



KARUR VYSYA BANK LIMITED

105th Annual General Meeting

August 14, 2024, Wednesday

BOARD OF DIRECTORS		
S.no.		
1.	Dr. Meena Hemchandra	Non-Executive Part-Time Chairperson
2.	Mr. B Ramesh Babu	Managing Director & Chief Executive Officer
3.	Mr. R Ramkumar	Non-Executive Non-Independent Director
4.	Mr. Murali Ramaswami	Non-Executive Independent Director
5.	Mr. KG Mohan	Non-Executive Independent Director & Chairman of the Nomination & Remuneration Committee and IT Strategy & Digital Transaction Monitoring Committee
6.	Dr. Harshavardhan Raghunath	Non-Executive Independent Director & Chairman of the Risk Management and Asset Liability Management Committee
7.	CA Dr Chinnasamy Ganesan	Non-Executive Independent Director and Chairman of the Audit Committee
8.	Mr. R Vidhya Shankar	Non-Executive Independent Director
9.	Mr. J Natarajan	Executive Director
Management		
10.	Mr. Srinivasarao Maddirala	Company Secretary
Statutory Auditors		
11.	Mr. Sriram	M/s R G N Price & Co, Chartered Accountants, Kochi
12.	Mr. Ramkumar	Partner of Sundaram & Srinivasan, Chartered Accountants, Chennai
Statutory Auditors - Proposed		
13.	Mr. Anil Kulkarni	M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai
14.	Mr. Rajasekaran	M/s. Varma & Varma, Chartered Accountants, Kochi

Secretarial Auditor		
15.	Mrs. Sri Vidhya Kumar	Partner, S.A.E & Associates LLP, Secretarial Auditor
16.	Mr. R K Bapulal	Senior Partner of Bapulal Yasar & Associates, Scrutinizer

Moderator: Over to you, Chairperson.

Meena Hemchandra: Good morning to all. I, Meena Hemchandra, Chairperson of the bank extend a warm welcome to the shareholders attending the 105th Annual General Meeting of the Karur Vysya Bank. In compliance with the directions of MCA and guidelines of SEBI your bank has arranged this AGM through video conferencing and/or other audio-visual means. Pursuant to the circulars issued by MCA and Section 103 of the Companies Act 2013, the company secretary has confirmed that the requisite quorum is present through video conferencing or other audiovisual means. Now I call the meeting to order. Seeking the blessings of Goddess Gayatri and founding fathers late Shri M.A. Venkatarama Chettiar and Shri Adhi Krishna Chettiar we will commence our 105th Annual General Meeting with an invocation. I invite Ms. Keerthana to render the invocation.

Keerthana: Invocation in background.

Meena Hemchandra: I along with my colleagues are attending this AGM from the auditorium of the bank's registered and central office Karur. I am also Chairperson of the Customer Service and Stakeholders Relationship Committee and NPA Management Committee of the Board. Let me introduce my colleagues on the Board. I invite Shri B Ramesh Babu, Managing Director and CEO of the bank to introduce himself.

B Ramesh Babu: Thank you, Madam. Good morning to all of you. I am B Ramesh Babu, MD and CEO of the bank. It gives me great pleasure to welcome you all to this 105th AGM of the bank so good day to all of you.

Meena Hemchandra: I now invite Shri J. Natarajan, Executive Director of the Bank to introduce himself.

J. Natarajan: Good morning, I am J. Natarajan, Executive Director of the Bank. Thank you.

Meena Hemchandra: I request Shri Murali Ramaswami to introduce himself.

Murali Ramaswami: Good morning, I am Murali Ramaswami, Non-Executive Independent Director of the Bank. Thank you.

Meena Hemchandra: I request Shri R. Ramkumar to introduce himself.

R Ramkumar: Good morning I am R Ramkumar Non-Executive, Non-Independent Director of the bank. Thank you.

Meena Hemchandra: I request Shri KG Mohan to introduce himself.

KG Mohan: Good morning I am KG Mohan, Non-Executive Independent Director of the bank and Chairman of the Nomination and Remuneration Committee and also the Information Technology Strategy and Digital Transaction Monitoring Committee of the Board. Thank you.

Meena Hemchandra: I request Dr. Harshavardhan R to introduce himself.

Harshvardhan R: Good morning. I am Harshavardhan, Non-Executive Independent Director of Karur Vysya Bank. I also Chair the Risk Management and Asset Liability Management Committee of the board.

Meena Hemchandra: I request CA Dr. Chinnasamy Ganesan to introduce himself.

Chinnasamy Ganesan: Good morning. I am CA, Dr. Chinnasamy Ganesan, Non-Executive Independent Director of the bank and also the Chairman of the Audit Committee of the board. Thank you.

Meena Hemchandra: I request R Vidhya Shankar to introduce himself.

Vidhya Shankar: Good morning, I am R Vidhya Shankar, Non-Executive Independent Director of the bank. Thank you.

Meena Hemchandra: I acknowledge the presence of the bank's Joint Statutory Central Auditor's M/s R.G.N. Price & Co Chartered Accountants, Kochi and M/s Sundaram & Srinivasan, Chartered Accountants, Chennai who are completing their tenure at the conclusion of this Annual General Meeting who are joining through video conferencing.

Sriraam: Good morning. I am Sriraam representing R.G.N. Price & Company one of the Joint Central Statutory Auditors. Thank you.

Ramkumar: Myself Ramkumar, partner of Sundaram & Srinivasan representing the firm on this AGM.

Meena Hemchandra: Thank you. Further the proposed Joint Statutory Central Auditors M/s. Kalyaniwalla & Mistry LLP Chartered Accountants, Mumbai and M/s. Varma & Varma, Chartered Accountants, Kochi whose appointment is placed as one of the agenda in meeting joining through video conferencing.

Anil Kulkarni: Good morning, everyone my name is Anil Kulkarni senior partner of Kalyaniwalla & Mistry and very happy to be associated with Karur Vysya Bank thank you.

Rajasekaran: Good morning I am Rajasekaran, Joint Managing Partner of Varma & Varma. A good day to all of you.

Meena Hemchandra: Thank you. Also, I recognize the presence of Secretarial auditor S.A.E & Associates LLP Company Secretaries, Chennai, who are joining us through video conferencing.

Srividya Kumar: Good morning I am Srividya Kumar Secretarial Auditor, partner of S.A.E & Associates LLP. Thank you.

Meena Hemchandra: As scrutinizer of this Annual General Meeting, Shri R K Bapulal, Senior Partner representing M/s Bapulal Yasar & Associates Company Secretaries.

Bapulal: Good morning to you all. I am R K Bapulal, Senior Partner of Bapulal Yasar & Associates appointed as scrutinizer for e-voting in this AGM. Thank you.

Meena Hemchandra: Your bank has taken all feasible efforts to enable members to participate through video conferencing or other audio-visual means and vote at the Annual General Meeting. I greatly appreciate for taking your time to attend this Annual General Meeting virtually. Thank you. Now, I shall call upon the company secretary to make few general announcements.

Srinivasarao: Thank you Chairperson. In compliance with the circulars issued by Ministry of Corporate affairs, SEBI, the provisions of the Companies Act, 2013 and SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 the Annual General meeting of the bank is being held through video conferencing or other audio-visual means. Hence, the facility of appointing proxies is not applicable for the meeting. Pursuant to recent circulars of SEBI, the notice of the Annual General Meeting along with the integrated annual report had sent to registered email ids of

all the shareholders. In accordance with the Provisions of the Companies Act, 2013 and SEBI LODR regulations 2015, the members have been provided with facility to exercise their right to vote through remote e-voting and e-voting during and after the Annual General Meeting on the NSDL e-voting platform. All the relevant documents referred in the agenda requiring the approval of the shareholders at the meeting and other statutory registers and documents are available for inspection on the NSDL e-voting platform. Bank has received 10 speaker registration requests from eligible shareholders who are members of the bank as on the cut-off date i.e., August 07, 2024 and all the requests are considered. Once the Chairperson opens the floor for question & answer session, the moderator will facilitate the session and speaker shareholders will be called as per the sequence number allotted. The other members can also post their views or queries on the communicate tab available on the video conference screen. During the question & answer session if any speaker shareholders is unable to join due to connectivity issue, we will proceed with the next speaker. While the connectivity improves, those shareholders would be allowed to speak within the available time. If any shareholder other than speaker shareholder faces any technical issue, please contact the helpline number mentioned in the notice of the Annual General Meeting or refer the FAQ section available on the video conference screen. Over to Chairperson for welcome address to the shareholders. Thank you.

Meena Hemchandra: Dear shareholders, a very good morning to all of you. I extend a warm welcome to the 105th Annual General Meeting of the Karur Vysya Bank coinciding on the eve of our nation's 78th Independence Day. Certainly virtual AGMs have facilitated enhanced shareholder participation from across the country and I am thankful to SEBI for having allowed virtual meeting. I am sure that today we will stand to gain a lot from your cherished experience.

This morning I would like to make a few comments about the year that went by and the year ahead. I will then hand over to Shri Ramesh Babu, MD and CEO, who can go into more detail about our performance and strategy. I am happy to say that the year turned out to be a successful one again. I want to tell you, of course very briefly about where we are today and what we are doing for a consistent and credible progress. The macroeconomic scenario let me now briefly touch upon the overall economic environment before I share my thoughts on our bank's

performance. Global activity and world trade firmed up during the calendar year 2023 and the global growth rate is expected to stay at existing levels of about 3.3% during the calendar years 2024 and 2025 also. The upside risk to inflation globally has increased amidst escalating trade tensions and increased policy uncertainty. However, rate cuts if any by US Federal Bank may significantly influence the global economic discourse. Though the global economic trends remain uncertain the Indian growth story has been very optimistic during the financial year 2023-2024. This is supplemented by robust domestic activities, sustained growth in manufacturing sector, infrastructure pushed by government and visible green shoots in private consumption. The union government's recent budget is expected to catalyze growth in these sectors in addition to positively impacting many other industries. Our growth journey. Though the numbers are available in the annual report let me take you through a few of the highlights. Our overall business crossed Rs. 1,50,000 Crores during the year and stood at Rs. 1,63,536 Crores equally contributed by 16% growth in both deposits and advances. We registered an all-time high net profits of Rs. 1,605 Crores, highest return on assets at 1.63%, best set-up provisioning coverage ratio of 94.85%, historically low gross NPA and net NPA levels at 1.40% and 0.4% respectively to name a few. We entered new markets by opening physical branches through open market channels and by strengthening our business partnership arrangements with Fintechs and business correspondents. The growth in advances was uniform across most verticals. I am happy that our senior management is focusing on vertical wise profitability. This has broadened the emphasis of verticals from mere top line growth to overall productive growth. In my last year speech, I hinted that our focus will be on growing commercial and retail loans, liability franchise, and third party business both through branch channels and also through non-branch delivery points and through partnership with NBFCs and fintechs during the year 2023-2024. We firmly stuck to this focus by driving digitization, strengthening feet or street capabilities and expanding business partnerships. This enabled us to grow our business across the verticals during the financial year 2023-2024 achieving a strong bottom line without any compromise on asset quality. We have been consistently enhancing our dividend payouts for the past three years and I am glad that our Board has recommended a dividend of 120% for the financial year 2023-2024. We continue the investments in IT during the year for continuous

technological upgradations, user-friendly enhancements, and to proactively address regulatory observations. We specifically focus on cybersecurity aspects to safeguard the interests of our customers and created cybersecurity awareness among the customers and general public as a part of our CSR efforts. Strategies, now after delivering such a strong performance, the question is likely to arise as to how sustainable this level of performance is. While MD will address this comprehensively, including the operations, growth pipeline, areas of business we expect to expand and other details, I will only mention that the bank's focus will remain on achieving a consistent and credible progress. In terms of operations, we plan to open 100 new branches during the year. Our focus will be on lite branches to focus on deposit mobilizations. Further, we will continue our investments in IT to improve customer experience and also no efforts will be spared to retain the growth momentum. Growing the bottom lines, maintaining net interest margin, striving to maintain return of assets above 1.5% will continue to be our focus areas. Maintaining the momentum in collections and stepping up recovery will also remain our focus areas. Beyond business, we have imbibed sustainability as an integral part of our strategy across our business. Our commitment to integrate sustainability into our business manifests through our carefully crafted ESG framework that aims at delivering comprehensive value to all the stakeholders. We are deeply committed to contribute our share of efforts in environmental sustainability, climate change, and reducing carbon footprints. We have rolled our green deposit products to channelize the lending exclusively to green projects that enhance environmental sustainability. We are fully aware of our growing responsibilities to society along with our business growth. Over the last 108 years even before being mandated under law, we have been actively contributing to the social and economic development of the communities in which we operate. We achieve this through focused interventions across creating and enriching livelihood, healthcare, skill development, education, sports, etc. to enrich lives. We strive to enable the target communities to avail the full benefits of our community initiatives and we carry out various programmes through government agencies and also non-profit organizations. During the last fiscal alone, we have positively impacted the lives of 1.47 lakh beneficiaries through our CSR initiatives. At this juncture, I heartily welcome Shri R. Vidyashankar, Director and eminent lawyer, scholar with abundant experience in corporate laws, domestic and international

arbitrations, capital market, FEMA compliances, cross-border transactions, and general corporate advisory services. I am equally happy to welcome Shri J. Natarajan, Executive Director on our Board, who brings with him over four decades of in-depth thorough knowledge about this organization. The new inductions will strengthen the Board and diversity in its competence. I thankfully acknowledge the contributions made by past directors Dr. KS Ravichandran and MV Srinivasamoorthi, who retired from the Board upon completion of their tenure. Our board with independent directors forming its core is highly competent and adds much value in enhancing overall board governance. While the expertise of Independent Directors cuts across strategy, information technology, accountancy and auditing, corporate laws, etc., the Non-Independent Director has rich knowledge about finance, textile business and human resources. Keeping in view the need to attract diverse skill set on the board, significant time invested by the Directors and their crucial role in ensuring overall governance, the bank has in line with the recent RBI guidelines in this regard revised the remuneration to Non-Executive Directors from Rs. 10 lakhs to Rs. 20 lakhs per director subject to a limit of 0.2% of the profit available for distribution, as against the statutory limit of Rs. 30 lakhs per director. Further, the remuneration to part-time Chairperson of the Board has also been revised to 27 lakhs and has been approved by the Reserve Bank of India. The set proposals have been approved by the shareholders through postal ballot resolutions dated July 16, 2024. I am also glad to welcome our proposed Joint Statutory Auditors, M/s. Kalyaniwalla & Mistry LLP and M/s. Varma & Varma. I place on record the excellent services rendered by our outgoing Joint Statutory Central Auditors, M/s R.G.N. Price & Co and M/s Sundaram & Srinivasan, who complete their tenure of office. Now let us look at the year ahead. As we continue our journey on the path to success with an ever stronger ambition, we ensure to act with prudence and a sense of responsibility. We have set ourselves the ultimate goal of creating value that benefits each stakeholder through a resilient, robust, virtuous and value creating business model. In this direction we have a well laid out board approved strategy for the financial year 2027. We will continue to grow and scale in our priority markets and niche segments, expand into new markets with the new technologies, strengthen customer engagement through processes, simplification, and will win as one team. We did that successfully last year and will continue to do so this year. This will be done by responsibility and

within the risk appetite of the bank. Nevertheless, consistent adherence to our compliance culture across cadre, robust risk management and good corporate governance practices will continue to be our core area of concentration. We will also focus on continuously improving our productivity, operational efficiency, cost control, and expenses optimization. Acknowledgments, being a banking company, we always prioritize our customers' expectations and align ourselves to meet them through sustained business growth, consistent strengthening of profitability, and maintaining a healthy asset quality, we make sure that our shareholders' values are maximized. We are committed to our shareholders for their support. I would like to place on record the sincere appreciation of the Board, to the management, senior executive team, and the rank and file of the staff for their outstanding efforts during the year. I am sure their efforts will continue to place the bank in a strong position to rightly tap the opportunities ahead. On this occasion, I once again express my sincere gratitude to our shareholders, business partners, customers, and other stakeholders for the continued support and faith in us. I would like to place on record our sincere gratitude to central and state government authorities RBI, SEBI, MCA, stock exchanges both NSE and BSE, depositories and other regulatory authorities for their valuable guidance and support. I thank you all for setting aside your schedules and being with us today from wherever you are I seek your continued support for our endeavors. With these words, I once again welcome the shareholders, representatives of corporates, FIIs, mutual funds, insurance companies and all other stakeholders virtually to the 105th Annual General Meeting of the bank. Thank you. Well now. Let us come to business. The notice and the integrated annual report are with you for some time now. Bank has published its integrated annual report which brings about bank's performance, strategy, governance, sustainability and prospects in a way that reflects the environmental, social and governance context within which we operate. It provides a concise articulation of the value creation story relevant to all stakeholders. With your permission, I shall take the notice for convening the 105th Annual General Meeting as read. As per the secretarial standards, reading the entire text of the statutory auditor's report or the secretarial audit report is not mandatory unless the said reports have certain qualifications, observations, and comments. Since there are no qualifications, observations and comments in these reports of the statutory auditors as well as the secretarial auditors of the bank, with your permission, I shall take

the statutory auditors as secretarial auditor's report as read. For the benefit of shareholders, I now request this Company Secretary to read out the agenda items in the AGM notice.

Srinivasarao:

Thank you Chairperson. There are five agenda items in the notice of the Annual General Meeting placed for approval of the shareholders and all are ordinary resolutions. Four agenda items of ordinary business are agenda number one to receive, consider and adopt the audited financial statements of the bank for the financial year ended March 31st 2024 along with the reports of the Board of Directors and Auditors thereon. Agenda number two to declare dividend of Rs. 2.40 per equity share of the bank for FY2023-2024. Agenda number three to appoint a director in the place of Shri R. Ramkumar, DIN number 00275622 who retires by rotation and being eligible offers himself for reappointment. Agenda number four to appoint M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai firm registration number 104607W/W100166 together with M/s Varma & Varma Chartered Accountants, Kochi firm registration number 004532S as joint statutory central auditors of the bank and fix their remuneration. As per the recommendation of audit committee of the Board and approval of the Reserve Bank of India vide their letter dated April 19, 2024, Board of Directors of the Bank recommended the appointment of Joint Statutory Central Auditors for FY2025 from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the bank. And the fifth agenda item of special business is to appoint branch auditors of the bank and fix their remuneration. The objectives and implications of the above proposed resolutions are already furnished in the notice of the Annual General Meeting. Since the remote e-voting has already taken place, the requirement of proposing and seconding of the resolution is not applicable. Thank you, over to Chairperson.

Meena Hemchandra: Now I request MD and CEO Shri B Ramesh Babu to deliver his address.

Ramesh Babu:

Thank you Madam. Dear shareholders, I welcome the members to the 105th Annual General Meeting of the Karur Vysya Bank Limited held through video conferencing and other audiovisual means. Hope all of you are safe and are in good health. On behalf of the Board of Directors, I appreciate your support for the bank and thank you for taking time to join us today. It is always a pleasure to connect

with you all. Your trust and support over the last 100 plus years have given us the confidence to push ourselves pass challenges and complexities and to deliver returns as well as consistent value for you year after year. Financial Year, 2023-2024 has been a year of a steady performance for Karur Vysya Bank. Before getting into our performance, let me dwell a bit on the macroeconomic environment. After a year marked by global uncertainties and volatilities, the global economy achieved greater stability in 2023, while uncertainty stemming from adverse geopolitical developments remained elevated. Global economic growth was surprisingly robust. Both emerging market economies and advanced economies achieved higher growth in 2023 than projected a year ago. Almost all major economies have surpassed the pre-COVID 19 pandemic, real gross domestic product levels in 2023. However, growth has been diverse across countries raising prospects of increasing divergences. As covered in the report of economic survey of 2023-2024, India's economy carried forward the momentum it built in financial year 2023 into financial year 2024 despite a gamut of global and external challenges. The focus on maintaining macroeconomic stability ensured that these challenges had minimal impact on India's economy. As a result, India's real GDP grew by 8.2% in financial year 2024, posting a growth of over 7% for third consecutive year driven by stable consumption demand and steadily improving investment demand. With clearer balance sheets and adequate capital buffers, banking and financial sector is well positioned to cater to the growing financing needs of investment demand. The report has projected real GDP growth of 6.5 to 7% as outlook for 2025. Now I would share achievements that we have made over last year and how we are positioning ourselves into the future to support our customers and all the communities of the bank. Just to recall my speech in the last AGM, I had spoken about our approach would be to offer our customers need-specific financial solutions, products and services by providing tailor-made solutions and a positive customer experience through delivery of quick and efficient services. This financial year, as you would have noticed, many of our actions were guided by these principles and our efforts have been recognized in ways that are reflected not just in our financial performance, but also in our overall enhancement of our relationships with each of the key stakeholders. Also, our growth and performance have also been acknowledged by various institutions, and this recognition really motivates us to march ahead with renewed vigor.

Performance highlights of 2023-2024. We had an incredible year in terms of growth in the financial year 2023-2024, and we improved our overall performance in terms of business growth, profitability, and asset quality. Your bank's total business stands at 1,63,536 Crores as on 31st March 2024 as compared to the previous year 1,40,806 Crores registering a growth of 16%. The advances stand at 74,423 Crores and deposits grew to 89,113 Crores with a growth of 16% each. Notably our balance sheet has exceeded 1 trillion, underscoring our expanding footprint in the banking sector. The bank's liability business constitutes 54% of the total business of the bank. Deposits growth continue to remain one of the key focus areas for the bank and you are aware that the bank had initiated various strategies for deposit growth, including establishment of acquisition channel for both term deposit and CASA growth. On the deposit front, CASA balance is increased by 1,636 Crores during the year registering a growth of 6%. Our growth in the digital ecosystem now supports a large portion of services offered by our liabilities group. CASA ratio of the bank as on 31st March 2024 stood at 30%. The term deposits also improved to 62,028 Crores as on 31st March 2024 registering a growth of 21%. Deposits growth continues to remain one of the focus areas for the bank and you are aware that the bank had initiated various strategies for deposit growth including establishment of acquisition channel. While our CASA acquisition numbers are progressing well, there is a depletion in existing book on account of other opportunities available for the depositors resulting in lower growth under this segment, which we are trying to overcome by better engagement strategies with our customers. The advances of the bank grew by 16% for the year, and it could be noticed that the bank has achieved this growth after a gap of 11 years, and credit growth was contributed by all the credit verticals, which shows an inclusive growth. Bank has proposed to impart special focus on growing its retail segment and all small ticket commercial advances by establishing specialized units for the same. Commercial loan book increased its share to 34% of the total loan portfolio followed by retail with 24%, agriculture at 23% and corporate loan book reduced to 19% indicating our continued shift towards granular portfolio. The commercial business grew by 21% over the previous year as against 12% growth corresponding previous year. Our continued efforts in activating branch channel which manages small business group 5 Crores exposure and business banking units. which manages exposure up to 25 Crores resulted in better performance. KVB Smart a

non-branch channel under commercial banking mainly sourcing business through open market channel completed its first full year of operations. It is progressing with a portfolio of 126 Crores and currently operating at Coimbatore, Chennai, Hyderabad, Madurai, and Bangalore. The retail advance of the bank registered a growth of 18% during the year under review as against 16% over last year. Our efforts in making the production processes market-related has helped our branch channel to focus on this segment supported by open market channel. Our co-lending Amazon BNPL programme is performing well and the book is around 1000 Crores now. Agriculture loan book had a growth of 17% for the year and achieved all the targets and sub targets under priority sector for all the quarters of the year and priority sector advances as a percentage of ANBC as on 31st March, 2024. While continuing our focus on agriculture jewel loans, we have also started focusing on direct agriculture lending and sourcing business through Fintech partners. Corporate and institutional loan book had a growth of 5% only during the year. Though initially in the first two quarters, CASA balances grew on account of withdrawal of Rs. 2000 notes. Subsequently, there was scramble for sourcing low cost deposits. Industry witnessed customers choosing alternates for investment rather than keeping it in CASA accounts. Striking a balance between maintaining healthy margins and pursuing strategic growth opportunities was a challenge that we had to navigate last year. As you are aware, we preferred sustaining our growth momentum with healthy margins. In addition to shedding away low yielding advances of 1415 Crores, we also exited advances of around 200 Crores on account of weakness totaling 1600 Crores which comes to 2.15% of the advances during the year and thus we have done the dual task of cleaning the book and optimizing the yields. Our NEO business model continued to perform well and built a loan book of 6443 Crores at the end of financial year and precious metal division book stood at 674 Crores. Transaction banking group specializes in cash management services, providing collection and payment products and supply chain finance for the corporates of all sizes in addition to participating in all the three TReDS platforms for financing MSME vendors, TBG Our transaction banking group by embracing digital technology, aims to leverage the partnership with Fintechs to drive the growth. Our partnerships for co-lending with NBFCs have gained a fair pace, supported by our robust digital platform, and outstanding under this segment is about 1900 Crores. Your bank commenced its digital journey few years back.

I am happy to say that our digital transactions grew by 37% in financial year 2024 and the share of digital transactions now stands at 96%. We continue to add many features in our DLite app which is our customer onboarding application and there are 5.15 million registered users for our DLite app. Our digital journey is focused on improving customer experience and services, which has resulted in improved quality of the sets being booked. We have made significant improvements in digitalizing our operations to enhance customer service and drive efficiency. We have achieved 100% digital onboarding for new and existing savings account holders. All current accounts are open digitally through assisted mode and all term deposits through branch channels or self-service TD module in the DLite app. To support this digital journey we have built a strong and secure API stack. This scalable and reliable architecture enables quick integration with partners and improves efficiency. Our bank has invested significantly for the environment of equal and positive opportunity for employees to learn, contribute, grow, and have pride. We place emphasis on developing employees in a holistic manner, catering to their needs for skills, personal development, and social responsibility. The policies and processes associated with people management ensure application of the principles of good environmental, societal, and governance practices. Talent management is carried out using the latest technologies, fair practices while retaining care and concern for the employees' well-being. Our talent management strategies ensure swift and effective recruitment through AI-enabled assessments, complemented by robust learning and development programmes, partnerships with leading organizations, and programmes. Our training processes covers employees across the hierarchy and programmes are done in-house, as well as the best institutes in India and abroad. We pride ourselves in providing equal opportunities. And our gender diversity now stands at 28% and rising. We support women employees through initiatives for education, support in managing home and work, consideration in local and special recognition for their leadership and growth. Our core women executives group, Prerna, continues to play a vital role in promoting women employees development and welfare programmes. During the year, we conducted unique programmes such as advanced leadership programme for women branch heads, She Leads Awards to celebrate the achievements of women across various roles within the bank. Samarthan, another programme for young mothers and we celebrated Women's Day with the leaders, including the illustrious

Ms. Bharati Bhaskar, our Sun TV's Pattimandram. The comprehensive human resources strategy has seen results in high employee engagement and lower attrition, leading to outstanding results in business. We are strongly aligned with the thought that our employees are our competitive advantage and by taking care of them, we will take care of our customers and in turn our businesses.

Your bank's net interest income experienced a notable growth of 14% and non-interest income grew by 43%. Our rebalancing of portfolios with more focus on better yielding granular secured advances in RAM that is Retail Agriculture and MSME has helped us to maintain the margins above 4% levels. Your bank's cost to income ratio is at 49.69% in financial year 2024 in comparison to 45.08% for the corresponding period in financial year 2023. The additional provision towards pension obligations has slightly increased our cost to income ratio but it is within our guidance of 50%. Pre-provision operating profit for the year increased by 14% majorly assisted by higher net interest income growth and other income. Net profit for the year demonstrated a strong growth increased by 45% to reach 1605 Crores, which is the highest ever PAT in the bank's history. We have achieved ROA of 1.63% in financial year 2024. We have guided in financial year 2021 that we would be at 1% plus in financial year 2024. We were able to cross it earlier and above 1.5% itself in last year. We expect that we will continue to maintain this trend. Our collection efficiency continues to be above 99% levels and SMA 0 and 1 levels were less than 1% at the end of the year, indicating quality of the assets portfolio in the coming year. Due to lower slippages, recoveries, and technical write-offs, gross NPA has decreased by 87 basis points and currently stands at 1.4%. Previous year it was 2.27%. The net NPA is below 1% and represents 0.4% of the net advances equivalent to 298 Crores as on 31st March 2024 in contrast to 0.7% which is 468 Crores as on 31st March 2023. In addition, the provision coverage ratio reached to 94.85% from 92.14%. Your bank continues to be well capitalized with capital adequacy ratio at 16.67% and on 31st March 2024 of which core capital we call it as a CET 1 is 15.46% this shows the inherent strength of your bank and also providing us comfortable headroom for growth. In summary, these numbers continue to reflect the inherent and fundamental strength of your bank. The various initiatives we have taken in earlier years have been brought to a decent stage to yield the results. We remain steadfast in our pursuit for growth, driven by the

innovation, digital transformation, and a strong focus on ESG principles. With dedication and resilience of our talented team and your continued support, we are confident in our ability to shape a prosperous future and deliver sustainable value for all.

Keeping in view of the above, the board of directors of the bank now recommended a dividend of Rs. 2.40 paisa per equity share on the face value of Rs. 2 per share, 120% of the paid up equity capital of the bank for the financial year 2024.

During the year your bank stands adorned with a multitude of prestigious awards illuminating the path of our exceptional strengths and achievements from our tech enabled ease of banking services to trailblazing, transformative digital initiative and product quality management. Our accolades resonate as a testament to our commitment to excellence. One of the notable award is Best Small Indian Bank for the financial year 2023 received from Business Today in March 2024. The same magazine had ranked us in 8th position in financial year 2020. This recognition itself is a testimony for the journey we have made in the last four years.

With the growing concerns on cybersecurity, the bank is constantly upgrading advanced security measures such as encryption, multi-factor authentication, etc. Regular security audits are conducted and all weaknesses are addressed on an ongoing basis. Red team exercises are periodically conducted to ensure that there are no external vulnerabilities, frequent security advisory to customers against phishing, smishing are circulated. All measures are taken to protect customers' data and financial transactions from cyber threats.

There has been a consistent improvement in the compliance culture of the bank. Observations of the regulator were promptly closed within the timelines. Proactive process checks on the regulatory directives were conducted and employees of the bank are sufficiently briefed on the need for good compliance during the meetings and other forums.

New initiatives during 2024, I would like to take you through the various business transformation initiatives which our bank has completed for the year 2023-2024. We have implemented digitalized agency banking to onboard customers and

provide them with a variety of services, including account opening, deposits, withdrawals, remittances, and card transactions. We have enabled enterprise fraud risk management to trigger alerts to the customer to protect them from potential frauds. We have implemented electronic bank guarantee through NeSL for replacing traditional paper-based process for issuing and managing bank guarantees, offering an electronic bank guarantee to your bank customers by using the digital document execution platform provided by NeSL. Implementation of the mutual fund, sovereign gold bond, and online demat account opening. Mutual funds to purchase, manage, and redeem mutual fund investments through the internet. Likewise for sovereign gold bond, we have implemented the SGB through mobile and internet banking for our customers. In respect of online DEMAT account opening, introduction of online API-based DEMAT account opening through NSDL has been enabled. End-to-end LOS that is loan origination software, integration for a digitally driven assisted channel through BC for business correspondence for joint liability loans. We have added 24 new CASA products in our liability portfolio to be more competitive in the market.

Coming to the Environmental, Social and Governance practices, your bank remains steadfast in its commitment to environmental and social stewardship, which is deeply ingrained in our corporate identity. Building on our proactive initiatives, we have integrated ESG considerations into our operational and policy framework. In the financial year 2023-2024, we have made significant advancements by implementing the business responsibility and sustainability report framework, thereby increasing our transparency and adherence to regulations. Environmental initiatives, Green Building Certification, progressing towards achieving the Indian Green Building Council certification for the central office building and maybe in the next quarter we can expect that. Renewable energy initiatives. Installed solar panels and inverters at Hyderabad divisional office including a 38 kilowatt grid-connected rooftop solar power plant. KVB Green Deposits introduced eco-friendly financial product in the month of February 2024 to encourage customers to support environmental efforts. Coming to Social initiatives, CSR and ESG efforts focus on environmental sustainability, renewable energy, ecological balance, human empowerment, reducing inequalities, community, rural development, and disaster relief through CSR initiatives.

Financial literacy campaigns were conducted to educate the public on the Pradhan Mantri Jan-Dhan Yojana and social security schemes complementing to awareness and educational initiatives aimed at enhancing financial inclusion within the community and cybersecurity awareness programmes. So coming to financial literacy all of you also would have seen before commencing our AGM, you are seeing series of videos, which we have telecasted in various channels. So coming to the employee grievance redressal, KVB Samadhan, portal for addressing employee grievances related to various working conditions and discrimination. Prevention of sexual harassment policy, established an internal compliance committee in compliance with the Prevention, Prohibition and Redressal Act 2023. A mass communication programme, Pramod, a programme is designed to re-energize the organization and direct efforts towards strategic business milestones. This programme has been conducted across the organization, right from MD to the lowest level, and the same message has been conveyed to everyone in the programme. Developed and implemented awareness programmes on environmental, social, and governance principle within the bank focusing on reducing paper consumption and promoting the efficient use of electronic memo and WiseFin platforms for internal communications and approvals.

Governance initiatives, ESG policy. ESG policy reviewed by the CSR and ESG committee in March 2024. SEBI guidelines on BRSR core are included in the policy. Credit policy integration, ESG factors are integrated into the credit policy, which are subject to periodic revisions based on the RBI regulations. ESG due diligence framework established a framework to ensure ESG factors are considered during the credit sanctioning process. Your bank is dedicated to advancing these initiatives ensuring that our growth is responsible, inclusive, and aligned with our core values of sustainability and principled governance. We are proud to lead the way in integrating ESG into every facet of our operations. We are committed in contributing to the socio-economic development of the community with focused interventions across identified areas of sanitation, healthcare, education, and green finance. We take a holistic approach to sustainable development. Further, we provide skill development training especially to women from economically weaker sections to create livelihood opportunities and improve their standard of living. Given the growing water stress

in many parts of the country, we are engaging with local communities to restore water bodies and improve access to clean drinking water. In addition we plan to work with government bodies and NGOs to increase green coverage especially in the cities.

As the bank continues its journey, it not only remains unceasingly committed to environmental, social and governance principles, but also aims to capitalize on its ESG leadership and performance as a strategic differentiator in its next phase of growth.

Now, I welcome new director Mr. Vidhya Shankar on the Board who has more than 30 years of standing experience in corporate general civil laws. He specializes in corporate law, including in corporate transactions, corporate restructuring, schemes and arrangements, corporate litigations, domestic and international arbitrations, capital market, FEMA compliances, cross-border transactions, and general corporate advisory services. He will further strengthen the Board and its collective decision-making process. I extend a hearty welcome to you, Sir. Also, I welcome our new director, Mr. J. Natarajan on Board as executive director who has more than 40 years of standing experience with Karur Vysya Bank and he joined in the Karur Vysya Bank as a trainee in the year 1982. Through his dedicated result-oriented hard work, he moved up different levels and became General Manager of the bank in the year 2010, Chief General Manager of the bank in 2017, and President of the Bank in the year 2019. I extend a hearty welcome to you.

In this juncture, I fondly recall the guidance and support of my colleagues who had retired consequent to completion of their tenure in the board. I am grateful to my colleagues and former directors, Shri MV Srinivasamoorthi and Dr. KS Ravichandran for volunteering their time, insights, and ideas to enrich the collective wisdom of the Board. They have actively shared their valuable thoughts for business growth and also strengthening internal controls during their long stint in the bank.

Our initiatives and road ahead. So the new initiatives taken - I would like to take you through the various business transformation initiatives our bank has planned for 2024-2025 in addition to what have all been spelt out earlier. This year, we are

enhancing our cash management solutions to host-to-host connectivity, upgrading our treasury solution to enhance our capability in dealing with the derivative market. These initiatives are aimed at further enhancing IT and security capabilities to stay ahead of the curve and remain competitive in the industry. Next is corporate mobile banking. We have planned to implement this app along with trade finance module. New platform for DIY, do it yourselves journey for making banking transactions digitally and in a secured way. Next is implementation of Interoperable cash withdrawal that is for acquiring. Our bank and other bank customers can withdraw cash from KVB ATMs using UPI app and QR. Implementation of virtual debit card, replacing physical debit cards with virtual debit cards to enable instant customer card usage, e-commerce transactions with enhanced security. Implementation of UPI lite, customers can make faster payments without PIN as per the NPCI guidelines. Foreign inward remittance through UPI BHIM app. KVB customers can remit the funds to abroad accounts at select country as per the NPCI guidelines using KVB UPI BHIM app. Implementation of RuPay international debit cards enables KVB debit card customers usage across 200 plus countries. Implementation of government business, pension module, disbursement of pension for state and central government employees using pension module.

The road ahead, let me move on to what we intend to do in FY 2024-2025. Every bank has its own business model. Till few years back, our business mix was skewed towards corporate book constituting 37%. We went for business transformation and a lot of initiatives have been taken to granularise the loan book. Our corporate book has come down to 19% as on March 2024, with retail, agriculture, and commercial taking higher share. Our focus would be to continue towards this approach going forward. As we have continuously improved our advances verticals in technology process, people and partnerships a good momentum has been engrained at all levels. However, this can continue to provide raw material that is the deposits at low cost is available though there is no issue on the liquidity side there is a challenge at what cost the funds would be available for lending. While we intensify our efforts for deposit growth, rebalancing of portfolio would be continued keeping an eye on the margins. We will be continuing our focus of growth with healthy margins. Overall loan growth to be at 14% plus with

adequate percentage of growth in deposits ensuring CD ratio is maintained at around 85% during the current year.

We have added 39 branches during financial year 2024. With respect to branch expansion for the current year, we have planned opening of 80 Lite branches. Lite branch in the sense that it will be under a hub and spoke arrangement and normal organic branch will be there. These branches will be around 10 to 15 kilometers and they will act as a spoke for the hub branch to feed the business and they will be focusing mainly on the liabilities and 20 regular branches in 2024-2025 mostly in southern and western part of the country. The Lite branches will help us to improve our penetration and bolster our liability franchise further. Our non-branch channel, NEO, is one of our successful initiatives. To bring more synergy between the branch channel and NEO, we have integrated operationally NEO into retail assets. This would facilitate branches to scale up more under the retail assets. Now, across the bank, we would be in a position to source retail assets through brand channel, open market channel.

We would continue our emphasis on growing para banking products that is a bank assurance, fast tag, mutual fund distribution, Demat accounts, etc.

We are clear that focusing on margins is a key to sustainable profitability and long-term success. It also reflects the health and efficiency of the bank's operations. The bank is committed to making sizable investments in technology and cyber security in the coming years and to keep pace with the changing technologies and customer preferences. The IT strategy of the bank is guided by the business strategy adopted based on this strong analytics built. Agility would be the mainstay in the coming years and the bank is well geared to meet those challenges in the digital space.

It is said that trust is built with consistency and consistency is what transforms average into excellence. Your bank has been cautious and prudent over the last four years while focusing on growth, profitability, and asset quality. We would continue to progress consistently.

I would like to reiterate that we aim to deliver a sustainable and consistent financial performance by providing superior services to our targeted customers and, in the process, realize our goal of achieving sustained return on asset of over 1.6% during

every quarter of the financial year 2025. Commercial, retail and agri are the focus segments which have identified for our future growth particularly in the southern and western markets. Our approach would be to offer our customers need specific financial solutions, products and services by providing tailor-made solutions and a positive customer experience through delivery of quick and efficient services.

Now coming to the acknowledgments. On behalf of my colleagues of the board and staff members, I take this opportunity to convey my deep gratitude to the shareholders for your longstanding trust, loyalty, patronage, and support given to us. We will always remain indebted to you for the same and take strength for our future endeavors. I sincerely thank Chairperson and other members of the Board for their continued guidance in sharing their wisdom. I also thank our esteemed customers, business partners, and employees for their loyalty and affinity. My wholehearted thanks to our employees for their unstinted efforts and their urge to render best possible services to the customer always. I thank my colleagues for the support and excellence in their work. I also thank M/s NSDL for providing an excellent technical platform to interact with our shareholders. Further, I would like to express our thankfulness to the Reserve Bank of India, SEBI, the central government and state government, other regulatory authorities and all other stakeholders for their continuous support and guidance. Thank you Madam.

Meena Hemchandra: Thank you Shri Ramesh Babu for the very detailed view on all the operations this year. Your speech has rightly highlighted the bank's business journey during the last year and also its future plans and goals. Before I proceed to take up the Q&A session, I would request the registered speaker shareholders to kindly note the following. While seeking clarification, shareholders will restrict the subject matter on the agenda items only. Shareholders are requested to limit their queries to a maximum of three minutes in the interest of time. Further bank reserves the right to move to the next speaker after due reminders in the event of expressing out of context views and continuing the speech above the set time. Replies to clarifications sought by the shareholders will be provided at the end of the meeting. Shareholders are requested to cooperate in this regard. I now call upon the moderator to facilitate the Q&A session.

Moderator: Thank you very much, Chairperson. During the Q&A session, once the name of the speaker shareholder is called out, a prompt would be sent on your screen. You are requested to accept the same. You may then unmute your audio and turn on your video and proceed with your questions. Otherwise, shareholders can join through audio mode if they are not able to join through video mode. Shareholders are requested to use earphones so that you are clearly audible and you are requested to ensure sufficient bandwidth and lighting. Ladies and gentlemen, we will now begin the Q&A session. We will wait for a moment while we assemble the queue. I now invite our first speaker member, Mr. Santosh Kumar Saraf, to unmute his connection and you may ask your question now.

Santosh Saraf: Respected Chairman, Board of Directors and employees of the Bank. I am Santosh Kumar Saraf. I hope you are all safe and healthy. I would like to thank all 9000 employees for the company's growth and for their contribution. I also thank their family, who work as their backbone keep them as healthy and well, so that they can work hard. MD Sir has covered many areas and did not leave anything to ask questions. But, Sir, many of the questions may be repeated one. So, if there is repeated one, please forgive me. First of all, I would like to know that how many branches are in own building and how many branches are in rented building? what is the arrangement of the solar panel in own building? How much electricity is we are getting from that solar panel? How much the electricity expenditure we get from there? What is the arrangement of the rain water harvesting in those branches please give some example. What is measurement taken for fire safety in all our branches. Have you done energy audit in our branches because if energy is used a lot or not and energy audit is required. Sir you have told a lot. There is Prime Minister Yojana Apni Bijli for installing solar panel. What is your planning? Because everything is done at risk. But still, how are you doing it safely? So that 1 Crores or 2 Crores prime minister's vision is fulfilled. You have kept workers in good percentage what are the steps for growing them. Sir last year CASA deposit was 11% and only because of CASA deposit we get profit. We do not get any benefit from the free deposit.

Moderator: Mr. Saraf, I am sorry finish your question quickly. There are several participants waiting.

Santosh Saraf: What technology are you using for RTG in our bank so that performance and profitability increases. And what have you done for cybersecurity? Please tell us about it. There is also insider trading, what steps have you taken for that? Please tell us about that. And Madam, the unclaimed shares that you have, there are about 780 shareholders is 47,000. So what steps are you taking for that? So that the original owner can get it. I understand, if you give instructions to your local branches, if they knew this man, how much help would they get? Because the locals know the locals better. And nowadays, there are only 12 people and they do not know the whole situation. For the financial year 2024 I wish them and pray to god that Raksha Bandhan and Diwali go well for them and next year when we meet there may be healthy profits. Madam please continue the VC meeting and during the Diwali time please remember the speaker shareholder. Every bank remembers its family members. Please send us some dry fruit.

Moderator: Thank you. We now invite our speaker number two, Mr. K.R. Palaniappan. Sir we have sent you a prompt to unmute your connection. Please unmute your microphone and your web cam and ask your question.

Palaniappan: I am Palaniappan, I retired as senior management executive from a nationalized bank. I am a longtime shareholder and the respected Chairperson Dr. Meena the dynamic CEO Mr. Ramesh Babu and eminent directors on the board and my own co-shareholders. First let me first congratulate Mr. Ramesh Babu and his team for the excellent work done at the last fiscal and they have given a very beautiful result and no one can expect more than this. And in fact, especially on containing the NPA within 2% and net NPA at 0.5%, which is a very great achievement in the present scenario plus ROI of 1.63% the bank has achieved after a long, long time. We used to have 2% three decades ago. Now we are coming back to the old times. And again, my sincere appreciation for the good work done by Mr. Ramesh Babu and his team. And NIM 4% is also great, but this has been achieved despite wage arrears, pension paid, as well as gain but which is offset to some extent by the release of the depreciation on investment to the extent of 250 Crores still it is the best achievement but, however, one thing we are disappointed on the dividend. Every time we expect a very good dividend at the end of the day as a shareholder. We expect a very good dividend even though you have shared only 12% of the net profit that is 192 Crores. At least we expect that 20% you have to share with the

shareholder. I agree you need capital for the branch, but this is not the only way to raise the capital. You have the other options like going to the QIP, right issue as well as Tere II bonds but everything has been increased, all remuneration to directors, salary has been increased for the employees, but why you neglect the shareholders, perhaps all the shareholders except one is not holding more than a Lakh of shares. That is why our concern is not addressed I think in the Board except Mr. Ramkumar and please consider see your dividend distribution policy should be amended it is very vague; at least 20% should be parted to shareholders because we have waited long, long again. See we see a good result, we are happy, but at the end of the day we expect some reward for the shareholders. I agree capital is necessary, but to some extent at least 20% should be shared with the shareholders. And even if you do not want to give it as a dividend, at least bonus should have been considered where a win-win situation could have been created. Bonus is long overdue since 2017. At least last fiscal itself there is a heavy demand. Not only the shareholders, the market also expects from you something. Market you cannot ignore. Market is also necessary to go into the capital future requirements. I request CEO and the directors to consider this. And long time, our authorized capital is not increased. It is standing at 200 Crores for a long, long time. It has to be increased to accommodate future bonus issue and rights issue as well as QIP because a very narrow gap is there around 160 Crores to 200 Crores to accommodate all these things, our authorized capital has to be increased because it may take some time that is why I am suggesting that. And why bank has not tapped the capital market when it is hot? I wonder, even though your CRAR is comfortable, but still you have to tap the market when it is really hot. Even though you are not willing to give the right issue, at least you have gone for QIP, where you can realise more value and increase our value. And coming to the operational aspect our concern is that deposit 16% growth is very good, but there has been reports from RBI as well as SEBI that the investors are diverting their funds to the capital market and banks have been deprived of the deposits and work hard for the deposit. That was news from the FM also in the budget and subsequently. So, how we are going to address the challenge? Because the deposit is a core one and unless you get it growth momentum cannot be sustained. And you have the feet on the street and you have recruited people. I want to know whether this challenge could have been met. And another thing is in the context of this hectic competition for the deposit, definitely

the rate to go up for the deposits in the scenario of the increasing on the deposit rate and you could pass on only to 40% of MCLR linked advances, how are you going to maintain NIM because the Q1 I was just observing the CEO was telling that somehow NIM 4% could be maintained, but how to revise it or you have other levers to handle so that the NIM can be maintained. And another thing is there has been an investment of 1000 Crores in the other investment like debentures mutual fund is it mandatory or what type of investment it is? Is it mandatory or as a business strategy because there is no need to go in for 1000 Crores in the debenture or mutual fund. Yes, otherwise funds are required for other things. And regarding NBFC, I also sent a mail.

Moderator: Mr. Palaniappan I am sorry, you will have to wrap your question. There are several participants waiting.

Palaniappan: This NBFC RBI has cautioned and have you got any policy to cap that? And any assessment has been made in the appraisal standard and any exercise has been made in the FLDG of 5% or what is the NPL level under this? Regarding the jewel loan RBI has now told because our portfolio is around 18,000 Crores, RBI has told that it should not be renewed, it should be closed. Taking advantage of the value of the jewels, you should close it and grant it fresh. The branches I observed some problem and doing that. How you are going to mitigate this? Like sanctioning overdraft or some other product. Any expected recovery under NCLT this year. And the cost to income ratio even though 49% is a little higher, I find most of the banks it is 46 to 47%. So as to aim at that level and apex I see other expenditure 110 Crores maybe due to the opening of the branches. Is there any write-off is accommodated there? There is an announcement in the budget that skill development are using CSR funds, skill development has to be made. Any plan by the bank to increase the skill development by using the funds available from the CSR as well as the subsidy given by the government. Thank you. Wish you the best for the coming year, maintain the growth momentum and reward the shareholders, please.

Moderator: Thank you. We will invite our speaker number three that is Malayala Ramamirtham. Sir may we request you to please unmute your connection and ask your question.

Malayala Ramamirtham: Respected chairperson, MD, CEO, Shri Ramesh Babu garu other executives and employees namaste to everyone. My name is N. Malayala Ramamirtham. I am a shareholder for the last 60 years closely witnessing the developments of this bank at least for the last 30 years. To me, the bank performance is far excellent in this financial year 2023-2024 comparing to other years and also comparing to other peer banks. Important business ratios like gross NPA, net NPA, return on asset provision coverage ratio, lower NPA slippages, net interest margin, consistent business growth and finally growth of net profit are really amazing. Sir, what else we can expect in the performance of a bank. You have become a model to other peer banks. All were possible by adopting good practices by you like consolidation in the first few years with aggressive NPA collections, modest risk-free growth then planned for achieving national growth average both for advances and deposits. After achieving this calculated accelerated growth for the current year. Sir, you are not only adopting the above policies and really exceeding the same. Our heartfelt thanks to you. Sir, trust is the mantra of a banking industry where you have to protect the interest of public money and the shareholders investments. True to this principle, our bank is extremely trust oriented bank in the minds of depositors, customers, investors, and regulatory authorities. Hardly there is no scam in our bank. This could be the precise reason why mutual funds, FFIs, and the public are investing more into our bank shares. That leads to better valuation and currently trading to Rs. 214 per share, the highest in the history of our beloved bank. Sir our expectations. You have given us a full lunch, but it should be followed by a dessert, a beeda, and a compliment. Our shareholders are holding our shares for decades and decades. The dividend income is one of the major share of income. You announced enhanced dividend for the last year, but still some room is there to announce much more. I also request you to consider a bonus at the appropriate time. These two requests would satisfy a large number of small shareholders holding for decades and decades. Please consider seriously. We the shareholders, appreciate the bank, the senior management especially Shri Ramesh Babu garu for the commendable performance and pray goddess Gayatri to bless you all good health, happiness, and determination to achieve better results for years to come. Jai Hind.

Moderator:

Thank you. Next Speaker member Mr. P S Krishnan had registered however has

not connected. We will move to speaker number five that is Mr. KV Sekar. Mr. KV Sekar request you to please unmute your connection and you may ask your question.

KV Sekar:

Good morning to all. Respected Chairman, MD and other dignitaries sitting on the dais and my dear shareholders. I am proud to speak on the occasion of the 105th AGM of the bank. I congratulate the management of the bank for the performance shown in the financial year 2024. Bank has achieved a total business of 1,63,536 Crores in the financial year 2024, reflecting a year on year increase of 16% from 1,40,806 Crores as on March 2023. Net profit also increased from 1105 to 1605. It is 45.24% more than the previous year. In the share of advances is also in an appreciable level on the total advances, but it works out to 9.29% of the total advances. Other incomes such as the commission and investments pulled the income of the bank. Bank's yield on advances is very low. With regard to the CASA, the CASA improvement is very, very low. Actually, as far as compared with the previous year 2022, 2023, 2024, 2022, it was a 10.39%, whereas in 2023 6.46, and now it is 6.43. So CASA level reduced from 17%, it is reduced to 6.43. So far New product is launched by the bank for the past two several years. So then only the CASA level may be improved. I understand that bank has appointed one GM for improvement of the CASA by paying the highest salary, but there is no improvement in CASA level. Deposit mix is also very poor. Bank term deposits covers 70%, whereas the demand is 9%, 21% corporate savings. Lot of improvement is required at demand level. Total advance component is increased by 5.98%, whereas corporate advances contribute only 4.5%. It is a very, very low level. Bank is not giving much attention to the foreign exchange business, increase 1950 Crores only, that is 8.36% increase and income earned is also very less. Income in foreign exchange decreased in income by 7.27 Crores compared with the previous years. Bank has showed a special reserve of 70 Crores, but they are not disclosed for what purpose it was segregated into a special reserve. With regard to currency chest, all chests are available on the southern side of the India in order to maintain a clean Note policy. What about northern side? There is no currency chest available on the northern side of India to maintain a clean loan policy. With regard to technical side, I appreciate the entire management for getting so many awards, that too on technical side. As pointed out in the last AGM, ATM machines

are not functioning. For withdrawal of money from ATM machine, it takes nearly about eight to 10 minutes for getting Rs. 1000. In some of the machines, keypad is not working. So many citizens use more power to press each key. Our ATM rooms maintenance are very poor, no proper lights provided, cattle are sleeping. In one of the ATM, I found that no lights available for the past three months. Human capital, in the annual statement, bank as disclosed Rs. 596 lakhs spent towards 291717 hours of training impart to the employees. I understand that you have closed the training college at Karur but you have not disclosed where the employees got training. When I visited one of the branches asking for certain clarification the employees of their bank are unable to explain the product shown on the display. I analyzed why such a lack. It was not provided proper training on our own product by our own bank. Credit, with regard to loans you have given various figures and comparative figures with percentage but you have not given any figures and percentage growth under Neo business and precious metallic division. In the last two AGM I asked, what type of Neo business. In one of the annual report you mentioned as brands and in another AGM you mentioned as one of the platform. Neither management knows nor shareholders noticed. You are voluntarily hiding the figures on these divisions. For all the shareholders who are directors of the bank and directors participating in meeting held every month whereas shareholders are participating yearly once. Since you are hiding the fact that is sufficient more. In this connection, I sent a mail to your office about four days back. Yesterday, I got the reply. Then only I got the business of the new advances, 6,437 Crores. There is a growth of 67% and advances are in a metallic division, it is only 674 Crores but growth is 46.52%. Neo business, CGM was living in Mumbai whereas officials working under Neo was at Chennai. Concerned CGM has also left to the bank confirm whether Neo business will continue or it will be closed. In case of Neo advanced come under stress category what type of staff accountability will be fixed by the bank? Because all are at CTC cadre. Bonus Issue, Our bank is having adequate reserve, but why they have not declared bonus shares. Though bank performance is good, but a dividend declaration bank is conservative. That is only 20% increase. Whereas top level executive's salaries have increased in the range of 38 to 155%. How the bank is giving importance to the shareholders? Fixed asset, there is a deduction of 72.48 lakhs details of sale. What is the policy of selling assets of the bank? Is there any open tender? NPA, in NPA you are given some

figures on technical write-off. Will you provide the details? What are the items come under the technical write-off? Appointment of director, what is the rule applicable for paying remuneration of sitting fees to the director who is attending a meeting for two committees on the same day? Is there any policy fixed by the bank for co-option of the director if so provide detail? Non-disclosure of certain items, bank is disclosing cases filed before the NCLT in page number 47, but is given number of cases pending before DRT, civil cases, high court; supreme court, etc., are not given. In some cases, cases filed by the top members and owned by them, not disclosed. Bank is having so many tie ups with so many insurance companies like the life, non-life and health insurance but no details available in the annual report. Remuneration, section 197(12) of the Companies Act with rules 5, 2 and 3 of the company's appointment and remuneration management rules. You advised shareholders to give copy of the request. Last year I could not get it. This year I got it after sending remittance. Why auditor is not complied or issued certificate under section 197(16) of the Companies Act. As per section 197 of the total managerial option should not exceed 11% subject to the other clauses and employee salary increased to 45%. So bank is having so many committees as per the act or guidance of regulators, according to remuneration policy also framed. I could not understand how the remuneration committee is functioning. On going through the list of the top employees, Chief General Manager salary is more than the Managing Director. I saw so many companies balance sheet the salary of the managing director is always high, except our bank. Here MD salary is in fourth category. That is why I want to know what type of policy is followed by the remuneration committee. In another incidence comparing remuneration to the managerial and non-managerial. Non-managerial is only around 14.45% whereas 48.41% increase for the manager. Why this much of difference? Banks business is only 16% whereas executive salary is increased from 38% to 155%. No industry will do like that. I want to know whether remuneration committee is fixing the salary or they themselves fix it.

Moderator:

I am sorry Mr. Sekar, I am sorry. It looks like you have many questions. We would request you to write to the secretarial team for your queries, Sir. There are other shareholders also waiting for their turn.

Meena Hemchandra: I think we have given you a fairly long opportunity to talk Mr. sekar. You have given us some very valuable insights and asked some pertinent questions. We will see how best we can answer you at this meeting or give it to you in writing in due course. If there are any more you can follow up later.

Moderator: Thank you. We will move to speaker number six Mr. Balaji Narasimhan. Mr. Balaji Narasimhan we request you to unmute your connection. In the interest of time, we request our shareholders to please restrict your questions to 3 minutes.

Balaji Narasimhan: Good afternoon respected Chairperson and MD CEO Ramesh Babu garu. I am M R Balaji Narasimhan and my folio number is 1201320000992194. I am an extremely happy shareholder of our bank. In this year, total advances, total deposits, CASA, book value, net interest income, non-interest income, total income operating profit, net profit, reserves, net owned funds, return on assets, yield on advances, EPS, book value everything has risen. I am going to say that you increased dividend from 100% to 120%. On 14.08.2023 that is one year ago, Karur Vysya share was traded around 121. Now today, at this moment, it is 214. A rise almost of 95-96%. What else we need? Yes, it is bonus shares. I can read the minds of all our shareholders it is bonus shares. I request the headboard for a liberal bonus issue at the earliest. We do not mind Sir even you can declare it today also. As a shareholder my heartiest thanks to the senior management team headed by Ramesh Babu garu and Natarajan garu also my sincere thanks to Board of Directors for guiding the bank into consistent and credible progress that leads to success always. Thank you.

Moderator: Thank you. We will now move to speaker number Seven Mr. Bharath Raj, Please unmute your connection and ask your question. There is no response from this participant in meanwhile we move to next participant, if Mr. Bharath Raj comes in we will take his questions. We will move to speaker number eight Mr. T Sivarama Prasad. Sir, I request you to please unmute your connection and you can ask your question?

Sivarama Prasad: Respected Madam Chairperson, MD and CEO, Board of Directors and ED of the bank I am Sivarama Prasad shareholder and ex-employee of the bank having worked for more than 27 years. Sir hearty congratulations for the excellent results

for the year 2023-2024 and also for the first quarter of the current year 2025 for having declared a profit of 454 Crores for the first quarter. I have gone through the annual report of the bank, which is excellent in content and presentation and my sincere appreciation to the team involved in this preparation. Sir I will confine myself to the 2023-2024 performance of the bank. Some of the performance highlights may be of a repetition, but I will only mention very important points. Sir, highest ever profit 1,605 Crores and after making a provision of 100 Crores and ROA at 1.76 in the Q4 and overall 1.63 are excellent, which has been actually the long pending demand of our investors. And there is a reasonable increase in the ROE, which used to be below 10, now we have reached up to 18% in Q4 and 15.98 in the last quarters. Sir NIM continues to be at a very good level above 4% in spite of decreasing the margins in view of increase in the cost of deposit. So as many of the speakers have mentioned that total business has increased by 16% and both advances and deposits have grown accordingly. Sir, one of the important things that has happened in the last four years is that recovery under NPA continues to be excellent, especially under written off accounts. Bank is consistently showing negative slippages, quarter on quarter, resulting in improved asset quality. I really appreciate the entire bank Sir. GNP of 1.4% and net NPA of 0.4% are excellent in the efforts taken by the bank. Sir competition in the financial sector, especially in banks is very high nowadays. My request to this August forum is that we should not lose our existing and loyal and tested customers. And acquisition of new and high value customers is getting tougher as banks are aggressively marketing for CASA, retail and MSME customers and PCR of 94.85% and the market PCR of 70.12% are really good from the perspective of investors and the regulators. So CEP 1 of it 15.46 and total CRAR of 16.64 are good which are beyond the stipulated levels. However, bank can look for a growth capital in view of probable risks changes in the risk weights of various assets by the regulators and the impending IndAS implementation, which we expect that it will be there from the next year onwards. Sir I am happy to see that the good amount of retail profit is added back to the network, which helps in incremental growth. But however Sir, this year bank has repaid the TIRE II bonds which would have that comfort is reduced in spite of adding a huge profit to the net worth. Sir capital markets continue to show buoyancy in spite of so many global challenges as investors continue to invest in domestic markets directly or through mutual funds in large

sums. So which you know as per the some of the data it is around 2.5 lakh Crores that is coming into the SIPs and mutual funds. Is it a good time to think of raising capital at an appropriate time during this year either through QIP or other means? This is only a purely a suggestion, Sir. And on the CASA front, actually this is one area of course, many speakers also have told and MD and Chairman also have touched upon it. Just now it is around 30%. We were historically at 36% plus. In a phased manner we can ensure that our margins are sustained and improved. Sir I am happy to note that bank is opening around 100 branches, including some of the Lite branches. And I being from Hyderabad and I have been requesting that more branches can be opened on the periphery of Hyderabad city where there is an immense potential and also for past performance of the branches that were opened. As Amaravati is expected to grow phenomenally due to the promise of the new government to complete the pending infrastructure projects some more branches in and around that area can be opened Sir. Time and again our employees of the KVB have risen to the occasion in the journey of more than 100 years and contributed their might whenever the situation has demanded. And some of the points raised by the earlier speakers also may kindly be taken into account Sir. I once again heartily congratulate Chairman, Board of Directors, employees and the entire KVB for the grand show for the year 2023-2024 and for the first quarter Q1 2025. I am sure bank will show a grand performance during the current year 2024-2025 and I am really sure that the bank will cross the landmark profit of 2000 Crores by the end of the current year. I really wish it Sir and thank you very much Madam, Chairperson, MD, and CEO, Board of Directors, ED for providing me this opportunity to speak for the first time in the AGM of the bank as a shareholder. Thank you Sir.

Moderator: Thank you. Our next speaker shareholder is Mr. Reddeppa Gundluru. Sir may we request you to please unmute your audio and video and ask your question.

Reddeppa Gundluru: Chairman Sir, MD Sir, other directors, my company secretary and my fellow shareholders in this video conference good afternoon Sir, namaste. Sir, my name is Reddeppa Gundluru. I am a financial advisor and stock analyst. As shareholder of KVB since more than one-and-a-half decade. I am very happy and proud Sir. We are celebrating more than 100 years. So as a shareholder, as an account holder, I am very happy and proud. Sir after receiving the annual report, I found it was a

wonderful corporate governance on the leadership of my MD and CFO and the company secretary. Thank you so much. The numbers, figures, and everything right in place. Actually year-on-year, quarter-on-quarter, we are growing Sir, expanding. Digital growth is there. Digital services are there. Last five to six years we are now in right parts because of your vision and your hard work creating through dividends. Thank you so much Sir. Here we are growing Sir. Nothing more to ask Sir. So many people, so many things asking. Nothing more to ask Sir. Everything in the right way. So many are giving lecture like Sitharaman Madam like Lok Sabha budget speech. Everyone is speaking, speaking, speaking, but you are silent and for patience hearing I appreciate. I salute you Sir. Thank you and also your speech gave a lot of information Sir. Here my only one question is, it is not a question, it is a view. Sir what is your strategy to taking my company to next level? So what is the strategy or planning to continue this financial performance? So what type of risk management you are taking. What is the risk management in the frauds occurring Sir. These are the only views Sir. Everything is in right place. I do not have any views on financial Sir. Please continue VC. Sir as I requested the Company Secretary last financial year he has not sent any complimentary sweet box to us. As a customer, as a shareholder, I requested the company, but nobody is taking care. I requested before AGM also. Chairman Sir, please ask them to send me the courier, dry fruit Sir. My family will enjoy. We will celebrate that with KVB, we receive something, the diary, the sweets, complimentary. Food items Sir. We are not asking any monetary benefits, Sir. So as a speaker shareholder, we are studying the balance sheet, we are supporting, we are voting, everything is there, Sir. Minority shareholders Sir. We support you Sir. Without your permission they cannot do Sir. Finally we have faith on you, trust on you, on your leadership my company will achieve many more milestone coming financial Sir. I wish you good health, happiness to you, not only you Sir, entire Board of Directors Sir, all KVB Sir, our Company Secretary sir, all the staff Sir, Thank you Sir. I will come to Karur. I will meet you Sir.

Moderator: Thank you. Our last speaker shareholder was Mr. J Abhishek. However, he has not connected. With that we conclude the Q&A session. Over to you Chairperson.

Meena Hemchandra: Thank you shareholders. We really appreciate your interest and attachment with the bank. We very much value your feedback and management will consider your

suggestions and its feasibility for the benefit of the organization. Please stay connected. We will resume in 10 minutes. MD and CEO will respond to your queries.

Welcome Back, before I request MD and CEO to respond on the queries. I request Company Secretary to announce general instructions regarding e-voting.

Srinivasarao M: Thank you, Chairperson. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Regulation 44 of SEBI LODR Regulations, 2015, Bank offered remote e-voting facility to the members through NSDL e-voting platform from August 9, 2024 to August 13, 2024. The said remote e-voting was closed at 5 p.m. yesterday. Members who have not voted through remote e-voting may cast their votes until the 15 minutes from the conclusion of this meeting. Sri R.K. Bapulal, senior partner of M/S. Bapulal Yasar & Associates, Madurai, practicing company secretaries has been appointed as scrutinizer for the e-voting process. In terms of the SEBI LODR regulations 2015, the voting results will be announced within two working days and the results will be disseminated in the stock exchange and banks website. Thank you. Over to Chairperson.

Meena Hemchandra: I would now request MD and CEO to respond on the clarifications offered by the shareholders.

Ramesh Babu: First of all, my profound thanks to all the speakers for profusely praising the performance of the last year and the credit goes to all of you and the entire team of KVB and you all for supporting us and believing us and the team KVB for striving to bring down this sort of a performance. So there was an overlap of many of the questions from the speakers. That is why I split my response into two parts. One is which are general in nature comments, I will respond and for the specific shareholder wise, what all is there also finally I will just conclude that.. So coming to the general in nature, if I look at it, the first thing is on the solar panels in the own buildings. So I totally appreciate that bank is also equally aware of these sort of things. You would have seen that in our annual report, a lot of content we have incorporated in my inaugural address also. A lot of time I have spent on the initiatives what we have taken in this particular regard. So the question is how many are rented and how many are owned. 41 premises are owned but our

intention is to progressively move everything towards the solar. As earlier also I mentioned that the central office building and our Chennai Division Office and few branches in Karur, these are run on our windmill. 10 years back itself we have got a windmill and it is running on that and Hyderabad is also fully on solar. Now we are going for our Trichy division office, few branches also and Erode and Namakkal branches also will be going on to the solar now. So, few locations we are finding it difficult because of the shade. These sorts of things we are unable to go ahead, but the intent of the shareholders will be kept in mind. How to move and transition towards that will be taken care of. The spirit is understood. Thank you very much to all of you for the guidance and coming to the energy audits and the firefighting equipment, what is mentioned. Agreed, safety is the key. That is the reason continuously we look at how these are renewed, they are all live or not. And we also conduct these sorts of programmes for the awareness for the staff members for how to use this equipment. Otherwise, the equipment will be in place and all they are unable to use, the purpose will be defeated. So those things also we will see it. Periodically, we will try to do that. And further, how to equip ourselves to keep our banks safe, we will work on that. Now one of the common points from majority of the speakers is on the dividend payout.

I absolutely appreciate saying that the need for the dividend payout so you must be seeing that over a period of time year-on-year we have been increasing the payout. If you look at it was 80% in 2022, 100% in 2022-2023 and 120% in 2023-2024. So the amount also had gone up. In fact, Rs.128 Crores has come to Rs.193 Crores. But the payout percentage would have come down. The reason is simple. Our bank was hovering around Rs.500 – ₹ 600 Crores. This was a profit for a long time. Due to variety of measures we have taken that way and with the traction what we have got, it has moved to Rs.1100 Crores last year and Rs.1600 Crores this year. This is the specific reason the payout ratio looks low. Okay, now coming to the capital adequacy. So, our Reserve Bank of India have been periodically increasing the risk weights, keeping in view the risks in various sectors. So that way, so with the same existing portfolio also, the risk weight is going up and all it requires additional capital and not only that you would have also seen that we were in the advances fund growing around single digit sometimes low single digit. In 2020 we were having a negative growth in advances and later single digit low and

single digit high and later double digit and this year if you look at it overall 16% growth we have grown after releasing Rs.1600 Crores of CIG advances because of the low yielding and we taken that also into account you would have landed around 18% growth but when this sort of a growth is coming naturally it requires oxygen so I know very well all of you agree that so this is the right time your bank needs this sort of a capital support.

Now we can do one thing. We can declare the dividend and later we will have to come back to you only because you are the loyal shareholder of the bank and you have the trust on the bank. So in the process when we come back to you so we felt it is not efficient tax wise. The reason is once we pay dividend to you will be paying tax on that. When we come to you, then again you have to shell down that particular tax amount and you have to give it back. So that way we thought so rather than giving and taking it back, when the bank is growing at this material time, a small amount of sacrifice from the shareholders will go a long way for the bank and the bank will grow. I know very well you have seen the bank growing continuously. If it grows to the next level, you will be the first person to feel happy. And second thing also, if you look at it, the money is not going anywhere. It is with you only. It is getting reflected in the form of a book value. Naturally, when the book value is there, so your share price movement is also linked to the book value. So this many number of times the book value is there and all, automatically share price is up. So directly or indirectly the benefit is coming, but I request you to bear with us at this critical moment when the bank is in a growth path which requires the capital now. Now coming to the bonus shares so, very well it has been spelt out also agreed. So, the proper call will be taken. So, following points will be considered. One is adherence to the capital adequacy requirements, regulatory guidelines, and ability of the bank to service the increased capital. So giving the bonus shares is one part. On one side, when we are unable to increase beyond 120% dividend for the existing shareholder, the bonus also comes, you need to service that also, but we will be able to do that but we will look at all these aspects and what will be the impact on the future profits after servicing these bonus shares. These aspects once we evaluate, the board will take a decision at the appropriate time on the bonus shares, but the point of each of the shareholder is well noted.

Now coming to the authorized capital and raising the capital, it is a point noted,

so it is a good suggestion. So we will have to create sufficient room for the future so that when actually you require this capital, you will not get suffocated. It is noted. And thank you very much for that.

And coming to the deposits. I know very well all of you must also be reading in the press the current issues what the banks are facing actually. Your bank is not an exception because in the ecosystem, when you are a part of the whole financial ecosystem, we will also have to do it because the other avenues, what all are available; naturally people are trying to go there because the better yielding investments are there. The same way, there was a lot of discussion on the CASA growth. One of the shareholder was mentioning, it used to be 36%, it has come to 30%. So not only us, whole industry is struggling, the reason is simple. Now, when the rate of interest is something different on a time deposit, and people know due to the financial literacy, the media, what all is available, they know very well the interest rates are going to come down. So at this stage, people are not willing to retain the money in the CASA. And they want to shift towards a time deposit so that they can lock this rate of interest for the further period. So in this process, when we were possessive about retaining the amount in CASA, we found out that majority of our CASA started moving to other banks as a time deposit. Then we realized it is not the question of losing CASA. You are going to lose the relationship in the whole process. That is the reason we also encouraged few of our customers to shift to the time deposits who are susceptible for moving towards the other banks. This is a specific reason. You would have found out that last year, 21% growth has come in time deposit, which was not there in the recent past. So this was a conscious call taken at least to retain the deposit as well as the relationship with us. But we will keep in mind this particular point. This juncture, I would like to clarify on one point. The concern was expressed by one of the shareholder about the acquisition channel, what we have created, and whether we are getting the value, what we are supposed to get out of this. I will tell you two years back itself, we were seriously thinking of this impending catastrophe, which can come and hit us at a point of time. At the time itself, we started thinking out of the box. So all along the process at the bank was the branch channel was mobilizing the deposits. So we thought saying that it may not work continuously well. We need to bifurcate this into two parts one by the acquisition and one for the

deepening. So we thought that let the deepening part or the existing accounts be given to the branch channel and the acquisition channel in addition to what the branch can acquire. So, dedicated focus on the acquisition can be given in the process we have got first year itself 1300 people exclusively feet on street from the market and you name a bank we try to get the best resources what all are available into the bank.

The problem was they cannot work immediately because the cultures are different altogether. Integration is difficult. Technology, what they have done earlier is difficult and the products what they have done was difficult. So, we took an advantage instead of engaging a big consultant for revamping the whole product range, we utilize these younger resources, we made them to sit, brainstormed them and they have brought out how we need to benchmark our products and processes with that of the market. In the process, 24 new products we have brought out, which can be very well benchmarked to the market now. All these things took some time for us, including IT systems, processes with these things. In the month of March, we have released these 24 products now. Now the question is, why it is not getting reflected in the CASA percentage? There are two aspects here. One is acquisition. Fresh acquisition is going on. But the existing lot whoever are there, either they are drawing for some other alternative investments or for the real estate or for shifting into time deposits. So had we not initiated this acquisition channel initiative one year back, our CASA would have been around 25% by now? We would have been in a very desperate position. Luckily we are afloat because of the forethought. We are able to start that and able to bring naturally any fresh initiative when you take it and all you need to take baby steps and all you need to identify where you are and what you need to take. So this is what your bank has done hastily. If you take some steps and all it should not result in a problem for the bank. These things in a cautious manner we are doing it and now that these 1300 people to some extent they have stabilized, products are stabilized, we are trying to add much more numbers to that particular field and all I cannot treat this as a cost. It is an investment if we do not invest on this initiative now. Now, tomorrow, there cannot be any fresh customers and relationships from which you cannot deepen further and grow further. So there is a specific reason.

And one of the shareholders has mentioned about the cost to income ratio. So we

need to keep one point here. And our cost to income used to be above 50% also for a long time. And we have been seeing. But now, when the bank is in a growing phase, many new initiatives we are taking, including the branch expansion, it is all cost. Whether we are going to take it as a cost or an investment, that is the call we have to take and all. If you look at it as a cost, then we will not be able to grow.

We can very well save all this cost without spending, and the bank will be not having any growth at all in future, which is unfair for the bank. We thought saying that we should not treat it as a cost. It is an investment we are making for the future. So if suppose 4 to 5% of this cost, if you are spending on this person, after two years, the branch may become break-even. It is not generating. Had our predecessor thought like that and not opened the 840 branches, our position would have been very pathetic today. So the same thing, what we thought, when they had the generosity, we also need to have same generosity. We need to open these 100 branches what we are planning this time. They are all liability focused branches, it will involve cost again. It may have a bearing on the cost to income ratio, but we had to be pragmatic enough in looking at it as an investment rather than as a cost. Then only we will be able to reap the benefit of these investments what we are making.

Now, coming to increase in the investments, one of the shareholders mentioned, investments have gone up by 1000 Crores. So these are all liquidity management. When you have some sort of surplus is there, we will be placing in a short term money market instruments where we are getting a better yield. So that way, nothing changed per se the process we are following. The process is going on the same way and the policy is same but it is transitory. Now coming to the Jewel loan, Jewel loans Reserve Bank of India has given many guidelines and we have done all the process-related changes, product-related changes what all are required and we are in compliance with the guidelines. If you look at our presentation also, you also must be seeing that our loan to value overall is 64% which is much, much below this and we will take care of any sort of a shocks if at all the price fall comes in the Jewel loan portfolio. So, NCLT, the recovery we have mentioned in the annual report, we have mentioned that. So, others what all is there we are taking it forward but you can be rest assured that every possible measure what all is needed is being taken, which is getting reflected in the right of recovery, what all is there. All of

you would have seen that for many years, it used to be in double digit and many low level double digits, 10 Crores, 20 Crores and 30 Crores and all. Now it is in three digits, 100, Crores, 200 Crores going. This is all the culmination of the efforts we are making continuously in the legal side, pushing side, OTS side, all are getting finally into this number. So you can be reassured about the team.

We are equally aware this money which is sunk needs to be recovered. What all is possible we will recover for the benefit of the bank. Now, FLDG. This NBFC, you people have been mentioning. So we are also well aware of the risks, what all are there. And the processing, assessment, everything is taken care of. And continuous monitoring is also there. And though the internal policy states 10% of the advances you can grow for NBFCs, we are between 5-6 and we used to be at 8% also. We have brought it down to 5.5%. So many of the exposures we got it down. The rest of them are being monitored closely. And wherever there is a co-lending opportunity where Reserve Bank of India has permitted on an end-to-end basis, which is digital. So there we have entered into FLDG. We are invoking the FLDG provision as for the norms and we are getting the money also. Now coming to the Forex business and income law. So we need to understand one point. Our bank's total advances around 8% used to be under the textile. Textile for the last three years is undergoing a very difficult phase. So one thing still how the bank is blessed is we did not have any sort of hits in the textile portfolio because that is the quality of the portfolio we have seen and the appropriate time when the things were bad, much in advance, we started sensing these issues and all, we started exiting the portfolio or at the material time when they require a helping hand, which can support them in coming out of the distress we have been doing. With all these things, all of you must be seeing our SMA numbers in the investor presentation, which includes the textile portfolio. So when you look at this portfolio and majority of the exports and imports have come down that has a bearing on the bank's business too. Now we can see green shoots in the textile business, which will come up but now what we are doing we are looking at many other industries which are export oriented and import oriented. So these sort of things also we are working on that we will work on this other income. We know very well Forex income is a good source of the other income.

Now coming to the maintenance of the ATM. ATMs I can tell you all our ATMs

which are off-site are covered under the e-surveillance. Centralized e-surveillance is going on and we have been taking measures to keep them clean, tidy, but now that some feedback has come we will engage with the e-surveillance providers also if they can provide us some sort of a feedback about the cleanliness of the ATMs we will work on that.

Our intention is our customers whenever they go and handle our ATMs they need to get a better experience. Thanks for the feedback for this. What else we need to do we will work on that.

Now coming to the compensation. Compensation we need to keep in mind. So bank has been going in a hybrid mode. Few of them have come from the CTC and a few of them the IBA model, but whoever is there unified the bank version of every staff member is the growth of the bank. So one good thing with the bank is the culture is so well integrated people have come from different organizations, different bank. At any point of time there is no rift that is a specialty of your organization. The culture played a major role and all and the integration was so good. In the process at certain levels we need to hire executives who meet the specific needs of the skill etc. Salaries of the executives hired for the market are continuously reviewed and competitive as well as efficient. So we always keep in mind majority of the benefits what we give in the bank. We have now benchmark everything the performance and productivity. Performance is the key and nothing else it can be transfers and promotions everywhere, everywhere so that way and even the ex gratia payment to the staff members is also linked to the productivity so that way sometimes where you get a feeling that these sort of skills are required for the bank to take the bank to the next level which currently the bank is not possessing you may have to pay something more. At that time again you cannot shirk saying that is a cost as earlier I explained in detail saying that investment and cost. Few skills, what all are required you may have to invest on that. Then only bank will be able to reap the benefit over a period of time. So rather than shirking to spend on this at this particular moment, we need to invest. We will invest for the benefit of the organization.

Now, competition existing customers to be retained. I totally agree with you, the relationship is the key and competition is so much and many times when we look

at it. What we are getting from other bank numbers are much much more than what we are losing. Yes, we are losing few customers. That is no doubt in it, but there are two aspects we need to keep in mind. So there are few customers where we ourselves feel you need to exit there. The exposure it is better you exit them so that tomorrow the bank may be confronted with a problem there and all. So that is the reason consciously we are exiting them. In few cases the rate of interest pricing suppose if you are offering a rate of interest of 7.6% on a time deposit and after that CRR and SLR you have to maintain, staff cost you have to maintain and the capital cost you have to maintain if a customer expects why you will not give me at 8.25. It is not good for the bank and good for the bottom line of the bank. And in the sake of relationship management, if we continue this sort of a thing and all, we will be doing injustice to the bank, which we cannot allow. Under those circumstances, though it is a very difficult call for the bank to take, we had to take a call because we had to strike a balance between the relationship management as well as the bottom line of the bank. So this is a point we have kept in mind, otherwise keeping the staff as well as the relationship is the primary responsibility of the bank, it is ingrained into the minds of every staff member.

Now coming to the branch expansion in Telangana and AP, so we will keep this particular point in mind and what we are doing is wherever these fast-growing districts and high-potential districts, as far as liabilities are concerned, we have identified those districts. Wherever we do not have presence in those districts, first of all, we are trying to cover those districts because you can reap the benefits faster. But in due course, we know very well these are the two states which are going to do well. And we will definitely keep that part in mind.

Now, coming to the strategy of the bank going forward. If you look at it in my inaugural speech itself, I spelt out clearly. So we have slowly moved from our corporate exposure of 37% which used to be there to around 19% 1. That does not mean saying that we will not grow in the corporate. It is a tactical strategy. Currently if you look at it your RAM portfolio will give you a better yield, granular, secured, and your ability to get this business now. Because many banks when they struggle, our bank has secured and procured this particular art and we need to get that benefit of this one. So that way we will proceed. But wherever a good opportunity is there in the corporate also will grow. So we will keep in mind

the margins as well as the business growth.

Now coming through, few of the individual customers whom we have told first of all Mr. Santosh Kumar Saraf, Sir, thank you very much for your point and all unclaimed shares you were mentioning about it. We have been doing our best for that and our branches are also contacting the shareholders wherever they are there. That is the reason the numbers have come down. We will continue and strive to further excel in this particular this thing and all.

Now coming to Mr. Palaniappan. Thank you very much for the compliments and other points you have addressed. So regarding the capital market QIP also you can raise, you have mentioned it, we agree but when the bank is in a growing phase and the bank is getting value. So ideally we need to give the benefit the first right of refusal to the existing shareholders. So that is the reason we thought that you may have to think of right or QIP what all is there and all for the dividend what I have told that was a reason and all these things will be evaluated the appropriate time. But what we thought when capital is not required currently we are able to manage with the current capital, there should not be any need for raising further capital now because we may be under utilizing the capital which is lying idle. So we have to be on the tightrope walk as far as capital is concerned. That is the reason we will gauge continuously as and when it is required. Definitely we will take the support of the shareholders or the QIP capital markets, what all is there, we will see that.

So now coming to Malayala Ramamirtham Sir what he has mentioned, trust and safety. Sir, we will keep that particular point in mind. That should be the fundamental principle which should drive us because we know very well we are working with the funds of the depositor. Every decision what we take has to be in basis of their trust and their safety. We will noted this particular point. We will work on those lines, Sir.

Now Mr. Sekar has mentioned about many points CIG, business have come low and all. So I have clearly explained saying that it is not the question of CIG business coming low and all, where the yields are very low. Many of the big customers, they are asking for 8-8.25 and all. There is no point in continuing there

and all. So that is the reason consciously we have taken a call. But that money has been used other side for getting 2% more yield on that. Overall, the bank got benefited out of this particular thing. And the currency chest in the north, noted. We will evaluate the position and all. If required, we will go for that. So next, you also told about the product knowledge. We have been continuously imparting the product knowledge to our staff members. We will continue to do that and coming to the PMD and the Neo. So we have shared the data also yesterday with you. You would have seen that Neo numbers are growing continuously in double digit and very well. They are growing and all the stress levels are also absolutely dismal. So that way anyhow having gone that experience now, we have dismantled that and we have merged with the bank. It is now an open market channel, which is within the bank and the head of Neo has become the retail assets head of the bank that way.

So now coming to Mr. Balaji, the bonus shares you mentioned and all, we have noted that point and I shared that. Mr. Sivaram Prasad, thank you very much for the compliments for the annual report, how it has come up and all. So Tier II repayment you have mentioned it. So we need to keep one point in mind, it's good to have that sort of a comfort of Tier II, but it's at a cost. When you are paying 11% odd on that, and when there is no need your existing capital is sufficiently supporting you, do we need to pay for that? By repaying that one, you are adding to the bottom line. So even if you raise the Tier II at this stage. You will be able to raise it a very cheaper price. Keeping all these points in mind, we chose to access the option, and we have repaid the Tier II capital. So this is for the clarity. So regarding losing the customers, you have mentioned it, I have clarified absolutely.

And regarding Mr. Reddeppa Gundluru thanks for your compliments on the good corporate governance. Corporate governance is the key. And every level, every level, right, from the board to every level, we will keep that point in mind because organization should run on its own, not by an individual. This point will be kept. I once again thank all of you for taking out time and going through our annual report and flagging these points and giving us the guidance to us. We will live to your expectations. Thank you very much.

Meena Hemchandra: Thank you, Shri Ramesh Babu, for your very detailed response to the issues raised by the shareholders. I now request Sri R. Ramkumar, Non-Executive, Non-Independent Director of the bank to propose a vote of thanks.

R. Ramkumar: Respected Chairperson, MD and CEO, my colleagues on the board, past directors, our beloved employees, esteemed shareholders, ladies and gentlemen good afternoon to all. I have a pleasurable task in this AGM saying thanks. So let me begin by thanking our Chairperson for having given me this wonderful opportunity of extending – vote of thanks. Friends, first and foremost, I remember with gratitude and thank our founding fathers and architects of this institution, Shri M.A. Venkatarama Chettiar and Shri Adhi Krishna Chettiar for their foresight and dedication in building this enduring organization.

I also thank the former directors and past senior management of the bank for shaping up this institution as what it is now. Our chairperson has conducted the proceedings of this meeting in her unique and iconic style, something inherited from her years of rich experience. Madam, your opening address precisely highlighted the positive strides made by the bank on various fronts through consistent and credible progress. I thank you for your steady hand in guiding the affairs of our bank. I am grateful to our MD and CEO for his comprehensive commentary about the bank's performance during the year. I cannot recuse myself from mentioning his enthusiasm in taking up shareholders' queries and going the extra mile to explain the rationale behind his thoughts. I express sincere thanks to my colleagues in the Board for their collective wisdom and wise counsel in shaping up the future of our bank. I whole heartedly thank our senior management team for their incessant efforts and motivating their teams in transforming the board's vision into reality. I also thank our employees across the rank and file for their dedication and hard work. Friends, change is always around the corner. It depends on how you prepare for it. Some proactively invited and some reacted to it only when it comes knocking. We have proactively embraced changes from digitizing our lending process, diversifying into multiple delivery channels, partnering with Fintechs, expanding our reach through business correspondence, to name a few. We are continuously looking deep across the bank, vertical by vertical, technology by technology, and introspect ourselves about the long-term potential of each initiative. So I can say with conviction that we are future ready. Being future ready

traverses beyond planning and devising strategies. It necessitates to prepare the organization for potential changes in customer behavior, new business models, technological disruptions, unexpected changes in competitive landscape, regulatory changes to continue to create value for shareholders. We remain agile, resilient, and prepared to handle any external uncertainties, and we are future ready. It is my duty to extend the gratitude for the continued support of all the customers of the bank. I express my sincere gratitude to our shareholders for their unstinted support. I take this opportunity to thank Reserve Bank of India, SEBI, central and state governments, MCA, NSE, BSE, depositories, other regulators and business partners for their valuable support.

I also thank the representatives of corporates, FIIs, mutual funds, insurance company and other stakeholders. I thank our present statutory auditors, M/s R.G.N. Price & Co and M/s Sundaram & Srinivasan. I also thank M/s. Kalyaniwalla & Mistry LLP and M/s. Varma & Varma for consenting to act as Joint Statutory Auditors of our bank. I also thank our secretarial auditors, M/s. S.A.E. & Associates LLP and scrutinizer of this Annual General Meeting, M/s Bapulal Yasar & Co. My sincere thanks and appreciation to my team, media and all service providers including NSDL, VC now for providing this technological platform. I will end where I began. With a big thank you for your support. I sincerely thank you all for setting aside your busy schedule and sparing your valuable time for participating in this meeting. I once again thank you ladies and gentlemen for your patience and time.

Meena Hemchandra: Dear shareholders, as I have already mentioned, I request the members who have not voted already through e-voting may cast their votes in the NSDL platform. E-voting facility at AGM will be available up to 15 minutes from the conclusion of this meeting. I request all now to rise for the national anthem please.

[National Anthem]

I declare that 105th Annual General Meeting of the Bank as concluded.