

Corporate Governance Report

PHILOSOPHY OF CORPORATE GOVERNANCE

Corporate Governance is a set of rules, practices and processes on which an entity is directed and controlled. It places a framework for effective management, conduct business in an ethical and responsible manner, greater transparency, timely financial reporting, compliance and controls in place so that the interests of all stakeholders (shareholders, debenture holders, depositors, customers, employees, suppliers, community, etc.,) are safeguarded.

Banks play a vital role in the economy by intermediating funds from savers and depositors to activities that support enterprise and help to drive economic growth. A well-defined framework of corporate governance is very important for proper functioning of the banking sector and the economy as a whole.

Corporate Governance



Your Bank is committed towards achieving the highest standards of Corporate Governance by adhering to the guidelines issued by the regulators from time to time. The Board of Directors of your Bank oversees the functioning of the Bank and ensures the effective management, complete transparency, integrity & fairness, disclosures & compliance, accountability and responsibility towards the depositors & other stakeholders.

Corporate Governance Structure

- 
Board of Directors
 Responsible for Corporate Governance, provides strategic guidance and maintains oversight on the functioning of the Bank.
- 
Committees of the Board
 Acts in accordance with the terms of reference that require focused attention.
- 
Leadership Team
 Ensures effective implementation of policy related decisions taken by Board/Committees and provides updates regularly.

With emphasis on achieving the highest standards of Corporate Governance, the Board of directors of your Bank has implemented best practices in Corporate Governance by framing the “Corporate Governance Policy”. The Policy was framed taking into account the relevant statutory provisions under the Banking Regulation Act, 1949, the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI LODR’), circulars and other guidelines issued by the regulators from time to time. The Corporate Governance Policy is also available at the website of the Bank at <https://www.kvb.co.in/docs/corporate-governance-policy.pdf>.

BOARD COMPOSITION

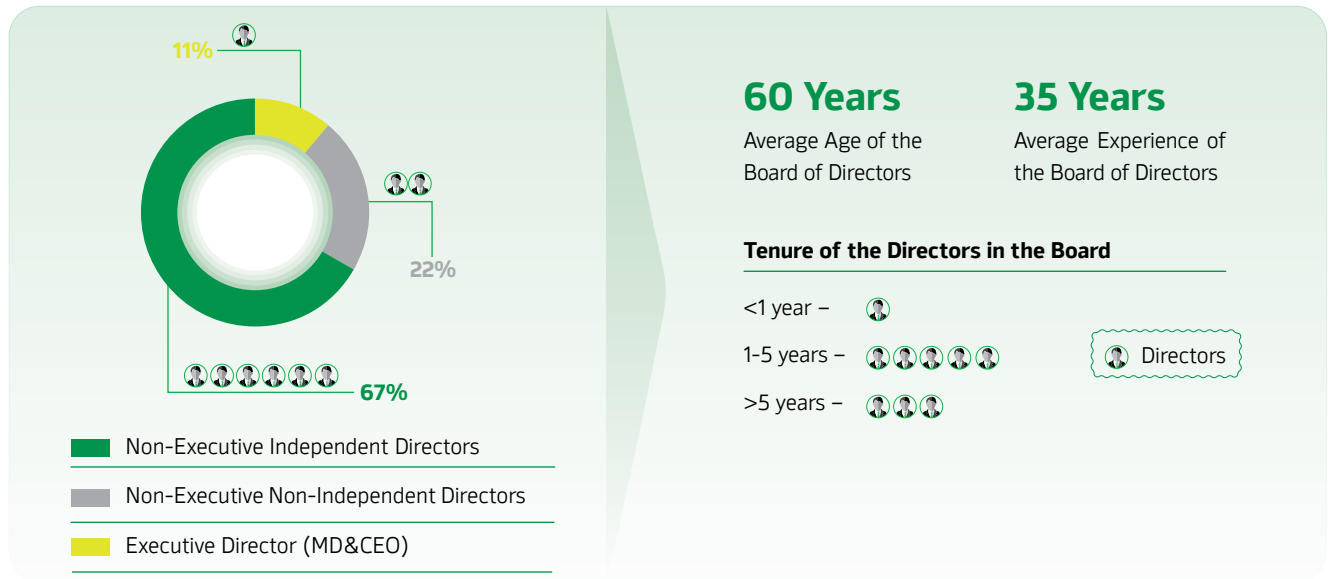
The Board of the Bank is governed and constituted in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, provisions of Section 10A(2) of the Banking Regulation Act, 1949, SEBI LODR, the Articles of Association of the Bank, the extant guidelines issued by the Regulators from time to time in accordance with the best practices in Corporate Governance.

Board has Nine Directors as on the date of report, with a balanced combination of Six Non-Executive Independent Directors (including One Woman Non-Executive Independent (Part-time) Chairperson), One Executive Director (MD &CEO) and Two Non-Executive Non-Independent Directors with diverse skills relevant for the Banking Business in tune with Board Diversity policy of the Bank. Independent Directors constitute more than Sixty Five percentage of Board’s total strength.

Board of the Bank is chaired by Dr Meena Hemchandra, Non-Executive (Part-time) Chairperson, who is an Independent Director.

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Composition of Board (As on Date)



Policy on Board Diversity






























Your Bank always recognises and embraces the importance of diverse knowledge, skill-set, experience and expertise in the Board for it to function effectively. Bank has formulated and adopted 'Board Diversity Policy' covering all the aspects of Board composition, skill sets, diversification of the Board of Directors as required under the Companies Act, 2013, SEBI LODR, the Banking Regulation Act, 1949 and other regulatory and business requirements. Diversity is ensured by considering a number of factors, including but not limited to age, gender, independence, ethnicity, educational and functional background, industry experience, differences in thought and geography. Nomination and Remuneration Committee shall take into consideration any other aspect that may be necessary to consider.

In line with the relevant provisions of the Banking Regulation Act, 1949, SEBI LODR, the Companies Act, 2013 and relevant circulars issued by RBI from time to time, Board of Directors shall possess the Core Skills/Practical Expertise/Special Knowledge/Competencies, viz.,





















Accountancy	Economics	Banking	MSME
Law	Agriculture & Rural Economy	Human Resources	Finance
Risk Management	Strategic Planning	Business Management	Information Technology
Payment & Settlement Systems	Treasury Operations	Credit Recovery	Marketing
Any other field of expertise as deemed appropriate for the Bank's business from time to time			

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The details of core skills/expertise/competence and directorship in other companies possessed by the Board of Directors of the Bank as on this date of report:

<p>Dr Meena Hemchandra¹ Non-Executive Independent (Part-time) Chairperson</p>		<p>Economics</p>		<p>Banking</p>		<p>Agricultural and Rural Economy</p>		<p>Finance</p>		<p>Business Management</p>		<p>Treasury Operations</p>
		<p>Payments & Settlements System</p>		<p>Information Technology</p>		<p>Cyber Security</p>		<p>Risk Management</p>		<p>Supervision</p>		<p>Business Analytics</p>
<p>Shri B Ramesh Babu Managing Director and Chief Executive Officer</p>		<p>Accountancy</p>		<p>Banking</p>		<p>Human Resources</p>		<p>Payments & Settlements System</p>		<p>Strategic Planning</p>		<p>Treasury Operations</p>
<p>Shri M V Srinivasamoorthi Non-Executive Non-Independent Director (Promoter)</p>		<p>Business Management</p>		<p>MSME</p>								
<p>Dr K S Ravichandran Non-Executive Independent Director</p>		<p>Accountancy</p>		<p>Audit</p>		<p>Credit Recovery</p>		<p>Governance</p>		<p>Law</p>		<p>MSME</p>
<p>Shri R Ramkumar Non-Executive Non-Independent Director (Promoter Group)</p>		<p>Business Management</p>		<p>Finance</p>		<p>Human Resources</p>						

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<p>Shri K G Mohan</p> <p>Non-Executive Independent Director</p>	 Business Management	 Cyber Security	 Information Technology	 MSME		
<p>Dr Harshavardhan R²</p> <p>Non-Executive Independent Director</p>	 Strategic planning	 Risk Management	 Business Management	 Payments & Settlements System		
<p>Shri Murali Ramaswami³</p> <p>Non-Executive Independent Director</p>	 Banking	 Credit	 Finance	 Accountancy	 Marketing	 Payments & Settlements System
<p>CA Chinnasamy Ganesan⁴</p> <p>Non-Executive Independent Director</p>	 Accountancy	 Finance	 Information Technology	 Cyber Security	 Audit	 Taxation

¹ Having a Directorship and is a member of Committee in one Unlisted Public Limited Company in addition to this Bank.

² Having a Directorship and is a member of Committee in one Unlisted Public Limited Company in addition to this Bank.


³ Having a Directorship in a Listed Company - Can Fin Homes Limited and is member & chairman of a Committee of the Company in addition to this Bank.

⁴ CA Chinnasamy Ganesan is co-opted as an Additional Director of the Bank on April 25, 2023. Subsequently, he was appointed as Non-Executive Independent Director w.e.f. April 25, 2023 by shareholders vide Postal Ballot resolution passed on June 30, 2023. He has Directorship in a Debt Listed Company - Belstar Microfinance Limited and member of two Committees & Chairman of one Committee of the Company in addition to this Bank.

None of the Directors are member of more than ten Board level Committees and Chairman of more than five Committees across all listed and unlisted public limited Companies. For the purpose of considering the limit of Membership and Chairpersonship in the listed and unlisted Public Limited Companies, Audit/Stakeholder Relationship Committee, have been considered as per Regulation 26(1)(b) of SEBI LODR.

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PROFILE OF BOARD OF DIRECTORS

 Dr Meena Hemchandra DIN: 05337181 Non-Executive Independent (Part-time) Chairperson	Qualification: M.A., (Economics), Ph.D.,(Economics), EDP on Advanced Risk Management for Leadership Roles - Wharton (USA), CFA (India), C.A.I.I.B.,	Experience: Career Central Banker with four decades of Experience & Retired Executive Director of RBI	Sectorial Representation on the Board: Economics, Banking, Agricultural and Rural Economy, Finance, Business Management, Treasury Operations, Payments & Settlements System, Information Technology, Cyber Security, Risk Management, Supervision and Business Analytics ("Majority Sector")
	Date of Appointment: 26.05.2022	Tenure on Board: > 1 Year	No of Shares held: 2,500

Dr Meena Hemchandra is a career central banker with Four decades of experience in various departments of Reserve Bank of India. She was Executive Director of Reserve Bank of India in-charge of Supervision of Banks, Non-Banking Finance Companies and Cooperative Banks from June 2015 till her superannuation in November 2017. Her earlier experience includes treasury management, having headed the Department of External Investment and Operations (a department that manages the country's forex reserves) between 2005 and 2011. She also has expertise in foreign exchange regulations having worked in the Foreign Exchange Department at various points in her career. She has in-depth understanding of corporate governance and corporate balance sheets having worked in departments relating to large corporate finance, supervision over banks and from her long board tenures. Her Board experience of over nine years includes Reserve Bank of India nominee directorship on the Boards of Union Bank of India, Canara Bank and ECGC. She also held directorial positions with Suryoday Small Finance Bank Limited and CFM ARC Pvt. Ltd post retirement. Presently, she is an independent director on the Board of Clearing Corporation of India Limited.

She has strong skills in IT governance having established the 'Standing Committee on Cyber Security in Banks' in RBI and being its first Chairperson. She oversaw the framing of RBI guidelines on cyber security in June 2016.

She had also been the Principal of the Reserve Bank's College of Agricultural Banking organising training courses in Agriculture and Rural Credit, Co-operative Banking, Financial Inclusion, Financial Literacy, etc.

She advises on banking sector regulation, financial matters and cyber-security/IT governance in banks.

Dr Meena Hemchandra holds Bachelor of Arts (Economics) from Calcutta University; Master of Arts (Economics) from Madurai Kamaraj University; PhD in Economics from Gokhale Institute of Politics and Economics, Pune (Thesis-'An Early Warning Framework for Financial Stress'). Her executive education includes EDP on Advanced Risk Management from Wharton (USA), CFA (Chartered Financial Analyst) (India), CAIIB, Diploma in C++ Programming from CMC, and 1-year PG programme (online) in Data Science and Business Analytics (University of Texas-Austin/Great Lakes Institute-Delhi).

She was appointed as Non-Executive Independent (Part-time) Chairperson of the Bank for a period of three (3) years from the date of taking charge as approved by Reserve Bank of India. She had taken charge on July 25, 2022.

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Shri B Ramesh Babu

DIN: 06900325

Managing Director and
Chief Executive Officer

Qualification:

M. Com., (with specialization in Banking); C.A.I.I.B., Diploma in International Factoring by Factors Chain International, Netherlands.

Date of Appointment:

29.07.2020

Experience:

An astute Banker with four decades of all-round experience

Tenure on Board:

~3 Years

Sectorial Representation on the Board:

Accountancy, Banking, Human Resources, Payments & settlements systems, Strategic Planning and Treasury Operations ("Majority Sector")

No of Shares held:

38,635

Shri B Ramesh Babu is a Strategic planner with comprehensive managerial acumen, offering varied experience in Banking and excelled in every assignment creating high performance organisation through various successful HR initiatives and Relationship Management. He has deeper Analytical skills, Managing Crisis effectively, Strong abilities for goal setting, executing result oriented strategic initiatives even under high stress scenarios and tight timelines. He is a Postgraduate in Commerce from Andhra University, Waltair and a Certified Associate of the Indian Institute of Bankers. He has expertise in "International Factoring" with hands on experience in handling Payment and Settlement Systems and passed with Distinction "Diploma in International Factoring" conducted by Factors Chain International, Netherlands.

He was Ex-Deputy Managing Director & Chief Operating Officer in State Bank of India and has experience of developing and overseeing

the Retail Business and Banking Operations for more than 21,000 retail branches and 1,20,000 other touch points of the Bank (ATMs/ Customer Service Points) successfully. He has extensive experience in redressing painpoints in Customer Service-related areas and furthering Financial Inclusion by actively leveraging the services of Business Correspondents in SBI.

He was actively involved in Direction setting and Policy formulation by participating in various apex committees of State Bank of India. He has successfully headed the whole business and operations of 1,300 Branches of Chennai Circle of SBI (Branches in Tamil Nadu and Pondicherry) for three years with excellent understanding of business dynamics and man management. He has also vast experience as a Director on the Boards of five Associate Banks of SBI and Invitee on to the Boards of Non-Banking Subsidiaries.



Shri M V Srinivasamoorthi

DIN: 00694618

Non-Executive
Non-Independent Director

Qualification:

B.Sc., (Chemistry)

Date of Appointment:

27.08.2015

Experience:

More than three decades of experience in Export of Garments

Tenure on Board:

> 7.5 Years

Sectorial Representation on the Board:

Business Management and MSME ("Majority Sector")

No of Shares held:

2,28,980

Shri M V Srinivasamoorthi is one of the Promoters of the Bank. He is a graduate in Chemistry. He is an exporter of readymade garments

and home textiles for more than three decades. He also has the wide knowledge in Small Scale Industry sector.

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 <p>Dr K S Ravichandran DIN: 00002713 Non-Executive Independent Director</p>	Qualification: M.Com., F.C.S., L.L.B., Ph.d., Diploma in Electronics & Radio Communication Engineering, and Diploma in Technology	Experience: Expert in Company Laws, Securities Laws and FEMA etc., having around three decades experience as practicing Company Secretary and his areas of specialisation include governance, Board process, corporate restructuring, and dispute resolution, IPRs, Mergers & Acquisitions and IBC etc.,	Sectorial Representation on the Board: Accountancy, Audit, Credit Recovery, Governance, Law and MSME ("Majority Sector")
	Date of Appointment: 26.05.2016	Tenure on Board: > 7 Years	No of Shares held: 3,248


Dr K S Ravichandran holds Masters in Commerce, Bachelors in Law, Fellow Member of the Institute of Company Secretaries of India, Diploma in Electronics and Radio Communication Engineering and Diploma in Technology. He was awarded doctorate from the Department of Management, Alagappa University on Prosecution of Directors under Company Law and Criminal Law in India & UK. He is the Founder and Managing Partner of M/s KSR & Co Company Secretaries LLP.

He is a Specialist in Mergers, Acquisitions, Joint Ventures, Transaction Advisory Services, Insolvency and Bankruptcy Code, 2016 and Preparing, filing and arguing Cases before Tribunals such as Company Law Board, Intellectual Property Appellate Board, Competition Appellate Tribunal, Arbitral Tribunals. He regularly appears before the NCLT, the NCLAT and the IP Appellate Tribunal. Many cases argued by him have been reported in leading law journals. He was one of the longtime members of the Secretarial Standards Board of the Institute of Company Secretaries of India (ICSI).

He was a member of the expert sub-group constituted by MCA to study the Companies Act, 2013 provisions. He is a member of

International Association for Protection of Intellectual Property Rights - AIPPI; also a member of INSOL International, a global organisation of corporate insolvency professionals, Corporate and Banking Affairs Council of the Bangalore Chamber of Industry and Commerce and Chartered Institute of Arbitrators. He is nominated as the Chairman of ASSOCHAM's Southern Regional Council on IBC for the States of Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Pondicherry. He is also a Member of the Society of Insolvency Practitioners. He has authored more than 1000 Articles and 11 books and addressed in more than 500 seminars, workshops and conferences.


He has addressed many seminars/conferences with respect to MSME related issues. He was special panel speaker for ASSOCHAM's conference on "Tamil Nadu: Towards a Trillion Dollar Economy by 2030 - Evolving an Enabling Ecosystem" related to importance of MSMEs in ESG value chain. He is actively involved in MSME business advisory. He has made several representations to the MSME Secretary on behalf of Government of Karnataka with respect to MSME related issues.

 <p>Shri R Ramkumar DIN: 00275622 Non-Executive Non-Independent Director</p>	Qualification: B.C.S., M.B.A (Human Resources)	Experience: Having more than a decade of experience in Textile Business and also has a business interest in certain finance firms	Sectorial Representation on the Board: Business Management, Finance and Human Resources ("Minority Sector")
	Date of Appointment: 25.06.2018	Tenure on Board: > 5 Years	No of Shares held: 22,34,969

Shri R Ramkumar hails from the promoter's family. He has Completed Bachelor of Arts in Corporate Secretaryship (B.C.S.) from Loyola College, Chennai and master's in business administration (M.B.A.) in

Human Resources. He has rich experience in the business of textiles and export of home textiles. He has widely travelled overseas for his export business and also has a business interest in certain finance firms.

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 <p>Shri K G Mohan DIN: 08367265 Non-Executive Independent Director</p>	Qualification: B.Tech (Chemical Engineering) - IIT Madras, Post Graduate Diploma in Industrial Engineering.	Experience: More than four decades of corporate working experience with large multinationals as well as independent technology professional post retirement	Sectorial Representation on the Board: Business Management, Cyber Security, Information Technology and MSME ("Majority Sector")
	Date of Appointment: 01.02.2020	Tenure on Board: > 3 Years	No of Shares held: 2,500

Shri K G Mohan is a senior Information Technology professional with hands on experience in business management and transformation exercise, strategic deployment and cyber security framework using technology in various business processes to organisations. He mixes sharp business sense and experienced leadership skills with international operating experience in strategic IT Business value delivery.

He is an IIT Madras alumni with a PGDIE from NITIE. He held varied global IT leadership positions at FMCG giant Unilever for 27 years and subsequently at Healthcare leader Johnson & Johnson for 4 years.

At Unilever he held the positions of VP IT, VP IT & CIO for South Asia / Africa and Global VP IT for Networking and Telecommunication. At J&J, he was the VP IT and CIO for Asia Pacific, working out of Singapore.

He was a Member of Asia Pacific Business Board for J&J Medicals and a Member of Global IT Leadership Teams at Unilever and Johnson & Johnson. He has led several business transformation exercises using

technology, renegotiated global contracts, set up shared service facilities and developed global IT Teams across countries.

Currently, he is the Managing Partner of ASIMA Consulting LLP providing consulting inputs in the strategic deployment of technology to various organisations. He is also a Partner with Social Venture Partner Philanthropy Foundation and works for enhancing livelihood for the under privileged.

Expertise includes, Transforming business by leveraging appropriate technology, Developing IT Strategy and implementation roadmap, Conceiving and setting up shared business processes and technology capabilities, Partnering with CXOs to innovate business solutions, Evaluating IT capabilities for due diligence in M&As and Mentoring technology teams to enhance their impact.

He has experience in providing advisory to MSME registered entities in Information Technology space. As an IT consultant, he regularly deals with technology related issues in MSME sector.

 <p>Dr Harshavardhan R DIN: 01675460 Non-Executive Independent Director</p>	Qualification: B.E., (Mechanical Engineering), M.B.A., - IIM Kolkata, M.S. (Quantitative Finance), Ph.D., (Business Economics & Strategy).	Experience: Around three decades of experience in Management Consultancy	Sectorial Representation on the Board: Strategic Planning, Risk Management, Business Management and Payments & settlements systems ("Majority Sector")
	Date of Appointment: 30.07.2020	Tenure on Board: ~ 3 Years	No of Shares held: 2,500

Dr Harshavardhan R is an Independent business advisor. He was Senior Advisor to leading international management consulting firm Bain & Company and led its financial services practice in India. He joined Bain in 2010 after spending over 14 years with other

international consulting firms including the Boston Consulting Group and Arthur Andersen. He has also worked in the Banking industry for about 2 years as an analyst and trader. He has worked primarily in the financial services - Banking - retail and corporate, private banking

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and wealth management, insurance, asset management and so on, where he has advised top management of companies in India, North America, Europe, South East Asia and Greater China, on issues of strategy, operations, organisation, risk management, etc. He has hands on experience in management consultancy and his key works include the areas of corporate finance, valuations, Banking/financial services operations viz; process reengineering, cost rationalisation, Business management and payment & settlement systems, etc., private equity and strategic investors, strategic due diligence, etc. He is also Board member of National Commodity Clearing Limited which is responsible for clearing and settlement services of all trades executed on the exchange and provide transparent risk management platform for the collective benefit of the agriecosystem.

He is actively involved in policy making related to financial services in India and was a member of the Banking Working Group of the Financial Services Legislative Reforms Commission (FSLRC) set up

by the Government of India as well as the Dr. P J Nayak Committee on Governance in Banking set up by the RBI. He chaired the committee appointed by the RBI in 2019 to review securitisation for housing finance. He has served on CII National Committees for Private Equity, Regulatory Affairs and Commodity Markets. He regularly contributes articles and is quoted frequently in business media on important sector issues.

He is a frequently invited speaker at conferences organised by Confederation of Indian Industries (CII), the Indian Banks Association (IBA), Indian Merchants Chambers, Reserve Bank of India (RBI), etc., as well as in business schools. He regularly contributes to articles in academic and business journals. He has a Bachelor degree in Mechanical Engineering from VNIT Nagpur followed by an MBA from IIM Kolkata, and an MS in Quantitative Finance and PhD in Business Economics & Strategy from the Smith School of Business at the University of Maryland, USA.



Shri Murali Ramaswami

DIN: 08659944

Non-Executive
Independent Director

Qualification:

B.Com., M.B.A., AICWA.,
C.A.I.I.B., DBF(ICFAI)

Experience:

Seasoned banker having wide
experience for more than three
decades

Sectorial Representation on the Board:

Banking, Credit, Finance,
Accountancy, Marketing,
Payments & Settlements System,
Information Technology and
Treasury Operations
("Majority Sector")

Date of Appointment:

14.06.2022

Tenure on Board:

>1 Year

No of Shares held:


2,600

Shri Murali Ramaswami is a seasoned banker having wide experience for more than Three decades. He started his career in 1984 and he was involved in various facets of Banking sector essentially in Credit, Treasury, International Operations, Cash Management, Integration Management, Digital Banking and Information Technology Initiatives. He started his career in banking domain with Vijaya Bank, during the span of 30 years in Vijaya Bank, he rose to the position of Executive Director. In his career at Vijaya Bank, he held important positions in Credit, Operations and also as CFO of the bank. He has also worked as an Executive Director in Bank of Baroda during the year 2019-2020. He served as a nominee director in M/s India Infra

Debt Ltd and M/s BOB Capital Markets Ltd during his tenure in Bank of Baroda. Shri Murali Ramaswami is well versed with all areas of Banking Sector. Further, he was an Independent Director in Deccan Finance Limited and presently, he is an Additional Director (under Independent) in Can Fin Homes Limited.

Shri Murali Ramaswami is a B.Com graduate from Madras University, AICWA from the Institute of Cost & Works Accountants of India, DBF from the Institute of Chartered Financial Analysts of India, CAIIB from the Indian Institute of Bankers, MBA from University of Madras - Specialised in Corporate Finance, Foreign Trade & Market research.

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 <p>CA Chinnasamy Ganesan DIN: 07615862 Non-Executive Independent Director</p>	Qualification: B.Com., FCA., DISA (ICAI)	Experience: More than three decades of experience in the area of audit.	Sectorial Representation on the Board: Accountancy, Finance, Information Technology, Cyber Security, Audit and Taxation ("Majority Sector")
	Date of Appointment: 25.04.2023	Tenure on Board: <1 Year	No of Shares held: 2,500

CA Chinnasamy Ganesan is a Chartered Accountant having more than three decades of experience in the area of audit. He handled Indian and multi-national clients in automotive, auto ancillary, IT/ ITES, BPOs, KPOs, telecom, industrial markets, consumer markets, pharma/ healthcare, transport/ logistics, shipping management, BSRE, oil and gas, plantation, banking, financial services and insurance sector. He was the lead partner for many Indian and multi-national companies and carried out audits, advisory on international financial reporting, taxation, due diligence and other assurance services.

He has more than 25 years of extensive knowledge and experience in carrying out bank audit and in training bank officials in financial reporting. He specialises in Financial Reporting (including Ind AS, IFRS and US GAAP), Company law matters, audit and taxation and

was conferred Honorary Doctorate ("honoris causa") in International Financial Reporting Standards for his extensive contribution to Ind AS and IFRS by a renowned foreign university

He is an active resource person for Regional Training Institute of Comptroller and Auditor General of India, Staff training college of Indian Bank, Indian Overseas Bank, Reserve Bank of India and several other banks. He was an Independent Director in board of directors of RailTel Corporation of India Limited, a Mini-Ratna Public sector undertaking under the Ministry of Railways. He is also a Non-Executive Independent Director of Belstar Microfinance Limited.

The brief profile of the Directors of the Bank is also available on the website of the Bank at www.kvb.co.in.

AFFIRMATION BY INDEPENDENT DIRECTORS

Pursuant to section 149(7) read with 149(6) of the Companies Act, 2013 and regulation 25(8) read with regulation 16(1)(b) of the SEBI LODR, all Independent Directors of the Bank have submitted the declaration that they have met the criteria of Independence. Based on the declaration received from the Independent Directors, the Board of Directors have assessed and confirmed that they are independent of the management & fulfil the conditions specified in the Companies Act, 2013 and SEBI LODR.

In terms of the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Bank have enrolled their names in the online databank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Dr Meena Hemchandra, Dr K S Ravichandran, Shri K G Mohan, Dr Harshavardhan R and CA Chinnasamy Ganesan, Non-Executive Independent Directors of the Bank, have qualified the online proficiency self-assessment test for Independent Director's Databank.

Independent Director who has not completed the online proficiency self-assessment test have undertaken to comply with the requirements relating to passing of online proficiency self-assessment test, as applicable to him, within the timelines prescribed in the said Rules.

Terms and Conditions for Appointment of Independent Directors

A formal letter of appointment is issued by the Bank to the newly appointed Director containing, inter alia, the terms and conditions of his/her appointment. Independent Directors' tenure is fixed in terms of the provisions of the Companies Act, 2013 and Section 10A(2A)(i) of the Banking Regulation Act, 1949 and/or by the shareholders/ Board. Terms and Conditions for appointment of Independent Directors are available on the website of the Bank at <https://www.kvb.co.in/investor-corner/>

FAMILIARISATION PROGRAMMES

The familiarisation programmes intend to provide an introductory orientation to the newly inducted Directors to enable them to familiarise the functioning of the Bank so as to gain a clear

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understanding of their roles, rights and responsibilities for the purpose of contributing significantly towards the growth of the Bank.

Bank also nominates the Directors to attend relevant external training programs which are conducted by the Regulatory/Reputed Institutions. During the year, Directors are offered with opportunity to attend the programmes conducted by FICCI, IDRBT, CAFRAL and other reputed institutions.

Further, newly inducted Independent Directors were familiarised with policies and procedures of the Bank. During the financial year 2022-23, Independent Directors have attended 32 hours of familiarisation programs. The details of such familiarisation programmes attended by the Directors are available on the website of the Bank at <https://www.kvb.co.in/docs/disclosure-on-familiarisation-programmes-for-board-of-directors.pdf>

RESIGNATION OF INDEPENDENT DIRECTOR

None of the Independent Directors resigned during the financial year 2022-23.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

None of the Directors of the Bank are related to each other.

DIRECTORS AND OFFICERS INSURANCE

Pursuant to the regulation 25(10) of SEBI LODR, Bank had undertaken Directors and Officers insurance ('D & O insurance') for all its Directors, including Independent Directors, for a quantum and risks as determined by the Board of Directors of the Bank from time to time.

BOARD PROCEDURE

The meeting of the Board and its Committee are scheduled well in advance and the information including date, time and place of the meetings are circulated to all Directors as per the Secretarial Standards. The Meetings of the Board and its Committees are governed by a structured agenda. The Board agenda and Memorandum/Notes thereof backed by comprehensive background information are sent to the Board of Directors in compliance with the

provisions of the Companies Act, 2013, Secretarial Standards and SEBI LODR. The Memorandum/Notes contains all complete relevant information related to the requests of the Departments to facilitate open and substantive deliberations. The respective Department Heads of the Bank are special invitees to the Meeting to provide any explanations related to the Notes and seek feedback from the Board if any. On every Board Meeting, Board is briefly informed about recent activity, initiatives, key events, etc., in the Bank and Chairperson of the respective Committees of the Board also present a verbal summary of key points discussed at the Committee Meetings. Further, video conferencing facility is also used effectively to facilitate participation of Directors, who are unable to attend the meetings in person, complying with the provisions of Companies Act, 2013 and SEBI LODR. The Board of Directors follows highest degree of business ethics, transparent practices, governance and cordial environment in the Board.

In case of exigency or urgency of matters, Board and its Committee also pass the resolutions by circulation. Data required by the Directors and clarifications, if any, are provided for informed decision making. Resolutions passed by circulation are noted in the next meeting as required under the Companies Act, 2013.

The Minutes of the Board and its Committees are circulated to all the Board and Committee members for their comments/ confirmation within the time lines prescribed in accordance with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI). The Bank has in place a post meeting follow-up procedure, which will track the observations/decision taken by the Board/Board Level Committee meeting till the closure of such observations/decision. An Action Taken Report (ATR) is being placed before the Board/Board Level Committee on regular intervals.

The Board has established procedures to periodically review compliance report pertaining to all laws applicable to the Bank as well as steps taken by the Bank to rectify instances of non-compliance, if any.

BOARD MEETINGS

During the financial year 2022-23, 15 Board Meetings were held and the maximum time gap between any two meetings was not more than 120 days. The dates of the meetings are mentioned below:

27/04/2022	20/05/2022	26/05/2022	14/06/2022	04/07/2022	25/07/2022	29/08/2022	22/09/2022
21/10/2022	22/11/2022	08/12/2022	07/01/2023	23/01/2023	18/02/2023	15/03/2023	

Corporate Governance Report

The details of attendance of each Director at the Board meetings held during the period 01st April 2022 to 31st March 2023 are mentioned below along with Attendance details at last AGM of the Bank held through VC/OAVM:

Name of the Director Sarvashri	Category	No of Meetings during his/ her tenure		Attendance at last AGM (03.08.2022)
		Attended / Conducted	% of Attendance	
Dr Meena Hemchandra	Non-Executive Independent (Part-time) Chairperson	12/12	100	Yes
B Ramesh Babu	Managing Director & Chief Executive Officer	15/15	100	Yes
M V Srinivasamoorthi	Non-Executive Non-Independent Director	14/15	93	Yes
Dr K S Ravichandran	Non-Executive Independent Director	14/15	93	Yes
R Ramkumar	Non-Executive Non-Independent Director	15/15	100	Yes
K G Mohan	Non-Executive Independent Director	14/15	93	Yes
Dr Harshavardhan R	Non-Executive Independent Director	15/15	100	Yes
Murali Ramaswami	Non-Executive Independent Director	11/11	100	Yes
N S Srinath ¹	Non-Executive Independent (Part-time) Chairman	3/3	100	NA
Dr V G Mohan Prasad ²	Non-Executive Independent Director	4/4	100	NA
M K Venkatesan ³	Non-Executive Non-Independent Director	11/11	100	Yes
A K Praburaj ³	Non-Executive Non-Independent Director	11/11	100	Yes
CA K L Vijayalakshmi ⁴	Non-Executive Independent Director	15/15	100	Yes

¹ Shri N S Srinath, Non-Executive Independent (Part-time) Chairman of the Bank demitted office at the close of office hours on 26th May 2022, consequent to completion of his tenure.

² Dr V G Mohan Prasad, Non-Executive Independent Director of the Bank demitted office at the close of office hours on 14th June 2022, consequent to completion of his tenure.

³ Shri M K Venkatesan and Shri A K Praburaj, Non-Executive Non-Independent Directors of the Bank demitted office at the close of office hours on 08th December 2022, consequent to completion of their tenure.

⁴ CA K L Vijayalakshmi, Non-Executive Independent Director of the Bank demitted office at the close of office hours on 21st March 2023, consequent to completion of her tenure.

Shri Srinivasa Rao Maddirala, Company Secretary & Deputy General Manager acts as the Secretary to the Board and all its Committees.

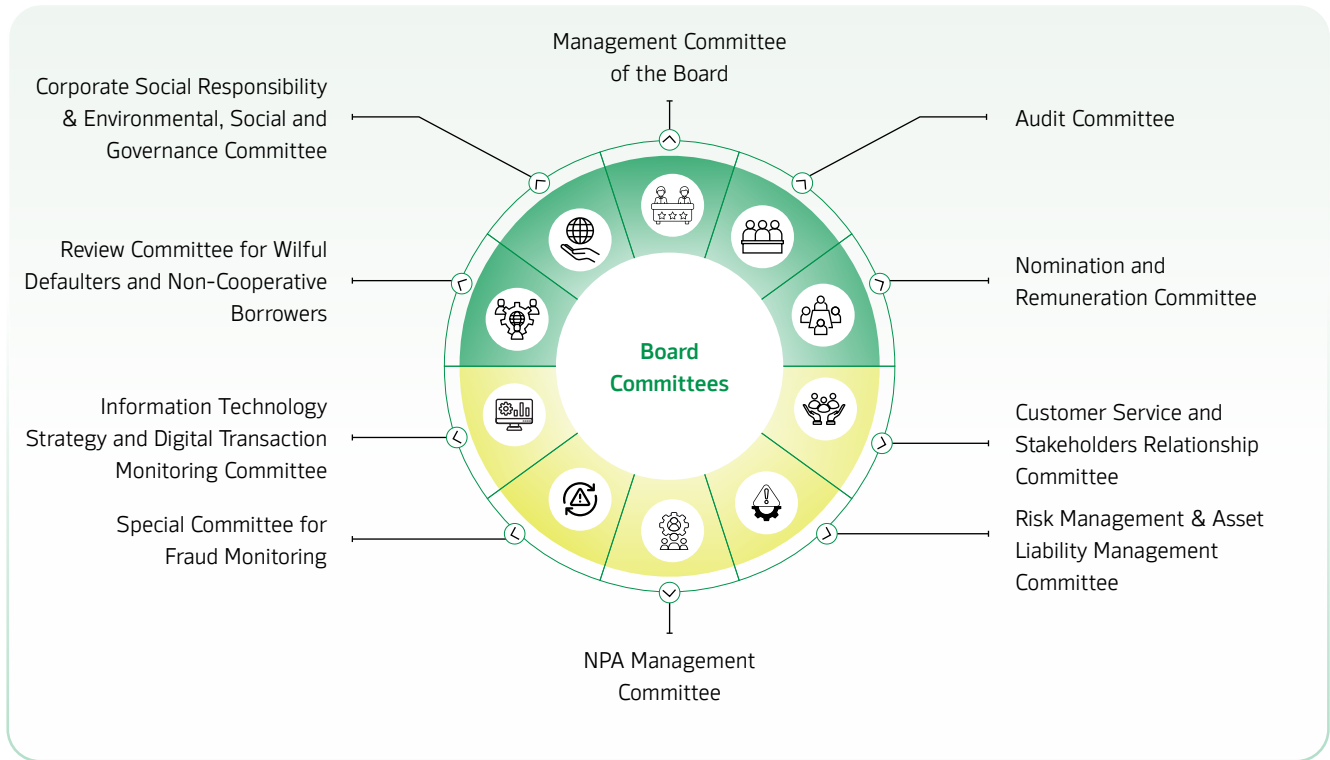
COMMITTEES OF THE BOARD

Board level Committees are usually formed as per the relevant regulatory guidelines and business requirement in order to improve the board effectiveness and impart special attention in areas where more focus and specific deliberations are required. Committees enable better management of full Board's time and allow in depth scrutiny and focussed attention. Board of directors perform their advisory and oversight function through well-structured, planned, and assigned committees to take advantage of the expertise of the Directors. The Board has delegated authority to various Board Committees to enable them to oversee certain specific responsibilities based on their terms of reference in line with the Companies Act, 2013, SEBI LODR and the Banking Regulation Act, 1949.

Board Committees normally function independently from each other and are provided with sufficient authority, as also assigned responsibilities in assisting the entire Board. The duties and responsibilities of each Committee of the Board are specified in the charter. Each Committee is guided by its terms of reference, which defines the scope, powers and composition of the Committee. The Committees deliberate issues as per their terms of reference which are fixed in line with the statutory requirement and make recommendations to the Board as and when required. All decisions and recommendations of the Committees are placed before the Board for information or review or approval.

Corporate Governance Report

Board has constituted and functioned with 10 Committees as on March 31, 2023 namely as under:



1. Management Committee of the Board (MCB)

Management Committee of the Board is a non-statutory Board level committee constituted to consider various business/ credit related matters having material significance under superintendence of Board. This committee aims to provide Board of Directors, qualitative time for focusing on strategic issues and brings about organisational effectiveness by helping the executives to perform their managerial functions efficiently. Committee acts within the powers delegated by the Board in line with provisions of Section 179 of the Companies Act, 2013 and guidelines issued by RBI from time to time.

During the financial year 2022-23, Management of Committee of the Board met 10 times and the date of the meetings are mentioned below:

11/05/2022	22/06/2022	08/08/2022	20/09/2022	27/10/2022	28/11/2022	21/12/2022
06/02/2023	27/02/2023	20/03/2023				

Corporate Governance Report

The details of attendance of each Director at the meetings held during the period from 01st April 2022 to 31st March 2023 are mentioned below:

Name of the Director Sarvashri	No of Meetings during his/her tenure	% of Attendance
	Attended / Conducted	
B Ramesh Babu Chairman of the Committee	10/10	100
R Ramkumar	10/10	100
K G Mohan*	0/0	NA
Dr Harshavardhan R	10/10	100
N S Srinath [#]	1/1	100
M K Venkatesan [§]	6/6	100
Murali Ramaswami [@]	7/7	100

* Member of the Committee from 22.03.2023

[#] Member of the Committee till 26.05.2022

[§] Member of the Committee till 08.12.2022

[@] Member of the Committee from 30.08.2022 till 21.03.2023

Composition of Management Committee of the Board (MCB) as on March 31, 2023



Non-Executive Independent Directors	50% (2)
Non-Executive Non-Independent Director	25% (1)
Executive Director (MD&CEO)	25% (1)

The terms of reference of the Committee, inter-alia, include the following:

- Sanctioning of credit proposals (Fund based & Non-Fund based);
 - Consider proposals for approval, renewal or any modification in sanctioned terms and conditions of various types of funded and non-funded credit facilities to customers within the delegated powers fixed by the Board from time to time;

- This facilitates quick response to the needs of the customers and speedy disbursement of loans.
 - To reviews the sanctions made by the Central Office Credit Committee of Executives (COCC).
- To review the Turnaround time in credit sanctioning/ efficiency levels in operations.
 - Proposal for approval of capital and revenue expenditure as per delegation of Powers, and review of capital & revenue expenditure vis-à-vis the approved budgets by the Board/MCB once in a six months.
 - To act as Board level sub-committee for NEO and review the activities of Neo vertical.
 - Proposals relating to acquisition and hiring of premises including deviation from norms for acquisition and hiring of premises,
 - To review the performance of verticals, divisions, branches and business arrangements.
 - To review any delays, defaults, penalties and prosecutions against the Bank for any delays or compliance failures, notices received from RBI, SEBI, MCA or any other Regulator or Authority or Tribunal or Court once in a year.
 - To review major incidents, accidents, occurrences that has monetary impact or reputation loss to the Bank.
 - To approve the amount of expenditure to be incurred on the CSR activities recommended by CSR committee.
 - Support business development initiatives viz: business tie-ups, new products and to enter into arrangements with different companies:
 - Determining, implementing, reviewing of partnering agreements, approving of the business tie-ups; and
 - To provide direction on the business under the Retail segment, viz., Retail Advances, Retail Deposits and Insurance & Investment, Personal Banking.
 - To Review the new initiatives of insurance companies, AMCs of mutual funds, aggregators for online payments, Fintech companies who are with digital payments, retail loans through online platform by fintech companies, companies (NBFCs) interested in joint lending, payment banks and digital marketing agencies etc for exploring business potential.

Corporate Governance Report

- Reviewing the results of business surveys conducted, if any that provide quantitative and qualitative information on the state of business in the industry.
 - Reviewing metrics and indicators that provide information on the requirement for business development activities in the bank; providing direction to the management of the Bank on actions to be taken to improve metrics.
11. To review measures taken to create and maintain safe work environment, free from sexual harassment & discrimination for employees, under POSH Act, whether it involves senior management or below senior management.
 12. Human Resources (HR) related aspects of the Bank specifically for staff who are below the Senior Management Cadre;
 - To formulate HR Policies and undertake periodic review of existing HR Policies of the Bank
 - To guide the Bank in Manpower Planning and promotions/ recruitment of staff below the Senior Management Cadre and aligning with the business strategy of the Bank.
 - To create benchmarks for evaluating performance levels of staff below Senior Management Cadre

and to review their productivity levels with that of benchmarking once in a year.

- To review skill gaps and talent pool creation by assessing learning initiatives, training, orientation, staff skill development programmes, employee engagement initiatives to drive organisation success.

13. To review the Policies related to the committee and recommend to the Board for approval.

14. Any other matter referred by the Board.

2. Audit Committee of the Board (ACB)

Audit Committee of the Board (ACB) is one of the key statutory committees and constituted in accordance with the provisions of the Companies Act, 2013, SEBI LODR, the extant guidelines of RBI and its circulars from time to time.

As on March 31, 2023, ACB is chaired by an Independent Director. All the members are financially literate and have adequate knowledge in accounting and financial management. The Chairperson of the ACB was present at the last Annual General Meeting.

During the financial year 2022-23, Audit Committee met 14 times and not more than one hundred and twenty days lapsed between two consecutive meetings of the ACB. The date of the meetings are mentioned below:

19/04/2022	20/05/2022	30/05/2022	02/07/2022	25/07/2022	19/08/2022	19/09/2022
21/10/2022	24/11/2022	15/12/2022	23/01/2023	13/02/2023	09/03/2023	20/03/2023

The details of attendance of each Director at the meetings held during the period from 01st April 2022 to 31st March 2023 are mentioned below:

Name of the Director Sarvashri	No of Meetings during his/ her tenure	% of Attendance
	Attended/Conducted	
Murali Ramaswami*	8/8	100
Chairman of the Committee		
M V Srinivasamoorthi#	8/8	100
Dr Harshavardhan R [§]	14/14	100
Dr V G Mohan Prasad [@]	2/3	67
A K Praburaj [^]	6/6	100
CA K L Vijayalakshmi ^{&}	14/14	100

* Member of the Committee from 30.08.2022 and Chairman of the Committee from 22.03.2023

Member of the Committee from 30.08.2022

§ Member of the Committee from 01.04.2022

@ Member of the Committee till 14.06.2022

^ Member of the Committee till 29.08.2022

& Member and Chairperson of the Committee till 21.03.2023

Corporate Governance Report

Composition of Audit Committee of the Board (ACB) as on March 31, 2023



Non-Executive Independent Directors	67% (2)
Non-Executive Non-Independent Director	33% (1)

The terms of reference of the Committee, inter-alia, include the following:

1. Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Bank;
3. Approval of payment of fees to Statutory Auditors for any other services rendered by them;
4. Reviewing quarterly, half-yearly and annual financial statements with the management and Auditors Report thereon before submission to the Board for approval with specific reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement which forms part of Board's report in terms of clause (c) of subsection 3 of Section 134 of the Companies Act, 2013;
 - b) Changes in accounting policies and practices, if any, and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgement by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with the Listing and other legal requirements relating to financial statements;
 - f) Disclosure of related party transactions;
 - g) modified opinion(s) in the draft Audit Report, if any;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing the statement of application of funds raised through an issue (public, rights, preferential issue, etc.), the statement of funds utilised other than for those stated in the offer documents, report submitted by monitoring agency on the utilisation proceeds with the management and making appropriate recommendations to the Board to take steps in this regard;
7. Reviewing and monitoring the Statutory Auditor's independence, performance, and effectiveness of Audit process;
8. Approving or any subsequent modification of transactions with related parties;
9. Scrutiny transactions pertaining to inter-corporate loans and investments, if any;
10. Valuation of undertakings or assets of the Bank, as and when required;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management, performance of statutory and Internal Auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of Internal Audit function, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage, frequency of Internal Audit and reviewing concurrent audit reports;
14. Reviewing the findings of any internal investigations by the Internal Auditors into matters where suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
15. Discussions with Statutory Auditors before commencement of Audit, about the nature and scope of Audit as well as post-Audit discussion to ascertain any area of concern;
16. Reviewing repayment obligations of Bank, assess and review the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

Corporate Governance Report

17. Reviewing the Whistle-Blower Policy and Vigil Mechanism;
18. Approving the appointment of CFO (i.e., the person who is heading the finance function after assessing his qualifications, experience, background and etc.);
19. Reviewing Long Form Audit Report as prepared by Statutory Auditors;
20. Reviewing periodic inspection report submitted by RBI;
21. Reviewing of RBIA inspection reports on periodic basis.
22. Reviewing of Frauds on periodic basis.
23. Discussions and review with the internal audit and Concurrent Auditors, their reports/findings with an objective of reporting any significant/material findings to the Board;
24. Monitoring the adequacy of the internal control environment, adequacy of checks and balances including Management Information Systems (MIS) and the adequacy of Internal Audit function, its policies, its structure, coverage and frequency of Internal Audits;
25. Reviewing the compliance function periodically;
26. Reviewing the following information:
 - A. Management Discussion and Analysis of financial conditions and results of operations;
 - B. Statement of significant related party transactions submitted by the management, etc.,
 - C. management letters / letters of internal control weaknesses issued by the statutory auditors;
 - D. the appointment, removal and terms of remuneration of the chief internal auditor
 - E. statement of deviations, annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in case of fund raising activities.

27. To review the policies related to Committee and recommend to the Board for approval.
28. Performing any other functions, duty as stipulated by the Companies Act, 2013, Reserve Bank of India, SEBI LODR, SEBI PIT Regulations and any other regulatory authority or under any applicable laws as prescribed from time to time.

3. Nomination and Remuneration Committee (NRC)

Pursuant to the provisions of the Companies Act, 2013, SEBI LODR and the extant guidelines of Reserve Bank of India, your Bank has constituted Board level Nomination & Remuneration Committee (NRC) which, inter alia, deals with the matters relating to appointments on the Board and Senior Management, performance appraisal and compensation related matters of the Bank.

NRC has formulated the criteria for determining qualifications, positive attributes and independence of a Director for the appointment/ re-appointment of Directors in tune with the 'fit and proper' criteria as per Dr. Ganguly Committee Norms which stipulates age, qualification, experience, track record, integrity, etc., and various circulars instructions and guidelines issued by Reserve Bank of India from time to time.

NRC is also reviewing and assessing the composition mix and performance of the Board as well as identifying appropriately qualified persons to confirm Board Diversity.

The Committee shall be constituted with a minimum of three Non-Executive Directors and atleast two thirds of the directors shall be independent directors. Further as per RBI guidelines a Member of Risk Management Committee of the Board shall also be a Member in the Committee. The Committee shall be headed by a Non-Executive Independent Director. The Composition of the Committee complies with the statutory requirement. Chairman of the NRC was present at the last Annual General Meeting.

During the financial year 2022-23, Nomination and Remuneration Committee met 7 times and the date of the meetings are mentioned below:

19/05/2022	26/05/2022	13/06/2022	21/09/2022
29/12/2022	21/01/2023	01/03/2023	

Corporate Governance Report

The details of attendance of each Director at the meetings held during the period from 01st April 2022 to 31st March 2023 are mentioned below:

Name of the Director Sarvashri	No of Meetings during his/her tenure	% of Attendance
	Attended / Conducted	
Dr K S Ravichandran Chairman of the Committee	7/7	100
Dr Meena Hemchandra *	4/4	100
M V Srinivasamoorthi [#]	3/3	100
K G Mohan [§]	5/5	100
N S Srinath [@]	2/2	100
M K Venkatesan [^]	4/4	100

* Member of the Committee from 30.08.2022

[#] Member of the Committee from 09.12.2022

[§] Member of the Committee from 27.05.2022

[@] Member of the Committee till 26.05.2022

[^] Member of the Committee till 08.12.2022

Composition of Nomination and Remuneration Committee (NRC) as on March 31, 2023



Non-Executive Independent Directors	75% (3)
Non-Executive Non-Independent Director	25% (1)

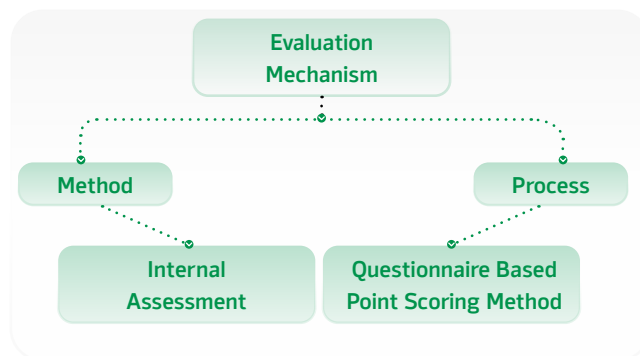
The terms of reference of the Committee, inter-alia, include the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a director, in terms of fit and proper criteria issued by the RBI from time to time.
- To devise/review a Policy on Appointment and Succession Planning for Directors and Senior Management.
- To devise/review a policy on Board Diversity.
- To formulate/review criteria for evaluation of performance of Chairman, Independent Directors, Board of Directors, Committees of Board.
- To recommend persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- To frame/review Compensation Policy towards ensuring effective alignment between remuneration and risk. Directors and Senior Management Personnel shall be part of the Compensation Policy.
- To formulate the criteria for variable pay and fix the thresholds for applying malus & clawback on the grant of variable pay payable to MD & CEO/ WTD.
- To also review and recommend to the board, all remuneration, in whatever form, payable to Directors & senior management.
- To consider grant of stock options to employees, administer and supervise the Employee Stock Option Plans in conformity with statutory provisions and guidelines.
- To provide inputs, if required, to Board for making disclosures regarding policies, appointments, remuneration etc. of Directors and Senior Management personnel in the Annual Reports/ Directors Reports/Financial Statements etc. as may be required by the regulations from time to time.
- To review the policies related to Committee and recommend to the Board for approval.
- To perform any other functions or duties as stipulated by the Companies Act, RBI, SEBI, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Corporate Governance Report

Evaluation of Board's Performance

Particulars	Category	Disclosures
Evaluation of Board	Board as a whole	Evaluation on Individual
	Board Committees	Directors without the
	Chairperson	Director being evaluated,
	MD & CEO	Chairperson, MD & CEO,
	Non - Executive	Board as a whole & sub
Directors including Independent Directors	committees are carried out as per statutory guidelines based on questionnaire.	



Evaluation Criteria

Nomination and Remuneration Committee formulated the methodology and criteria for evaluation of Independent Directors, Non-Independent Directors, Managing Director & CEO, Chairman, Committees of the Board and the Board as a whole in accordance with the relevant provisions of the Companies Act, 2013, SEBI LODR and as per the Guidance Note on Board Evaluation issued by SEBI.

Category	Criteria
Board	Criteria, inter-alia, includes such as composition, structure, effectiveness of board processes, familiarisation & training programs, information and functioning, management relations, strategy, risk management, inputs from the directors, etc.,
Board's Committee	Criteria, inter-alia, includes such as composition, effectiveness, periodicity of meetings, function and duties, management relations, committee meetings and procedures, inputs from the minutes of committee meeting and chairperson of the respective committee, etc.,
Chairperson	Criteria, inter-alia, includes such personal attributes, leadership qualities, ability to synthesise discussion, management of balance between stakeholders, maintenance of good working relationship and communication within the Board and among senior management, promoting sense of participation among the members and implementing best Corporate Governance practices, etc.,
MD & CEO	Criteria, inter-alia, includes such as leadership, strategy formulation & execution, developing and executing business plans, operational plans, risk management and maintaining harmonious relationship with stakeholders, effective organisation structure, etc.,
Non - Executive Non Independent Directors	Criteria, inter-alia, includes such as attendance and participation at the Board, knowledge and expertise, management of relationship with stakeholders, integrity and maintenance of confidentiality, personal attributes, etc.,
Non - Executive Independent Directors	Criteria, inter-alia, includes such as participation in ID meeting, expression of independent views and judgement, independence from the management in addition to the above Criteria formulated to Non - Executive Non Independent Directors

The Board of Directors in their meeting held on April 25, 2023 have carried out the annual evaluation on the performance of Board, its Committees, Chairperson, Managing Director & CEO and Non - Executive Directors including Independent Directors. The evaluation process was initiated by putting in place, a structured questionnaire after taking into consideration of the inputs received from the Directors.

Board acknowledges that Independent Directors are having diversified expertise with competence and integrity and who express their opinions freely as well as exercise their own judgements.

The disclosure in terms of SEBI Circular no. SEBI/HO/ CFD/CMD/CIR/P/2018/79 dated May 10, 2018, on board evaluation, is detailed as under:

1. Observations of Board evaluation carried out for the year: Board had made some observations while carrying out Evaluation process viz., Members awareness about on the press release, market information about the company and more focus on succession planning for employees who holding key positions.



Corporate Governance Report

2. Previous year's observations and actions taken: Previous year's observations were majorly span around improvements in standardisation of data to be presented before Board of Directors, frequency of training programs, further strengthening of risk mitigation framework in contingency planning and enhancements in functioning of executive committees.

Actions taken: In order to standardise the Data presented to the Board, Bank has implemented the specific format based presentation. Bank has initiated steps to provide training program for directors from reputed institutions. As a part continuous improvements to risk management framework bank has implemented changes in line with the current market environment.

3. Proposed action based on current year observations: All the observations made by the Board during performance evaluation process have been conveyed to the concerned stakeholders, for appropriate action. The status of compliance with the said observations will be reviewed by the Board.

4. Customer Service and Stakeholders Relationship Committee (CS & SRC)

Reserve Bank of India vide its circular on July 01, 2015 has suggested Banks to constitute a Customer Service Committee of the Board in compliance with the recommendations of Committee on Procedures and Performance Audit on Public Service (CPPAPS) and to include experts and representatives of customers as invitees to enable the Bank to formulate policies and assess the compliance thereof internally with a view to strengthening the Corporate Governance structure and bring about on-going improvements in the quality of customer service provided by the Banks, thereby improving the level of customer satisfaction for all categories of clientele consistently. The Committee is entrusted with the responsibility of monitoring the quality of services rendered to the customers and also ensuring the implementation of directives received from RBI in this regard.

Further, in terms of RBI Circular DBOD.No.CID. BC.127/20.16. 056/2013-14 dated June 27, 2014 Bank shall have a structured process of complaints redressal by constituting a Consumer Protection Committee under Board with respect to Credit Information Report submitted by the Bank and

pursuant to provisions of Section 178 of the Companies Act, 2013, a company which consists of more than one thousand shareholders, debenture-holders, deposit holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee and the SEBI LODR requires that, the Committee so constituted has to consider and resolve the grievances of investors.

In line with the above regulatory provisions, Bank has constituted a Customer Service and Stakeholders' Relationship Committee ("CS&SRC"). The Committee is chaired by a Non-Executive Director and the Chairman of the CS&SRC was present at the last Annual General Meeting.

During the financial year 2022-23, the Committee met 2 times and the date of the meetings are mentioned below:

18/08/2022	13/03/2023
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The details of attendance of each Director at the meetings held during the period from 01st April 2022 to 31st March 2023 are mentioned below:

Name of the Director Sarvashri	No of Meetings during his/her tenure Attended / Conducted	% of Attendance
Dr Meena Hemchandra * Chairperson of the Committee	1/1	100
B Ramesh Babu	2/2	100
R Ramkumar [#]	2/2	100
K G Mohan [§]	1/1	100
Dr V G Mohan Prasad ^	0/0	NA
M K Venkatesan ¹	1/1	100
A K Praburaj ²	0/0	NA
CA K L Vijayalakshmi ³	1/1	100

* Member and Chairperson of the Committee from 09.12.2022

[#] Member of the Committee till 29.08.2022 and from 09.12.2022

[§] Member of the Committee from 30.08.2022

[^] Member and Chairman of the Committee till 14.06.2022

¹ Member and Chairman of the Committee from 15.06.2022 till 08.12.2022

² Member of the Committee from 30.08.2022 till 08.12.2022

³ Member of the Committee till 29.08.2022

Shri Srinivasa Rao Maddirala, Company Secretary & Deputy General Manager, is the Compliance Officer in terms of Regulation 6 of the SEBI LODR.

Corporate Governance Report

Composition of Customer Service and Stakeholders Relationship Committee (CS & SRC) as on March 31, 2023



Non-Executive Independent Directors	50% (2)
Non-Executive Non-Independent Director	25% (1)
Executive Director (MD&CEO)	25% (1)

The terms of reference of the Committee, inter-alia, include the following:

1. Formulating comprehensive Deposit Policy, incorporating the issues such as the treatment of death of a depositor (for operations of his account), the product approval process, annual survey of depositor satisfaction and the triennial audit of such services;
2. The Committee shall also examine any other issues which have a bearing on the quality of customer service rendered by the Bank;
3. To review the actions taken/ being taken by the Bank to standardize the delivery of customer service;
4. To review the results of the surveys conducted that provide quantitative and qualitative feedback from customers' experience of the service rendered by the bank;
5. Review the awards given by the Banking Ombudsman in respect of complaint filed by any customer with the Ombudsman and also to review awards remaining unimplemented for more than three months with the reason(s) thereof;
6. Review the updation, alteration of credit information, resolution of disputes, process of complaint redressal, with respect to Credit Information Report submitted in terms of RBI Circular DBOD.No.CID.BC.127/20.16.056/2013-14 dated June 27, 2014.
7. Further, with a view to enhancing the effectiveness of the Customer Service Committee, banks should also:
 - a) place all the awards given by the Banking Ombudsman before the Customer Service Committee to enable them to address issues of systemic deficiencies existing in banks, if any, brought out by the awards;
 - b) place all the awards remaining unimplemented for more than three months with the reasons therefor before the Customer Service Committee to enable the Customer Service Committee to report to the Board such delays in implementation without valid reasons and for initiating necessary remedial action; and
8. To review and monitor the mechanism to redressal the complaints received from security holders such as shareholders, bond holders and any other stake holders with specific reference to non-receipt of dividend, non-receipt of interest on bonds, annual report / statutory notice by the shareholders of the Bank, transfer or transmission of shares, issue of duplicate share certificate, splitting or consolidation, dematerialisation, rematerialisation, transmission of securities etc. The Bank shall seek confirmation in this regard from share transfer agents and verify adequacy and timeliness of complaint redressal received through these agents or through SCORES etc.
9. To review the adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent to its shareholders;
10. Review of measures taken for effective exercise of voting rights by the shareholders and recommend measures for overall improvement in the quality of investor services.
11. To review various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants along with compliances with respect to IEPF etc.
12. To review the policies related to Committee and recommend to the Board for approval.
13. To consider and review such other matters, as the Committee may deem fit, from time to time.

Corporate Governance Report

SEBI Complaints Redress System (SCORES)

SEBI has formed a centralised web based complaints redress system SEBI Complaints Redress System ("SCORES") during 2011, wherein complaints lodged by investors are forwarded to the listed entity through online. The purpose of SCORES is to provide a platform for aggrieved investors, whose grievances, pertaining to securities market, which remain unresolved by the concerned listed company or registered intermediary after a direct approach. The listed companies and SEBI registered intermediaries shall update the Action Taken Reports ("ATR") along with supporting documents, if any, electronically in SCORES. This acts as an oversight mechanism on the company's redressal system and does not allow them to shrug off their responsibilities towards investors grievances. The Bank receives Investor complaints through Stock Exchanges, SCORES, Bank's Registrars & Transfer Agents, direct correspondence from investors and from the investors' personal visits to the Bank. The details of each complaints (category wise) received and redressed are furnished to the Customer Service & Stakeholders Relationship Committee of the Board on half-yearly basis.

Details of investor complaints received and resolved during financial year 2022-23:

Opening as on April 01, 2022	Received during the year	Resolved during the year	Closing as on March 31, 2023
-	21	21	-

All the complaints were redressed within the prescribed time line and the communication of the same was duly forwarded to the shareholders.

5. Risk Management and Asset Liability Management Committee (RM & ALM)

Pursuant to the guidelines of RBI on Risk Management Systems and SEBI LODR, your Bank has formed Risk Management and Asset Liability Management Committee (RM & ALM). The Committee, inter alia, reviews the Bank's risk management framework and ensures effective implementation of the risk management strategies in the Bank. In compliance with RBI circular guidelines, the Risk Management Department of the Bank is headed by the Chief Risk Officer. The Committee is headed by a Non-Executive Independent Director.

During the financial year 2022-23, the Committee met 4 times and the date of the meetings are mentioned below:

24/06/2022	22/08/2022
21/11/2022	13/03/2023

The details of attendance of each Director at the meetings held during the period from 01st April 2022 to 31st March 2023 are mentioned below:

Name of the Director Sarvashri	No of Meetings during his/her tenure Attended / Conducted	% of Attendance
Dr Harshavardhan R Chairman of the Committee	4/4	100
Dr Meena Hemchandra *	2/2	100
B Ramesh Babu	4/4	100
R Ramkumar *	2/2	100
M K Venkatesan [§]	2/2	100
K S Ravichandran [§]	2/2	100

* Member of the Committee from 30.08.2022

[§] Member of the Committee till 29.08.2022

Composition of Risk Management and Asset Liability Management Committee (RM & ALM) as on March 31, 2023



Non-Executive Independent Directors	50% (2)
Non-Executive Non-Independent Director	25% (1)
Executive Director (MD&CEO)	25% (1)

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The terms of reference of the Committee, inter-alia, include the following:

1. To review foresee future changes and threats and prioritize action steps;
2. Review and approve the development and implementation of risk assessment methodologies and tools, including assessments, reporting etc.;
3. Identification of key risk indicators and verifying their threat levels
4. Setting and defining the risk appetite of the Bank
5. Monitor and oversee the implementation of the Risk Management Framework in the Bank;
6. Discuss and recommend suitable controls / mitigations for managing different risks;
7. To review Stress Testing Results & Back-testing report;
8. To review Cyber Security of the Bank on a regular basis;
9. To review the Asset Liability Management (ALM) of the Bank on a regular basis;
10. To advise the Board on all risk matters;
11. To consider any major regulatory issues that may have a bearing on the risk profile and risk appetite of the Bank;
12. To formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
13. To approve the strategy and policies of the Bank, to ensure well integrated enterprise risk management in the Bank; and to periodically review the risk management policy, by considering the changing industry dynamics and evolving complexity;
14. To exercise oversight over the risk management function of the Bank;
15. To review regular risk management reports from management which enable the Committee to assess the risks involved in the Bank's business and how they are controlled and monitored and to give clear focus to current and forward-looking aspects of risk exposure;
16. To provide guidance and inputs to the Board and the Management on the hiring and reporting structure of the Chief Risk Officer of the Bank; The appointment, removal and terms of remuneration of the Chief Risk Officer, shall be subject to review by the Risk Management Committee; and
17. To meet CRO on one-to-one basis, without the presence of the MD & CEO, at least on a quarterly basis, as CRO reports to the MD & CEO.
18. To review the Policies related to the committee and recommend to the Board for approval.
19. In terms of SEBI LODR, the Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
20. Any other functions as may be stipulated by SEBI, Ministry of Corporate Affairs, RBI, Stock Exchanges and any other statutory authorities from time to time.

6. NPA Management Committee

Your Bank has constituted NPA Management Committee to monitor stressed assets, review the recovery process, study quick mortality assets and review NPA Accounts. In order to bring down the level of NPAs, Bank takes appropriate legal actions against the borrowers to realise the assets and recovery of dues from them. The Committee is vested with powers for approving settlement proposals in respect of NPAs and to initiate legal actions against the borrowers as per the Recovery Policy of the Bank. The Committee is headed by a Non-Executive Independent Director.

During the financial year 2022-23, the Committee met 4 times and the date of the meetings are mentioned below:

20/06/2022	22/08/2022
07/12/2022	10/03/2023

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The details of attendance of each Director at the meetings held during the period from 01st April 2022 to 31st March 2023 are mentioned below:

Name of the Director Sarvashri	No of Meetings during his/her tenure	% of Attendance
	Attended/Conducted	
Dr K S Ravichandran Chairman of the Committee	4/4	100
Dr Meena Hemchandra*	0/0	NA
B Ramesh Babu	4/4	100
M V Srinivasamoorthi §	2/2	100
A K Praburaj ®	1/1	100
CA K L Vijayalakshmi ^	4/4	100

* Member of the Committee from 22.03.2023

§ Member of the Committee till 29.08.2022

® Member of the Committee from 30.08.2022 till 08.12.2022

^ Member of the Committee till 21.03.2023

Composition of NPA Management Committee as on March 31, 2023



Non-Executive Independent Directors	67% (2)
Executive Director (MD&CEO)	33% (1)

The terms of reference of the Committee, inter-alia, include the following:

1. Periodical review of the large corporate loans and advances appearing in SMA lists
2. Periodical review of Non-performing Assets of large value (₹ 2.5 Cr and above) and also a pool of NPAs in various categories (substandard, doubtful and loss)
3. To review the position of stressed assets (SMA 1, SMA 2) position in the Bank

4. To approve compromise, restructuring, rescheduling or one time settlement proposals as per the delegation of powers.
5. To review the progress of recovery and monitor the process of recovery mechanism of the Bank.
6. To review the status of SARFAESI compliance for every six months.
7. To review the trends of NPAs in the industry and direct the recovery measures
8. To review the suits filed cases of large value (₹ 2.5 Crore and above)
9. To review the statuses on technical write off accounts.
10. To review the policies related to the Committee and recommend to the Board for approval
11. Any other relevant matters identified from time to time, or advised by the board

7. Special Committee for Fraud Monitoring (SCFM)

Reserve Bank of India vide its circular No. DBS.CO.CFMC. BC.No.1/ 23.04.001/2016-17 on Master Directions on Frauds - Classification and Reporting by Commercial Banks has advised to constitute a Special committee of the Board. The main objective of the Committee is to oversee investigation of frauds, conduct root cause analysis, review actions taken by the Bank against the perpetrators of such frauds and suggesting / reviewing corrective steps to plug systemic loopholes, if any.

In view of the above regulatory guidelines, your Bank has constituted a Board level Special Committee for Fraud Monitoring (SCFM) for monitoring and follow up of cases of frauds involving amounts of ₹ 1 Crore and above exclusively, however in accordance with the directives, Audit Committee of the Board (ACB) shall monitor all the cases of frauds in general. The periodicity of SCFM may be decided according to the number of cases involved. In addition, SCFM should meet and review as and when a fraud involving an amount of ₹ 1 Crore and above comes to light.

As per the RBI guidelines, the Committee should consist of five members of which include Managing Director, Two members from ACB and Two other members from the Board excluding RBI nominee, if any. The Committee is headed by MD & CEO of the Bank.

During the financial year 2022-23, the Committee met 3 times and the date of the meetings are mentioned below:

22/06/2022	27/10/2022	06/02/2023
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Corporate Governance Report

The details of attendance of each Director at the meetings held during the period from 01st April 2022 to 31st March 2023 are mentioned below:

Name of the Director Sarvashri	No of Meetings during his/her tenure Attended / Conducted	% of Attendance
B Ramesh Babu Chairman of the Committee	3/3	100
M V Srinivasamoorthi	3/3	100
R Ramkumar*	2/2	100
K G Mohan	3/3	100
Murali Ramaswami®	0/0	NA
Dr V G Mohan	0/0	NA
Prasad [§]		
A K Praburaj^	1/1	100
CA K L	3/3	100
Vijayalakshmi#		

* Member of the Committee from 30.08.2022

® Member of the Committee from 22.03.2023

§ Member of the Committee till 14.06.2022

^Member of the Committee till 29.08.2022

Member of the Committee from 15.06.2022 till 21.03.2023

Composition of Special Committee for Fraud Monitoring (SCFM) as on March 31, 2023



Non-Executive Independent Directors	40% (2)
Non-Executive Non-Independent Directors	40% (2)
Executive Director (MD&CEO)	20% (1)

The terms of reference of the Committee, inter-alia, include the following:

The major functions of the Committee are to monitor and review all frauds of ₹ 1 Crore and above so as to:

1. Identify the systemic lacunae, if any, which facilitated perpetration of the fraud and put in place measures to plug the same;
2. Identify the reasons for delay in detection, if any, reporting to top management of the bank and RBI;
3. Monitor progress of Central Bureau of Investigation / Police Investigation, and recovery position on quarterly basis or during the next meeting;
4. Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time;
5. Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls;
6. To delineate a policy document stating the processes for implementation of the Committee's directions and enable a dedicated outfit of the bank to implement the directions in this regard.
7. Put in place a system of internal vigilance mechanism as per the guidelines.
8. The Committee is also entrusted with responsibility of monitoring the cyber and electronic Banking frauds as per extant guidelines.
9. To review the report on the Red Flag Accounts (RFA) as per Credit Monitoring Policy, which shall include the synopsis of the remedial action taken together with their current status.
10. To review the policies related to the Committee and recommend to the Board for approval.
11. To review the meetings of Executive Level Committees aligned to SCFM (FMG, FRMC).

8. Information Technology Strategy and Digital Transaction Monitoring Committee (ITS & DTMC)

Your Bank has formed Information Technology Strategy and Digital Transaction Monitoring Committee (ITS & DTMC) pursuant to guidelines/circulars issued by RBI. The Committee, inter-alia, ensures that the Bank is appropriately placed in a rapidly changing technological environment and adopted the right technology at the right time to ensure continued competitiveness, safety, security, encouraging of digital transactions in line with national objectives, formulation of IT strategies and review IT investments.

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The Committee shall consist a minimum of two Members, one of whom should be an independent director. The Committee shall be headed by Non-Executive Independent Director. IT Strategy Committee members should be technically competent. At least one member should have substantial IT expertise in managing technology.

During the financial year 2022-23, the Committee met 4 times and the date of the meetings are mentioned below:

21/04/2022	17/08/2022
16/12/2022	14/03/2023

The details of attendance of each Director at the meetings held during the period from 01st April 2022 to 31st March 2023 are mentioned below:

Name of the Director Sarvashri	No of Meetings during his/her tenure	% of Attendance
	Attended / Conducted	
K G Mohan Chairman of the Committee	4/4	100
Dr Meena Hemchandra*	2/2	100
B Ramesh Babu	4/4	100
M V Srinivasamoorthi [®]	2/2	100
A K Praburaj [§]	2/2	100
Dr Harshavardhan R [®]	2/2	100

* Member of the Committee from 30.08.2022

[®] Member of the Committee till 29.08.2022

[§] Member of the Committee till 08.12.2022

Composition of Information Technology Strategy and Digital Transaction Monitoring Committee (ITS & DTMC) as on March 31, 2023



Non-Executive Independent Directors	67% (2)
Executive Director (MD&CEO)	33% (1)

The terms of reference of the Committee, inter-alia, include the following:

1. Suggest improvement and monitor the implementation of modern technology in the Bank;
2. Approving IT strategy and policy documents;
3. Ensuring that the management has put an effective strategic planning process in place;
4. Ratifying that the business strategy is indeed aligned with IT strategy;
5. Ensuring that the IT organisational structure complements the business model and its direction;
6. Ensuring that management has implemented processes and practices that ensure that the IT delivers value to the business;
7. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
8. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
9. Ensuring proper balance of IT investments for sustaining bank's growth;
10. Understanding exposure to IT related risks; the proposed controls thereof and evaluating effectiveness of management's monitoring of IT risks;
11. Assessing Senior Management's performance in implementing IT strategies;
12. Issuing high-level policy guidance (e.g. related to risk, funding, or sourcing tasks);
13. Confirming whether IT or Business Architecture has been designed, to derive the maximum business value;
14. Overseeing the aggregate funding of IT at a Bank-level and ascertaining if the management has resources to ensure the proper management of IT risks;
15. Reviewing IT performance measurement and contribution of IT to businesses (i.e., delivering the promised value);
16. Reviewing and monitoring the Bank's Digital Banking strategy i.e., penetration in market, setting of Digital transactions target, review of progress made to improve the digital transactions, review of initiatives taken for educating the customers & publicity in the front of digital transactions and providing direction on areas of focus;

Corporate Governance Report

- 17. Reviewing the Minutes of Executive Level Committees “Technology (IT Steering)” and Convener Department “Information & Technology Department (ITD)”;
- and “Information Security (IS)” and Convener Department “Information Security Group (ISG)”;
- and
- 18. To review the policies related to the Committee and recommend to the Board for approval.
- 19. Any other terms of reference as may be included from time to time by the Board or in compliance with RBI Guidelines, IBA etc., from time to time.

9. Review Committee for Wilful Defaulters and Non-Cooperative Borrowers (RCWD & NCB)

Review Committee for Wilful Defaulters and Non-Cooperative Borrowers is a Board level committee constituted to review the orders passed by the Committee of Executives for Identification of Wilful Defaulters & Non-Cooperative Borrowers and provide final decision with regard to identified Wilful Defaulters & Non-Cooperative Borrowers. The Committee shall consist of two Non-Executive Independent Directors as members and shall be headed either by Chairman or MD & CEO of the Bank.

During the financial year 2022-23, one meeting was held on 21/12/2022.

The details of attendance of each Director at the meetings held during the period from 01st April 2022 to 31st March 2023 are mentioned below:

Name of the Director Sarvashri	No of Meetings during his/her tenure Attended / Conducted	% of Attendance
B Ramesh Babu Chairman of the Committee	1/1	100
Dr K S Ravichandran*	1/1	100
Murali Ramaswami®	1/1	100
N S Srinath [§]	0/0	NA
CA K L Vijayalakshmi #	0/0	NA

* Member of the Committee from 27.05.2022

® Member of the Committee from 30.08.2022

§ Member and Chairman of the Committee till 26.05.2022

Member of the Committee till 29.08.2022

Composition of Review Committee for Wilful Defaulters and Non-Cooperative Borrowers (RCWD & NCB) as on March 31, 2023



Non-Executive Independent Directors	67% (2)
Executive Director (MD&CEO)	33% (1)

The terms of reference of the Committee, inter-alia, include the following:

1. Review and confirmation of the order of the executive committee for Classification of borrowers as “Non-Cooperative Borrowers” or “Wilful Defaulters”;
2. Any other matters identified from time to time or advised by the Board.

10. Corporate Social Responsibility & Environmental, Social and Governance Committee (CSR & ESG)

Corporate Social Responsibility (CSR) Committee has constituted, in accordance with the terms of Section 135 of the Companies Act, 2013 and rules made there under. Your Bank has in place Board approved CSR Policy recommended by CSR Committee. CSR policy of the Bank aims at promoting education, sanitation, safe drinking water facilitation, rural healthcare, promotion of sports, promotion of arts and culture, etc. In tune with CSR policy, your Bank has been supporting various projects and causes that seek to improve the economic and social wellbeing of the community at large. The Committee shall consist of three or more members and one member shall be Non-Executive Independent Director. The Committee is headed by MD & CEO of the Bank.

Further, Board of Directors in its meeting held on 22.11.2022, in order to have an effective governance mechanism, and to oversee the development & implementation of the Bank’s ESG framework, the existing CSR Committee was rechristened as Corporate Social Responsibility & Environmental, Social and Governance Committee (CSR & ESG).

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During the financial year 2022-23, the Committee met 4 times and the date of the meetings are mentioned below:

02/07/2022	08/10/2022
28/11/2022	04/02/2023

The details of attendance of each Director at the meetings held during the period from 01st April 2022 to 31st March 2023 are mentioned below:

Name of the Director Sarvashri	No of Meetings during his/her tenure Attended / Conducted	% of Attendance
B Ramesh Babu Chairman of the Committee	4/4	100
M V Srinivasamoorthi	4/4	100
Dr K S Ravichandran	4/4	100
A K Praburaj*	2/2	100
R Ramkumar®	1/1	100

* Member of the Committee from 30.08.2022 till 08.12.2022

® Member of the Committee till 29.08.2022

Composition of Corporate Social Responsibility & Environmental, Social and Governance Committee (CSR & ESG) as on March 31, 2023



Non-Executive Independent Director	34% (1)
Non-Executive Non-Independent Director	33% (1)
Executive Director (MD&CEO)	33% (1)

The terms of reference of the CSR & ESG Committee, inter-alia, include the following:

- Formulate and recommend to the Board of Directors a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Bank. Further review of Policy from time to time.
- To provide perspective and guidance to the Board of Directors on matters relating to CSR.
- To provide guiding principles for selection, implementation and monitoring of projects.
- Formulation of the Annual Action Plan ("AAP") & recommend to Board.
- To review the Annual Action Plan implementation & revision, if required.
- To recommend the amount to be spent on the CSR activities.
- To periodically review the effectiveness of CSR spends.
- To ensure that CSR Activities are undertaken directly or through registered Implementation Agencies who meet the eligibility criteria prescribed under the CSR Policy Rules.
- To review the impact assessment report & internal audit reports.
- To review Certification by the Chief Financial Officer (CFO) or the person responsible for financial management regarding the utilisation of the CSR Expenditure / payments.
- To review the Disclosures of the Bank's CSR activities stipulated in applicable CSR laws and rules.
- To Review implementation of the CSR Policy and AAP, such that the CSR Project(s) / Program(s) that are being proposed to be undertaken are aligned to the Bank's social, environmental and economic activities to the extent possible.
- To Formulate and recommend to the Board of Directors an ESG Policy. Further review of Policy from time to time.
- To oversee the development and implementation of the Bank's ESG framework.
- To provide strategic direction to the Bank's ESG performance taking into consideration the relevant risks and opportunities.
- To oversee compliance with ESG regulations applicable to the Bank.

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17. To monitor progress on the ESG framework implementation from time to time.
18. To oversee reporting and disclosure of the ESG performance in accordance with appropriate regulations and standards.
19. To review periodic reports placed before the Committee regarding the activities undertaken in both CSR & ESG.

SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS

Independent Directors Meeting was held on March 27, 2023 without the attendance of Non-Independent Directors and Members of Management. The Members of the meeting reviewed the performance of Non-Independent Directors and the Board as a whole after taking into account views of Executive and Non-Executive Directors. The Performance evaluation of Non-Independent Directors was on the basis of the criteria such as attendance and participation at the Board; knowledge and expertise; management of relationship with stakeholders; skillset, personal attributes, integrity and ethics, preparedness, etc., and assessed the quality, quantity and timelines of flow of information between the Bank Management and the

Board. The Independent Directors expressed satisfaction about the quality, quantity and timelines of flow of information between the Senior Management and the Board.

SUCCESSION PLANNING

Succession planning is an integral part of the operations and a tool of the Bank to ensure the smooth and effective function of the Board and Senior Management. Succession Planning is an on-going process that identifies necessary competencies and then works to assess, develop and retain a talent pool of employees, in order to ensure continuity of leadership for all critical positions. The Bank strives to maintain an appropriate balance of skills and experience within the organisation. Board in an endeavour to introduce new perspectives while maintaining experience and continuity has framed Succession Planning Policy for Board of Directors and Senior Management of the Bank.

The Bank's Nomination and Remuneration Committee (NRC) oversees matters of succession planning of its Directors, Senior Management and Key Managerial Personnel. The Board of the Bank also ensures that proper plans are put in place for orderly succession of appointment to the Board and to senior management of the Bank.

SENIOR MANAGEMENT

Particulars of senior management of the Bank as on March 31, 2023:

Name	Designation	Position
Srinivasan V	General Manager	Head - Credit Monitoring, Legal & Recoveries
Sekar S	General Manager	Chief Information Officer / Head - IT Operations
Saravanun C	General Manager	Head - IT Applications
Dolphy Jose	General Manager	Head - Consumer Banking
Sudhakar K V S M	General Manager	Chief Compliance Officer
Shekhar Ramarajan	General Manager	Head - Retail Assets
Mahendran K	General Manager	Head - Precious Metals Division
Chandrasekaran R N	General Manager	Head - Corporate & Institutional Group
Anburaj V	General Manager	Head - Commercial Banking Group
Immanuel Gnanaraj Daniel	General Manager	Head - Human Resources
Murali L	General Manager	Head of Internal Audit
Ramshankar R	General Manager	Chief Financial Officer
S Kalyanram	General Manager	Chief Risk Officer
Venkatesan R	Deputy General Manager	Head - Operations
Srinivasarao Maddirala	Deputy General Manager	Company Secretary / Head- Investor Relations Cell
Gokulchandar D S	Deputy General Manager	Chief Information Security Officer
Rajesh E T	Assistant General Manager	Chief Vigilance Officer

Corporate Governance Report

Changes in Senior Management during the financial year 2022-23:

Employee Name	Designation	Last Position Held	Remarks
Saravanun C	General Manager	Head - PBLG	Transferred to Central Office (ITD) as Head - IT Applications on 18.04.2022
Jarard Thomas	General Manager	Head - Internal Audit	Retired on 31.05.2022
Murali L	Deputy General Manager	DGM - HRD	Promoted & Transferred to Central Office (IAD) and took charge as Head - Internal Audit from 01.06.2022
Dolphy Jose	General Manager	NEO Chief Business Officer	Transferred to Consumer Banking Department as Head - Consumer Banking on 04.07.2022
Sairaj G R	General Manager	Head Retail Advances	Resigned for Personal reasons and relinquished the role on 01.07.2022
Shekhar Ramarajan	Chief Risk Officer	Chief Risk Officer	Transferred to Consumer Banking Department as Head - Retail Assets on 01.09.2022
S Kalyanram	General Manager	Chief Risk Officer	Joined as General Manager on 22.08.2022 and took charge as Chief Risk Officer from 01.09.2022
Thathai Narayan Seetharaman	General Manager	Head - Treasury	Retired on 30.11.2022

COMPENSATION POLICY

The Bank has in place a Comprehensive Compensation Policy in tune with the objectives as described in the Companies Act, 2013, RBI guidelines and the SEBI LODR, as amended from time to time. The Compensation Policy of the Bank covers the compensation payable to all employees including the MD&CEO/WTD, Key Managerial Personnel, Material Risk Takers, Control Function Staff as per the guidelines of RBI as also fee payable to Non-Executive Directors/Independent Directors. In terms of the said policy the compensation structure has fixed and variable components. The Variable pay is payable on the basis of achievement of performance criteria, consisting the qualitative and quantitative parameters applied by Nomination and Remuneration Committee, Variable pay as subject to malus and claw back, shall be in the form of cash and non-cash component, the non-cash component shall be in the form of share-linked instruments.

The Bank is also a party to Industry level Bi-partite settlement of IBA and has been following the emoluments/ compensation as arrived in the Bi-partite settlements. Remuneration to employees is defined by the IBA pay scale/CTC pay structure, both of which are approved by the Board.

Remuneration to Non-Executive Directors

Non-Executive director including independent directors are entitled to sitting fees for each meeting of the Board and Committees. Pursuant to the provisions of the Companies Act, 2013, sitting fees of ₹ 75,000/- and ₹ 50,000/- per meeting are paid to Non-Executive Directors for attending the Board and Board Level Committees respectively. Shareholders of the Bank in the AGM held on August 03, 2022, have approved the payment of profit related compensation to all Non-Executive Directors [excluding Non-Executive (Part-Time) Chairperson], by way of fixed remuneration of 0.1% of the profit

available for distribution subject to maximum of ₹ 10,00,000/- to each Directors per annum with effect from the financial year 2022-23, for a period of three (3) years. Part-time (Non-Executive) Chairperson is entitled for a fixed remuneration-honorarium, as approved by Reserve Bank of India and Shareholders of the Bank. No stock options are granted to any of the Non-Executive Directors. The criteria of making payments to Non-Executive Directors/Independent Directors of the Bank are contained in the Comprehensive Compensation Policy and it is available on the Bank's website at www.kvb.co.in.

No material pecuniary relationship exists between the Non-Executive Directors vis-à-vis the Bank, other than payment of Sitting Fees for attending the Board/Committee Meetings and profit related commission.

Remuneration paid to the Non-Executive Directors for the financial year 2022-23 is mentioned below:

Name of the Director	Amount (₹ in Lakhs)	
	Sitting Fees	Profit Related Commission*
Dr Meena Hemchandra, Chairperson	14.00	0.85
M V Srinivasamoorthi	21.30	10.00
Dr K S Ravichandran	22.30	10.00
R Ramkumar	19.55	10.00
K G Mohan	19.80	10.00
Dr Harshavardhan R	26.25	10.00
Murali Ramaswami	16.75	7.97
N S Srinath *	3.40	NA
Dr V G Mohan Prasad *	5.95	2.05
M K Venkatesan *	14.40	6.90
A K Praburaj *	13.90	6.90
CA K L Vijayalakshmi *	24.05	9.73

* Demitted office during the FY 2022-23, consequent to completion of their tenure.

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#Profit related commission is paid during the financial year 2023-24 upon adoption of the financial results for the year 2022-23 and the amount is paid on pro-rata basis to the tenure in the Board with a maximum cap of ₹10.00 Lakhs. Dr Meena Hemchandra, Chairperson is entitled to Profit related commissions for the period as Non-Executive Independent Director.

Remuneration to Non-Executive Independent (Part-time) Chairperson

Dr Meena Hemchandra, Non-Executive Independent (Part-time) Chairperson was paid ₹ 12,33,870.96/- as remuneration for the financial year 2022-23, which is other than payment of Sitting Fees for attending the Board/Committee Meetings. Shri N S Srinath Ex- Non-Executive Independent (Part-time) Chairman was paid 1,83,870/- as remuneration for the financial year 2022-23.

Remuneration to Executive Director (Managing Director & CEO)

Compensation structure of Shri B Ramesh Babu, MD & CEO of the Bank, consist of both fixed pay and variable pay with deferral arrangements in tune with RBI guidelines on Compensation policy. In terms of Compensation policy, MD & CEO is one of the Material Risk Takers. During the financial year, Managing Director & CEO was paid a sum of ₹ 1,44,36,142 /- as fixed pay for the financial year 2022-23. With respect to variable pay, RBI vide its letter dated

December 13, 2022 has approved a quantum of ₹ 1,27,89,850/- as variable pay for the performance period financial year 2021-22, of which ₹ 63,94,925/- is cash component and ₹ 63,94,925/- is non-cash component. During the financial year 2022-23, a sum of ₹ 31,97,462/- is paid as upfront cash component while remaining cash component is deferred over a period of three years and 59,075 options were granted under KVB ESOS 2018 Scheme as non-cash component with a deferral vesting period of three years. Further during the year, 24,635 shares were allotted consequent to vesting of stock options granted under deferral arrangement and deferral cash component of ₹ 5,50,000/- was also paid pertaining to variable pay of performance period financial year 2020-21.

After publishing the annual financial results for the financial year 2022-23, the Nomination and Remuneration Committee has critically assessed his performance in financial parameters. The said assessment is based on the Parameters & sub-parameters consisting of the qualitative and quantitative criteria. Further, based on the recommendations of Nomination and Remuneration Committee, Board in its meeting held on June 13, 2023 has evaluated the said assessment and approved the variable pay to MD & CEO for the financial year 2022-23 in term of his compensation structure. The said variable pay component of MD & CEO for financial year 2022-23 was recommended by the Board to RBI for its approval in terms of Section 35B of the Banking Regulation Act, 1949.

GENERAL BODY MEETINGS

a) Location, day, date and time, where the last three Annual General Meetings (AGM) were held:

AGM	Financial Year	Location	Day, Date and Time
103 rd	2021-22	The Karur Vysya Bank Limited, Regd. & Central Office, No. 20, Erode Road, Vadivel Nagar, L.N.S., Karur- 639002. (through Video Conferencing)	Wednesday, August 03, 2022, 11.00 a.m. IST
102 nd	2020-21	The Karur Vysya Bank Limited, Regd. & Central Office, No. 20, Erode Road, Vadivel Nagar, L.N.S., Karur- 639002. (through Video Conferencing)	Wednesday, August 11, 2021, 11.00 a.m. IST
101 st	2019-20	The Karur Vysya Bank Limited, Regd. & Central Office, No. 20, Erode Road, Vadivel Nagar, L.N.S., Karur- 639002. (through Video Conferencing)	Wednesday, September 23, 2020, 11.00 a.m. IST

Corporate Governance Report

(b) Whether any special resolutions passed in the previous three Annual General Meetings (AGM)	Yes. 1. At the 103 rd AGM held on 03 rd August 2022, two special resolutions were passed, viz., a) To appoint Dr Meena Hemchandra (DIN: 05337181) as Non-Executive Independent Director b) To appoint Shri Murali Ramaswami (DIN: 08659944) as Non-Executive Independent Director 2. No Special Resolutions were passed in the 102 nd AGM held on 11 th August 2021. 3. No Special Resolutions were passed in the 101 st AGM held on 23 rd September 2020.								
(c) Whether any special resolution passed last year through postal ballot-details of voting pattern	Yes. During the financial year 2022-23, one special resolution was passed on December 30, 2022 with requisite majority vide Postal Ballot Notice dated November 22, 2022 as details below: Description of the Resolution: To approve the re-appointment of Shri K G Mohan (DIN: 08367265), as Non- Executive Independent Director of the Bank, for second term <table border="1"> <thead> <tr> <th>No. of Votes – Favour</th> <th>% of Votes - Favour</th> <th>No. of Votes – Against</th> <th>% of Votes - Against</th> </tr> </thead> <tbody> <tr> <td>35,28,28,056</td> <td>87.74</td> <td>4,93,12,893</td> <td>12.26</td> </tr> </tbody> </table> <p>The aforementioned Postal Ballot was conducted through the Remote e-Voting process in accordance with the circulars issued by Ministry of Corporate Affairs, provisions of the Companies Act, 2013 and other applicable laws.</p>	No. of Votes – Favour	% of Votes - Favour	No. of Votes – Against	% of Votes - Against	35,28,28,056	87.74	4,93,12,893	12.26
No. of Votes – Favour	% of Votes - Favour	No. of Votes – Against	% of Votes - Against						
35,28,28,056	87.74	4,93,12,893	12.26						
(d) Person who conducted the postal ballot exercise	Shri R K Bapulal (FCS No. 5893 CP No.3842), M/s Bapulal Yasar & Associates, Company Secretaries								
(e) Whether any special resolution is proposed to be conducted through postal ballot?	No Special Resolution requiring Postal Ballot is being proposed on or before the ensuing Annual General Meeting of the Bank.								
(f) Procedure for the postal ballot	Not Applicable								

Means of Communication

Pursuant to Regulation 46 of SEBI LODR, Bank maintains a website viz., www.kvb.co.in/investor-corner/ which contains information about the Bank, such as details of its business, financial results, shareholding pattern, compliance with the corporate governance requirements and other Corporate Communications made to the Stock Exchanges, Notices & Annual Reports of the Bank, real time updates on share price, unpaid/unclaimed dividend details and contact details of the designated officials who are responsible for assisting and handling investor grievances.

In line with SEBI LODR, the Board of Directors of the Bank reviewed and taken on record/approved the quarterly un-audited financial results within 45 days from the end of respective quarters and the audited financial results for the quarter and year ending within 60 days from the end of the financial year. The results are promptly forwarded to the stock exchanges within the stipulated time and are published in Business Standard, Business Line (English) and Dinamalar (Tamil - regional language) newspapers, within 48 hours of the conclusion of the Board meeting. The results as well as other official press releases are simultaneously updated on the Bank's website at www.kvb.co.in.

The Bank conducts con-call meeting with Institutional Investors/ Analysts every quarter, after declaration of financial results. Apart from the quarterly meeting, Bank also participates in Institutional Investors/ Analysts meet on event basis. The Schedule of Meeting and Investors Presentation/Transcript/Audio Recordings/Outcome of the meeting are promptly forwarded to the stock exchanges as well simultaneously displayed on the Bank's website in terms of SEBI LODR.

As a part of voluntary initiative, Bank has been sending an email to all shareholders who registered their mail id with Bank's RTA/ Depository Participant about the financial results of the Bank on every quarter.

Financial Calendar for the results during the financial year 2022-23:

FY 2022-23	Date of Approval
For the Q1 ended 30.06.2022	25.07.2022
For the Q2 ended 30.09.2022	21.10.2022
For the Q3 ended 31.12.2022	23.01.2023
For the Q4 ended 31.03.2023	15.05.2023

Corporate Governance Report

GENERAL SHAREHOLDER INFORMATION

104 th Annual General Meeting	Date: August 23, 2023 Day: Wednesday Time: 11.00 AM IST Venue: Through Video Conferencing("VC")/Other Audio Visual Means ("OAVM")
Financial Year	01 st April 2022 to 31 st March 2023
Date of the Book Closure	From August 08, 2023 to August 23, 2023
Dividend Payment Date	On or after August 24, 2023
Listing on Stock Exchanges	Equity Shares and Debt Instrument of the Bank are listed on National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai-400051. Listing fees payable to the National Stock Exchange where the Equity Shares and Debt Instrument are listed has been duly paid. Equity Shares of the Bank are traded under 'permitted' category in BSE under Stock Code:590003
Stock Code	NSE: KARURVYSYA
ISIN	Equity: INE036D01028 Debt Instruments: INE036D08015
Share Transfer Agents (Both Physical and Demat Segments)	Equity (INE036D01028): S.K.D.C. Consultants Limited, (a Wholly owned subsidiary of Link Intime India Pvt. Ltd), "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore -641028 Tel: +91 422 - 2539835, 2539836, 4958995 e-Mail: info@skdc-consultants.com Website: www.skdc-consultants.com CIN: U74140MH1998PLC366529 Debt Instrument (INE036D08015): KFin Technologies Limited. Selenium Tower B, Plot No's: 31&32, Financial District, Gachibowli, Nanakaramguda, Serilingampally, Hyderabad 500 032. Phone: 040 - 67162222 Fax: 040 - 23001153 e-Mail: inward.ris@kfintech.com Website: www.kfintech.com
Share Transfer System	The Bank's shares which are in demat form are transferable through the depository system. Pursuant to Regulation 40(1) of the SEBI LODR, with effect from April 1, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. The Board has delegated the authority for approving transfer of Bank's securities to the Company Secretary. In terms of Regulation 40(9) of the SEBI LODR, yearly certificate on compliance of share transfer formalities is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges.

Corporate Governance Report

<p>Debenture Trustees for the Bank's Basel III, unsecured, Non-Convertible, redeemable, Tier II Bonds (Debt Instrument)</p>	<p>Axis Trustee Services Limited, The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai- 400 028 Direct Line: + 91 22 6230 0451 e-Mail: debenturetrustee@axistrustee.in Website: www.axistrustee.in</p>
<p>Bank's address for correspondence/Compliance Officer Address</p>	<p>Shri Srinivasa Rao Maddirala, Company Secretary & Deputy General Manager, Investor Relations Cell, The Karur Vysya Bank Limited, Regd. & Central Office, No. 20, Erode Road, Vadivel Nagar, L.N.S., Karur- 639002. Phone: 04324-269440-44 Fax: 04324-225700 e-Mail: kvb_sig@kvbmail.com Website: www.kvb.co.in</p>
<p>Corporate Identity Number (CIN)</p>	<p>L65110TN1916PLC001295</p>

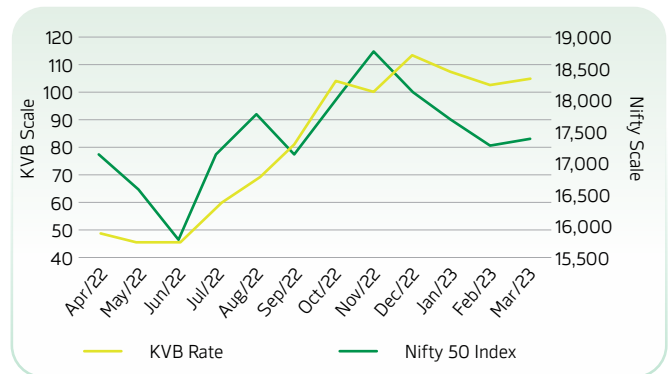
Stock Market Price Data

The monthly high and low prices of the Bank's shares traded on the National Stock Exchange of India Limited (NSE) are mentioned below:

Period	High	Low
Apr-22	54.30	46.30
May-22	49.05	41.75
Jun-22	50.20	43.00
Jul-22	60.25	43.70
Aug-22	71.40	57.05
Sep-22	101.70	67.35
Oct-22	104.75	78.40
Nov-22	106.00	93.40
Dec-22	116.20	94.15
Jan-23	115.65	101.25
Feb-23	111.15	95.20
Mar-23	105.90	92.70

The Bank's equity share touched a high of ₹ 116.20 in December 2022 and low of ₹ 41.75 in May 2022.

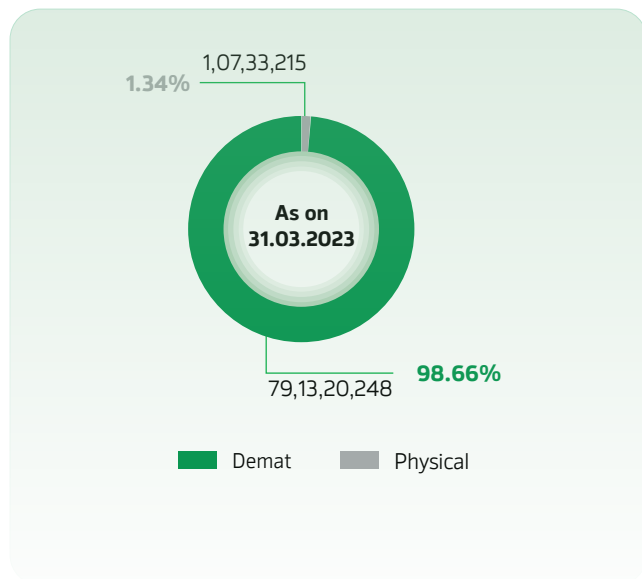
The performance of the Bank's Equity Shares as compared with NSE Nifty 50 Index during the period from 01.04.2022 to 31.03.2023:



Corporate Governance Report

Dematerialization of shares and liquidity

Bank's Equity shares are available in both Demat and Physical form. The shares which are in Demat can be tradable and transferable through the Depository system - National Securities Depository Limited ('NSDL') and Central Depository Service (India) Limited ('CDSL'). The annual custody fees for the financial year 2022-23 have been paid to NSDL and CDSL.



Out of 79,13,20,248 shares which are held in Demat Mode, 69,44,32,452 are held NSDL and 9,68,87,796 are held in CDSL.

The Shareholders of the Bank who have not dematerialized their share may approach any of the Depository Participants of NSDL or CDSL for Dematerialization. Further, SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, advised that listed companies shall henceforth issue the securities in dematerialized form only while processing the following service request: i. Issue of duplicate securities certificate; ii. Claim from Unclaimed Suspense Account; iii. Renewal / Exchange of securities certificate; iv. Endorsement; v. Sub-division / Splitting of securities certificate; vi. Consolidation of securities certificates/folios; vii. Transmission; viii. Transposition.

Reconciliation of Share Capital Audit

Pursuant to regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, Reconciliation of Share Capital Audit has been carried out by a qualified Chartered Accountant on quarterly basis. The Audit report confirms, inter-alia, the total issued and listed capital of the Bank with that of total share capital admitted/held in dematerialised form with NSDL and CDSL and those held in physical form. Report issued in this regard are submitted to NSE and placed before the Board of Directors for its review on quarterly basis.

Shareholding Pattern as on March 31, 2023

Sr. No	Particulars	No. of Shareholders	No. of Shares	% of Holding
A.	PROMOTERS			
1.	Promoters & Promoters Group	34	17989012	2.24
B.	PUBLIC - Institutions			
2.	Financial Institutions & Banks	4	19582	0.00
3.	Mutual Funds	17	212432956	26.49
4.	Insurance Companies	10	23355304	2.91
5.	Foreign Financial Institutions/ Banks	2	830	-
6.	Foreign Portfolio Investors	218	143833800	17.93
7.	Alternate Investment Funds	12	11059178	1.38
8.	NBFCs registered with RBI	1	185786	0.02
C.	PUBLIC - Non-Institutions/ Individuals/ Others			
9.	Bodies Corporate	659	19747911	2.46
10.	Bodies Corporate-LLP	51	995078	0.12
11.	Non-Resident Indians	2924	8659939	1.08
12.	Clearing Members	38	141018	0.02
13.	Hindu Undivided Families	2305	9623969	1.20
14.	Trusts	8	47388	0.00
15.	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	1	1851554	0.23

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Sr. No	Particulars	No. of Shareholders	No. of Shares	% of Holding
16.	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	2	22194	-
17.	Directors and their relatives (excluding Independent Directors and nominee Directors)	2	158284	0.02
18.	Key Managerial Personnel	3	96104	0.01
19.	Other Directors & Relatives	5	13348	0.00
20.	Resident Individuals	202890	350693218	43.72
21.	Unclaimed Suspense Account	1	52017	0.00
22.	IEPF	1	1074993	0.13
	Total (A+B+C)	209188	802053463	100.00

List of Shareholders holding more than 1% shares in the Bank as on March 31, 2023

Sr. No	Particulars	No. of Shares	% of Holding
1	HDFC TRUSTEE COMPANY LTD - A/C (VARIOUS FUNDS)	35888470	4.47
2	HSBC MUTUAL FUND (VARIOUS FUNDS)	30955900	3.86
3	FRANKLIN TEMPLETON MUTUAL FUND (VARIOUS FUNDS)	30279358	3.78
4	NIPPON LIFE INDIA TRUSTEE LTD-A/C (VARIOUS FUNDS)	25197158	3.14
5	ICICI PRUDENTIAL MUTUAL FUND (VARIOUS FUNDS)	23723686	2.96
6	REKHA RAKESH JHUNJHUNWALA	23151719	2.89
7	UTI MUTUAL FUND (VARIOUS FUNDS)	22780429	2.84
8	SBI MUTUAL FUND (VARIOUS FUNDS)	18018378	2.25
9	RAKESH JHUNJHUNWALA	14800000	1.85
10	TATA MUTUAL FUND (VARIOUS FUNDS)	13744508	1.71
11	MUKUL MAHAVIR AGRAWAL	8500000	1.06
12	ABU DHABI INVESTMENT AUTHORITY (VARIOUS FUNDS)	8304862	1.04
13	ACACIA PARTNERS, LP	8022378	1.00
	Total	263366846	32.84

Distribution of shareholding as on March 31, 2023

Sr. No	Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1	1 to 500	167631	77.3823	17322085	2.1597
2	501 to 1000	16115	7.4391	12219189	1.5235
3	1001 to 2000	12050	5.5626	17739603	2.2118
4	2001 to 3000	6238	2.8796	15797679	1.9697
5	3001 to 4000	3140	1.4495	10990092	1.3702
6	4001 to 5000	1914	0.8835	8770365	1.0935
7	5001 to 10000	4563	2.1064	32357981	4.0344
8	10001 & above	4976	2.297	686856469	85.6372
	Total	216627	100	802053463	100

Disclosures

During the financial year ended 31st March 2023:

a) Related Party Transactions:

During the year under review, transactions entered with Related Parties were in the ordinary course of business and on arm's length basis and do not attract the provisions of Sec 188 of the Companies Act, 2013. The Bank has not entered into any materially significant related party transactions which could lead to a potential conflict with the interests of the Bank. Omni Bus approval from the Audit Committee has been obtained for the transactions which are of repetitive nature and the said transactions with related parties were

Corporate Governance Report

placed before the Audit Committee of the Board for its review as per the Regulations from time to time. Details of related party transaction under AS - 18 entered into during the financial year 2022-23 are given in notes to the financial statements. Board has put in place a policy on materiality of related party transactions and also on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013, SEBI LODR and the same has been available on the website of the Bank at <https://www.kvb.co.in/docs/related-party-transactions-policy.pdf>.

b) Recommendation of Committee(s) of the Board:

During the year under review, all recommendations of the Committee(s) which are mandatorily required were accepted by the Board.

c) Strictures and Penalties:

There are no instances of non-compliance by the Bank; no penalties or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three years.

During the year under review, the Reserve Bank of India (RBI) imposed a penalty of ₹ 1,87,200/-, pertaining to the deficiencies found in soiled notes remittance by our currency chests to the central bank, exchange facility of mutilated notes in Branch and cash out in ATMs.

During the year under review, Reserve Bank of India had imposed a monetary penalty of ₹ 30.00 Lakh (Rupees Thirty Lakh only) for non-compliance with certain provisions of directions issued by RBI on 'Reserve Bank of India (Frauds - Classification and reporting by commercial banks and select FIs) directions 2016'.

d) Code of Conduct:

Pursuant to regulation 26(3) of SEBI LODR, all the Directors and Senior Managerial Personnel of the Bank have affirmed the compliance of the Code of Conduct laid down by the Bank. MD & CEO's affirmation that the Code of Conduct has been complied with by the persons covered under the Code is furnished at the end of this report.

e) MD & CEO/CFO Certification:

The MD & CEO and the CFO of the Bank have given certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI LODR. The said certificate is annexed and forms part of this report.

f) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Bank has a Zero Tolerance Policy on Prevention of Sexual Harassment (PoSH) at workplace. All employees are educated and sensitized on PoSH at workplace. In case of any query or grievance, employee can raise the same through a ticketing system which will be responded on priority and with full confidentiality. We have an Internal Complaints Committee which addresses all queries received in this regard.

Number of complaints filed during the FY 2022-23	Number of complaints disposed-off during the FY 2022-23	Number of complaints pending at the end of FY 2022-23
Nil	NA	Nil

g) Whistle Blower Policy:

In compliance with RBI Guidelines, provisions of the Companies Act, 2013, the SEBI LODR and SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, your Bank has in place robust "Whistle-Blower Policy" since 2011. The Policy also incorporates the Protected Disclosure Scheme (PDS) for Private Sector Banks, instituted by the Reserve Bank of India. The Audit Committee of the Board reviews the complaints received through Vigilance Mechanisms on quarterly basis. The Bank's Whistle-Blower Policy is in synchronisation with all statutory and regulatory guidelines on Vigilance Mechanism. Bank is encouraging the staff to share all kind of unlawful/unethical instances/practices followed by any employees to take appropriate action for review. Further bank is ensuring that the details shared are kept confidential and protection of staff who blown the whistle. The Whistle Blower Policy is available on the website of the Bank <https://www.kvb.co.in/docs/whistle-blower-policy.pdf>.

h) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

Bank has not issued any GDRs/ADRs/Warrants or convertible instruments. Hence outstanding instruments, conversion date and likely impact on equity is not applicable.

i) Plant Locations:

As the Bank is engaged in the business of Banking/ Financial Services there are no Plant Locations. However, the Bank has

Corporate Governance Report

833 Branches (including Asset Recovery Branches, Corporate Business Units, Business Banking Units, NEO, Precious Metal Division and excluding three Extension Counters and five Satellite Offices), 1,643 ATMs, 597 Bunch Note Recycler Machines (BNRM) and 192 Self-Service Passbook Kiosks as on 31st March 2023.

j) Disclosure on Commodity Price Risks and Foreign Exchange Risks and hedging activities:

Bank has Market Risk Management Policy, Integrated Treasury Policy and Precious Metals Division Policy approved by the Board specifying risk control framework for undertaking any Commodity price risk and Foreign exchange risk. The Board of the Bank has defined overall Net Overnight Open Position (NOOP) Limit, Stop Loss Limit, Aggregate Gap limit (AGL), Value at Risk (VaR) limit to manage Foreign exchange risk within its risk control framework. The Bank's policy stipulated margins for lending against commodities and has put in place a system of monitoring margins available / required with respect to on-going commodity prices.

Bank is authorized by Reserve Bank of India to import gold and silver. Bank imports Gold and silver on consignment basis and sales are being covered on back to back basis.

Bank uses Forwards & Forex Swaps for hedging its currency and interest rate risk for its Foreign currency balance sheet items, customer cover, and for proprietary trading, within overall risk limits and control framework. The management of these products and businesses is governed by Board approved Policies of the Bank.

k) Mandatory Requirements:

The Bank has complied with all mandatory requirements under the provisions of SEBI LODR and amendments thereon from time to time.

l) Non-Mandatory Requirements:

In addition to the Mandatory Requirements, your Bank has ensured the implementation of the non-mandatory requirements as suggested in Regulation 27 of the SEBI LODR.

1) The Board:

The Bank is maintaining a Chairman's Office at its Registered & Central Office and the expenses incurred in performance of his duties are reimbursed.

2) Shareholders' Rights:

The Bank discloses its financial results of every quarter to Stock Exchange within the prescribed timeline and it is available in the Stock Exchange's website. The same is also available on Bank's website at www.kvb.co.in/investor-corner/ which is accessible to the public. The results are published in Two English Newspaper having wide circulation in India and a Tamil Newspaper having wide circulation in Tamil Nadu. Further, Bank has been sending an email to all shareholders who registered their mail id with Bank's RTA/Depository Participant about the financial results of the Bank on every quarter. The details of Shareholders' Right also available on the website of the Bank at www.kvb.co.in/investor-corner/.

3) Unmodified Audit opinion/reporting:

The Auditors have expressed an unmodified opinion on the financial statement of the Bank.

4) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

In terms of RBI Guidelines, Bank has separated the post of Chairperson and the MD & CEO. Dr Meena Hemchandra, Non-Executive Independent Director, is the Part-time Chairperson of the Bank and Shri B Ramesh Babu, is the MD & CEO of the Bank.

5) Reporting of Internal Auditor:

In terms of RBI Guidelines, the Head of Internal Audit will report to MD & CEO and Audit Committee of the Board shall be reviewing the performance.

Audit Committee shall meet the Head of Internal Audit once in a quarter without the presence of the Senior Management, including the MD & CEO.

m) Disclosure on political contributions:

During the financial year 2022-23, Bank has not made any political contribution.

n) Certificate under Regulation 34(3) of SEBI LODR:

Pursuant to the Regulation 34(3) read with Schedule V of the SEBI LODR, a certificate has been obtained from S.A.E & Associates LLP, Company Secretaries confirming that none of the Directors on the Board of the Bank as on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Director of the Bank either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authorities.

Corporate Governance Report

o) Directors E-KYC

The Ministry of Corporate Affairs (MCA) has vide amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014, mandated registration of KYC of all the Directors through e-form DIR-3 KYC. All Directors of the Bank have complied with the aforesaid requirement.

p) Fees paid to Statutory Auditors (including Branch Statutory Auditors):

Your Bank does not have any subsidiary. The total fees incurred by the Bank for services rendered by Statutory Auditors (including Branch Statutory Auditors) are given below. Further, there was no non-audit fees paid to Statutory Auditors for the FY 2022-23.

Particulars	FY 2022-23 (₹ in Lakhs)
Audit fees/ Statutory certificates	351.76
Reimbursement of expenses	12.68
Total	364.44

q) Details of utilization of funds:

During the year under review, there was no Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32(7A) of the SEBI LODR.

r) Policies of the Bank:

As a part of good Corporate Governance, the Bank has adopted various policies/codes from time to time which are hosted on the website of the Bank at <https://www.kvb.co.in/investor-corner/>.

s) Credit Ratings and Change/Revisions in Credit Ratings for Debt Instruments and Certificate of Deposit Programme:

Credit Rating Agency	Instrument	Rating
ICRA	Certificate of Deposits Programme – ₹ 3000 Crores	[ICRA] A1+
CRISIL	Certificate of Deposits Programme – ₹ 3000 Crores	CRISIL A1+
India Ratings & Research	Basel III Tier II Bonds – Issue of ₹ 1,200 Crores where ₹ 487 Crores was utilized	IND A+/ Stable
ICRA	Basel III Tier II Bonds – Issue of ₹ 1,200 Crores where ₹ 487 Crores was utilized	[ICRA] A+ (Stable)

During the financial year 2022-23, ICRA has upgraded the rating for Debt Instrument (Basel III Tier II Bonds) from [ICRA] A (Positive) to [ICRA]A+ (Stable). Other than the same, there is no change /revision in Credit Ratings for Debt Instrument and Certificate of Deposit Programme. More details on the Credit Ratings are disclosed in the Directors' Report which forms of this Annual Report.

t) All disclosures in compliance with the Corporate Governance requirement specified in regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 to the extent applicable is available on Bank's website at www.kvb.co.in. The Bank has obtained certificate affirming the Compliances with these regulations from S.A.E & Associates LLP, Company Secretaries and forms part of this Report. It may be noted that the certificate confirms that the Bank has complied with the conditions of Corporate Governance as prescribed under SEBI LODR.

Compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015

In compliance with the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") as amended, Bank has formulated "Internal Code of Conduct for Prevention of Insider Trading" as per Regulation 9 and also the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" as per Regulation 8. The Code is applicable to the Directors, Designated Persons, Connected Persons and their immediate relatives along with the Promoters and Promoter Group of the Bank. The Persons are required to ensure fullest compliance with the Internal Code at the time of trading in Bank's Securities. Company Secretary has been designated as the Compliance Officer and Chief Financial Officer (CFO) has been designated as the Chief Investor Relations Officer (CIRO) for this purpose. In terms of the PIT regulations and Bank's Internal Code, Structured Digital Database is in place. The Code requires pre-clearance for dealing in the Bank securities beyond threshold limits. Further it prohibits the trade in the Bank's securities by the Directors, Designated Persons, Connected Persons and their immediate relatives along with Promoters and Promoter Group of the Bank while in possession of UPSI in relation to the Bank and during the trading window closure period. Trading window shall be closed from the end of every quarter till atleast two days after the declaration of financial results. The details of Trading Window closure during the period under report are mentioned below:

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Particulars on Trading Window Closure	
Period	Purpose
01 st April 2022 to 22 nd May 2022	Declaration of Audited Financial Results of the Bank for the quarter and Year ended March 2022
01 st July 2022 to 27 th July 2022	Declaration of Un-Audited Financial Results of the Bank for the quarter ended June 2022
01 st October 2022 to 23 rd October 2022	Declaration of Un-Audited Financial Results of the Bank for the quarter and half year ended September 2022
01 st January 2023 to 25 th January 2023	Declaration of Un-Audited Financial Results of the Bank for the quarter and nine month ended December 2022
01 st April 2023 to 17 th May 2023	Declaration of Audited Financial Results of the Bank for the quarter and Year ended March 2023

Dividend

The Board of Directors of the Bank in its meeting held on 15th May 2023 has recommended dividend of ₹ 2 per equity share on the face value of ₹ 2/- each (i.e., 100%) for the financial year ended 31st March 2023, subject to the approval of regulatory authorities, if any and shareholders at the 104th Annual General Meeting (AGM) of the Bank.

Dividend Distribution Policy

Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the Bank has Board approved "Dividend Distribution Policy". The Bank shall declare dividend only after ensuring compliance with the Banking Regulation Act, 1949, various regulatory guidelines on dividend declaration issued by RBI from time to time, the provisions of the Companies Act, 2013 & the rules made thereunder, SEBI LODR, as amended to the extent applicable for Banking Companies. The Policy is available on the website of the Bank at <https://www.kvb.co.in/docs/dividend-distribution-policy.pdf>

Updation of KYC – Physical Shareholders

SEBI vide its Circulars dated 03.11.2021, 14.12.2021 and 16.03.2023 has prescribed for Common and Simplified Norms for processing investor's service request (Physical Shareholders) by RTAs and norms for furnishing PAN, KYC details & Nomination.

In terms of above circulars, it shall be mandatory for all holders of physical securities in listed entity to furnish/update PAN, Nomination, Contact details, Bank Account details and Specimen Signature by submitting prescribed Forms. The folios wherein any one of the cited document / details are not available on or after October 01, 2023 shall be frozen by the RTA. The RTA shall mark the frozen folios to normal status upon receipt of all the aforesaid documents or dematerialization of all the securities in such folios

As per the Central Board of Direct Taxes (CBDT) notification, it is mandatory to link PAN with Aadhaar number. All physical security holders who are yet to link the PAN with Aadhaar number are requested to get the same done. RTAs shall accept only valid PANs and the ones which are linked to the Aadhaar number. The folios in which PAN is / are not valid, shall also be frozen.

In line with the above circular, 6606 folios were found to be non-compliant to KYC requirement and reminder letters were sent to those shareholders who are non-compliant to KYC requirement along with prescribed forms during March 2022 and May 2023. As on date, 6060 folios were non-compliant to KYC requirement and 546 folios were updated with KYC/ Dematerialisation. Specimen copy of letter and prescribed forms for updating KYC and Nomination is available on the Bank's website at <https://www.kvb.co.in/investor-corner/>. Bank would ensure/explore other means to reach shareholders in this regard.

Disclosure of details of Unclaimed Shares Suspense Account under Regulation 39(4) of SEBI LODR

Sr. No	Particulars	Number of shareholders	No. of shares
1	Aggregate number of shareholders and the outstanding shares as on 01 st April 2022	792	52,017
2	Less: No. of shares transferred to the IEPF authority in terms of Section 124(6) of the Companies Act, 2013	-	-
3	Aggregate number of shareholders and the outstanding shares as on 31 st March 2023	792	52,017

The voting rights on the above mentioned 52,017 shares shall remain frozen till the rightful owner of such shares claims the same.

Corporate Governance Report

Unpaid/Unclaimed Dividend

As per the provisions of Section 124 (5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, Bank is statutorily required to transfer to the Investor Education & Protection Fund ('IEPF'), established by the Central Government, all dividends remaining

unpaid/unclaimed for a period of 7 years, from the date of such transfer to the unclaimed dividend account. Once such amounts are transferred to IEPF, no claim of the shareholder shall lie against the Bank. Accordingly, the unclaimed dividend amount of ₹ 60,35,354/- for the financial year 2014-15 has been transferred to IEPF Authority during September 2022.

The following table gives the unclaimed amount from the year 2015-16 with the position as on 31st March 2023 and the last date for claiming the dividend before transfer to the said Fund.

Financial Year	Unclaimed Amount (₹)	Date of Declaration	Last date for claiming the Dividend
Unclaimed Dividend Warrants			
2015-16 Interim Dividend *	51,26,610.00	28.03.2016	27.04.2023
2015-16 Final Dividend	21,77,612.00	22.07.2016	21.08.2023
2016-17	64,34,831.00	24.07.2017	23.08.2024
2017-18	20,58,864.00	10.08.2018	09.09.2025
2018-19	20,87,566.20	19.07.2019	18.08.2026
2019-20	Dividend was not declared as per the RBI circular dated April 17, 2020		
2020-21	24,72,499.50	11.08.2021	12.09.2028
2021-22	74,22,327.80	03.08.2022	02.09.2029
Unclaimed Refund Orders & Fractional Warrants of Bonus Issue			
Rights 2017 Refund Order	5,34,205.00	22.11.2017	21.12.2024
Bonus 2018 Fractional Warrant	1,56,263.96	27.09.2018	26.10.2025
Unclaimed Debenture Interest Warrant			
2021-22 Debenture Interest Warrant	83,650	12.03.2022	10.04.2029

* The Unclaimed Dividend amount for the Financial Year 2015-16 Interim Dividend was transferred to IEPF during the month of May 2023.

Shareholders who have not claimed their dividend warrants for the period as specified above are advised to send their request letter along with supported documents to Registrars and Share Transfer Agents viz., S.K.D.C. Consultants or Nodal Officer of the Bank Shri Srinivasa Rao Maddirala. The details of unpaid/unclaimed dividends and Debenture Interests are available on the website of the Bank at www.kvb.co.in/investor-corner/.

Pursuant to Regulation 6(2)(d) SEBI LODR, Bank has created a separate e-Mail ID for redressal of Investor Complaints and Grievances. The said e-Mail ID is kvb_sig@kvbmail.com.

Transfer of shares to Investor Education and Protection Fund (IEPF)

In terms Section 124 (6) of the Companies Act, 2013 and read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended from time to time, all shares pertaining to any shareholder in respect of which dividend/s have not been claimed for the last 7 consecutive years shall be transferred to the IEPF Authority. Subsequent to such transfer of shares to IEPF Authority, all future benefits which may accrue, on these

shares, including future dividend, will be credited to the said IEPF Authority only.

As per the said Rules, Bank is required to transfer all shares in respect of which dividends remained unclaimed by the shareholders for a period of seven consecutive years (i.e., from financial year 2014-15). Bank has sent individual communication to the concerned shareholders whose shares are liable to be transferred to IEPF Authority, for taking appropriate action and by submitting requisite documents to claim the unclaimed dividend amount. Subsequently, a public notice was issued in Business Standard for all India Circulation and Dinamalar in Trichy Edition covering Karur.

Pursuant to the IEPF Rules, 91,584 shares in respect of which unclaimed/unpaid dividends were not claimed from financial year 2014-15 for seven consecutive years were transferred to IEPF Authority during September 2022 bearing demat account no IN300708-10656671.

The details of the shareholder who have not claimed the dividends for last seven years are available on the Bank's website at www.kvb.co.in/investor-corner/.

Corporate Governance Report

Efforts taken towards unclaimed dividends

- Bank is sending individual reminder letters to the relevant shareholders at regular intervals with respect to encashing of unclaimed dividend.
- 400 letters were sent to shareholders whose shares were liable to be transferred to IEPF Authority during the month of September 2022. Out of which, 228 letters were returned due to non-availability of shareholders at the registered address.
- Public notice/Advertisement on transfer of unclaimed dividends/shares to IEPF is issued in Business Standard for all India Circulation and Dinamalar in Trichy Edition covering Karur. List of shareholders whose shares are liable to be transferred to IEPF and Folio No./Demat account wise unclaimed dividends are uploaded in Bank's website at <https://www.kvb.co.in/investor-corner/>
- Initiatives taken for reaching out 500+ shareholders through divisional offices/branches for claiming of dividends. However, the claim ratio was very minimal at around 3%. In most of the cases, the bank officials could not contact the shareholders, since the shareholders did not reside in the registered address and there was no mobile no./e-Mail id in their folio.

Guidelines to claim the shares/dividend transferred to Investors Education and Protection Fund (IEPF)

Pursuant to Rule 7 of IEPF Rules, the shareholders whose shares/dividend transferred to IEPF can claim the same from IEPF Authority by submitting an online Form IEPF - 5 available on the website <https://www.iepf.gov.in/>.

After submitting an online Form, the claimant shall send the original physical share certificate, indemnity bond in original, copy of acknowledgement and filed IEPF-5 form along with the other documents as mentioned in the Form IEPF-5, duly signed by claimant, to Mr Srinivasa Rao Maddirala, Nodal Officer (IEPF) of the Bank in an envelope marked "Claim for refund from IEPF Authority". Claim forms completed in all aspects will be verified by the Bank and on the basis of Bank's verification report, refund will be released by the IEPF Authority in favor of claimants' account through electronic transfer. The general information about the Bank for filling the IEPF - 5 form are as under:

a) Corporate Identification Number (CIN) of Bank	L65110TN1916PLC001295
b) Name of the Bank	The Karur Vysya Bank Ltd
c) Address of Registered & Central Office of the Bank	The Karur Vysya Bank Limited, Investor Relations Cell, Regd. & Central Office, No. 20, Erode Road, Vadivel Nagar, L.N.S, Karur- 639002. e-Mail: kvbiepf@kvbmail.com

Corporate Governance Report

Disclosure of certain types of agreements binding listed entities

The Bank has not received any intimation under clause 5A of paragraph A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Declaration as required under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of the Board of Directors and Senior Management Personnel of the Bank have affirmed compliance with the Code of Conduct of the Bank for the year ended March 31, 2023.

Place: Karur
Date: July 17, 2023

B Ramesh Babu
Managing Director & Chief Executive Officer

CEO / CFO Certification

As stipulated under Regulation 17(8) of the SEBI Listing Obligations & Disclosure Requirements Regulations (LODR) 2015, we hereby certify that -

- a) We have reviewed financial statements for the year ended 31st March 2023 and that to the best of our knowledge and belief these statements :
 - I. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the period which are fraudulent, illegal or in violation of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, that there are no significant changes in internal control over financial reporting during the year ended 31st March 2023 and deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have also indicated to the Auditors and the Audit Committee of the Board :
 - There are no changes in accounting policies followed in the preparation of financial results for the year ended 31st March 2023 as compared to those followed for the year ended 31st March 2022, except regrouping of interest accrued but not due on deposits and advances and the same has been disclosed in the notes to the financial statements;
 - The financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading; and
 - There are no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

B Ramesh Babu
Managing Director and CEO

R Ramshankar
General Manager and CFO

Place: Karur
Date: May 15, 2023

Certificate of Compliance of conditions of Corporate Governance

To
The Members
THE KARUR VYSYA BANK LIMITED
No.20, Erode Road, Vadivel Nagar,
L.N.S., Karur - 639002

We, S.A.E & Associates LLP, Company Secretaries have examined the compliance of conditions of Corporate Governance by The **Karur Vysya Bank Limited** ("the Bank"), having CIN L65110TN1916PLC001295 and registered office at No.20, Erode Road, Vadivel Nagar, L.N.S., Karur 639002, for the financial year ended on March 31, 2023 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

MANAGEMENT'S RESPONSIBILITY:

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of Corporate Governance as stipulated in LODR.

AUDITOR'S RESPONSIBILITY:

- Our responsibility is limited to a review of the procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.
- We have examined the records and documents of the Bank, to the extent relevant, for the purpose of providing reasonable assurance on compliance with Corporate Governance requirements by the Bank.

OPINION:

- To the best of our information and based on our examination of the relevant records and the explanations given to us and the representations provided by the directors and the management, we certify that the Bank has complied with the conditions of corporate governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the LODR, during the financial year ended 31st March 2023.
- We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.A.E & Associates LLP**
Company Secretaries

Place: Chennai
Date: July 17, 2023

Sri Vidhya Kumar, Partner
FCS. No. 11114, C.P. NO. 20181
UDIN: F011114E000627851

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
THE KARUR VYSYA BANK LIMITED
No.20, Erode Road, Vadivel Nagar,
L.N.S., Karur - 639002.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The Karur Vysya Bank Limited having CIN L65110TN1916PLC001295 and registered office at No.20, Erode Road, Vadivel Nagar, L.N.S., Karur 639002 (hereinafter referred to as 'the Bank'), produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below as on the financial year ended 31st March 2023 have been debarred or disqualified from being appointed or continuing as Directors of Bank by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority viz., Reserve Bank of India.

Sr. No	Name of Director	DIN	Date of appointment in the Bank
1	Dr Meena Hemchandra	05337181	26-May-2022
2	Mr B Ramesh Babu	06900325	29-July-2020
3	Mr M V Srinivasamoorthi	00694618	27-Aug-2015
4	Dr K S Ravichandran	00002713	26-May-2016
5	Mr R Ram Kumar	00275622	25-Jun-2018
6	Mr K G Mohan	08367265	01-Feb-2020
7	Dr R Harshavardhan	01675460	30-Jul-2020
8	Mr Murali Ramaswami	08659944	14-Jun-2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion based on our verification of the records and disclosures. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For **S.A.E & Associates LLP**
Company Secretaries

Sri Vidhya Kumar, Partner
FCS. No. 11114, C.P. NO. 20181
UDIN: FO11114E000627840

Place: Chennai
Date: July 17, 2023