



“Karur Vysya Bank Limited
103rd Annual General Meeting”
August 03, 2022

S.no.	Sarvashri	
Board of Directors		
1.	Dr. Meena Hemchandra	Non-Executive Part-Time Chairperson
2.	Mr. B Ramesh Babu	Managing Director & Chief Executive Officer
3.	Mr. M K Venkatesan	Non-Executive Non-Independent Director & Chairman of the Customer Service and Stakeholders Relationship Committee
4.	Mr. A K Praburaj	Non-Executive Non-Independent Director
5.	Mr. M V Srinivasamoorthi	Non-Executive Non-Independent Director
6.	Mr. R Ramkumar	Non-Executive Non-Independent Director
7.	Dr K S Ravichandran	Non-Executive Independent Director & Chairman of Nomination and Remuneration Committee
8.	CA K L Vijayalakshmi	Non-Executive Independent Director & Chairperson of the Audit Committee
9.	Mr. KG Mohan	Non-Executive Independent Director & Chairman of the IT Strategy and Digital Transaction Monitoring Committee
10.	Mr. Harshavardhan Raghunath	Non-Executive Independent Director & Chairman of the Risk Management and Asset Liability Management Committee
11.	Mr. Murali Ramaswami	Additional Director of the Bank under Independent Category
Management		
12.	Mr. J Natarajan	President & Chief Operating Officer
13.	Mr. Srinivasarao Maddirala	Company Secretary
Statutory Auditors		
14.	Mr. Sriraam M	Partner of M/S R G N Price & Co, Chartered Accountants, Chennai
15.	Mr. Menakshi Sundaram	Partner of Sundaram & Srinivasan, Chartered Accountants, Chennai
Secretarial Auditor		
16.	R K Bapulal	Partner of Bapulal Yasar & Associates, Secretarial Auditor & Scrutinizer

Moderator: Dear members, good morning, welcome to the 103rd Annual General Meeting of the Karur Vysya Bank being conducted through video conferencing, or other audio visual means. I would request the Chairperson of the company to take over and start the proceedings of the meeting. Thank you and over to you!

Meena Hemchandra: Good Morning to all,

I, Meena Hemchandra, Chairperson of the Bank, extend a warm welcome to the 103rd Annual General Meeting of the Karur Vysya Bank. This is my maiden Annual General Meeting at the Bank and I am delighted to conduct the Annual General Meeting of the Bank which is known for its rich tradition.

Since the requisite quorum is present through video conferencing / other audio visual means (VC/OAVM) as confirmed by the Company Secretary, pursuant to the circulars issued by the Ministry of Corporate Affairs and Section 103 of the Companies Act, 2013.

I therefore call the meeting to order.

Seeking the blessings of Goddess Gayatri and founding fathers, Late Shri M.A. Venkatarama Chettiar and Late Shri Athi Krishna Chettiar, we will commence the Annual General Meeting with an invocation.

I invite Mrs. Subbulakshmi to render the invocation please.

Subbulakshmi: Invocation

Meena Hemchandra: In compliance with the directions of Ministry of Corporate Affairs (MCA) and guidelines of Securities and Exchange Board of India (SEBI), your Bank has arranged the AGM through Video conferencing and Other Audio Visual Means (VC/OAVM).

I am Chairperson of the Bank, Meena Hemchandra, conducting this Annual General Meeting from the auditorium of the Bank's Registered & Central Office in Karur with my colleague Board members.

I invite Shri B Ramesh Babu, Managing Director & CEO of the bank to introduce himself.

B Ramesh Babu: Good Morning madam, good morning to all of you. I am B Ramesh Babu, MD & CEO of the bank. I trust all of you and your families are safe and healthy and vaccinated with the Booster dose. Thank you.

- Meena Hemchandra:** I now request Shri M K Venkatesan to introduce himself.
- M K Venkatesan:** Good Morning to everyone, I am M K Venkatesan, Non-Executive Non-Independent Director and Chairman of the Customer Service and Stakeholders Relationship Committee. Thank you all.
- Meena Hemchandra:** I request Shri A K Praburaj to introduce himself.
- A K Praburaj:** Good Morning all, I am A K Praburaj, Non-Executive Non-Independent Director. Thank you.
- Meena Hemchandra:** I request Shri M V Srinivasamoorthi to kindly introduce himself.
- M V Srinivasamoorthi:** Good Morning all, I am M V Srinivasamoorthi, Non-Executive Non-Independent Director. Thank you all.
- Meena Hemchandra:** I request Shri R Ramkumar to introduce himself.
- R Ramkumar:** Good Morning everyone, I am R Ramkumar, Non-Executive Non-Independent Director. Thank you.
- Meena Hemchandra:** I request Dr K S Ravichandran to kindly introduce himself.
- K S Ravichandran:** Good Morning my dear members, welcome to this 103rd Annual General Meeting of Karur Vysya Bank, I am Dr K S Ravichandran, Independent Director, currently Chair of Nomination and Remuneration Committee.
- Meena Hemchandra:** I now request Smt. CA K L Vijayalakshmi to kindly introduce herself.
- K L Vijayalakshmi:** Good Morning all, I am CA K L Vijayalakshmi, Non-Executive Independent Director, and currently Chairperson of the Audit Committee. Thank you.
- Meena Hemchandra:** I request Shri K G Mohan to introduce himself.
- K G Mohan:** Good Morning, I am K G Mohan, Non-Executive Independent Director, and Chairman of the IT Strategy and Digital Transaction Monitoring Committee of the Bank. Thank you.
- Meena Hemchandra:** I now request Shri Harshavardhan Raghunath to kindly introduce himself.
- Harshavardhan R:** Good Morning, I am Harshavardhan Raghunath, Non-Executive Independent Director, and Chairman of the Risk Management and Asset Liability Management Committee of the Bank. Thank you.

- Meena Hemchandra:** I now request Shri Murali Ramaswami to kindly introduce himself.
- Murali Ramaswami:** Good Morning to everyone, I am Murali Ramaswami, Additional Director of the Bank under Independent Category. Thank you.
- Meena Hemchandra:** I am also accompanied by Shri J Natarajan, President & COO.
- J Natarajan:** Good Morning, I am J Natarajan, President & Chief Operating Officer of the Bank. Thank you.
- Meena Hemchandra:** And Company Secretary Srinivasarao Maddirala.
- Srinivasarao Maddirala:** Good morning all, I am Srinivasarao Maddirala, Company Secretary. Thank you.
- Meena Hemchandra:** I recognize the presence of Bank's Joint Statutory Central Auditors.

M/s R G N Price & Co, Chartered Accountants, Kochi represented by Shri Sriraam M, Partner.
- Sriraam M:** Good morning to all the Board of Directors & shareholders, I am Sriraam M.
- Meena Hemchandra:** M/s Sundaram & Srinivasan, Chartered Accountants, Chennai represented by Shri Menakshi Sundaram, Partner
- Menakshi Sundaram:** Good morning, I am Menakshi Sundaram, Partner in Sundaram & Srinivasan. Good morning ladies and gentlemen, Statuary Auditors, Sundaram & Srinivasan.
- Meena Hemchandra:** Also I recognize the presence of Secretarial Auditor & Scrutinizer of this Annual General Meeting - Shri R K Bapulal, Senior Partner representing M/s Bapulal Yasar & Associates, Company Secretaries, joining through video conferencing mode.
- R K Bapulal:** Good morning all, I am R K Bapulal, Partner of Bapulal Yasar & Associates, Secretarial Auditor & Scrutinizer. Thank you.
- Meena Hemchandra:** The Bank has taken all feasible efforts to enable members to participate through Video Conferencing and Other Audio Visual Means (VC/OAVM) and vote at the Annual General Meeting.
- Thank You for joining this meeting virtually and I greatly appreciate you for taking the time to attend this Annual General Meeting of the Bank.
- Now, I shall call upon the Company Secretary to make few general announcements.

Srinivasarao Maddirala: Thank you Chairperson,

In compliance with the circulars issued by the Ministry of Corporate Affairs, the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Annual General Meeting of the Bank is being held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM). Hence, the facility of appointing proxies is not applicable for the meeting.

Shareholders are requested to note that by default they are on mute mode for the smooth and seamless conduct of the meeting.

Pursuant to the recent SEBI circular guidelines, the Notice of the Annual General Meeting along with the Annual Report was sent through e-mail to all the Shareholders, whose email Ids are registered with the Bank / Registrar and Transfer Agent or their respective depositories.

In accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members have been provided with facility to exercise their right to vote by electronic means, both through remote e-voting and e-voting during and after the Annual General Meeting through NSDL platform.

All the relevant documents referred in the Notice requiring the approval of the Members at the Meeting and other Statutory Registers are available for electronic inspection by the Members on the NSDL e-voting platform.

Bank has received requests from nine eligible shareholders who are members of the Bank as on the Cut-off date that is July 27, 2022. All the requests are considered and allowed them as speakers. The floor will be open for these members to ask queries or express their views. The moderator will facilitate this session once the Chairperson opens the floor for question and answers.

Speaker Shareholders are requested to restrict their queries to the agenda items and ensure time for other fellow speaker shareholders to express their views.

The other Members, can also post their views or queries on the communicate tab on the video conference screens.

During the Question & Answer session, once the name of the speaker shareholders is called out by the Chairperson, the shareholder will be unmuted by the host, enabling him/her to speak, before speaking shareholders are requested to click on the Video icon appearing on the screen and if for any reason the shareholder is not able to join through video mode, he or she can still

Speak using audio mode. While speaking we request you to use earphones so that you are clearly audible and it would also minimize any noise in the background, you are also requested to ensure sufficient bandwidth & lighting.

During question and answer session, if there is any connectivity issue at the speaker shareholder's end, we would ask the next speaker to join. While the connectivity improves, those shareholders would be allowed to speak within the available time.

During the Annual General Meeting, if any shareholder other than speaker shareholder faces any technical issue, please contact the help line number mentioned in the notice of the Annual General Meeting or refer the FAQ section available on the video conference screen.

Over to Chairperson for welcome address to the Shareholders. Thank you.

Meena Hemchandra: Dear Shareholders,

A very good morning to all of you. I am very glad and happy to welcome you all to the 103rd Annual General Meeting of the Bank, and address you this morning.

It is really a big moment for me to address the shareholders at the Annual General Meeting of the Bank with 100 plus years of rich legacy as its Chairperson.

I will be crisp in point so that my speech adequately reflect upon the bank's approach during the financial year 2022 and also indicate our stands on our forward looking journey. Further details will be furnished by the Managing Director in his address to you.

This meeting would have been more memorable, if I could have had a chance of meeting all of you physically from the oldest members who have been diligently supporting us since many decades to every new member among our shareholders.

This is already our third virtual event of this kind and we are really missing the intimacy and warmth of face to face interaction. Nevertheless I also acknowledge that the virtual element brings with its more shareholder participation and engagement.

Macroeconomic scenario for much of financial year 2022 there was a sense of cautious optimism that we might finally have put the worst of COVID-19 pandemic behind us. However towards the end of the year our resilience was again put to test once more as the spread of omicron variant reminded us of the unpredictable nature of the pandemic.

The year was also marked by commodity price increase and logistic bottlenecks. The global sales recovered despite these odds supported by the unprecedented policy efforts of Governments and Central Bank. However the enduring war between Russia and Ukraine is expected to have telling effects on the global growth story.

On the domestic front the economy made a sharp rebound spear headed by export growth momentum and also the uptick in the credit off take in industrial and agrarian sectors.

The ample liquidity provided by the Central Bank and the Government Fiscal Policy supported the economic activity and the banks augured well in this uncertain environment during the year.

The Reserve Bank of India which maintained an accommodative stand towards Financial Year 2022 is now focusing and withdrawing the accommodative policies owing to surge in inflation.

Our performance, friends, before I brief you about the plans and strategies, let me share some reflections from the past year, a year that has been an extraordinary one in every sense.

The financial year 2022 turned out to be an eventful year for the bank characterized a decent topline growth, robust bottom line performance, reduction in GNPA and NPAs and further strengthening of capital adequacy under the able leadership of Shri B Ramesh Babu, MD & CEO of the bank.

The key financial parameters and ratios indicate that the bank has progressed with prudence. You will recall that during the last year we had promised you an all-round responsible growth and going by the performance you will be convinced that we have lived up to your expectations.

I am glad to mention that the board has recommended a dividend of 80% for its shareholders for the financial year 2021-22. I am sure you have gone through our annual report for the financial year 2022 and I am glad to mention that this is the first integrated annual report of the bank.

While the conventional annual reports mainly focuses on financial statements and the numbers that outlined its financial performance. The integrated report brings out the organization strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context within which it operates.

By going through our annual report many of you would observe our unique commitment of progressing with prudence. How progress and prudence would move alongside will be daunting question as it is commonly believed that prudence decelerates progress and vice versa. I would however say that progress and prudence are in fact complementary to one another as prudence results in a sustainable and responsible growth.

We will strongly focus on business growth, as growth is in the best interest of every stakeholder. This growth has happened within the contours of acceptable risk taking. To achieve this objective we have a well diversified board of directors possessing strong expertise in various backgrounds relevant to banking industry and let me assure you that the directors have dedicated themselves for upholding the highest governance standard including protecting the interest of shareholders.

Friends' transformation is inevitable, and yet lot of transformation has taken place in a very less time. Indeed the pandemic has fast track the transformation into the future and a paradigm shift is being driven by an exponential pace of digital adoption and futuristic innovation.

We have get pace with the evolving dynamics and are continuously reinventing newer ways to build resilience and adaptation and adopt new technology be it in customer service excellence, lending, risk mitigation or compliance culture.

We also spend a considerable time in devising the bank's policies and strategies, monitoring the progress of transformation agenda as well as enhancing the oversight on bank's culture.

Advancing community engagement: The fulfilling feeling of giving back and contributing to the society is unparalleled. This is strongly embedded with the culture of the bank and during the year the bank has focused on a big way in supporting the COVID-19 patients by providing its oxygen generators, other medical equipment to COVID care centers and also construction of emergency COVID care units.

We also spread our supporting hands in fighting cancer, classroom innovation, safe water to rural population and skill development program for women.

Road ahead: As we move forward we expect monetary and physical policies will successfully steer the economy through the headwinds of inflation, volatility in global capital flows and exchange rate and provide the environment for an all participative broad-based growth. We therefore proposed to focus on growing our retail franchise commercial and agriculture advances and third-party business.

While we expect mid corporate and retail segment to perform well. We will also harness our partnership in NBFCs and Fintechs for improving our co-lending and co-sourcing opportunities.

The rigour in collection, intensity in downsizing the slippages and delinquency will remain certain and reinforcement of provision coverage will be of prime focus.

Nevertheless good corporate governance practices and robust risk management will continue to be our core area of concentration and stick adherence to compliance culture at all levels of hierarchy will be ensured. We also have a roadmap to implement the environment, social and government's ESG related commitments. As a step further our goal of preparing for the carbon low future and also to accelerate the environmental and social commitments, we have intensified our activities in the area of water body restoration, donation of battery operated vehicle and have installed solar panels in bank's own premises at Bangalore.

Having said this, the focal point remains on continuously improving our productivity, operational efficiency, cost control and expenses optimization. We value your support. The outlook is strongly skewed towards the positive all-round growth and the conditions are increasingly becoming favorable. We are well position to sustain our noteworthy performance in future and I look forward to years ahead with confidence.

I would like to place on record my appreciations to the management, senior executive team and the rank in file of the staff for their outstanding efforts during the year. I am sure their efforts will continue to place the bank in a strong position to capture the opportunities that lie ahead. On this occasion I express my sincere gratitude to our shareholders, our business partners, customers and other stakeholders for the continued support and faith in us.

I would like to place on record I sincere gratitude to central and state government authorities RBI, SEBI, MCA, Stock Exchanges NSE and BSE, depositories and other regulatory authorities for their valuable guidance and support.

I thank you all for setting aside your schedules to be with us today from wherever you are and I seek your continued support in our endeavors. With these words I once again welcome the shareholders, representatives of corporates, FIIs, Mutual Funds, Insurance Companies and all other stakeholders virtually to the 103rd Annual General Meeting of the Karur Vysya Bank. Thank you all.

Meena Hemchandra:

The Bank has published its first Integrated Annual Report this year which brings together material information about the Bank's strategy, governance, performance and prospects in a way that reflects commercial, social and environmental context within which we operate. It provides a concise articulation of value creation story relevant to all stakeholders.

The Notice and the Integrated Annual Report are with you for some time now. With your permission, I shall take the Notice for convening the 103rd Annual General Meeting as read.

As per the Secretarial Standards, reading of the entire text of Auditors' Report be it a Statutory Auditors' Report or the Secretarial Audit Report is not mandatory, unless the said Reports have

certain qualifications, observation and Comments, made thereon and the members attention is also to be drawn to the explanation and comments given by the Board for the audit qualifications and observations.

There are no qualifications, observation and Comments in the reports of the Statutory Auditors' as well as in the Secretarial Audit.

Hence, with your permission I shall take the Statutory Auditors' Report, the Secretarial Auditors' Report as read.

For the benefit of Shareholders, I request Company Secretary to read out the agenda items put for voting through this AGM.

Srinivasarao Maddirala: Thank you Chairperson,

There are Ten agenda items for approval of the Shareholders mentioned in the Notice of the Annual General Meeting.

Four agenda items are of Ordinary Business and Six agenda items are of Special Business.

The four agenda items of Ordinary Business are:

First agenda: To receive, consider and adopt the Audited Financial Statements of the Bank for the Financial Year March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon.

Second agenda: To declare Dividend of Rs.1.60 per equity share of Face Value of Rs.2 each for the Financial Year 2021-2022.

Third agenda item: To appoint a Director in the place of Shri R Ramkumar (DIN: 00275622), who retires by rotation and being eligible, offers himself for re-appointment.

The fourth agenda item: To re-appoint M/s R G N Price & Co, Chartered Accountants, Chennai (Firm Registration No. 002785S) together with M/s Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration No. 004207S) as Joint Statutory Central Auditors (JSCA) of the Bank and fix their remuneration.

Board of directors recommended the re-appointment of Joint Statutory Central Auditors for FY 22-23 from the conclusion of this Annual General Meeting till the conclusion of 104th Annual General Meeting of the Bank subject to the approval of Reserve Bank of India.

Reserve Bank of India accorded their approval vide their letter dated July 8, 2022 on the appointment of Joint Statutory Central Auditors.

Then Six agenda items of Special Business are:

Fifth agenda item: To appoint Branch Auditors of the Bank and fix their remuneration.

Sixth agenda item: To appoint Dr Meena Hemchandra (DIN: 05337181) as Non-Executive Independent Director of the Bank.

Seventh agenda item: To take on record the recommendation of Board on Dr Meena Hemchandra's candidature as a Non-Executive Independent (Part-time) Chairperson of the Bank to Reserve Bank of India and to approve her remuneration.

Reserve Bank of India accorded their approval for the recommendation of Board of directors of the Bank vide their letter dated July 11, 2022 for the appointment of Dr Meena Hemchandra as Part time chairperson of the Bank as per the terms and conditions for a period of three years from the date of taking charge.

Accordingly Board of Directors of the Bank in their meeting held on July 25, 2022 has appointed Dr Meena Hemchandra as Non-Executive Independent (Part-time) Chairperson of the Bank and Dr Meena Hemchandra has taken charge on the same day.

Eighth agenda item: To approve the variable pay remuneration of Managing Director and Chief Executive Officer of the Bank Shri B Ramesh Babu (DIN: 006900325) for the Financial Year 20-21.

Ninth agenda item: To approve payment of compensation to the Non-Executive Directors (except the Non-Executive (Part-time) Chairperson).

Tenth agenda item: To appoint Shri Murali Ramaswami (DIN: 08659944) as Non-Executive Independent Director of the Bank.

The objectives and implications of the resolutions proposed in the AGM are already set out in the Notice of the AGM & explanatory statement.

Out of the said 10 resolutions Item no 6 and 10 are Special resolutions and others are Ordinary resolutions.

Since the remote e-voting has already taken place, the requirement of proposing and seconding of a resolution is not applicable.

Thank you. Over to Chairperson.

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

B Ramesh Babu: Thank you Madam. Thank you Dear Shareholders. At the outset I welcome everyone to this 103rd Annual General Meeting held through video conferencing and other audio visual means. I know very well on a busy working day attending the meeting at 11'O clock is pretty difficult but despite that if you are attending that shows the interest what all you have in your bank I am truly thankful to you.

Quoting the words of author Gregory S. Williams "On the other side of a storm is the strength that comes from having navigated through it". Navigating to the pandemic for the last two years has given enormous strength to all of us to face tough and difficult times.

Financial year 21-22 started with the second wave of COVID-19 which was severe in the first quarter of financial year across the country. This continues to affect the economy choking both the market demand and supply and affecting the livelihood of many people in the process. Government, central bank and regulators continued with their policy measures to overcome the crisis. This was succor to the financial market and financial institutions to overcome the severity of the pandemic. The vaccination drive launched by the government reduced the impact substantially which was evident that omicron wave hit in the beginning of the year 2022.

The past two years have brought about transformational changes, stretching the limits of our imagination to adopt to a new world. We are not out of woods yet, but there is a growing sense of optimism.

I am happy to share that your bank KVB has not only made significant progress but has taken confident strides to derive responsible growth. In the Indian banking industry credit growth accelerated to 9.6% in financial year 22 from 5.6% in financial year 21 supported by the benign interest rate environment and improving sentiments.

Retail lending continue to drive the credit growth while wholesale lending picked up partly due to the shift from money markets to loans as the RBI started withdrawing excess liquidity. In addition surging commodity prices like oil, resulted in a higher working capital requirements although upward pressure on inflation prompted the RBI to undertake two successive policy rate hikes still the relatively low lending rates are likely to keep the credit uptake buoyant.

Further the RBI in its latest financial stability report pointed out that India's scheduled commercial bank and NBFCs have adequate capital buffer to withstand any shocks stemming from the pandemic and on the ongoing geopolitical tensions.

Now coming to the performance highlights of the bank for the financial year 21-22. FY 21-22 was a very challenging year after math of pandemic yet we improved our overall performance in terms of growth, profitability, and asset quality. Your bank continue to be well capitalized with capital adequacy ratio at 19.46% as on March 31, 2022 of which core capital CET-1 is 17.49%. This shows the inherent strength of the bank and also our ability for future credit expansion. Your bank crossed landmark number of 125000 Crores of total business during the year. Total business as on March 31, 2022 stands at 126226 Crores comprising gross advances of 57550 Crores and deposits of 68676 Crores. The growth in deposit and advances is 9% each. The liability business of the bank constitutes to 54% of the total business of the bank. Our growing digital economy ecosystem now covers a large portion of services offered by our liabilities group. On the deposits front savings deposits continue to grow and CASA portfolio improved to 35%, registering a growth of 1%. The term deposits also improved to 44772 Crores as on March 31, 2022 as against 41624 Crores of the previous financial year. Your bank commenced its digital journey few years back. I am happy to say that the share of digital transactions has increased to 94% there are 1.8 million registered users on our delight app. The gross advances have grown at 10% and credit growth has come from all verticals except corporates where we treaded prudently and majorly from the retail that to at a lower risk weighted assets percentage. Commercial loan book continue to have a share of 32% of the total loan portfolio followed by retail and agriculture equally at 23% and corporate reduced 22% of the total loan portfolio indicating our continue shift towards the granular portfolio. The agriculture loan book had a growth of 13% year-on-year and the portfolio grew despite the redemptions in gold loans after the opening of the economy. Your bank achieved all the targets and sub targets under priority sectors for all the quarters of the year and priority sector advances as a percentage to ANBC as on March 31, 2022 stood at 47.04. The retail advances business registered growth of 8% during the year under review. There has been a good demand for retail loans particularly for home loans and we have streamlined our rates in tune with the market. The commercial business grew by 12% over the previous year and stood at 18698 Crores being supported the MSME borrowers who are impacted the economic disruptions by providing guaranteed emergency credit line facilities we had ramped up our business banking unit structure with sales relationship managers to focus on new business and services as well as on existing borrower requirements. Our NEO business model is progressing well and they built a loan book of around 2500 Crores at the end of the financial year. We have plans to expand under NEO geographically by opening new locations in Madhya Pradesh, Uttar Pradesh, West Bengal, Rajasthan and Punjab in the current year. Precious metal loan book stood at 593 Crores at the end of the year nearly doubling their outstanding compared with the previous year and during the year they dealt with 11 tons of gold

as against 3 tons of gold than last year. The business will scale up further during the current year. Transaction banking group handles supply chain finance, we are offering vendor finance, dealer finance, factoring programs, your bank is actively participating in all the three TReDS platforms for financing MSME sector and vendors. Total portfolio under this business is at 551 Crores. Net interest income for the year ended at as on March 31, 2022 is at 2715 Crores and the total income was at 3484 Crores. Operating profit for the year was at 1630 Crores which is 26% more than the previous year majorly assisted by higher interest income growth and lower operating expenses compared to the previous year. Provision requirement for the year were lower at 699 Crores previous year it was at 657 Crores, net profit of the year has increased by 87% at 673 Crores which is incidentally the highest net profit earned by the bank so far during this year.

So that way in the last 106 years the profit of this year is a highest. In my last year speech I had mentioned about your bank's goal of achieving a return on assets of over 1% by financial year 2024. We are on track as our ROA improved to 0.86% previous year it was 0.49%. Our ROA for the quarter four that is January, March quarter was at 1.06 which we are confident of maintaining the ratio at the above 1% level during the year 2022-2023. Our collection efficiency continues to be above 97% level and SMA 1 and 2 are less than 1% at the end of the year indicating quality of assets in the coming year. Due to lower slippages, recoveries and technical write offs, gross NPA has come down to below 6% and stands at 5.96% previous year it was 7.85%. The net NPA reduced more than 1/3rd from previous year to 2.28% from 3.41% a year ago and provision coverage ratio improved to 80.27% from 72.7% of the previous year. Our standard restructured book as on March 31, 2022 constitutes 2.85% of the total bank's loan book we are continuously monitoring this portfolio very closely. During the year your bank received permission for government business services that is agency bank for collection of direct and indirect taxes we have successfully integrated with ICEGATE portal of Central Board of Direct Taxes and Customs and have facilitated online payment of customs duty to customers. Without this, we were allowing our customers to bank with other banks for the payment of the government dues with this enablement so we will be able to offer full-fledged services to them and they can deal end-to-end with us.

In summary these numbers continue to reflect the inherent and a fundamental strength of your bank. Keeping in view of the above the Board of Directors of the bank has recommended a dividend of Rs.1.6 per equity share on a face value of Rs.2 per share that is 80% of the paid up equity capital of the bank for the year financial year 22.

Coming to the new initiatives taken during the year 21-22 we planned several initiatives at the beginning of the year and we were able to implement the following during financial year 21-22. During the year the retail loan segment of your bank was strengthened further by including more loan products on the tablet base application as a part of its digital transformation. The retail

lending digital application is now equipped with housing loans, personal loans, vehicle loans, educational loans, loan against sovereign bonds, OD against property, GECL that is emergency line what we are giving and FITL funded interest term loans, thus empowering the branches and the business units to source quality applications from the market. In addition to that we have also enabled preapproved personal loans via our d-lite mobile banking app, mutual funds also we have enabled through online mode. Online payment of the customs duty through ICEGATE portal and retail credit card also we can do through digitally.

Now coming to the ESG (Environmental Social and Government Practices) chairperson has already covered that, I will be brief in this. In your bank ESG is considered as an integral part of the business, it has taken cognizance whenever any activity endeavor is planned or strategized by any business units in their operations affecting both clients and customers external and internal as well.

So environment is concerned as a part of our commitment to reduce the carbon footprint and greenhouse gases. We continue to contributing the battery powered vehicles as madam has mentioned and for the general public in the area where we are present. So we have a 850 megawatt turbine at Theni and which gives us power and VRF that is Variant Refrigeration Flow AC units have been installed at the back offices of our Chennai, Mumbai and other metro urban centers to save electricity by energy conservation technology. We have implemented digital current account that is paperless current account opening process with e-signature, video KYC for remote customer on-boarding, digitization of intra-office communications and notes management using e-memo application which was very useful during the pandemic period because there was no paper movement needed there. Thereby replacing the need for a paper and movement of paper based documents in this area.

Coming to social, so chairperson has already covered where we have given the oxygen equipments and all generators and all. So in addition to that many more measures and initiatives have been taken during the COVID period to support the, who are needy.

Coming to the governance, your bank is committed towards achieving the highest standards of corporate governance for conducting the business with integrity and fairness. Being transparent in all transactions making all necessary disclosures complying with the applicable laws, accountability and responsibility towards all the stakeholders. The board consists of eminent executives with a lot of experience in banking, risk management, financial markets, information technology, agriculture, business transformation, textile, law and other sectors and domains.

I want to welcome our two new Directors who are bringing with them unique talents expertise and perspective to benefit the organization. I am grateful and excited to have this group of individuals joined the board and this will further our ambition of strengthening the corporate

Karur Vysya Bank Limited
August 03, 2022

governance practices. Friends you are aware that Dr Meena Hemchandra is a seasonal central banker commanding vast experience and deep expertise across all areas of the regulatory functions. I am very pleased that the board's recommendations for appointing her as the nonexecutive part-time chairperson of the bank has been approved by the reserve bank of India and I am glad to share that she is the first woman to head this coveted position of the bank in its 100 plus years of cherish history, it is also very appropriate that this coincides with the country electing a woman as its first lady and I extend a warm welcome to you madam.

I also equally pleased to welcome on-board Shri Murali Ramaswami a career banker with more than three decades of banking experience he has hands on experience in various domains of banking and has worked in top positions in public sector banks. I am sure that his induction will further strengthen the board and his collective decision making process I extend a hearty welcome to you Sir.

At this juncture I fondly recall the guidance and support of my colleagues who had retired consequent to completion of their tenure in the board, I am thankful to our Former Chairman Shri N.S. Srinath for his consistent and thoughtful guidance to the transitions of the bank and for his steady backing in the board. I am also grateful to my colleague and Former Director Dr. V.G. Mohan Prasad for volunteering his time insights, ideas, to enrich the collective wisdom of the board he had shared his valuable thoughts for business growth and also strengthened internal controls during his long state in the bank.

I would now like to take you through the various transformation initiatives your bank has planned for the financial year 22-23 and the road ahead.

The first one is the corporate mobile banking. Bank is offering mobile banking services to retail customers through d-lite app. We proposed to offer mobile banking to our corporate customers which help them to take the financial transactions on the go. Now a chatbot and a voicebot: bank intends to implement a voicebot and chatbot armed with artificial intelligence and machine learning technologies to serve customers better. The proposed interactive AI powered chatbot backed by state of the art machine learning algorithms shall help the customers by addressing all banking related queries on a 24/7 basis. Integration with multiple platforms in a phased manner shall enable customers to access the bot via corporate website Alexa, Google Assistant, Facebook Messenger, Whatsapp, and also through banks internet and mobile bank applications. Bank shall implement voicebot also for customer contact center and for automating various internal processes including HR management and support.

Whatsapp banking: Our bank proposed to provide Whatsapp banking facility to our customers to start with we proposed to offer non-financial services followed by financial services at a later stage.

Now coming to the digital rights management system this is regarding the information security. Digital rights management system is an adoption of technology and systems to restrict the use of copyrighted digital materials bank proposes to implement a digital rights management tool to protect the rights of the copyright holder and prevent unauthorized modification or distribution of the documents for an enhanced internal security levels. Implementation of voice biometric for mobile banking: voice biometric is a technological solution that allows the authentication of an individual through the recognition of voice characteristics and speech patterns. Bank proposes to implement the same in our retail mobile banking app in order to facilitate our customers to log in and authenticate their transaction through voice mode.

Virtual debit card: The virtual debit card is a virtual extension of the physical card available in digital format online and is use for performing online transactions. The virtual card offers improved security to customers along with other operational convenience. This will ease the use of the customers as they can perform online transactions without having the physical card. Now coming to the government business as you are aware for a very long time all the private sector banks were not permitted to handle government business, we are happy to share that Government of India and Reserve Bank of India have permitted your bank to handle government business, accordingly bank has completed integration process with central board of indirect taxes and customs and very shortly our customers will be able to remit their GST through our branches and channels I am happy to share that yesterday the testing process has been completed and very soon we will be making it live. The integration is under process for the central board of direct taxes we have created a separate cell under the consumer banking department to take this business forward.

Co-lending and Fintech opportunities: So we believe in partnering with the Fintech rather than competing with them partnering and going forward will be a better way so because you can derive a lot of value together the robust digital platform that the bank built supports faster integration with NBFCs for co-lending business. The bank currently join hands with two NBFCs for co-lending of loans and considering the potential we are working for more such tie-ups during the year. Bank also tied up with Fintech for sourcing jewel loans, educational loans, and agriculture loans, we continue to focus on these opportunities and will have more tie-ups during the year.

Coming to the road ahead: Considering the need for building up deposits so meet our assets growth and to reach 40% of the CASA levels we have made certain structural changes recently. We have created consumer banking division by bringing personal banking liabilities and personal banking assets under one umbrella which will manage the branch banking business which consist of retail assets, liabilities, third-party products and government business. We have strengthened branch and sales channel to ensure acquisition and deepening are effectively carried out. Our digital systems and partnerships will support the required growth. Our retail

loans and small business loans are completely on digital platform and quality of loans underwritten, under digital platform is performing well. The digital platform is highly scalable and we will make use of this to expand our assets. Our jewel loan portfolio both agriculture and personal segment is doing well and we continue to focus on this during the current year considering the opportunities available. We have kept a loan to value of 75% for the personal segment to mitigate the price risk. Our exposure to corporate sector has come down to 23% as against 35% few years ago, it was our conscious effort to bring down our exposure under corporate and we continue to be cautious while on-boarding corporate borrowers within the per borrower norms fixed by the board. We were continuously moving towards granular portfolio by diversification of our lending and Reliance on corporate sector is kept at minimal. Our non-branch channel NEO is focusing on expanding the distribution network by creating significant footprint in Tier two and Tier three cities and exploring alliances and partnerships under co lending and co-origination with NBFCs in the consumer banking space. Precious metal division would increase consignment supplies, market penetration and customer base by offering products to suit client needs within the regulatory framework. on the non-banking business front bank assurance, Fast Tags, Mutual Funds, distribution, DEMAT account, etc. continue to grow. Bank will focus on up-selling and cross-selling this products to our clients to improve our wallet share towards this we have strengthen this particular wing by taking few of the peoples in the market and we will have a good show this year.

With these diversified activities we plan to expand our assets base, we expect a growth of 15% during the current year. Before I conclude I would like to quote the words of John Milton, “Prudence is the virtue by which we discern what is proper to do under various circumstances in time and place”. Your bank has been cautious over the last two years and mindful of the challenging environment while focusing on growth profitability and asset quality. We would continue to progress with prudence you would have seen the caption on our annual report too.

I would like to reiterate that we aim to deliver a sustainable and consistent financial performance by providing superior services to our targeted customer and in the process realize our goal of achieving sustained return on assets of over 1% during every quarter of 22-23. We have identified focused segments such as small and medium enterprises, self-employed and professionals and entire spectrum of individual savers particularly in the southern and western markets as a potential growth driver.

Our approach would be to offer our customers need specific financial solutions, products services by providing tailor-made solutions and a positive customer experience through delivery of quick and efficient services.

On behalf of my colleagues on the board and the staff members I take this opportunity to convey my deep gratitude to the shareholders for your longstanding trust, loyalty, patronage and support

given to us. We will always remain indebted to you for the same and take strength for our future endeavor. I sincerely thank chairperson and other members of the board for their continued guidance and sharing their wisdom. I also thank our esteemed customers, business partners, and employees for their loyalty and affinity towards us. My whole hearted thanks to our employees for their unstinted efforts and their urge to render best possible services to the customers always. Making our customers to prefer our bank for all their banking needs I thank my colleagues for the support and excellence in their work, I also thank NSDL for having provided excellent technical platform to interact with the shareholders. Further I would like to express our thankfulness to the Reserve Bank of India SEBI and the central and state governments other regulatory authorities and all other stakeholders for their continued support and guidance. Thank you very much.

Dr. Meena Hemchandra: Thank you Shri Ramesh Babu. Your speech has effectively portrayed the performance of the Bank and also its future plans & goals. Thank you very much.

Before I proceed to take up the Question & Answer session with speakers registered, I would make the following request to the registered speaker shareholders.

While seeking clarifications Shareholders may kindly restrict to the subject matter on hand and the agenda items only.

Replies to clarifications sought by the shareholders will be provided at the end of the meeting.

Shareholders are requested to limit their queries to minimum possible time in order to facilitate the other speaker shareholders to participate.

If there is a connectivity problem at the speakers end, the host will invite the next speaker and all such speakers would be given chance once their connectivity is restored within the available time.

Shareholders are kindly requested to co-operate in this regard.

I request the moderator to start the question and answer session.

Moderator: Thank you very much, Chairperson. We will now begin the Q&A sessions. I now invite our first speaker shareholder who has connected with us on audio Mr. N. Malayala Ramamirtham to please proceed with the question.

Malayala Ramamirtham: Thank you. Good morning to everyone. My name is N. Malayala Ramamirtham. My DP ID is IN30021426576996. Respected Managing Director, Shri Ramesh Babu, Board of Directors

learned executives, employees and others. I am happy to speak to you all. Years passed by was a eventful historic year in our bank with many salient achievements. Few are total business crossed 125000 Crores which amplifies the confidence of deposit holders and customers. Record breaking net profit of 673 Crores highest from the inception, CRAR Capital Adequacy Ratio is 19.46%, is the highest in the last one decade. Net NPA is 2.28% against 4.98% in the financial year 2018-19. It is more than 50% reduction in three years. Return on assets is 0.86% against 0.32% in the financial year 2019-20. This is close to 200% jump in two years. Business per employees is 17.28 Crores which clearly shows employees better efficiency. 80% dividend after four years these basket of advances are well distributed this will definitely minimize the possible risk. Cash payment: 94% of digital transactions this clearly shows our bank is robust in ecommerce; our bank is also young in adopting modern technologies. Our bank has fulfilled several corporate social responsibilities during the last year which are in line with founder's vision and their writings in the articles of association. The board has thoughtfully selected Dr Meena Hemchandra Former Executive Director of Reserve Bank of India as a part-time Chairperson. This will enable to you sir varied experience and the knowledge to the best of our bank. Appreciation to the board members. Progressing with prudence is a right word for our bank. Five years ago all banks in India liberally extended corporate loans to rapidly expand their profit and balance sheet size and in that process few major big accounts had become sick. KVB was also no exception in this regard, but this board wisely thought and made several plans to rebuild this great organization and the quick turnaround has happened within four years and achieved several milestones in the history of the bank. Thoughtfully appreciate the board's wisdom. I am able to realize how much hardwork and challenges, the bank would have faced to bring back to the rails. Congrats Chairperson, MD, Board of Directors, Executives and others for making this to happen. After seeing your profit for Q1 of this year we are confident our bank would cross 1000 Crores of net profit in the current fiscal. Therefore the shareholders request and also expect a liberal dividend and the bonus in the coming year. The shareholders are very much enthused now and their expectations are also high. On behalf of the shareholders please consider the above request since your shareholders holding below 2000 shares are more than 75%. I must thank your management to consider my request as a speaker in the august body. Sir by the grace of Goddess Gayatri our bank must reach number one best ranking in the private sector category with your and the boards' able guidance and management. Thanking you, all the best Sir.

Meena Hemchandra: Thank you very much Mr. Ramamirtham thank you very much.

Moderator: Thank you. I now invite our next speaker shareholder Krishnan Srinivasan to unmute his audio and proceed with his question.

Krishnan Srinivasan: Thank you very much. Just want to confirm you are able to hear me well. Good day to the Karur Vysya Bank Board of Directors & team. I would like to compliment both the board as well as

the management for a very, very good performance in financial year 2022 this is an excellent improvement in all the metrics and I think it really augments well for the bank going forward. I have a bunch of queries wanted to post to the board and the management team. First query was what are the target or metrics or guidance that you would like to give over a three years period especially for FY2023 as well as for FY2025 all the following aspects on return on equity, return on assets, our capital adequacy ratio, provision coverage ratio, and what kind of assets or loan book size are you targeting for FY2023 as well as for FY2025 and what do you expect the NIMs the net interest margin and the expected credit loss/ cost over the next three year period. The second query is how do you see the progress of SMA 1, 2, and 3 over the next three quarters. My third query is what has been the cumulative write-off including the technical write-offs for our bank over the last five years and how much of the write-offs have been recovered over this five year period. The next query is what according to the board and management will be the drivers of our asset or loan book growth over the next three years and which segment will be the drivers, and what quantum of growth KVB is targeting or aspiring and the last query is, even though we are starting to see green shoots and good elevation of performance, that been erosion in shareholders' value of the last five, six years. I would like to get a feedback from the board and management team in terms of how do you plan to enhance the shareholder value over the next couple of years. These are the queries from my end. Thank you very much.

Meena Hemchandra: Thank you very much Mr. Srinivasan. I now request Mr. Palaniappan. Please ask your question.

Palaniappan: Dynamic and ever agile Managing Director and CEO Mr. Ramesh Babu and newly inducted Chairperson and very seasoned banker from Central Bank Dr Meena Hemchandra. At the outset let me congratulate Mr. Ramesh Babu and his team for the excellent set of numbers during this fiscal, highest ever net profit of 673 Crores despite provision for the pensioner, family pension and lower treasury income, but everybody expect for more than what has happened during the last year we have a very long way to go to regain the past glory so let us not be complacent what we have achieved during the last fiscal and more work has to be done to maintain the tempo during the current fiscal. I will also congratulate the management for having brought out a very good integrated annual report first time in the history of the bank, but with some miniature holes, the report lacks three important parameters that is the geographical NPA has not been mentioned it is just mentioned what is the NPA that is all, but geographical distribution of credit has been given geographical distribution of NPA is not provided, it will give a better representation and understanding to the shareholder. Number two there is no clarity or what is the contribution of the bottom line contribution of the Precious metal division no significant mention has been made about the precious metal division which is of course headed by a General Manager and regarding the treasury income, what is the HTM category yield wise, number two the business growth is satisfactory in tandem with the economic recovery for the last fiscal but the topline growth is shared below the banking system which is to be noted because always the KVB used to be above

the banking system it is upper or little below the banking system but I will very much appreciate the maintenance cost is 35% and the MD speech indicates that we are aiming at 40% which is a very good sign. I am sure that on hearing the Q1 transcript that the bank will achieve a 15% growth in deposit and advances and with a CASA ratio of 40%. Regarding advances I observe that the exposure in the commercial vertical is little more than the other verticals I am afraid because nearly 1/3rd of NPA is contributed by this commercial sector. So I suggest to have a balanced portfolio to mitigate the possible risks. Regarding reduction of NPA it is very well appreciated by everyone that the gross NPA is from 7.85% to 5.96%, but it is mainly due to the containment of NPA and partially due to the base effect also but still it is on the high side considering the other peers of the private banks, there is but what is worrying is the huge amount under restructured advances may be it is due to the COVID related but huge amount is lying under the restructured advances as well as the SME, my previous speaker also asked about this so 500 Crores is lying under SMA and these are the potential NPA what is the guidance of the management in possible slippage of this restructured advances as well as the SMA sector and regarding the level of exposure in BNPL and co-lending what is the exposure it is not indicated in the report it is just a beginning but we want to know what is the level of exposure in BNPL and co-lending so far what is the experience in recovery of these loans because BNPL is a wide area and that to with Amazon is very welcome move but at the same time we should be very cautious about the recovery also and regarding one more very, very pertinent point this has to be noted especially by the newly joined Chairperson. Many ticket loans are granted in the period of 2017 especially in commercial sector with the inflated collateral value and these loans are turned to be NPA very quickly; classic example is Saravana gold palace 162 Crores unrated firm has been granted with the collateral security of value of 400 Crores but so far no recoveries are forthcoming and despite my repeated attempts to get clarity on newer sanction loan what accountability has been fixed has not been thrown open to us. This is not the only case there are many gold firms for which we have extend the loan like the Kerala Fashion Jewellery and other things which all are tend to be NPA why in spite of high collateral value why we are not able to recover these loans that means there is some lapses in sanctioning these loans a detailed study has to be conducted and white paper has to be submitted why these loans have granted with a highly inflated collateral value who is responsible for this because this is the main reason why accumulation of NPA and even now these NPAs are outstanding in the books, shareholders worth has been eroded like anything because of this bad loans and this indiscriminate lending has happened during the period between 2014 to 2017 and this has put the banks in a very, very precarious position this has to be studied in depth so far I have not heard any answer and every time this answer is skipping from the reply so I want to know specific answer from the Chairperson an assurance from chairperson this has to be studied in depth and clear white paper has to be given to shareholders and one more question this Saravana Gold Palace Indian Bank has sanctioned and reported this as fraud and is it a same party we have lent and whether we have reported to fraud and full provision has been made please do not skip the answer for this

question telling that there is an individual account cannot be request in AGM because it is all there in public domain this can be very well quoted and you can come out why whether full provision has been made and whether it has been reported as fraud, because it is a very serious issue that affecting the shareholders worth and I am also shock to observe that fraud 44 accounts amounting to 662 Crores has been reported during the last fiscal, maybe it has been clarified that most of the advances are under the consortium but even then 5% is contributed by our banks by alone lending what is the accountability is there any lapses from the part of the staff or the management whether 100% provision has been made for all these accounts I am sure that RBI has asked us to maintain 100% provision on this account I am sure that you have made it and one more thing is NCLT cases, huge haircut has been made in every resolution passed whether we have made sufficient provision for these firms and what is the expected recovery in already resolved cases during this current fiscal and I observe that 150 Crores has been sold to ARC and I observed that there are still eight years back we sold to ARC and still 50% are outstanding and every year we are providing for the security is it worth to selling to ARC and I want to get it clarified whether you have sold these accounts during the last fiscal to the same ARC and whether the 500 Crores under the SRC sold to last time is fully provided for during the current fiscal and nearly 3000 Crores has been under technical writeoff and when a technical write-off is made everybody just skip it, 3000 Cr small sum and we have to make a very constant efforts in recovering technical write-off because it is guaranteed to contribute to bottomline and I would suggest even you can have a separate cell in monitoring these writeoff this accounts because it is a huge volume 3000 Crores is not a small sum and regarding the bottomline the 673 Crores is very appreciable but still I observed that the treasury income, it would have been much more had the treasury income is maintained but of course I understand there is a volatility in the bond market but still our HTM category is only yield is 5.4% is very, very low are we going to replace this how much is maturing in the current year and with the high yielding bonds and regarding the NIM it has been told by the CMD that this can be very well maintained during the current year also but I have a doubt because higher deposit interest rate and shift challenges has been post in the yield of advances of the other banks and we could pass on the interest rate hikes only to working capital not to the term loan whether it is possible to maintain the NIM at the current rate and regarding the noninterest income para banking except the bank assurance other products the contribution to the bottomline is very miniscule and PMD what is the contribution. Regarding the penalty of RBI 1 Crores paid issue has been avoided especially when a separate compliance officer has been posted even though it is a small sum it should have been avoided because it do not speak very well of the caliber of Mr. Ramesh Babu and another thing is the resolution it has been proposed 0.1% of the profit is to be shared, is going to be given to the directors not exceeding 10 lakhs taking advantage of the RBI guidelines it is okay they can take it but they have already paid a attractive sitting fee. It has been increased very recently increased five years back 50 thousand to 20 lakhs. I am not complaining why they are taking but my apprehension is when the same RBI, when the matrix allows you to do distribute the dividend of

235 Crores out of 673 Crores why you are proposing...(inaudible)... accounts for 140% why you are neglecting the shareholders, you take care of directors you take care of staff incentive why you are neglecting the shareholders like us because many of them live on this I would suggest that at least in the next year(inaudible)....

Moderator: Chairperson seems like we lost the connect for the current speaker shareholder. Can we proceed to the next.

Meena Hemchandra: Yes, please I think he didnt completso in case you get it back we can have him later we may proceed for the next.

Moderator: I now invite our next speaker shareholder.

Meena Hemchandra: Next person is Ms Bharti Saraf.

Moderator: You may please unmute your audio, video and proceed with your question.

Bharti Saraf: I am I audible, can I speak in Hindi madam, respected chairperson and members on the dais and my fellow shareholders, I am Santhosh Kumar Saraf, Bharti Saraf's Joint Shareholder, extend my greetings to all of you, wish that all the directors and executives of the bank are safe and are healthy, Madam I thank you and your team for achieving ROA, be it ROI, ROE, Book value everything is good, performance is good, this 4 years RBI allowed giving dividend, you have announced good amount of dividend, I am thankful for that, while MD & CEO gave his speech he appreciated you and he mentioned about woman Indian President, my query is woman employees in the bank are 26% only, what measures are being taken to improve female ratio in the Bank, you being 1st woman Chairperson, what measures would be taken to improve the female workforce strength in bank. Our President Shri Droupadi Murmu is belonging to tribal community and finance minister Shri Nirmala Sitharaman, I understand that woman work force in government is also increasing, I wish woman force in the bank also shall take up higher responsibilities under chairperson ship of madam, About the loss making branches, what steps are taken, please let us know about initiatives taken for rain water harvesting in our bank owned premises and about renewable energy. The single use plastic is banned now, what instruction have been given to branches for the same and what alternatives have been planned. Instead of plastic disposable water glasses in the branches we can use copper water glasses. CASA balance how much it grew from last year. One of my friend J Abhishek, from chennai has tried to register and he is online now, please ask moderator to connect him on the call and allow him to speak. This video meeting is very good, we can talk to you, many people from other locations can see and participate. I pray god that next year the meeting should be held in physical form and hybrid meeting should be conducted. please also give video conference facility so that we

can talk with you. Please give 1st preference to physical and next to hybrid speakers, thank you for the opportunity, jai hind, jai Bharath.

Meena Hemchandra: Thank you next speaker please.

Moderator: I now invite Mr. Aspi Bhesania, speaker shareholder. Mr. Aspi Bhesania, You may please unmute your audio, video and proceed with your question. Mr. Bhesania we are unable to hear you, we request you to unmute your audio, video and proceed with your question. While we check the connection for the current speaker we will move to the next question from the line of Mani Sundaram you may please unmute your audio and proceed with your question.

Mani Sundaram: Is my voice audible, hello, My name is Mani Sundaram shareholder of the Karur Vysya Bank my DP ID number is IN: 30131321605421. Hearty welcome to Ramesh Babu, Chairman and Shares Department Sivakumar and Board of Directors and all fellow shareholders on behalf of 103 Annual General Body Meeting of Karur Vysya Bank. We expected centenary years giving some bonus till now there is no reply from the management and also it is a private banking sector, it is a best bank I have prayed god for every day and every movement to reach the highest level in the banking sector high level and also team work Ramesh Babu and Board of Directors and other fellow shareholders and all other officers, branches and executives of the Karur Vysya Bank and we requested previously one shareholders talked about 75% of shareholders having below 2000 shares because it is splitted Rs.2 face value and I requested to raise because very low value EPS is very low comparing with the other banks and also private sector banks milestone in the 103rd year Karur Vysya Bank and also I requested special dividend declared by this moment Annual General Body Meeting. return of equity is very low, why accumulate of NPA please consider, net profit is good level comparing with other past years 623 Crores and I requested to management secretary shares for shares department are asking hard copy of Annual General Body Meeting annual reports till now I am not receiving what is the reason, partiality to send the annual report to the shareholders to ask the AGM I am not having complete system very difficult to read on the cellphone so that I asked on behalf of all the shareholder special dividend should be declared we have got 100th year have declared there is no chance 101 corona is attacked throughout the nation 102 also AGM also corona attacked by the nation. This year we have given video conference I am very happy to attend the AGM and I happy to next year in physical in registered office or rather our Salem also very good place to conduct the AGM in shareholders 104th year where you conduct need I will come to attend the AGM please declare special dividend to all the shareholders. Thank you, thanks a lot Sir.

Meena Hemchandra: Thank you very much Mr. Mani Sundaram I would request the next speaker Mr. KV Sekar please.

Moderator: Mr. KV Sekar, may we request you to unmute your audio and please proceed with your question.

KV Sekar: I am on the line are you hearing, Good morning to the board of directors and to the shareholders. Hello, As a shareholder I appreciate the entire team of the board for achievement of the business of a 1.25 Crores. So bank has achieved the vision of our past Chairman and hailing from the promoter family Mr. AS Janarthanan. Profit of the bank has also increased to the tune of 26.23% on year-to-year basis.(In audible).....

Moderator: The current participant has got disconnected chairperson can we move to the next question.

Meena Hemchandra: Yes, please move to the next person. In case you can get the connection back we can have him later.

Moderator: I now invite our next speaker shareholder Saket Kapoor to unmute his audio and video proceed with his question.

Saket Kapoor: Thank you Chairperson. Namashraram Sir, and thank you for this pleasant opportunity to having interaction with the management team. Sir definitely it is a turnaround year for the bank and the bank has rightly said by our MD posted its highest profit ever and also a good dividend payout considering what the stock prices has been and the dividend yields that stock offers and over a period of time the metrics that the MD did articulated which do point out to sustainable earnings going ahead so I have couple of inferences rather sir the question inferences and observation and I hope they will be addressed adequately. Sir firstly as the capital adequacy percentage and the CIT percentage mentioned so do we have any fund raising requirement for FY 23-24 or anything that we have planned going ahead and also on the ROA and the NIM as the earlier speaker has spoken how confident are we taking into accounts of our books and the slippages and the provisions coverage ratio, how are we expecting these two parameters to shape up or how there is a chances of the probability of the continuity of maintaining ROA above 1% and NIM in the vicinity of 3.5 correct me there just a thought on the same. Sir only provision coverage ratio also I find that it is above 75% to 80% so are we adequately have we provided for everything there and now onwards it will be only the reversal in case we are receiving money back or can we expect further slippages going ahead if you could apprise us on the same. Sir out of the total portfolio of the NPA how much is under IBC as earlier speakers have also mentioned and in many cases we have found that under IBC the bankers the existing investors if it is an listing company everybody is in a suite and it is only the advantage goes to the buyer that has been the case in many cases baring a few instances so I would like to know total portfolio which is under NPA how much under IBC what kind of resolution are we expecting and also the recovery if a ballpark percentage could be explained. Sir, taking into account the market cap it all boils down to what is there for investors as the earlier speaker very well explained that the MD

remuneration the employees who are working for the bank devoting their life of the bank in these COVID times are very well and I think so very well they paid for the services and they should be that is the right so what is there on the table for your investors and baring this one shared for every ten shared how much issued during 2018 if you look at what is the top five performance has been it is everything is there in the public domain so we would like to know what step the current management is taking so that this could be a consistent growth story enabling investors like enabling them creating value for your investors at large. These are the points and whether we can also go through a buyback process wherein we have never found the bank minded its own shares and it is only the dilution of equity of the bankers know, sorry to speak in that tone but it is the true reality that at times bankers the listed banks speaks for growth and the thing of that stuff and dilute equity at the prevailing market prices which itself it might below the book. There are examples which anybody can look into. So going ahead that can you please give us more color on how comfortable and how confident are you that the first quarter numbers which were really commendable are consistent and we can grow on the same or rather improve or maintain the same and also on value creation ideas for your investors at large because whoever is attending this AGM and is where you see the shareholders earlier even three months earlier everybody is making losses on this investment it is only those people who have bought or invested sometime in the middle of April or May at Rs.40, Rs.45 would be having some profits to cherish about, other investors from any point of reference that you can draw are only making losses on the investment and I think so its after all a gap that even dividend has been proposed. So as we really thank our Reserve Bank also that they remove the embargo of allowing the bank, I am sorry Sir this last time also we did said 0.50 and earlier it was 0.90 so I stand corrected there. But anyway the ambiguity and the perception of people of investors in the banking sector needs more clarity why is NPA and provisions are, will you people speak in the light as its provisions and NPA will happen that even with best of artificial intelligence being today in the system we would like to know what could be the core reason where is the fault at the time of granting loan that these NPAs arise and what course corrections are we doing and now I think so every bank is now concentrating towards retail there was a time when every bank was moving towards corporate and when they burn their hands with corporates they are now adoring their book from corporate and moving toward again retail now to retail so just wanted to understand how things are going to shape up going ahead how confident are you I am defeating it because of putting inferences on the same and hope to hear much from our MD on the quality and the continuity of the numbers we have posted and all the best to the team the bankers are mission building institutions and they need to be in the best of health at all the times and we pray for the safety of all the employees in these time and also continuity of AGM in an hybrid mode of both although madam has very well explained the need of physical AGM for better interaction but me sitting in the eastern part of the country could communicate connect because of these works done by chorus people and also participants from other parts of the country not only from the country but across the globe can connect. So taking into account we request the MCA and

other regulatory bodies to power now for mandatory and to put this clause of hybrid and the board to take into account the benefits you and we people, we investors are accruing because of this revolution and now 5G in the ambit I think so it will be completely a different experience that we people are going to enjoy rather experience in the coming times. To take advantage I just ask the way you people say that it is we are a technological bank moving to a technology which will adopt technology and now should not again boom back to the physical aspect of the game physical is definitely perfect but go for hybrid we request the regulatory authority to take feedback from investors who are participating through nook and corner of the country and these are my points and suggestions and I wish the best of health for each and every members and Namaskar. Thank you.

Meena Hemchandra: Thank you very much Mr. Kapoor, we now move on to Dr. Mohan Prasad. Please.

Moderator: Thank you Dr. VG Mohan Prasad may we request you to unmute your audio and video and proceed with your questions.

Dr Mohan Prasad: Good morning everyone. I am Dr VG Mohan Prasad and a shareholder of Karur Vysya Bank my ID number is IN: 30338210014425. Respected Chairperson, MD and CEO and Board of Directors and all KVBians my greetings to all of you. my family was holding shares of KVB for more than five decades, I have been attending KVB AGM for the past two decades that I got an opportunity to speak only in this 103rd AGM of our bank. Our bank is 106 years young and is resilient bouncing back the figure whenever factors pulled it dump, when the organization has been started in 1916 by Aadhi Krishna Chettiar and MA Venkatraman Chettiar and no banking rules existed in this country. Our bank has survived through the great economic depression of India from 1929 to 1941 and World War two from 1939 to 1945. Our bank has emerged triumphant from all the period of crisis. So challenges do occur in the banking industry their galore and they keep arising on a day today basis there is a leadership that becomes the necessity to solve legacy issues and plan strategy to resolve any hurdles which may drop up on the futuristic part Shri Ramesh Babu Boddu the new MD and CEO ably assisted by Shri J Natarajan, President & COO, has emerged the winner placing our bank in the right path to the erstwhile glory while Former Executive Director of RBI, Dr Meena Hemchandra with here taking over as a Chairperson of our bank the governance aspect is further strengthened. KVB has set new heights crossing 125000 Crores a historic high and as of June you would have seen it across 130000 Crores with an impressive performance in fiscal 2021-2022 and a historic net profit of 671 Crores so continued up scaling of digitization and artificial intelligence have always been on top of the agenda and receiving so many national and even global accolades. Now a few suggestions to the board and the management team from my end KVB is now back to health and wealth with healthy margins return to growth control on operating expenditure falling credit costs visible in this context with the consistency market share gains and a sustained 1% plus return on assets come through to enable KVB standout in the pear set I think all endeavor should be taken I am

sure the board is taking everything forward. With the banking system now seeing a return to growth and it private sector Capex showing signs of pickup it is likely that the banking system is getting into a three to four years cycle of 13% to 15% loan growth in this context KVB should deliver at least 400 basis points higher growth than our peers in the banking sector. The erstwhile worries the asset quality credit costs capital are behind us NPA recovery teams worked so hard and made recovery from so many accounts. Today the focus is on growth, market share gains, profitability and return on assets its impressive that the bank achieves a 1.3% ROA profile as soon as possible a number which was already seen by us in fiscal 2013 this consistent higher than industry growth will result in a shareholder wealth creation and true stock price discovery. While retail deposits have been a historical area of strength currently at 68% today the investor focused also focused on granularity of deposits particularly the retail deposits percentage peers such as federal bank are higher at 83% and KVB must chalk out a path to improve retail deposits percentage in a phase of higher loan growth. New gen banks especially the private banks have increasing their attention on NPA remittances and deposits, KVB should grab this opportunity and scale up in this area, retail loans are likely to be in limelight over the next decade as many of the shareholders are also pointing out and we have made enroutes with NEO personal loans ramp up gold loans co-lending arrangements with so many even fintec companies many banks for co-lending arrangements and fintech tie ups only a few banks have scaled their partnership so I wish that KVB should endeavor to scale up the partnership to a meaningfully high level. The vehicle finance particularly the last mile connectivity the light and small commercial vehicles is likely to be a decade of opportunity with given our SME reach issued leverage and build a domain of expertise in this vertical and especially with lot of battery cars coming up now the whole scenario is changing I think they should wake up and try to do something very active in this area in terms of credit cards peers such as the federal bank and action and the urgency small finance banks the AU banks have started scaling up significantly I think they should grab every single opportunity to improve our product together admirable shares in the market so we can build the major excellence in high yield, high ROA and high growth opportunity verticals from then KVB absolutely no doubt at all it will achieve 1.5% ROA and I am sure return on equity will be phenomenal so that our stakeholders all will is so happy my prayers to lord almighty and my best wishes to the management team guided by a harmonious and ethical board to scale newer heights to take KVB to numero uno status in banking sector in India and globe so thank you for this opportunity given.

Meena Hemchandra: Thank you Dr Mohan Prasad.

Moderator: Chairperson we have few speaker shareholders who had disconnected we have reconnected them with your permission I will promote them.

Meena Hemchandra: Yes, please.

Moderator: Thank you. I now invite Palaniappan to please proceed with his question.

Palaniappan: thank you. See actually I got disconnected so only few more questions that is we are going on more and more digital lending and in fact our system audit to be enhanced double-checking of system audit is needed hour and actually the statutory auditors should have pointed out at this because there is a system failure it will end up in a very collapse so the system audit has to be you are already having but we have to be double-check. Number two is there is a 487 Crores tier 2 bond we are servicing at a higher cost of 11.9% I think we can have a call option and I think we are planning further but what is the plan to replace that and we now itself we have to plan otherwise it will be very late to capture the market and one more small clarification under the pillar this thing AS18 and some MD related question Ramesh Babu some remuneration and all given but it is not clear why it is mentioned and migration of what is the expected provision for the migration of substandard DA1, DA2 as we look at 1200 Crores is under substandard and another 1300 Crores are almost 2500 Crores under various categories so if it migrate what is the additional provision required for that and the last point is in the Q1 you have the staff expenses is higher by 40 Crores because we have not provided for anything but it is I was clarified by CFO that it was due to the incentive given and I am sure that it is one off expenses and it is not be repeated in the subsequent quarters I am sure that with a decent business growth of 15% projected and the stabilization of bond yield so that the treasury income will be enhanced and new windows are(inaudible).....and decent and reasonable recovery(inaudible)..... and one more thing no extra cost for the staff related no provisions required I am sure that you will reach not only 1000 Crores 1200 Crores ROA of 1.3% and we expect a liberal dividend and bonus as my previous speaker point out. Thank you.

Meena Hemchandra: Thank you Mr. Palaniappan. Next speaker please.

Moderator: Thank you. I now invite our next speaker shareholder who has connected on audio Sekar KV to please proceed with his question.

Sekar KV: Hello, Good morning to the Board of Directors and the shareholders. As a shareholder, I appreciate the entire team of the board for achievement of the business of 125000 Crores Banks has achieved the dream by our past chairman hailed from promoters family Mr. A S Janarthanan, Profit of the bank has also increased to the tune of 26.23 Crores on year-to-year basis. Bank has achieved another remarkable achievement in the first quarter of June 2022. Compared with peer banks the increase of deposit on year to year, is only 8.53% which is very low and advances also at 8.95% only, the advances of retail segment increased to 8.22% and the corporate advance contributed at 1.6% only. Throughout the year of the bank especially after taking charge of the present MD have concentrated on retail sector but there is no effective increment in advances sector of the bank. It is too low compared with peer banks. In my view the bank has offered the digital platform for sanctioning retail loans in the platform so many genuine customers rejected

branch manager could not ascertain the reasons for rejections and could not say reason for the rejection, so management has to ascertain the reason for the same and can rectify, so there will be improvements in the retail loans. During some system lacuna so many customers have left our bank. Kindly note to take that in the affirmative way. In page number 96, you have informed that there is a five fold increase in Precious metal division(inaudible)..... With regard to NEO, bank has not given the business achieved through NEO platform. Bank management has got lot of confusion in declaring NEO business in one page they have declared as a platform and branch, in another page it is mentioned as opportunity, in previous three years the balance sheet is also creating confusion. Now you clarify what is the role of NEO in our banking business why you are not disclosing figures properly. Whether employees of NEO are the employee of the KVB whether they are coming under IBA scheme or CTC. How the loans are sanctioned by the NEO when rejected by the Bank I also appreciate bank had achieved different segment 12 awards during this financial year 2021 and 2022 I appreciate the entire team of the management and employees of the bank. With regard to dividend banks has considered only 20% increase despite considerable profit is; however President salary has gone to 20.73% and MD salary has gone to 13.97% which is a very high on the part of the bank it is in small size more advances towards the jewellery loan with the jewel loan instead of the commercial advances and the bank management was able to consider hike in processing for the top management. Dividend can also be considered increase from 60% to 100%. With regard to this bank has not disclosed what is the policy for selling the assets to the ARC. Some resolutions placed before was creating awkward situation to the investor, variable allowances to the MD apart from the variable allowance of President & COO ₹ 10 lakh salary to all the directors. MD and President are getting fixed salary and all Directors are getting sitting fees, Bank is not considering the high dividend, what is the measure for a new commitment from the bank. Investors are thinking twice before voting. With regard to section 197 of Companies Act 2013 why bank has asked investors to get it from shareholders, it is duty of the Bank to publish along with the financial statement. It will be treated as non compliance under the Companies Act 2013. By going through the section 197 bank has to publish remuneration details of top 10 salaried paid to employees and executives I astonished whether bank will be able to meet in the long run, being a small bank and the banks is handle public money bank has to take a conservative steps in paying salaries. In that major differences between MD and other executive salary. they are getting in more than IBA norms other peer banks is it necessary for the banks like us. even after recruiting such a people, whether our growth is tremendous, I can appreciate, same level of the growth for the past several years that is before recruitment and after recruitment. I understand that bank is deviating the policies on IBA norms we also learn from the mistakes of the peer Banks, one bank is in IBA norms and entered into CTC norms. Now the Bank is not in the system. so our bank should not fall in the same line in the long run our bank will not survive or able to withstand for such a type of a huge salary. Bank has to cut such type of practice henceforth further any institution bottomline is the important and the bottomline is strong can achieve wonderful result in the coming years but the

bank has neglected bottomline by perquisites and other benefits and increasing their burden on the top level, it is not worth on the long run this bank is creating lot of attrition, to avoid attrition comfortable level is to be created in the bottom level. Bank is hesitating the extending benefits to the employees such as perquisites and other benefits and include the recruitment of bottom level employees including substaffs and arrears of medical aid to the retirees and extend health insurance / pursuing to health insurance to the retirees, what is the necessity to pay a huge salary to the new comers. I need not to emphasize further erstwhile Bank LVB and CSB had followed the sameline and now it is in doll drum I am an investor of this bank for the 40 years and I am very much worried about the fate of the bank. so promoter directors and the promoters of the bank has to take call in this regard, I place a remark that bank can consider the age of retirement is 65 or more irrespective of the cadre I understand that the so many executives frequently got extension that too at the same salary, what they have drawn at the time retirement. so it is ultimately it affects the establishment charges earlier extension was six months to one year on a consolidated basis not exceeding 1 lakh for staff arrangement and the extension is for 65 years it is showing HR reactive not proactive, I can say that it is inefficiency, bank is not maintaining the lower level properly our bank escaping promotion on the basis of seniority, instead of this at last your recruiting from outside with huge salary thereby establishment cost to increased. I could not understand from the management that salary fixed or offers on whims and fancies, this shows bank do not have a proper policy in recruitment and what are the departments required that at a corporate level and junior level. One day when I had a discussion with one of our vendor, I understand that even branches will also do not how many departments are there at a corporate level or Regional level and who are heading and what types of process are doing, is it require banks for like ours, management has to think on the issue immediately. With regard to services at the branch level nowadays very horrible for example for updation of the phone Aadhar, minimum 10 days is required, for account opening I need not say much, enormous time taken. Bank people could not answer because of updation are at remote level. Though our bank has securing more awards, ATMs services are very poor, disbursement of notes is very slow and only higher denomination and the ATM and branches are very poor in maintenance. it is difficult to approach the manager of the branch he is always on conference call, while the balance sheet secretarial compliance, banks was imposed penalty of Rs.1 Crores penalty though the bank is having a talented compliance officer with a high pay why such a situation arise. I understand that chief compliance resides at Chennai and department is functioning in Karur, maybe it has the reason for it, bank has to look into it. Apart from the last financial year nearly about 4650 complaints other than employees and the stakeholders received. being small bank has to take steps to reduce the complaints, In page No 9 989 shares were allotted as the right and bonus abeyance category, How many shares issued as bonus and rights. What is the abeyance category to whom it was allotted, why the bonus is not offered to the other investors, recently one of the top executive retired from the bank I understand that he has created so many NPAs by violation of norms and policy of the bank. you are simply relieved with all benefits, whether the bank has

taken any action against him. If not why, what is the responsibility the board, has taken. Apart from that bank is taking views according to its wish against employees for financial loss to the banks and in some cases lenient view, being bank and beneficial to the public at large, bank has to follow uniform policy in awarding punishment. Already some executives are serving under mercy of the management, I also came to know that bank has scam in acquiring IT and other products. Being public limited company and being in the banking sector, bank has to follow guidelines issued by the regulatory authority or policy has to be adopted for others whether the bank is following under system or any other system if not why it is not followed? What action are initiated against the concerned employee or executive for the scam reported, why bank is not furnished to the investor to the voting pattern after completion of AGM they have to send it to the mail through all the shareholders. thank you for the opportunity given before the stalwarts on dias and the shareholder I thought this time my audio was disconnected, last three times audio got disconnected fortunately I reconnected this time I thank you for all the shareholders and all the board of directors.

Meena Hemchandra: Thank you Mr. Sekar. I think now we have finished with all the question.

Moderator: Madam we have one last speaker shareholder, can we promote him.

Meena Hemchandra: Who is that.

Moderator: Mr. Aspi Bhesania. Thank you Mr. Aspi Bhesania may we request you to please proceed with your question.

Aspi Bhesania: Madam, I am Aspi from Bombay and I congratulate the management on completing 100 years and also welcome Dr Meena Hemchandra as Independent Director and also Mr. Murali Ramaswami. Madam also the interest earned for the year has increased compared to last year our interest expenses has reduced which is very good in first quarter also interest earned has increased but interest expenses have reduced I would recommend you to follow Kotak bank model of giving less dividend and plowing back more, don't follow yes bank model of high dividend and few returns every year when can I expect net NPA to be less than 1%. madam if you would have platform for AGM virtual and both with minimum bandwidth. today we have faced a lot of problem of internet in Bombay I do not know I was disconnected many times and I would request you to continue with hybrid AGMs even in future. Every bank and NBFCs concentrating on retail considering high inflation, high unemployment, economy nurturing growth and COVID where do you see maximum stress in the current year. madam company secretary should call and not rely on NSDL and chorus call. I came to know my speaker number on today morning and they did not send a physical copy of the annual report also. so when there are so many AGMs someone should call when two speakers are left so that I can attend other

AGMs also. today from 11 am I am in your AGM sacrificing the other AGMs since I do not know when my name will be called. madam thank you and all the best for the future.

Meena Hemchandra: Noted your remarks Mr. Aspi Bhesania. Is there any other speaker left now moderator.

Moderator: No Chairperson that was the last speaker shareholder.

Meena Hemchandra: Okay thank you very much. I would now request our MD and CEO to reply to the clarifications and queries sought by the shareholders please. I can make some additional remarks here. One is, yes shareholders we thank you for the interest and attachment with the bank and appreciate the remarks made by you we very much value your feedback and I assure you that all your suggestions will be put through careful thought by the management. Before I request MD and CEO to respond on the queries I would announce general instructions regarding e-voting.

Pursuant to the provisions of section 108 of the companies act 2013 and regulation 44 of the securities and exchange board of India the bank offer e-voting facility remote e-voting to the members for resolutions contained in the notice through e-voting platform of NSDL from July 29, 2022 till August 2, 2022. The said e-voting was closed at 5 pm yesterday. Though e-voting ended at 5 pm yesterday, those members who have not voted on the e-voting platform may cast their votes to voting facility at the AGM through NSDL website until the 15 minutes from the conclusion of the meeting. Shri R K Bapulal, Senior Partner of M/s Bapulal Yasar & Associates, practicing Company Secretaries, has been appointed as a scrutinizer, to scrutinize the e-voting process in a fair and transparent manner. In terms of SEBI Listing Obligations and Disclosure Requirements Regulations 2015 the voting results will be announced within two working days and the results will be hosted on the websites of NSE and BSE and in our bank's website.

I now request the MD and CEO to reply to the clarifications, queries sought by the shareholders please.

B Ramesh Babu: Thank you madam. First of all before I give my responses I wish to profusely thank our shareholders who have taken interest in sharing their thoughts with us. I will thank Mr. Malayala Ramamirtham, Mr. Krishnan, Mr. Palaniappan, Mr. Sekar, Mr. Santoshkumar Saraf, Mr. Aspi Bhesania, Mr. Mani Sundaram, Mr. Saket Kumar, and Dr. Mohan Prasad. So I truly thank all of you because for the insights what you have provided and the way forward the guidance what you have given for the bank. Now if you look at the speakers there was an overlap naturally because different speakers are speaking so that way if instead of responding to each of the speaker because there will be a overlap on the response also, so I have consolidated the responses and we will touch up on the which are the aspect which are covered by all the speakers and all. So which will holistically will address the issues raised by all the speakers. First of all, there was a divergent views on the dividend payment few of the shareholders were expecting a profusely to

provide and to declare a dividend and one of the shareholder mentioned that we need to give lesser dividend and the plow back the earnings what all is there. So I agree but we had to need a strike a balance between these two because majority of our shareholders are small shareholders those who look for the sort of a dividend and all so simultaneously bank is on the growth path and economy is growing naturally you also need to grow so for this growth we required share capital. For the share capital periodically instead of coming to the shareholders for the money rather conserving the share capital was earnings what all is there is better so that way we will strike a balance between the shareholders interest and the bank's interest and accordingly we will take it forward so all of you know that bank has been working profitably throughout our existence of 106 years every year we have been declaring profit only so bank has been rewarding the shareholders once in a way with the bonus issuances. Rights issuances also were there and I am happy to share that the confidence of the shareholders is every rights issuance has been fully subscribed. so that way few of the shareholders are mentioning about the value what they are going to get out of the bank's functioning. So we wish to say we focus on three broad parameters one is the business growth, profitability and asset quality so I will dwell up on each of them in detail here but all of you must seeing that not only in the march quarter the June quarter also so we are in a growth path every ratio what all I have mentioned under these three parameters have shown improvement so now coming to the growth plans if you look at it so Mr. Krishnan was mentioning about many ratios so I will touch up on broadly on the return on assets because once we talk about the return on assets automatically the linked other parameters also will be covered. So a point of time when two years back when we were thinking of the shareholder also mentioned we were at 0.3 as far as ROA is concerned so we aimed that every lever what all goes to the ROA, we looked at it we worked on that it can be an expense or it can be an income reduction of that expense or improving an income, so we have worked on that we are happy to share that all of you have seen it also, so during the year we have come to 0.8 ROA 0.86 whole year and 1.06 for the quarter IV and 1.09 for June so that way when ROA we are taking care of that will take care of the NIM as well as the expenses ratio, cost to income ratio all these asset quality because if the asset quality is bad and NPAs we need to provide so we may not get that much of ROA so that way if we look at it ROA we are aiming to have 1% plus during this year though initially we have planned it for 2023 ending now we are planning for having an ROA 1 plus in every quarter of this year and if works well, in the last quarter of this year itself, we are planning whether we can reach ROA of 1.2 because if you look at the last year quarter IV we were at 1.06 that has become a base for this first quarter of this year. likewise how we can upgrade our selves for 1.2% in the fourth quarter we will look at it. So coming to the NIM though there are two shareholders who have expressed an apprehension about whether we will be able to sustain this NIM or not I agree with you because in the raising rate scenario when the cost of deposits are going up the NIM will be compressed but if we look at our portfolio 85% of the portfolio is under the floating rate out of that 30% under EBLR and rest of that 55% is under the MCLR, EBLR as and when the working capital so the repo rate hike is there we are

passing it on in a quarter while we will be passing on the term loan also rest of the EBLR hike for the term loans also. Coming to MCLR as and when our deposit cost goes up naturally there can be a spike in the MCLR automatically we will be passing on this also to them that is why the back of the envelop working when we did so we thought the cost of deposits also progressively will grow over night it will not grow because you have a base which is at the existing rate and the additional incremental deposits you are going to accrue that is at a higher cost so the blended cost of these cost of deposits on one side and the incremental NIM what we are going to get on account of the spike in the MCLR as well as the repo so more or less if it matches so we will be able to maintain this 3.75 that is the reason with the hope we are working at 3.75 we wish to maintain so we are very focused on this maintaining 3.75 we will look at it.

Now coming to ROE, ROE if we look at it there are two aspects we need to look at it. Once the ROA improves automatically ROE also improves so we were at 6 at one point and if you look at the last quarter of quarter four we were at 11.22 and now first quarter if you look at we are at 11.6 so the last quarter base has become the more for the first quarter so that way we could move on an average from 3% to 4% in terms of ROE during the year so if we go forward on the three aspects what I have mentioned so business growth profitability and asset quality now automatically all these were reflect in the ROE and the shareholder value will automatically improve. Now a few shareholders have mentioned about their concern about the SMA so here I think we need to go back and look at our position few years back SMA 30 plus which we consider as SMA 1 and 2 so which can become where there is fair chances of becoming NPA over a period of time used to be 3.5% something like that of the total loan book but if you look at the March quarter as well as the June quarter our SMA 30 plus loan book has come down to below 1% it has come with a lot of effort entire cadre they worked on that and that is the reason we are able to bring it so a lot of sensitisation happened and people now understood saying that we need to contain the SMA so that tomorrow it will not become an NPA so we will try our level best to adhere to the saying stitch in time saves Nine so that way we will work on that SMA 2 quarters when we are able to maintain so from 3.5% we have come down to below 1% so here and there we will be able to manage this way. So our intention is to maintain these SMA also more or less at 1% on an ongoing basis. Now the shareholder value we have discussed at length so we will focus on growth profitability and asset quality and in turn so though few of the shareholders were mentioning about 1.3, 1.5 and all we will be much happy to reach those numbers and all but we also need to look at the reality how we can move forward we have come up to this stage now the stage has come where we need to stabilize ourselves and all we need to go forward so in our anxiety to go for the 1.5 if we start booking the risky assets then they should not have any bearing on our portfolio tomorrow so we need to stick to our statement of growth what all we are talking about with prudence so that way we will see how best we can go because we have a concept called risk reward ratio the higher the risk the reward will be high so do we need to see at what level we can take the risk and all so that we can optimize our reward

to but your bank we will try to balance these two how best we can optimize the reward by taking a mitigated risk what all we can do we will do that way and regain the glory that is a advise given by one of the shareholder so do not be complacent I assure you on behalf of the entire team that we will not rest on our oars so we understood saying that how much of difficulty we have pass through that is the reason the 35% of the corporate portfolio when it has come to 22% so we will focus on that how granular we can take it forward we will see that. The entire team is dedicated so no one will be complacent and all so they will take it forward keeping the safety of the bank in mind.

Now precious metal division. So precious metal division few shareholders have mentioned the intention is like this, earlier our customers they were taking the standby line of credit letter of comfort with other banks, because we were not offering the metal gold loan. so we were issuing these non fund based LCs to them letters of credit and they were going elsewhere and taking the limits with them, so we thought under one umbrella we need to provide entire gamut of services for the precious metal so we have started that. in the process we are able to retain our customers, we are able to provide and not only that so in the process we may lose our customers also over a period of time which we are not offering the entire bouquet of services so that way precious metal so we are able to provide service and in my inaugural speech also I have mentioned how much of gold actually we have sold during this year. So it is progressing well it has broken even and it is earning also.

Now coming to the treasury. Treasury few things were mentioned the yield is low these sort of things and all, but we need to understand we need to tread the path carefully when it is imminent that the rates of interest are going to go up and yields are going to go up and creating a portfolio with high duration so that you will get very high yields so maybe risky the reason is when the rates yield goes up and all automatically you will need to provide. so we wanted to act prudently that is the reason your bank has maintained at the duration which is very reasonable within next two years majority of your portfolio gets repriced that too when the portfolio is getting repriced it will be repriced at a higher rate and not only that many of the bonds we have at floating rate too so that way we are mindful of the fact that yield also need to be kept in mind but simultaneously we need to keep in mind the raising yields and the imminent MTM provisions we need to make. So that way we have stricken a balance between these two but one point all of you need to keep in mind is last year the first quarter we have got some sort of a treasury profits and this year compared to last year it is down by 300 Crores, so that way overall last year itself 300 Crores down and this year more or less we are working without looking for the abnormal treasury gains during a falling interest rate scenario someone can get you cannot get that and all but your bank is abreast of the challenge and without this support also we will be able to take it forward and we will be able to reach the ROAs what we are planning. Now growth is not sufficient that's what is mentioned if you look at the 9% of the advances growth of last year so it

is one way deceptive because we have a written off component also is there. the corporate growth we have provided these details in our investor presentation which is available in the website. So if you add it back it will be more than 10% so that way when industry was growing at 8 and 9 and all we have shown shared higher but here we need to keep in mind if aggressively we go for the corporate high value tickets and all you would have grown by 13% but we do not want to repeat what we have done earlier so we want to grow granularly so that is the reason your bank has grown and this year also we will stick to the concept and our thinking of going granularly.

Now coming to the commercial sector, commercial sector is 32% where the risk is more and all we need to reduce it. So the difference between a corporate sector and the commercial sector if you look at it corporate relatively the yields are low and the commercial the yields are pretty high compared to 9.5% something like that we will be getting it but another advantage is in our presentation we have shown that commercial sector the average loan account is around 40 lakhs. so that way so granular when you have gone for that even if you have a failure every exposure is backed by full collateral. So it is a matter of time the LGD is also low so you will be able to get back your money with a lag so that way so commercial with higher yield and better protection with better collateral make sense and not only that your bank grew in commercial. so it is well entrenched and that way many of the people in the market they want to deal with the bank and all so we would like to continue our focus on the commercial for these reasons. Coming to the restructured advances. Restructured advances if you see so there is no addition and now you are at 2.85% of the total loan portfolio but if you look at the overall portfolio majority of the portfolio is backed by 100% collateral, retail as well as commercial is fully backed by collateral so that way the NPAs and the delinquencies what all are coming are quite reasonable and nothing abnormal in this portfolio that is why we need not get alarmed about the restructured portfolio of 2.85%. Coming to the corporate part of the restructured book if you look at it so majority of them are on account of the delay in completion of the project these sort of things they are functioning well we do not expect much big hits on account of the corporate in the restructured portfolio that way overall if you look at it because during the COVID we need to support the people and provide a helping hand that is the reason during COVID we have elongated the payments and all we have given the restructuring many of them post COVID they are able to come back to the normalcy and all and many of the restructuring accounts are getting the normal repayments so we do not foresee any big issues as far as restructuring is concerned.

Coming to the BNPL, BNPL the co-lending current exposure if you look at it so there are two aspects we need to look at it BNPL is a tech initiative also because the customer expects the faster response so our uptime for these Amazon transactions what we are doing is 99% plus. So that way we are maintaining and this is going on very seamlessly. Now coming to the delinquency levels also very well manageable compare to the normal commercial banking what

we do so they are in line with the yields and all it makes an absolute business sense so that way co-lending as well as the BNPL both are profitable and we are not taking any high and undue risk there. So inflated collateral, so one of the shareholder mentioned earlier pre 2017 inflated collateral. So now many measures bank has taken to protect the interest of the bank what we did we have created a technical evaluation cell that cell actually when a proposal comes for actually valuation and a round robin basis it goes to different valuers unlike earlier subjective was there and all some branch wants to give for a particular valuer it cannot go. System allocates once that valuer gives it again a second level of checking will be there at the centralized valuation team and both at the divisional office as well as centralized team to see the veracity of the statement what all he has made and the value is in tuned with the market value available or not. So that way we are ensuring saying that the collateral value what all is quoted is reasonable and in line with the market. Now Saravana Gold Palace once you have mentioned two times we need to understand few points here now last two years barring last few months so when the country was really under COVID and even if many of the courts are not functioning and getting an approval for the possession was difficult because courts were not giving preference to this ideally so now you had to get the court order and above all you need to go for the possession and you need to dispose off now when the auctions when you go for that many of the auctions during last two years there were very subdued the reason is everyone wanted to retain the money for a rainy day they do not want to go for an investment so the earlier auctions what were actually going on and we were able to realize that sort of pace is not there for many banks, because the people are hesitant to put the money out so but we are on the job not only this account every account wherever we have the collateral we are absolutely on the job and wherever we have the guarantees under IBC also many cases we have invoked the personal guarantee so that way you can be rest assured that every possible measure which is required to protect the interest of the bank will be taken. Now coming to the frauds what all we have mentioned in the annual report also so there also it was mentioned saying that 95% of the accounts are of consortium or multiple banking and they were declared as fraud in terms of the regulatory guidelines and to be in line with the lending banks, so all these consortium and multiple banking cases are of previous years and were fully provided I want to clarify that all these frauds have been fully provided we have initiated recovery process for all these accounts operations related suppose we were saying that lesser than 5%, 5% if you look at it out of 600 it comes to 30 Crores a 30 Crores on a portfolio of 60000 Crores on a credit related portfolio it is a normal bankable risk a banker has to take. So second thing is if operational risks what all we have taken if you look at it the frauds on account of the operational risk is 0.1% of the total amount so that way measures we have taken like acquiring better rated accounts thresholds and exposures not to take a small exposure in a big consortium and strengthening the credit monitoring system by actively engaging and monitoring and following up the early warning signals. All these will take us forward to contain the frauds.

Now coming to the NCLT cases. IBC exposures comes to around a 25% of our gross NPAs so because of the COVID and other environmental issues there were delays with the NCLT also many of them are in advance stage once they are through it comes out and all we will be able to realize money from this cases what all have been referred to NCLT.

Now ARC. ARC if you see last year and before last year we did not sell anything to ARC, the same logic what I have conveyed applies equal to the ARC because they also could not actually dispose of many of the properties though they have the property with them because of the COVID. Now if you look at it last six months we are able to see realizations from the SRs and ARCs we are able to realize the flow started coming. So they are on their process and we are continuously in touch with them and following with them for realizing our SRs.

Non-interest income. So if you look at the last year performance accepting the treasury income which I was mentioning which before last year 350 Crores odd last year it was 57 Crores other than that rest of the heads including the processing fee, cross selling, every other head has improved last year, we will try to continue the same trajectory and we will further enhance our efforts to improve the noninterest income. So fund raising plans there are two aspects shareholders have mentioned one is on the tier two, agreed tier two at that time when we have raised the money and all that was the ruling rate yields at that time. So you need to pay the ruling yield at that time and all you have to take it.

Now coming to the current plan whether we are going to redeem it or not a call will be taken in due course. Now if you look at our capital adequacy it is 19.46%. So which is quite sufficient as against 11.5% what the Reserve Bank of India states. On another side if you look at our presentation also our risk weighted assets have come down over a period of 68% to 50% now that also requires lower capital. with these things currently next one or two years with a growth of 15% we do not foresee any need for raising a capital we need to effectively utilize the capital what all we have and regarding tier two as I said we will take a call at the appropriate time. Coming to the loss making branches so it is continuously on our radar and we will look at them and closely and each branch we are going to have a plan also we are monitoring their plans and all how we are going to do it and we will take it forward. Now slippages and NPA, slippages so agreed a few years back we use to have high slippages and all but last year overall if you look at it our slippage ratio was 1.46 which is below 1.5 what we have guided and this year also we want to maintain the legacy and we want to maintain between 1.25 to 1.5 this slippages will maintain the first quarter's number if you look at it we are more or less in the particular range only likewise credit cost also we are giving guidance where we will make provisions and all we would like to contain our credit cost to less than 1% so that way we are continuously on the job for reduction of our gross NPA as well as net NPA in this connection I need to thank many of the shareholders who have appreciated the good performance done by the entire team we are grateful to you for the good words what you have told particularly on the gross NPA and net

NPA so our endeavor is to build on the net NPA to below 1.5% by the end of this particular year. Now digital loans, digital loans are concerned one of the shareholder has mentioned there are rejections I agree when subjectivity is there naturally without we maybe overlooking few of the aspects and all we maybe granting when it is digital there is no subjectivity everything is objective system looks at dispassionately and sanctions a loan whether is eligible or ineligible suppose if someone is ineligible we bypass and cut the corner and do it tomorrow we may be having a problem so instead of subjectivity objectively doing is better but the sanction rates under the digital have gone up and I am happy to say that end to end our bank is totally digitized and our loan processes particularly under commercial and retail banking has totally been stabilized and we are taking it forward and all the staff members are well accustomed for this now and vehicle finance the potential business is there, there is a good thought by Dr. Mohan Prasad will keep in mind and all at the appropriate time how to take it forward we will see we will talk to our partners also on how we can take it forward.

Now coming to the migration provision also if you look at it migration provision also over a period of time comes down because when our net NPAs coming down naturally migration provision also comes down. So our intention is to have net negative slippages on an ongoing basis. Last four quarters we have maintained our gross slippages are lower than our recoveries. So if we can maintain this healthy trend continuously then you need to maintain only for the migration provision over a period of time it becomes self sustaining and the recoveries will take care of the NPAs what all are becoming there.

So retail loans and NEO. So there is an overlap that was a remark made by one of the shareholders. So these two actually if you look at it, the end point is to source and sanction a retailer, if a branch does branch level marketing is happening if neo does neo has a feet on street they are marketing that loan and all but finally bank is going to get the benefit of that on an average if you look at it neo's run rate has improved absolutely they are growing at 125 Crores per month and all so there is an absolute linkage as well as hand in hand branches as well as neo are working together and the synergies what all are available between both of them we are able to exploit that so that way we can say that it is a good experiment bank has done and we are taking it forward so the fate on the banks. So one of the shareholders has mentioned about it. So looking insight and all of you are looking at every parameters. The June quarter performance also the presentation if you can look at it every page you would have found every parameter has improved so that way our intention is to keep the bank safe and how to grow safely and responsibly so that way from our entire team and the board of directors I can assure you every point we will keep the shareholders interest in mind and we will run the bank and now penalty levied by the bank so it was mentioned there I just need to give a clarification because two shareholders have mentioned about that point now bank has extended credit facility to an NBFC core investment company in 2017 and 2018 and regulator has treated this as a deviation to

regulatory directives. Bank has been a part of consortium of the bankers for the company since 2014 and the bank was relied upon regulatory directive issued by the NBFCs and this was not accepted by the regulator. bank has put in place a modified system to ensure such deviation do not occur in future. So that way it is the question of interpretation and there is no failure which is consciously done by the bank. So now bandwidth issues one of the shareholder has mentioned about that particular point so we will take care of the bandwidth issues in future what can be done and all so we tried our level best to ensure year-on-year if you look at it the position has improved compared to last year few shareholders they could not reach now I am very happy that every shareholder who has registered so they could actually share their thoughts and extremely happy that is the reason you would have observed saying that we didn't restrict any shareholder that time so though others are waiting and all. So our intention is to hear you and to convey what we are doing to you so that all of you will have a clarity about what is going on within the bank. So with these things I profoundly and profusely thank every shareholder for their interest have raised and I reassure each of you are saying that our entire team is on the job to take the bank to the greater heights. Thank you very much.

Meena Hemchandra: Thank You Mr. Ramesh Babu for those clarifications. We have done with all the other formalities.

I would now request Shri M K Venkatesan, Director to propose Vote of Thanks. Please.

M K Venkatesan: Good afternoon to everyone. Thank you chairperson before extending a formal vote of thanks to all the participants, all the shareholders, all the KVBians, I just want to say a few words. I we are fully appreciative of the concerns or the points raised by the valued shareholders whatever points raised by you is ringing in our mind not during the board meeting on all the 365 days I assure you on behalf of the board members, on behalf of the bank, on behalf of the management, the bank is going in a right direction, you are all going to see a big glory in the performance of the organization in the days to come that I want to give you a small assurance from our side.

Respected chairperson of this Annual General Meeting Dr. Meena Hemchandra, our beloved MD and CEO Shri. Ramesh Babu, my dear colleagues, past Directors, past Chairman of our bank, our esteemed shareholders, senior executives and other members of our bank, ladies and gentlemen. It gives me a immense pleasure to greet you all in our board's Bank's 103rd Annual General Meeting through virtual mode, on this memorable occasion I am obliged to thank our founding fathers late Shri M.A. Venkatarama Chettiar and Late Shri Athi Krishna Chettiar, for their bravery idea and vision which makes all of us to be here in the 103rd Annual General Meeting of our bank Karur Vysya Bank. I seek the blessings of our goddess Gayatri also for the bank and for all the members of the bank.

Karur Vysya Bank Limited
August 03, 2022

First of all I would like to take this opportunity to record my heartfelt thanks to Dr. Meena Hemchandra this is a first Annual General Meeting she has chaired, you might have noticed for the elegantly she has conducted this annual general meeting virtually. I appreciate her and I thank on behalf of the bank and on behalf of the shareholders I need not say about Dr. Meena Hemchandra, she is from very, very vast experienced regulatory person. I am happy to say that the bank and the board is fortunate to have her as a Chairperson of this bank. Financial year 2021-2022 was a year of achievement in the history of our bank, many shareholders have appreciated, our respected MD and CEO have already mentioned about the achievements made by the bank during the year 21-22 but still I want to add a few lines, it was a long desire of the bank to cross 1 lakh Crores thereafter 1.25 lakh Crores I am happy to repeat again under the able leadership of our MD and CEO Mr. Ramesh Babu our bank have crossed a milestone number of 1.25 lakh Crores during the year 2021. Not only business figure of 1.25 lakh Crores our bank have recorded a record profit of 673 Crores during last year, not only last year we might have gone through the Q1 numbers also which has been published sometime before. For this June quarter, I am happy to inform that our business number have crossed more than 1.30 lakh Crores and this quarter ended net profit that is also one of the highest profits made in the one quarter or three months. I thank I take this opportunity to thank all our entire staffs for their hard work, involvement and dedication in building up the business upto this stage and we all pretty well know that still we have to go a long way to go. I heart fully thank the entire members of the board present and past for their excellent contributions with their magnified knowledge towards building up of our organization. It is my duty to thank our regulators RBI, SEBI, central and state governments MCA, NSE, BSE and to all our business partners. I hereby thank M/s R G N Price & Co. and M/s Sundaram & Srinivasan who have conducted the statutory audit of our bank. I also thank M/s Bapulal Yasar & Co. Secretarial auditor and who is the Scrutinizer of this annual general meeting. My special thanks and appreciation to the media, police and all the service providers including NSDL, Chorus call conferencing services for providing this tech platform including the members of KVB who have involved they all work for more than four, five years for this preparation of this meeting successfully. I would like to thank all our shareholders for being here virtually and to increase the pride of this 103rd Annual General Meeting with your presence. On behalf of the bank I express my sincere thanks and gratitude to our shareholders who have stood with us during the testing time and seeking your continued support during the years to come. I shall assure to all the shareholders that your board is very professional, transparent and giving top most priority on governance. Finally my dear and respective shareholders again I wish to say that your bank is going in a right direction and you shall see the improved performance during the days to come.

Thank you ladies and gentlemen, I pray almighty to restore the very better normalcy to meet you all physically in the next AGM. Thank you very much, good luck to everyone. Thanks a lot. Thanks a lot madam.



Karur Vysya Bank Limited
August 03, 2022

Meena Hemchandra: Thank you so much Mr. Venkatesan.

As already mentioned I request the members, who have not voted already through e-voting may cast their votes through electronic means in the NSDL platform.

E-voting facility at AGM through VC/OAVM will be available up to 15 minutes from the conclusion of this meeting.

I would request everyone now to rise for the National Anthem.

I declare the 103rd Annual General Meeting of the Karur Vysya Bank concluded. Thank you.