

TRANSCRIPT	
THE SOUTH INDIAN BANK LIMITED	
Event: 92 nd ANNUAL GENERAL MEETING Event Date/Time : 29 th September 2020 11:00 AM (IST) Event Duration : 03: Hours 15 minutes	
11.00 AM. (IST)	Chairman confirms from Company Secretary that a quorum is present.
Presentation session:	
Mr. Salim Gangadharan (Chairman)	<p>“Good Morning everyone, hearty welcome to the 92nd Annual General Meeting of The South Indian Bank Ltd. I am Salim Gangadharan, Chairman of the Bank. I am attending this AGM from my residence at Thiruvananthapuram. Ladies and Gentlemen, the time now is 11.00 am. This meeting is being held through Video Conferencing /other audio-visual means in accordance with the circular issued by the Ministry of Corporate Affairs and the SEBI in view of the continuing Covid-19 pandemic situation and the social distancing norms to be followed.</p> <p>The Bank has taken the requisite steps to enable members to participate and vote on the items that are being considered at this AGM in terms of above said circulars and along with other provisions of the Companies Act, 2013 and the Rules made thereunder.</p> <p>A live streaming of this meeting is also being webcast on NSDL's website.</p> <p>Before we start the main proceedings of the meeting, I request my esteemed colleagues in the video conference to introduce themselves.</p> <p>Mr.V. G Mathew</p>
Mr. V. G Mathew (MD & CEO)	Good Morning everyone, I am V. G Mathew, Managing Director & CEO of the Bank. I am attending this AGM from the Bank's Head office in Thrissur.

Mr. Salim Gangadharan (Chairman)	Mr.Francis Alapatt
Mr. Francis Alapatt (Director)	Good Morning everyone, I am Francis Alapatt, Independent Director. I am attending this AGM from my Office in Kochi.
Mr. Salim Gangadharan (Chairman)	Ms. Ranjana Salgaocar
Ms. Ranjana S Salgaocar (Director)	Good Morning, I am Ranjana Salgaocar, I am attending this AGM from my home in Goa.
Mr. Salim Gangadharan (Chairman)	Mr. George John Tharakan
Mr. Parayil George John Tharakan: (Director)	Good Morning everyone, I am Parayil George John Tharakan, Independent Director. I am attending this AGM from the DICT Ernakulam.
Mr. Salim Gangadharan (Chairman)	Mr.Achal Kumar Gupta
Mr.Achal Kumar Gupta (Director)	Good Morning everyone, I am Achal Kumar Gupta, Non - Executive Director. I am attending this AGM from my residence in Bhopal
Mr. Salim Gangadharan (Chairman)	Mr.V J Kurian
Mr.V J Kurian (Director)	I am V J Kurian, Independent Director. I am attending this AGM from my Office at Kochin International Airport in Kochin, Kerala,. I am chairman of Nomination and Remuneration Committee as well as the stakeholders Relationship Committee, thank you
Mr. Salim Gangadharan (Chairman)	Mr. M George Korah
Mr. M George	Good Morning everyone, I am M George Korah, Independent

Korah(Director)	Director and chairman of Audit Committee. I am attending this AGM from DICT Ernakulam.
Mr. Salim Gangadharan (Chairman)	Mr.Pradeep M Godbole
Mr.Pradeep M Godbole(Director)	Good Morning everyone, I am Pradeep M Godbole, Non - Executive Director. I am attending this AGM from my residence in Mumbai
Mr. Salim Gangadharan (Chairman)	I request Chief Financial Officer and the Company Secretary to introduce themselves.
Ms. Chithra H (CFO)	Good Morning everyone, I am Chithra H, Chief Financial Officer, attending from the Head Office of the Bank in Thrissur.
Mr. Jimmy Mathew (Company Secretary)	Good Morning everyone, I am Jimmy Mathew, Company Secretary, joining from the Head Office, Thrissur.
Mr. Salim Gangadharan (Chairman)	<p>Thank you all. Apart from these colleagues, we also have Mr. Murali Ramakrishnan, Advisor to the Bank, Mr. Thomas Joseph K, Mr. Sivakumar G Mr. Reghunathan K.N,Executive Vice Presidents and other key Executives of the Bank joining this meeting through video conference from their respective locations.</p> <p>CA. Vivek Govind, Senior Partner of M/s Varma & Varma, Chartered Accountants, Kochi, representing the Statutory Central Auditors of the Bank, is attending from Kochi.</p> <p>CS. Vincent P.D., Managing Partner of M/s. SVJS & Associates, Company Secretaries, Ernakulam, Secretarial Auditors of the Bank, is attending from Kochi.</p> <p>Mr. S. Sankar, General Manager, BTS Consultancy Services Pvt. Ltd., Share Transfer Agent of the Bank, is attending from Chennai.</p> <p>The Company Secretary has informed that we have the requisite quorum present through video conference to conduct the proceedings of this meeting. The participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by MCA and the Section 103 of</p>

the Companies Act, 2013. The quorum being present, I call this meeting to order.

The Bank has taken all possible steps under the current trying circumstances to enable members to participate through video conference and vote at the AGM. I thank all the members, colleagues on the Board, auditors and the management team for joining this meeting over video conference. I hope all of you are safe and are in good health.

The Register of Directors and Key Managerial Personnel, the Register of contracts with related party and contracts and Bodies, etc., in which directors are interested, Certificate from Statutory Auditors in terms of Regulation 13 of the SEBI (Share Based Employee Benefits) Regulations, 2014, stating that the ESOS of the Bank was implemented in accordance with the said SEBI guidelines and in accordance with the approval taken by the Bank earlier in the general meetings meetings- Employee Stock Option Scheme 2008 with changes proposed, Memorandum of Association with changes proposed, Articles of Association with changes proposed, Auditors Report and the Secretarial Audit Report has been made available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send a request to ho2006@sib.co.in. As the AGM is being held through video conference, the facility for appointment of proxies by the members is not allowed and hence there is no proxy register for inspection with respect to the meeting this meeting.

The Bank has provided the facility to cast the votes electronically, on all resolutions set forth in the Notice dated 04th September 2020. Members who did not cast their votes yet electronically and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by NSDL, provided they are not barred from doing so

	<p>otherwise. Members can click on “Vote” tab on the video conference screen to avail of this feature.</p> <p>Those shareholders who did cast their votes by remote e-voting prior to the AGM can also attend the AGM but shall not be entitled to cast their votes again.</p> <p>This being the AGM held through Video Conferencing and other audio visual means, I request Mr. .Jimmy Mathew, Company Secretary to take you through certain instructions regarding the participation at this meeting:</p> <p>Mr. Jimmy</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Good morning everyone.</p> <p>Members may note that this Annual General Meeting is being held through video conferencing in accordance with the Companies Act 2013 and circulars issued by the Ministry of Corporate Affairs and the SEBI.</p> <p>The facility of participation at the AGM through Video Conferencing or other audio visual means is being made available for members. All members who have joined this meeting are by default placed on mute mode by the host to avoid any disturbances arising from background noise and to ensure smooth and seamless conduct of the meeting.</p> <p>The Bank has received requests from a few members to register them as speakers at the meeting. Accordingly, the floor will be open for these members to ask questions or express their views. The moderator will facilitate this session once the Chairman opens the floor for questions and answers.</p> <p>Members are requested to refer to the Instructions provided in the notice or appearing on the video conference page, for a seamless participation through video conference. In case members face any difficulty, they may reach out on the helpline numbers.</p>

	Thank you sir
Mr. Salim Gangadharan (Chairman)	Thanks Jimmy, We will now commence the proceedings with a silent prayer. Let us remember the clients shareholders and the employees of the Bank who have left for their heavenly abode since we met last year and let us also remember efforts put in by the employees and the valued cooperation extended by stakeholders during this testing time of COVID pandemic. Let us have a silent prayer please”
<i>(After silent prayer)</i>	
Mr. Salim Gangadharan (Chairman)	<p>Thank you very much, A very good morning to all of you, I am delighted to welcome you all on behalf of the Board of Directors to the 92nd Annual General Meeting of "The South Indian Bank Limited" for the Financial Year 19-20, being held today through Video Conference. It is in a different setting that we normally meet; the COVID -19 pandemic has disrupted all that conventional ambience, and that we are now exposed to a new normal. It is wonderful to see many of you joining in from different parts of India and overseas. A special thanks to all of you for joining us virtually. I greatly acknowledge your continued trust and support extended to the Bank that has bolstered us to progress ahead over the years.</p> <p>The Directors Report and the Audited Financial Statements for the Year ended March 31, 2020 are already with you and with your permission, I take them as read.</p> <p>Before I present the performance of the Bank, I would like to briefly share with you the present macroeconomic and banking scenarios.</p> <p>The COVID-19 pandemic has spread at an alarming pace and has emerged as a socio-economic and humanitarian crisis worldwide, infecting millions and bringing economic activity to a near standstill, as countries imposed tight restrictions on</p>

physical movement to flatten the spread of the virus. As the health concerns and mortality grows, substantial economic damage is clear and represents the sharpest contraction in economic growth in the living memory.

The pandemic is expected to push most countries into recession in 2020, with the per capita income contracting sharply in the largest fraction of the countries globally, since 1870. As per IMF's global economic outlook of June 2020, advanced economies are projected to contract by 8% in 2020. That weakness will spill over to the outlook for emerging market and developing economies, which are estimated to contract by 3%, as they cope with their own domestic outbreaks of the virus and prolonged lockdowns. This would represent the weakest showing by this group of economies at in at least sixty years.

The COVID-19 pandemic has significantly altered the economic outlook of the nation. The sharp reduction in the international crude oil prices, if sustained, could improve the country's balance of trade; but the gains from this channel is not expected to offset the drag from the lockdown in economic activity and loss of external demand. By all indications, the recovery is likely to be gradual, as it efforts towards unlocking of the economy are challenged by rising infections. However, the financial conditions have improved in response to fiscal, monetary and regulatory measures.

The last year of the decade is ending with dramatic changes in the banking sector - from the amalgamation of banks to the liquidity crisis, and low credit demand to big-ticket defaults. It has been a year of many changes and challenges. The Non-

	<p>Performing Assets of commercial banks has moderated from 9.3% in March 2019 to 8.5% in March 2020. Still, the position continues to remain at an elevated and unsustainable level. The asset quality is expected to deteriorate further in the wake of the lockdown. There has been secular decline in credit growth, mainly imputed by the risk aversion of banks by virtue of continued build-up of NPAs and the pandemic situation.</p> <p>The Key financial highlights of Financial Year of our Bank are summed up, as under:</p> <ul style="list-style-type: none"> • Despite the challenges in the operating environment, the Bank achieved a total business of Rs.148,557.91 crore, consisting of deposits of Rs.83,033.89 crore and gross advances of Rs.65,524.02 crore as on March 31, 2020. • With focus laid on low-cost deposits, the CASA deposits improved from 24.21% as on March 31, 2019 to 25% as on March 31, 2020. • During the year 2019-20, the gross advances of the Bank registered a growth of 2.97%, to touch Rs.65,524.02 crore. • During the financial year 2019-20, the Gross NPAs moved fractionally from 4.92% in March 2019 to 4.98% in March 2020. However, the net NPA has come down to 3.34% as against 3.45% for the previous year. • With the focus on strengthening the financials, the
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	<p>Provision Coverage Ratio has improved from 42.46 in March 2019 to 54.22 in March 2020.</p> <ul style="list-style-type: none"> • The operating profit increased substantially by 406.67 crore from 1238.97 crore in 2018-19 to 1645.64 crore in 2019-20. However, the net profit declined from 247.53 crore in 2018-19 to 104.59 crore in 2019-20, due to high credit risk costs and COVID related provisions. • The capital adequacy ratio improved to 13.41, as compared to 12.61 in the previous year. • The book value per share increased from Rs.29.68 to Rs.30.25 as on March 31, 2020. • The Bank has been successful in widening its network across India with 875 Branches; 54 Extension Counters; 1325 ATMs; and 99 CRMs. • During the year, the Bank was honoured with significant Institutional recognitions, awards and accolades for various initiatives undertaken. <p>The Bank accords utmost importance to constantly enhancing the skill sets of its staff members. Training Programmes are conducted regularly at SIB Staff Training College (SIBSTC), Thrissur and at 7 Regional Training Centres (RTCs) for development of professional skills. These training programmes are designed to develop competency of operating personnel while while imbibing the SIBIAN's spirit and culture through an effective learning process.</p>
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SIBSTC and the RTCs identify skill gaps in the personnel and provide support for qualitative improvement. Staff members are also nominated to external training centers for being trained in specialized areas as well as to have higher exposure. During the financial year 19-20, the Bank has imparted training to 3,725 officers, 2,060 clerks 162 sub staff in various aspects of banking operations. A total of 5,947 staff members were trained during the Financial Year 19-20, which is about 70% of total staff strength of 8,570 as on March 31, 2020. This is also in consonance with the Bank's priority of continuous up-gradation of skills to ensure that the staff members meet the rising expectations of customers and discharge services professionally covering the entire gamut of banking operations. In addition to this, trainings has also been imparted to 14 Financial Literacy Centres/Business Correspondents for better rural banking services and as a measure of expanding financial inclusion initiatives of the Bank. The success of these training programmes are reflected in the enhanced organizational productivity of the staff.

The Bank is a market leader in adopting innovations in technology with a view to providing safe, secure and convenient banking facilities to its customers. The Bank has introduced a host of services and facilities for enhancing customer satisfaction, which *interalia* includes the following:

- Implemented Robotic Process Automation in various back office processes in centralized centres of the Bank.
- DIYA (that is Do It Yourself using Aadhaar) Account Process Flow has been launched by which customers

	<p>can open accounts from branches without the intervention of the CPC, using Aadhaar based authentication.</p> <ul style="list-style-type: none"> • Implemented Implementation of Early Warning System to detect the slippages of accounts into NPAs, well in advance. • Pre-approved personal loans through digital modes for small ticket loans by applying data analytics. • Facility to link Fast Tags with the Bank account and to set standing instruction to recharge the same. • Implementation of Work from Home facility for the staff on the outbreak of COVID-19 pandemic. <ul style="list-style-type: none"> • Integration of School/College ERP systems for fee collection. • Spot credit through digital modes for Current Account customers based on transactions in their accounts. • Implemented the facility to enable or disable international transaction facility of debit cards using Mobile Banking or Internet Banking channel. • Facilitated creation and reset of debit card PIN using Mobile Banking and Internet banking channel as well. • Dynamic Currency conversion facility at the POS machines. • Enhanced the unique features in Mobile Banking application-Lock, to facilitate customers to set a threshold limit for cumulative debit transactions in a day in a day through all channels. E-Lock enables customers to block/unblock debit transactions through all channels with a single click. <p>Coming to Corporate Social Responsibility</p>
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The Bank is grateful to the society that has supported and encouraged the Bank during its long journey of growth and development. The Bank believes that no organization can make sustainable development without the patronage of the society. The Bank is committed to integrate social and environmental concerns in its business operations.

In line with the CSR Policy and in accordance with the Companies Act, the Bank undertook various activities.

During the year 19-20, the Bank spent 12.01 crore (that is 96.08% of the budget of Rs 12.50 crore) towards CSR activities against Rs12.22 crore in 18-19. The Bank had also embarked on some major projects last year in the field of education, healthcare, etc. By choosing long-term sustainable projects, the Bank has taken an approach, which brings steady and lasting impacts on the society. Given the COVID -19 pandemic situation and challenges faced by the health sector, the Bank proposes to focus on health infrastructure projects in the year 2020-2021.

Coming to Risk Management

The risk management strategy of the Bank is based on a clear understanding of various risks, disciplined risk assessment, risk measurement procedures and continuous monitoring for mitigation. The policies and procedures established for this purpose are continuously evaluated and benchmarked against the best practices followed in the industry. Through

	<p>continuous refinement and improvement of the risk measurement/management systems, including automation of feasible processes, the Bank aims to ensure regulatory compliance as well as better return on and on and utilization of capital in line with the business objectives.</p> <p>Coming to the Internal Control Systems and Compliance</p> <p>The Bank has put in place extensive internal controls and processes to mitigate operational risks, which includes maker-checker authentication of CBS transactions, centralized processing of opening and modifications of CASA accounts, centralized sanctioning of loan facilities, day end checks to monitor critical issues involving timely renewal of credit reports, closure of the bank guarantees, timely obtaining of loan documents, equitable mortgage creation and , CERSAI registration, etc.</p> <p>As per the requirement of Companies Act, 2013, the Bank has formulated Internal Financial Controls framework. The Risk and controls associated with each process in the Bank are documented under the Internal Financial Controls Framework.</p> <p>Coming to the Awards and Accolades</p> <p>The Bank has received the following awards during the Financial Year 19-20:</p>
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	<ul style="list-style-type: none"> • Best MSME Bank (Private Sector) Award by ASSOCHAM in connection with 7th MSME National Excellence Awards-2019. • Corporate Social Responsibility Excellence Award,2019 instituted by Rotary District 3201 for carrying out CSR projects in the area of education for the marginalised. • Infosys Finacle Client Innovation Awards for Customer Journey Re-imagination and Ecosystem led Innovations. • We have received six IBA Awards <ol style="list-style-type: none"> 1) The Best Technology Bank of the Year (Winner of the Small Banks group) <ul style="list-style-type: none"> Best Use of Data & Analytics for Business Outcome(Winner – Small Banks), Best IT Risk Management & Cyber Security Initiatives Joint Winner – within the Small small Banks groups, Best Payment Initiative Joint Runner Up – Private Sector Banks, Most Customer Centric Bank using Technology among the Small Banks and Best Chief Information Officer information officer Runner Up <p>Looking ahead</p> <p>The Bank has undertaken a comprehensive transformation journey centered around processes, products, technology, people capabilities, business strategy, risk management and compliance. Given the initiatives already undertaken, the Bank has repositioned itself in the market. The process of de-</p>
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risking the balance sheet continues and the efforts towards this towards building a strong retail book have been successful. Given covid 19 pandemic situation maintaining a sustainable asset quality is the major challenge faced by the Bank. Recognizing the critical importance of controlling NPAs to a sustainable level, the credit risk management tools and strategies are being strengthened. The credit underwriting and administration processes and collection are being tightened. Appropriate product pricing, on a risk-return perspective and strict control on portfolio quality would improve asset quality and profitability. Now that a new MD & CEO is scheduled to assume the position on October 2020, the efforts to optimize resources and exploit market opportunities, with focus on quality and profitability would be further boosted.

Amidst the outbreak of Covid-19 during the last six months, we see optimism emerging across in the industry. Governments, financial institutions, businesses, economic- health and human development agencies are showing us the light by formulating and delivering the much-needed policy support, innovations and guidance. Because of the experience and wisdom of the Board and management, I am sure that the Bank is in a cusp of safe journey ahead through these unpredictable and unprecedented times.

Coming to Acknowledgement

I take this opportunity to express my deep sense of gratitude to the Reserve Bank of India, the Securities and Exchange

	<p>Board of India, Government of India, Government of Kerala and all other State Governments where the Bank operates, other Government and Regulatory Authorities, including stock exchanges, where the Bank's shares are listed and correspondent Banks for their strong support and guidance, during the year. The Board also places on record its gratitude to the Bank's shareholders and customers for their continued support, patronage and goodwill. The Board further places on record its appreciation for the valuable services rendered by M/s Varma & Varma, Chartered Accountants, Statutory auditors, during their tenure. The single most important pillar of any Institution is its personnel, more so in the case of a service entity like a Bank. The Bank gladly acknowledges this fact and thanks all of them for their diligence, devotion and loyalty towards the Bank. The Board expresses its sincere appreciation for the dedicated services rendered by officers and employees of the Bank at all levels.</p> <p>Dr. Joseph Alapatt , Mr. Achal Gupta, Directors are retiring after serving the Bank creditably for a longer period. They had contributed significantly in the transformation process and in formulating appropriate strategies. The Board appreciates the services rendered by the retiring Directors. Mr. V. G Mathew, MD & CEO is completing his second term on September 30, 2020. During his term, the Bank has accelerated the process of de-risking the balance sheet, centralization of processes, innovations in technology and transformation. The Board appreciates his efforts and wishes him all the best.</p>
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	<p>Before I conclude, I would like to thank you assure you, that the Bank has put in place appropriate plans and strategies to bring about the most desirable quality business growth. I seek your continued support and patronage to take our Bank to new heights. We look forwards to continuing this journey along with you to take the Bank to new horizons.</p> <p>Thank you, Ladies and Gentlemen for your valuable time and attention.</p> <p>Thank you very much</p> <p>I trust that I have your consent to take the Notice of the Meeting and the Directors’ Report as read”.</p> <p>Before we proceed, I am pleased to bring to your notice that, as required under the Companies Act, 2013, the Bank had provided you all the facility to cast their vote electronically, on all resolutions set forth in the Notice. Members may please note that there will be no voting by show of hands.</p> <p>Now let us move into agenda items No 1, the first item in the agenda is approval and adoption of accounts of the financial year 2019-20 I call upon the company secretary to read the auditor’s report, Jimmy.</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Thank you sir,</p> <p>INDEPENDENT AUDITOR’S REPORT</p> <p>To the Members of The South Indian Bank Limited</p> <p>Report on the Audit of the Financial Statements</p> <p>Opinion</p> <p>We have audited the financial statements of The South Indian Bank Limited (‘the Bank’), which comprise the Balance</p>

	<p>Sheet as at March 31, 2020, the Profit and Loss Account , the Cash Flow statement for the year then ended, and notes to the financial statements, including a\ summary of significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Bank’s branches located across India.</p> <p>In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 (‘the Act’) in the manner so required for banking Companies and give a true and fair view of in conformity with accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2020, and its profit and its cash flows for the year ended on that date.</p> <p>Basis for Opinion</p> <p>We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of our report. We are independent of the Bank in accordance with the “Code of Ethics” issued by the Institute of Chartered Accountant Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.</p>
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	<p>Emphasis of Matter</p> <p>We draw attention to Note No. A.12.1 of Schedule 18 of the accompanying Financial Results, regarding the impact of COVID-19 pandemic and the adjustments made in the accounts for the year ended March 31, 2020 on account of the same. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID -19 pandemic which . which would depend on several factors including the steps taken by the Governments, Reserve Bank of India (RBI) and the bank to mitigate the same.</p> <p>Our opinion is not modified in respect of this matter.</p> <p>Key Audit Matters</p> <p>Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2020. These matters are were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.</p> <p>Description of Key Audit Matters</p> <p>Key Audit Matters</p> <p style="padding-left: 40px;">How our audit addressed the Key Audit Matters</p> <p>Classification of</p> <p>First Point:</p> <p>Classification of Advances, Income Recognition, Identification and provisioning for non-performing Advances (Refer Note 3 of Schedule 17 and Note A 9 of Schedule 18 to</p>
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	<p>the financial statements)</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances.</p> <p>The Reserve Bank of India ('RBI') prescribes the prudential norms for income recognition, asset classification and provisioning of Non-performing assets (including circulars in relation to COVID-19 Regulatory Package – Asset Classification and Provisioning) (IRACP Norms) and prescribes the minimum provision required for such assets including the additional provisions on advances considering the current uncertain economic environment arising out of COVID-19 pandemic.</p> <p>The identification of performing and non-performing advances involves establishment of proper mechanism and the bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each non-performing asset ('NPA') applying both quantitative as well as qualitative factors prescribed by the regulations.</p> <p>At year end the Bank reported total gross non-performing advances of Rs 3261.77 Crores (2019: Rs 3131.67 Crores) and non-performing asset provision of Rs 1080.18 Crores (2019: Rs 937.82 Crores)</p> <p>Significant judgements and estimates for NPA identification</p>
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	<p>and provisioning could give rise to material misstatements on:</p> <ul style="list-style-type: none"> - Completeness and timing of recognition of non-performing assets in accordance with criteria as per IRACP norms; - Measurement of the provision for non-performing assets based on loan exposure, ageing and classification of the loan, realizable value of security; <p>Since the identification of NPAs and provisioning of advances (including additional provisions considering the current situation arising out of COVID-19 pandemic) requires proper mechanism and significant level of estimation and given its significance to the overall audit, we have ascertained identification of NPAs and provisioning of advances as a key audit matter.</p> <p>How our audit addressed the Key Audit Matters</p> <p>Our audit approach / procedures towards advances with reference to the prudential norms for income recognition, asset classification and provisioning of Non-performing assets and other related circulars/directives issued by the Reserve Bank of India and also internal policies and procedures of the Bank includes the following:</p> <ul style="list-style-type: none"> - Understanding and considering the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the prudential norms prescribed by the Reserve Bank of India (IRACP Norms) including the additional provisions made on advances considering the current uncertain economic environment arising out of COVID 19 pandemic. - Understanding, evaluation and testing the design and
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	<p>operating effectiveness of key controls (including application controls) for identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI.</p> <p>- Performing other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included:</p> <p>(a) Considering testing of the exception reports generated from the application systems where the advances have been recorded.</p> <p>(b) Considering the accounts reported by the Bank and other banks as Special Mention Accounts (“SMA”) in RBI’s central repository of information on large credits (CRILC) to identify stress.</p> <p>(c) Reviewing account statements and other related information of the borrowers selected based on quantitative and qualitative risk factors</p> <p>(d) Reading of minutes of management committee and credit committee meetings and performing inquiries with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a loan account or any product</p> <p>(e) Considering audit reports and memorandum of changes issued by statutory branch auditors.</p> <p>(f) Considering Internal Audit Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank.</p> <p>(g) Considering the RBI Annual Financial Inspection report on the Bank, the bank’s response to the observations and other communication with RBI during the year.</p>
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	<p>(h) Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars and Guidelines.</p> <p>For Non- performing advances identified, we, based on our sample on factors including stressed sectors and account materiality, tested the asset classification dates, value of available security and provisioning as per IRACP norms. We recomputed the provision for NPA after considering the key input factors and compared our measurement outcome to that prepared by management.</p> <p>Point No 2</p> <p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements)</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, non-recognition of income and provisioning against non-performing investments.</p> <p>Investments are classified into ‘Held for Trading’ (‘HFT’), ‘Available for Sale’ (‘AFS’) and ‘Held to Maturity’ (‘HTM’) categories at the time of purchase. Investments, which the Bank intends to hold till maturity are classified as HTM investments.</p>
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	<p>Investments classified as HTM are carried at amortised cost. Where in the opinion of management, a diminution, other than temporary, in the value of investments has taken place, appropriate provisions are made.</p> <p>Investments classified as AFS and HFT are marked- to-market on a periodic basis as per the relevant RBI guidelines.</p> <p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc.</p> <p>Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter. Accordingly, our audit was focused on valuation of investments, classification, identification of non-performing investments and provisioning related to investments.</p> <p>How our audit addressed the Key Audit Matter</p> <p>Our audit approach/procedures towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs) and provisioning and depreciation related to Investments. In particular,</p> <p>a. We evaluated and understood the Bank’s internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs and</p>
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	<p>provisioning/depreciation related to investments;</p> <p>b. We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments;</p> <p>c. For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample;</p> <p>d. We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</p> <p>e. We carried out substantive audit procedures to re compute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs;</p> <p>f. We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.</p> <p>Point No. 3</p> <p>Pension valuation, retirement benefit obligations and provision for wage revisions</p> <p>The Bank operates defined benefit schemes like gratuity, pension and leave benefits for its employees which in total are significant in the context of the overall balance sheet. At year end the Bank reported a pension liability of Rupees</p>
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	<p>801.56 Crores during financial year 2019: Rupees 700.22 Crores, and gratuity provision of Rupees 232.65 Crores, in 2019 Rupees 216.44 Crores. Further, it has also provided for provision towards wage revision in anticipation towards negotiation between Banks and its employees in the current financial year. The valuations of the employee benefit liabilities are calculated with reference to multiple actuarial assumptions and inputs including discount rate, rate of inflation and mortality rates. The net defined benefit asset is sensitive to changes in the assumptions.</p> <p>Further, regarding wage revision the management has made provisions based on previous experience, progress of ongoing negotiations with trade unions and other market factors, involving significant level of judgments and estimates.</p> <p>Considering the significant level of judgments and estimates and the materiality involved, we have included this as a Key Audit Matter.</p> <p>Reply</p> <ul style="list-style-type: none"> - We tested the design and operating effectiveness of key controls over the completeness and accuracy of data extracted and supplied to the Bank's actuaries, which is used to calculate the defined benefit schemes' surplus or deficit. - We also tested the controls associated with actuarial assumptions setting process and the measurement of the fair value of the schemes' assets. - We understood the judgements made in determining the assumptions used by management to value the retirement benefit liabilities and we examined whether these assumptions met the requirements of the applicable accounting standards, the specific circumstances of the schemes and their participants, and were in line with
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	<p>market practice.</p> <ul style="list-style-type: none"> - Our audit procedures included an assessment of the assumptions used by the actuary by comparing life expectancy assumptions with relevant mortality tables, benchmarking inflation and discount rates against external market data. We have also evaluated the independence, qualifications and results of work performed by management’s actuaries involved in the valuation process - We verified the value of plan assets to the statements provided by asset managing the plan assets. - Verified the disclosures provided by the Bank in accordance with AS 15(R) Employee Benefits <p>Regarding the estimate on wage revision, we discussed and understood the wage negotiation process and understood the key assumptions used for estimating the provision and compared the same for consistency and reasonability based on past experience.</p> <p>4. Information Technology (‘IT’) Systems and Controls for financial reporting</p> <p>Our audit procedures have a focus on those IT systems and controls which are material from a financial reporting perspective, due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensure that IT dependent and application-based controls are operating effectively. Due to the pervasive nature and complexity of</p>
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	<p>the IT environment we have ascertained IT systems and controls as a Key Audit Matter.</p> <ul style="list-style-type: none"> - We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were reviewed and authorised. We tested the Bank's periodic review of access rights. We inspected requests of changes to systems for approval and authorisation. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. - In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting. <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p> <p>Point No 5</p> <p>Provisions and Contingent Liabilities (Refer note 14 of Schedule 17 to the financial statements)</p> <p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 to the financial statements)</p> <p>There is high level of judgement required in estimating the</p>
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	<p>level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.</p> <p>Our audit approach and procedures involved:</p> <ul style="list-style-type: none"> - Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances; - Understanding the current status of the litigations/tax assessments; - Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon; - Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of our internal tax experts; - Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and Verification of disclosures related to significant
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	<p>litigations and taxation matters.</p> <p>6</p> <p>Modified Audit Procedures carried out in light of COVID-19 outbreak:</p> <p>Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central / State Government / Local Authorities during the period of our audit and the RBI directions to Bank to facilitate carrying out audit remotely wherever physical access was not possible, audit control audit could not be conducted by visiting the premises of certain Branches of the bank. Accordingly, our audit procedures were modified to carry out the audit remotely.</p> <p>As we could not fully gather audit evidence in person/ physically/ through discussions and personal interactions with the officials at the Branches, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Reply:</p> <p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to certain Branches of the bank to carry out the audit processes physically at the respective offices.</p> <p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium, emails and remote access to CBS and other relevant application software. To this extent, the audit process was carried out on the basis of</p>
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such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.

Accordingly, we modified our audit procedures as follows:

- Conducted verification of necessary records/ documents/ CBS and other Application software electronically through remote access/emails in respect of some of the Branches of the Bank wherever physical access was not possible.
- Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails and remote access over secure network of the Bank.
- Making enquiries and gathering necessary audit evidence through Video Conferencing and discussions over phone calls/conference calls, emails and similar communication channels.

Information other than the Financial Statements and Auditor's Report Thereon

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing

	<p>so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on _____ based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.</p> <p>Responsibilities of Management and Those Charged with Governance for the Financial Statements</p> <p>The Bank’s Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 in so far as they apply to the Bank and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India (‘RBI’) from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material</p>
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	<p>misstatement, whether due to fraud or error.</p> <p>In preparing the financial statements, Management and Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.</p> <p>Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.</p> <p>Auditor's Responsibilities for the audit of the Financial Statements</p> <p>Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement wherever when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements</p> <p>As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:</p> <ul style="list-style-type: none"> • Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to these those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The
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	<p>risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.</p> <ul style="list-style-type: none"> • Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls. • Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. • Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern. • Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair
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	<p>presentation.</p> <p>We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.</p> <p>We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.</p> <p>From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.</p> <p>Other Matters</p> <p>(i) We did not audit the financial statements of 855 branches included in the financial statements of the Bank whose financial statements reflect total assets of Rupees 84796.67 Crores as at March 31, 2020 and total revenue of 4804.42 Crores for the year ended on that date, as considered in the financial statements. The financial statements of these branches have been</p>
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	<p>audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.</p> <p>(ii) The financial statements of the Bank for the year ended March 31, 2019 was audited by another auditor whose report dated May 9, 2019 expressed an unmodified opinion on those financial statements.</p> <p>Our opinion is not modified in respect of the above matters.</p> <p>Report on Other Legal and Regulatory Requirements</p> <p>The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.</p> <p>As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:</p> <p>(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;</p> <p>(b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and</p> <p>(c) the returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.</p> <p>Further, as required by section 143(3) of the Act, we report that:</p> <p>a) We have sought and obtained all the information and explanations which to the best of our knowledge and</p>
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	<p>belief were necessary for the purpose of our audit;</p> <p>b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;</p> <p>c) The reports on the accounts of the branch offices of the bank audited under section 143(8) of the Act by branch auditors of the Bank have been sent to us and have been properly dealt with by us in preparing this report;</p> <p>d) The Balance Sheet, the Profit and Loss Account, the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;</p> <p>e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting policies prescribed by RBI;</p> <p>f) On the basis of written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;</p> <p>g) With respect to the adequacy of the internal financial controls over financial reporting of the Bank with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” to this report;</p>
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	<p>h) In our opinion, the entity being a banking company, the remuneration to its directors during the year ended March 31, 2020 has been paid/provided by the Bank in accordance with the provisions of section 35B (1) of the Banking Regulation Act, 1949, and;</p> <p>i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:</p> <p>i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Schedule 12.I and Sl.no 1 of Note 9 under Schedule 18.B to the financial statements;</p> <p>ii. The Bank has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts - Refer Note 10 under Schedule 18.B to the financial statements; and</p> <p>iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank.</p> <p>The Annexure to the Independent Auditor's Report Report on the Internal Financial Controls Over Financial Reporting with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") is taken as read.</p> <p>There are no qualifications reservations adverse remarks / disclaimers in the secretarial auditor's reports is also taken as read</p>
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	<p style="text-align: center;">Since this AGM is being held pursuant to the MCA Circulars, through VC /OAVM, physical attendance of Members has been dispensed with.</p> <p style="text-align: center;">Accordingly, the facility for appointment of proxies by the Members has not been provided for the AGM and hence the requirement for proxy is not applicable.</p> <p style="text-align: center;"><i>Thank you sir</i></p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>For facilitating discussions, I will read the text of the Ordinary resolution that is to be adopted.</p> <p style="text-align: center;">“RESOLVED that the Balance Sheet of the Bank as at 31st March 2020 together with the Profit & Loss account for the financial year ended March, 31st 2020 annexed thereto as certified by the Auditors vide their report dated 26th June 2020 attached thereto and read at the meeting and the Directors’ Report thereon dated 4th September 2020 be and are hereby received, approved, adopted and appropriation of Net Profits approved.”</p> <p>CHAIRMAN “Now the members may seek any clarification on the Resolution and also on the Accounts or on other agenda items. There is facility to seek clarifications/questions by the members during the AGM through the Chat box facility provided by the NSDL. Further, members who have registered themselves as speaker-shareholders can present their views and seek any clarifications on the Resolution and also on the Accounts or on other agenda items as and when their names are called for by the Company Secretary. I request speakers to be brief to the point, avoid repetitions and not to stray into topics, which are not related to the subject. Time allotted for each speaker is 3 minutes and all the members are</p>

	<p>requested to co-operate with the same. I will reply after all those who want to speak have had their chance."</p> <p>Members may also note that the Bank reserves the right to limit the number of member members asking questions depending on the availability of time.</p> <p>The Company Secretary will now announce the name of shareholders who have registered as speakers /Speaker shareholders one by one.</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Thank you sir</p> <p>Before we go live with the Question and Answer session, here are some points to note for your convenience.</p> <p>The names of the Speaker shareholders will be announced in turn. The speaker shareholder will be thereafter unmuted by the host. To start speaker shareholders are requested to click the video on button at the centre of your screen. Those shareholders who are unable to join through video for any reason, can speak through the audio mode.</p> <p>Please mention your name, Folio Number, and the location from where you are joining. Each shareholder will be given three minutes for their views/questions.</p> <p>To avoid repetition, the Board will respond to all the questions at the end. Once you have asked your question, you can mute yourself and continue to watch the proceedings.</p> <p>In case, there is a connectivity problem at speaking shareholders end, the next speaker will be called to join. If connectivity improves, the speaker shareholder will be called again to speak once the other shareholders who have registered complete their turn. If a member faces any technical issue, you may contact the helpline number mentioned in the notice of the AGM.</p>

	Now I request Mr Mathew Tharakan TT to kindly proceed with the questions
Mr. Mathew Tharakan	Yeah, good afternoon. Am I audible.
Mr. Jimmy Mathew (Company Secretary)	Yes, please continue .
Mr. Mathew Tharakan	Good afternoon. Hon ble Chairman. CEO and other members of the board. I will I have gone through your annual ninety second annual report for the financial ending 31 st march 2020. I will limit my self = to the concerns says shareholder. I'm I'm personally disappointed that the bank has not declared dividend, but I understand that the RBI circular of April twenty has prohibited from doing. So, but I also am deeply concerned with the loss of share value. One of the impressive things I have noted in your annual report is the your vision and mission statement, which says that you were very much concerned about introducing the stakeholders value. I appreciate that your shareholders are one of the most significant stakeholder as such. You are really concerned about increasing their value, but sadly, the value of your share has, gone down. If I take a three year perspective it has gone down like anything, ,so to say, in terms of market capitalization. From the from the data, which is disclosed in your annual report in page seventy eight, your marketcap has shrunken from around three thousand crores to one thousand two hundred crores today. That is a loss of two thousand crores. And if I take from the peak period of when your share value was something like thirty four in January, two thousand eighteen, the, the loss of market was close to five thousand crores. I hope this must be a serious concern for the Board for the chairman. And for all the people in the management, particularly at a time, when you're borrowing

	<p>capital, I understand that last year, also you have borrowed capital of five hundred crores and which is at a cost, which, which really worries me, because in the cash flow statement revealed in your annual report and page ninety seven I've seen that last year. The interest paid on subordinated bond was sixty six crores, whereas this year it has increased to one hundred and fifty seven crores. That's a very sharp increase to close to two and a half times. This is really a matter of concern because after after two thousand eight . . . You are much above the normal ten point, eight, seven, five, thirteen plus but you are, you are at s borrowed capital You are being very high interest when you are last years . . . I understand the last year dividend payment was Fifty five crores, whereas you are paid as high as one hundred and fifty seven crores for interest towards subordinates. That's a very high payment. I'm sure that particularly the board committee management as well as the capital raising committee must take note of it</p> <p>Okay. And other than that, actually, I, a few parameters as a shareholder is really a matter of concern to me as disclose in your annual report, and as also available in the public domain. I've seen that your net profit has fallen down. I must say that this year you cannot take excuse under the guise that Corona, because corona was only for a one week for this financial year. But if I take a three year perspective, your net profit has fallen from three ninety three crores to hundred and five crores to that is a shrinkage of seventy three percent. It is really sad and so also your return on equity, which I'm concerned as as an ordinary investor, this is also fallen from eight point one to one point nine one that's again, shrinkage of seventy six percent. That must be, that must be really</p>
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consent. So also, the earnings per share earnings per share, which is two point six seven. In march 17 which is disclosed in the second page of your annual report as contracted two point five, eight again, a shrinkage of seventy eight percent. So Also, the return of asset return on asset, which is pointing five two in M- , seventeen has a contracted to point one one in M,- and in March twenty again, eighty percent contraction. So all these key parameters. In my humble opinion. I'm sorry, if I'm being critical about as a shareholder has shrink or or contrasted, by over 3/4th or seventy five percent plus this must really attract the attention of the board. And actually, I have I'm very happy to hear that. Your chairman said that the bank in the process of transformation and repositioning, but these are the most important factors, which must occupy a place in this transformation and reposition other than these key parameters. I'd like to. I like to clarify a few more matters. One is, it is disclosed in the balance sheet on page 9 that your CASA is currently around 25% But I would like to hear a three year perspective. What actually happened in the three year, whether it has increased or decreased then on on your core business volume has increased. I appreciate for that but you have said that you have not taken much credit, because on a conscious decision to reduce it on the corporate loan book. I appreciate it in this difficult times. But why is that? Your deposit growth is only three three Plus I understand it because the average aggregate to estimate the positive growth is ten plus. So, if if the average gross deposit, ten, plus ways that you are deposit growth is not even one. Third of it. And I understand that your CRAR has increased by eighty bps during the current year to thirteen point five one. But I wanted to remind you again that it is on the borrowed funds, which is very,

	<p>very costly. And on on NPA, I've seen that NPA has only about three thousand or five, five percent, but I'd like to hear a three year perspective on how you manage the NPA. And also would like to know whether at present you have any case with NCLT or are you proposing any cases with NCLT? And the last point I would like to ask is when I examine your cash flow, I find that your cash flow from operations have declined very,very significantly because last year, your cash flow from operations was one thousand,six hundred and seventy close to one thousand. Seven hundred crores this year it has shrunken to six fifty, six crores. So overall things look good as the projected in the annual report. But I'm telling you as a stakeholder as a shareholder. Many of the key parameters are sadly shrinking. I request the honorable board and the chairman to take note of it. Thank you for giving me an opportunity to speak in the morning and thank you very much. That's all I have from me end And I'm Mathew THarakan speaking from Trivandrum at my home.</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Thank you Sir. Thanks A lot the next is now I request Mr. Unmesh Kandhilal Sha to kindly proceed with the question.</p> <p>Mr. Unmesh Kandhilal Sha</p>
<p>Mr. Unmesh Kandhilal Sha</p>	<p>Can you hear me?</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Yes sir please carry on,</p>
	<p>thank you very much sir.</p>

<p>Mr. Unmesh Kandhilal Sha</p>	<p>Respected chairman. Sir and the, board distinguish board of directors. It's very heartening to see you or this is the first time, because of the new, normal and , like to see your smile in this exceptional times sir. It's nice to see smile face on face and I am joining from Bombay. Mumbai, and sir my first question is that two days before certainly, there was a press note from your executive vice president. Mr. Joseph Thomas that moratorium bringing the start of the period some fifty six percent to twenty six percent the end of the moratorium. But, this is a really tough time, and as the first speaker is already mentioned that, you know, a good piece of the capital there was a . restrictions on the declaration of dividend also how we are going ahead with that and how we look at it. Because we are also concerned, because the can see the pressure on the share price also, second one any time limit for this thousand so sir how the NPA looks like, as he says that most of the NPAs are from agriculture or mse sector, but not the, but we would like to hear from you not from the corporate loan. But as we understand the last one year before Also, there was one fifty crore, which went very bad and that you know it continued for a long exploration for extra politics, for a long time. One ILFS or something. What is the situation on that? And sir any time limit for this thousand two hundred and fifty crores, we are trying to raise from the debt and equity, what is the schedule for it anything if you can highlight I like that will be nice. And in this time, sir, I also wish you and entire the staff. And everyone a very healthy and safe time going ahead Because it seems like this is absolutely undelenting covid everywhere and I am in Maharastra is a situation here is extreamly very challenging and also I would also like to know. And also, in</p>
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	<p>the meantime, I want to wish Mr. Mathew who is demitting his office from tomorrow for his all success and success for his future endower and wish , and also welcome. Mr. Mr. Murali the next incumbent from the First of October. Thank you very much. Sir. If you can enlighten me from all my questions, I'd be thankful. ,. I hope you I was audable, thank you. Thank you for your time.</p>
Mr. Salim Gangadharan (Chairman)	Yea
Mr. Jimmy Mathew (Company Secretary)	<p>Yea, Thank you sir thank you very much</p> <p>Thanks. Now I request Mr. V J Thomas to proceed with the question.</p> <p>Mr. V J Thomas</p>
Mr. V J Thomas	Good afternoon to all I hope I am audible to all of you
Mr. Jimmy Mathew (Company Secretary)	Yes Sir, you are audible please speak
Mr. V J Thomas	<p>Respected chairman, MD & CEO and members of the board. And my dear friends, first of all, let me express my happiness over the fact that the bank was able to increase the total business from Rupees One lakh forty four thousand, fifty six point zero four crores to Rupees one lakhs, forty eight thousand, five, fifty seven point nine one crores in spite of the adversories of the covid nineteen part .</p>
Mr. Jimmy Mathew (Company Secretary)	Sir you are not audible can you your first point we heard sir can you come to your next point sir your hear us Mr. Thomas

(Chairman)	Jimmy, jimmy why don't you call another speaker
Mr. Jimmy Mathew (Company Secretary)	I will move to Mr. Akshay Anil Kumar, Akshay Anil Kumar you are requested to kindly proceed to the question. Hello?
Mr. K.S.Balasubramanian	Hello? Hello I am K S Balasubramanian Shall I Speak Shall I Speak
Mr. Jimmy Mathew (Company Secretary)	Yes sir you can speak
Mr. K S Balasubramanian	Could you show the video also video also
Mr. Jimmy Mathew (Company Secretary)	. Sir you can come through video or audio what ever is possible sir .
Mr. K S Balasubramanian	Am I audible sir
Mr. Salim Gangadharan (Chairman)	Yea we can see you Please. Please Go ahead sir. I can see you.
Mr.K S Balasubramanian	Mr. Mr. chairman and directors of the ninety two year old south indian bank with the ninety three five branches in twenty seven states and three Union territories a bank with a total business of 148,558 crores and deposit of 83083 crores and the thirty percent of which are from NRIs. I I am K S Balasubramanian, a shareholder speaking from Coimbatore in this first virtual agm of the company some important performance indicators which I wish our retail advances

Mr. Jimmy Mathew (Company Secretary)	Your voice is breaking sir
Mr. K.S.Balasubramanian	Pardon
Mr. Jimmy Mathew (Company Secretary)	Sir you are not audible sir could you please repeat
Mr. K S Balasubramaniam	during during the year gross advances had gone on by two point nine, seven percent to sixty five thousand five twenty five crores and our Profit was one hundred and four point three, nine crores , vs two forty seven point five three crores and EPS has also come down to zero point five eight from one point. Three, seven the all important figure that is the net NPA was three point. Three four. Vs three point. Four five, the capital adequacy ratio was thirteen point four seven. Vs twelve point Six one let's sit on the other hand improvements have come grants productivity. It just in case, she was two sixty six one CASA ratio has improved from eight point three to twenty percent. Now, if you could provide me the following details.
Mr. Salim Gangadharan (Chairman)	Please go ahead, sir.
Mr. K S Balasubramaniam	Yeah. What is it doing at the other important strategy? Some

	<p>productivity what is the business per employee and profit per employee? What is the liquidity coverage ratio? Also? Is it possible increasing the non interest income in order to reduce the direct and indirect overheads sir Is there any idea to rationalize the number of branches atms and extension counters. What is the recovery made under stress asset management with respect to NPAs last but not least you said loan provision, including the covid nineteen pandemic provision adequate enough . ofcourse due to RBI policy dividend has been differed this year. I hope the rate of dividend next year will be duly compensated Thank you, sir. Thanks. Opportunity provided thanking you sir.</p>
Mr. Jimmy Mathew (Company Secretary)	<p>Thank you sir thanks a lot sir Next now I request Mr. Akshay Anilkumar to kindly proceed with the question.</p>
Mr. Akshay Anilkumar	<p>Good morning can everybody hear me</p>
Mr. Jimmy Mathew (Company Secretary)	<p>Yes sir</p>
Mr. Akshay Anilkumar	<p>can you hear me now?</p>
Mr. Jimmy Mathew (Company Secretary)	<p>Sir pelase goahead sir we can hear you</p>
Mr. Akshay Anilkumar	

	<p>Yea very good morning to all the board of directos and fellow shareholders</p> <p>I just have a couple of observations and then a question.</p>
Mr. Jimmy Mathew (Company Secretary)	Sir please be a bit louder sir we cannot hear you
Mr. Akshay Anilkumar	Can you hear me now
Mr. Salim Gangadharan (Chairman)	It is fine Akshnay you can goahead with it now
Mr. Akshay Anilkumar	Yea I hope now It's better. I've removed my video so that the audio can increase
Mr. Salim Gangadharan (Chairman)	Right
Mr. Akshay Anilkumar	<p>right. So, in terms of your return on assets, it's zero point one one, as opposed to zero point, two, nine, last year. So I can see your return on your assets has decreased really high. So, I wanted to know what is the risk management department and your risk officer advice in this regard because if you look at RBI they have specified guidelines, when it comes to ALM, risk management policies, what is the stand that bank is going to take on this? That company? again as one of the previous speaker said with respect to your gross NPA it's four point nine. eight vs four point nine two and with respect to covid last one week of the financial year. So.With IBC, now suspended, how is the bank going to tackle this issue And the reason why I'm stressing upon IBC is because if you look at what our exposure on basic metals, you have exposure of seven hundred and twenty eight point, seven, nine crores with</p>

a with a gross NPA of 8.92 percentage. So your basic metal in terms of the metal industry, you are eight point nine percent in with IBC suspended, how what is the management going to? How is the management going to recover these assets? Or whether any provisioning was going to be made by the end of March twenty, twenty one my now, with the summit observation and in when it comes to my question.

So, my first question, when I see that, now, seven hundred and fifty crores worth of capital is being raised in that. How much is going to be allocated for FPO the Further public issue whether this, whether this, whether there's also a mix of rights issue in that for the existing members. What is the percentage here? Because I see that.

There's seven hundred and fifty crores also includes further QIB QIP. Also. What is the percentage for retail investors in this?

Now I see that next year in your annual , in your notice that you intend to list your company's security along with NSE , BSE in New York Stock Exchange. And NASDAQ I just have one simple observation here.

If you go to NASDAQ and NYSE commission fee is somewhere going to be in dollars at the rate of point, two, five percentage in terms of dollars.

There's a huge amount that you have to be paying in terms of commission to the stock exchanges in the NASDAQ and New York Stock Exchange. Whether. At this junction, when you're recovering from COVID is it absolutely necessary to I

	<p>know that you you're not going, but you're exploring the possibility. I mean, it's just an observation as to whether it's absolutely necessary pain point to three percent commission in dollars.</p> <p>That is almost seventy five rupees when it comes to Indian rupees, whether it's worth at this stage. I mean, I'm only asking this in light of covid. I see that. You're going to be raising capital through bonds, and debentures.</p> <p>Whether the debentures are NCDs, non convertible or convertible, because if it's convertible, then you have to make provision because you have to convert those back through a convertible note.</p> <p>And in order to do that, whether have you appointed anybody , whether you appointed anybody specifically for this purpose.</p> <p>Whether any trust has been appointed now, I see one really good move that I appreciate if you wanted to increase your foreign investment limited to twenty four percent.</p> <p>I mean, it's a very good move and I'll tell you why, because you're based out of care, let's get a lot of investors out, especially with some gulf and Dubai I think increasingly to twenty four is a very brilliant when I, I personally support this.</p>
Mr. Salim Gangadharan	Thank you.

(Chairman)	
Mr. Jimmy Mathew (Company Secretary)	Thankyou sir thank you Mr. akshay
Mr. Akshay Anilkumar	Sir. So, I just have one final question before I in my speech can I?.
Mr. Jimmy Mathew (Company Secretary)	Yes, sir. Please.
Mr. Salim Gangadharan (Chairman)	Please please
Mr. Akshay Anilkumar	<p>my, my very final question is that with respect to your CSR it is twelve point. Zero one crores versus twelve point. Two crores last year despite increasing revenue. Why has your CSR amount? Come down? Gradually?</p> <p>I understand. The net profit has come down, but your revenue has grown. So, I mean, why why was there a cut in CSR , that is just my opinion, because I see your net profit has come down. So it's not a mandate. We showed you seven companies. Act, it's just an observation. So these are my question.</p> <p>So, once again, I thank the entire management again, I'm a very young investor. I've invested using my salary. I've invested a lot of money in south Indian bank because I have trusting your organization.</p> <p>So, I'm hopefully as one of the previous, because I'm sure your share price will grow with good performance. So, once again, thank you everybody.</p>

<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Now I request Mr. Babu George M V to kindly proceed to the question.</p> <p>Babu George M V</p>
<p>Babu George M V</p>	<p>Hello? Hello. All right.</p> <p>My Questions I am already submitted to you the performace of the bank is very poor I'm very concerned about.</p> <p>dividend is not declared and the condition of shareholders is very pathetic and miserable when atleast one percent dividend may be declared .</p> <p>more over the condition of the staff members attending offices also very difficult so in connection with navarathri as well as Dheepavali thousand rupees gift may be distributed and to all the shareholders who attended the general body as well as the staff members They are finding it difficult to come to the office. This strange. They are taken affected their end so consider favourably moreover the image and reputation of the bank is lost because of this to deputation of one Mr. Adeeb to the private sector govt sector company this is violation of the RBI rules as well as central govt directives who is responsible for this act take action against this people moreover more vigilance has to be needed for this type of deputation or activities moreover the legal department also concerned that before giving a decision, whether this man is returned to the bank, whether he's joined and what type of leave is that granted to him and</p>

	<p>who is responsible for giving such leave the HR department should must also give a suitable reply. I have already given all these queries about one week back detailed reply for my quires to be given moreover the attendance in the general body itself is very poor considering the last general body so the expenses incurred in this general body come to one tenth of last general body so you have got ample of funds so you should distribute to the shareholders as well as to the staff the staff must be given all opportunities all help in this covid conditions And I request the present chairman who is sitting in trivandrium to visit head office if opportunity arises because some of the directors I have seen in the general body they are sitting either Bombay or outside Kerala so that means they are least interested in these things. Mr. V J Kurian we expect can do something, but last general body I requested him to take the mantle to raise the south Indian bank but was not given any opportunity shareholder's relationship management I think or something give some important role he is very efficient his work at CIAL is internationally famous. So give him an opportunity to lead this bank to the celenarry celbraion only seven year left after seven year we are achieving 100th year so please take my humble request in the right spirit for the interest of the bank as well as the interest of the shareholders as well as for the general public I am giving this request please take and wish you all the best in the next year please consider my request favorably good bye thank you</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Thank you sir thanks a lot Yea now we request Mr. P S Krishnan to kindly proceed with the question</p>

Mr. P S Krishnan	Thank you very much Are you able to hear me well
Mr. Jimmy Mathew (Company Secretary)	Yes, sir. Please. Go ahead.
Mr. Salim Gangadharan (Chairman)	Please. Please. Alright. Mr. Krishnan
Mr. P S Krishnan	<p>. Thank you. Good day to the south Indian bank board and management team my name is Krishnan from Chennai I would like to congratulate the the board and management for the transition from the corporate loan book to retail loan book and mark improvement in the ratio in the last one year and similarly also in the operating metrics, the digital transformation initiatives are also very praiseworthy.</p> <p>I have seven queries, and these queries have to gain the perspective of our bank.</p> <p>And my first question is given by the cooperative NPA cycle of two thousand, eight onwards is almost over and the change in a position, or the last two years is good transitioning from corporate to region. But due to covid, How will you handle the different provisioning difference going forward?</p> <p>And especially on the MSMSE Loan against property , retail loan , given that there is an anticipated surge in NPA's and it what is your loss absorption capacity. as a percentage of current loans. Again, the only comment would be, I think that we need to ramp up our provision coverage for the stressed assets and for also account for incremental costs.</p> <p>So, the unlikeliest pages from the book under moratorium</p>

	<p>, at the same time, we have to keep our internal accruals this can also affect capital buffers so, I'd like to get an understanding in terms of however, you are going to handle this.</p> <p>On a third query is You talk about the fund raise to strengthen the balance sheet. So, what valuations are We going to raise finds given that the valuations are very, very low at This particular point of time.</p> <p>My fourth query is I think from the directors compositions perspective, I would like to get an understanding in terms of, how is there, an alignment of interests of top shareholders given that we don't have a single promoter shareholder entity</p> <p>My fifth query is also plans for the next three days, especially from a revenue. Net interest margin return on asset perspective where you want to be in three years time we are increasingly going the retail loan book and degrading our a corporate loan book. How are we going to differentiate ourselves against competition?</p> <p>Especially the larger yeah, private sector banks</p> <p>My sixth query is with fiftenn hundred crore or less market cap with nine hundred and thirteen branch network access to low cost deposits and almost 1.5. lakh crores business , a book vsalue of 30 rupess the bank excuse the undervalue.</p> <p>And there will also be a significant reduction in shareholders value over the last two years. So I'd like to know the plans</p>
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	<p>and the board to enhance shareholders value going forward.</p> <p>My last query is shareholders value perspective. Do you feel it's good for us to explore a strategic partnership with the larger financial services firm that does not have a banking license, or maybe even consider merger with the large financial services firm or another private sector the bank? That's fine. That's it from my end Thank you very much and good. Good luck to you.</p>
Mr. Jimmy Mathew (Company Secretary)	Thank you sir. Now, next speaker is Lekha Satisha and Amol Sakharam Kulkarni and Abishek Karla and Santosh Kumar Saraf HUF has not joined even though they have registered, they has not joined. So I will move to next speaker Smt.Hemy Peter. Smt.Hemy Peter to kindly proceed with the question.
Smt.Hemy Peter	Hello
Mr. Jimmy Mathew (Company Secretary)	Smt.Hemy Peter Nellisery ,please proceed with the question
Mr. Peter	Hello? Hello I am assisting my wife sitting next to me,Mrs.Hemy Peter
Mr. Salim Gangadharan (Chairman)	Can you be louder? Please? Mr. Peter.
Mr.Peter	I am assisting my wife.
Mr. Salim Gangadharan (Chairman)	Yeah. Go ahead. Go ahead, sir.
Peter	He's really new to the system of.

Mr. Salim Gangadharan (Chairman)	Yeah. Please. Go ahead. Go ahead.
Mr. peter	I am Also a shareholder in south Indian bank and also an ex employee
Mr. Salim Gangadharan (Chairman)	Oh, thank you. Thank you verymuh .
Mr. Peter	Welcome salim sir And so most of the questions have been, he doesn't intend to ask any question at this juncture. i welcome sri V G Mathew sir who is leaving the board of direcotrs and also welcome in the coming directors. Mr. Paul Antony . I am also welcoming. Mr. Murali Ramakrishnan who would be the new MD and on behalf us we wish you all the best thank you
Mr. Jimmy Mathew (Company Secretary)	Now I welcome Mr. M Thomas Jose to kindly proceed with the question Mr. Jose to kindly proceed with the question
Mr. Thomas Jose	Am I audible
Mr. Jimmy Mathew (Company Secretary)	Yes yes ...
Mr. Thomas Jose	Respected chairman, MD & CEO, board of directors,

executives of the bank and my dear and fellow shareholders. I am Jose a proud shareholder of south Indian bank,not just me alone,but my entire family too, because SIB has been performing consistently,even during the turbulent times on a glass through the growth indicators, I find the graph going up in almost all areas of performance total business operating profit, capital adequacy branch productivity, and so on the decrease in two major areas, net profit and consequently the return on equity.I understand that. These bits are due to provisioning towards large, bad or paid advances of the past. Now, that these burdens are particularly taken care of during twenty fifteen to twenty, twenty going for the growth trajectory will be upward only. Going through the annual report,we can see that the business mix has shifted to retail segment, which is a, welcome most, moreover, the activities have now, being centralized with technological infrastructure and young workforce The mirror plus is an excellent mobile app, of the Bank with which customers can sleep peacefully, e-locking all the digital talents. Now, the platform and the structure is set for a smooth take off.

Yes, South Indian Bank is ninety one year young bank and therefore it is easy to it and reap good harvest. not three hundred hovers provided all the stakeholders, put their head heart and hand together.

We expect the price, the market price to go beyond the book value of thirty. Plus we had it really having it and future to the CSR initiatives like sib scholars and thrissur north bus stand are price worthy Let us continue these social

	<p>commitments in future to, as a shareholder I will always be good about my bank. I request all the stakeholders to do the same let us already and take our bank to greater heights. I take this opportunity to thank the bank for giving me an opportunity to speak at its agm. Thank you. All good day.</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Thank you sir thanks a lot.</p> <p>Now I welcome Mr. V J Thomas whose earlier call was disconnected.</p> <p>Now connecting to Mr. V J Thomas sir you can kindly proceed with the question sir</p>
<p>Mr. V J Thomas</p>	<p>Good afternoon to all , my speech was interrupted due to power failure telling about the growth of the bank, in spite of the covid 19 pandemic it's locked down during the last quarter of the year and I'm also glad that the CASA ratio improved to twenty five percent, and NRI deposit to thirty percent to the total deposits, considering the high risk in the corporate advances I'm glad that the retail advances and gold loans had been improved significantly moreover it is quite comforting that the corporate advances having brought down to twenty eight percent of the total advances. It's a very positive fact that the operating profit of the bank has pasted the highest, ever figure of rupees one thousand, six hundred and forty five point six, four crores during the financial year. Two thousand, nineteen twenty, even though there is a decreased net profit of the bank, due to higher credit risk costs and provision, I sincerely hope that the bank will take steps to improve the net profit in the coming years. This is</p>

	<p>that the return on equity, has decreased from four, six, four percent, one point nine one percent during the earlier financial year. I hope that the bank will take adequate steps for improving. The same in.The coming financial year. finally I would like to say that. I sincerely hope the management of the bank will meet the shareholders expectations in the coming years by taking appropriate steps and I wish all the very best for the bright future of the bank.</p> <p>Thank you. Thank you. Thank you.</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>So thank you sir thanks a lot.</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>Thank you my our dear stakeholders or shareholders.</p> <p>We always value the critical as well as support the observations by the shareholders as one of the key points for the board of directors to deliberate and work towards making our organization a vibrant organization. So, I just to give a broad outlook of what do we are going to do in future because, you know, that whatever, the strategy, like any other bank in India. We have also gone through a corporate business cycle. Yeah, we had a over exposure to the corporate sector so with a corporate sector, failing in larger mid corporate and all failing in we do like any other bank had the impact on the financials of the south indian bank,one of the aspect one of the shareholder raised is our NPA ratio is closer to five percent so still when you look at the banking system as a whole,as of March, twenty twenty is eight point five percent, we are able to manage within five percent. That never that, that doesn't means that, our asset quality position</p>

	<p>is very comfortable. We are all working towards derisking the balance sheet last three years, as you are rightly observed. We are going through the process of de, risking the balance sheet, appreciating the fact that the probability of default, and the loss given defaulting, in terms of the corporate that is much much higher than the sme or the retail sector or the agriculture sector. So, the first objective of derisking, the balance sheet has being accomplished, and our exposure to the corporate sector, has beenwe brought it down to twenty eight percent.</p> <p>And seventy two percent is the retail sector now to that extent the retail sector. One of the advantages of the retail sector we have two distinct advantages one is the portfolio diversification even if one or two accounts goes bad, the ticket size of the loans is one or two crore rupees a rather than large three hundred four hundred or five hundred crores so, to that extent, that is one advantage on these and in terms of collateral realization, whatever retail advances we have gone into almost most of the cases are fully funded through adequate collaterals. So, Even, if also the accounts maybe turning and Bad, because of the weather cycle, the adorable climate in Kerala as well covid pandemic the lending perspective, or the risk management perspective, it is not only the primary security. We have always a collateral support. So, to that extent, even if the probability of default, maybe little higher, we have a LGD to support you loss, given default will be lowered. So that is that one advantage going into the, the retailing and going forward. What is going to be their approach. We wanted to continue the present strategy of focusing onto the retail sector. So the retail sector, we learned the art of managing the risk of retail sector now, because the last,</p>
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three year experiences, we built data enough underwriting skill enough monitoring skill and enough expertise in collection. So we wanted to continue with the same strategy and fortunately, what we are proposing is Mr. Murali Ramakrishnan is a new M D and CEO. He's a veteran in managing retail sector. He was formerly with the ICICI bank. He's the expert in risk management system. As well, and as well as in the retail sector, particularly SME sector and other retail sector. So we think he's domain experience around thirty plus years experience in the ICICI bank and GE capital and Canara bank venture capital funds. So enough domain knowledge. So, what would Mr. Mathew built over a period of time of a strong retail base and with the experience, we are going to leverage and scale upon the base already made by the organization. So, to that extent, our strategy continues to be in the retail focused on.

Now, at the same time, if you look at the strong points of our organization we have around ninety of the shareholders proudly claim saying that we are nine hundred and forty net to our branch and to gross.

And we have our own thousand, three hundred and forty ATM networks so, compared to a bank like us. So we have an and not only it It is a bank focusing entirely on the kerala economy. We are spread across to Tamil Nadu we have gone to Andhra. We have gone to Jarkand we are gone to Sikkim we are gone Assam to Bombay. We are in to Pune we are into Ahamedabad and we are into Jaipur, Bopal across the state, So we are diversified, so there is a very strong point for us. So now, and in terms of the technology, you can see the awardss, we have got six technology words. So we have this state of the art technology.

	<p>I'm proud of that one of our . Well, value to shareholders, was saying about SIB South Inian Bank mirror plus so, one of the cutting edge technology and it is a market leader, in terms of the technology we are,we have six awards and another of our organization is our organisatin is a young organization. I'm very happy that we have one shareholder who is an youngster who has invested heavily out of savings. So the average age of the south Indian bank employees is only thirty two years. So we have a very young offices average of thirty two years. Many. Are chartered accountant, MBAs post graduate engineers with the highly motivated employees so, with the proper leadership mentoring and motivation, we can make wonders in going forward. And then what is the systems and process last three, four years What we have done is a wonderful transformation in the systems and process. Everything is centralized and a significantly technology driven processing and going forward. Mr. Murali Ramkrishnan is expert in using technology in credit underwriting and credit monitoring and process reengineering. So he's done a pilot project in ICICI bank, probably with the he's coming in where we goin to be in the system to use as much technology liberating as much of our technology and artificial intelligence in transforming the current risk management process in the organization and all the beautiful lines of control in the first line of defense,the second line of defense and third of defense is now, is going delineated now and there is no conflict of interest between the first line second line.So the internal control system, and the audit system has being tightened. So these are the, the strong points of the south Indian bank and in terms of asset quality we do appreciate that.We have a problem because the</p>
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corporate, because of the asset quality. If you look at the operating profit one of the shareholder quoting that record operating profit. We made it in the year, twenty, nineteen, twenty, but a significant portion of our profit is gone towards towards provision. You know, one of the key indicator the market is looking at the provision coverage ratio. We had a forty two percent in the year, eighteen, ninety, and we made it to fifty two. And in the month of June, we have raised almost to fifty nine person and our, our objective is to build farther onto it.

So, naturally, in the provisions where hired in past to last three, four years. So, there is tremendous pressure on profitability, net, profit not the operating profit. If you look at the operating property is continuously going up. So, we had to pressure on the operating operating net profit It is purely not because of any problem with the productivity technology or business growth, but significantly, because of the issue with the provision. And now this slippage is coming down and we are focusing on the retail sector. So going forward the slippage ratio will be down. Of course, there could be some pressure of the covid ninety, impact, but we are, as one of the shareholders quoted an interview by owner for senior executives of the organization. So we are fully into into the asset quality issues. So so that is one thing. Now, the, what we are focusing you know properly, you know focusing on six Cs you know one We should have a strong capital. It is not as Mathew Tharakan was telling your capitalist leverage capitalist, or borrowed capital. But we wanted to stand alone out of Tier one common equity capital we need to raise we had a sub 20% CASA for many years So, we are able to last two to three years because of the consistent effort and focus

given to the CASA deposit we have raised to twenty nine, twenty five per cent and going forward. We wanted to make it to minimum thirty percent and to forty percent. And fifty percent, that is what we the vision we are articulating now, so we are going to focus more into a concept of CASA because the moment CASA is raised to around thirty five to forty percent. We will have significant pricing advantage in the market. Because now we are, depending on the term deposits, it is slightly costly than the CASA deposits. So it will significantly bring down the cost. So they can price it competitively and we can get better quality assets in the market. And while going forward what is our motto is. let us have growth, but at the same time, we should have quality as well as profitability into it. It is not only growth. We want to focus on three key, important parameters. One growth. Second important thing is quality. If quality is not mandate will our provisioning implication. So, at the same time, we should have profitability also, because some of you have said our retail, and as it is very low, they do appreciate that one. So once we going forward focus on growth, quality and profitability, so the return on equity issue, as equality issue, PCR issues, everything will be solved in a single strategy. And the CRAR, when you look at the banks operating in the country, many average CRAR is coming up to fifteen to sixteen percentage, we are only thirteen, thirteen plus, you know, the capability adequacy .So, when you are embarking on a largely growth, leveraging with leveraging of the technology, we need enough capital so that we can exploit the business opportunities coming in a post covid scenario. So that is why we wanted to strengthen our balance sheet. And so that once the capital is front, loaded into the balance sheet, definitely we can go forward and exploit the business

opportunities to the fuller extent. I, we do appreciate that our net interest margin is lower. So that is why, our next aim is the moment, we are going growth to growth with the stability or quality and profitability. Definitely, we wanted to make it to three percent in the short to medium term, and to three point, five percent, that is our corporate objective strategy. And at the same time, we do appreciate that there is an important role for the risk management. Because, unless the risk management system is sound and strong and proactive, so we may not be able to maintain the quality of the assets. So, we definitely going into the quality of the assets then that collection is an important focus. Because unless large number of retail accounts, with low average value is given across large number of borrowers unless the collection machinery is strengthened. So we wanted to strengthen our collection machinery. We are strengthening our underwriting underwriting skills, because we have enough experienced people and with the use of artificial intelligence and with data. So we wanted to strengthen our underwriting skills because a lot of data will give you tremendous insight about the portfolio behavior in the past. So that is why we want to use of lot of leverage and under the administration, the loan administration, the credit follow up is also going to be more intensive. We have already got an early warning signals given by one of the top rating agencies in India, and which gives the tremendous market information as well as the granular financial data moments of the corporate burgers. So we can take provide to this one.

And another issue of the shareholder is direction is the share of the non interest income compared to our basic intimidation. That is not very attractive. So we are now, in the

month of June, we have the Board has approved a Treasury vision document for twenty, twenty four. So, what we are trying to do is doubling the Treasury income going forward within for three to four years and elaborate. vision document the larger spread of new Treasury products, new activities in the Treasury activities where we are not very active that has been identified. Human resources are going to be placed. And once the, visionary document moves as per our decision. There is going to be a significant increase or non interest income. That is what we are planning. So it is going to be a lot of trading in. Not only in the SLR securities market. We are going to be active player in the. Money market and new Treasury products are going to be given and and cross selling We have a very good force within the organization so insurance and demat accounting and all. So we are going to strengthen that portion. So, a lot of investment products are going to be rolled out so these are going to be adding tremendous value to this organization in terms of the technology

We have a state of the art technology. So, what we are trying to do is deliver reading of the technology through artificial intelligence and really using the human resources committed. This is what the sum total of the strategy we are planning to it and our head down to the asset quality issue, get out on growth head on to profitability. And the growth is always supported by the quality quality of the assets. So that is going to be a, this one, and some of the points raised by some of our esteemed shareholders I just briefly touch upon them. One is the dividend? You know, it is purely a decision by the regulator the Reserve bank of India we have been restricted from giving any dividend. But do you, I was looking at these

international Monetary Fund, Basel committee, financial stability board, you know, all these international agencies without setting the benchmark for bank supervision. All advocated all the governments, all the countries in the world to restrictive payment of dividend, by their financial institutions what you're saying the covid nineteen situation is very difficult to predict what is going to be the future. So, the bolstered and reinforced the financials, the financial system, financial systems are not well capitalized. They may not be in a position to meet that diverse implication of the covid senario. nobody's able to predict which direction is going to it. So, they have advised so many banks in Europe, many bank in Australia, New Zealand . or in North America. So many of the supervisors identically mandated either no declaration of dividend or fifty percent declaration of dividend. So it's a global phenomenon. So in a way the capital is going to be with you within the bank it is effectively an indirect contribution of the shareholders. So that is the problem with the dividend.

And we are, of course, you know when we are going into a risk covered scenario last year where, especially after the default of some of the NBFCs, there is a significant spike in quasi equity instruments return yield in the market. That is where we had to borrow market at the market at a higher rate. It is not only something among many of the banks raised at identical rates. Net profit we do, it has come down, but it is a culmination of the corporate failures. I would say, the business cycle and to some extent some of our SME or agriculture accounts has gone into NPAs because of the weather cycle. adverse, two adverse floods in the kerala, but fortunately we are all well collateralized with that one.

And the deposit growth is less. Yes, we have taken a very, very conscious strategy last year. 2020. Before the covid scenario to cutover is costlier to the large wholesale large purchased funds, like a certificate of deposits and larger value deposits. A lot of it goes to the goal has been paid in the month of March. So significantly, even though we had a significant growth in the retail segment retail segment, but we are not able to offset the large exit of the larger corporate, but in a way it has significantly reduced our cost of borrowings. So that is why the deposit growth rate is less this year.

Coming to a other question is a mortgage yeah. Moratorium. I think Mathew will be giving a brief over, light of the asset quality and the mortgage adverse implication of covid and how it is impact after once I present my views on it. And so we are planning to raise capital, because we have already told you that as per our strategy, we wanted to be front loading the capital. So, long as the front loading of the capital, the market confidence, the counterparty confidence inter bank confidence and the customer confidence in our bank would be going up. So, definitely, that is why we want to front loaded the capital. So that the schedule of the capital raise We have not indicated definitely. We will be coming back to you with the details of the schedule So, now currently, we may not be in a position to give. You a definite schdeule the LCR of the Bank is over a hundred percent. We are well liquid because we are having a clear asset liability management strategy of keeping highly liquid assets. So our lcr is much more than the regulators requirement and staff productivity is definitely going up in the country in our

organization last year. Eighteen, nineteen, it was fifteen point nine crores and twenty twenty it has gone to seventeen point three crores. So now, definitely it is consistently going up over the years. So there is no let back on this one and rationalization of ATMs. Definitely. I agree with you. So, what we are doing is we have a certain Benchmark. We know how much we are using an artificial intelligence technology tool where we look at how much hits are there what is the dynamics of withdrawal of withdrawal that withdrawal is coming at the front first two, three, three, first week or second week or third week? Now dynamically, we can predict the withdrawals of the ATMs. So rationalization and relocation processes on as a part of the covid strategy and covid. I will speak to you separately in terms of the covid you know lot of questions have been issued. I know you all appreciate that the financial sector, even though it is a real sector problem, the financial sector is the worst affected because of the real sector problem you know last year financial crisis it was a financial sector leading to the real sector. But it is the real sector is coming to the financial sector, but what we have done is in south indian bank immediately the covid nineteen has come and there are lot of issues in the global financial market and indian financial markets. What we have done immediately is that we have constituted four or five committees, you know, the committee of executives one is on liability management under the covid scenario, or a posed covid scenario. And the asset quality, because there are a lot of applications to covid post covid impact on the asset quality. So, we constituted a committee then another issue is the most important thing is in a covid scenario with the moratorium all around. The collection is very important now. Especially we have a large pool of retail

advances. So, how would the collection machinery to be rekindled? So, that is why we have a committee on collection then we have a very good technology and digital transactions. We are one of the recipients, of award from the ministry of financial services last week. So, we are on among the six or eight banks, you know, one among eight the banks in India where it is rated as good. So, we, there is an another committee, which is looking on. How do we leverage technology and digital how do we digitize most of our transactions? So then the next important thing is, in the post covid scenario, everybody's worried about the profitability.

How do we cut the cost and how do we cut the ink? How do we raise the income?

You know, a whole lot of recommendations were given by the internal committee on profitability and board has gone through it and improved it. And the operation is a major challenge for us, you know, operation, keeping all the branches open across the country. There are various quarantine rules, lock down rules, especially a lot of rules by the municipal authorities by the state authorities, by the national authorities. But we are very happy to note there are ninety eight percent of our branches are up and working through the peak of the covid scenario and we should appreciate this staff you know, they are taking the health hazard risk and they maintain ninety percentage of our branches. Are working and ninety six percent of our eight teams who are working, you know, subject to the local requirement. So, then what is the focus we are given is what is first of all who are all our customers. You know, first we should maintain their requirement. So the first two focus

immediately after the covid was, maintain the relationship with the existing customers, either on the library side on the deposit side, then at the same time, the, at the moment the opportunities for the branch staff and other executives to interact with their customers we are now focusing on growth, and particularly in the retail segment, what one condition is a tightening of the underwriting standards. Tightening of the monitoring standards focuses on growth with the quality and profitability and now the high cost deposits during the post covid scenario, we have almost a shredded significant share of our high cost deposits CDs and the high cost deposits. So, we are now focusing on to the possibilities, of CASA and it is reflecting to it. So we so, at least in the next.

Don't worry. We'll give you a better number of CASA deposits and retail deposit is growing and all the CDs, and the high cost deposits were paid off out of a retail deposit group. So, our branch people across the country are very successful in raising this one. Then we have done the Treasury, vision twenty, twenty four and cross selling. We are income generation, cross selling. We are written and moratorium as appeared in the newspaper. We have successful in bringing down from thirty six percentage to twenty six percentage, little more details. Mr. Mathew would be giving to you and collection we have tightened now and the strategy continues and one of the critical things what you have done is we have created a to quick responds team within the organization. So whenever any trouble shooting up anywhere in India in our operations, so the quick response team will get into act and they have a direct access to the MD and chief executive officer and top management of the team. And similarly application is about, what is the implication of the covid on our income streams our asset quality our

liquidity everything is being put to it very, very stressful stress testing exercise and we have done any dental capitalizes minute capitalize because yes. It's been done severely in a post covid internal capital assessment and capital adequacy assessment done severely in a post covid scenario. So these are the covid related to actions taken by buyers.

Then some specific questions are asked by us through email. We will be giving to that one. And I think probably I have covered most of these issues and somebody. Yeah, of course, we have raised the issue. The seven fifty is going to be a rights issue of a QIP issue our objective is to raise capital with the least to cost. So, we, we are still deliberating on what mode it should be raised and ADR, GDR I totally appreciate that. Twenty basis point. Commission is too expensive for us. We never had access to that market, but our sense of object is going to be the least expensive capital, raising mode. So we will put all the objectives on table. And we appreciate that. You have appreciated the, our, our proposal for raising the NRI shareholding from ten percent to twenty four percent. So a lot of NRIs has shown interest in our organization. We have a large market share in and our NRI deposits. So I, we rather welcome your positive contribution. And CSR we calculated our numbers exactly. As the companies act and we have not cut-shot even a single pie on that one. So, this is even audited by our statutory auditors with the number. We are giving, even for the year, twenty two one budget which is approved in yesterday's board meeting. There. Also one point we have made it a point that it should be audited by the auditors as well. So, we don't want to reduce any amount from the CSR actually some of

the CSR least the Thrissur Busstand, and we are giving around education scholarship around seventy, seventy marginalized students where you can typically brilliant students. And some of them are even scoring the university ranks financed by the south Indian bank under the CSR objective, so we are committed to that one and the definitely we are going to raise it

and then.

Of course, our board of directors are all professionals and they nobody has any promoter interest in the organization so that we have no constraint of quality. The quality of the directors, we are always getting the best of the people and now we are proposing a new director. Mr. Paul Anthony he's a Chief secretary an accomplished administrator. He walked in, he was the chairman, he was an secretary. He was the chief secretary he was the district industry MSE center focusing on sector. He was the Special Economic Zone Commissioner. He was the chairman of the Cochin port trust he is a diversity where experience is studied in international on public policies, and economics studied economics in the Delhi school of economics. So all type of very top end professionals are joining our board it is adding strength to us. So they were the quality of discussion. In our board bodies eminently enriched, because of these quality professionals are joining.

And market. Of course, we appreciate that. The, the shares are undervalued. I'm having the statistics. You're also having the statistics. So unfortunately shared price share value. Nominal value is only one. Rupee. I was just working out.

	<p>What is the. A shared value in terms of ten rupees and I taking south Indian bank it is. Six point seven five on twenty five nine. When you converted into a ten rupee share it is seven, but let yes bank ten rupees. Its value is only nineteen point, two, five, and Karnataka bank it is forty point fifty you know it is a ten rupee share forty point fifty, but we are sixty seven point five zero. And so, when you compare with the some of the banks in the old private sector banks, our share price that's definitely going down. But our objective is that when we frontload the capital, we will improve the asset quality. And when you probably improve the profitability, definitely the market will come back to us. And it definitely you do have a better price in the future. I think I would request Mr. Mathew to give a little bit of a briefing about the covid. It that is implication on asset quality and how we are going to deal with NPA problem in the organization.</p> <p>Thank you.</p> <p>Mr. Mathew.</p>
<p>Mr. V G Mathew MD & CEO</p>	<p>Thank you chairman as yours highlighted the . moratorium accounts indicative of the covid 19 has actually come down significantly from the beginning number of fifty six percent of the total being under moratorium, just consistently improved first and now it is twenty six percent. And twenty six percent of the total loan book, considering that we have a mix of substantially retailer. MSME and AGRI. And coroperate this percentage. It appears to be quite reasonable. And it is in line with what we have been anticipating, or telling the investor community too. So</p>

	<p>that is where we are at the moment and in terms of the, the, the, the movement in the in the NPA direction coming out of the COVID related moratorium accounts, what we need to appreciate is around ten percent of these accounts would come under serious stress. Is what we have understood by our own analytics, and also looking at the cash flows and also talking to the field functionalities across the country. So we get the feeling around ten person of of this COVID moratorium accounts of this percent . Would come down to serious stress, whether they will get restructured and survived or they will become npaS. We cannot say at this particular point of time, because there are many restructuring opportunities and avenues, which are coming up and there is also a perception that some of the accounts in 26% percent also may come down after there is a clarity in the legal system. How the moratorium needs to be treated, whether the interest payment needs to be made, etc. So, I believe until that clarity emerges, there would be some uncertainty about and after that, even this 26% may come down. But assuming that ten percent of this will become NPA, we are talking about two point six percent in the total loan book, which is around one thousand, seven hundred crore. Two point six percent of the total loan book of is coming close to seventeen hundred crores and this seventeen hundred crores We have been managing this kind of the slippages even in the past, and there will be significant recoveries going forward as chairman was highlighting a lot of these accounts are our retail and MSME and agri accounts and certainly not from the last corporate space. And therefore the recoverability is much higher and indeed, . definitely is very, very low. So we expect a, this position. To to move onto a crystallization of maximum. Of seventeen hundred</p>
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	crores of NPA during this financial year. Thank you chairman
Mr. Salim Gangadharan (Chairman)	<p>Yep, you know, some of the shareholder directors, they are not able to be present in today's meeting those who they have sent some questions I just to briefly, because some of them we have already answered to. So one other question, the Mr.sandhosh Kumar HUF , he's asking,let me know the percentage of data savings account and current accounts in total CASA as a percentage of total deposits 19467.15 crores as on March 2020 . please note that the actual deposit is as a thirty one three 2020 is nineteen forty nine.It is only as of March, two thousand and nineteen, but I will give you the position as of December March thirty one three twenty. The current the deposit is around three thousand, two hundred it is equal to three point. Six percent three point eight, six percentage and saving bank deposits around seventeen thousand five hundred and fifty one points sixty eight it is twenty one point fourteen. So that is equal to twenty five percent. So this is the share of the casa deposit, but these twenty five percent is gone to almost twenty seven percent in June. Twenty.</p> <p>So, what the next question is, what are the covid, nineteen impact and effect on the companies income? We have already covered covered to it. And as I indicated, we, we have taken several cost reduction measures. One, I repeat for it ALM has bee been substantially modified and now focusing on retail and CASA deposits. So it is significantly bringing our cost of borrowing and we have a significant on our meetings board level meetings and all the training programs all the staff meetings, business meetings.</p>

	<p>Everything is through digital mode, and as one of the directors said it is going to have a significant savings on our site. And similarly, what you've done is, you know, the rent is coming down across the country after the Covid 19 scenario. So, we are renegotiating the terms of the contract with many of our present landlords, and we have made a significant progress in that one. That is already reducing it and , we have a lot of AMC and on IT services, not sorting machines. So, the AMC charges also we are renegotiating, we have brought it down our rates. Then the maintenance reduced of premises and maintenance expenditure . significantly to reduce the cost. Of course, we will stop reassessment, especially after the we had the voide under the committees internally, the cost control committee, which has done the assessment of staff requirements. So, we have reassessed it and significantly we,we are reducing the future intake of employees because we have enough resources within our , this one and similarly, the as submitted, a lot of cost reduction measures. And similarly, as indicated a lot of income augmentation measures are also rolled out as part of the covid scenario. So, that is the, this one then, the director is shareholdings asking board of directors. should thing about cutting the remuneration director's sitting fee commissions, etc by thirty percent. So, even before the moment covid has come in, and we are, the board has seen there is a going to be a fall in our income, or there is a stress in the balance sheet. Suo motto, the board has raised a board has passed a resolution, which has brought down the sitting fee by twenty percent across committees as well as the board meetings. Similarly,the chairman has been you, shareholders approved honorarium so he's also dispensed with, is not taking the honorarium from the</p>
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organization but then the next question they're asking is whether the director could think of cutting the renovation to the perquisites etc extended to the key managerial personnel by thirty percent see we are an essential service you appreciate that ninety eight percentage of the branch network in our organization was up and working and in ninety six percent of the ATMs are working on peek of the covid and this one. And when you look at the industry, also, we are also under IBA guideline so there is no such move has made it, but we should appreciate the health risk they have undertaken. So, the management does not the board has not proposed any cut for that one.

Then, what are the management increased the growth and the income of the company that we have already clarified and I'm not going into it.

Please provide the details of the other liabilities. Other liability. Current liabilities are expense payable and other provisions. non current liabilities are tier one and tier two bonds and contingent liabilities are that guarantees and acceptances and endorsements this is around the ten thousand seven hundred and fifty two crores, which is duly audited by the auditors.

Then,sir, what is the aggregate number of male and female and disabled employs of the total. see, we have as soon March thirty one, twenty,twenty, eight thousand five hundred and seventy total employees out of which four,Nine,five, six, are male employees. There are fifty seven point eight, seven and three thousand, six hundred and fourteen are female employees and that is forty two point one seven percent. So,

that is almost a record in the banking industry. And the average age is thirty two years. But we don't keep any statistic, of disabled employees, but for income tax purposes, we ought to give tax regulation. We are getting around twelve employees, but we don't brand any such employees, but twelve employees, have given a declaration that they are eligible for tax concession.

Then, kindly tell us what expenses amount the last physically held AGM. Yeah, I think one of the directors also raised the issue. See, we have around four lakh, eight thousand, three hundred and fifty seven shareholders out of the approximately one lakh to shareholders. They're served with the physical rest of them are digital annual reports and notices the, hence the total AGM related expenses ,including printing postage venue ,traveling boarding and logging related expense are approximately one point two crores and this year, you know, that everything is through video and all the annual reports that are given through digital, so the expense we are going to meet is really nominal, then Abishek AGM has raised covid it related questions. That is already explained by me and Mr. Mathew, then then he's also basically asking about cost cutting initiatives done by the management. We have a lot of cost cutting. We have already explained then, or what is the the management going forward sustaining the profitability. So we have already explained to that question. What are the management efforts to improve the working capital to sales? Normally we target in the banking industry NIM, return on assets and the return on equity and the cost income ratio. Definitely. Our current NIM ROA ROE are not of good standards. Good shared. So, we are working towards it. once

	<p>the NPA problem is resolved, going forward these, all the ratios would improve it. Then what are the management efforts to improve The company made through investor relations? Yes, we have a very good disclosure standards. We disclosed everything including the covid, most of the discloses are being done. So we have a bilateral contacts with the major investors, and if any investor is writing to us through email, we replied to them and we have a no , the road shows conducted and then quarterly investor presentations are done with MD and top executive will be present. We have con calls we have interaction with the media half yearly intervals. You know, including the chairman and the media interactions then there are investor conferences are there we do interact with the analysts and . still in the market. So, then, another question is what are the management efforts to reduce other expenses yes. Legal expenses. We have worked out the legal expenses. It is only zero point. Seven is only seventy basis point of the total operating expenses and now we are giving lot of emphasis on recovery. We have made a significant recovery on this year. Also target is six hundred crores last year. It was seven fifty. We have made a significant recovery so, legal expenses we can't cut the cost of it then audit fees we are now, the branches are audited by individual auditors. We are exploring the possibility of centralized audit. We are in discussion with the statutory auditors and the operating and expenses one of the lowest in the industry. So then he's asking about the credentials of the new and existing directors. So I'm rather proud to say the most important. The most professionals are available on our board in terms of Murali Ramakrishnan he is a MBA from IIM Bangalore. He had almost thirty four years experience in the banking financial</p>
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industry. He was handled in strategy project group in ICICI . He was in Hong Kong. Managing around twenty billion is most like a hundred and forty crores six of a south Indian bank. managing the banks operations in Hong Kong, global operations. Twenty million US dollars worth of balance sheet. He was managing it and he's an accomplished expert in risk management and a sme financing or retail financing. So, that is what he's an engineer. He's an expert in technology and strategy thinking, process and HR management and as I indicated Mr. Paul Anthony is an accomplished civil servant in the government of Kerala administrative service. He had experience as the chief secretary industries, departments, Secretary, Ministry of finance. He was the chief commissioner of special economic zone. He was the managing director in the managing director in the ministry of finance development Commission, and cochin special economic zone, in ministry of commerce. Then he was the MD of the Kerala Civil Supplies Corporation director of industries and commerce, and he was the general manager of D . that is a rich experience and is a public economic management degree from UK universities. So accomplished professional. So we have seen their compliance with the BR Act and companies act provisions both are meeting the requirement. And dividend, I've already explained since this AGMs are being conducted virtually be the minority shareholders lose the privilege to meet the management. We do appreciate that is why nominee opening remarks I made a method that we are in a new normal new ambience. So, definitely, if everything goes well, next year, or all of us will meet again, then he's asking some gift, you know, one of the , Babu George also raised, why don't you give some give to shareholders? But I wanted to say, because as per clause,

	<p>fourteen of the secretarial standard two no Gifts or give to cash coupons or for cash in lieu of gifts shall be distributed to members at all in connection with the annual general meeting. So, the bank is prepared to comply with this standard. And hence is unable to distribute any gift, we do appreciate your sentiment and I also wanted to especially time. Mr. Babu, George he has raised a dividend issue gift issue. And he was talking Mr. Adeeb is an officer of the bank went on deputation to the government of Kerala. So normally being a Govt, writes They do what we normally disputed, but we didn't have any such a previous this one. So, this is Adeeb K T but what we have done is there is a concept called. Non est bases or no cost to the bank basis, that means that during his deputation period, he will not be treated as on duty so he's not eligible for any salary or any promotion or anything. So, yeah, so non Est basis, or no cost to the banks basis. So definitely I, I take the sentiment of Mr. Babu George. We'll definitely take board. We'll take a view in future and definitely your suggestion will be taken into consideration. So these are the questions broadly,</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>then I also have also received a just now a question from. Yeah, questions from Hithesh Gajaria, he's talking about the inadequate disclosure in terms of the covid impact but our answer is the impact of has already been covered in detail in the annual report and we have also Mathew and myself also covered about the implication of implication of the covid on the bank ,then Mr. Ravi Kulkarni has talked about the how do the management will see next to two, three, three to five years in terms of NPA. we have already discussed and second one I requested bank to continue this digital AGM, we can</p>

	<p>help. So, he's advocating that we should have a digital. Probably, we are and then new, normal mode in future. We can have a physical as well as the digital combination. I don't know. What is the law permits it? we will definitely take your point. Mr. S R Shetty has asked as, as to why the share prices low, we have tried to rationalize it. Definitely. all of you put together your hand and with your wisdom and devices, we are taking a lot of things to the board, your advises and definitely we will. Definitely. We'll take it up. And he's also a little worried about the frauds going up. You know, there is a definitional change in the RBI. Regarding the fraud, a lot of banks are reporting even advances, which have gone in NPA were reporting it as fraud on certain new parameters. So, that is why the NPA the credit related fraud has gone up. So we are now putting a severe entry barriers on corporate credit. And underwriting standards, we have tightened it, so we are, we are very much hopeful that the corporate large fraud may not be happening. So these are the things raised by this one and thank you for all your questions. And we have, we have take it a lot of learning lessons from you and we'll definitely carry to the board of directors. And all of our board of directors are there. We'll take it forward and definitely meet your aspiration level in future. Thank you very much.</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>I think we may now move on to the next agenda item number two appointment of director in place of director who rotates.</p> <p>Item No. 02 is an Ordinary Resolution appointing Mr. Paul Antony (DIN: 02239492) as Director of the Bank, liable to retire by rotation, in place of Mr. Achal Kumar Gupta who retires by rotation and does not offer himself for re-</p>

	<p>appointment. In terms of Section 160 of the Companies Act, 2013, the Bank has received a notice in writing signifying the intention to propose the candidature of Mr. Paul Antony (representing Majority Sector) for the office of Director. Further, Mr. Paul Antony's appointment is in compliance with the provisions of Section 10A of the B R Act, 1949, and in the opinion of the Board also, he fulfils the conditions specified under the Companies Act, 2013 for such an appointment. In the opinion of the Board, Mr. Paul Antony meets the fit and proper criteria and is a person of integrity, and has necessary knowledge, experience and expertise for being appointed as an Director.</p> <p style="text-align: center;">Company Secretary will read the text of the resolution:</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>“RESOLVED THAT in accordance with the provisions of Sections 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, Mr. Paul Antony (DIN:02239492), in respect of whom the Bank has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Bank liable to retire by rotation.”</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>“We may now move on to the next agenda item</p>

	<p>Item No.3. Ratification of appointment of Statutory Central Auditors.</p> <p>“We have now come to item no. 3 of the agenda.</p> <p>The Shareholders of the Bank at the 91st Annual General Meeting held on July 17, 2019 has appointed M/s VARMA & VARMA, Chartered Accountants , Kochi (Firm Registration Number 004532S) as Statutory Central Auditors of the Bank for the period commencing from the conclusion of the 91st Annual General meeting until the conclusion of the 93rd Annual General Meeting for the purpose of audit including reporting on internal financial controls of the Bank’s accounts at its head office, branches and other offices, and for issuing other certification prescribed by the Regulators . The Reserve Bank of India vide its letter dated August 26, 2020, has approved the re-appointment of M/s. Varma & Varma, Chartered Accountants, (Firm Registration Number 004532S), as Statutory Central Auditors of the Bank for the Financial Year 20-21 and this will be their Second Year.</p> <p>The Audit Committee and Board of Directors of the Bank has recommended the appointment of M/s Varma & Varma, Chartered Accountants, as Statutory Central Auditors of the Bank for the financial year 20-21.</p> <p>“Company Secretary will now read the text of ordinary resolution.”</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>“RESOLVED THAT pursuant to the provisions of Sections 139,141,142 and other applicable provisions, if any, of the Companies Act, 2013 read with the underlying rules viz., Companies (Audit and Auditors) Rules, 2014</p>

	<p>as may be applicable and the Banking Regulation Act, 1949, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, from time to time and such other regulatory authorities, as may be applicable, and as approved by Reserve Bank of India vide. Letter No DOS. ARG. No. PS-29/08.21.005/2020-21 dated August 26, 2020, the Company hereby ratifies the appointment of M/s VARMA & VARMA, Chartered Accountants , Kochi (Firm Registration Number 004532S), who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Statutory Auditors, as the Statutory Central Auditors of the Bank for the period commencing from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting of the Bank on such remuneration as shall be decided by the Board of Directors or any Committee thereof / on such remuneration and expenses as detailed in the explanatory statement, for the purpose of audit including reporting on internal financial controls of the Bank's accounts at its head office, branches and other offices and issuing certificate(s) specified by the regulators, with power to the Board, including relevant Committee(s) thereof, to alter and vary the terms and conditions of appointment, remuneration etc., including by reason of necessity on account of conditions as may be stipulated by the RBI and / or any other authority, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.”</p>
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<p>Mr. Salim Gangadharan (Chairman)</p>	<p>Yea thanks everyone We shall now move on to Item No. 4 of the Notice.</p> <p>Item No. 4 is an ordinary resolution empowering the Board to appoint Branch Auditors from time to time in consultation with the Bank’s Statutory Central auditors and to fix their remuneration.</p> <p>“Company Secretary will now read the text of ordinary resolution.”</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>“RESOLVED THAT pursuant to the provisions of Section 139 and section 143(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, Board of Directors be and is hereby authorised to arrange for the audit of the Bank’s branches for the financial year 2020-21 and to appoint and fix the remuneration of branch auditors in consultation with the Statutory Central Auditors for the purpose.”</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>Yea “We may now move on to next agenda”</p> <p>Ratification of re-appointment of Sri. Salim Gangadharan (DIN: 06796232) as Non-Executive – Part time Chairman of the Bank.</p> <p>Since the ordinary resolution deals with my own chages of terms and conditions of appointment and following the best corporate governance practice I leave the chair and request Mr. George Korah director to transct this Business</p>
<p>Mr. George Korah (Director)</p>	<p>Thank you Sri Salim Gangadharan This ordinary resolution is for seeking your approval for Ratification of re-appointment of Sri. Salim Gangadharan (Director</p>

	<p>Identification Number: 06796232) as Non-Executive – Part time Chairman of the Bank."</p> <p>Sri. Salim Gangadharan was appointed as Non-Executive – Part time Chairman for a period of three years w.e.f. 02nd, November, 2016. Based on the scrutiny and recommendation of the Nomination & Remuneration Committee and considering the outstanding performance and contributions made to the Bank, the Board of Directors at their meeting held on 17th July, 2019 vide resolution No. DBR/SEC/S-100/2019-20 has resolved to re-appoint Mr. Salim Gangadharan as Non-Executive /Part-time Chairman of the Bank w.e.f. 2nd November, 2019 for a further period of 3 years on existing terms and conditions subject to the approval of Reserve Bank of India. The Reserve Bank of India has approved the same vide. Letter No DBR. Appt. No. 2880/08.51.001/2019-20 dated 09th October, 2019.</p> <p>“Company Secretary Will now read the text of ordinary Resolution.”</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>"RESOLVED THAT pursuant to the provisions of Sections 10B and 35B of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, the applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s) or modification(s) or re-enactment (s) thereof for the time being in force), and subject</p>

	<p>to the provisions of Articles of Association of the Bank and the approval granted by Reserve Bank of India vide letter No. DBR Appt. No. 2880/08.51.001/2019-20 dated October 09, 2019 (the —RBI Approvall) as recommended by the Board of Directors of the Bank vide Resolution No. DBR/SEC/S-100/19-20 dated July 17, 2019, consent of the Members of the Bank be and is hereby accorded to take on record the RBI Approval including the payment of remuneration and terms and conditions of re-appointment of Mr. Salim Gangadharan (DIN number: 06796232), brief particulars whereof have been set out in the annexed Explanatory Statement , as Non-Executive – Part time Chairman of the Bank, for a period of three (3) years with effect from November 2, 2019.”</p>
Mr. George Korah Director	Thank you Jimmy I shall now hand the chair back to Sri Salim Gangadharan
Mr. Salim Gangadharan (Chairman)	<p>Thank you Mr. George Korah.</p> <p>Now We shall now move on to Item No. 06 of the Notice.</p> <p>That is</p> <p>ITEM NO. 06Appointment of Mr. Murali Ramakrishnan (DIN: 01028298), as Managing Director and Chief Executive Officer of the Bank</p> <p>Item No. 06 is an Ordinary Resolution appointing Mr. Murali Ramakrishnan as Managing Director and Chief Executive Officer of the Bank for a term of 3 years. The tenure of Mr. V G Mathew as Managing Director and Chief Executive Officer of the Bank will expire on September 30, 2020. Since the tenure of Mr. V G Mathew would conclude on September 30, 2020, the Board vide resolution No. SEC/S-</p>

	<p>071 /2020-21 dated June 06, 2020, had submitted an application to the Reserve Bank of India, seeking approval for the appointment of Sri Murali Ramakrishnan, as the new MD & CEO, who shall succeed Mr. V G Mathew whose term is due to expire on September 30, 2020. The Reserve Bank of India vide letter No DOR. Appt. No.401/08.51.001/2020-21 dated September 2, 2020 has conveyed their approval to appoint Sri Mr. Murali Ramakrishnan as the Managing Director and Chief Executive Officer of the Bank, for a period of three years from 1st October, 2020 till 30th September, 2023.</p> <p>The Company Secretary will read the text of the resolution:</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>“RESOLVED THAT pursuant to the provisions of Section 152, 196, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Section 10B, 35B and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the rules, circulars and guidelines issued by the Reserve Bank of India and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of the Bank and the approval granted by the Reserve Bank of India vide letter DOR. Appt. No.401/08.51.001/2020-21 dated September 2, 2020, Mr. Murali Ramakrishnan (DIN:01028298), be and is hereby appointed as Managing Director and Chief Executive Officer and that he shall also</p>

	<p>be a Whole-time Key Managerial Person of the Bank, for a period of three years from 1st October, 2020 till 30th September, 2023 on such remuneration, terms and conditions, brief particulars whereof as recommended by Board of directors have been set out in the annexed Explanatory Statement to this notice." —FURTHER RESOLVED THAT Mr. Murali Ramakrishnan, shall not be subject to retirement by rotation during his tenure as Managing Director & CEO of the Bank.”</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>Thank you Jimmy, “We may now move on to next agenda”</p> <p>ITEM NO. 07 Increase in Authorised capital</p> <p>Item No. 07 is an Ordinary Resolution seeking the approval of members for increasing the Authorized capital of the Bank.</p> <p>Company Secretary will read the text of the resolution:</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>“RESOLVED THAT pursuant to the provisions of Sections 13, 14, 61 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modification or re-enactment thereof for the time being in force and the rules made there under (including the Companies (Incorporation) Rules, 2014), the applicable provisions of the Banking Regulation Act, 1949 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), the rules, circulars and guidelines issued by the Reserve Bank of India</p>

(—RBI) from time to time, subject to approval of the Reserve Bank of India, Registrar of Companies, and subject further to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by RBI, the Board of Directors (herein after referred to as —the Board, which term shall include any of its duly authorized Committee or individual Director) is hereby authorized to accept such terms, conditions, stipulations, alterations, amendments or modifications as it may deem fit, the Authorized Capital of the Bank be and is hereby increased from Rs.250,00,00,000/- (Rupees Two Hundred and Fifty crore only) to Rs.350,00,00,000/- (Rupees Three Hundred and Fifty Crore only) by creation of additional 100,00,00,000 (One Hundred crore) equity shares of Re.1/- each, ranking for dividend and in all other respects pari passu with the existing equity shares of the Bank when issued and accordingly the existing Clause 5 of the Memorandum of Association of the Bank be and is hereby amended by substituting the words and figures 'The Authorized Share Capital of the Bank is Rs.350,00,00,000/- (Rupees Three Hundred and Fifty crore only) divided into 350,00,00,000 shares of Re.1/- each.' for the words and figures, the capital of the Company is Rs.250,00,00,000/- divided into 250,00,00,000 shares of Re.1/- each.', appearing in Clause 5 thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate.”

<p>Mr. Salim Gangadharan (Chairman)</p>	<p>Thank you Jimmy We may now move on to next agenda” ITEM NO. 08 Special resolution for Raising of Tier I capital of the Bank through issuance of Securities.</p> <p>“</p> <p>A banking company requires adequate capital not only to meet the needs of growing business, but also to meet the applicable regulatory requirements. As business grows, capital requires to be augmented. The objective of every commercial enterprise is to grow. Added to the economic and regulatory factors, innovative technological banking methods are to be introduced and such methods to be not only updated, but also must be upgraded from time to time.</p> <p>The Bank expects to continue its robust growth trajectory in medium to long-term. Availability of adequate capital is one of the key requirements for achieving this feat. Apart from augmenting lending capabilities for the Bank, higher capital requirement is also necessitated to comply with BASEL number III capital requirements, funding investments in Infrastructure and Technology to expand reach, enhance customer experience and augmenting processes and controls. As a proactive move to leverage the available business opportunities and for maintaining appropriate regulatory capitalization levels, the Bank proposes to raise additional capital aggregating up to Rs.750 Crore (Rupees Seven Hundred and Fifty Crore only) or its equivalent amount in such foreign currencies as may be necessary, inclusive of any premium, by way of placement of Securities or a combination thereof to Qualified Institutional Buyers through Qualified Institutions Placement (QIP) and/ or private placement in international markets through ADRs/ GDRs or foreign currency convertible bonds or issue of fully convertible debentures/partly convertible debentures, and/or</p>
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	<p>any other financial instruments or securities convertible into Equity Shares with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, whether rupee denominated or denominated in foreign currency or a Further Public Offer ("FPO") or rights issue or any other methods. The issue of securities may be consummated in one or more tranches at such mode, at such time time or times, at such price, at a discount or premium to market price or prices in such manner and on such terms and conditions as the Board may in its absolute discretion decide, taking into consideration prevailing market conditions and other relevant factors and wherever necessary in consultation with advisors, lead managers, underwriters and such other authority or authorities as may be necessary and subject, to, as applicable, the ICDR Regulations, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014, and other applicable guidelines, notifications, rules and regulations, each as amended. The Board may in their discretion adopt any one or or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the members of the Bank.</p> <p>The proposed offer is in the interests of the Company and the Directors recommend the passing of the Special Resolution, as set forth in Item No.8 of this Notice for approval by the Members of the Bank.</p> <p>As this resolution is a lengthy one, may I have your consent to take the resolution as read.</p>
Mr. Salim Gangadharan	We may now move on to next agenda item the next agenda

(Chairman)	<p>item is item No. 09 Special resolution for Raising of funds by issue of bonds/ debentures/ securities on private placement basis.</p> <p>The Bank has been borrowing funds to meet the business requirements within the limits approved by the shareholders by way of issuance of various debt securities (bonds/debentures) as permitted by Reserve Bank of India (RBI) and in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and other applicable laws, from time to time.</p> <p>In terms of Section 42 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company can make private placement of securities subject to the condition that the proposed offer of securities or invitation to subscribe securities has been previously approved by the Members of the Company, by a special resolution, for each of the offers or invitations/subscriptions. In case of offer or invitation for subscription of non-convertible debentures, it shall be sufficient if the Company passes a special resolution only once in a year for all the offers or invitation for subscription of such debentures during the year. Accordingly, the Bank had obtained the approval of Members at the AGM held on July 17, 2019 for borrowing/raising funds by issue of debt securities pursuant to the relevant provisions of the applicable circulars or guidelines issued by RBI, up to Rs.500.00 Crore (Rupees Five Hundred Crore only), in one or more tranches. Pursuant to the said approval, the Bank has raised Rs.500.00 Crore by way of issue of Additional Tier I Bonds during Financial Year 2019-20.</p>
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	<p>The Directors of the Bank recommend the Resolutions on Item No. 9 of the accompanying Notice for your approval by way of Special Resolution. May I have your consent to take the resolution as read.</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>We may now move on to next agenda item Item No. 10 Special resolution for increasing foreign investment limit under NRI/PIO category.</p> <p>Presently the aggregate paid-up value of shares / convertible debentures purchased by all NRIs cannot exceed 10 per cent of the paid-up capital of the Bank. As per RBI Guideline (RBI/2012-13/15 Master Circular No.15 /2012-13 dated July 02, 2012), the aggregate paid-up value of shares / convertible debentures purchased by all NRIs cannot exceed 10 per cent of the paid-up capital of the company / paid-up value of each series of debentures of the company. The aggregate ceiling of 10 per cent can be raised to 24 per cent by passing a resolution of its Board of Directors followed by a special resolution to that effect by its General Body and subject to intimation to the Reserve Bank. The present FDI limit permitted to the Bank is 49%. In the 88th AGM held on July 8, 2016, Bank has obtained members consent by way of passing a special resolution for making appropriate applications to the regulatory authorities of the Government of India for increase in the foreign direct investment limits up to an aggregate limit of 59% of the paid-up share capital of the Bank.</p> <p>The increased limit of foreign investment under NRI/PIO category is proposed within the permissible FDI limit permitted to the Bank from time to time. The proposal is put-up to AGM considering the present economic scenario and also to utilise the available investment cap under NRI/PIO category.</p>

	<p>The proposed offer is in the interests of the Company and the Directors recommend the passing of the Special Resolution, as set forth in Item No.10 of this Notice for approval by the Members of the Bank.</p> <p>“Company Secretary will now read the text of special resolution.”</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>“RESOLVED THAT, subject to compliance of all applicable provisions of the Companies Act, 2013, the Foreign Exchange Management Act, 1999, and the rules, circulars and guidelines issued there under from time to time, including the Foreign Exchange Management (Transfer or Issue of Security to a person resident outside India) Regulations, 2017, as amended, the Consolidated FDI Policy Circular of 2017, as amended, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, from time to time, the Securities Contracts (Regulation) Act, 1956 (SCRA), the SEBI (ICDR) Regulations, the regulations, guidelines, circulars issued by the Reserve Bank of India, the Listing Regulations and any other applicable provisions of law if any, the consent of the members of the Bank be and is hereby accorded to increase the foreign investment limit under NRI/PIO category to 24% of the paid-up share capital of the Bank within overall permissible Foreign investment limit applicable to the Bank, provided however that the shareholding of each foreign investor (NRI/PIO), on its own account and on behalf of each of their sub-accounts in the Bank shall not exceed such limits as are or as may be prescribed, from time to time, under applicable laws, rules and regulations.“</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>Yea</p>

	<p>We shall now move on to Item No. 11 of the Notice.</p> <p>That is a Special resolution for Amendment in Employees Stock Option Scheme</p> <p>The Employees Stock Option Scheme (SIB ESOS 2008) was created in the year 20 2008 as an effective tool to attract, reward, retain and motivate the employees, after obtaining the approval of shareholders at the 80th Annual General Meeting held on August 18, 2008 and further amended by shareholders vide their resolution at the 85th and 87th Annual General Meeting of the Bank held on June 28, 2013 and July 15, 2015 . . . respectively.</p> <p>Stock options have been recognized as an effective tool to attract, reward, retain and motivate the employees. They create a proprietary interest among the employees, provide them an opportunity to share in the growth of the Bank and create long term wealth in their hands. Accordingly, an Employees Stock Option Scheme (SIB ESOS 2008) was created in the year 2008 after obtaining the approval of shareholders at the 80th Annual General Meeting held on August 18, 2008 which would result in issue of maximum of 5% of the Issued Share Capital of the Bank as on March 31, 2008 and updated on March 31, 2013.</p> <p>As this resolution is a lengthy one, may I have your consent to take the resolution as read.</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>We shall now move on to Item No. 12 of the Notice.</p> <p>Item no 12 is Special resolution for Ratification for amendment of Object clause of Memorandum of Association</p> <p>In line with the growth in business, the Bank has been offering various products to its customers. The Bank intends</p>

	<p>to widen the scope of its product and services offering and diversify into other business activities as permitted by the Reserve Bank of India or the Government of India by bring into existence one or more subsidiary or associate companies, firms or trusts for the purpose of undertaking the business of retail financing, insurance and re-insurance, stock broking, portfolio management, executor and trusteeship, managing issues, acting as Registrars to Issue and Share Transfer Agents, back end operations, credit card business, wealth management services, marketing and promotion of products of the Bank, other supportive services or undertaking of any business which, under Section (6) of the Banking Regulation Act, 1949, is permissible for a Banking Company to undertake and such other business as can be carried on in unison with one or more of objects of the Bank; as may be permitted by the Reserve Bank of India. Considering the same members Considering the same members have approved to insert new object clauses under the Object Clause of the Memorandum of Association of the Company vide resolution passed during the 91st AGM of the Bank and submitted to RBI for approval. The RBI vide Letter No DBR/PSBD/No.2988/16.02.074/2019-20 dated October 14, 2019 directed Bank to modify clause 3 sub clause (ad) of Object clause of Memorandum of Association of Bank. Hence an agenda is proposed for Ratification for amendment of Object clause of Memorandum of Association to comply with RBI direction.</p> <p>“Company Secretary will now read the text of resolution.”</p>
Mr. Jimmy Mathew	“RESOLVED THAT pursuant to the provisions of Section

(Company Secretary)	<p>13 and all other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force and the rules made there under (including the Companies (Incorporation) Rules, 2014), the applicable provisions of the Banking Regulation Act, 1949, (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), Banking Laws (Amendment) Act, 2012, the rules, circulars and guidelines issued by Reserve Bank of India (RBI) from time to time, subject to approval of the Reserve Bank of India, Registrar of Companies, (ROC), and to comply with the RBI direction, other terms, conditions, stipulations, alterations, amendments or modifications as required, specified or suggested by RBI vide letter No DBR/PSBD/No.2988/16.02.074/2019-20 dated October 14, 2019, the resolution passed by the Board of Directors vide Resolution No: DBR/SEC/S-205/2019-20 dated 17th October, 2019 as authorized to accept such terms, conditions, stipulations, alterations, amendments or modifications as it may deem fit, to modify the Clause 3 (Objects Clause) of the Memorandum of Association of the Bank by members vide the resolution under item No. 12 passed in 91st Annual General Meeting held on 17th July, 2019, be and is hereby adopted and ratified by modifying the following clause:</p> <p>ad) to establish, incorporate, register or otherwise bring into existence one or more subsidiary or associate companies or trusts for the purpose of undertaking any business which, under section 19(1) of the Banking Regulation Act, 1949, is permissible for a Banking company to undertake and such other business as can be carried on in unison with one or</p>
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	more of objects of the Bank; as may be permitted by the Reserve Bank of India.”
Mr. Salim Gangadharan (Chairman)	<p>Yea</p> <p>Thank you Jimmy</p> <p>Item No. 13 Special resolution for Amendment of Articles of Association</p> <p>The Board of Directors of the Bank at the meeting dated April 29, 2020, approved the amendment to be made to the Articles of Association of the Bank in line with the new Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, Banking Regulation Act, 1949 and other regulatory requirements and recommends the same for shareholders’ approval. In order to make the Articles of Association of the Bank in the line with the new regulatory requirements, the material changes that have been proposed in the revised draft of the Articles of Association of the Bank, are reproduced in the 92nd AGM notice.</p> <p>“Company Secretary will now read the text of ordinary resolution.”</p>
Mr. Jimmy Mathew (Company Secretary)	<p>“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force and the rules made there under (including the Companies (Incorporation) Rules, 2014), the applicable provisions of the Banking Regulation Act, 1949 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), Banking Laws (Amendment)</p>

	<p>Act, 2012, the rules, circulars and guidelines issued by Reserve Bank of India (—RBI) from time to time, subject to approval of the Reserve Bank of India, Registrar of Companies (ROC), and subject further to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by RBI, the Board of Directors (herein after referred to as —the Board, which term shall include any of its duly authorized Committee or individual Director) is hereby authorized to accept such terms, conditions, stipulations, alterations, amendments or modifications as it may deem fit and the consent of the Members, be and is hereby accorded to the alteration and amendment of the Bank's Articles of Association in the manner and to the extent, as detailed in the explanatory statement to the 92nd AGM notice.”</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>Thank you Jimmy</p> <p>“Ladies & gentlemen, we have transacted all the business that was on the agenda.</p> <p>Members may note that the voting on the NSDL platform will continue to be available for the next 30 minutes. Therefore, members who did not cast their vote yet are requested to do so.</p> <p>In this regard, The Board of Directors has appointed Mr. P. D. Vincent, LLB, MBA, FCS, Practicing Company Secretary (Managing Partner of SVJS & Associates, Company Secretaries) or failing him Mr. Jayan K. L., LLB, FCS, Practicing Company Secretary (Partner SVJS & Associates, Company Secretaries) as the Scrutinizer to scrutinize the voting and Remote e-voting process in a fair and transparent</p>

	<p>manner.</p> <p>The Results on above resolutions shall be declared not later than 48 hours from the conclusion of the AGM and the resolutions will be deemed to be passed subject to receipt of the requisite number of votes in favour of the Resolutions.</p> <p>I thank all the shareholders for attending the Meeting notwithstanding the Covid scenario and for the kind co-operation and assistance extended for the smooth conduct of the Meeting. Please stay safely.</p> <p>I am also taking on record that the prescribed number of members required for constituting a quorum, was present throughout the meeting.</p> <p>The Meeting stands terminated.</p> <p>Thank you once again.</p>
<p>Note:</p> <ol style="list-style-type: none"> 1. This document has been edited to improve readability 2. Blanks in the transcript represent inaudible or incomprehensible words. 	