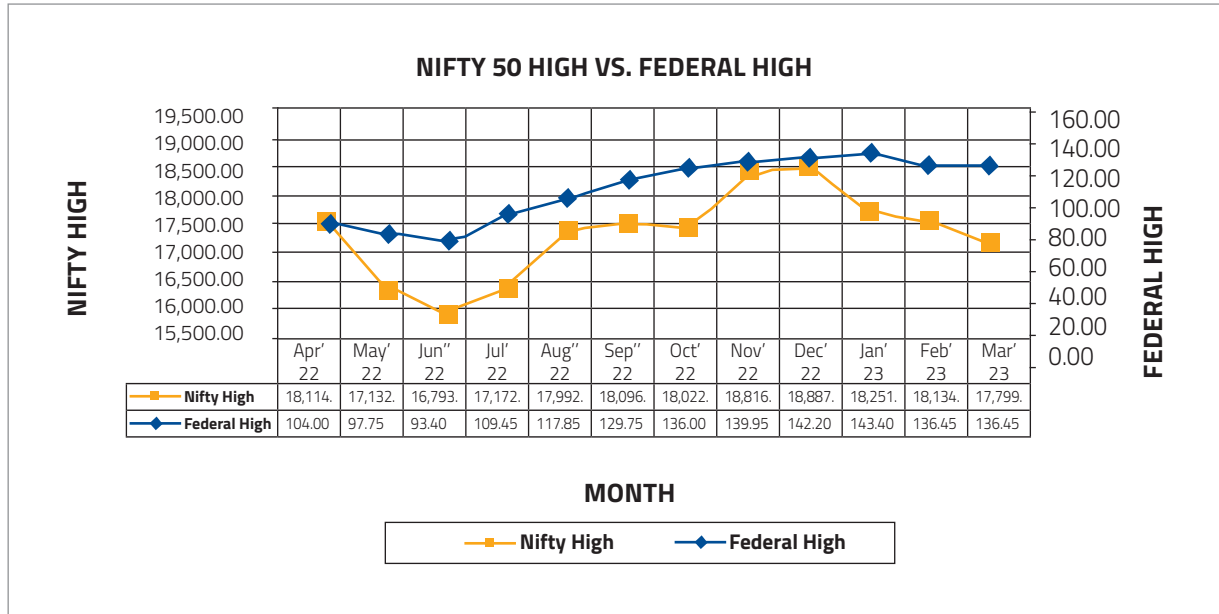
CORPORATE GOVERNANCE REPORT (Contd.)

NSE			BSE		
Month	High	Low	Month	High	Low
Apr '22	104.00	93.70	Apr '22	104.05	93.75
May '22	97.75	82.50	May '22	98.00	82.50
Jun '22	93.40	84.00	Jun '22	93.45	84.00
Jul '22	109.45	89.30	Jul '22	109.40	89.30
Aug '22	117.85	105.20	Aug '22	117.85	105.00
Sep '22	129.75	109.45	Sep '22	129.70	109.50
Oct '22	136.00	115.90	Oct '22	135.95	115.90
Nov '22	139.95	130.20	Nov '22	120.00	130.20
Dec '22	142.20	120.90	Dec '22	142.25	120.90
Jan '23	143.40	129.40	Jan '23	143.35	129.45
Feb '23	136.45	124.10	Feb '23	136.45	124.25
Mar '23	136.45	123.65	Mar '23	136.45	123.55

**b. Performance in comparison to broad based indices such as BSE – Sensex and NSE – Nifty 50.**



CORPORATE GOVERNANCE REPORT (Contd.)



**L. DISTRIBUTION OF SHAREHOLDING**

Details of distribution of shareholding of the equity shares of the Bank by size and by ownership class on March 31, 2023 along with Shareholders holding more than 1% of shares of the Bank is given below:

**Shareholding pattern by ownership as on March 31, 2023**

Value	Total number of share holders	% of Shareholders	Total Value (₹)	% of shares
Upto 5000	728478	96.57	129139406	6.10
5001 - 10000	12897	1.71	46737458	2.21
10001 - 20000	7189	0.95	51524807	2.43
20001 - 30000	2269	0.30	27914682	1.32
30001 - 40000	936	0.12	16701394	0.79
40001 - 50000	559	0.07	12745670	0.60
50001 - 100000	1052	0.14	37187884	1.76
ABOVE 100001	1045	0.14	1794249842	84.79
<b>TOTAL</b>	<b>754425</b>	<b>100.00</b>	<b>2116201143</b>	<b>100.00</b>





CORPORATE GOVERNANCE REPORT (Contd.)

Share holder Category	No of Shares	%
Mutual Funds	710747287	33.59
Financial Institutions/Bank/Insurance Companies	169953220	8.03
Foreign Portfolio Investor & Foreign Institutional Investor	563063997	26.61
Corporate Bodies	33047969	1.56
Individual (including NRIs)	533068191	25.19
NBFCs Registered with RBI	166650	0.01
Central Govt/ State Govt/ President of India	7410	0.00
Any Other (Trust, Alternate Investment funds, Overseas Corporate Bodies, Foreign Bank, Foreign Body Corporate, LLP, Clearing Member)	80785396	3.81
No. of shares underlying Depository Receipts	25361023	1.20
<b>Total no. of shares held</b>	<b>2116201143</b>	<b>100.00</b>

**Shareholders holding more than 1% as on March 31, 2023**

S.NO	NAME	SHARES	%
1	HDFC Mutual Fund	95887167	4.53
2	Yusuffali Musaliam Veettil Abdul Kader	75200640	3.55
3	ICICI Prudential Mutual Fund	71035001	3.36
4	Mirae Asset Mutual Fund	70550124	3.33
5	HDFC Standard Life Insurance Company Limited	58445902	2.76
6	Rekha Jhunjunwala	48213440	2.28
7	TATA AIA Life Insurance Company Limited	45451568	2.15
8	Aditya Birla Sun Life Mutual Fund	45282458	2.14
9	Kotak Mahindra Mutual Fund	44583356	2.11
10	Nippon Life India Trustee	42963781	2.03
11	DSP Mutual Fund	41962565	1.98
12	IFC Emerging Asia Fund, LP	36696238	1.73
13	IFC Financial Institutions Growth Fund, LP	36696238	1.73
14	HSBC Mutual Fund	36241800	1.71
15	UTI Mutual Fund	33648246	1.59
16	Bank Muscat India Fund	33351210	1.58
17	International Finance Corporation	31453918	1.49
18	Sundaram Mutual Fund	30648892	1.45
19	Kotak Funds - India Midcap Fund	28951825	1.37
20	PGIM India Trustees Private Limited A/C Pгим India Elss Tax Saver Fund	25496857	1.20
21	Deutsche Bank Trust Company Americas	25361023	1.20
22	Franklin Templeton Mutual Fund	24969927	1.18
23	Zerodha Broking Limited	24828512	1.17
24	Rakesh Jhunjunwala	24500000	1.16
25	TATA Mutual Fund	23111466	1.09
26	SBI Mutual Fund	22677543	1.07
27	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International E	21992916	1.04





## CORPORATE GOVERNANCE REPORT (Contd.)

### M. DEMATERIALIZATION OF THE BANK'S SHARES

The Paid up Equity Shares of the Bank as on March 31, 2023 is 2,11,62,01,143 shares. Out of this 2,11,52,07,468 shares are listed. Of the total paid up equity shares of the Bank, 1,80,43,77,562 shares (85.26%) are held in dematerialized form in NSDL, 29,58,30,451 (13.98%) in CDSL and 1,59,93,130 (0.76%) are in physical form. Under agreements with National Securities Depository India Limited (NSDL) and Central Depository Services Limited (CDSL), the Bank's shares can be and are traded in electronic form. The equity shares of the Bank are frequently traded at BSE Limited and National Stock Exchange of India Limited

### N. REGISTRAR AND TRANSFER AGENT

SEBI vide Regulation 7 of the SEBI Listing Regulations has mandated that where the total number of security holders of the Company exceeds one Lakh, the Company shall register with SEBI as a Category II Share Transfer Agent for all work related to share registry or appoint a Registrar to an Issue and Transfer Agent registered with SEBI. The Bank had appointed Integrated Registry Management Services Private Limited as its RTA for both segments, physical and electronic, much before this was mandated by SEBI.

As required under Regulation 7(3) of the SEBI Listing Regulations, the Bank files, on yearly basis, certificate issued by RTA and compliance officer of the Company certifying that all activities in relation to share transfer facility are maintained by RTA registered with SEBI i.e., Integrated Registry Management Services Private Limited.

#### Details of the RTA are given below-

Integrated Registry Management Services Private Limited  
2nd Floor, Kences Towers, No.1, Ramakrishna Street,  
Off: North Usman Road, T. Nagar, Chennai-600017  
Phone No: 044-28140801-03  
Fax: 044-28142479, Email: [csdstd@integratedindia.in](mailto:csdstd@integratedindia.in)

### O. SHARE TRANSFER SYSTEM

The Bank has a Board-level Stakeholders' Relationship Committee to examine and redress investors' complaints. As mandated by SEBI, securities of the Bank can be transferred /traded only in dematerialized form. Further,

SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, subdivision/splitting/consolidation of certificate, transmission and transposition which were allowed in physical form should be processed in dematerialized form only. Shareholders who hold shares in physical form are advised to convert them into dematerialized mode to avoid the risk of losing shares, fraudulent transactions, and to receive better investor servicing. Only valid transmission or transposition cases that comply with the SEBI guidelines will be processed by the RTA of the Bank.

SEBI vide its Circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with SEBI Circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 and SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 had mandated investors holding securities in physical mode of listed companies to furnish below details:

1. Valid PAN including that of joint shareholders duly linked with Aadhaar
2. Nomination
3. Postal Address with Pin code, Email id and Mobile Number
4. Bank Account details (Bank Name, Branch, Bank Account No, IFSC Code and MICR code)
5. Specimen Signature

The necessary forms for the above request are available on the website of the Bank under Shareholders Information tab and Registrar and Transfer Agent in <https://www.integratedindia.in/Corporate-Container.aspx> under RTI/STA tab.

Shareholders holding shares in physical form are advised to avail the facility of dematerialization.

Shareholders should communicate with Integrated Registry Management Services Limited, the Bank's Registrars & Share Transfer Agent at [csdstd@integratedindia.in](mailto:csdstd@integratedindia.in) quoting their folio number or Depository Participant ID and Client ID number, for any queries relating to their securities.





CORPORATE GOVERNANCE REPORT (Contd.)

The Bank has delivered/ sent share certificates/ letter of confirmation as per SEBI Circular No. SEBI/HO/MIRSD/ MIRSD\_RTAMB/P /CIR/2022/8 dated January 25, 2022, for execution of transmission of securities and for the issue of duplicate certificates received during the financial year ended March 31, 2022, within the prescribed time from the respective date of lodgment. The Bank obtains, from a company secretary in practice, yearly certificate of compliance with the share transfer/ transmission or transposition of securities formalities as required under Regulation 40(9) of the SEBI Listing Regulations, and the Bank files a copy of the same with the Stock Exchanges. Shareholders are advised to refer the latest SEBI guidelines/ circular issued for all the holder holding securities in listed companies in physical form from time to time and keep their KYC detail updated all the time to avoid freezing their folio as prescribed by SEBI.

**P. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Institute of Company Secretaries of India has mandated compliance with the Secretarial Standards on board meetings and general meetings. During the year under review, the Company has complied with the applicable Secretarial Standards.

**Q. BANK'S REGISTERED OFFICE ADDRESS**

The Federal Bank Limited, PB No. 103, Federal Towers, Head Office, Aluva – 683 101, Kerala State, India

The Bank has a network of 1355 Branches across India as on March 31, 2023.

Address for correspondence:

Contact information of Bank's designated official for assisting and handling of investor grievance	Company Secretary and Compliance officer Secretarial Department The Federal Bank Limited C Wing, 2nd Floor, Laxmi Towers Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051 Ph.: 022 - 68778341 Email: <a href="mailto:secretarial@federalbank.co.in">secretarial@federalbank.co.in</a>
Registrars and Transfer Agents	Integrated Registry Management Services Private Limited 2nd Floor, Kences Towers, No.1,Ramakrishna Street, Off: North Usman Road, T.Nagar, Chennai- 600 017. Ph.No: 044-28140801-03; Fax: 044-28142479 Email : <a href="mailto:csdstd@integratedindia.in">csdstd@integratedindia.in</a>

**R. GREEN INITIATIVE**

As a responsible corporate entity, the Bank wholeheartedly endorses and supports the 'Green Initiative' launched by the Ministry of Corporate Affairs, Government of India. This initiative facilitates electronic delivery of documents, including the Annual Report, quarterly and half-yearly results, and other such documents, to shareholders' registered e-mail addresses with their DPs or with the Bank or its RTA. We urge shareholders who have not yet registered their e-mail addresses to do so without delay. Shareholders who hold shares in Demat form can register their e-mail address with their respective DPs. For shareholders who hold shares in physical form, we kindly request that they register their e-mail addresses with the RTA by sending a signed letter, quoting their Folio Number details.

**CERTIFICATION BY MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER OF THE COMPANY  
DECLARATION ON CODE OF CONDUCT**

In compliance with the requirements of the Regulation 26(3) of SEBI Listing Regulations, 2015 this is to confirm that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 2023.

Place : Aluva  
Date : 30.06.2023

Sd/-  
**Shyam Srinivasan**  
Managing Director & Chief Executive Officer  
The Federal Bank Limited





## CORPORATE GOVERNANCE REPORT (Contd.)

**CEO/ CFO CERTIFICATE**

We, Shyam Srinivasan, Managing Director & CEO and Venkatraman Venkateswaran, Chief Financial Officer of The Federal Bank Limited, hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violate of the Bank's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over financial reporting.

Sd/-

**Venkatraman Venkateswaran**  
Chief Financial Officer

Sd/-

**Shyam Srinivasan**  
Managing Director & CEO

Place: Aluva

Date : 30.06.2023





CORPORATE GOVERNANCE REPORT (Contd.)

**Annexure – 1**

**DETAILS OF OTHER DIRECTORSHIPS HELD**

Name of the Director	Status	Directorship*	Category	Committee Membership	Committee Chairmanship
Mr. C Balagopal	ID	<b>Unlisted Public Company</b>			
		Kerala Infrastructure Fund Management Limited	Nominee Director	Nil	Nil
Mr. A P Hota	ID	<b>Unlisted Public Companies</b>			
		IDBI Intech Limited	ID		Audit Committee
		Motilal Oswal Asset Management Company	ID	Audit Committee	
		Protean eGov Technologies Limited (formerly NSDL e-Gov Infrastructure Limited)	ID		Audit Committee
		Federal Operations and Services Limited	Chairman & ID	Nil	Nil
Mr. Siddhartha Sengupta	ID	<b>Unlisted Public Companies</b>			
		Standard Chartered Investments and Loans (India) Limited	ID	Audit Committee	Nil
		Centrum Financial Services Limited	ID	Nil	Audit Committee
		Legal Entity Identifier India Limited	Additional Director (Professional Category)	Nil	Nil
		IIFL Trustee Limited	ID	Nil	Audit Committee
CA Manoj Fadnis	ID	<b>Listed Companies</b>			
		India International Bullion Exchange IFSC Limited	Public Interest Director	Audit Committee	Nil
Mr. Sudarshan Sen	ID	<b>Listed Companies</b>			
		Kriti Nutrients Limited	ID	Stakeholders Relationship Committee	Audit Committee
		Kriti Industries ( India) Limited	ID	Nil	Audit Committee
		Yes Securities (India) Limited	ID	Nil	Audit Committee
		Kriti Auto & Engineering Plastics Private Limited {wholly owned subsidiary of Kriti Industries ( India) Limited}	ID	Nil	Nil
Ms. Varsha Purandare	ID	<b>Listed Company</b>	ID		
		PNB Housing Finance Limited		Audit Committee	Nil
Ms. Varsha Purandare	ID	<b>Listed Companies</b>			
		Deepak Fertilizers and Petrochemicals Corporation Limited	ID	Nil	Nil
		Orient Cement Limited	ID	Audit Committee	Stakeholders Relationship Committee
		Tata Capital Limited (Only Debt Securities are listed)	ID	Nil	Audit Committee
		Tata Capital Financial Services Limited (Only Debt Securities are listed)	ID	Nil	Audit Committee
		<b>Unlisted Public Companies</b>			
		Tata Cleantech Capital Limited	ID	Audit Committee	Nil
		Tata Motors Finance Limited	ID	Audit Committee	Nil
		Tata Motors Finance Solutions Limited	ID	Nil	Audit Committee
		TMF Holdings Limited	ID	Audit Committee	Nil
Tata Play Limited	ID	Nil	Audit Committee		
Mr. Sankarshan Basu	ID	Nil	Nil	Nil	Nil
Mr. Ramanand Mundkur	ID	Nil	Nil	Nil	Nil
Mr. Shyam Srinivasan	ED	<b>Unlisted Public Companies</b>			
		Ageas Federal Life Insurance Company Limited	NED	Nil	Nil
Mr. Ashutosh Khajuria	ED	Fedbank Financial Services Limited	NED	Nil	Nil
		<b>Unlisted Public Company</b>			
Ms. Shalini Warriar	ED	Fedbank Financial Services Limited	Nominee Director	Audit Committee	Nil
		<b>Unlisted Public Company</b>			
		Ageas Federal Life Insurance Co. Limited	NED	Audit Committee	Nil

\*Directorship in unlisted public and listed Companies are only considered.

\*Committee Membership in Audit and Stakeholder Relationship Committee are only considered





## CORPORATE GOVERNANCE REPORT (Contd.)

**INDEPENDENT AUDITOR CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

To  
The Members,  
**The Federal Bank Limited**

1. We have examined the compliance of conditions of Corporate Governance by The Federal Bank Limited ('the Bank'), for the financial year ended on March 31, 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as the "Listing Regulations") as amended from time to time.

**MANAGEMENT'S RESPONSIBILITY**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations. Responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of Corporate Governance process suitable for ensuring compliance with the above mentioned Listing Regulations.

**OUR RESPONSIBILITY**

3. Pursuant to the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Bank has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2023.
4. We have examined the compliance of conditions of Corporate Governance by the Bank for the period April 01, 2022 to March 31, 2023 as per the Listing Regulations. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Bank for ensuring compliance with the conditions of the Corporate Governance for the period April 01, 2022 to March 31, 2023. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

**OPINION**

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the financial year ended March 31, 2023.
6. We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

**RESTRICTION ON USE**

7. The certificate is addressed and provided to the members of the Bank solely for the purpose to enable the Bank to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose.

For **SEP & Associates**  
Company Secretaries  
(Peer Review Certificate no. 2763/2022)

UDIN: F003050E000658861

**CS Puzhankara Sivakumar**  
Managing Partner  
COP: 2210, FCS: 3050

Date : 21.07.2023  
Place: Kochi





CORPORATE GOVERNANCE REPORT (Contd.)

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To  
The Members  
**The Federal Bank Limited**  
Federal Towers, P B No. 103  
Alwaye-683101

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The Federal Bank Limited having CIN: L65191KL1931PLC000368 having registered office at Federal Towers, P B No. 103, Alwaye, Kerala -683101 (hereinafter referred to as the "Bank"), produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below, for the Financial Year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No	Name of the Director	DIN	Initial Date of Appointment in the Company
1	Mr. Abhaya Prasad Hota	02593219	January 15, 2018
2	Mr. Siddhartha Sengupta	08467648	June 13, 2019
3	CA Manoj Fadnis	01087055	June 13, 2019
4	Mr. Sudarshan Sen	03570051	February 11, 2020
5	Ms. Varsha Vasant Purandare	05288076	September 08, 2020
6	Mr. Sankarshan Basu	06466594	October 01, 2021
7	Mr. Ramanand Mundkur	03498212	October 01, 2021
8	Mr. Shyam Srinivasan	02274773	September 23, 2010
9	Ms. Shalini Warriar	08257526	January 15, 2020
10	Mr. Harsh Dugar	00832748	June 23, 2023

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion on this based on our verification. While forming opinion on issuance of this certificate we have also taken into consideration independent legal opinion wherever there was a scope for multiple interpretations. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For **SEP & Associates**  
Company Secretaries  
(Peer Review Certificate no. 2763/2022)

UDIN: F003050E000658815

**CS Puzhankara Sivakumar**  
Managing Partner  
COP: 2210, FCS: 3050

Date : 21.07.2023  
Place: Kochi

