

TRANSCRIPT

THE SOUTH INDIAN BANK LIMITED

Event: 95th ANNUAL GENERAL MEETING

Event Date/Time: 24th August 2023 11:00 AM (IST)

Event Duration : 03: Hours 10 minutes

11.00 AM. (IST)

Presentation session:

Mr. Jimmy Mathew
(Company Secretary)

Good morning everyone; now the time is 11:00 AM, it is the time to commence the 95th Annual General Meeting of the South Indian Bank Ltd. I invite our Honorable Chairman Sri. Salim Gangadharan, to welcome the shareholders and start the proceedings of AGM.

Thank you

Mr. Salim Gangadharan
(Chairman)

Jimmy, the quorum is there?

Mr. Jimmy Mathew
(Company Secretary)

Yes

Mr. Salim Gangadharan
(Chairman)

The Quorum is there, ok.

“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 95th Annual General Meeting of the South Indian Bank Ltd. I am Salim Gangadharan, Chairman of the Bank. I am attending this AGM from the Bank's Head Office at Thrissur. Distinguished Ladies and Gentlemen, the time now is 11.00 a.m. This meeting is being held through Video Conferencing and other audio- visual means in accordance with

	<p>the Circular issued by the Ministry of Corporate Affairs and the SEBI.</p> <p>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 above said circulars and along with other provisions of the Companies Act, 2013 and the Rules made thereunder.</p> <p>A live streaming of this meeting is also being webcast on NSDL's website.</p> <p>Before we start the main proceedings of the meeting, I request my esteemed colleagues on the video conference to introduce themselves.</p>
Mr. Salim Gangadharan (Chairman)	Mr. Murali Ramakrishnan
Mr. Murali Ramakrishnan (MD & CEO)	Good morning everyone, I am Murali Ramakrishnan, Managing Director & CEO of the Bank. I am attending this AGM from the Bank's Head Office at Thrissur.
Mr. Salim Gangadharan (Chairman)	Mr. V J Kurian
Mr. V J Kurian (Director)	<p>Good morning everyone, I am V J Kurian, Independent Director. I am attending this AGM from Head Office, Thrissur. I am the Chairman of Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Board.</p> <p>Thank you</p>
Mr. Salim Gangadharan (Chairman)	Mr. M George Korah

Mr. M George Korah (Director)	Good morning everyone, I am M George Korah, Independent Director. I am attending this AGM from Head Office, Thrissur. I am the Chairman of Audit Committee of the Board.
Mr. Salim Gangadharan (Chairman)	Mr. Pradeep M Godbole
Mr. Pradeep M Godbole (Director)	Good morning everyone, I am Pradeep M Godbole, Independent Director. I am attending this AGM from Head Office, Thrissur. I am the Chairman of IT Strategy Committee of the Board.
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 Head Office, Thrissur. I am the Chairman of NPA Review Committee of the Board.
Mr. Salim Gangadharan (Chairman)	Ms. Radha Unni
Mrs. Radha Unni (Director)	Good morning everyone, I am Mrs. Radha Unni, Independent Director. I am attending this AGM from Head Office, Thrissur. I am the Chairperson of Customer Service Committee of the Board.
Mr. Salim Gangadharan (Chairman)	Mr. Benny P Thomas
Mr. Benny P Thomas (Director)	Good morning everyone, I am Adv. Benny P Thomas, Non -Executive Director. I am attending this AGM from Bank's Head Office at Thrissur. I am the Chairman of Premises Committee of the Board.
Mr. Salim Gangadharan (Chairman)	I request Chief Financial Officer and Company Secretary, who are on the video conference to introduce themselves. Chithra.

<p>Ms. Chithra H (CFO)</p>	<p>Yes, Sir. Good morning everyone, I am Chithra H, Chief Financial Officer of South Indian Bank attending this AGM from my residence at Thrissur.</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>Jimmy Mathew</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Good morning everyone, I am Jimmy Mathew, Company Secretary, joining the meeting from Head Office of the Bank at Thrissur.</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>Thank you all. Apart from the CFO and Secretary, we also have Mr. Thomas Joseph K, Executive Vice President, Mr. Anto George T, Chief General Manager and other key Executives of the Bank joining this meeting through video conference from their respective locations.</p> <p>We have Mr. Manish Sampat, Senior Partner of CNK Associates LLP, Chartered Accountants, Mumbai and Mr. A. Gopalakrishnan, Senior Partner of K Venkatachalam Aiyer & Co., Chartered Accountants, Kochi, the Joint Statutory Auditors of the Bank, attending the AGM.</p> <p>Mr. Vincent P.D., Managing Partner of M/s. SVJS & Associates, Company Secretaries, Ernakulam, the Secretarial Auditors of the company, is attending from Kochi.</p> <p>Mr. S. Sankar, General Manager, BTS Consultancy Services Pvt. Ltd. Share Transfer Agent of the Bank, is attending from Chennai.</p> <p>The Company Secretary has informed me that we have the requisite quorum present through video conference to start the proceedings of this meeting. Participation of members through video conference is being reckoned for the purpose of quorum, as per the circulars issued by Ministry of Corporate Affairs and</p>

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, colleagues on the Board, auditors and the management team for joining this meeting over video conference. I hope all of you are safe and are in good health.

The Register of Directors and Key Managerial Personnel, the Register of contracts with related party and contracts and Bodies, etc., in which directors are interested, Certificate from Secretarial Auditors in terms of Regulation 13 of SEBI (Share Based Employee 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 meetings on Employee Stock Option Scheme 2008 with 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 their requests 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 register for inspection in respect of the said meeting.

The Bank had provided the facility to cast the votes electronically, on all resolutions set forth in the Notice dated 31st July 2023. Members who did not cast their votes yet electronically and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by NSDL, provided they are not barred

	<p>from doing so otherwise. Kindly follow the instructions given in the AGM Notice.</p> <p>Those shareholders who have cast their votes by remote e-voting prior to the AGM can also attend the AGM but shall not be entitled to cast their votes again.</p> <p>This being the AGM held through Video Conferencing and other audio- visual means, I request Mr. Jimmy Mathew, Company Secretary to take you through certain instructions regarding the participation at this meeting.</p> <p>Before Jimmy gives the briefing, May I request Mr. Sankar to Kindly introduce himself.</p>
<p>Mr. R A Sankara Narayanan (Director)</p>	<p>Good morning everyone, I am Sankara Narayanan, Independent Director of South Indian Bank. Attending the AGM from my residence at Chennai. And I have read the agenda papers and I can see and hear everyone clearly. No others are attending this meeting from this room.</p> <p>Thank You</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>Thank You</p> <p>Mr. Jimmy Mathew</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Good morning everyone.</p> <p>Members may note that this Annual General Meeting is being held through video conference in accordance with the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs and the SEBI.</p> <p>The facility of participation at the AGM through Video Conference 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</p>

	<p>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 themselves 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>Mr. Salim Gangadharan (Chairman)</p>	<p>We will commence the proceedings with a silent prayer. Let us remember the shareholders, employees, and clients of the Bank who have left for their heavenly abode since we met last year.</p> <p>A silent prayer please.</p> <p>Thank you very much.</p> <p>A very good morning to all of you,</p> <p>It gives me immense pleasure in welcoming you all on behalf of the Board of Directors to the 95th Annual General Meeting of "The South Indian Bank Limited" for the Financial Year 2022-23, being held today through Video Conference. I am honored and inspired by the spirit you have demonstrated by joining the meeting virtually. I sincerely hope to find you all safe, secure and healthy.</p> <p>I am pleased to address you about the highlights of the Bank's performance during FY 2022-23, a year in which we achieved our "all the time best" across several parameters, thanks to our turnaround strategy rolled out in October 2020. In a tumultuous</p>

year marked by global economic upheavals, India stood out as the best performing large economy and the banking sector performed well on the back of sound policies by the Government and the regulators.

The Directors' Report and the Standalone and Consolidated Audited Financial Statements for the Year ended March 31, 2023, have already been shared 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

The global growth is projected to fall from an estimated 3.5% in 2022 to 3% in both 2023 and 2024. The central banks' actions on policy rates continue to weigh on economic activity. Further, the global headline inflation is set to fall from 8.7% in 2022 to 6.8% in 2023 and further to 5.2% in 2024, on the back of lower commodity prices; but the core inflation is likely to decline only gradually. In most countries, the priority continues to remain on restoration of price stability, while ensuring financial stability. Financial sector turbulences could amplify, as markets adjust to further policy tightening by central banks. In the midst of global headwinds, India, with 7.2% GDP growth in 2022-23, emerged as a sweet spot even after the RBI tightened the policy rate by 250 bps during the year to 6.5%, to cushion in inflation. Although, Europe is still struggling, the inflation in India seems to have been moderated. In fact, RBI paused the rate hike for three sequential Monetary Policy Committee meetings held in April, June and August 2023, while continuing to maintain a cautious stance on India's inflation dynamics.

The Indian economy displayed exemplary resilience post-pandemic and turned around strongly from a contraction of 5.8% in 2020-21 to an impressive growth of 9.1% in 2021-22 and 7.2% in 2022-23. The Consumer Price Index (CPI) inflation for the fiscal year 2024 is projected at 5.4%. Additionally, the GDP growth rate for FY 2023-24 is projected at 6.5%. The Indian economy has made rapid gains out of liberalization and has gradually integrated with the global economy over the years. Consequently, it is getting increasingly exposed to global headwinds. However, India's growth in the past few years is mainly driven by robust domestic demand, especially private consumption and investment, amidst the global slowdown. India will remain one of the fastest growing large economies in 2023-24 as on. The credit growth in India stood at a 12 year high of 15% in FY 2022-23 and the momentum continues in 2023-24. The high frequency indicators like GST collection, PMI, e-way bills, demand for consumer durables, etc. demonstrate enough confidence in the economy, supported by Government policies of increased outlay on infrastructure, continued focus on MSMEs, and impetus to the manufacturing sector through policies like the Production Linked Incentive (PLI) scheme.

Performance of the Bank

The key objectives of the transformation strategy rolled out in 2020 were to strengthen the financials, risk management and control systems, and enhancing competitive position, profitability and productivity and compliance. The key financial highlights for FY 2022-23, summed up as under, clearly demonstrates that the objectives have substantially been realized. Let me place before you the position of our Bank on leading indicators.

- The total gross business of the Bank increased from ₹1,50,957.86 Cr to ₹1,63,743.42 Cr.
- Deposits increased from ₹89,142.10 Cr to ₹91,651.35 Cr.
- Gross advances increased by 16.62% from ₹61,815.76 Cr to ₹72,092.07 Cr.
- Operating profit of the Bank increased to ₹1,507.33 Cr in FY 2022-23 from ₹1,247.57 Cr in FY 2021-22.
- The Net Profit increased to ₹775.09 Cr in 2022-23 as against ₹44.98 Cr in 2021-22.
- The Provision Coverage Ratio (including write-off) has improved to 76.78 in FY 2022-23 from 69.55 in FY 2021-22.
- The Gross NPA to Gross Advances stood at 5.14% and the Net NPA to Net Advances stood at 1.86% as on March 31, 2023.
- With focus laid on low-cost deposits, the CASA has increased to ₹30,227 Cr from ₹29,601 Cr in the FY 2021-22.
- Net Interest income of the Bank has increased from ₹2,240 Cr in the FY 2021-22 to ₹3,012 Cr in the FY 2022-23.
- The Capital Adequacy Ratio of the Bank was 17.25 under Basel III norms as on March 31, 2023, as against the RBI mandated level of 11.50.
- The Book value per share has increased from ₹27.97 to ₹31.89 as on March 31, 2023.
- The Bank has been successful in widening its network across India with 940 branches, 3 Satellite branches and 3 Ultra small branches. The branch network covers 26 States and 4

Union Territories. The Bank plans to open 17 Banking Outlets and 25 ATM's & 10 CRMs during the Financial Year 2023-24.

- The Bank was honored with significant Institutional recognitions, awards and accolades for various initiatives undertaken during the year.
- The Board has recommended a dividend of 30% i.e., 30 paise per equity share of face value of ₹1/-each, which is subject to the approval of shareholders in this meeting.

The Bank's strong financials clearly demonstrate the success of our transformation process and the business strategy over the past three years. Our consistent focus on execution has led to strengthening the balance sheet with higher capital adequacy ratio, quality loan book, better NIM, strong CASA growth, higher PCR, digitisation, and efficient recovery and collection have bolstered the financial profile of the Bank and cushioned the balance sheet from potential risks arising out of uncertainties. As we enter FY 2024, we are well positioned to grow our advances 2X GDP growth and maintain growth with quality and profitability.

The Board is convinced that the present strategy has resulted in clearly demonstrable improvements in qualitative parameters and financial numbers. Going forward, we shall be pursuing the same strategy, even after change of the present MD for sustaining growth, with stability and profitability. We are closely watching the scenario with respect to capital raise. Our current CAR, Capital Adequacy Ratio of 17.25 is sufficient in the near term. But given the dynamics of risk profile of the assets that we are booking and profitable growth opportunities, we have an open mind on capital raise. If necessary, we will be going to the market for capital at an appropriate time, without much dilution.

The Bank accords utmost importance to Capability Building of its employees. Regular up-skilling of the staff members is the stated goal of the Human Resources Department. To meet this objective, the Bank has divided the competency building activity in two mutually collaborative units - HR – Learning & Development, Ernakulam and SIB Staff Training College (SIBSTC), Thrissur.

The HR – L&D, Ernakulam focuses primarily on developing e-learning and other digital learning modules for the benefit of all staff members. In 2022-23, the unit has published 64 courses. The learning contents published through iLearn in the FY 2022-23 were entirely made in-house.

SIB Staff Training College Thrissur conducts internal training programmes for development of professional skills of staff members. During the FY 2022-23, the Bank has imparted training to 5,905 staff members across grades, including new joiners' induction for 1,050 persons, which is about 64% of total staff strength of 9,219 as on March 31, 2023. This is also in consonance with the Bank's priority of continuous up-scaling 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.

The Bank has adopted several financial inclusion initiatives, including appointment of Business Correspondents and Financial Literacy Counsellors. For expanding the Financial Inclusion activities, the Bank has 68 Business Correspondents and 19 Financial Literacy Counsellors as on March 2023, in the States of Kerala and Tamil Nadu.

The Bank has made significant strides in digitization. Technology and digital innovation have improved the productivity and efficiency. By realigning technology and

business, the Bank has effectively harnessed the technology disruptions to our best advantage, ensuring an enviable position 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 the customers, which inter alia includes the following:

- With the digital push and innovations in technology, the share of digital transactions has gone up from 93.3% to 95.1%.
- A platform for SMEs is being developed that is likely to be commissioned in the first half of FY 2023-24.
- Credit model SIB MSME Integrated Lending Engine (SMILE) was introduced in FY 2021-22 as a continuous effort to improve the credit underwriting quality of MSME Portfolio from ₹25 Lakhs to ₹200 Lakhs, which will be integrated with the platform.
- Rolled out Video KYC for account opening, digital onboarding and credit underwriting across all asset products. It further accelerated its digital delivery with an array of new offerings to ensure uninterrupted and seamless services to the customers.
- Rolled out the CCIL FX (forex) Retail platform for its customers enabling them to access the market directly and book forex deals.
- Over and above implementing the entire stack of digital payment modes, we are looking at Open Banking capabilities to be implemented through API projects.
- We have developed FRM with AI capability to strengthen the Bank's applications and mitigate fraudulent attempts through behavioural analysis and identification of risk patterns. Security control applications such as WAF (Web Application Firewall),

SIEM (Security Information and Event Management) and HIPS (Host Intrusion Prevention System) have been implemented to further strengthen cyber security.

- We have been proactively following the FinTech space, assessing the FinTech services in different functional areas like Payments, Lending, Digital Onboarding, Business Aggregator, etc., covering several customer touch points, and onboarding them.

- Launched SIB OneCard, the Bank's very own Credit Card, through a FinTech partnership.

- Partnered with M/s Actyv.ai for the roll-out of MSME GST Business Loan.

- The Bank has been following the emerging technology capabilities offered by Artificial Intelligence and Machine Learning, which provides us with the tools to automate and enhance both front-end and back-end processes. Blockchain is yet another framework that is being proactively pursued.

- Created a formidable data analytics team. Currently, the team is engaged in enhancing liability and asset collections analytics and is helping to improve the quality of liability customers. We have already commissioned the initiative on our retail platform. Presently, we are actively onboarding HL (Home Loan), LAP (Loan Against Property) and PL (Personal Loan) cases using this cutting-edge platform. Currently, this has been rolled out in four regions.

ESG

As a responsible corporate citizen, we recognize the importance of Environmental, Social and Governance (ESG) considerations in shaping our business practices. We firmly believe that the long-term success of our Bank is intrinsically linked to the well-

being of the communities we serve and the planet we inhabit. We are committed to minimizing the environmental footprint, fostering social inclusivity, and upholding robust governance practices that promote ethical conduct and sound decision-making.

- Corporate Social Responsibility Committee of the Board has been overseeing Environmental, Social and Governance (Reporting & review) activities under the ESG framework.

- The Bank has initiated steps to provide provision for Solar power generation in new buildings under construction, wherever possible.

- Installation of On-Grid Solar Power Plants of 50kW each at Platinum Jubilee Building, Ayyanthole and Market Road Building in Ernakulam.

- Plant of 25kW at for Kannur RO Building.

- We are replacing lights from 2X2 lights in HO and Annex buildings to more power saving LED lights. We will continue the same effort in Kakkand Administrative building. Almost 50% of the work is completed.

- Replacing vinyl flex material from signboards with more durable ACP (Aluminium Composite Panel)

- Tie-up arrangement with authorized e-waste vendor were made.

- 95.1% of Bank's transactions are done digitally.

- We introduced a new Term Deposit Product called "Green Deposit". Green Deposit is a fixed-term deposit for investors looking to invest their surplus cash reserves in environment friendly projects. These deposits provide investors

a platform to fulfil their sustainability goals by investing surplus cash balances in environmentally beneficial projects.

- We launched social media campaigns for popularizing green deposits and ESG Mutual Funds.

- Being a Bank, a sustainable ESG compliant lending policy is the base for us to ensure that we equip ourselves for a future oriented and sustainable lending, giving more focus on lending toward projects which are more environment friendly. In this regard, Board has approved Environmental, Social and Governance (ESG) Policy and Environmental and Social Management System (ESMS) policy for focusing on environment friendly lending.

- SIB's groundbreaking HR initiative, "Synergy - The HR Outreach Programme," is aimed to foster trust, companionship, and open communication within the organisation. Through virtual town hall-style interactions, the Head of HR engaged personally with employees, providing a platform to voice concerns, share insights, and offer suggestions. SIB's commitment for creating an inclusive work environment was demonstrated through active listening, addressing concerns, and cultivating transparency, collaboration, and mutual respect. Synergy empowered employees, fostering a culture of value and empowerment.

- SIB conducted periodic Pulse Surveys to gather employee feedback on important business as well as non-business aspects such as work-life balance, training, development, and communication. These surveys served as a valuable resource for decision-making, guiding informed choices and addressing employee concerns effectively. The initiative demonstrated SIB's commitment to inclusivity and collaboration by actively seeking employee input for creating a better work environment.

- Through the “Make A Difference” initiative, employees formed teams to engage in various social service activities, such as charity drives, volunteering, and cloth donations.

On CSR

We consider Corporate Social Responsibility (CSR) not merely as an obligation but as an integral part of our identity and purpose. Through our diverse and impactful CSR initiatives, we strive to make a positive difference in the lives of individuals, empower communities, and contribute to the sustainable development of society at large.

- The Bank won the Asian CSR Leadership Award under the category ‘Best use of CSR practice in Banking and Finance.
- We donated advanced motor bike patrolling vehicles to Thrissur City Police called as “City Tuskers”.
- We handed over Level III mobile NICU Ambulance to Government Tribal Speciality Hospital, Kottathara. We also handed over Ambulance with ventilator to St. Joseph Hospital, Karuvanchal.
- We presented RO Water Plant to Govt. High School Polletai, Alapuzha.
- We conducted an extensive anti-drug awareness campaign “Drug Free Campus” in various educational institutes across the country to raise awareness about adverse effects of drug abuse among the student community. There was active participation from students, parents, institution officials, renowned personalities and respective Government departments (police officials, narcotic cells etc) along with Bank officials.

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive healthcare and sanitation, and making available safe drinking water.
- Promoting Education, including special education and employment-enhancing vocational skills and livelihood enhancement projects.
- Empowering women, setting up homes and hostels for women and orphans, setting up old age homes, measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, maintaining quality of soil, air and water.
- Rural development activities.
- Training to promote nationally recognized sports.
- Promoting Financial Literacy.

The amount to be spent by the Bank towards CSR for FY 2022-23 as per Section 135 of the Companies Act, 2013, comes to ₹1.84 crore. The amount spent by the Bank this year towards CSR was ₹1.86 crore. The Bank had also embarked on some major projects last year in the field of education, healthcare, etc. By choosing long-term sustainable projects, the Bank has taken an approach which brings steady and long-lasting impact on the society.

Coming to Risk Management:

Risk is an integral part of banking business. In the recent past, the Bank has exerted focused efforts in building a robust, and sustainable risk governance framework and to create risk awareness culture across all tiers of the organization's hierarchy and continuing to do so. Various initiatives such as

comprehensive review of Credit Risk Policy and other Risk Management Policies has been conducted along with other process improvement. Liquidity is also actively being managed through the ALCO forum, where the Bank is actively pursuing to increase the sticky and retail deposits along with operationalizing majority of the wholesale banking financing relationships. 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.

The Bank has put in place independent risk management architecture and practices that are overseen by Risk Management Committee of the Board (RMCB). Appropriate policies to manage various types of risks are approved by the Board of Directors after review by Risk Management Committee of the Board, which provides strategic guidance while reviewing portfolio behaviour. The senior level executive committees like Credit Risk Management Committee (CRMC), Market Risk Management Committee (MRMC), Operational Risk Management Committee (ORMC) and Asset Liability Management Committee (ALCO) develop the risk management policies and vet the risk limits to ensure better control.

On 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 and loan accounts, centralized sanctioning of loan facilities, etc.

Various Preventive controls viz., Dual custody for cash, gold and other security items, maintenance of daily control registers for security items, finger-scan-authentication for processing of transactions in CBS in addition to login passwords, stringent

guidelines on password usage, STP processes between CBS and payment interface systems for transmission of messages etc. are in place.

As per 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 this Internal Financial Controls Framework. Inspection and Vigilance Department plays a significant role in testing the control effectiveness for each process under the framework.

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

The Bank has institutionalised a strong compliance culture and mechanism across the organisation, in pursuit of its strategic goals of transparency and trust, among all its stakeholders. The Bank has a dedicated independent Compliance Department headed by a Joint General Manager which operates as per a well-documented compliance policy for ensuring regulatory compliance, across all businesses and operations. The Bank has a well-defined and structured mechanism to assess the compliance risk and monitor its mitigation measures, thereby ensuring the effectiveness of the compliance function in managing the compliance risk.

Regarding the Awards and Accolades:

The Bank had received several awards during the year, I am listing out only the most important ones. The first one is the

	<ul style="list-style-type: none">• Six awards at IBA's 18th Annual Banking Technology Awards.• Banking Frontiers Finnoviti Awards, 2022 for Robotic Automation of Merchant Credit Processing.• World Record for Staging and Swinging 101 'Oonjals' at Marine Drive, Kochi, Kerala.• India's Most Preferred Workplaces in BFSI 2022-23 by Team Marksmen India.• The Economic Times Edge Best Brands in Best Brand 2022 Conclave 5th Edition organised by The Economic Times.• "Outstanding Digital CX-SME Loans" at the 6th Digital CX Awards powered by The Digital Banker, Singapore.• Asian CSR Leadership Award under the category 'Best use of CSR practice in Banking and Finance.• Mr. Murali Ramakrishnan, MD & CEO was honoured with "ET Ascent Business Leader of the Year Award" and the Management Excellence Award by Thrissur Management Association (TMA).• SIB was honoured with ASSOCHAM Best Private Sector Bank Award during the 9th MSME Awards & Excellence Summit.• SIB received the "Excellent use of AI and ML" award at the eLets BFSI Tech Innovation awards 2023.• The Chief Information Officer, Mr. Sony A was honoured with several awards on professional excellence.• The Chief Financial Officer, Ms. Chithra H was selected as one of the "Leading Women CFOs of the Year 2022" by CII.
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- The Chief Marketing Officer, Ms. Azmat Habibulla was honoured with the "Woman Disruptors Award - Women Marketing Head of the Year" by Adgully on Women's Day 2023.
- CISO Team – Innovation Security Leader of the Year in India CISO Summit and Awards.
- Best Tech of the Year (Robotics & AI): RPA in Quantic India's Technology Excellence Awards

Now Looking ahead

To remain resilient, we adopted multiple strategies with respect to restructuring of our assets and liabilities, product and segment innovations and digitalisation. We will be focusing on SME, housing, personal loans, including credit cards, vehicle and agri loans, etc as key growth drivers in FY 2023-24, while continuing to leverage our strong corporate banking franchise in tapping and penetrating top rated corporates, opportunities in supply chain financing, Dealer funding, trade and forex, etc. We will be launching new retail loan products like commercial vehicles, construction equipment, loan against shares, etc.

We have released our updated Vision 2025 under which we will strive to increase our loan book to Rs 1,00,000 Cr, CASA to 35%+, PCR (without write-off) at 65%+, NIM at 3.5%+ RoE at 13% + and RoA at 1%+. We believe that we are better placed to achieve these benchmarks.

We are adopting various cross selling strategies to improve our other income. Banca is one of the important components of our other income strategy and we are continuously increasing our insurance cross-sell income in life as well as in general. In retail as well as in SME segments, as disbursements go up, our fee income is also increasing. We are also seeing a good traction in Credit Card income. We have issued more than two Lakh cards

during FY 2022-23 and expect to continue the momentum. Our concentration on top rated corporates is also leading us to increase in other income. We aim to source majority of our business digitally, thus bringing down the cost.

Acknowledgements

It is with great pleasure that I extend my sincere thanks to fellow Board members and our esteemed Managing Director and CEO, Mr Murali Ramakrishnan, who is completing his tenure on September 30, 2023. Mr. Murali Ramakrishnan has scripted a new chapter in the long journey of the Bank and his visionary strategies have changed the dynamics and future of the Bank. The financials, as we observed, have been placed on a sound edifice and the Bank is on the cusp of a sustainable performance. I personally express my gratitude to the services rendered by him. I also thank Mr. Parayil George John Tharakan, who retired on completion of his term, as per Banking Regulations Act, 1949, from the office of Independent Directorship of the Bank during November 2022, for his valuable contributions to the Board and the Bank as an Independent Director.

I also 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 CNK Associates LLP and M/s K Venkatachalam Aiyer & Co., Secretarial Auditors M/s SVJS & Associates 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 single most important pillar of any Institution is its personnel, more so in the case of a

	<p>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 Conclusion</p> <p>After seven years of serving as Chairman of our Bank, I am completing my term on November 1, 2023. I vividly remember the challenges we faced through difficult times. We have witnessed both successes and failures, riding on the unpredictable waves of the financial world, all the while holding steadfast to our unwavering vision. Your continuous support and guidance served me profoundly in traversing through the difficult years. I am quite happy that I am leaving the stage when the Bank is in sound position. For the present, I am only ceasing to be the Chairman of the Bank, but continue to be a shareholder along with you all. Fortunately, the Bank has been able to find a seasoned banker, Mr. P. R. Seshadri as new MD and CEO. His experiences with global and domestic banks will fit well to fill the gap created by the voluntary exit of Mr. Murali Ramakrishnan, MD & CEO. As I gaze into the future, I am filled with a renewed sense of hope and anticipation. The seeds we have sown are destined to yield bumper harvests, one that will surpass anything we have achieved thus far. I am very confident that this outstanding group of eminent Board members and exemplary Management will continue to guide the Bank towards greater heights.</p> <p>Thank you all.</p>
Mr. Salim Gangadharan (Chairman)	I trust that I have your consent to take the Notice of the Meeting and the Directors' Report as read.

	<p>Ok.</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, as detailed in the AGM Notice dated 31st July, 2023. Members may please note that there will be no voting by show of hands.</p>
<p>Mr. Salim Gangadharan (Chairman)</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 2022-23. I call upon the Company Secretary to read the Auditors' Report.</p> <p>Jimmy Mathew.</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 STANDALONE FINANCIAL STATEMENTS</p> <p>Opinion</p> <p>We have audited the standalone financial statements of The South Indian Bank Limited ('the Bank'), which comprise the Balance Sheet as at March 31, 2023, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') and the circulars and guidelines issued by the Reserve Bank of India ("RBI"), in the manner so required for</p>

banking companies and give a true and fair view in conformity with accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with rules thereunder, of the state of affairs of the Bank as at March 31, 2023, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the ‘Auditor’s Responsibilities for the Audit of the Standalone Financial Statements’ section of our report. We are independent of the Bank in accordance with the “Code of Ethics” issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone 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 standalone financial statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and

results of our audit procedures, including the procedures performed to address the matters below, provide the basis in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters:

Key Audit Matters

1. Classification of Advances, identification of non-performing advances, Income Recognition, and provisioning on Advances (Refer Schedule 9, Note 3 of Schedule 17 and Note 4 of Schedule 18A to the standalone financial statements).

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; 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. The identification of performing and non-performing advances (including advances restructured accounts under applicable IRACP Norms) involves establishment of proper systems, controls 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. The risk of identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors. The provision on NPA is estimated based on ageing and classification of NPAs, recovery estimates, nature of loan product, value of security and other

qualitative factors and is subject to the minimum provisioning norms specified by RBI and approved policy of the Bank in this regard. The Management of the Bank also makes an assessment of the impact on borrowers' accounts which were restructured as per RBI Circulars issued to provide relief to the borrowers.

How our audit addressed the Key Audit Matters.

Our audit approach / procedures included the following:

- 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 and additional provisions and asset classification benefit extended on restructured advances under RBI's COVID-19 Regulatory Package.
- Understanding, evaluation and testing the design and operating effectiveness of key controls (including application controls for system driven identification of NPAs) over approval, recording, monitoring and recovery of loans, monitoring overdue / stressed accounts, identification of NPA, provision for NPA, valuation of security and collateral and identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI. Further obtained an understanding of the contingency provision carried by the Bank and verified the underlying assumptions used by the Bank for such estimate.
- Testing of application controls on sample basis including testing of automated and manual controls, reports and system reconciliations, in relation to income recognition, asset classification, provisioning pertaining to advances and investments and compliances of other regulatory guidelines issued by the RBI.

- Testing on sample basis the accuracy of the data input in the system for income recognition, classification into performing and nonperforming Advances and provisioning in accordance with the IRACP norms.
- Selected the sample borrowers based on quantitative and qualitative risk factors for their assessment of appropriate classification as NPA including computation of overdue ageing to assess its correct classification and provision amount as per extant IRACP norms and the Bank policy.
- Performed other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included:
 - (a) Considering testing of the exception reports generated from the application software and the 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, appraisal note, audited financial statements, drawing power calculation, security and other related documents and information of the sample 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 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;

(e) Considering Internal Audit, Systems Audit, Credit Audit, Concurrent Audit, stock and receivable audit and credit appraisal as per the policies and procedures of the Bank;

(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;

(g) Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines.

- For NPAs identified, we, based on our sample 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 of system-generated reports and statements prepared by management.

Key Audit Matters also includes:

Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements on:

- Completeness and timing of recognition of nonperforming assets in accordance with criteria as per IRACP norms.

- Measurement of the provision for nonperforming assets based on loan exposure, ageing and classification of the loan, realizable value of security;

- Appropriate reversal of unrealized income on the NPAs

Since the identification of NPAs and provisioning of advances (including additional provisions arising out of COVID-19 pandemic) requires proper mechanism and significant level of estimation and given its significance to the overall audit,

including possible observation by RBI which could result into disclosure in the financial statements, we have ascertained identification of NPAs and provisioning against such NPAs as a key audit matter.

Key Audit Matters

2. Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Refer Schedule 8, Note 2 of Schedule 17 and Note 3 of Schedule 18A to the standalone financial statements)

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), non-recognition of income and provisioning against NPI.

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.

Investments classified as AFS and HFT are marked to- market on a periodic basis as per the relevant RBI guidelines.

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.

Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.

Accordingly, our audit was focused on valuation of investments, classification, identification of NPI and provisioning related to investments.

How our audit addressed the Key Audit Matters

Our audit approach/procedures included the following:

- 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;

- 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.

Key Audit Matters

3. Assessment of Provision for Taxation (including Deferred Tax Assets) (Refer Note 14 of Schedule 17 and Note 3 of Schedule 18B to the standalone financial statements)

This matter has been identified as a Key Audit Matter due to the significant level of management judgement required in the estimation of provision for income taxes including any write back of provisions, due to the following factors

- a. The Bank's assessment of provision is based on facts of matter, existence of multiple uncertain tax positions leading to multiple disputes / litigations
- b. Provision for tax involves interpretation of various rules and law. It also involves consideration of the complex issues in on-going disputes and disclosures of related contingencies.

Further, significant judgements are also involved in Assessment of Liability, Adequacy of provisions and Adequacy of disclosures for measuring such obligations.

Recognition of deferred tax assets involves the assessment of its recoverability within the allowed time frame requiring significant estimate of the financial projections which are approved by the

Bank's Board of Directors, availability of sufficient taxable income in the future and also involving significant judgements in the interpretation of tax regulations and tax positions adopted by the Bank. Considering the judgement involved in determining the recovery of deferred tax assets, the matter is considered a Key Audit Matter.

How our audit addressed the Key Audit Matters

Our key audit procedures includes:

- a. Obtaining an understanding of the Bank's process and respective internal controls for determining tax liabilities, tax provisions, deferred tax assets and contingent liabilities in respect of the major litigations in order to design our audit procedures that are appropriate in the circumstances;
- b. Analyzing the facts of subject matter of each dispute, issue and matter under consideration and judgements/ interpretation of law involved.
- c. Understanding the current status of the litigations/ tax assessments in respect of each matter for different years;
- d. Discussion with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of the disputed cases; and evaluated the Management's underlying key assumptions in estimating the tax provisions.
- e. Considering legal precedence and other rulings in evaluating management's position on these uncertain tax positions, the provisions made, and/ or write back of the provisions
- f. Review of the reconciliation of the underlying tax balances to supporting documentation, including correspondence with tax authorities.

g. Obtaining the components of deferred tax assets and estimates of taxable incomes for future periods as approved by the Board of Directors.

h. Evaluating management assessment for estimating availability of future taxable profits for recognition of deferred tax assets.

i. Assessing the period over which the deferred tax assets would be recovered against future taxable income.

j. Verifying the disclosures related to significant litigations and taxation matters in the standalone financial statements

Key Audit Matters

4. Litigation, Claims and Contingent Liabilities (Refer Schedule 12, Note 15 of Schedule 17 and note 14 of Schedule 18B to the standalone financial statements)

Assessment of provisions and Contingent liabilities in respect of certain litigations including Indirect Taxes, various claims filed by other parties not acknowledged as debt and other matters under dispute which involve significant judgement to determine the possible outcome of these disputes.

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, interpretation and analysis of the complex issues under dispute, past experience and orders of the judicial authorities on identical issues, and advice from legal and independent tax consultants wherever necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.

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 of each dispute, issue and matter under consideration and judgements/ interpretation of law involved.

How our audit addressed the Key Audit Matters.

Our audit approach/procedures included the following:

- Testing the design and operating effectiveness of the Bank's key controls over the estimation, monitoring and disclosure of provisions and contingent liabilities
- Obtaining an understanding of internal controls in relation to creation of provisions and Contingent liabilities in respect of the major litigations before various judicial forums including Indirect Taxes, various claims filed by other parties not acknowledged as debts 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 in respect of each matter for different years;
- Examining recent orders/ communications received from various tax authorities/ judicial forums, judicial pronouncements and follow up action thereon;
- Evaluating the merit of the issues and subject matter under consideration with reference to the grounds presented therein and available independent legal/ tax advice including opinion of our internal legal/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

- Verification of disclosures related to significant litigations and indirect taxation matters.

Key Audit Matters

5. Information Technology ('IT') Systems and Internal 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. Therefore on account of these factors, there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.

Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately, and consistently for reliable financial reporting.

In addition, there are increasing challenges to protect the integrity of the Bank's systems and data since cyber security has become a more significant risk in recent periods. 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 as well as its importance in relation to accurate and timely financial reporting, we have ascertained IT systems and controls as a Key Audit Matter.

How our audit addressed the Key Audit Matters

- Obtaining a comprehensive understanding of IT applications landscape implemented at the Bank, followed by process understanding, mapping of applications to the processes related to financial reporting and understanding financial risks posed by people-process and technology.
- We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls).
- This included testing that requests for access to systems were appropriately logged, 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 system controls over financial reporting using various techniques such as inquiry, review of documentation / record / reports, observation, and re-performance.
- Where deficiencies and mismatches 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.
- In addition, we relied on management representation which included IS audit, and also the testing of the automated system driven controls conducted by the Management.

Other Matter

The audit of standalone financial statements of the Bank for the year ended March 31, 2022 was conducted by CNK & Associates LLP, Chartered Accountants and Varma and Varma, Chartered Accountants, the joint statutory auditors of the Bank, who have expressed an unmodified opinion on those financial statements. Accordingly, we, K Venkatachalam Aiyer & Co. Chartered Accountants, do not express any opinion on the figures reported in the standalone financial statements for the year ended / as at March 31, 2022.

Our opinion on the standalone financial statement is not modified in respect of the above matter.

For **CNK & Associates LLP**

Chartered Accountants

Firm Registration No. 101961W/W-100036

Hiren Shah

Partner

Membership No: 100052

UDIN: 23100052BGVTUS2499

Place: Thrissur

Date: 11th May 2023

For **K Venkatachalam Aiyer & Co.**

Chartered Accountants

Firm Registration No. 004610S

A. Gopalakrishnan

Partner

Membership No: 018159

UDIN: 23018159BGYOFX2838

	<p>Place: Thrissur</p> <p>Date: 11th May 2023.</p> <p>The remaining portion of Independent Auditors' Report including Annexure A to the Independent Auditors' Report and Independent Auditors' Report on the audit of the consolidated financial statements and the Annexures thereon are 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>Yeah. 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 2023 together with the Profit & Loss accounts for the financial year ended 31st March, 2023 annexed thereto as certified by the Auditors <i>vide</i> their report dated 11th May 2023 attached thereto and read at the meeting and the Directors' Report and annexures thereon dated 31st July, 2023 be and are hereby received, approved, adopted and appropriation of Net Profit is approved.”</p> <p>Now the members may seek any clarification on the Resolution and also on the Accounts or on other agenda items. 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 out by the Company Secretary. I request the speakers to be brief to the point, avoid repetitions and not to stray into topics, which are not related to the subject. Time</p>

	<p>allotted for each speaker is 3 minutes and all 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>Jimmy.</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>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</p>

	<p>turn. If a member faces any technical issue, you may contact the helpline number mentioned in the notice of the AGM.</p> <p>I request Mr. Saket Kapoor, kindly proceed with the question.</p>
Mr. Saket Kapoor	Yeah. Namashkar Sir. You can hear me?
Mr. Jimmy Mathew (Company Secretary)	Yes Sir, Please proceed.
Mr. Saket Kapoor	<p>Yeah, thank you for very detailed presentation and the detailed thought on the way ahead. But Sir, a couple of points if you could share from your speech itself for the fundraising exercise, are we contemplating anything in the near future? Almost 16.7 or closer to 17% CRAR that needs to be there. There are no further requirements in terms of capital raising in the form of equity issuance. For the provision part Sir, if you could give us an understanding on our provision coverage which is 65%. Why are we maintaining it at lower level compared to other peer banks? And what is the longer -term target? Is the granular detail of the loan book that allows us to maintain 65% or that going ahead looking for further increasing the provision coverage ratio.</p> <p>Sir, on the NIMs part, you mentioned, 3.5% as our endeavor so I think so, for one number we were closer to I don't have the numbers currently with me so if you could, just give me an understanding on what have we achieved for Q1 and when we will be achieving 3.5%. I think the 2025 was the year you have mentioned. So, what is the target for the current financial year FY 24 in terms of the RoA, NIM and GNPA numbers.</p> <p>And also says now with our new managing director's help, if we could understand what are the key targets and the key goals that have been entrusted on him for FY24-25. And also the steps that</p>

the management envisage to take forward to create shareholder value going ahead.

I also thank the board for declaring a dividend of 30% per share. Thank you for taking into account, you know, shareholder requirements so what should be the dividend distribution policy. If it has been recorded, then please elaborate the same.

Most probably, currently the regime is definitely conducive for the banking industry and it is for us and the management to take charge of things, so that the problems which the bank faced and the banking industry faced earlier are not to be repeated. What steps have the management taken for early detection of the frauds and NPAs.

And Sir, how strong is our growth history going forward, particularly for South Indian Bank, having origin in the southern part of the country, the investor confidence, in terms of the quality of book and the NPA numbers. What steps are you taking to achieve a respectable market cap. Investors have been waiting for a very long time to reach the market value to book value. Please give the book value numbers, I don't have it right now. What are the book value for FY 23? We are quoting way below that. So the moot point is very simple, we as equity investors have participated in the growth, Journey, and we have entrusted our money with the bank and the managing director and the board to take the right steps to create shareholder value. This is my question in front of the board. How convincing are you people that, the growth numbers, which we have for the last 2 quarters, are sustainable and going ahead we can grow on top of that. And what we have a credit cost guidance for the current year, and I wish the best to the bank going ahead. Hope to hear more from you, and in the con-call also, we hope that minority shareholders

	are also given adequate chance to raise equity and it is always a detailed call Sir. Thank you once again, I hope to hear from you.
Mr. Jimmy Mathew (Company Secretary)	Thank you Sir, Thanks a lot for the Questions. So now I welcome Mr. Santosh Kumar Saraf to proceed with. Mr. Santosh Kumar Saraf
Mr. Santosh Kumar Saraf	Hello, Just a minute
Mr. Jimmy Mathew (Company Secretary)	Good afternoon Sir, We can hear you Sir. Please proceed
Mr. Santosh Kumar Saraf	(Translation from Hindi) Sir, Can I speak in Hindi?
Mr. Jimmy Mathew (Company Secretary)	Please Sir.
Mr. Santosh Kumar Saraf	(Translation from Hindi) “Respected Chairman and all the other Directors and my dear brother and sisters. My name is Santhosh Kumar Saraf from Kolkata. Namaskar everyone. I wish good health for all those who are present in this meeting. I like to appreciate all those personnels whose services resulted in strong financials of the Bank. For better results in the future I request them to continue this hardwork. The presentation given by you was good I don’t have any questions on that regard. I have only one or two Questions. What are the steps taken to prevent insider trading? What are steps taken to increase female enterprising. We have very few female entrepreneurs. It is necessary to empower them to become the 3 rd largest developed country.”

	<p>If we want to become third largest developed country, we require to empower more and more women. Because our population is 50% women.</p> <p>Lastly I request to continue with VC meeting because VC meeting is very good, through we can express our views to our employees, working in our branches, hardworking to contribute to the growth.</p> <p>Sir, nothing to say. Thank you for giving me time. Hope next we will meet you with good result and through VC meeting Sir. And last, I wish all our employee and their family a happy financial year 2023-24 with wealth and prosperous.</p> <p>Namashkar</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Thanks a lot Sir.</p> <p>Now I welcome Mr. Rishi Kesh Chopra, to proceed with the questions.</p> <p>Mr. Rishi Kesh Chopra</p>
<p>Mr. Rishi Kesh Chopra</p>	<p>Hello, Am I audible Sir.</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Yes Sir please, Please proceed with your Questions Sir.</p>
<p>Mr. Rishi Kesh Chopra</p>	<p>My ID is 1208160020512886. I am Rishi Kesh Chopra from Delhi NCR, Ghaziabad. Thanks for giving me the opportunity to speak at this AGM. I'm a retired senior citizen from Delhi NCR and have invested my retirement funds in your Bank. As it was quoting at comfortable price now I am happy that my funds have been earning well. Thanks very much. This was due to the efforts of your staffs, your management and the Bank as a Whole.</p>

	<p>I fully agree with the management description, whatever they mentioned and I support all the resolutions you have proposed. Thank you very much.</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Thank You Sir. Thanks a lot Sir.</p> <p>Now I welcome Ms. Lekha Shah to proceed with the Questions. It seems she not have joined let's move on to the next speaker who have registered.</p> <p>Mr. Dileep Kumar Jain.</p> <p>Mr. Dileep Kumar Jain.</p> <p>He is also not joined. So I am moving to the next speaker.</p> <p>Mr. K Bharat Raj</p> <p>He is also not joined. So I am moving to Mr. Kamal Kishore Jhawar.</p> <p>Mr. Kamal Kishore Jhawar.</p> <p>He is also not joined. So I am moving to the next shareholder.</p> <p>Ms. Prakashini G Shenoy</p> <p>Ms. Prakashini G Shenoy</p> <p>She is also not joined. So I am moving to the next speaker.</p> <p>Mr. Ravichandran</p> <p>Mr. Ravichandran, Sir Can you please join?</p>
<p>Mr. Ravichandran</p>	<p>Good morning.</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Yes, Sir. We can hear you Sir. Good Afternoon sir. Please proceed.</p>

Mr. Ravichandran

Very good morning to the Chairman and all the other board members and those who are attending the AGM within and outside. My hearty congratulations for the profits though 1/3rd of that has come from write back of provisions. Still the performance is commendable. And I don't want to sound very negative. I send a request for the annual report copy on 2nd August, as soon as I got the mail from the Bank. But, there was no response, then a few days back I reminded and also mailed to the Secretarial Department. Also I think the sibagm email ID has been created only for name sake. Nobody has taken any responsibility to go through it and respond to the E-mails received, I'm sorry to say this. But this is what happened, then, the day before yesterday, someone calls from, and he said he will arrange from the local, you know, branch, and just before Chandhryan 3 landed in the moon. The annual report came to my residence, just 15 minutes before. I am not raising any complaint against anybody. I don't know who is organizing it internally. But this issue needs to be addressed. And also I used to send the emails earlier asking/seeking clarification on certain things. Initially, I was getting response then it has totally stopped. I don't know the person to whom I was sending. Yes, that name was mentioned in the investor presentation. I don't know if the responsibility is shifted to somebody else, but I should at least should have been informed, that he/she is not the responsible person. And I should write to somebody else. The shareholders, you know, are meeting only once a year and occasionally some shareholders seek some information on the Quarterly accounts there should be some response to this. But, unfortunately it was not coming so I stopped sending mails totally. I request Chairman and other board members to look into this and arrange to respond.

So my 1st Question is the present government is looking at, increasing capex and, budgetary provisions are increasing. But

the private capex seems to be not in alignment with the Government's initiatives. With great efforts, we have reached the 5th position in GDP terms and our Prime Minister is very confident that if he is voted back, he will take the country to the 3rd position, but the private sector and the banking industry don't seem to be in line. So, I would like to understand what is the split in? As far as I'm concerned, banking is for lending to two aspects only one is for Capex Asset creation and the other one is for consumption, whether it is working capital, credit card, personal loan. They all come under consumption only. So, whether the bank, I find all private sector banks are, you know, very eager to lend on personal loans, housing loans, credit cards and all. So nobody seems to be in line with the Government's initiatives. I would like to understand what is a proportion of lending towards Asset creation of SIB and consumption. So, this I may like to know, I'm not able to find out from the balance sheet and the P&L and the proportion, but you may like to clarify on this.

My 2nd point is, most of the banks are easily lending to the fintech companies, peer to peer lending in all on a wholesale basis. So, the risk with the bank, which is giving the loan to these fintech companies. You know, this fintech companies may throw into winds the KYC norms. So, I would like to understand, what is the exposure of SIB to these fintech companies, and also the steps taken to cover the risk. This is my point number 2.

Point Number 3 is Advances are increased from Rs 61,816 Crores to Rs 72,092 Crores and that the profit has increased from Rs 45 Crores to Rs 778 Crores. I don't know how it was achieved. 1/3rd of the profit has come from write back of provisions, which is clearly given in the notes. So, the balance I would like to understand whether this is sustainable and going forward also, you know, the same level of profitability will be maintained.

	<p>My 4th point is provision for diminution and value of investments has increased from Rs 264 Crores to Rs 434 Crores. So, I would like to understand how this increase has happened.</p> <p>And my 5th point is. In the miscellaneous income, Rs 1076 Crores is mentioned, only the explanation is given for Rs 247 Crores, which is write back of provisions. Balance there are no details. I would like to understand some broad split up, and also, whether they are sustainable. These are my points and I would like, request you to respond to all the queries and also take some action on the, you know, shareholder, Information flow, thank you and wish you all the best for future. A better performance, thank you.</p>
Mr. Salim Gangadharan (Chairman)	Jimmy
Mr. Jimmy Mathew (Company Secretary)	Sir, next I welcome Mr. Atanu Saha
Mr. Atanu Saha	Hello, Am I audible.
Mr. Jimmy Mathew (Company Secretary)	Yes Sir, Please , Good Afternoon Sir.
Mr. Salim Gangadharan (Chairman)	Please proceed. Mr. Saha.
Mr. Atanu Saha	Good morning. Sir I am Atanu Saha the shareholder of the South Indian Bank Limited, my number is 1304080000078832 Thank you so much Chairman and board of directors and all independent directors in different parts and company secretary Jimmy Mathew and his total team who informed me time to time, over phone. Thanks to Company Secretary, CFO and to Board of Directors. Sir previous shareholders already raised a number of queries. So, I avoid them. T0he issue Sir, the previous year

	<p>and now profit growth is slow and no return on the equity and also the contingent liability is more than Rs 15,000 crores. How company manages the situation. One point that I wish to ask that, Sir, our South Indian Bank, needs a calendar Sir, and made available to customers and if possible, a directory. I wish a good year ahead. I had already casted my vote. Good results. I wish good health to everybody and every employee. Thank you. I am Atanu Saha, handing over to our company secretary.</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Thank you Sir, Thanks a lot Sir.</p> <p>Now I well Ms. Lekha Shah.</p> <p>Ms. Lekha Shah</p>
<p>Ms. Lekha Shah</p>	<p>Hello</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Yeah, Good afternoon Madam.</p>
<p>Ms. Lekha Shah</p>	<p>Very good afternoon. 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 Jimmy sir for sending me the AGM notice well in time. Thank you, Chairman Sir, for explaining as well about the Bank and congratulation for efficient work Sir. I pray to God, that he always showers with blessings upon you. I wish the bank will continue video conference meeting in future. Sir I would like to ask a couple of questions.</p> <p>My first Question. What is the total number of employees, and how many women employees are working in our company? What is the future of bank? So. I strongly and wholeheartedly support all the resolutions for today's meeting. And my best wishes always to our Bank and its prosperity. Thank you so much Sir.</p>

<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Thanks a lot Madam. Now I welcome Mr. M V Babu George. Mr. M V Babu George. Babu Sir , Can you hear us?</p>
<p>Mr. M V Babu George.</p>	<p>Yes, Can you hear me?</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Yes Sir we can hear you. Good Afternoon Sir, We can hear you, Please proceed with Sir.</p>
<p>Mr. M V Babu George.</p>	<p>Very good afternoon to everybody. And I'm glad that the results are very good, but only 30 paise per Rupee is declared as dividends, which is too little, and hence I request, the director board to declare an interim dividend at the time of Diwali to the Shareholders, as no dividend was declared before, and this year only 30 paise for one-rupee share. Another bank declared a dividend of 19 rupees per share The old Bank of our Director, Ms. Radha Unni's Bank, State Bank of India, not that Bank, another Bank declared 19 rupees for 1-rupee share recently. Here only 30 paise, very short, please consider my request. In the director board, two excellent people who had done a lot for the state of Kerala is available, Please utilize their services. Mr. V J Kurian and Former Managing Director of CIAL, as well as Mrs. Radha Unni, former Chief General manager of State Bank of India. Please utilize and give good results, only after five years we are going to celebrate centenary of the Bank. Please take steps for improving our business as well as income. Unnecessary expenditure must be curtailed.</p> <p>Moreover, CSR funds distribution when I have gone through the names, every year for the same people it is distributed. I request you to consider a portion of the amount to the people of Vadakekkara and Chittattukara Panchayat in Paravoor Thaluk,</p>

which were still affected by a flood of 2018. Please consider and give help to this needy poor people. The BTS agency, which is arranging the share certificate, their services are very poor. They are not properly dispatching the share certificate to shareholders. And when they complain, you have already sent, like that and harassing the shareholders. Hence please give them proper instructions. The active involvement of the Chairman and the Directors is required for this? And I am one of the victims of this BTS agency, that is why and a number of other shareholders also complained to me.

Regarding the NPA there is some improvement, but in the direction of NPA a lot of things to be done. In India, almost all banks shown very good results this year. So we have to work hard to give good results in the coming years. I have attended this year, the general body meeting of some other banks also. In that, in these meetings, the Chairman will open the meeting after that the mantle is given to the managing director. Then he will explain all these things. Here in South Indian Bank, the Managing Director is a silent spectator. He won't open his mouth in the general body, in the last general body, and also in the previous general body. I have raised this issue, but now I understand that the present Managing director is already given his resignation letter. He will be leaving hence I request him to address the annual general body meeting. And why he is leaving this great institution? What are the difficulties? All these things to be explained. And I am very much worried about when I read the news in the newspaper about his departure. And another man is Mr. Seshadri is coming. So, we are approaching for the centenary. This type of frequent resignations and transfer and leaving the institution is not good. So, consider my request Mr. Murali Ramakrishnan and I wish him all the best for his next assignment and request him to reply

about his opinion about the bank. This will be his last general body meeting.

Another important thing I wish report is about the condition of some of the NPA accounts, they are top businessman of Kerala and their figures are pounding up. Strong steps must be taken to recover the overdues. As well as for giving quality advances in the future for the progress of this Bank. One shareholder complained about the dispatch of annual reports, and this is frequently happening. Something to be done, in the share department also. Because printing of the annual report. Simultaneously with the result published in the paper or to us shareholders. This must be dispatched to those who request for the same and I also got it 3 days back. Because I cannot go through all the Reports anyhow, I received it for that I appreciate the share department section, especially, the younger staff members. I tried to contact the Company Secretary several occasions last year, but he never attend the phone. His assistant will inform me. That he is very busy. He is attending a meeting. That is not good and please when a shareholder is requesting to talk to the Company Secretary find out some time, at least 4, 5 minutes to hear our grievances or our suggestions. So, please take it from me and I request the Company Secretary to listen to the shareholders as well as to the customers. Their problems may be resolved. I don't want to go long, my best wishes to the Chairman and our retiring managing director and director board members.

And one thing I noticed, this great Bank was started from Thrissur and not even a single person talked about this bank in this general body. Perhaps I may be the only "Malayali" who attended the meeting. This is simply going there is no improvement in the share price and business and all other like, and I think our Chairman also will shortly leave this Bank. And I wish him all the best, for his happy retired life and best wishes

	<p>and happy onam to everybody, I am concluding. Thank you very much.</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>Thank you Sir. Thank you for your suggestions.</p> <p>Next I proceed with Mr. Baiju K Paul.</p> <p>Mr. Baiju K Paul. As he is not joined I am moving to next shareholder</p> <p>Mr. Krishnan P S.</p> <p>Mr. Krishnan P S. He also seems not joined. Sir there are no more speakers so the session is over.</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>First of all, I express my gratitude to all shareholders for giving us suggestions in the past and in the present. We always consider the general body meeting as the main driver of our activism and taking strategy shift and making better performances in the bank. I think I'm fortunate to report and you have seen the numbers that, we have worked diligently over the years and in transforming the Bank and in improving the efficiency and safety of the organization. So, when you compare with the past years, Shareholders had problems with the asset quality, the profitability, return on assets, return on equity, the dividend payment and the share price, and possible dilutions. See, if you take any of these parameters into account, we have done our best within the operating constraints and the market opportunities in the market. And we have, you know, I don't want to repeat any of the numbers, which is already covered in my speech, as well as, included in the annual report in greater details. So I don't want to quote anything new. But what we were doing in the 2020 onwards is the Business strategy based on 6Cs. And we have articulated the operating parameters and having gone through and scaled most of the operating parameters. We revised our vision 2024, with an update with the vision 2025. And the key</p>

parameters, you know, the operating parameters we are going to achieve, and we are working towards achieving that one by the board and the MD and management to reach our loan book to 100 Thousand crores in rupees, that is One lakh crore in Rupees. CASA we wanted to increase to meet pricing competition or the pricing advantage we can derive only from low cost deposit that is CASA, we wanted to reach the 35 plus. Then our PCR, there are 2 types of PCR, are used in our report as well as the banking industry. Provision Coverage Ratio as per the Reserve Bank of India regulations is with the technical write off; with the technical with off it is, we have already reached 76%. And we are aiming to reach 80%. Without technical write off, which the market, analysts and shareholders are looking at, we are going to reach 65%+ in 2025 and we are very closer to that number. NIM is a very, very important measure of profitability or productivity. And we are trying to reach 3.5%+, we are also very closer to that one. And return on equity, we are targeting around the 13% plus. And return on asset that is an important measurement of productivity is 1%. So these are the targets on which the new MD & CEO and the board are working. And this is the strategy, we may be pursuing even under the new MD as well. So, with these brief introductory remarks, I will go back to each and every Questions you have raised. And we are pleased to record our appreciation for expressing your satisfaction to the improvements, the board, board's commitment, and the improvements made in critical parameters in our organization.

Mr. Saket Kapoor is raised about the fundraising timing. What you are rightly said, Sir, 17.25% is the capital adequacy and the regulatory requirement is 11.50%. But, you know, what is happening in the market is now, a lot of opportunities are coming in the corporate and non-corporate segment. So, naturally when you are lending to triple A or double A or single A customers, the risk weighted assets are low and the possibility of leverage is

higher. But when you are going into extending SME loans or mortgage loans or housing loans or personal loans or credit card receivables, risk weights are significantly going to be altered. So the risk profile, or the risk weight of the organization will go up and naturally have an impact on the capital adequacy ratio. So, we are planning to exploit all the business opportunities coming in the way, because India is one of the countries in the world, which is likely to be grow at 6.5%. So, along with that 6.5% growth, we are also going to have a lot of opportunities for lending. Similarly, the private investment is kicking in now as a fallout of the Government of India's focus on capital investment. So the moment, the private capital cycle is also rolled in. So, a lot of opportunities are coming for asset based lending, and we are getting, we do get a lot of proposals now from the private sector. So that is a clear indication that the underlying economy is transforming and developing much faster, so we need capital, because, you know, we are targeting to keep ideally around 15% to 16% capital adequacy ratio as a cushion, so that any contingency or uncertainty comes in, that can be addressed. So we need capital. Not immediately in the 1st quarter or 2nd quarter, but definitely we require capital to be augmented in the 3rd quarter. What we are doing in the past is conserving the capital by two ways. 1, whatever profits we are making, instead of distributing through the dividend we are conserving the capital and appropriate it to the reserves. So, that is an internal generation of capital so that we have been doing . And now this year also we added significantly to the reserves that is one factor for capital adequacy ratio going up. And second one is optimizing capital or economising the capital. We are extremely conscious of the quality of the assets. We are focused on good quality assets so that we can leverage our capital. Suppose we take a triple A account, we can leverage our capital five times. We are exploiting that sort of an opportunity by enhancing the quality of

assets, going forward. When opportunity comes in the SME and other segments, we need to expand our exposure to the segment of the economy, because Government of India is also focusing too much on the SME. So SME mean higher capital adequacy requirement and so we are going to need capital. So, definitely we are looking at the microeconomic environment, growth opportunities, and the risk dynamics of the asset book as well as, the market scenario, and without much dilution, we may go to the market. Had we issued shares in the past, the dilution would have been significant. The price today is hovering around 25 rupees and it hit in the morning around 25.35. So, the dilution impact is coming down. In appropriate time, we will be going to the market, as we need capital, going forward. And the provisioning, as I indicated, PCR of 65% we are quoting is without write off. So, with the write off, if you are adding with technical write off, our provision coverage ratio is 78.76. We are targeting to reach around 80%, and when you compare with the industry, the 80% is a reasonably a good number, compared to the market or peer banks. So 80% provision coverage ratio, which we were working with the technical write off; without the technical write off we are going at 65%. And NIM, we are targeting to reach a NIM of 3.5% by 2025, that is our Vision 2025 document. And in quarter 1, we have made a NIM of 3.34%. And now the interest rate cycle is in our favour. One good thing for our bank is, the duration of our assets are much lower than the duration of the liabilities. So, our assets that get repriced at the higher levels. Whereas the liabilities will be repriced after much more time. So, we have an advantage of reinvesting or repricing of our assets, either reinvesting on treasury book or repricing on loan book at higher rates. So, we are going to gain a pricing advantage because of the deliberate strategy of the bank to significantly alter the duration, in anticipation of the turning off in the interest rate cycle. So reaching NIM target of 3.5% is within our reach. The

	<p>management, and the board of directors have been closely tracking the movement of the NIM, one of the critical parameters. On return on equity and return during first quart how much?</p>
<p>Mr. Murali Ramakrishnan. (MD & CEO)</p>	<p>RoE about 11.8% .</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>RoE is about 11.8% and we are targeting around 13% by 2025 and RoA?</p>
<p>Mr. Murali Ramakrishnan. (MD & CEO)</p>	<p>0.73</p>
	<p>73 basis points. So that is also we are confident of reaching that number. Sir, your question is about the new MD, and new goals. New MD, as per the approval is accorded, is supposed to join on October 1, 2023. So, we are trying to get him on board early, so that he can familiarize with the existing MD, and concurrently run with him and interact with the board of directors and senior management, and the strategy document. So, as far as it is only a change of the MD, there is no change of the strategy of the bank. So whatever strategy we have been pursuing from October 2020 onwards, it is paid off and there is no need for changing any of the major parameters in the strategy. We are not expecting any strategy shift, when the new MD is going to come in, so we continue with the existing strategy. So, the goals, we have already set for 24-25. And, we will be discussing the objectives with the board, and , if anything else needed we will try, but overall we operate well within the perimeter of the existing strategy. Then, you rightly asked for the measures for enhancing shareholder value. We are committed to enhancing the shareholder value and in the last one year, if you look at, we are one of the top banks, which has delivered the highest return in terms of the market price and in terms of any financial parameters you take, NPA or</p>

return on equity or return on assets, profitability or net interest income or NIM. We have done our best for the past one year. So I think, we are in the cusp, if you look at the performance of the book. See, we can clearly look at the book created before October 2020 and after October 2020. So, even if you look at the SME number or look at the of the NPAs of the new book. Absolutely, it's in the pink of health. We have not seen any major down turn or major dilution in the asset quality of the new book. And we continue to pursue our commitment to achieve growth only with quality. We don't want to dilute the quality just for growth. The major problem faced by the bank in the past is the two credit cycles hit on the banks financials, one is corporate credit cycle and second one is the Covid and flood related credit cycle. So, to the extent of these retail and SME and agriculture sector were impacted in the second cycle, we had an asset quality problem. So, going forward, the first priority of the board is of maintaining highest standard of credit quality. So that the future going to be in a steady state. You know, we want to sustainable performance which will definitely take care of the shareholder value part of it. Our underwriting standards, you see, first of all there was serious conflict of interest in the organization. Those who are underwriting and those who are selling the loans were the same. So we clearly segregated the sales and underwriting teams separately. Number 2, we made the underwriting so severe and stringent with the modern tools and technology and predictive models. So several models have been tried in consultation with the market and those are playing out very well. Now the Bank is going to focus on quality and the higher standards of entry. So, we don't find much problem going forward. So, the one advantage of having control over the quality. So, naturally the provision required to be made will be lower. If we can look at the provisions made in the current year, and the last year, there is a significant change. So, if we can bring down the credit cost, it is

coming around 1.2% and our objective is to bring it down to 1%, that is our target. The moment you're controlling over the credit cost, naturally, the sustainability of the profit, and asset quality is ensured. That is the focus of the board of directors.

Regarding Mr. Santhosh Kumar Saraf's question on insider trading, we have a very good system, as articulated by the SEBI and Reserve Bank of India and the Companies Act. And absolutely, there are no insider trading incidents were being reported. We have an enforcement mechanism and the Audit Committee is closely looking at the insider trading, if at all anything is reported. And coming to VC meeting, we are too happy Mr. Saraf that we can see you. Otherwise, in a physical meeting, coming to Thrissur will be very difficult for you, the investors from across the world or across India to interact with us. So, we also love to hold meeting through VC, but the decision of the physical or VC will be decided next year on the basis of the prevailing situations at that point of time.

I'm very happy that Mr. Rishi Kesh Chopra a senior citizen, I am also a senior citizen believed in the story of South Indian Bank and invested, and we are happy that we delivered a good return. I think, rest assured, our objective is always to deliver good returns to everyone and particularly to the senior citizens.

Coming to Mr. Ravichandran's questions on email, we are really sorry that we are not able to reach and deliver you the annual report physically. I think there is a disconnect between the email ID that we are having and the one you used. I request you to write to us in the registered email ID and Mr. Jimmy Mathew will be in touch with you. And kindly put your emails directly to him and we will share the email ID with you so that no inconveniences is caused to any of our shareholders. The board is committed for safeguarding the interest of the shareholders. This will take care of the issue. Then, regarding the Govt. Capex expenditure vis-à-

vis the private investment, it is really so when the economy is transiting from a crisis to a development phase. So, normally, the Government is pushing capital investment in the initial phase. So, with kick in of the capital cycle, and the liquidity and the money put it into the system and the excess capacity in the private sector is narrowing now, and the capacity utilization is going up. So naturally for meeting fresh and incremental demands, there is a need for private investment, inevitably as per the economic theory. Leading cycle, the Government needs the investment cycle to kick up, followed by the private sector. When we are sitting in the board or in the management committee, we do get a lot of proposals for large capex and non-capex investments that clearly demonstrate that the underlying economy is turning around, and particularly in the private sector. We are in lending business, since you raise the issue, that most of the banks are lending for consumption demand and not to the investment demand. The banks have to play in sink within real sector and how the real sector behaves, the financial sector will respond to that one. The financial sector cannot overshadow the real sector so there should be a symmetry or perfect harmony between the real sector and financial sector. So, along with whatever is happening to the real sector, we are responding to, and so what is happening in the banking sector is, after the Covid crisis, the consumption level, either in the urban or rural sector were the lowest in numbers. So when the economy is opened and the free movement is allowed, the consumption demand increased and naturally most of the banks were lending for consumption purpose. However, we are also not entirely into consumption lending. I bought you a data as of March 31, 2023, of financial year ended. So our total loan book is Rs 72,092; out of which Rs 18,350 crore is given to SMEs. The entire SME loan is not for consumption, it is for investment, either working capital investment or capital investment. Corporate we have given Rs

23,523 Crore. Again, it is for Capex or working capital. We have given Rs 3320 crores to the agriculture for creation of productive assets. Housing loan, we have given Rs 4,924 crore; Vehicle loan Rs 1353 and mortgage loan, we had given Rs 2311 crore. So apparently, all these loans have been sanctioned for creation of assets in the form of working capital assets, inventories, or in the form of capital assets. This comes to 74.60% of the loan book, so we are fundamentally, as a business strategy focusing on meeting Investment demand or real sector growth, but, consumption is also an economic activity which contributes to the GDP, and we do also finance them but our entire focus is onto the creation of assets unlike few other banks.

Then on fintech lending, we are using fintech as a partner in our technology initiatives, or other initiatives. And we don't have any lending, as risk appetite is conservative. Lending to fintech is just not fit into the risk appetite. Since our quality standards are significant, as of now, we don't have any exposure to the fintech. So no risk is coming from lending, but we are partnering with them. Coming to sustainability of profitability, the profitability of the organization is depending on the asset quality and credit costs. The major expense side of the organization in the past 3 years is loan loss provisions and in 2023, we were able to bring down the provision losses significantly. So if we single headedly focused on asset quality and not allowing dilution of the loan book, we must be saving significantly. That is why our entire single point objectives to reduce the credit cost. I think, when that is achieved, profitability is sustained. Nevertheless, we are focusing on other streams of earning flows; treasury activities have been activated, so a lot of activities are going on. Treasury is going to contribute significantly because we are likely to benefit from reversal of interest rate cycle. We have other income flowing from the insurance business. Regarding the provision for valuation of investment, it is not because of our investment in

	<p>government securities or in state development bonds, or CPs or any other instruments. They all, you know, whenever we sell a loan through our ARC, they give us partly in cash and partly in security receipts. So such security receipts are financial assets, we book it under investment side. This year we have provided liberally against the SRs outstanding in our book. So, a significant portion of the provision for valuation of investment is coming on provision of SRs not because of market risk or anything. We have been very proactive in managing the duration of our investments. So absolutely, we didn't have any market losses in our held to maturity or trading securities. We may have to provide only small amount in 2023-24. MD please clarify the amount to be provided.</p>
<p>Mr. Murali Ramakrishnan (MD & CEO)</p>	<p>That is only 15 crores we need.</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>Yeah. So the entire SR, we need to provide only for Rs 15 crore. So, as and when the SRs are going to be redeemed in future, this is a source of profit to the bank. Some of you have raised the issue that significant portion of the profit is derived from reversal of provisions. Yes, what we are doing is that if an account is becoming NPA, on an average, we are providing around 76% as provision. The moment we recover the accounts, the provisions made against the loan is reversed and credited to income account. We have an aggressive collection and recovery strategy, so last year we have recovered over Rs 1800 crore and we are going to exceed that number this year. So, as and when we increase our recovery, a lot of provision reversal is going to happen. It is not only the current income, the provisions we made in the past years is also going to get reversed, and that is also going to add to the profitability of the organization.</p>

And the issue of miscellaneous income, let me clarify. Under the other income from bank's business, profit from sale of investment is around Rs 17 crores: income from card business is Rs 124 crores, processing fee or upfront fee we are charging Rs 145 crores and technology income is Rs 97 crores. We are diversifying the income streams, not only from core activity of lending or investment. The sustainability of profit depends on other sources of income as well, because they are not subject to any credit risk or interest rate cycle. So that is why the other income is increasing over a period of time.

Then Ms. Lekha Shah, thank you Ma'am. We are one of the banks, which have a very good gender balance in our organization. We have many women executives in senior positions. We have as of March 31, 2023, 9,678 employees; out of which 4,340, that is 44.8% are female employees. They are not only academically brilliant, many of them are CAs or MBAs or engineers or post graduates. They are also excelling in services. Our chief financial officer Chithra is one, our CCO is a woman, many vital segment of the bank's organization is headed by female employees. So, to that extent, we are one of the top banks in India maintaining high gender balance. We are also committed to the future, stability and sustainability of our P&L account and asset quality. We assure you that we are working towards that in view.

Then, Mr. Atanu Saha was asked about the contingent liability. Most of the contingent liability is, tax dispute around Rs 40 crores. And fundamentally the contingent liability is forex forward contracts that is around Rs 32,517 crores and bank guarantees issued is Rs 1697 crores. So we have risk focus on the contingent liabilities as well.

Mr. Babu George, I totally share with you, that 30% dividend is not adequate, we also feel that we could have given more, but

consistently our board is working towards conserving capital. Because, you know, had we gone for an issue of capital in the last 3 years, the dilution would have been significant. So, what we are trying to do is conserve capital. Either to control the risk weights of the assets we are booking or whatever profit we are making, retain them in reserves, to bolster our capital advocacy. That is why we are reached to 17.25% capital adequacy, just by issuing capital of Rs 250 crore, and we are consistently maintaining one of the best numbers in the market That is why we thought of declaring dividend of 30% is reasonable number compared to some of the banks. YES bank CSB Bank have not declared any dividend. But other banks have declared 50% and 100% dividend that we do appreciate. But, just to wait for a year or so. We can match to your aspiration level, but currently our focus is on to conserve capital. I hope you will agree, as a prudent and a conservative approach is far better for an organization like us. Then, utilizing the services, definitely, in our organization, whichever director is there, everybody is committed to their full time. They are committed to the organization and we spent several hours in reading the strategy, and board papers. So, the best to ensure that we are also hard working people to meet the aspirations of the shareholders. May be we are not able to reach your expectations in the past. But, we are confident, we can exceed your expectations in future going forward. CSR funds, a significant portion we have spent on developing a football team in Thrissur. Then we spend a lot of money on educating the top quality children from the BPL families. We have sponsored them for a post-graduation, graduation courses, MBBS, engineering, BSc and other courses. So, many children are excelling in their academics. So, in last 2-3 years because of the covid we are focusing on the health infra. So health infra in the government sector, we are given to Trivandrum medical college, Thrissur medical college, and many other government entities across

	<p>India. This year fortunately, we have adopted a thematic approach on helping institutions taking care of the benefit of special children. The organizations running for benefit of the special children and palliatives, socially relevant projects are taken. And we are spending our money constructively, and we got an award also this year. So, as a best organization to use the CSR funding for productive and socially relevant projects.</p> <p>You had some problem with share certificate so we will streamline the entire process, we will work with our BTS agency. NPA, I do appreciate the acknowledgment that NPA has improved. So, going forward, our purpose is to bring down the NPA to a sustainable level. New MD, who is coming in is a seasoned banker with his 25 years' experience in Citibank. Then he was heading the Karur Vysya Bank and he was also heading a bank in London. He very efficient and is an exact match to Mr. Murali Ramakrishnan. Recovery and collection is our focus, that is why I said Rs 1800 crore that we have recovered. And this year also we are focusing on collection that is why provision reversal is happening and going forward, we may not have much to provide and but much to reverse. That is the scenario we are going in. Since Mr. Babu wanted to hear from Mr. Murali Ramakrishnan, I am just requesting him to give his reflection and I wanted to underline and we don't want Mr. Murali to leave and he's purely going due to personal family commitments or the issues. So, let you hear from him.</p>
<p>Mr. Murali Ramakrishnan (MD & CEO)</p>	<p>Yeah. Well, Good afternoon. Sir. The reason why probably, I don't speak much during the AGM is I keep speaking for all other analyst call and all of their meetings. I only take the calls and I only answer all the questions. So, I thought this is one opportunity where probably we will be able to hear the wisdom of Chairman and the board. That's the reason why I wasn't really speaking, but then if you look at all through year, I keep speaking,</p>

not only to our investors and many of the investment bankers. I keep talking to many of our customers. I travel quite widely. I've travelled to almost all the regions in the bank. I met with many of the customers who are part of our family across the country. And I did try my best in the last 3 years to put in things which I have gathered by virtue of working in banking for more than 30 years. And I put in a lot of efforts to ensure that the bank works on a certain strategy and this strategy indeed has helped us to reset milestones which we have set out for ourselves and this is a continuous journey. We are running a marathon we are not running a Sprint that why we don't want to do anything which is good to give a short term pleasure to shareholders by declaring a huge dividend by not really looking at the capital, which is needed for the growth of the bank. That's the reason why we have been, and you should also remember that this last 3 years, 2 years the country was going through abnormal time and the world was going through an abnormal time. This is the time when we actually need to see how to resurrect the bank, which are the capital adequacy of no less than 16%, PCR to reach to 80%. How do we actually work with all these numbers to bring them back to healthy position? We could fortunate that we could raise our equity Rs 240 crores. And we also had the excellent support of the entire team working on high quality portfolio, which helped us to actually recover a lot of capital, which got, which were actually, pretty covered under our provisioning that actually made us our risk density also to come to substantially better levels and that shows the underlying portfolio quality is still holding. And not only in this in many other areas, I would say that the bank had really reached new frontiers, In fact, our bank has been recognized in so many awards, not just in one function, across functions. We have won awards in HR. We won awards in legal. We have won awards in technology. We have won awards for best CFO. I got 2 awards for leadership. It actually, market

	<p>has started noticing our bank, and I must say that 95% of our new customer acquisition in corporate are A rated and above customers, and we, as I'm talking to you, we still have lots of AAA and AA corporates who are banking with us. Actually, we have embarked on many new frontiers. We have formed a new division called credit analytics division, data science division, from which where we are using a lot of insights to make good foray into liabilities area and asset area and to collection area we have formed a strong operations team, which would ensure that there is a huge checks and balances so that there is no fraud, which hits the bank. And we also formed, invested consistently over the last 5 years in technology area to be really up in technology. And today we can, I can confidently say that our mirror+ application is comparable to the best in the country. I mean, all these initiatives, Clearly, we were able to take because of the strong support of the board and strong support of investors who patiently were taking part in many of the analysts calls asking our strategies whether we are doing correctly. We took a lot of information, a lot of advice, a lot of suggestions from them. And right from the time I started addressing them, we have an extremely transparent in telling you exactly what we are thinking and how we want to bring up the bank. So, I'll be very happy to engage with you. Even if you are coming this side to Kerala, please do drop in. I'll be happy to engage with you Sir. So the reason why I didn't speak in the last 2 AGMs, nothing intentional. It was purely that I keep talking all through the year that I thought AGM is a time when chairman can speak. Thank you.</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>Thank you Murali, for putting across the perspective of the organization. Okay. We are through the 1st agenda item, so we may now move on to the next agenda item.</p>

Item No.2: To declare a dividend of 30 paise per equity share of Re. 1/- each (i.e.30%) for the Financial Year ended March 31, 2023.

Item No. 2 is an Ordinary Resolution to declare a dividend of 30 paise per equity share of Re. 1/- each (30%) out of Profits of the Bank for the Financial Year ended March 31, 2023.

“RESOLVED THAT pursuant to the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Declaration and Payment of Dividend) Rules, 2014 and other applicable rules, if any, a dividend of ₹ 0.30 per Equity share of face value ₹ 1/- each, be and is hereby declared on the equity shares of the Bank for the financial year 2022-23, and that such dividend, be paid to those shareholders in physical form, whose names appear in the Bank’s Register of Member’s at the close of business hours on Thursday, August 17, 2023 and in respect of shares held in dematerialized mode, to all beneficial owners as per the details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on Thursday, August 17, 2023”

We may now move to the next agenda.

Appointment of Director in the place of Director who retires by rotation.

Item No. 03 is an Ordinary Resolution for appointing a Director in place of Sri. Benny P Thomas (DIN: 09448424), as Director of the Bank, liable to retire by rotation and being eligible offers himself for re-appointment. Further, Sri. Benny P Thomas’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

	<p>the Board, 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 Director.</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 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. Benny P Thomas (DIN: 09448424), be and is hereby appointed as a Director of the Bank liable to retire by rotation.”</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>Thank you, Jimmy.</p> <p>We may now move on to the next agenda item.</p> <p>Item No.04. To fix the Remuneration payable to Joint Statutory Auditors:</p> <p>We have now come to item no. 4 of the agenda.</p> <p>RBI, vide letter Ref DOS. CO.RPD.No. 1520 /08.21.005/2023-24 dated May 31, 2023, approved the continuation of M/s. CNK & Associates LLP, Chartered Accountants, Mumbai (Firm Registration Number: 101961W/W-100036), as Joint Statutory Auditors of the Bank for the Financial Year 2023-24 and this will be their Third Year and the continuation of M/s. K Venkatachalam Aiyer & Co, Chartered accountants, (Firm Registration No: 004610S) as Joint statutory auditors for the Financial Year 2023-24 and this will be their Second Year.</p>

	<p>During Financial year 2022-23 the Bank has paid ₹200,00,000/- (Rupees Two Crore Only) as statutory central audit and certification fee, as approved by members in 94th AGM held on 12th July, 2022, The same is including all certificates as stipulated by the Reserve Bank at its appointment letter/circular/notification, certificates required under Companies Act, 2013 and SEBI Listing Regulations, 2015, reporting on internal financial controls of the Bank’s accounts at its head office, branches and other offices and issuing certificate(s) specified by the regulators/any other statutory body/body corporates from time to time. Out of Pocket expenses on actual basis.</p> <p>Considering the additional efforts taken by the Joint Statutory Auditors for centralized audit and current macro-economic factors, the Audit Committee and Board of Directors recommends the resolution in relation to fix the remuneration/ fees payable to the Joint Statutory Auditors for approval of the Members by way of an Ordinary Resolution, with authority to the Board, including that of Audit Committee of the Board, to pay a total fee of ₹ 2,20,00,000/- (Rupees Two Crore Twenty Lakhs Only) (including Branch audit fee) for the FY 2023-24 i.e. 10% increase in fee from financial year 2022-23, Out of Pocket expenses extra (on actual basis).</p> <p>Company Secretary will now read the text of ordinary resolution.</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>“RESOLVED THAT pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the relevant Rules made thereunder, the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Rules, Circulars and</p>

Guidelines issued by the Reserve Bank of India (“RBI”) from time to time, particularly the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of commercial banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021, approval of the members of the Bank be and is hereby accorded for payment of remuneration/fees not exceeding Rs.2,20,00,000/- (Rupees Two Crore Twenty Lakhs Only) per year plus GST and out of pocket expenses extra (on actual basis) to M/s. CNK & Associates LLP, Chartered Accountants, Mumbai (Firm Registration Number: 101961W/W-100036) (who was appointed on 93rd Annual General Meeting held on 18th August, 2021 for a continuous period of three years up to conclusion of 96th Annual General Meeting) and to M/s. K Venkatachalam Aiyer & Co, Chartered Accountants (Firm Registration No:-004610S) who was appointed on 94th Annual General Meeting held on 12th July, 2022 for a continuous period of three years up to conclusion of 97th Annual General Meeting) and additionally, outlays on an actual basis plus taxes at the applicable rates, 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 and issuing certificate(s) specified by the regulators/any other statutory body/body corporates/central govt. /state govt. /for Govt. Schemes from time to time, with power to the Board, including relevant Committee(s) thereof, to alter and vary the terms and conditions of appointment, remuneration, reimbursement of expenses, pay fee for additional certificates if any, etc., including by reason of necessity on account of conditions as may be

	<p>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, finalising, 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.05 of the Notice.</p> <p>Item No.05 To Re-appoint Sri. M George Korah (DIN: 08207827) as Independent Director of the Bank.</p> <p>Item No: 05 is a special resolution to re-appoint Sri. M George Korah (DIN: 08207827) as Independent Director of the Bank.</p> <p>Sri. M. George Korah (DIN: 08207827) who was appointed by the Board of Directors on August 31, 2018 and appointed by Shareholders at the 91st AGM held on July 17, 2019 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 for a further period of three years</p>

	<p>w.e.f. August 31, 2023 as ‘Non-Executive Independent Director’ of the Bank, for the purpose of Section 149 of the Companies Act, 2013, to hold office till August 30, 2026, not liable to retire by rotation. The above appointment will be subject to the maximum tenure as specified under Banking Regulation Act, 1949.</p> <p>The Nomination & Remuneration Committee (‘NRC’) had assessed the profile of Sri M. George Korah 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. Based on the performance evaluation of Sri. M George Korah (DIN: 08207827) done by the Nomination and Remuneration Committee and Board of the Bank, the performance was found to be good.</p> <p>In the opinion of the Nomination and Remuneration Committee and the Board, Sri. M George Korah Independent Director proposed to be appointed fulfils the conditions specified in the Act, the rules made thereunder and SEBI Regulations, RBI Regulations and that he is independent of the Management.</p> <p>The Company Secretary will now read the text of the Special 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 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</p>

	<p>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. M George Korah (DIN: 08207827) is meeting the skills and capabilities required for the role identified as detailed in the explanatory statement and the profile attached to this notice, and Sri. M George Korah (DIN: 08207827) 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 of the Bank, be and is hereby reappointed for a second term for a period of three years w.e.f. 31st August, 2023, as ‘Non-Executive Independent Director’ of the Bank, for the purpose of Section 149 of the Companies Act, 2013, to hold the office till 30th August, 2026, 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.6 Payment of Compensation by way of Fixed Remuneration to Non- Executive Director/ Independent Directors (other than the Non-Executive Part-time Chairman)</p> <p>Item No. 6 is a Special resolution to approve the payment of compensation by way of fixed remuneration to Non-Executive/</p>

Independent Directors, other than Non-Executive Part-time Chairman.

Non-executive directors play a pivotal role in the oversight and guidance of the Bank. They bring an independent perspective to the decision-making process and contribute valuable insights drawn from their diverse backgrounds and expertise. Their responsibilities include providing objective advice, challenging management where necessary, and ensuring that the interests of all stakeholders are protected. These directors devote considerable time and effort to fulfil their duties, making their compensation a vital aspect in attracting and retaining top-quality talent. To maintain a strong and competent board, it is essential that Bank attracts and retain experienced individuals who can contribute significantly to the Bank's success. Offering fair and competitive remuneration to non-executive directors ensures that the Bank can secure the services of highly qualified professionals from various fields such as Banking, finance, law, technology, risk management, HR, Treasury, Co-operation and Corporate Strategy, etc. This, in turn, enhances the overall effectiveness of the Board and reinforces the Bank's ability to navigate a rapidly evolving and complex business landscape. Duties and Responsibilities of the Directors have been prescribed in the Companies Act, SEBI LODR, RBI guidelines. The independence of Bank's non-executive directors is critical for the proper functioning of the bank's governance framework. By compensating these directors appropriately, Bank can reinforce their independence from management and other vested interests, allowing them to make decisions that are in the best interest of the Bank and its shareholders. Non-Executive Directors / Independent Directors provide an essential check-and-balance mechanism, contributing to better decision making, risk management, and adherence to ethical standards. Corporate governance is the foundation of Bank's operations. Providing

	<p>remuneration to non-executive directors aligns with international best practices and demonstrates Bank's commitment to upholding the highest standards of governance.</p> <p>In the banking sector, adherence to regulatory requirements is of utmost importance. The Reserve Bank of India issued guidelines, on the need of banks to attract qualified competent individuals and retain professional expertise in their Boards, keeping in view of individual director's (NEDs) responsibilities, contribution of their time, the RBI vide Circular RBI/2021-22/24 DOR. GOV. REC.8 /29.67.001 /2021-22 dated April 26, 2021, has revised the fixed remuneration for an NED, other than the Chair of the board, not exceeding ₹20 lakh per annum. Adverting to the above and as recommended by the Nomination and Remuneration Committee, the Board of Directors at its Meeting held on 31st July, 2023, decided to seek the approval of shareholders for payment of compensation by way of Fixed Remuneration to all Non-Executive Directors / Independent directors (Other than Non-Executive (Part-time) Chairman), up to ₹20,00,000/- (Rupees Twenty Lakhs only) per director per annum, in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors and/or other meetings, subject to approval of shareholders.</p> <p>The compensation to be based on profitability at the end of each financial year, as may be approved by the Board of Directors from time to time.</p> <p>Your Directors recommend the Resolution No. 6 of the accompanying Notice for approval of the Members of the Bank.</p> <p>“Company Secretary will now read the text of this Special Resolution.”</p>
Mr. Jimmy Mathew	“RESOLVED THAT pursuant to the provisions of Sections 149(9), 197, 198 and other applicable provisions, if any, of the

(Company Secretary)

Companies Act, 2013, as amended, read with the relevant Rules made thereunder, the applicable provisions, if any, of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with the relevant Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the circular issued by the Reserve Bank of India (the “RBI”) having reference no. RBI/2021-22/24 DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board, and other Rules, Circulars and Guidelines issued by the Reserve Bank of India, from time to time, any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), the provisions of the Articles of Association of the Bank, the consent of the Members of the Bank be and is hereby accorded for the payment of compensation to each of the Non- Executive Directors / Independent Directors (other than the Non-Executive Part Time Chairman) of the Bank, by way of fixed remuneration up to ₹20,00,000/- (Rupees Twenty Lakh Only) per annum per director, for each year effective from financial year 2023-24, on a proportionate basis of his/her office of directorship in the respective financial year, based on profitability at the end of each financial year, as may be approved by the Board of Directors from time to time, in addition to sitting fees payable for attending Board/Committee meetings or for any other purpose whatsoever as may be decided by the Board of Directors of the Bank and reimbursement of expenses for participation in Board/Committee meetings”.

“RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorised to do all such acts, deeds,

	<p>matters and things including deciding on the manner of payment of above compensation, apportionment, if any and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution”.</p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>We shall now move on to Item No. 07 of the Notice.</p> <p>Item No. 07, Special 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> <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.1,000 Crore (Rupees One Thousand Crore only) inclusive of any premium, by way of placement of Securities or a combination thereof to Qualified</p>

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 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.

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.07 of this Notice for approval by the Members of the Bank.

As this resolution is a lengthy one, may I have your consent to take the resolution as read.

Now let us move to item no. 08.

Item No. 08 is a Special resolution for Raising of funds by issue of bonds/ debentures/ securities on private placement basis

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.

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 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 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, 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.

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.08 of the Notice for approval by the Members of the Bank.

As this resolution is a lengthy one, may I have your consent to take the resolution as read.

Now let us move to item no. 09.

Item No.09 Amendment of Article of Association

Item No. 09 is a Special resolution to Amend the Article of Association of the Bank.

SEBI vide the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023, inserted new Regulation as 23(6) which provides that if an issuer is a company, it shall ensure that its Articles of Association require its Board of Directors to appoint a person nominated by the debenture trustee(s) in terms of clause(e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a director on its Board of Directors . Further the regulation provides that for the issuer whose debt securities are listed as on the date of publication of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023 in the official gazette, shall amend its Articles of Association to comply with this provision, on or before September 30, 2023. Further, Regulation 18 of the Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 was amended by SEBI by way of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023 and sub-regulation 6A was inserted to the Regulation 18 of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. The said Regulation mandates that the trust deed shall

	<p>contain a provision which will authorise the debenture trustee to appoint a nominee director on the Board of the issuer in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.</p> <p>Bank, being a debt listed company with an outstanding Debt of ₹1,540 Crore (₹500 Crore bonds categorized under Tier I Bonds (Basel III Compliant) and ₹1040 Crore Bonds categorized under Tier II Bonds (Basel III Compliant) listed in Bombay Stock Exchange. M/s. IDBI Trusteeship Services Ltd. is appointed as Debenture Trustee for the above listed securities.</p> <p>Company Secretary will now read the text of Special Resolution to be passed by Members.</p>
<p>Mr. Jimmy Mathew (Company Secretary)</p>	<p>“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, for the time being in force and the rules made thereunder (including the Companies (Incorporation) Rules, 2014) including any statutory modification or re-enactment thereof, the applicable provisions of the Banking Regulation Act, 1949 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), Banking Laws (Amendment) Act, 2012, the rules, circulars and guidelines issued by Reserve Bank of India (“RBI”) from time to time and in compliance to Regulation 23(6) of Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 and subject to approval of the Reserve Bank of India and Registrar of Companies (“ROC”) and any statutory authorities as applicable, if any, and subject further to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by RBI, the Board of Directors (herein after referred to as “the Board”, which term shall include any of its duly authorized Committee or</p>

individual Director) is hereby authorized to accept such terms, conditions, stipulations, alterations, amendments or modifications as it may deem fit and the consent of the Members, be and is hereby accorded for the alteration of the Bank's Articles of Association in the manner and to the extent hereinafter provided:

To insert a new Article after Article 62 as Article 62A - Appointment of Nominee Director by Debenture Trustee in certain circumstances, to read as shown below:

Article 62A - Appointment of Nominee Director by Debenture Trustee in certain circumstances

If it is provided by any Trust Deed executed / to be executed in connection with any issue of Non-convertible debentures of the Bank or as provided under any SEBI regulation(s), the Board of Directors, subject to occurrence of events specified in the Trust deed, shall appoint the person nominated by the Debenture Trustee(s) in terms of clause (e) of sub regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (as may be amended from time to time) as a Nominee Director of the Bank, on receipt of nomination from the Debenture Trustee, as per the provisions of Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 (as may be amended from time to time) and other applicable provisions or regulations and modifications, including any amendments thereto, within the time period specified therein.

A Nominee Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. The Debenture Trustee may also, in the event of such nominee director ceasing to hold office or any

	<p><i>reason whatsoever including resignation or death, nominate another person as nominee director to fill up the said vacancy. The Nominee Director shall not be liable to retire by rotation nor required to hold any qualification shares.”</i></p>
<p>Mr. Salim Gangadharan (Chairman)</p>	<p>Thank you, Jimmy.</p> <p>Ladies & gentlemen, we have transacted all the business that was on the agenda.</p> <p>Members may note that the voting on the NSDL platform will continue to be available for the next 30 minutes. Therefore, members who have not cast their vote yet are requested to do so.</p> <p>In this regard, the Board of Directors has appointed Mr. P. D. Vincent, Practicing Company Secretary (Managing Partner SVJS & Associates, Company Secretaries) or failing him Mr. Jayan K. L., 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> <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 for the 95th AGM throughout the meeting.</p> <p>The Meeting stands terminated. Thank You</p>
<p>The meeting ended at 2:10 pm (IST) on August 24, 2023.</p>	

Note:

1. This document has been edited to improve readability.
2. Blank spaces in the transcript represent inaudible or incomprehensible words.