

| TRANSCRIPT | |
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| THE SOUTH INDIAN BANK LIMITED | |
| Event: 94 th ANNUAL GENERAL MEETING Event Date/Time: 12 th July 2022 11:00 AM (IST) Event Duration : 02: Hours 37 minutes | |
| 11.00 AM. (IST) | Chairman confirms from Company Secretary that a quorum is present. |
| Presentation session: | |
| Mr. Jimmy Mathew (Company Secretary) | Good Morning everyone now the time is 11:00 AM, it is the time to commence the 94 th Annual General Meeting of the South Indian Bank Ltd. I invite Sri. Salim Gangadharan, Chairman to welcome the shareholders and start the proceedings of AGM. Thanks |
| Mr. Salim Gangadharan (Chairman) | Yea Good morning everyone. Jimmy the quorum is there |
| Mr. Jimmy Mathew (Company Secretary) | Yes sir |
| Mr. Salim Gangadharan (Chairman) | Thank You. Good morning everyone. I am delighted to address you all on this auspicious occasion of the annual general meeting. Hearty welcome to one and all, to the 94 th Annual General Meeting of The South Indian Bank Limited. I am Salim Gangadharan, the Chairman of the Bank. I am attending this AGM from the Bank's head office at Thrissur. Distinguished ladies and gentleman. The time is now 11 am. This meeting is being held through video conferencing and other audio visual means in accordance with the circular issued by the ministry of corporate affairs, and SEBI, in view of the continuing COVID-19 pandemic and the social distancing norms are to be followed. The Bank has taken the requisite steps to enable members to participate and vote on the items being considered at this AGM, in terms of the above said circulars and along with other provisions of the Companies act, 2013 and the rules made there under. A live streaming of this meeting is also being web cast on CDSL's website. Before we start the main proceedings of the meeting, I request my esteemed colleagues on the video conference to introduce themselves. |

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| | Mr. Murali Ramakrishnan. |
| Mr. Murali Ramakrishnan (MD & CEO) | Good morning everyone. I am Murali Ramakrishnan, Managing Director and CEO of the Bank. I am attending this AGM from the head office in Thrissur. Thank you. |
| Mr. Salim Gangadharan (Chairman) | Yeah. Mr. Parayil George John Tharakan. |
| Mr. Parayil George John Tharakan: (Director) | Good morning everyone. I am Parayil George John Tharakan, Independent Director. I'm attending this AGM from the Bank's headquarters at Thrissur. I am the Chairman of the CSR committee of the Board. Thank you. |
| Mr. Salim Gangadharan (Chairman) | Mr. V J Kurian. |
| Mr. J Kurian (Director) | Good morning everyone. I am V J Kurian, Independent Director. I am attending this AGM from my residence at Cochin. I am the Chairman of the Nomination & Remuneration Committee and Stakeholder's Relationship Committee of the Board. Thank you. |
| Mr. Salim Gangadharan (Chairman) | Mr. George Korah. |
| Mr. M George Korah (Director) | Good Morning everyone. I am M George Korah, Independent Director. I am attending this AGM from my daughter's residence at Toronto, Canada. I am the Chairman of the Audit Committee of the Board. |
| Mr. Salim Gangadharan (Chairman) | Mr. Pradeep M Godbole. |
| Mr. Pradeep M Godbole(Director) | Good morning everyone. This is Pradeep Godbole, Non-executive Director. I am attending this meeting from my residence in Mumbai. I am the Chairman of the IT Strategy Committee. |

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| Mr. Salim Gangadharan (Chairman) | Mr. Paul Antony |
| Mr. Paul Antony (Director) | Good morning everyone. I am Paul Antony, Non-executive Director. I am attending this AGM from the Head office, Thrissur. |
| Mr. Salim Gangadharan (Chairman) | Mr. R A Sankara Narayanan. |
| Mr. R A Sankara Narayanan (Director) | Good morning everyone. I am R A Sankara Narayanan, Independent Director. I am attending this AGM from my residence at Chennai. I am the Chairman for the Risk Management Committee of the Board. Thank you. |
| Mr. Salim Gangadharan (Chairman) | Madam Radha Unni |
| Mrs. Radha Unni (Director) | Good morning everyone. I am Mrs. Radha Unni, Independent Director. I am the head of the Customer Service Committee. I am attending this AGM from the head office, Thrissur. Thank you. |
| Mr. Salim Gangadharan (Chairman) | Mr. Benny P Thomas. |
| Mr. Benny P Thomas (Director) | Good morning everyone. I am Benny P Thomas, Non-executive Director. I am attending this AGM from Bank's head office, at Thrissur. |
| Mr. Salim Gangadharan (Chairman) | I request the Chief Financial Officer, and the Company Secretary who are also on the video conference 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, at Thrissur. |
| Mr. Jimmy Mathew (Company Secretary) | Good morning everyone. I am Jimmy Mathew, Company Secretary, attending the meeting from the head office, at Thrissur |
| Mr. Salim Gangadharan | Yeah, thank you all. Apart from the CFO and the Secretary. |

(Chairman)

We also have Mr. Thomas Joseph K, Executive Vice President; Mr. Anto George T, Senior General Manager and other key executives of the Bank, joining this meeting through video conference, from their respective locations. We have Mr. Vivek Govind, Senior Partner of Varma & Varma Chartered accountants, Kochi and Mr. Hiran Shah, Senior Partner of the CNK Associates LLP. Chartered Accountants, Mumbai, the Joint Statutory auditors of the Bank attending the AGM;

Mr. Vincent P D, Managing Partner of M/s. SVJS & Associates Company Secretaries, Ernakulam, the Secretarial auditors of the Company, is attending from Kochi;

Mr. S Sankar, General Manager, BTS Consultancy **Services** Private Limited, Share Transfer Agent of the Bank, is attending from Chennai.

The Company Secretary has informed me that we have the requisite quorum present through the video conference to start the proceedings of this meeting. Participation of members through video conference is being reckoned for the purpose of the quorum. As per the circulars issued by MCA and Section 103 of the Companies Act, 2013. The quorum being present, I call this meeting to order.

The Bank has taken all feasible measures under the current circumstances to enable members to participate through video conference and vote at the AGM. I thank all the members, the 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 the related party and contracts and bodies, etc. in which the Directors are interested. Certificate from Secretarial auditors, in terms of regulation 13 of SEBI (Share based employee's benefits and Sweat Equity) regulations 2021 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 Meeting of the Employee's Stock Options scheme, 2008. With the changes proposed, auditors report and 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 sibagm@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 registered for inspection in respect of the said meeting. The Bank has provided the facility to cast the votes electronically on all resolutions set forth in the notice dated 7th June, 2022. 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 CDSL, provided, they are not barred from doing so otherwise. Kindly follow the instructions given in the AGM notice.

The shareholders who have cast their votes by remote e-voting prior to the AGM, can also attend the AGM, but, shall not be entered to cast their vote again. This, being the AGM held through video conferencing and other audio visual means, I request Mr. Jimmy Mathew, Company Secretary, to take you through the certain instructions regarding the participation at this meeting.

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| | Jimmy. |
| Mr. Jimmy Mathew (Company Secretary) | <p>Good morning everyone.</p> <p>Members may note that this Annual General Meeting is being held through video conference in accordance with the Companies Act 2013 and circulars issued by the Ministry of Corporate Affairs and 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> <p>Thank you very much.</p> <p>We will commence the proceedings with a silent prayer.</p> <p>Let us remember the shareholders, employees, and clients of the Bank who have left for their heavenly abode since we met last year and let us also remember the value and efforts made by the employees and the valued cooperation extended by stakeholders during this testing time of COVID pandemic.”</p> |
| Mr. Salim Gangadharan (Chairman) | <p>Thank You very much.</p> <p>A very good morning to all of you,</p> |

It's my pleasure to welcome you all on behalf of the Board of Directors to the 94th Annual General Meeting of "The South Indian Bank Limited" for the Financial Year 2021-2022, being held today through Video Conference. I am honored and inspired by the spirit you have demonstrated by joining us virtually. I hope to find you all safe, secure and healthy always.

I am grateful for the opportunity to speak to you at this critical moment, in the global response to the COVID-19 - a pandemic, which was navigating multiple waves of infections and new mutations, continues to impact many aspects of our lives and the ongoing geo-political conflict between Russia and Ukraine. Indeed, it is out of some of the most tragic crises that the world has found many imaginative solutions. I wish that the World would ultimately emerge victorious from all these crises.

The Directors' Report and the Standalone and Consolidated Annual Financial Statements for the Year ended March 31,2022, are already with you and with your permission, I take them as read.

Before I present the performance of the Bank, I would like to briefly reflect with you the present macroeconomic and Banking scenarios.

Economic and Banking Scenarios

We were going through an operating environment much more uncertain and challenging than any in the recent memory. The COVID-19 pandemic triggered short-term fiscal imbalances and a long -term economic impact on the nations across the globe. The war in Ukraine has dented the world economy and it significantly resulted in slowdown of global growth in 2022 and inflationary spiral. Fuel, commodity and food prices have increased rapidly. The Indian economy is not decoupled from these impacts either. The risks of stagflation are increasing.

As per the IMF's World Economic Outlook, April 2022, the global economic prospects have worsened, and the global growth is projected to slow down from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. Beyond 2023, global growth is projected to decline to about 3.3%. War induced commodity, crude oil and food price increases, supply shocks and broadening price pressure have led to 2022 inflation projections of 5.7% in advanced economies and 8.7% in emerging market and developing economies. However, India is expected to be one of the fastest growing economies in the world, with the

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expected GDP growth of 8.2% in 2022-23, supported by widespread vaccination coverage, easing of regulation, robust export growth and big push in capital spending.

The RBI has also trimmed India's economic growth forecast for 2022-23 from 7.8% estimated earlier to 7.2%. Revised growth is significantly lower than the 8.7% growth achieved in 2021-22. Inflation continues to be above the tolerance level of the RBI, posing a serious challenge to growth and financial stability. The inflation is now projected at 6.7% in 2022-23. The financial markets also experienced with bouts of turbulence, in the context of global spillovers. The Banks have bolstered capital and liquidity positions, while asset quality has improved. Market risks have been increasing, as spells of volatility arising out of capital outflows and continuing depreciation of the Indian Rupee. The scheduled commercial Banks maintained sound capital positions, with the CRAR of 16.7; and the GNPA slipping to a six-year low of 5.9% as on March 31, 2022. The Provisioning Coverage Ratio (PCR) increased to 70.9%.

Performance of the Bank

Despite the crippling impacts of the pandemic and the geopolitical conflicts, our Bank turned in reasonable performance and financial results during the FY 2021-22 and the key financial highlights for FY 2021-22 are summed up, as under:

- The Bank has reported its highest ever quarterly profit after tax of Rs. 272 crores during Q4 – 2022.
- Despite the challenges in the operating environment, the Bank achieved a total business of Rs. 1,50,957.80 crore, consisting of deposits of Rs. 89,142.10 crore and gross advances of Rs. 61, 815.76 crore as on March 31, 2022.
- With a focus laid on low-cost deposits, the CASA has grown from Rs. 24,589.80 as on March 31, 2021 to Rs. 29, 601.37 crore as on March 31, 2022, with a growth of 20.38% and the CASA ratio reached at a sustainable level of 33.21%.

- During the year 2022, the gross advances of the Bank registered a growth of 4%, compared to previous fiscal, to touch Rs. 61,815.76 crore.
- NPA recovery and upgrade has shown a historic performance and the Gross NPAs has reduced from 6.97% to 5.90% on Y-o-Y and the net NPA has also came down to 2.9%, as against 4.7% for the previous year.
- With the focus on strengthening the financials, the PCR has improved from 58.73% in March 2021 to 69.55% in March 2022.
- The operating profit decreased from Rs 1661.60 crore in 2020-21 to Rs 1247.57 crore in 2021-22. The net profit for the year was Rs. 44.98 crore as compared to a net profit of Rs. 61.91 crore during the previous year.
- The capital adequacy ratio improved to 15.86% as compared to 15.42% in the previous year.
- Compared to past two years, the incidents of frauds have decreased substantially. During 2021-22, the amount involved in fraud has been declined to Rs. 40.31 crore, compared to Rs. 1193.46 crore in 2020-21. The Bank has put in place an effective monitoring mechanism and has made substantive improvements in internal controls, leading to effective fraud prevention and control.
- The book value per share of the Bank has increased to Rs. 27.97 as at March 31, 2022.
- With the digital push and innovations in technology, the share of digital transactions has gone up to 93.3%.
- The Bank has been successful in widening its network across India with 935 Banking outlets and 1270 ATMs/CRMs.

- During the year, the Bank was honored with significant Institutional recognitions, awards and accolades for various initiatives undertaken.

The Bank accords utmost importance to constantly enhancing skill-sets of its staff members. To augment the workforce in tune with the Bank's sustained growth and expanding network, major initiatives towards training, talent acquisition, motivation and retention have been continued in the FY 2021-22. Training Programmes are organized by L&D unit at SIB Staff Training College (SIBSTC), Thrissur for development of professional skills. These training programmes are designed to develop competency of the operating personnel, while imbibing the SIBIAN's true spirit and culture through an effective learning process. 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 2021-22, the Bank has imparted training to a total of 6,065 staff members across positions, including new joiners' Induction for 1,296 persons, which is about 66% of total staff strength of 9,219 as on March 31, 2022. This is also in consonance with the Bank's priority of continuous up-gradation of skills to ensure that the staff members meet the aspirations of the customers and in discharging their services professionally covering the entire gamut of Banking operations.

In addition to this, trainings have also been imparted to 13 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 has been reflected in the enhanced organizational productivity of the staff.

The Bank has made significant strides in digitization. Technology and digital innovation have improved productivity and efficiency. By realigning technology and business, the Bank has effectively harnessed the technology disruptions to our best advantage, ensuring better growth in the preset competitive environment. The Bank has introduced a host of services and facilities with a view to providing safe, secure and convenient Banking facilities to its customers, which *inter-alia* includes the following:

- Launch of Bank's Credit card SIB- ONE CARD tie up with M/s FPL Technologies Pvt. Ltd.
- Implemented Robotic Process Automation in various back office processes in centralized centers of the

Bank.

- Video CIP- On Board customers remotely by establishing the customer's identity.
- Loan related services in Bank's digital channels like Pre-approved loans, Housing loan interest certificate, etc.
- Launch of Multilingual functionality in Bank's Mobile application, SIB Mirror +.
- Digital signing of Legal Documents.
- DIYA (Do It Yourself using Aadhar) Account Process Flow has been launched by which customers can open accounts from branches without the intervention of CPC, using Aadhar based authentication.
- Implementation of Early Warning System to detect the slippages of accounts into NPAs, well in advance.
- Facility to link Fast Tags with the Bank account and to set standing instructions to recharge the same.
- Spot credit through digital modes for Current A/c customers based on transactions in their accounts.
- Enhanced the unique feature in Mobile Banking application- e-Lock, to facilitate customers to set a threshold limit for cumulative debit transactions in a day through all channels. E-Lock enables customers to block/unblock debit transactions through all channels with a single click.

Coming to Corporate Social Responsibility

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 withoutwithout 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 2021-22, the Bank spent Rs 6.04 crore towards CSR activities, which includes the unspent CSR amount of Rs. 0.34 crore pertaining to ongoing projects was transferred to 'Unspent CSR Financial Year 2021-22' on March 31, 2022, in

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accordance with the Companies Act, 2013 and Companies (Amendment) Act, 2021. The Bank had also embarked on some major projects last year in the field of healthcare, particularly in the context of the pandemic, education, sports, and sanitation, etc. The Bank is currently in the process of evaluating strategic avenues for CSR expenditure to deliver maximum impact.

Risk Management:

Risk is an integral part of Banking business. It is imperative to have robust and effective risk management practices not only to manage risks inherent in the Banking business but also the risks emanating from financial markets. The Bank has in place a robust risk management architecture, which proactively identifies the risks faced by the Bank and helps in mitigating the same. 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 fine-tuned and benchmarked against the best practices followed in the industry. Through continuous refinement/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 utilization of capital in line with the business objectives.

As part of the Business Continuity Management, the Bank's Operational Risk team is working in close coordination with various stakeholders to ensure smooth conduct of operations during this pandemic time. New Risk Management initiatives such as automation of Risk Assessment Model for Retail, MSME, and Corporate are under implementation.

Internal Control Systems and Compliance

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, EM creation and CERSAI registration, etc.

As per the requirement of Companies Act, 2013, the Bank has formulated Internal Financial Controls framework. Risk and controls associated with each process in the Bank are

documented under the Internal Financial Controls Framework. A separate Compliance department is ensuring that all regulatory norms are followed, both in letter and spirit.

Awards and Accolades:

The year 2021-22 saw the Bank being honored with the following significant Institutional recognitions, awards and accolades:

- South India Best Employer Brand Awards 2021 – Excellence in HR through Technology for mHRMS mobile application.
- UiPath Automation Excellence Award for Best Automation under Crisis for Business Continuity.
- Six awards at IBA’s 17th Annual Banking Technology Awards:
 - 1) Winner - Best Technology Bank of the Year (Small Banks)
 - Winner - Best IT Risk Management and Cyber Security Initiatives (Small Banks)
 - Winner - Best Fintech Collaboration (among Small Banks)
 - Joint Winner - Best Use of AI/ML and Data Analytics (among group of Small Banks)
 - Runner Up - Best Cloud Adoption (among Small Banks)
 - Joint Runner Up - Best Payments Initiatives (among all Private Banks)
- The 11th Edition of UBS Forums’ Data Center Summit and Awards 2022 for the below categories:
 - Winner – Physical Security on Security Design
 - Recognition – Risk Management (Availability)
 - Recognition – Design Management on Infrastructure
 - Recognition – Innovation – New Initiatives on Infrastructure
- Finnoviti Awards 2022 from Banking Frontiers.
- Business Leader of the Year Award, 2022 from CMO Asia for ‘Workplace and People Development’.
- Most admirable BFSI Professional Award from World BFSI Congress to HR Team of the Bank.

- Our Legal Team secured the Runners-Up position in the category - Best Banking & Finance Legal team of the Year, at the 11th Annual Legal Era - Indian Legal Awards, 2022.

Looking ahead

The Bank has undertaken a comprehensive transformational 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-risking the balance sheet continues and the efforts towards building a sound loan book have been successful. Even under the 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 further strengthened. As a result of the Bank's strong focus on credit underwriting and tracking early warning signals, and top priority on recovery and collections, the future NPA level is expected to be controlled. Appropriate product pricing, on a risk-return perspective and strict control and vigil on portfolio quality would improve asset quality and profitability.

Acknowledgement

There were a few changes in Board during the financial year 2021-22. Ms. Ranjana S Salgaocar and Mr. Francis Alappatt, have ceased to be Directors of the Bank during the Financial Year after serving the Bank for an extended period. They had contributed significantly to the transformation process and also in formulating appropriate business strategies. The Board appreciates their efforts and wish them all the very best.

I take this opportunity to express my deep sense of gratitude to the Reserve Bank of India, the Securities and Exchange 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, Joint Statutory Auditors M/s Varma & Varma and M/s CNK Associates LLP, Secretarial Auditors 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, one of the Joint Statutory auditors of the Bank, who is completing their 3-year term by this AGM.

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| | <p>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 profoundly acknowledges this fact and thanks all of them for their diligence, devotion and loyalty towards the Bank, during these trying times. The Board expresses its sincere appreciation for the dedicated services rendered by officers and employees of the Bank at all levels.</p> <p>To Conclude, the history shows us that global threats and crises open a way of pulling together diverse partners to solve shared problems. Before I conclude, I would like to assure you, that the Bank has put in place appropriate plans and strategies to bring about the most desirable quality business growth with profitability. The results of the measures have already been reflecting in the Balance sheet with quality loan book and improved earnings. I seek your continued support and patronage. We look forward to continuing this journey along with you to take our Bank to new horizons.</p> <p>Thank you, Ladies and Gentlemen for your valuable time and attention.</p> <p>Thank You once again.</p> |
| <p>Mr. Salim Gangadharan (Chairman)</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 once again that, as required under the Companies Act, 2013, the Bank had provided you all the facility to cast your 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>Item No 1 Adoption of Accounts</p> <p>“The first item on the agenda is approval and adoption of accounts for the financial year 2021-22. I call upon the Company Secretary to read the Auditors’ Report.”</p> |
| <p>Mr. Jimmy Mathew (Company Secretary)</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 Consolidated Financial Statements</p> <p>Opinion</p> |

We have audited the accompanying consolidated financial statements of The South Indian Bank Limited ('the Bank') and its subsidiary (together referred to as "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Profit and Loss Account, the Consolidated Cash Flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated 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 in conformity with accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated 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 consolidated financial statements.

Emphasis of Matter

1. We draw attention to **Note No. 5.c(ii) of schedule 18** of the accompanying statement of Audited consolidated financial statements regarding amortization of the additional liability on account of revision in family pension to the extent of Rs 43 crores over a period of seven quarters beginning with the quarter ended September 30, 2021, in accordance with the permission granted

by Reserve Bank of India (RBI). As also stated in the said Note Rs 18.42 crores have been written off during the year ended March 31, 2022, and the balance amounting to Rs. 24.58 crores have been carried forward as unamortized expenditure. If the balance liability as above had been written off during the year, the net profit for the year ended March 31, 2022, would have been lower by Rs 24.58 crores.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements, 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.

Description of Key Audit Matters

Key Audit Matters

(i) Adoption of Centralized Statutory Branch Audit

During the FY 2021 – 22, with an objective to reduce the time and effort involved in the financial statements closure process, the Bank discontinued the process of appointing Branch Statutory Auditors and has implemented verticalization of its processes and centralization of audits of its branch network.

Accordingly, in FY 2021-22 the Joint Statutory Auditors have conducted a Centralized Statutory Branch Audit based on the bank regions allocated and agreed upon mutually.

Centralization of audit generally leads to concentration of audit work at the Head Office for all departments like Corporate Financial Management (CFM), Credit Monitoring, Management Information System (MIS) cell in Data Science Department (which includes uploading of data on a cloud-based platform). Since the centralization of audit was adopted for the first time by the Bank, we considered this as a Key Audit Matter.

How our audit addressed the Key Audit Matters

Our audit approach/procedures included the following:

- Understanding the implementation of the internal controls adopted by the bank w.r.t centralization of branch audits including the information / data to be uploaded on the VDR platform.

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| | <ul style="list-style-type: none"> - Selection of Branches for performing a detailed audit for selective branches. The basis of sample branches selected by us include criteria's like: - Top 20 branches in accordance with the RBI circular 'Norms on eligibility, empanelment and appointment of Statutory Branch Auditors in Public Sector Banks from the year 2020-21 and onwards; - Branches with top Advances; - Branches with Stressed Portfolios. - Review of selective branches' data through virtual environments - Verification of the Banking operations undertaken by the Branches and whether the same are in line with the Bank's policies and procedures; - Verification of advances based on its classification and NPA provisioning as per IRAC norms; - Review of Inspection/ Concurrent Audit / Credit Audit Reports related to the selected branches; - Analysis of Bank Level Data for Advances, Stressed Advances, Restructured Advances and Non Performing Advances. Reperformance of interest calculation of selective data. Also reviewed documentation for advances for samples selected at Bank Level ; - Analysis of Bank Level data for Deposits, Current Accounts and Saving Bank Accounts details and reperformance of interest calculation of selective data; - Analysis of Bank Level data for expenditure and other accounts; - Interaction with respective departments at head office and head of verticals related to Branch Operation; <p>Compliance with the RBI regulations</p> <p>Key Audit Matters</p> <p>(ii) Classification of Advances, identification of non-performing advances, Income Recognition, and provisioning on Advances (Refer Note 3 of Schedule 17 to the consolidated financial statements)</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorized as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances;</p> <p>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.</p> |
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| | <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>Significant judgements and estimates for NPA identification 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; - Appropriate reversal of unrealized income on the NPAs <p>Since the identification of NPAs and provisioning of advances 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 included 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 RBI (IRACP Norms) including the additional provisions made on advances. - Understanding, evaluation and testing the design and 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. - Performing other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included: <ul style="list-style-type: none"> (a) Considering testing of the exception reports generated from the application systems where the advances have been recorded; (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; (c) Reviewing account statements and other related information of the borrowers selected based on quantitative and qualitative risk factors; (d) Reading of minutes of management committee and credit committee meetings and performing inquiries with the |
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| | <p>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 Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank;</p> <p>(f) 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> <p>(g) Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines.</p> <p>For NPAs 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>Key Audit Matters</p> <p>(iii) Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the consolidated 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 (NPI), no recognition of income and provisioning against NPI.</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. 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 FBIL /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</p> |
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| | <p>degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of NPI and provisioning related to investments.</p> <p>How our audit addressed the Key Audit Matters</p> <p>Our audit approach/procedures included the following:</p> <ul style="list-style-type: none"> - We evaluated and understood the Bank’s internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs and provisioning/depreciation related to investments; - We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments; - 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; - We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision; - We carried out substantive audit procedures to recompute 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; and <p>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>Key Audit Matters</p> <p>(iv) Assessment of Provisions and Contingent Liabilities (Refer Note 10 of Schedule 18 to the consolidated 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.</p> <p>There is a high level of judgement required in estimating the level of provisioning for the above. The Bank’s assessment is supported by the facts of matter, their own judgement, past experience, and advice from legal and independent tax consultants wherever necessary. Accordingly, unexpected</p> |
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| | <p>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 judgement in interpretation of law. Accordingly, our audit was focused on analyzing the facts of subject matter under consideration and judgements/ interpretation of law involved.</p> <p>How our audit addressed the Key Audit Matters Our audit approach/procedures included the following:</p> <ul style="list-style-type: none"> - Obtaining an understanding of internal controls relevant to 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/ communications 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, collections of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and <p>Verification of disclosures related to significant litigations and taxation matters.</p> <p>Key Audit Matters (v) Information Technology (‘IT’) Systems and Controls for financial reporting IT systems and controls followed by the bank 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.</p> <p>These are key to ensure that IT dependent and application-based controls are operating effectively. Due to the pervasive nature and complexity of the IT environment we have ascertained IT systems and controls as a Key Audit Matter.</p> <p>How our audit addressed the Key Audit Matters</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 |
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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 authorized. We tested the Bank's periodic review of access rights. We inspected requests of changes to systems for approval and authorization. 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.

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.

For **Varma and Varma**, Chartered Accountants,
Firm Registration No. 004532S.
Vivek Krishna Govind, Partner,
Membership No. 208259,
UDIN: 22208259AIWNZI9484
Place: Kochi
Date: May 12, 2022

For **CNK & Associates LLP**, Chartered Accountants
Firm Registration No. 101961W/W-100036,
Hiren Shah, Partner,
Membership No. 100052,
UDIN: 22100052AIWOND2804
Place: Thrissur
Date: May 12, 2022

The remaining portion of auditor's report standalone Independent Auditor's report, and annexures of Both the standalone and consolidated Independent Auditor reports including 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.

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| | <p>there are no qualifications reservations adverse remarks / disclaimers in the audit reports and secretarial auditor’s reports. The Secretarial Audit Report is also taken as read.</p> <p>Since this AGM is being held pursuant to the MCA Circulars, through VC /OAVM, physical attendance of Members has been dispensed with. 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>Mr. Salim Gangadharan (Chairman)</p> | <p>Thank You Jimmy.</p> <p>For facilitating discussions, I will read the text of the Ordinary resolution that is to be adopted.</p> <p>“RESOLVED that the Standalone and Consolidated Balance Sheets of the Bank as at 31st March 2022 together with the Profit & Loss accounts for the financial year ended 31st March, 2022 annexed thereto as certified by the Auditors vide their report dated 12thMay 2022 attached thereto and read at the meeting and the Directors’ Report thereon dated 07th June, 2022 be and are hereby received, approved, adopted and appropriation of Net Profits approved.”</p> <p>Now the members may seek any clarification on the Resolution and also on the Accounts or on other agenda items.</p> <p>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</p> |

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| | <p>members are 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 members asking questions depending on the availability of time.</p> <p>The Company Secretary will now announce the names of shareholders who have registered as Speaker shareholders, one by one.</p> |
| <p>Mr. Jimmy Mathew (Company Secretary)</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 speaking, 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 have three minutes for their questions.</p> <p>Members are further requested to avoid any customer name specifically.</p> <p>To avoid repetition, the Board will respond to all the questions at the end. Once you have asked your question, you can log off and continue to watch the proceedings.</p> <p>In case, there is a connectivity problem at speaking shareholder's end, the next speaker will be asked 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> |

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| | <p>Now, I request Mr. Sarvjeet Singh to kindly proceed with the question.</p> <p>Mr. Sarvjeet Singh</p> <p>As he is not joined, I am going to the next speaker.</p> <p>Now I welcome Mr. Santhosh Kumar Saraf.</p> |
| Mr. Santhosh Kumar Saraf | Namaskar, one-minute Sir. I am starting my video, ok. |
| Mr. Jimmy Mathew (Company Secretary) | Good morning Sir. Please start. |
| Mr. Santhosh Kumar Saraf | Respected Chairman. Should I speak in Hindi or in English? (Translation from Hindi) |
| Mr. Jimmy Mathew (Company Secretary) | No issue Sir. Please continue. |
| Mr. Santhosh Kumar Saraf | <p>(Translation from Hindi)</p> <p>Respected Chairman and all the other Directors and my dear brother and sisters. My name is Santhosh Kumar Saraf. Namaskar everyone. I wish good health for all those who are present in this meeting.</p> <p>Your Bank has done well and good business in the last year, but, I would like to know, how digital transactions have increased from last year's to that of this year's.</p> <p>I would like to know about the same. Also, the present position of the CASA deposits. How much has it increased from last year's to that of this year's.</p> <p>Together with these, I have also sent a letter, inquiring about the steps taken by the Bank in cases of e-waste management and plastic waste management.</p> |

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| | <p>Also, I would like to know whether all the employees, both male and female, of the Bank have been covered under the insurance scheme (both life & accident) and the coverage sum assured, the maternity benefit for female employees and paternity benefits of for the male employees.</p> <p>I would also like to know about the steps taken by the Bank in the case, of head office building and other owned building equipped with the Rain water harvesting facility. even though I know maximum will be rented buildings</p> <p>I am not taking much time.</p> <p>Also, whether facility has been arranged to all the employees of the Bank in order to complete the booster dose of the COVID-19 vaccination drive.</p> <p>. I will not be able to attend the AGM in physical mode hence I would also suggest / request to conduct the next year Annual General Meeting in both / dual modes/ hybrid mode, i.e.; in both physical form and through Video conference, I don't know the position next year, still conducting AGM through VC will help those who wish to attend the same, either way, could attend the same. Like the facility provided by other companies.....</p> <p>First they gave opportunity for shareholders who attended the meeting physically and thereafter to the shareholders through VC. Because of the same I could represent myself. Otherwise you will be only be able to hear shareholders who attend physically.</p> |
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| | <p>I am not taking more time I also wish good health, wealth and prosperity to all the Directors of the Bank and their families in coming year</p> <p>. Jai Javan Thank you. Namaskar.</p> |
| Mr. Salim Gangadharan (Chairman) | Namskar |
| Mr. Jimmy Mathew (Company Secretary) | Thankyou Sir. Thanks a lot Sir. Now, I welcome Smt. Lekha Sathish Shah. |
| Mrs. Lekha Satish Shah | Hello. Can you hear me, Sir. |
| Mr. Jimmy Mathew (Company Secretary) | Yeah, Madam. Good afternoon Madam. Madam, please proceed with the question. |
| Mrs. Lekha Satish Shah | <p>Thankyou Sir. Respected Chairman Sir, Board of Directors and my fellow members, Good afternoon to all of you. Myself Lekha Shah from Mumbai. First of all, I am very much thankful to our Company Secretary, Mr. Jimmy Mathew Sir. Especially, Kevin Sir for extending very good investor services and also, sending me the AGM notice well in time which is full of knowledge and</p> <p>also Mr. Kevin Sir has always answered all my questions and always cleared my all doubts. Thank you once again Kevin Sir and Jimmy Sir</p> <p>. Chairman Sir, I have confidence that with your vision and determination, you will lead our Bank to greater heights and also I pray to God that our Bank should progress more and more until you and your team work. Sir, I would thank to all the persons of the Bank for receiving awards and recognitions at various events</p> |

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| | <p>during the financial year 2021 and 22. And also, I am glad, the Bank is doing very well in field of CSR activities.</p> <p>Thankyou Chairman Sir for explaining us about the Bank. Congratulations for your excellent work Sir. Sir, I pray to God, he always showers his blessings upon you.</p> <p>Sir, I would like to ask you a question.</p> <p>My first question is, we have item on fund raising I would like to know about the raising of funds through Private Placement and to which class of investors are you planning to issue.</p> <p>My second question is, in the current year, how much NPA declared.</p> <p>My third question is, are we the Real Estate sector.</p> <p>My fourth question is, are there any plans to have new branches in other metros.</p> <p>For Jimmy Sir, (Translation from Hindi)</p> <p>I am speaking from Bombay, yearly I attend more than 1,000 meetings So, I would like to say, I strongly support all the resolutions for today's meeting and my best wishes always our Bank and its prosperity. Thankyou Sir.</p> |
| <p>Mr. Jimmy Mathew (Company Secretary)</p> | <p>Thanks a lot Madam. Now, I welcome Mr. Krishnan P S.</p> <p>Mr. Krishnan P S</p> |
| <p>Mr. Krishnan P S</p> | <p>Yeah, thank you very much. Just want to reconfirm that you are able to hear me.</p> |
| <p>Mr. Jimmy Mathew (Company Secretary)</p> | <p>Yes, Sir. We can hear you.</p> |

Mr. Krishnan P S

Ok alright, yeah. Good day to the South Indian Bank Board and management team and at the start I would like to acknowledge the progress of the Bank in the last few quarters, and we have started to see some brief notes on all of this progress. What I would like to do is, I have a bunch of questions, if it is okay with you, that I can run through the questions and then you can respond to it later on.

Yeah, there has been a steep erosion in the Bank shareholder's value, over the last, I think over the last 5 to 10 years. So, I would like to know, what steps are being taken by the Board and Advancement team to enhance the shareholder's value.

And my second query is, I think we are still again on a fund raising, uh, on a fund raising mode. Uh, I think, given the current valuations, we will be diluting equity with a huge discount to the book value. So, how do you do that without eroding the shareholder's value, given that, the current valuations are way below the book value.

My third query is, I think we had a vision which was started out a couple of years ago and as part of the vision we have articulated that our CASA should be around 35% and our CAR would be around 15% plus and targeting a gross NPA of less than 4% and a net NPA of less than 2%. I would like to get to an understanding in terms of wherever are we in that journey in terms of the matrix.

And my last query is, how do you plan to deal with competition. How will South Indian Bank compete with ICICI, Kotak or HDFC or even the State Bank of India given that they have a similar or even a lower cost of lending rate. That's it from my side.

Thankyou.

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| <p>Mr. Jimmy Mathew (Company Secretary)</p> | <p>Thanks a lot, Sir. Now, I request Mr. Liju Mathai to proceed with the questions.</p> <p>Mr. Liju Mathai</p> <p>As he is not available, I am moving to next speaker.</p> <p>Now I welcome Sri. Jaydip Bakshi. Sir, good afternoon Sir.</p> |
| <p>Mr. Jaydip Bakshi</p> | <p>Good noon Chairman. Am I audible?</p> |
| <p>Mr. Jimmy Mathew (Company Secretary)</p> | <p>Yes, Sir. Please proceed Sir.</p> |
| <p>Mr. Jaydip Bakshi</p> | <p>Good noon Chairman, MD, CFO and Board of Directors.</p> <p>I am proud to be a part of this Banking house, which is led by trust and technology power. Sir, your performance has been well soon depicted in the pages 6 & 7 and also explained in the initial speech. Sir, as mentioned, after the virus, the global turmoil and the inflation has created havoc among all the sectors. Sir, what are our plans to increase our total deposits from the current rise of 8% and raise up interest income and NRI deposits. Sir, as townships and housing sectors are opening up and along with infrastructure, what is our thought process in this sector. Sir, what is our target for growth in the loan book and are we into gold loans. Sir, highlight our focus on MSME sector, which is the backbone of our industries. Sir, regarding Technology updation and digitalization in our daily activities about the aim and steps which shape the frauds, what are the steps we are taking. Sir, congrats for, in the pages 15 and 20, for the honors which our Bank has received and congrats to the HR team for launching the MHRMS mobile app for employees and the future training programme to be in tune with the latest technology. Sir, regarding branch performance, when the collection-wise, which is the best branch? Can we know?</p> |

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| | Under your guidance Can sir we have details of it? Thankyou. |
| Mr. Jimmy Mathew (Company Secretary) | Hello Sir. Hello. Sir, can you re-connect and join. We will transfer you later. |
| Mr. Jaydip Bakshi | Yes, pardon me. |
| Mr. Jimmy Mathew (Company Secretary) | Yes, Sir. Now you can proceed. Please. |
| Mr. Jaydip Bakshi | Shall I go through the speech once again? |
| Mr. Jimmy Mathew (Company Secretary) | Sir, you can just start Sir. Continue Sir. |
| Mr. Jaydip Bakshi | Was there some Shall I start from the beginning? |
| Mr. Jimmy Mathew (Company Secretary) | No, Sir. No. From the last one minute only, we left. |
| Mr. Salim Gangadharan (Chairman) | We heard you up to the Frauds. Yes. |
| Mr. Jaydip Bakshi | Sir, I convey my congrats for the honours received mentioned in pages 15 and 20, and congrats to the HR team for launching the MHRMS mobile app for employees and the future training programme to be in tune with the latest technology. Sir regarding the branch performance collection wise which is the best branch , can we have a details of it. And hope sir, under your guidance, provide better customer service and reward with dividend in the coming years. Thank you . |
| Mr. Jimmy Mathew (Company Secretary) | Thanks a lot, Sir. Thanks. Sir. Now I welcome Mr. Rishikesh Chopra. Sri. Rishikesh Chopra |

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| Mr. Rishikesh Chopra | Yes please |
| Mr. Jimmy Mathew (Company Secretary) | Good afternoon Sir. |
| Mr. Rishikesh Chopra | Am I audible? |
| Mr. Jimmy Mathew (Company Secretary) | Yes, Sir. Please proceed with the questions, Sir. |
| Mr. Rishikesh Chopra | <p>Thank you very much for giving me the opportunity. Sir, my previous friends have already discussed most of the points which I wanted to cover. Mr. Santhosh Kumar sir also mentioned. But, I have got one of two queries further. You have mentioned that your net NPAs are 1,778 crores. Is it crores or lakhs. In your balance sheet you are mentioning, net NPAs have declined 35% y-o-y basis. Is it crores or lakhs? 1,778 crores and what is the breakup of this in business loans, in corporate loans, in personal loans and in general loans. This is my first query.</p> <p>Second is, why the current market price of the shares is very low to the book value. What are the main reasons? And when will you reward the shareholders, senior citizen shareholders like us and we are based on your, we have invested the money, our retirement funds in your shares and I am from Delhi, NCR, Ghaziabad. Please clarify these points. Thankyou Sir.</p> |
| Mr. Salim Gangadharan (Chairman) | Okay. |
| Mr. Jimmy Mathew (Company Secretary) | Thankyou Sir. Now, I welcome Sri. Atanu Saha. |
| Mr. Atanu Saha | Hello. Hello. I Am Audible Sir? |
| Mr. Jimmy Mathew (Company Secretary) | Good afternoon Sir. Yes. We can hear you Sir. Please proceed Sir. |

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| Mr. Atanu Saha | I am Atanu Saha from Kolkata, Sir. And my respected Chairman and Board of Directors and all of them and Company Secretary and all my shareholders who are attending this meeting shareholders . Today is our 94 th Annual General Meeting. /. |
| Mr. Jimmy Mathew (Company Secretary) | Sir. Sorry, Sir. We cannot hear you properly. Could you please disconnect and join back, Sir? |
| Mr. Atanu Saha | I... Okay. Okay. Okay. Now is it okay? Now is it okay? |
| Mr. Jimmy Mathew (Company Secretary) | Sir. Now. Better Sir? |
| Mr. Atanu Saha | Okay. My point is that my question is just repeating now. The question is that the reward matter of branch reward that should be micro level and macro level, both and another one. What is called Investor reward policy, Sir? And how many attendee this program, Sir? How many shareholders attended this program and is it possible, this to upload this program to YouTube for everybody? Thankyou. Hello. Is it okay Sir? |
| Mr. Jimmy Mathew (Company Secretary) | Yes, Sir. Thankyou Sir. Thankyou. Sir, now I welcome Mr. Babu George M V. Mr. Babu George M V |
| Mr. Babu George M V | Yes, Sir. Can you hear? |
| Mr. Jimmy Mathew (Company Secretary) | Good afternoon, Sir. Yes, Sir. We can hear you, Sir. Please proceed with the questions, Sir. |
| Mr. Babu George M V | Video? |
| Mr. Jimmy Mathew (Company Secretary) | Video is off, Sir. You can switch on the video. Audio, we can hear you. |
| Mr. Babu George M V | Yes. Very good evening to all. I am speaking from California, USA. I am attending the meeting dear Chairman, Board of Directors, Company Secretary and ladies and gentlemen. For the third year in continuation, Bank is showing poor performance. I am very much worried about the condition of the Bank. No dividend is declared in this year also. For the last three years no |

Transcript

THE SOUTH INDIAN BANK LIMITED 94th ANNUAL GENERAL MEETING

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| | <p>dividend. Provision for NPA, 1,661 crores, Audit comment: “<i>We have not verified the correctness and appropriation of financial records and books</i>”. Please clarify. Moreover, penalty imposed for soiled notes remittance about 20,000 and another 1,18,06,060, provisioned by Reserve Bank of India. Please clarify. What is it? Currently, the Bank has a Gross NPA of 4.9% and Net NPA 2.95. Please take urgent steps to bring down the NPA. Operating expenses added the income erosion. Kindly, restrict the expenditure to the minimal level. It is shocking that the subsidiary company reported a loss of 17.39 lakhs. Please give the split up figures for the loss and the reason for the same. Whether any fraud is reported to the Central Government. Out of the 12 Directors, only four are holding shares. Why the other Directors are not investing in South Indian Bank share. Because they are afraid of the loss, performance of the Company. This itself shows they are afraid and</p> <p>. I have submitted a resolution for your approval. Nothing is mentioned about it. Our Chairman is serving the Bank for the last several years. Please young and energetic. We are having one efficient Director who created history in the aviation of the country. He led the CIAL for 19 years. Please use his service for the progress and development of the Company. Another Bank which is younger than this South Indian Bank, 3 years younger than South Indian Bank, Federal Bank. Their result is published one week back. You go through the figures. How they are performing and what was happened here. We have got a very efficient Managing Director. So, please look into this and next time give a very good result. I take this opportunity to thank you all and also request to reply my queries and consider my resolution, 2 resolutions I have submitted. Nothing is mentioned about my resolution. Thank you very much.</p> |
| Mr. Jimmy Mathew (Company Secretary) | <p>Now I welcome Mr. Baiju K Paul. Mr. Baiju K Paul I think he is not available. So, I am moving with next speaker. I welcome Mr. Binu Thomas. Mr. Binu Thomas</p> |
| Mr. Binu Thomas | <p>Hello, everyone. Good morning. Is it audible?</p> |
| Mr. Jimmy Mathew (Company Secretary) | <p>Yes, Sir. Please proceed with .</p> |
| Mr. Binu Thomas | <p>Yeah, Thank you. Thank you Mr. Jimmy for providing this opportunity. Good morning Chairman and other attendees. So, I have got up with the Annual Report and understand that there has been a growth in the overall business of the Bank and substantial improvement is seen in the credit recovery as well and I could also see that the provisional coverage and the capital adequacy ratios have been and from which it is very much visible that the Bank is in the right path of a turnaround under the leadership of</p> |

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| | our MD and the sitting of Directors and professionals. And having said this, I would urge the management to focus more on improving profitability, reducing NPA and see that wealth maximization for shareholders is happening. That's all. Thank you very much. |
| Mr. Jimmy Mathew (Company Secretary) | Thank you, Sir. Sir, now the speakers are over. So |
| Mr. Salim Gangadharan (Chairman) | Yeah. Thank you very much. It is always an inspiration and motivating to hear all our esteemed shareholders and their wisdom and advises for making further progress in our Bank's performance. Yeah, so we are in the right path now. You must have already seen the financials of the last quarter of 2021-22, the financial results are already there with you and you know the, we have been working with the 6C category and all round efforts by the Board of Directors and the new MD who is there for one year and one and a half years now with us and the top management, working towards improving the financial profile of our Bank, that is our main objective. And just to what we have set an agenda on our-self, I have put it in 6Cs is the more focused areas. You know, when we look back to the history of South Indian Bank, everything is fine, but, our asset quality is the major train on our profitability. So that is why the first priority, the Board and the Management and the entire staff of the South Indian Bank is doing is, build a strong and resilient loan book. You know, that is one objective. We are not prepared to take any accounts on our book which is going to cause pain to our balance sheet. That is the first objective. Second one, on a fewer, rightly observed, remaining competitive in the market, one of the driving force to remain competitive is the liability franchise. So, that is why we are giving too much importance on liability franchise and especially boosting the CASA ratio. We have already seen that we were hovering around 25% of the total deposit in CASA. Now, we have reached to 32. 33 plus point on our CASA ratio |

and our target is very soon to reach to 35%. You know, that is the second strategic objective. Then, the most important thing is you know, on the asset quality what we can influence is the new entries by tightening the underwriting standards. But, already which has become an NPA, we can manage them through an effective machinery of collection and recovery. So, that is why our third strategic objective is to sharper focus on collection and recovery, we have put a hard team of experts on collection and recovery and you must have seen it, last year we have recovered over on 1,400 crores NPAs in previous year loan collection was around 600. You know, more than doubling of our recovery that has been our objective and we have put an ambitious target for 2022 & 2023 as well. Then, the one of the biggest call competency of our Bank is the technology, you must have seen and many of you have appreciated, also the technology awards. We are consistently getting the best Banker technology award from the IBA, which is a prestigious award, consecutively. This year also we grabbed 6 awards out of technology. That is why, we wanted to leverage our technology and technology is going to drive the business in the future. Technology is going to drive the competitive positioning of our Bank. You must have seen it that our 93.3% of our transactions are through digital mode nowadays. It's one of the records. You know a Bank of our size and our existence is 93.3%, is a record of sorts. Then, what is the, going to drive the future business unless the inventory resources are transformed to meet the challenges, totally the challenges in India or across the global, so, the transformation of HR resources. That is why we have also getting awards on HR side now. Then, the most important thing is, unless we have a sound risk governance architecture, we can't reach to the modern challenges in compliances and challenges in the risk management, challenges in the global spillover effects, global effects,

pandemics. So, we want a sound Risk governance. These are the six focus areas we are given it. Just to give a flavor of what is the outcome of the efforts we have put in for the last one and half years, 2 years. I will just, to take you for a brief, you know, in the recent past we have, in the last one year and half, we have put in a fresh book size of 22,750 crores and mind that, when you look at the NIM of that book is, 3.7 is the net interest margin, which is comparable to the best in the industry in numbers. And the SMA category, which is pointed to the future NPAs is just only 35 basis points or 0.35% of the total advances, fresh advances and gross NPAs is only 0.01% and one of the another good indicator of the quality of the assets we have located in our book is, those assets are of AA rated and above. Last year it was just 63% and in March 2022, we have paid it to 89%. So, whole churning of the portfolio is taking over. So, that what we are trying to do is the future addition to NPAs is reduced to the minimum. If you look at the ticket size, the average ticket size earlier was 17 lakhs and currently it is only 14 lakhs and the gross NPA from 6.97%, it has coming down to 5.90%. Net NPA, it is coming below to 2.97% and the PCR is one of the clear indicator of the financial strength of a Bank or the financial profile of the Bank. Even regulators and International rating agencies looking at these, the PCR, we are able to reach around 70%, 69.55%. So, that clearly shows the asset quality churning is happening. So, that is why I thought, I will give a brief introduction. Before taking into the individual questions given by the honorable. When you look at, you know, majority of the people who were present today, there are other shareholders also asked the questions what particularly Cheruvathoor Chacko Jaison which we have already replied and Mr. Babu George has also asked some questions and about his resolution. Already he has been duly advised and again we will send you one more reply to you.

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| | <p>And our honorable shareholder, Mr. Santhosh Kumar, he asked to send us an advanced questionnaire. So, I am very happy and humble by the concerns you have expressed about the health of the Directors and the staffs of the South Indian Bank with blessings of shareholders like you and all, all of us are hale and hearty and the Bank has taken a very much care of the employees as well as the Directors, especially during the pandemic period, notwithstanding the fact to that 51.52% of the staff were affected either the phase 1 or phase 2 of the pandemic. But, at the pandemic stage notwithstanding signals of the impact of the pandemic on some of our staffs, we keep our branches and our establishment 100% up and vaccinations you know, we made sure that 100% (almost 99%) and the 1%, they are on health ground, they have not taken the vaccination. So, they haven't taken the vaccination and Bank has taken personal care in making sure that everybody gets vaccinated and all are hale and hearty. Thank you, Santhosh Kumarji for showing your concern and second question he asked, what lessons we learnt from this pandemic period by management for better readiness of the Company. You know, it is a trying time. It's a new experiment, new crisis, so, but the, like any human civilization or human beings or any country, we have also responded resoundingly to the pandemic. Keep our people ready to service our customers and to keep our balance sheet steady and growing notwithstanding the pandemic and what we have done is, we have institutionalized a system of dynamic quick response team, then invoked Business Continuity Plans across critical functions, work from home facilities, then various HR related initiatives, contemporary digital and technical initiatives for both for customer and employees convenience, you know, so, that is why we are effectively turnaround the challenges of the pandemic and</p> |
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that is one of the reason why we are able to push our technical sorry digital transaction to the 93.3%.

Then, kindly let me know the CASA deposit growth. You know if you look at the number, we have made a significant progress and achievement in CASA front because CASA is going to bring down our cost so that, we can meet our competitors, or even our ICICI or HDFC Bank. So, what we are, CASA has grown from 24,500 to 29,000 and growing 20.38% last year and savings Bank alone grows by 22.06% and the percentage of 33.2% as of March and 35% is the next milestone and we are working towards that one and the greater emphasis, be it our new MD, his team is giving too much emphasis on raising our CASA to a sustainable level of 35+ positions.

Then, e-wastage, he has asked for. The Bank is engaging with various agencies for e-wastage cycling and management and all our, Facility Management Department, IT Department, they are taking initiative of it and we will be perfectly in compliance with the aspirations you have expressed, you know Sir.

Then, I would like to share steps taken to replace single use plastic. So, we hardly use plastic, what if, wherever it is used, the due care is taken to preserve it and all of us never use plastic. We are only using glasses as in hygienic as well as the environmental concern, we are having it, we will share with your concern and we are also dedicated in making to the national objectives.

Then, kindly let me know the steps taken to reduce the gaps of gender ratio. We are proud to be one of the Banks in promoting our young female candidates and a staff to come up and to come into the service. Sir, as of March 2022, 31, we have 9,219 staffs

out of which 4,068 are female employees and you know that the percentage is around 44.1% as of March, 2022 and we are one of the top grades where we have almost a very closer gender equality and we have a woman Director sitting out of ten and 3 out of 10 General Managers are women General Managers. You know and when you are going down to the Joint General Managers and DGMs and many female employees are heading the regions, critical departments, to that extent our Bank is very gender promotive.

And please let us know the number of employees who are covered by health insurance. Yes, we are perfectly under the IBA. So, all the employees are covered under insurance policy, health insurance policy, maternity benefits, paternity benefits as per the IBA settlement. We are progressive on that one.

Then, kindly let us know the steps taken to increase the capacity of harvesting rain water. Definitely, we are progressing towards that one, we are adhering to the local government's requirements in this regard.

The booster dose, I have already said, 99% of our employees have taken the 2nd dose and the booster dose, we are encouraging people to take it and there are certain age restrictions. But, Bank employees are given priority. They are encouraging it. And what is the difference of expenditure between physical and non-physical. The difference we have estimated around one crore of rupees is the difference. But, not that we don't want to meet any one of you. We will definitely meet. We are all faced with that of the major challenge of the pandemic and especially the pandemic is, you know, slightly on the higher scale in the state of Kerala as well as in other, across the country. Definitely, if the situation

improves, we will meet physically and we will all hope and pray for that sort of a future.

Then, I will just, specifically go through to the Santhosh. we have already covered Lekha Satish. The private placement, which class, we will look around at the point in time, but, we will make sure that to diversify the ownership. That is the hallmark of our organization and we will not give to concentration of ownership in the organization, we won't, the hallmark of our organization is, nobody is holding over 5% of the shares. Krishnan P S has taken very valuable suggestions. Shareholder's value, you know, the only one problem which is pitting our organization in the past was, the asset quality and huge cost of, credit cost incurred by this organization unless we nip into bud the NPA problem or accretion to NPAs, we will not be able to add much value, so that is why, for the last one and half years, we are focusing on asset quality, that is why we have done several measures of removing the conflict of interest, reinforcing the underwriting, reinforcing the risk management system, reinforcing the credit administration and reinforcing the collection and recovery. So, that is why we reasonably hope that the cost of credit will come down, the credit cost will come down, significantly it will add to the profitability of the organization. Fund raising, dilution of equity is a concern. We also appreciate you, there is a difference between the book value and the market value because market value is the function of so many market dynamics. If you look at the shareholders in the current year, I have taken to numbers, SIB has gone down to 9.53%, City Union Bank 17.4%, DCB 32%, Karnataka Bank 9.25%, CSB 9.3%, Karur Vysya Bank 16.7%, Dhanalaxmi Bank 16%. This is what the last year, the fall in the share market. But, our objective is to improve the asset quality, improve the net interest margin, reduce the cost, credit cost, so that, we will demonstrate to the market of high asset quality and

profitability and that is what our management team is working and at the same time raise the CASA deposit, so that, the cost of liability would be the cost of liability would be coming down, so that, it will definitely add to the net interest income and net interest margin and CASA 35% is our target in the near future. We have already reached 33%.

Mr. P S Krishnan and all other members, we are assuring you, we are working towards that 35% shortly and NPA, we are around 5+ now and we will definitely reach that 4%, less than 4% or even less than 3% in 2024-25. You know, that is what we are working on to it and competition, there are two ways to meet the competition. One, to reduce the cost and second one is to improve the type, the range of the technology products and the range of technology we are using in it. So, that is why we are holding on to this technology and yea technology and Mr. Jaydip Bakshi has, technology power, yes, we are one of the forefront in technology, we are awarding technology, we are investing heavily into technology and recently bided a comparison of how much of the technology expenses our Bank is incurring. Vis a vis the total income and we are coming almost 9-10% and when we compare with ICICI Bank and HDFC Bank, they are also 9%, up to 10%. So, we are spending on technology to strengthen the credit function and strengthen the transaction functions. So, technology is the power and We are focusing on the technology, we have demonstrated the superiority of the South Indian Bank in technology

And global turmoil, yes, the spillover effects, the depreciation of the rupee, then the volatility in the government securities market yield, the money markets, it is all impacting the activities of the Banks, but, what we have done is we have pro-actively adjusted the duration of the investment portfolio of our Bank, so that, in a

rising industry scenario, we have put it in a sweet spot of taking advantage of the high interest rate scenario by reducing the duration of our previous investment. Now, most of our significant portion of our investment is maturing very shortly, so, we can re-invest at a higher coupon. So, we have pro-actively managed the duration and Asset Liability Management (ALM) our ALCO is working very very closely on realigning the maturity profile of our assets and liabilities. So that, to take advantage of the evolving changes and at the same time we are making sure that we are not exposed to too much risk either going short or long in the market, so that, any adverse movements have impacted our market. That is what we are taking into account.

Definitely we are working towards mobilizing liability franchise. We are moving into retail deposits, wholesale deposit, you must have seen it, we have significantly brought it down. So, we are reaching to more of CASA, CASA and retail franchise, the retail time deposits, that is the duration. Also we have taken due recognition of the interest rate scenario evolving it.

Housing and infrastructure sector, yes, it is a core segment and even in our speech or if we look at the Annual Report, we are also saying that, we also wanted to take exposure under the infrastructure sector. But, at the same time, we want robust risk management system and underwriting system before taking too much, if possible, to infrastructure. We don't want to have another credit risk devolving crystallizing into our book. But, that is why we are proving and target for credit growth as indicated by MD and myself and also in the statement, we are targeting a two-digit growth in the loan book, next year. So, that is why we wanted to raise capital, so that, front loading of capital, so that, we can take in all the investment cycle as piped in. The

private investment is going up, there is a demand for credit in the market. We are really exploiting that sort of a profitable business opportunities with the philosophy that we want growth with quality. It is not the size we are giving importance, the productivity of the assets, the quality of the asset is important, that's what we are saying.

And gold loan, we have made a significant progress last year and this year also we are focusing on this one and SME sector, we have an exclusive vertical, new products and SMILE is a new underwriting system for loan up to 2 lakhs with consultant we evolved a new system and we have innovative products are there new technologies are there. So, we are straight ahead on to the SME segment, if we look at the numbers, we have made a significant progress in this SME sector.

And fraud is one focus area, so, that is why, we have the three line of defenses, the front office, the mid-office and the third office is the audit and compliances and risk management system, all the three lines of defense, we have activated. So, you must have seen the last year, the fraud in 2021 was around 1,190 and this has been brought down to 40 crores, the current year and most of them are digital frauds where it is happening elsewhere in the system. But, they are unfortunately our customers. So, we are focusing into it.

And, which is the best branch. We have top profit making branches. We have Mumbai-Nariman point is there, New Delhi CP is there, Chennai Corporate is there, Surat is there, Tirupur branches are the most performing. But, we don't have a system of the top performer, one branch is identified and giving the awards, but, those who ever is making profit notwithstanding the

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| | <p>pandemic and all, we normally recognize them and treat them well.</p> <p>And, coming to Jaydip, dividend, I do agree and Babu George also raised the issue of the dividend. See, the year before last year, there was a regulatory restriction and last two years we were not able to make, declare any dividend because the allotable surplus after appropriate statutory raises, there are hardly anything to be distributed as the dividend and notwithstanding that, would we have pursuing a philosophy of strengthening the financials of our Bank by raising the Capital Adequacy through internal capital accretions as well as conserving the capital, that is why, we are now 15.9%, is around 15.9%, is our capital adequacy and what we wanted is a lot of business opportunities are coming forward and we wanted to capitalize on that opportunities, so that, front loading of capital is required.</p> <p>So, we will definitely consider your request of a dividend when we are in a comfortable position, definitely that is why we are entirely focusing on credit asset quality or credit cost, to bring it down.</p> <p>Segmentation of the net NPA is in crore, we have given it, and not in . Segmentation, we will share with you that, immediately. I don't have the market segment of net NPAs.</p> <p>And, so, definitely, rewarding the shareholder is to improve the profitability and reduce the NPA level. That is our aim. Hosting of this General Body meeting on YouTube, I am not quite sure of that one.</p> |
| <p>Mr. Jimmy Mathew (Company Secretary)</p> | <p>We are hosting the transcript on website, Sir.</p> |

Mr. Salim Gangadharan
(Chairman)

So, , you can definitely take note of that.

Mr. Babu George, yea yea net NPA, total NPA have, segment-wise, agriculture is 14.69%, B segment this is business segment is 54, yea personal segment is 16.69% and corporate is 30%. So, the business segment or the SME segment, is the, total advances is 10% that is on the highest share of the NPA, 4.45 is the agriculture corporate is 3% and personal segment is 3% is the, to total advances. That is why 5.90% has come in.

And, Mr. Babu George, I am really thankful, you know, from California, from wherever you are joining us, your concern and suggestions are duly taken into account. The poor performance, we, fourth quarter, we have demonstrated here the performance, the moment asset quality or the credit cost is brought down, definitely we will improve our performance. All our Directors are focusing into that one.

And the penalty for, imposed, soiled note is, remittances made from our currency chest to the Reserve Bank of India. They are not much significantly, but, a huge volume of currency, we are handling it, there could be some minor errors in sorting of the notes into soil and re-issuable notes, so that, in the remittances and other penalty, RBI imposed is particularly on some credit facilities sanctioned, some 3 or 4 years back and for which RBI has imposed a penalty. I think we have already made the disclosure and the NPA, as I we discussed earlier, we are focusing on bringing down the NPA. This is clearly visible in improving our percentage is coming down, our provision coverage is going up. Our new book numbers have rated at is hardly less than 0.01%. So, we are focusing on asset quality, the

A and above is gone up to 89%. So, we have, addressing your concerns.

Yeah, then, expenditure, see the, when you, some of the expenditure, we can't cut expenditure on IT, without investment on IT, we can't cut our expenditure. We can't cut our staff expenditure. So, the only way to handle the current scenario is to reduce the credit cost. So, that is the focus, we are doing. The cost of around 59% of our net interest income is year marked for making provision. The moment we can have a handle on it, bring it down substantially, so, that alone will improve our profitability. But, nevertheless we are focusing on the expenditure items and we have only 10 Directors and so, as and when the Directors complete their term, there is a churning is happening in and this year we had a Madam Unni has joined us with lot of experience in Bank Boards and other Boards with SBI, then, Benny has joined from the BAR. He is the one of the very very busy lawyer in the Kerala high court and he is a consultant to many. So, we do brought in professionals, a blending of youngsters and seniors with wisdom and experience, that is what we are doing it and no doubt your suggestions are taken duly into account and we do make a comparison with the performance with other Banks and benchmark core performance with them. So, definitely we will take your suggestions.

And, Binu Thomas, focus on profitability. We will appreciate you and we are working on profitability. So, one of our objective is quality credit growth with profitability. That is the motto, that is the mantra we repeat every now and then in the Board of Directors. So, thank you, once again for all your suggestions. We have duly taken note of it and we will focus on this one and we will carry to the Board, we debate internally within us, we will

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| | take such measures to reach your aspiration level. Thank you very much. |
| Mr. Salim Gangadharan (Chairman) | <p>So we may now move on to the next agenda</p> <p>Next agenda item is appointment of Director in the place of Director who retires by rotation.</p> <p>Item No. 02 is an Ordinary Resolution for appointing a Director in place of Sri. Paul Antony (DIN: 02239492), as Director of the Bank, liable to retire by rotation and being eligible offers himself for re-appointment. Further, Sri. Paul Antony's appointment is in compliance with the provisions of Section 10A of the Banking Regulation 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, Sri. Paul Antony meets the fit and proper criteria and is a person of integrity, and has the necessary knowledge, experience and expertise for being appointed as a Director.</p> <p>“RESOLVED THAT in accordance with the provisions of Sections 149, 152, 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, Sri. Paul Antony (DIN: 02239492), be and is hereby appointed as a Director of the Bank liable to retire by rotation.”</p> <p>“We may now move on to the next agenda”</p> |

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| | <p>Item No.03. Appointment of Joint Statutory Auditors:</p> <p>“We have now come to item no. 3 of the agenda.</p> <p>CHAIRMAN</p> <p>RBI vide letter No DOS. CO.RPD. No. S 551/08.21.005/2022-23 dated May 05, 2022, has approved the re-appointment of M/s. CNK & Associates LLP, Chartered Accountants, Mumbai (Firm Registration Number: 101961 W/W-100036) as Joint Statutory Auditors of the Bank for the Financial Year 2022-23 and this will be their second year and to appoint M/s. K Venkatachalam Aiyer & Co, Chartered Accountants (Firm Registration No: -004610S) as Joint Statutory Auditors of the Bank for the Financial Year 2022-23 and this will be their first Year.</p> <p>The Audit Committee and Board of Directors of the Bank have recommended the re-appointment and other terms and conditions of appointment, including remuneration of M/s. CNK & Associates LLP, Chartered Accountants, Mumbai (Firm Registration Number: 101961 W/W-100036) as Joint Statutory Auditors of the Bank and appointment and other terms and conditions of appointment of M/s. K Venkatachalam Aiyer & Co, Chartered Accountants (Firm Registration No: -004610S) as new Joint Statutory auditors.</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 as may be applicable and the Banking Regulation Act, 1949, (including any</p> |

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| | <p>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. CO.RPD. No. S 551/08.21.005/2022- 23 dated May 05, 2022,the members of the Bank be and is hereby accord sanction for: (1) continuing of M/s. CNK & Associates LLP, Chartered Accountants, Mumbai (Firm Registration Number: 101961 W/W-100036), having confirmed their eligibility to continue as the Joint Statutory Auditors of the Bank for the Financial year (who was appointed on 93rd Annual General Meeting held on 18thAugust, 2021 for a continuous period of three years upto conclusion of 96thAnnual General meeting) and (2) appointment M/s. K Venkatachalam Aiyer & Co, Chartered Accountants (Firm Registration No:-004610S) who has offered themselves for appointment and have confirmed their eligibility to be appointed, as the Joint Statutory Auditors of the Bank for the period commencing from the conclusion of this the 94th Annual General meeting until the conclusion of the 97th Annual General Meeting of the Bank for a continuous period of 3 years subject to the firm satisfying the eligibility norms each year and obtaining Reserve Bank of India's prior approval in this regard, on an annual basis, for a total remuneration of Rs. 200.00 lakhs (Rupees Two Hundred Lakhs Only) per year plus GST and out of pocket expenses extra (on actual basis) for the period of appointment for the purpose of Statutory Audit, Limited Review, Branch Audit, LFAR, Tax Audit under Income Tax Act, 1961 and to issue all certificates as stipulated by the RBI at its appointment letter/circular/notification, certificates required under Companies Act, 2013, SEBI Listing Regulations and reporting on internal financial controls of the Bank's accounts at its head office, branches and other offices, with power to the</p> |
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| | <p>Board, including relevant Committee(s) thereof, to alter and vary the terms and conditions of appointment, remuneration, reimbursement of expenses 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 between the Bank and the Joint Statutory Auditors and as may be further approved by the Board from time to time.”</p> <p>“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board (including the Audit Committee of the Board or any other person(s) authorised by the Board or the Audit Committee in this regard), be and is hereby authorised on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in this regard to implementation of the resolution including but not limited to determination of roles and responsibilities/ scope of work of the respective Joint Statutory Auditors, negotiating, finalizing, amending, signing, delivering and executing the terms of appointment including any contracts or documents in this regard, without being required to seek any further consent or approval of the Members of the Bank.”</p> |
| <p>Mr. Salim Gangadharan (Chairman)</p> | <p>Thanks everyone. We shall now move on to Item No.04 of the Notice.</p> <p>Item No.04 To appoint Sri. Benny P Thomas (DIN: 09448424) as non-executive Director of the Bank.</p> <p>Item No.4 is an ordinary resolution to appoint Sri. Benny P Thomas (DIN: 09448424) as non-executive Director of the Bank. Sri. Benny P Thomas (DIN: 09448424) who has been appointed as Additional Non-Independent Director of the Bank w.e.f. December 30, 2021 and holds office up to the date of this Annual</p> |

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| | <p>General Meeting of the Bank and is eligible for appointment. Sri. Benny P Thomas meets the fit and proper criteria and is a person of integrity, and has the necessary knowledge, experience and expertise for being appointed as a Non-Executive Non-Independent Director. Sri. Benny P. Thomas's niche expertise in the field has been sought by the Bench in multiple cases as Amicus Curiae and he is sought for his wisdom, pragmatic approach and holistic vision, for providing opinions not only to Corporates but also the Department of Labour, Govt. of Kerala. Considering his vast expertise and knowledge in the field of Law, it would be in the interest of the Bank that Sri. Benny P Thomas is appointed as a non-executive Director on the Board of the Bank.</p> <p>The 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 149, 152, 160 and all 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, (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), 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 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) read with provisions of the Articles of Association of the Bank, and on the basis of the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Bank, Sri. Benny P Thomas (DIN: 09448424), who was appointed as an Additional Director pursuant to Section 161(1) of the Companies Act, 2013 on December 30, 2021 and who holds office up to the date of this Annual General Meeting and 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>Yea</p> <p>We may now move on to next agenda”</p> |

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| | <p>Item No.5 To revise the Remuneration Payable to Sri. Murali Ramakrishnan (DIN:01028298), Managing Director and Chief Executive Officer of the Bank.</p> <p>Item No. 5 is an ordinary resolution to revise the Remuneration Payable to Sri. Murali Ramakrishnan (DIN: 01028298), Managing Director and CEO of the Bank.</p> <p>Sri. Murali Ramakrishnan (DIN: 01028298) has been serving as the Managing Director & CEO ('MD & CEO') of the Bank since October 01, 2020, in accordance with the provisions of the Articles of Association ('AOA') of the Bank, recommendation of Nomination and Remuneration Committee and the Board of Directors and with the approval of the Members of the Bank and the Reserve Bank of India ('RBI'), his current tenure as MD & CEO of the Bank is valid up to September 30, 2023.</p> <p>Despite the tumultuous market environment due to Covid, under his leadership, the South Indian Bank has made a turnaround and went through an organizational transformation and structural changes and has moved into a right track for achieving consistent and sustainable performance and is in the path of turning the Bank to be one among the strongest and healthiest Banks in the system with robust financial results with low NPA levels, and higher profitability. Considering, the leadership and strategic direction provided by Sri. Murali Ramakrishnan in driving the growth of the Bank in a complex environment and the overall performance of the Bank, the Board of Directors at their meeting held on June 07, 2022 and as recommended by the Nomination and Remuneration Committee of Board, had approved and recommended to the members to revise the variable pay payable to Sri. Murali Ramakrishnan subject to approval of RBI.</p> |
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| | Company Secretary will now read the text of ordinary Resolution. |
| Mr. Jimmy Mathew (Company Secretary) | <p>"RESOLVED THAT pursuant to the provisions of Section 196 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable rules and regulations, if any, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the provisions of the Articles of Association of the Bank, and subject to the receipt of approval of Reserve Bank of India ("RBI") as recommended by the Nomination & Remuneration Committee of the Board and the Board or with the modifications/changes/ in the manner as may be approved by RBI in terms of Section 35B of the Banking Regulation Act, 1949, approval of the members of the Bank be and is hereby accorded for revision of the variable pay from the financial year 2021-22, as detailed in the explanatory statement annexed to this notice to Sri. Murali Ramakrishnan (DIN: 01028298), Managing Director & CEO of the Bank. "</p> <p>“RESOLVED FURTHER THAT the Board of Directors of the Bank be and are hereby severally authorized to accept any modification as suggested by Reserve Bank of India without seeking further approval of members and to execute all such agreements, documents, instruments and writings as deemed necessary, file requisite forms or applications with statutory/ regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise in this regard, as he/she may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Director(s)/ Officer(s) of the Bank, to give effect to this Resolution.”</p> |

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| <p>Mr. Salim Gangadharan (Chairman)</p> | <p>Yea We shall now move on to Item No. 06 of the Notice.</p> <p>ITEM NO. 06 To re-appoint Sri Salim Gangadharan, (DIN: 06796232) as Independent Director of the Bank.</p> <p>Since the special resolution here deals with my own re-appointment, following the best corporate practices, I leave the Chair and request Sri. George Korah to transact this Business.</p> |
| <p>George Korah (Independent Director)</p> | <p>Thanks everyone. This special resolution is seeking your approval to re-appoint Sri Salim Gangadharan, (Director Identification number: 06796232) as Independent Director of the Bank.</p> <p>Sri Salim Gangadharan, who was appointed as additional Non-Executive Independent Director of the Bank on January 16, 2014 and appointed as Independent Director for a term of five years at 86th Annual General Meeting of the Bank held on 16th day of July, 2014. Further, RBI has conveyed their approval for appointment as Chairman for a period of 3 years w.e.f. November 02, 2016 vide Letter No. DBR.Appt.No. 4811/08.51.001/2016-17 dated October 27, 2016. The Reserve Bank of India vide letter No. DBR Appt. No. 2880/08.51.001/2019-20 dated October 09, 2019 conveyed approval for reappointment of Sri. Salim Gangadharan as part time Non-Executive Chairman of the Bank for a period of three (3) years with effect from November 2, 2019, as recommended by the Board of Directors of the Bank vide Resolution No. DBR/SEC/S-100/19-20 dated July 17, 2019. Sri. Salim Gangadharan has been reclassified as a Director liable to retire by rotation w.e.f. July 11, 2018 at the 90th AGM.</p> <p>Sri Salim Gangadharan (DIN: 06796232) is proposed to be reappointed as Independent Director in compliance with the above referred RBI circular, SEBI Guidelines and Companies Act, 2013. Based on the performance evaluation of Sri Salim Gangadharan, done by the Nomination and Remuneration Committee and Board of the Bank, the performance was found to be good. In the opinion of the Board Sri Salim Gangadharan, independent Director proposed to be appointed fulfils the conditions specified in the Act, the rules made thereunder and SEBI Regulations and that he is independent of the management.</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 149, 150, 152, 160, Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and</p> |

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| | <p>other applicable rules, (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), 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 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) read with provisions of the Articles of Association of the Bank, and on the basis of the recommendation of the Nomination and Remuneration Committee/ Board of Directors of the Bank confirming that Sri Salim Gangadharan, (DIN: 06796232) is meeting the skills and capabilities required for the role identified as detailed in the explanatory statement and the profile attached to this notice , Sri Salim Gangadharan, (DIN: 06796232), who was appointed as additional Non-executive Independent Director of the Bank on 16th January, 2014 and appointed as Independent Director for a term of five years on 86th Annual General Meeting of the Bank held on 16th day of July, 2014 and further reappointed and reclassified as non-executive Director, by Shareholders at the 90th AGM held on July 11, 2018, liable to retire by rotation and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and who is eligible to be re-appointed as an Independent Director of the Bank and in respect of whom the Bank has received a notice in writing, proposing his candidature for the office of Director, be and is hereby reappointed for a second term as an Independent Director of the Bank, for the purpose of Section 149 of the Companies Act, 2013 for a further period up to November 1, 2023 as may be approved by RBI in compliance with section 149 of the Companies Act, 2013, not liable to retire by rotation.”</p> |
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RESOLVED FURTHER 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), read with clause 95, 121 and 122 of Bank's Articles of Association and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Bank, approval of the Members of the Bank be and is hereby accorded for the appointment and for the payment of remuneration and terms of appointment of Sri Salim Gangadharan (DIN: 06796232), brief particulars whereof have been set out in the annexed Explanatory Statement, as Non-Executive – Part time Chairman of the Bank, for a further period of 1 year from November 2, 2022, subject to approval of Reserve Bank of India.

“RESOLVED FURTHER THAT the Board of Directors of the Bank be and are hereby severally authorized to accept any modification as suggested by Reserve Bank of India without seeking further approval of members and to execute all such agreements, documents, instruments and writings as deemed necessary, file requisite forms or applications with statutory/regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise in this regard, as he/she may

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| | <p>in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Director(s)/ Officer(s) of the Bank, to give effect to this Resolution.”</p> |
| <p>Mr. George Korah (Independent Director)</p> | <p>Thank you Mr. Jimmy Mathew, I now leave the chair and request Sri Salim Gangadharan to Chair the meeting to transact the rest of the business.</p> |
| <p>Mr. Salim Gangadharan (Chairman)</p> | <p>Thank you Mr. George Korah. “We may now move on to next agenda. ITEM NO. 07: To re-appoint Sri V.J. Kurian, (DIN: 01806859) as Independent Director of the Bank. Item No: 07 is a special resolution to re-appoint Sri V.J. Kurian, (DIN: 01806859) as Independent Director of the Bank. Sri V.J. Kurian, (DIN: 01806859), who was appointed by the Board of Directors on March 23, 2018 and appointed by Shareholders at the 90thAGM held on July 11, 2018 for a period of 5 years, and in respect of whom the Bank has received a notice in writing, proposing his candidature for the office of Director of the Bank, for a second term as ‘Non-Executive Independent Director’ of the Bank, for the purpose of Section 149 of the Companies Act, 2013, to hold office for a period not exceeding five consecutive years or to such period as may be approved by Reserve Bank of India / under the provisions of Banking Regulation Act, 1949, not liable to retire by rotation, provided the period of reappointment as independent Director shall not exceed 5 years. The above appointment will be subject to the maximum tenure as specified under Banking Regulation Act, 1949. The Nomination & Remuneration Committee (‘NRC’) had assessed the profile of Sri V.J. Kurian, and having found him to be ‘Fit and Proper’ in terms of the Reserve Bank of India’s Circular on ‘Fit and proper’ criteria for Directors of Banks, and after determining his suitability for appointment by undertaking a due diligence process and performance evaluation in terms of Sections 149, 150,152, 160 read with Schedule IV of the Act and SEBI regulations. In the opinion of the Board, Sri. V.J. Kurian, independent Director proposed to be appointed fulfils the conditions specified in the Act, the rules made thereunder and SEBI Regulations and that he is independent of the management. Company Secretary will read the text of the resolution:</p> |

Mr. Jimmy Mathew
(Company Secretary)

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 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, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), 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), the Rules, Circulars and Guidelines issued by the Reserve Bank of India, from time to time, and the provisions of the Articles of Association of the Bank, and on the basis of the recommendation of the Nomination and Remuneration Committee/ Board of Directors of the Bank confirming that Sri V.J. Kurian, (DIN: 01806859) is meeting the skills and capabilities required for the role identified as detailed in the explanatory statement and the profile attached to this notice, Sri V.J. Kurian (DIN: 01806859), and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and who is eligible to be reappointed as an Independent Director of the Bank and in respect of whom the Bank has received a notice in writing, proposing his candidature for the office of Director of the Bank, be and is hereby reappointed for a second term as ‘Non-Executive Independent Director’ of the Bank, for the purpose of Section 149 of the Companies Act, 2013, to hold office for a period not exceeding five consecutive years or to such period as may be approved by Reserve Bank of India / under the provisions of Banking Regulation Act, 1949 with effect from 23rd March,

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| | 2023, not liable to retire by rotation, provided the period of reappointment as independent Director shall not exceed 5 years.” |
| Mr. Salim Gangadharan (Chairman) | <p>We may now move on to next agenda ITEM NO. 08 Special resolution to appoint Sri. Pradeep M Godbole (DIN: 08259944) as Independent Director of the Bank. Sri. Pradeep M Godbole (DIN: 08259944), who was appointed as Additional Director of the Bank w.e.f. March 26, 2019 pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 and appointed in the 91stAnnual General Meeting held on July 17, 2019 as Non-Executive Non-Independent Director who is liable to retire by rotation under Section 152 of Companies Act, 2013. As per suggestions in Gopalakrishna Committee Report on IT, the Chairman of the IT strategy Committee was suggested to be an Independent Director. Hence, Sri. Pradeep M Godbole, being an expert professional IT specialist is proposed to be reclassified and proposed to be appointed as Independent Director of the Bank to hold office for a period not exceeding five consecutive years or to such period as may be approved by Reserve Bank of India / under the provisions of Banking Regulation Act, 1949, provided the period of appointment as independent Director shall not exceed 5 years. The Nomination & Remuneration Committee (‘NRC’) had assessed the profile of Sri. Pradeep M Godbole and having found him to be ‘Fit and Proper’ in terms of the Reserve Bank of India’s Circular on ‘Fit and proper’ criteria for Directors of Banks, and after determining his suitability for appointment by undertaking a due diligence process and performance evaluation in terms of Sections 149, 150,152, 160 read with Schedule IV of the Act and SEBI regulations. The above appointment will be subject to the maximum tenure as specified under Banking Regulation Act, 1949.</p> <p>Based on the performance evaluation of Sri. Pradeep M Godbole (DIN: 08259944), done by the Nomination and Remuneration</p> |

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| | <p>Committee and Board of the Bank, the performance was found to be good. In the opinion of the Board, Sri. Pradeep M Godbole, independent Director proposed to be appointed fulfils the conditions specified in the Act, the rules made thereunder and SEBI Regulations and that he is independent of the management the proposed 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>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 149, 150, 152, 160, Schedule IV and all 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, (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), 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 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) read with provisions of the Articles of Association of the Bank, and on the basis of the recommendation of the Nomination and Remuneration Committee/ Board of Directors of the Bank confirming that Sri. Pradeep M Godbole (DIN: 08259944) is meeting the skills and capabilities required for the role identified as detailed in the explanatory statement and the profile attached to this notice, Sri. Pradeep M Godbole (DIN: 08259944), who was appointed as additional Non-executive Director of the Bank on 26th March, 2019 and appointed by Shareholders at the 91st AGM held on</p> |

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| | <p>17th July, 2019 liable to retire by rotation and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and who is eligible to be appointed as an Independent Director of the Bank and 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 an Independent Director of the Bank, for the purpose of Section 149 of the Companies Act, 2013 to hold office for a period not exceeding five consecutive years or to such period as may be approved by Reserve Bank of India / under the provisions of Banking Regulation Act, 1949 effective from 94th Annual General Meeting, not liable to retire by rotation, provided the period of appointment as independent Director shall not exceed 5 years.”</p> |
| <p>Mr. Salim Gangadharan (Chairman)</p> | <p>Thank you Jimmy</p> <p>We shall now move on to Item No. 09 of the Notice”</p> <p>Item No. 09 Special resolution to appoint Smt. Radha Unni (DIN: 03242769) as Independent Director of the Bank.</p> <p>Madam. Radha Unni (DIN: 03242769) who has been appointed as Additional Independent Director of the Bank w.e.f. November 30, 2021 and holds office up to the date of this Annual General Meeting of the Bank and is eligible for appointment. Madam Radha Unni meets the fit and proper criteria and is a person of integrity, and has the necessary knowledge, experience and expertise for being appointed as an Independent Director. Considering her vast expertise and knowledge in the field of Finance, Banking and Human Resource, it would be in the interest of the Bank that Ms. Radha Unni is appointed as an Independent Director on the Board of the Bank.</p> <p>Company Secretary will read the text of the resolution:</p> |

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| <p>Mr. Jimmy Mathew (Company Secretary)</p> | <p>“RESOLVED that pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV and all 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, (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), 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 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) read with provisions of the Articles of Association of the Bank, and on the basis of the recommendation of the Nomination and Remuneration Committee/ Board of Directors of the Bank confirming that Smt. Radha Unni (DIN: 03242769) is meeting the skills and capabilities required for the role identified as detailed in the explanatory statement and the profile attached to this notice, Smt. Radha Unni (DIN: 03242769), who was appointed as an Additional Independent Director pursuant to Section 161(1) of the Companies Act, 2013 on 30th November, 2021 and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that she meets the criteria for independence as provided in the Act and Listing Regulations and who is eligible to be appointed as an Independent Director of the Bank and in respect of whom the Bank has received a notice in writing, proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Bank, for the purpose of Section 149 of the Companies Act, 2013 till 03rd December, 2023, not liable to retire by rotation.”</p> |
| <p>Mr. Salim Gangadharan (Chairman)</p> | <p>Thank you Jimmy. We may now move on to next agenda”</p> <p>Item No. 10Special resolution Raising Tier I capital of the Bank through issuance of Securities</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 have to be upgraded from time to time.</p> |

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| | <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 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.2,000 Crore (Rupees Two Thousand Crore only) 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 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 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</p> |
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| | <p>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 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.10 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> <p>“Now let us move to item no. 11”</p> |
| <p>Mr. Salim Gangadharan (Chairman)</p> | <p>Item No. 11 is a 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>Pursuant to Section 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules made there under, Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules 2014, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 including any amendment, Securities and Exchange Board of</p> |

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| | <p>India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, the applicable provisions of the Banking Regulation Act, 1949, as amended, Foreign Exchange Management Act, 1999 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and the rules, circulars and guidelines issued by Reserve Bank of India (“RBI”) from time to time (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and all other relevant provisions of applicable law(s), the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the statutory authority(ies) concerned, including RBI, the approval of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter referred to as “Board” and which term shall be deemed to include any Committee of the Board or any other persons to whom powers are delegated by the Board as permitted under the Companies Act, 2013) for borrowing/ raising of funds in Indian/foreign currency by issue of debt securities including but not limited to non-convertible debentures, MTN (Medium-Term Notes)bonds (including bonds forming part of Tier I capital/Tier II capital in accordance with and subject to the terms and conditions specified in the Basel III Capital Regulations prescribed by RBI, long terms infrastructure bonds or such other securities as may be permitted by RBI from time to time) in domestic and/or overseas market, secured or unsecured, as per the agreed structure and within the limits permitted by RBI and other regulatory authorities and/or for making offers and/or invitations therefore and/or issue(s)/issuances therefore, on private placement basis, for a period of one year from the date hereof, in one or more tranches and/or series and under one or</p> |
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| | <p>more shelf disclosure documents and/or one or more letters of offer, and on such terms and conditions for each series/tranches including the price, coupon, premium, discount, tenor etc., as deemed fit by the Board, as per the structure and within the limits permitted by the RBI, of an amount not exceeding Rs.500 Crore (Rupees Five Hundred crore only), within the overall borrowing limits of the Bank, as approved by the Members from time to time.</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.11 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> |
| <p>Mr. Salim Gangadharan (Chairman)</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 CDSL platform will continue to be available for the next 30 minutes. Therefore, members who have not cast their vote yet are requested to do so. In this regard, the Board of Directors has appointed Mr. P. D. Vincent, Practicing Company Secretary (Managing Partner SVJS & Associates, Company Secretaries) or failing him Mr. Jayan K., 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 manner.</p> <p>The Results on above resolutions shall be declared within 2 working days 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> |

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| | <p>I thank all the shareholders for attending the Meeting and for the kind co-operation and assistance extended for the smooth conduct of the Meeting.</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.</p> |
| <p>Note:</p> <ol style="list-style-type: none">1. This document has been edited to improve readability2. Blank spaces in the transcript represent inaudible or incomprehensible words. | |