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Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

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

To

The Members

THE SOUTH INDIAN BANK LIMITED

S I B House, Mission Quarters

T B Road, Thrissur -680001

We, SVJS & Associates, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **The South Indian Bank Limited [CIN: L65191KL1929PLC001017]** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **The South Indian Bank Limited** ("the Company") for the financial year ended on 31.03.2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;



- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under to the extent applicable;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) As informed to us, the following other laws are specifically applicable to the Company.
 - 1. The Banking Regulation Act, 1949 and Banking Regulation (Companies) Rules, 1949
 - 2. Reserve Bank of India Act, 1934
 - 3. Banking Ombudsman Scheme 2006
 - 4. The Bankers' Books Evidence Act, 1891



5. The Banking Companies (Period of Preservation of Records) Rules, 1985
6. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 and The Security Interest (Enforcement) Rules, 2002
7. The Prevention of Money-Laundering Act, 2002 and The Prevention of Money-Laundering (Maintenance of Records) Rules, 2005
8. The Industrial Disputes (Banking and Insurance Companies) Act, 1949
9. The Deposit Insurance and Credit Guarantee Corporation Act, 1961 and The Deposit Insurance and Credit Guarantee Corporation General Regulations, 1961
10. The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 and
11. Credit Information Companies (Regulation) Act, 2005.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

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

All decisions of the board were unanimous and the same was captured and recorded as part of the minutes.

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



We further report that during the audit period there were no instances of public / right / preferential issue of shares / debentures / sweat equity, redemption or buy back of securities, Merger / amalgamation / reconstruction or foreign technical collaborations.

During the period, the following issues have taken place:

Sl. No.	Method of Issue	Mode of Approval	Date of Approval	Number of shares issued/Amount
1.	Qualified Institutional Placement	Shareholders' approval by way of special resolution in the Annual General Meeting	11.07.2017	Shareholders' approval obtained for issuing securities for an amount not exceeding Rs. 20 Crore.
2.	Private Placement	Shareholders' approval by way of special resolution in the Annual General Meeting	11.07.2017	Shareholders' approval obtained on 11.07.2017 for borrowing / raising of funds by issue of debt securities including but not limited to non-convertible debentures, bonds, on a private placement basis for an amount not exceeding Rs.500 Crore, within the overall borrowing limits; and allotted Non-Convertible, Redeemable, Fully Paid-up, unsecured, Basel III Compliant, Tier 2 Bonds in the nature of debentures aggregating to Rs. 490 Crores on 28.11.2017

During the aforesaid period, a resolution was passed under Section 180 (1) (c) of the Companies Act, 2013, at the Annual General Meeting held on 11.07.2017 increasing the borrowing powers to Rs. 10,000 Crores over and above the paid up capital and free reserves.

This report is to be read with **Annexure A** of even date and the same forms an integral part of this report.

Kochi
06.06.2018

For SVJS & Associates
Company Secretaries


P. SIVAKUMAR
Managing Partner
CP No: 2210



Annexure A

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To

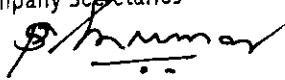
The Members
THE SOUTH INDIAN BANK LIMITED
S I B House, Mission Quarters
T B Road, Thrissur -680001

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of the secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. We have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc., wherever required.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2018 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

Kochi
06.06.2018

For SVS & Associates
Company Secretaries


P. SIVAKUMAR
Managing Partner
CP No: 2210

