



Karur Vysya Bank Limited  
104<sup>th</sup> Annual General Meeting  
August 23, 2023, Wednesday



<b>S.no.</b>	<b>Sarvashri</b>	
<b>Board of Directors</b>		
1.	Dr. Meena Hemchandra	Non-Executive Part-Time Chairperson
2.	Mr. B Ramesh Babu	Managing Director & Chief Executive Officer
3.	Mr. M V Srinivasamoorthi	Non-Executive Non-Independent Director
4.	Mr. R Ramkumar	Non-Executive Non-Independent Director
5.	Mr. Murali Ramaswami	Non-Executive Independent Director
6.	Dr. K S Ravichandran	Non-Executive Independent Director & Chairman of the Nomination Remuneration Committee and the NPA Management Committee
7.	Mr. KG Mohan	Non-Executive Independent Director & Chairman of the IT Strategy and Digital Transaction Monitoring Committee
8.	Mr. Harshavardhan Raghunath	Non-Executive Independent Director & Chairman of the Risk Management and Asset Liability Management Committee
9.	CA Chinnasamy Ganesan	Non-Executive Independent Director and Chairman of the Audit Committee
<b>Management</b>		
10.	Mr. J Natarajan	President & Chief Operating Officer
11.	Mr. Srinivasarao Maddirala	Company Secretary
<b>Statutory Auditors</b>		
12.	Mr. Sriraam Alevoor M	Partner of M/s R G N Price & Co, Chartered Accountants, Chennai
13.	Mr. P Meenakshi Sundaram	Partner of Sundaram & Srinivasan, Chartered Accountants, Chennai
<b>Secretarial Auditor</b>		
14.	Mrs. Sri Vidhya Kumar	Partner, S.A.E & Associates LLP, Secretarial Auditor
15.	Mr. R K Bapulal	Partner of Bapulal Yasar & Associates, Scrutinizer



- Moderator:** Over to you Chairperson.
- Meena Hemchandra:** Thank you. Good Morning to all, I, Dr Meena Hemchandra, Chairperson of the Bank, extend a warm welcome to the 104th Annual General Meeting of the Karur Vysya Bank. In compliance with the directions of Ministry of Corporate Affairs and guidelines of Securities and Exchange Board of India, your Bank has arranged the AGM through Video conferencing / other audio visual means. Since the requisite quorum is present through video conferencing and other audio visual means as confirmed by the Company Secretary, pursuant to the circulars issued by Ministry of Corporate Affairs and Section 103 of the Companies Act, 2013. I 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 our Annual General Meeting with an invocation. I invite Ms. Kirtana to render the invocation.
- [Invocation]
- Let me introduce my colleagues on the Board, attending this Annual General Meeting from the Auditorium of Bank's Registered and Central Office in Karur. I am also Chairperson of Customer Service & Stakeholders Relationship Committee. I invite Shri. B Ramesh Babu, Managing Director & CEO of the Bank to introduce himself.
- B Ramesh Babu:** Thank you, Madam. Good Morning to all of you, I am B Ramesh Babu, Managing Director and CEO of the Bank attending the meeting.
- Meena Hemchandra:** I request Shri M V Srinivasamoorthi to introduce himself:
- M V Srinivasamoorthi:** Good morning all, I am M V Srinivasamoorthi, Non-Executive Non-Independent Director, Thank you.
- Meena Hemchandra:** I request Shri R Ramkumar to introduce himself:
- R Ramkumar:** Good morning, I am R Ramkumar, Non-Executive Non-Independent Director, Thank you.
- Meena Hemchandra:** I request Murali Ramaswami to introduce himself.
- Murali Ramaswami:** Good morning, I am Murali Ramaswami, Non-Executive Independent Director of the bank
- Meena Hemchandra:** I request Dr K S Ravichandran to introduce himself:
- K S Ravichandran:** Good Morning everyone, I am Dr K S Ravichandran, Independent Director of the Bank from 2016. Presently I Chair two committees, the Nomination Remuneration Committee and the NPA Management Committee. Thank you.
- Meena Hemchandra:** I request Shri K G Mohan to introduce herself:



- 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. Thank you.
- Meena Hemchandra:** I request Shri Harshavardhan Raghunath to introduce himself:
- Harshavardhan R:** Good Morning, I am Harshavardhan Raghunath, I am an Independent Director of the bank, I also Chair the Risk Management and Asset Liability Management Committee of the Board.
- Meena Hemchandra:** I request CA Chinnasamy Ganesan to introduce himself:
- Chinnasamy Ganesan:** Good Morning, I am CA Chinnasamy Ganesan, Non-Executive Independent Director and I also chair the Audit Committee of the Bank. Thank you.
- Meena Hemchandra:** I am also accompanied by Shri J Natarajan, President and 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.
- Meena Hemchandra:** I recognize the presence of Bank's Joint Statutory Central Auditors M/s R G N Price & Co, Chartered Accountants, Chennai, joining through video conferencing.
- Sriram Alevoor:** Good morning. I am Sriram Alevoor M, representing R.G.N. Price, Partner. I am attending this meeting from Bangalore
- Meena Hemchandra:** M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, joining through video conferencing.
- Meenakshi Sundaram:** Good morning. I am Meenakshi Sundaram, partner from Sundaram and Srinivasan. Warm greetings to everyone. I am calling from Chennai. Thank you.
- Meena Hemchandra:** Also I recognize the presence of Secretarial Auditor S.A.E & Associates LLP, Company Secretaries, Chennai, joining through video conferencing.
- Sri vidya Kumar:** Good morning, this is Sri vidhya Kumar, partner SAE Associates LLP, Company Secretaries, Secretarial Auditor. I am attending from Chennai.
- Meena Hemchandra:** Also I recognize the presence of Scrutinizer of this Annual General Meeting, Shri R K Bapulal, Senior Partner representing M/s Bapulal Yasar & Associates, Company Secretaries. The Bank has taken all feasible efforts to enable members to participate through Video Conferencing other Audio Visual Means and vote at the Annual General Meeting. Thank You for joining this meeting virtually and I greatly appreciate for taking the time to attend this Annual General Meeting of the Bank.
- Now, I shall call upon the Company Secretary to make a few general announcements.
- Srinivasarao M:** 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 Requirements Regulations, 2015, the Annual General Meeting of the Bank is being held through video conferencing/other audio visual means. Hence, the facility of appointing proxies is not applicable for the meeting.

Shareholders are requested to note that they are on mute mode by default for the smooth and seamless conduct of the meeting. Pursuant to recent SEBI circular guidelines, the Notice of the Annual General Meeting along with the Annual Report was sent to e-mail Ids of all the Shareholders as on July 21, 2023, whose emails are registered with the Bank, Registrar and Transfer Agent or their respective depositories through NSDL and also by the Bank.

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 evoting 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 inspection by the Members on the NSDL e-voting platform. Bank has received requests from 15 eligible shareholders who are members of the Bank as on the cut-off date that is 16<sup>th</sup> August 2023 as speaker shareholders. All the requests are considered. 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 session.

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 and answer session, once the name of the speaker shareholders is called out by the moderator, 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:**

Thank You. Dear shareholders, a very good morning to all of you. I cordially welcome you all to the 104th Annual General Meeting of the Bank virtually from Karur this morning, the 23rd



August, 2023. I am happy that the virtual mode is enhancing the shareholder participation and engagement with the Bank across the geographies. At the outset, it gives me great pleasure to share with you that the robust and noteworthy performance of the bank in respect of growth, profits and other parameters has led to a very encouraging enhancement of shareholder value. I shall leave the sharing of these details to our MD and CEO and proceed to share with you the other major developments in the bank and the macroeconomic environment.

I'm extremely happy to inform you that the Reserve Bank of India has approved the reappointment of our MD and CEO, Mr. Shri B. Ramesh Babu, for a further period of three years, effective from 29 July, 2023. I'm also glad to share that the shareholders have approved the appointment of Shri Chinnaswamy Ganesan as Independent Director of the Bank and I welcome him to his maiden Annual General Meeting at KVB. I am equally happy to inform you that Shri K.G. Mohan and Dr. R. Harshavardhan, Independent Directors, have been reappointed in the board through postal ballot.

Let me now share with you the board's perspective on what was another eventful year and touch upon a few important points. The macroeconomic scenario. The global economic growth, which was recovering from the aftermath of the pandemic, was largely disrupted due to the Russian-Ukraine war. The elevated geopolitical tensions, especially with China, increase in commodity prices and the resulted inflationary pressures also dented global growth. However, the economy managed to grow during the first and second quarters of the calendar year 2023 and improvements in supply chain and resurgence in demand for contact intensive services.

The global growth is estimated at 2.8% for the calendar year 2023. The growth in the Indian economy surpassed the performance of many other nations and exhibited resilience contributed by positive consumer sentiments, rebounded discretionary spending and the government's capital expenditure. India was not an exception to the inflationary pressures experienced across the globe. However, the timely intervention by the Government of India and the Reserve Bank successfully managed the inflation. The real GDP growth during the financial year 2023-24 is estimated to be 6.5%.

The Indian banking industry witnessed positive tailwinds during the year in terms of robust credit growth, healthy asset quality, strengthening of capital and profits. The strong economic growth, favorable industry indicators and rapid expansion of digitization are expected to be the key growth drivers of the banking industry during this year. Our performance. In this background, though our MD and CEO will be giving you the greater details, let me briefly mention a few highlights of our performance during the previous fiscal. We significantly strengthened our bottom line, improved asset quality and grew our overall business responsibly.

The net profit reported by the bank is the highest in its history and this growth has been achieved without compromising on credit quality. A few years back, the bank was saddled with high slippages and stressed accounts and now we have reduced the gross NPAs to about 2.27% and the net NPAs to less than 1%. Our SMA levels are also very low and this has been achieved by tightening the underwriting conditions, close monitoring of loans and robust



collection mechanism. Though the capital adequacy ratio declined marginally due to increase in the risk-weighted assets in advances, our provision coverage ratio has moved to about 92.14%. The return on assets improved to 1.27% and the return on equity grew to 13.13%.

The top line business growth is even across the verticals and the able team under our MD and CEO deserves a heartfelt appreciation for this all-round performance. Some of our successful policy initiatives includes further strengthening of digital underwriting for a greater part of the lending process, enhancing our co-lending partnership with NBFCs and FinTechs, branch expansions and opening of digital banking unit. The integration of banks IT infrastructure with many government departments has unwrapped the opportunities for the bank to handle government business.

Bank also opened dedicated retail asset branch during the year to channelize sourcing of housing loans and LAP and also rolled out a separate business unit to concentrate on MSME advances.

I am glad to mention that the Board has recommended a dividend of 100% for the shareholders for the financial year 2022-23.

Our strategies, we have evolved various strategies for growing the bank's business, strengthening risk and compliance processes and institutionalizing the ESG aspects into business.

We steadfastly committed ourselves to the theme of progressing with prudence throughout the year with Trust, Technology and Teamwork as a strategic levers to deliver value. The term "Progressing with Prudence" cuts across an extensive landscape encompassing business growth, solutions that create value for our customers, fairness and diversity in workplace, relationship with communities, et cetera. With a legacy of 100 years and a firm commitment to all stakeholders, we will blend our stakeholder trust with technology and teamwork to center our foundation for the next leg of our growth journey.

In this process, we will strongly leverage the digital capabilities of the bank and also collaborate with leading fintechs in the market to offer best-in-class technological experience to our customers. We will introduce new products and revamp the existing ones to be more relevant to our customers. We have hired over 1,000 staff for both fresh acquisition and servicing the existing customers. We are also ramping up capacity building for our staff to handle the whole gamut of financial products and to guide our customers in effective decision making.

We are also mindful of the inherent risks that we should face while stepping up the business and the growth agenda will be within the acceptable contours of risk taking.

Dedicated staff, a strong management team and a committed board all work together devising the bank's policies and strategies, monitoring the progress of transformation agenda as well as enhancing the oversight on bank's culture.



ESG and community engagement, as our business grows so does our responsibility towards society. We are committed to invest our share of efforts in environmental sustainability, climate change and reducing the carbon footprints.

We have already moved to paperless credit processing and sanctions and extended the digital usage for all internal approvals, communications, etc. Good corporate governance means that leaders are aware of the impact the entity generates on its share, stakeholders have capacity to respond to stakeholder needs and are always prepared to face the various challenges that the future may bring.

To this end, I'm proud to share with you that we have a highly competent and diverse board with independent directors forming its bedrock. Our independent directors hail from varied backgrounds and bring diverse expertise and governance in the bank. In our board, we have an eminent specialist and recognize expert in corporate laws, an experienced IT professional with specialized knowledge in technological arena, a seasoned professional in strategic planning and risk management, a commercial banker with long years of practical experience and a chartered accountant with a deep knowledge and hands-on experience in financial reporting, taxation, audit and assurances, cyber security etc.

The Non-Independent Directors of the bank have wide knowledge about MSME industry, textiles and finance. We are actively engaging with the community through our CSR activities spread across various segments and we are also coordinating with the government and local authorities to create a deep reaching impact in the areas of healthcare, education, livelihood, enhancement etc.

The road ahead: We are confident that the policies of the government and the regulators would steer the economy to an all participative broad-based growth. As such, the focus will be on growing commercial and retained loans, liability franchise and third party business through both branch channels and also through non-branch delivery points and through partnership with NBFCs and FinTechs.

Good corporate governance practices and robust risk management will continue to be a core area of concentration and strict adherence to compliance culture at all levels of hierarchy will be ensured. We will also focus on continuously improving our productivity, operational efficiency, cost control and expense optimization. The sentiment appears to be positive and we are well positioned to sustain the gains achieved through the previous year. I look forward to the years ahead with confidence.

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





I would like to place on record our sincere gratitude to Central and State Government Authorities, RBI, SEBI, MCA, Stock Exchanges, NSE and BSE, depositories and other regulatory authorities for their valuable guidance and support. I thank you all for setting aside your schedules and be with us today, from wherever you are, and seek your continued support for our endeavors.

With these words, I once again welcome the shareholders, representatives of corporates, FIIs, mutual funds, insurance companies, and all other stakeholders virtually to the 104th Annual General Meeting of the Bank. Thank you very much.

I shall now proceed with the other formalities. The notice and the integrated annual report are with you for some time now. Bank has published its integrated annual report which brings together material information about the bank's strategy, ESG aspects, governance performance and prospects in a way that reflects the commercial, social and the environmental context within which we operate.

It provides a concise articulation of value creation story relevant to all stakeholders. With your permission, I shall take the notice for convening the 104<sup>th</sup> Annual General Meeting as read. As per the secretarial standards, reading of the entire text of the auditor's report, be it statutory auditor's report or secretarial audit report is not mandatory unless the said reports have certain qualifications and observations made thereon and the members attention is also to be drawn to the explanation and comments given by the board for the audit qualification and observations.

There are no qualifications, observations and comments in the reports of the statutory auditors as well as in the secretarial auditors. Hence, with your permission I shall take the statutory auditors report and the secretarial auditors report as read. For the benefit of the shareholders, I request company secretary to read out the agenda items placed for voting at the AGM.

**Srinivasarao M:**

Thank you, Chairperson. There are five agenda items for approval of the shareholders mentioned in the notice of the annual general meeting. All are ordinary resolutions. Four agenda items of ordinary business are, agenda number 1, to receive, consider and adopt the audited financial statements of the bank for the financial year ended March 31, 2023 together with the reports of the board of directors and auditors thereon. Agenda number 2, to declare dividend of 2 rupees per equity share having face value of 2 rupees each for the FY23. Agenda No. 3 To appoint a director in the place of Sri R. Ramkumar, DIN number 00275622, who retires by rotation and being eligible offers himself for reappointment.

Agenda No. 4 To reappoint M/s. R. G. N. Price and Co., Chartered accountants Chennai, firm registration number 002785S together with the M/s. Sundaram and Srinivasan, chartered accountants, Chennai, firm registration number 004207S as joint statutory central auditors of the bank and fix their remuneration. As per the recommendations of the audit Committee, Board of Directors have recommended the reappointment of Joint Statutory Central Auditors for FY24 from the conclusion of this annual general meeting till the conclusion of the next annual general meeting of the Bank, subject to the approval of the Reserve Bank of India.



Reserve Bank of India accorded their approval vide their letter dated 4th August 2023 on the appointment of joint statutory central auditors of the bank. And the 5<sup>th</sup> agenda item of special business is to appoint branch auditors and fix their remuneration. The objectives and implications of the above proposed resolutions are already furnished in the notice of the Annual General Meeting. Since the remote e-voting has already taken place, the requirement of proposing and seconding of the resolution is not applicable. Thank you, over to Chairperson.

**Chairperson:**

Now, I request MD and CEO, Shri. B Ramesh Babu to deliver his address.

**B Ramesh Babu:**

Thank you madam. Dear shareholders, I welcome everyone to this 104<sup>th</sup> Annual General Meeting held through video conferencing, other audio visual means. This event serves as a valuable opportunity for us to reflect on our achievements, address challenges, and set a course for the future. It is always a pleasure to connect with you all. Your trust and support over the last 100 plus years has given us enough confidence to push ourselves past challenges and complexities and deliver returns and consistent value for you year after year.

This year, 2022-23 witnessed intense geopolitical and economic volatility. The ongoing Russia-Ukraine conflict and geopolitical tensions have disrupted the smooth functioning of the global supply chains. There has been a surge in inflation, especially a rise in commodity prices and other inflationary pressures. The global economic outlook for 2023 appears to have a downward risk and the global GDP is expected to grow at 2.8% for 2024 but the outlook for the Indian economy remains positive.

The estimated GDP growth in India is expected to be around 6.1% in 23-24 and will remain one of the fastest growing economies. While surging inflation rates and high energy and commodity prices plagued the economy in 2023, there seems to be signs of gradual recovery. Central banks across the world have taken synchronized action by raising interest rates to bring inflation closer to the target rate. Over the past few years, we have navigated through the uncertain times, faced unprecedented global challenges and demonstrated remarkable resilience.

The credit off take for the Indian banking industry remained strong as credit growth accelerated to 15% in FY23 from 9.6% in FY22. The Indian economy is expected to be amongst the fastest growing major economies in FY23-24. Further, the Reserve Bank of India in its Financial Stability Report pointed out, sustained growth momentum, moderating inflation and anchoring of inflation expectations, a narrowing current account deficit and raising foreign exchange reserves, ongoing fiscal consolidation and robust financial system are setting the economy on a path of sustained growth. Banks and non-bank financial intermediaries are posting strong earnings and robust credit growth with strengthening buffers.

These improvements are brightening the prospects of the Indian economy fortified by the rising pace of real economic activity, corporate resilience and sound and efficient financial intermediation.



Coming to the performance highlights, we had an incredible year in terms of growth in the financial year 23 and we improved our overall performance in terms of business growth, profitability and asset quality. Your bank continues to be well capitalized with capital adequacy ratio of 18.56% as on 31<sup>st</sup> March 2023 of which core capital that is which we call it as a CET itself is 16.79%.

This shows the inherent strength of the bank and also our ability for future credit expansion.

Your bank's total business stands at INR 1,40,806 crores as on 31<sup>st</sup> March 2023 as compared to previous year INR 1,25,362 crores registering a growth of 12%. The advances stand at INR66,031 crores that is before technical write-off made during the year and deposits grew to INR76,638 crores with a growth of 16% and 12% respectively. Your bank's liability business continues to be 54% of the total business of the bank. Our growing digital ecosystem now covers a large portion of services offered by our liabilities group.

On the deposit front, CASA balances increased by INR1,545 crores and stood at INR25449 crores as on 31<sup>st</sup> March 2023, registering a growth of 6% from INR 23904 crores as on March 22. The CASA ratio of the bank as on March 23 stood at 33%. The term deposits also improved to INR51,189 crores as on 31<sup>st</sup> March 23 as against INR44,582 crores for the previous financial year. Thus registering a growth of 15%. Our increased focus on term deposits was on account of volatility in the interest rates and above all, what we thought was, so when the interest rates are high, naturally the depositors tend to move their deposits from the low yielding savings bank to time deposits.

So instead of our money going to some other bank, it is better we retain the relationship with our customer, that is why we encourage few of our customers to shift also. So that is the reason that growth in time deposits is much much higher compared to the growth in the CASA.

Your bank commenced its digital journey few years back. I am happy to say that our digital transactions grew by 29% in the financial year 23 and the share of digital transactions now stands at 95% as on 31<sup>st</sup> March.

We continue to add many new features in our DLite app which is our customer onboarding application and there are 4.28 million registered users for our DLite app. The advance of the bank grew by 16% that is before technical write off and credit growth was equally contributed by all the credit verticals which we can say that so earlier a particular vertical was growing and all others were not greatly supporting but this is an year where you can find that so every vertical has given a double digit growth. Bank has proposed to impart special focus on growing its retail segment and all small-ticket commercial advances by establishing specialized units for the same.

Commercial loan book continues to have a share of 33% of the total loan portfolio, followed by retail and agriculture, equally a 23% and corporate book reduced to 21% indicating our continued shift towards granular portfolio. So this portfolio what all we have shifted not only it has become gradual it is relatively high yielding compared to corporate. The agriculture loan book had a growth of 18% year on year and your bank achieved all the targets and sub-targets



under the priority sector for all the quarters of the year and priority sector advances as a percentage of ANBC as on 31<sup>st</sup> March 2022 stood at 46.30%.

Corporate institutional loan book had a growth of 16% and have a share of 21% of the total portfolio last year. The retail advances business registered a growth of 16% during the year under review. There has been good demand for retail loans, particularly for the home loans and mortgages, as we have streamlined our rates and product features in tune with the market. The commercial business grew by 15% over the previous year and stood at INR21,445 crores. We continue to support the MSME borrowers who were impacted by the economic disruptions.

The revamped business banking unit structure with sales relationship managers to focus on the new business acquisition and services as well as on the existing borrower requirements had supported us during the year. Our NEO model which is new and emerging opportunities which we have commenced few years back which is a non-branch model is progressing well and they built a loan book of INR4,414 crores at the end of the financial year. Upon inception of the business, NEO devised a strategy centered around onboarding new to bank customers, creating a quality book contributing to healthy yield through standalone non-branch distribution channels.

NEO expanded to 11 new locations during the year. During the year, we introduced Branch Business Model too for focus on mortgages and NEO established a notable presence in Hyderabad and Bangalore, primarily focusing on home loan product segment and mortgages and providing personalized services through retail channels.

Precious Metal Division's book stood at 460 crores and has been extending services in several states across India.

PMD has specialized skill sets with adequate experience in handling bullion customers, and the vertical has also put in place a robust system for managing a business. PMD has generated positive revenues consistently during the last two years of full-fledged operations.

Transaction Banking Group specializes in cash management services, providing collection and payment products, and supply chain finance for corporates of all sizes.

In addition to participating in all the three TReDS platforms for financing the MSME vendors, TBG by embracing the digital technology aims to leverage the partnerships with FinTechs to drive the growth. TBG supports the bank for a diversified portfolio and anchors top corporate relationships. Our partnerships for co-lending with NBFCs have gained a fair pace, supported by our robust digital platform. Currently, we have four arrangements and we are working for more such tie-ups during the year.

Bank also tied up with fintechs for sourcing jewel loans, education loans and agri loans.

Our digital onboarding of new customers has resulted in improved quality of assets being booked. This is evident from the lower stress in our loan portfolio.



Your bank's net interest income experienced a notable growth of 23% and non-interest income grew by 51%. Your bank's cost to income ratio improved to 45.08% in financial year '23. All of you can recollect that at a point of time, we used to be 50% plus in comparison to 53.2% in the corresponding period of '22. Pre-provision operating profit for the year increased by 52%, majorly assisted by higher interest income growth and lower operating expenses compared to the previous year.

Net profit in the year demonstrated a pretty strong growth, increased by 64% to reach INR1,106 crores, which is the highest ever PAT in the bank's history. In my last year speech, I had mentioned about your bank's goal of achieving return on asset of over 1% by FY 2024. We have reached same one year in advance as our ROA has improved to 1.27%, previous year it was 0.86%.

Our ROA for the quarter 4 that is exit quarter of the last year if you look at it, it is 1.5%, which we are confident of maintaining the ratio at above 1.5% level during the year '23- '24. Our collection efficiency continues to be at above 99% levels and SMA 0 and 1 levels were less than 1% at the end of the year indicating quality of the assets in the coming year.

Due to lower slippages, recoveries and technical write-off which we did prudentially, gross NPAs has decreased by 376 basis points and GNPA currently stands at 2.27%, previous year it was 6.03%. The net NPA is below 1% and represent 0.74% of the net advances, which is equivalent to INR468 crores as on 31, March '23 in contrast to 2.31% that is INR1,261 crores as on 31, March '22.

All of you can recollect, so our net NPA used to be 4% plus few years back, which we could bring it down to 0.74 during this year. In addition, the provision coverage ratio reached to 92.14% from 80.27%. Our standard restructured book, as on 31, March, '23, constitutes 1.52% of the bank's loan book and has come down from 2.87% as on 31, March '22, which is more or less 45%. The standard restructuring book has come down and they are all performing and delivering.

We are continuously monitoring this portfolio also pretty closely. In summary, these numbers continue to reflect the inherent and fundamental strength of your bank. Various initiatives we have taken in the earlier years have been brought to a decent stage to yield the results. We remain steadfast in our pursuit of growth driven by innovation, digital transformation and a strong focus on ESG principles.

With the dedication and resilience of our talented team and your continued support, we are confident in our ability to shape a prosperous future and deliver sustainable value for all. Keeping in view the above, the Board of Directors of the bank has recommended a dividend of INR2 per equity share of a face value of INR2 per share, 100% of the paid equity capital of the bank for the year '23 as told by our Chairperson.

During the year, your bank stand adorned with a multitude of prestigious awards illuminating the path of our exceptional strengths and achievements. From our tech-enabled ease of banking services to trailblazing transformative digital initiatives, the product quality management, our



accolades resonate as a testament to our commitments to excellence. Your bank has an exceptionally diversified workplace, not only by gender, but also by generations. 83% of the workforce comprises of millennial and Gen Z. The attrition rate was less than 6% during the year. The average age of the staff members of the bank currently is around 36 years.

Coming to the new initiatives the bank has taken during the year '22-23'. We planned several initiatives at the beginning of the year and we were able to implement the following during financial year 2022- '23. During the year, your bank created consumer banking vertical by merging personal banking liabilities and personal banking assets. A set of senior and experienced officers have already joined to head the CASA acquisition focusing on corporate salary accounts, government business, third party products.

So, end of 2022 itself we sense saying that, so there will be lot of demand for the deposits at that time proactively we have taken this exercise, this initiative is stabilizing and we will be able to get the benefit what we visualized. Your bank has created a non-branch channel. which we call it as a KVB smart to source commercial business through relationship managers under the feet on street model. It is more or less akin to the neo model what we have done with the experience what we have gained in the neo model, we thought that, let us replicate on the working capital side of the MSME and the commercial side.

Your banks has integrated the bank's net banking channel with central government's direct and indirect tax portals. Your bank launched ChatBot KAARU, an interactive ChatBot leveraging artificial intelligence and machine learning technologies in our website to assist the customers 24x7. Your bank has enabled WhatsApp banking to its customers, an additional service channel for catering to their non-financial services, such as the balance inquiry, mini-statement, deposit interest rate inquiry, etcetera.

IRCTC integration in the DLite app also has been concluded. Train ticket booking through direct account debit facility without involving any payment gateway. These are a few of the initiatives what we have taken. There are many more.

Environmental and social and government practices, we did many things. You would have seen in our annual report also, we have given an elaborate report there. So briefly to say few other points, your bank believes our success is interlinked with the prosperity of the society we serve and therefore we actively engage in initiatives focused on education, healthcare, environmental sustainability and community development.

By embracing corporate social responsibility, we strengthen our bond with the stakeholders, foster inclusive growth, and contribute to building a better and more equitable future for all. Your bank considered the ESG as an integral part of the business and we accord high strategic priority to environmental, social and governance performance and constantly work to improve the implementation and oversight of sustainability practices within our business.

So if we look at each of the aspects now, first we will talk about the environment. Aligning with our commitment to environment, we have established a comprehensive ESG due diligence policy. Monitoring our own energy consumption, such as power generation and



consumption, using wind turbines, ensuring a reduced environmental footprint and a greener future for future generations to come.

Undertaken energy efficiency projects including phased installation of LED lights in all our premises, solar panels at Bangalore office and solar panel operated street lights in our residential quarters at Karur. As a part of our commitment to reduce carbon footprints and greenhouse gases, we continued contributing battery-powered electrical vehicles for the general public in some of the areas of our presence.

Now coming to social. Your bank social responsibility initiatives include putting in place a well-defined CSR policy, continuously improving the gender diversity in our workforce, locating our branches predominantly in semi-urban and rural areas, enhancing the priority sector lending, imparting strong focus on cyber-security and data privacy aspects. Bank continued supporting efforts to strengthen health infrastructure in the country by extending support to government hospitals and then indirectly supporting for the emergencies.

You'd have seen also our spending, what all is there. We have made INR12.84 crores, which is much in excess of the last year. What all our allocation we have done that, the full details we have provided at length in our annual report.

Coming to the governance, your bank believes governance is non-negotiable and we assure that robust governance practices are followed across the bank.

Independent Directors consist of more than half of the composition of the Board as told by the Chairperson. Free and frank deliberations are made by the Directors in the Board and the views of each Director are considered for effective decision making. Independent Directors evaluate the performance of the Board and also the performance of Non-Independent Directors. Develop our ESG policy in line with our commitment to sustainable banking practices.

Initiated steps to align our ESG objectives with the United Nations Sustainable Development Goals.

I welcome new Director Mr. Chinnasamy Ganesan on the Board, who has more than 34 years of audit experience. His expertise in financial reporting, company law matters, audit and taxation will further strengthen the Board and its 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 grateful to my colleagues and former Directors CA Mrs. K L Vijayalakshmi, Mr. M K Venkatesan and Mr. A K Praburaj for volunteering their time, insights and ideas to enrich the collective wisdom of the Board.

They have actively shared their valuable thoughts for business growth and also strengthening the internal controls, so during their long stint in the bank.





So our initiatives which we have planning and the road ahead, I would now like to take you through the various business transformation initiatives your bank has planned for '23- '24 and the road ahead.

Digital Banking Unit. So we have planned to open two DBUs in the current year. We have already opened in Chennai during the first quarter. So it has a dual advantage. One is, so it will elevate the customer experience of handling the transaction and second thing is also it is environment friendly. And next thing is implementation of the trade finance platform, which will ease the use by our customers so through mobile and internet banking how seamlessly they can handle their trade finance transactions. Electronic bank guarantee, integration of interactive ChatBot in WhatsApp banking, integrating DigiLocker facility in our vKYC that is a video KYC what we have already started.

Now coming to the road ahead, considering the need for building up deposits to meet our asset growth and to reach higher CASA levels, we have already informed about the structural changes done in the consumer banking department. And we are in the process of recruiting down the level sales executives and feet on street. In the first phase, we have planned for 1,300 resources and of which 905 resources have already joined and the balance resources are expected to join in the due course.

In the commercial business segment, we have planned to scale up with our non-branch sourcing channel KVB smart along with our existing branch channels. Moreover, both Neo channel and KVB Smart channel would be complementary to each other in sourcing business. Our digital platform would support us to expand our assets. Our exposure to corporate sector has come down to 21% as against 35% few years ago and you would have observed from our investor presentation what we have uploaded in our website. The quality of the portfolio also has gone up tremendously and you would have seen that the assets with A and above and AA, BB and above have gone up significantly. We would continue to be cautious while onboarding corporate borrowers within the per-borrower norms fixed by the Board. Collaboration with strategic partners and alliances can unlock new synergies and opportunities, and that too with the investments what we have made in the digital. So it has become relatively easier to establish a digital partnership with the partners.

We will seek partnerships that complement our strengths and expand our capabilities, allowing us to deliver greater value to our customers. While we have made great strides in existing markets, we see potential for further penetration and expansion in new districts have sprung up in South and Western markets. You'd have seen that many new districts have come up in South itself and Western. So what we thought is, so while our expansion will go up, so let us focus on the district quarters of these branches which itself offers a great opportunity for us.

Your bank added 10 regular branches and one retail asset and personal banking branch and two asset recovery branches and 11 new offices during the year 2022- '23 and plan to open 40 branches in the current year. We have set greater emphasis on growing para-banking products, bank assurance, Fastag, mutual fund distribution, demat and all these things, the revamped consumer banking department structure would focus on upselling cross selling these products to our clients to improve our wallet share.





With these diversified activities, we plan to expand our liabilities and assets base and we expect a growth of around 14% plus during the current year.

It is said Prudence is the knowledge of things to be sought and those to be shunned. Your bank has been cautious over the last three years and mindful of the challenges and the challenging environment while focusing on growth, profitability and the asset quality.

We would continue to progress with prudence which you will be finding always in our tagline on our annual report. Before I conclude, I would like to quote the words of Dennis Waitley'. Success is almost totally dependent upon drive and persistence. The extra energy required to make another effort or try another approach is the secret of winning". Our team is mindful of the same and confident of taking it forward.

These achievements are the result of the collective efforts of each member of the team. Together, we have overcome challenges, seized the opportunities, and maintained a relentless pursuit for excellence. I would like to reiterate that, we aim to deliver sustainable and consistent financial performance by providing superior services to our targeted customers and in the process realize our goals of achieving sustained ROA of 1.5% during every quarter of financial year '24. So, though we have committed for the whole year. So, our endeavor is to see that, every quarter if we can cross at 1.5 then whole year we can safely say that we have crossed the 1.5 ROA.

So, commercial, retail and agri are the focus segments which we have identified for our future growth particularly the southern and western markets. not that there are opportunities are there equally we are exploiting our opportunities in northern as well as the eastern market the way the business what we are getting in Patiala if you look at it, it is absolutely satisfying. So our approach would be to offer our customers need specific financial products, services, and solutions by providing tailor-made solutions and positive customer experience through delivery of quick and efficient services.

So, on behalf of my colleagues on the Board and staff members, I take this opportunity to convey my deep gratitude to the shareholders for your long standing trust, loyalty, patronage and support given to us. So one more point, I would like to thank profusely our shareholders is, so all of you have seen our annual report. Post circulation annual report, we have got many communications from many giving us a feedback the quality of the annual report the transparency what all has been brought and the way it has come out, so I thank profusely from the entire team for the efforts what we have made, the recognition what we have got from many other shareholders about the in detailed the coverage what we have done in the annual report.

So we have done only one point, we have visualized ourselves in the place of a shareholder. These are the thinkings, we may have they would like to know, it is better proactively we provide this sort of information rather than they coming back to us. With that intention, we have done that. So many shareholders have come back to us saying that, the quality of the transparency has improved so well. So I am profusely thanking all those. You must be there in the today's meeting also.



We always remain indebted to you for the same and take strength for our future endeavors. I sincerely thank the Chairperson and other members of the Board for their continuous guidance and sharing their wisdom. I also thank our esteemed customers, business partners and employees for your loyalty and their affinity. 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.

Without their support, the bank would not have been able to do all these things which we have just narrated. So my profound thanks once again to my entire colleagues workforce who have supported the bank. I thank my colleagues for the support and excellence in their work. I also thank to M/s NSDL for having provided an excellent technical platform to interact with our 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 continuous support and guidance. Thank you all once again. Thank you.

**Meena Hemchandra:**

Thank you, Shri Ramesh Babu. Your speech has rightly highlighted the bank's business journey during the last financial year and also its future plans and goals. Before I proceed to take up the question and answer session with the speakers registered, I would request the registered speaker shareholders to follow. While seeking clarification, shareholders may kindly restrict the subject matter to 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 the queries to two- three minutes in order to facilitate the other speakers shareholders to participate. If there is a connectivity problem at the speaker's end, the host will invite the next speaker and all such speakers will be given a chance once their connectivity is restored within the available time. Shareholders are requested to cooperate in this regard. I now hand over to the moderator to continue with the question and answer session.

**Moderator:**

Thank you so much, Chairperson. Ladies and gentlemen, we will now begin the question and answer session. We will wait for a moment, while we assemble the queue. We request the members to kindly restrict the speech and queries to three minutes so that opportunity can be given to the other members to. Request you to mention your name, hold your number, number of shares and then you can go ahead with your queries. We will first invite our speaker number one, Mr. K.R. Palaniappan. Sir, we have sent a prompt on your screen, please accept that. Then you can unmute your audio and video and then you can go ahead with your question.

**K.R. Palaniappan:**

Chairperson, CEO, Directors of Board and somewhat happy KVB co-shareholders. Let me first congratulate the Dynamic CEO, Mr. Ramesh Babu and his team for the excellent result in the current fiscal year gone by, not only for achieving the net profit of INR1,000 crores for the first time in the history of the bank, but for containing the NPA for second consecutive year. My congratulations to you, sir and your team.



However, the shareholders are not rewarded adequately, this is my opinion. You have said in your Director's report as per the RBI policy and your policy, you have given 100% dividend, but the actual thing is, as per the matrix of RBI policy, 35% of the net profit could have been given as a dividend for the shareholder, which transform into approximately INR350 crores and which relates to around 200%. But at least 150% dividend could have been given to the shareholders even because your CRAR is comfortable and even your retail profit could add even if you declare 150% of the share capital is only Rs 160 crores.

Number two, the CEO has repeatedly telling that ROA will shall be maintained at 1.5%. I am happy about hear that, but what is a CEO specific comments in the challenges posed by the increased cost of deposit, increased wage bill on account of higher numbers of staff, provisioning for salary arrears in view of the bipartite settlement and provision for salary arrears. Is it possible to maintain the ROA 1.5%? If it is maintained very good, but how you are going to compact these challenges.

Number three, the yield on investment is 5.8%, which is approximately 10 to 20 basis point when compared to your peers. I would like to specific comments from CEO, why not we switch on to higher yield if it is a long dated securities. The another point is the opex is on the high side continuously, maybe due to the higher wage bill on account of recruitment, but still it has in the Q1 it has crossed the last year's level. So I want the opex to be controlled and well maintained at least by 45%.

The liability team is a good thinking on the part of the management, feet on the street, but the CEO is commenting the Q1 has told that, the result will be known in the Q2. I want to see, what is the feedback on this feet for street because my interaction when I am visiting some of your branches here shows that, they are not, the contribution is very little. I would like specific comments whether this is workable. Sir, second thing is whether this liability team, why not we assign the recovery part of it also, especially the technically written off accounts.

The recovery under technically written off accounts is low when compared to the huge technical write off. There is a normal tendency in every human being when it is technically written off, not much attention is paid into. About Rs 2,000 Crores is under technical write-off accounts. Even if you recover at least 10% or 15%, it will be very appreciable. Management should pay serious attention and motivate the ground staff to attack the technical staff, especially under Lok Adalat and OTS route.

In fact, I could visit some of the court, I could not see even the KVB banner anywhere under the Lok Adalat. Are we seriously participating in Lok Adalat? And another point is, almost the entire amount of Rs 400 crores under security receipts are written off as per RBI guidelines. Why not we pressurize the ARCs to recover the security receipts because otherwise they are only held as a paper. And the real purpose of ARCs are defeated because I could see entire amount is written off and not much recovery is forthcoming under the assets sold to ARCs.

And in the balance sheet, it has been mentioned 33 accounts amounting to Rs 356 crores are reported as fraud and year-by-year somewhat even though it is a small sum, when compared to the total assets, the fraud should be restricted and I believe that, these are all under consortium



accounts, there is no mention about that in the balance sheet. If it is a consortium account, it is okay, otherwise is there any specific fraud on account of our bank alone and whether 100% provision I am sure it has already been made.

What is your branch expansion policy for the current year and whether you are going to add more branches. Even I could see only two branches are added in the last year. Is there any specific thinking, you have to add more branches, especially where we are not represented. And if the co-lending with NBFCs are promising and rewarding the bank, why not we go in for more NBFCs, it is already been pointed out by the CEO that, we are selecting, is the process is over and are we going to start in the current year itself the co-lending of NBFCs.

And one more thing is RBI has levied a penalty of Rs 30 lakhs for delay in reporting fraud. I am surprised, how this could happen in reporting especially, when you have a compliance GM and compliance department, this would have been avoided because it is a small sum but it is a give a bad image in the market. I have sent an email in this regard but there is no reply from you till date. Similarly, I have sent an email date back to 2020, asking you to review the advances granted during big ticket accounts is granted during 2017 and '18. Where, whether there are any shortcomings in sanctioning this loan. It is a very serious affair.

I have repeatedly telling in every meeting and no feedback, I am not getting about this. If you are, if you confirm nothing has happened, okay, but why don't you see and moreover, if a customer complains you immediately react and reply. Why not for the shareholders? I have sent a email, there is no reply. Two, three times, I reminded, I have just left that. So, kindly give importance, as much importance as you give to your customers.

Shareholders are also equally interested in knowing, what is happening in the bank. The really, the bullion business, a passing remark has been made CEO, it is contributing. Is it worth what is spent on bullion business? If it is not worth, why you are wasting resources, human resources on this business, if it is not proportionately remunerating for the bank.

What is the bottom line contribution by the bullion business last year, nowhere it is mentioned in the balance sheet. I wish the CEO and his team to continue the good work and I am sure will reward the shareholders at least in the current fiscal with a bonus as well as a good dividend. Thank you, sir.

**Meena Hemchandra:** Thank you.

**B Ramesh Babu:** Thank you very much, sir.

**Moderator:** Thank you so much Mr. Palaniappan. We will move to our next speaker shareholder number two, Mr. Bharati Saraf. Mr. Saraf, please accept the prompt on your screen and you can go ahead with your question. Please unmute your audio and video one minute.

**Bharati Saraf:** Respected Chairman, Board member and my fellow shareholder. My name is Santosh Kumar Saraf, am a joints shareholder in the Bharati Saraf. I hope, all your safe and good health. First of all, I express my thanks to all our employees, those who are working in our bank, in the



growth of the company, sir. I request them to work in this way, and we will keep remembering our participation in our company's growth.

The company has given us a dividend because of your work and we are very happy. I am grateful to the staff members who are working in our branches. You have said a lot in your speech. I have told you so much detail that I have no questions. I have only two-three questions, small ones. Sir, how many employees of this city have still kept physical holding? And sir, what steps have you taken for fraud cases? And sir, what steps have you doing for women empowerment? What are you doing for insider trading?

How many percent of new women employees have been added? And what steps has we taken to stop the inside trading? You have done a very good service. Moderators are very good. I hope next year they will hold a VC meeting. So that the outside shareholder can also participate. Even if you do it physically, keep the VC option. As you said, you are running the bank digitally. So, sir, convene digital meeting also. So that people can use digital modes as well. Jai Hind, Jai Bharat, Namaskar. Once again, I would like to wish all the officials and the employees a happy 2023. And I am wishing for good financial and a happy 2023. Namaskar.

**B Ramesh Babu:** Namaskar. Thank you very much, Mr. Sarafji.

**Moderator:** Thank you so much Mr. Saraf. We will move to our next speaker shareholder number three, Mr. V.G. Mohan Prasad. Mr. Mohan Prasad, we have sent a prompt on your screen. Please accept that, you can unmute your audio and video and you can go ahead with your question.

**V.G. Mohan Prasad:** My salutations to the entire team KVB and thanks for giving me this opportunity to share my views today. I'm Dr. V G Mohan Prasad. My Folio number is IN30338210014425. I hold 1,76,180 shares. Good afternoon. I give it a great honor once again. I'm grateful for this opportunity given to share my thoughts in this August gathering of the 104th Annual General Meeting of our bank.

My family has been shareholders of KVB for more than 80 years, and I have witnessed the highs and lows and the challenges and triumphs, and it's a testament to the company's resilience and a vision that we are here today, reflecting on yet another year of great progress. First and foremost, I would like to express my gratitude to the Board of Directors, the management team, and all the employees who have worked tirelessly to ensure growth and prosperity of our beloved company.

Your dedication and hard work has played a pivotal role in driving KVB's success over the past year. We have seen how the company has navigated through challenges and seized opportunities emerging as a steadfast player in the market. I'm pleased to note that KVB has not only maintained its financial stability, but also has achievable and commendable growth. That the bank in revenue and market share, it is very heartening to note, that the bank has achieved a record high profit of Rs 1,106 crores as of last year and the business growth has doubled over the last 10 years.

The management's effort to have an inclusive growth from all the verticals has been fruitful. When you see the performance growth of all verticals, this success is a testament to the



company's strategic vision, efficient operational practices and commitment to excellence. As shareholders, we can take pride in being associated with an organization that continues to innovate and adapt to the ever-changing business landscape.

The bank had committed to the shareholders in 2021 that they would achieve an ROA of 1% plus before the year ending of 31.03.2024, which has been achieved and even crossed a year earlier. Now, we have an ROA of 1.27%. So it should be noted that ROA was very low in 2020, was only 0.32%. That's a tremendous stride of progress.

The future of banking in India involves liberating digital technologies to extend banking services to the unbanked and under-banked population. Mobile banking, digital payment solutions have been bridging the gap, enabling people, even in the remotest areas to access financial services, save money and build credit history. We can very well see the digital transformation that our bank has gone through. The last few years, customers are able to know their eligibility for a loan within minutes of approaching a branch.

And DLite app has got many services that can be done without even going to branches. Digital onboarding of local customers has resulted in booking of quality assets in the last two years. This is very evident. If you see the SMA 30 plus book of the bank, which is only 0.56% of all total advances are commendable achievement. Asset quality of the bank has made tremendous improvement. It's laudable and achievement of a bank that gross NPA, which was 8.874% years back has come down to 2.27%.

Similarly, the net NPA, which was 5.034% years back has come down now to 0.74%, which is admirable improvement in the safety of banking. The bank has also made conscious efforts to recover the written off amount. I'm sure, there should be more drive to recover whatever the balance outstanding amounts are. They have recovered over more than Rs 208 crores during the last year. I hope such similar recoveries will enable them even in the current year also and try to improve the quality of banking.

Our bank is a 107 year old bank. KVB has five generation stakeholders. The business world is dynamic and constantly evolving. To sustain our growth momentum, we should remain vigilant and responsive to emerging trends and the challenges. The present younger generation is very tech savvy. I'd like to know the plans of the bank management to attract and retain the Gen Z and or the Gen Z, you want to call it and the currently youngest Gen Alpha up to 2024, 2010 to '24.

So the bank has to continuously strategize resources efficiently, whether it is with regards to manpower technology or funds and make changes in the structure, deliverables to ensure our success in the current competitive scenario. We need to build a future ready and efficient workforce. And we need to build strengths from branch level to address the parallel need of growing business and providing service to customers. For that, each customer has to own the bank. He has, he and every stakeholder should feel, it is my bank, then it can be done. The frontline role to change across the banking industry, even in government departments, it's noteworthy to see that the bank is also taking a lot of measures in the area of ESG. Our Madam Chairman, who is from governance and oversees good governance and our dynamic MD



focusing on the business growth, deeply assisted by an intellectual and guiding Board of Directors. It's really amazing that, our bank has is really set on a proper path of progress. Our trust is earned and by upholding the highest standards of integrity, ethicality and accountability, Karur Vysya Bank will continue to foster trust, not only among the shareholders, but also all the customers, employees and all stakeholders.

Looking ahead, I'm very excited about the company's prospects, the strategies is outlined, the commitment to innovation, and the dedication to sustainability, aligned well with our evolving business landscape. As we navigate the challenges and seize opportunities that lie ahead, I have no doubt KVB will continue to create value and drive efficient growth. In conclusion, I'm optimistic about KVB's future prospects, our company's rich legacy combined with the ability to adapt and innovate, even in the toughest of the situations we have come out. And this positions us well for continued success.

Let us as shareholders pledge to continue our support and engage ourselves as partners in the company's journey as KVB embarks on the next phase of its unstoppable journey. My question finally to the bank is, what is the bank's strategy on competing in the current market? Because you have so many players and how are we strategizing our future? Number one, number two, because we have a legacy approach, but we have moved, we are not old, we are 107 years young, but still we need to keep on strategizing newer approaches.

And what efforts have been taken for incorporating artificial intelligence in KVB, in data mining, analytics, and also deliverables. So these two are my questions. I once again thank the management for giving this opportunity and my salutations to all the KVB employees and all the stakeholders, my own shareholders. Thank you and Jai Hind.

**Meena Hemchandra:** Thank you, sir.

**B Ramesh Babu:** Thank you, doctor. Thanks for your suggestions and we will live up to your expectations doctor, please. Thank you. Thank you very much.

**Moderator:** Thank you so much. We will move to our next speaker member. Number four, Mr. Ramakrishna T N. We are sending a prompt on your screen, sir. Please accept that. Once you accept, you will get an option to unmute your audio and video. And then you can go ahead with your question.

**Ramakrishna T N:** Good afternoon I heartily congratulate the entire team KVB for an excellent year that was gone by and also an excellent Q1 performance based on which, we are hoping for this running financial year. Our bank's profit should cross net level Rs 1,500 crores based on the Q1 performance. I heartily congratulate all the staff and also the Board of Directors and the customers and all those who are directly or indirectly associated with our great bank.

I also congratulate the management for various awards our bank has got as the respected Managing Director has explained in his address to shareholders. And it is also quite heartening to note that PCR coverage is 92%, which gives very high scope for further improvement in the profitability of our bank and profits further gone by financial year crossed Rs 1,100 crores, which is a landmark in the history of our bank, which is a pre-independent bank and NPA is





managed very well and we do hope that, our bank's deposits will cross Rs 1 lakh crores, a trillion rupees, what I want to say is put it in a better way, a trillion rupees of deposits with at least around 40% or little less than that of the CASA deposits, this will help us well for the good running of the bank, with the corresponding qualitative advances.

And as my previous speaker has expressed his views, the dividend given is really less. Considering the very exponential growth in the net profit level and the PCR ratio, CRAR levels and the Q1 performance, perhaps our Board should have been more liberal in declaring the dividend, we should have expected at least 250% percent dividend at least 30%- 32% would have distributed the dividend to the shareholders I do not know, what is the dividend distribution policy of the our bank.

Going forward actually, we expect at least 30% of net profit should be distributed to shareholders because shareholders are the ultimate beneficiaries, you also need to see that, we get, handsome credit to our account because this is again taxable, unlike earlier where a bank was or a company was paying the dividend distribution tax and it was tax free at the end of the shareholders.

So that also we need to consider, consider the fact that on an average, we spend about 31.2% as taxation, since most of us are in 30% tax bracket. And other thing is that, bank has seen that, has got a 33% CASA ratio and other provisions are also very good and bank celebrated the 75th anniversary of our independence, I have seen the notification given to the stock exchanges. On the part of CSR, I have carefully listened to the Managing Directors speech in that. I got a specific request in the regard of corporate social responsibility.

As we have grown in the profitability, our allocation of amount for the CSR is also quite high going forward. So, this is the year of Azad Ki Amrit Mahotsav, 75th Anniversary of our Independence and as our head of our nation has rightfully told it is Amrit Kaal for next 25 years. It is a time as he was unveiling the statue of our national hero Netaji Subhas Chandra Bose at then Rajpath Kartavyapath in New Delhi. The country is indebted to freedom fighters particularly to revolutionary freedom fighters.

We need to pay back our debt in clear terms he has told. What is the meaning of paying back our debt to our revolutionary freedom fighters who have lived their lives for all ordinary citizens like us from both from our motherland, also from various continents apart for the Independence of our country they built army, they created pro Independence atmosphere associate bureaucrats, statesmen, politicians and policy makers of many countries of many continents, supreme sacrifices were made by them.

As a pre independent established organization, we have more responsibility to honor the sacrifices of our national heroes, particularly unsung heroes. On this occasion, out of corporate social responsibility, CSR funds, I would like to request the great management of our company to establish gold medals in the universities across the country, at least where we are present in those cities and states, gold medals in the universities, IITs, IIMs, NITs and many other education institutions in the most respectful memory of our unsung heroes, revolutionary freedom fighters.





To establish some fellowships to be awarded in the memory of our revolutionary freedom fighters to the meritorious economically poor students of our country and also to help build some memorials of the revolutionary freedom fighters at workplace, their Martyrdom places, and help the NGOs for spreading the cause of our unsung heroes. This is the way we can pay back, I mean, we can try to pay back our debt to our freedom fighters because of whom our bank has grown after Independence.

You should be definitely be aware as to how much difficulty free independence that our industrialists, our bankers were facing even to get a license and all other permission, Jamshedji Tata to establish Tata Steel it took almost 10 full years and the discrimination made to domestic industrialists and service providers vis-à-vis British bankers and British industrialists. So, we are the major beneficiaries of attainment of the political freedom of this country. So, we need to pay back. Of course, we can never pay back the debt. As our Prime Minister has told, we can never pay back our debt in full. We can only walk through a few steps in that long distance direction. As a son of freedom fighter parents, I'm repeating, as a son of freedom fighter parents, I once again request our great management to initiate and either an NGO through that in the state of Karnataka, we are establishing 101 gold medals with the help of individual philanthropies and rest.

Already we secured with our own family's first contribution for establishing a gold medal in Karnataka Sanskrit University in the most respectful memory of Asia's largest residential university, Banaras Hindu University founded great freedom fighter, Pandit Madan Mohan Malaviya and another 19 gold medals we secured and we will be establishing 101 gold medals. It is accomplishing the cost, I personally once again request our management to take well note of my suggestions and request and to implement it and I would also request the appointment of our MD when he visits Bangalore to discuss this in detail and to showcase the activities of our NGO. Thank you very much. Jai Hind.

**Meena Hemchandra:** Thank you.

**Moderator:** Thank you so much sir. Next speaker member number five, Aspi Bhesania. Speaker shareholder number five has not joined the meeting. Hence, we will move to our next speaker member number six, Mr. Mani Sundaram. Mr. Sundaram, we are sending a prompt on your screen. Please accept that. You can get another option to unmute your audio and video. Please go ahead with your question. We have sent a prompt on your screen, please accept that. Yes sir, please go ahead.

**Mani Sundaram:** Hello sir, I am shareholder. My name is Mani Sundaram my DP number is IN30131321605421. Number of shares 2,649 Sir am I audible sir?

**Moderator:** Yes, yes, you are audible sir, please go ahead.

**Mani Sundaram:** Thank you sir. Some disturbance in my line. First of all, I welcome Chairman Meena Hemachandra, MD and CEO sir, Director Ram Kumar sir, Company Secretary. Srinivasarao. I am very glad about this meeting. In next year, we have physical meeting in head office or Chennai other office. 104<sup>th</sup> Annual General Meeting we have not declared any Bonus Shares,



please share us the reason. (Inaudible) Annual Report is very good sir. Page Number 63, the result is given as more than 670 Crores and Page Number 84 CSR (Inaudible) 400 Crs pertains to us, what is the reason I don't know. Please take recovery from the loan sector, sir. Page Number 133, Net Profit, last year comparison (Inaudible) Page Number 174 (Inaudible) what is the future expansion (Inaudible) and branches also. Page Number 195 IEPF is 1074993 what is the reason? Physical/Demat, what mode of shares were went to IEPF? Page Number 196 (Inaudible) Whistle Blower Policy. Page Number 200, Unclaimed dividend warrant 28.03.2016 onwards favoring physical mode/demat mode, what is the reason for that? (Inaudible). Thanks for your hospitality. Thank you. Thanks a lot sir.

**Meena Hemchandra:**

Thank you so much.

**Moderator:**

Thank you so much sir. We have our next speaker number 7 Mr. Sekar KV. We are sending a prompt on your screen, please accept that, you need to unmute your audio and video, so that you can go ahead with your question. Mr. Sekar we have sent a prompt again on your screen please accept that, please unmute your audio and video.

**Sekar KV:**

Hello.

**Moderator:**

Yes sir we can hear you please go ahead.

**Sekar KV:**

Yes, good morning to all the Managing Director and other Board members of the bank. My name is K.V. Sekar. My number is IN30163741499966. I appreciate the management for the wonderful achievement in the profit of the bank, but the bank has achieved more than Rs 1,000 crores by way of the non-interest income and as well as the interest income. But however, the interest income is very less.

With regard to the growth of the business, the business is 12% only comparative to the peer industries, it is very, very less. I expect the management to achieve Rs 1,50,000 crores, but it has achieved only 141000 crores only. So, as far as the shareholders is concerned, we expect more than Rs 175000 crores in the next financial year.

With regard to the page number 187 fixed assets, it is reduced for Rs 478 to Rs 435 crores at nearly about a sale of the Rs 70.91 crores, but what is it, how they sold it? Actually, we are not seeing any advertisement for sale of the fixed assets. What is the policy followed for the sale of the assets, whether it is any policy has been filled.

And next one is, with regard to schedule Eleven, huge adjustments other assets inter office adjustment is a more than 33 Crores, other assets suggest what is the nature of the assets that is there is no details available for that and with the page number 195 schedule 16 Director fees has increased from increased nearly about Rs 1 crore, 19681 to 30809. but how it has been increased because same number of Board meeting and committee meeting has been conducted.

With regard to the penalties last year it was charged about INR 1 crores now it has been charged Rs 30 lakhs, even so many expertise in your team, but how the every year bank is paying the penalty. Our Chairman is also from the regulator has come, then how it has been happened in the bank. With regard to sale of assets to ARC, there is no details available for the



shareholders, but the auditor has not qualified how much it has been gone to the by way of the ARC sold because our NPA portion has been decreased, but our ARC sale is not shown that.

With regard to CSR, Rs 12.84 crores and by way of ESG Rs 12.8 crores has been spent out of the profit of the bank. It is a very appreciable one, but at the same time it has not been extended to the those who developed the bank, that is a former executives and then you can extend by way of the so many benefits they are asking for it that is also covered under the ESG why the bank is not thinking of it?

With regard to precious metal division, there is a decent growth you have mentioned that, what is the decent growth. Why the bank is not for the past three years they are not publishing in the Neo and the precious metal division, they are not publishing what is the figure achieved, because you have given so many things they have given the asset classification how much you have achieved, but why you are eying the precious metal division and Neo.

In your speech you have given that Rs 460 crores you have given that in the precious metal division, it shows that Rs 1.50 crores only in the precious metal division per day. Sorry, whether it is required for our bank for a small bank like that. Next one is the as per the Section 197(12) of the Companies Act, there is a top 10 employees to be published in the in the balance sheet, but you are given 292 pages, but you advise the shareholders to get it from personal request. Even though the personal request has been sent, your people has not at all given for the past three, four days.

But why I don't know what is the reason for that. The number of promoter Directors have been reduced. What is the reason for that actually because number of Non-Independent Directors has been increased, but whereas the promoter Directors have been reduced. Is there any reason for that?

With regard to the extension of the executive, even for the retirement last time itself I told you that, even after that 65 years because HR problem is there, you are not developed the persons to grow in their career itself. The enhancement of salaries to stands more than 30% for one of them nearly about 49% whereas other employees only nearly about 9%. Why such a difference? Management has changed the salary model to CTC from the normal applicable to the IBA cadre what is the logic behind it whether it is a beneficial to the bank or not.

With regard to retires from other banks and other bank getting more than a crore salary they are also getting benefit from other bank. They will also be retired at one stage, but no benefit extended to the retired executive or employees who have contributed to the growth of the bank. Already so many banks extended some benefits, only our bank has not extended any payments by extending certain benefits to the retired employees, is already yeah already applied to you.

For retirement executive there is no uniformity, only executive is getting up to 35 years another executive is retired within that what is the logic, what is the policy behind the fact. With regard to the complaints received against the executives what is the actions so far taken, but in your balance sheet you have published that everything is compliant. With regard to the



query our Managing Director always give a summation of the report, reply is given there. I require for the point-to-point basis of that. Even though last year I gave a mail to your office, they given that only for agenda matter.

All the shareholders are owners of the bank, they have got every right to get the reply from that, but why you are not giving the reply, your compliance officer is telling that even after 6 days or 7 days, they given reply only for that agenda matter. What is the agenda matter? It is a violation of the SEBI regulations and the Company's Act. So, the Managing Directors should look into it and last year compliance are properly not replied, it is a very well ashamed to our bank.

I once again I will I pray for our bank to achieve Rs 1.75 crores in the next financial year and the growth should be a more than a 25% it will be an acceptable and achievable one. So, with regard to the dividend, the dividend is also very less, compared to your increase only 40%, but you can increase up to 150% also, but you are not extended, but it has gone to the more than the results are accumulated, but what is the policy of the bank to issue the bonus share and distribution of the dividends. Okay, thank you for that, for your value, for giving an opportunity to speak in AGM. Thank you.

**Meena Hemchandra:** Thank you very much.

**Moderator:** Thank you, sir. We add our next speaker number 8, Kamal Kishore Jhawar, but he has not joined the meeting. Hence we will move to our next speaker member number 9, Mr. Abhishek J. Please accept the prompt on your screen and then you can unmute your audio and video. Please go ahead with your question. Sir, we have sent a prompt again on your screen.

**Abhishek J:** Please send it again sir because I am not able to start the camera sir. You have to – Moderator has to enable the...

**Moderator:** I have sent a prompt on your screen. Please accept that.

**Abhishek J:** Yes sir. Now you can hear me sir, am I audible sir?

**Moderator:** Yes, we can hear you.

**Abhishek J:** Sir, my name is Abhishek, shareholder of the company, my DP ID is IN30163741359155 and client ID is 41359155. Sir, first of all I congratulate the management on the eve of 104th Annual General Body Meeting. I trust all is well with you and your family in this challenging situation. Our company deserves much more respect than the current market cap. After completing more than a decade of successful operations, profitability, dividend history and becoming one of the strongest banks in our respective segments.

So I would like to know how our business has been impacted in these past three years of this COVID time. The Coronavirus and subsequent lockdowns have left virtually no industry untouched after the COVID. Whether any employees, our bank has stacked higher salary cuts in percentage if any, I would like to know from you, sir. And as of date, how many employees are there in our company I would like to know -- I would like to know from you, sir.



And sir, we are really shocked and surprised to see the NPA in the banks. What proactive steps is the bank being taking to recover all this money sir because we don't want the bank to go towards the wrong direction and some proactive necessary steps has to be taken to recover them on the -- and at least we should be in a position that by this year ending you should be able in a position to recover at least 40% to 50% of the amount, so some proactive steps and most of the local adalat also you should be in a position to participate, but unfortunately the bank has not participated so some proactive steps to be taken through the bank, through their legal advisors to recover the money as much as possible.

But we really appreciate the bank. We are not in a position to criticize because you are a dividend paying bank and you are the consecutive books since past 15 years, you are the consecutive books of giving dividend and you have not paid, only 2020 during the pandemic days you that you have not make the dividend and subsequent all the years you have been paying dividend. This year also we are really glad that the management has declared INR2 dividend, the investor fraternity is thankful to Karur Vyasya Bank management for the dividend being made.

Sir, I would like to know most of the questions I have done through some of email also and I shouldn't repeat the same and what are the steps being taken by the management to reduce the other expenses, legal professional charges and the audit fees because myself and my team are running a legal firm with the name of style of (inaudible) Associates in Chennai.

So I would request your to kindly enroll our firm in the empanelment of the bank and we'll be glad to extend our services. I put a request on last year also, but management put me to the legal team so that I can share my credentials with them, sir. Sir, I have nothing much to ask. I thank the Company Secretary and their entire team for sending us the link well in advance and the Moderator sending us the link well in advance and making this 104th Annual General Body making a grand success.

I wish the company and the Board of Directors a great success and prosperity in the coming future. And thank you for giving the opportunity, sir. Hope to see you in the physical AGM next year. Kindly, try to consider hybrid AGM, sir in the years to come. Thank you sir.

**Meena Hemchandra:** Thank you.

**Moderator:** Thank you so much Mr. Abhishek. We will move to our next speaker member number 10, Mr. Rajendran. Mr. Rajendran, we have already sent a prompt on your screen. Please accept that. You need to unmute your audio and video. You will get the option at the bottom of your screen. And you can go ahead with your question, please. We will wait for the connection for Mr. Rajendran to join in. Mr. Rajendran, we have sent a prompt again on your screen, please accept that. Mr. Rajendran, please accept the prompt. Please unmute your microphone. We have sent a prompt on your screen. I am sorry, we are unable to hear you.

**Rajendran:** Hello.

**Moderator:** Yes sir, please go ahead we can hear you.



**Rajendran:** Sir, good morning to all of you. At the outset as a stakeholder I convey my happiness for the result.

**Moderator:** Sorry sir, your voice is breaking.

**Rajendran:** Result achieved during the year ended.

**Moderator:** There is a connectivity issue sir. There is a connectivity issue at your end.

**Rajendran:** Is it not audible?

**Moderator:** Yes sir, we can hear you. Please go ahead.

**Rajendran:** Okay. Sir, we are equally happy to know that our bank is in the limelight by securing various awards. It is also worthy to register here that expansion, that is branch opening is picking up momentum and further to inform the august body that our software is very superior and our personal experiences is our DLite app is much, much superior when we compare with the other apps provided by other banks.

Sir, coming to the balance sheet, I am unable to infer whether any provision has been made for the bipartite. That is for at least 5 months. The 12th bipartite commences from November 2022. After March 33, whether any provision has been made. Normally our bank used to give the mandate in advance and also an ad hoc payment of 10% is being released hitherto, why it is not happening this time I do not know, sir. Kindly clarify.

Sir, coming to other activity sir, the ESP the employee stock option sir and I as an ex-employee I can share the experience with the bank that we knocked the door of the high court for pricing the employee stock option. Ultimately, the SEBI reduced the result and our members got the benefit by getting the employee stock options.

Sir, while introducing, we reaffirm it that it is not only a motivation, it is also giving power to the stakeholders to retain the identity of the banks. When such is the case, I am unable to understand. Nowadays, new executives are being allotted with employee stock options more than lakh and all. What is the rationale behind this, then in the last investor point sir 17.07.23 one of the investor asked a question for Neo for that management has replied that on page number 6 the credit policy underwriting digital lending etcetera for the Neo on the branch or the sale whereas in practice I heard that it is not true.

Neo is not using digital lending software; the loans are rejected by BBU subsequently sanctioned by the Neo which is against a credit policy of our bank. As per credit policy, the bank is not taking hospital and school building as security for any loan, whereas Neo is sanctioned loan by obtaining the school and hospital building as security by violating credit policy. Please clarify, sir.

What is the performance of Neo? What is the contribution of Neo to profit? As per the investor presentation Q1, the CASA ratio is come down to 33 from 37 on Y-o-Y basic. If I am right, the consumer banking department started functioning from last one year and more than 750 BDAs



were recruited for making like salary team, feet on street etcetera, but the CASA figure has come down, please clarify. What is the performance of the precious metal department?

No data is available in the Annual Report. Please inform the performance of the department in number and what the contribution of the precious metal department to profit with ease. Sir, and we are fortunate that our MD is the part of the managing committee of IBAs. When such is the case, I hope our Chairperson also will agree that a communication has been sent by IBA for the 386 equity shares. It is a pittance amount of Rs 10,000 for the colleagues who toiled for the bank and improved the bank in those days.

The Reserve Bank of India recently revised the pension also whereas our management yet to disburse the Rs 10,000 towards employees. Then sir our management I mean the Directors and Executives are known for labor friendly sir. When such is the case, it seems or I heard that there is some unrest among the officers and award staffs. Actually they have submitted the memorandum. They request the management to arrange for a bilateral negotiation to settle the issues. But even after 8 months, the issues are not settled.

I hope you will agree that if staff members are happy, the union, the institution will be happy. It will be taken to the further heights. Sir, when in the repeated investor points, there is a mention about the IBA settlement employees and other executives, sir. Sir, the management has not gone for any recruitment for the last 5 years, thereby the branch level service it is getting deteriorated sir. I hope our management especially our MD will take immediate efforts to fulfill the vacancies caused by the officer and award staffs, so that better customer service is extended to in the branches.

The report itself you mentioned about the executives, what is the purpose in hiring executives at the rate of even for L1 that is assistant manager level I think 75,000 to Rs 1 lakh. Is it not increasing the cost of the or increasing the establishment expenses sir whereas you have to pay only 30,000 for a new entrant officers and 25,000 for clerical. So, better attention can be taken and recruitment can be initiated at the best. Because the MD in the speech itself mentioned that the inherent and fundamental values will be carried forward.

I hope our management will look into that aspect and only recruit only the employees on regular scales of ages. Sir, contributing social responsibility is one hand, also creating employment also is also a social measure to keep the employment when India is facing such a manpower. I hope better action will be addressed to it.

Sir, another one thing I have left out the Chennai zone is generating more NPS. Whether a committee has been formed for accountability, sir. Kindly clarify, sir. I also concur with the earlier speaker's view that why the promoters, family Directors has come down. Is there any rationale behind it, sir?

With this, I conclude. Before concluding I would like to make one mention sir. When we are giving our name for as a speaker you would have verified our credentials sir. Then what for we are we have been asked to provide this ID number anyhow I am providing my ID number 10200233, my holding is 3515. Thank you sir and we hope and we will hope our bank will do





better results and reach greater heights. We as a ex staff member will extend our wholehearted support in the development of the banks. Thank you very much sir.

**Meena Hemchandra:** Thank you very much Mr. Rajendran. We move on please to the next person.

**Moderator:** Thank you ma'am. We will move to our next speaker member number 11 Mr. K Bharat Raj. Mr. Bharat Raj we have sent a prompt on your screen please accept that. You need to unmute your audio and video.

**K Bharat Raj:** Yeah very good afternoon Chairman, madam, entire Board of Directors, I am Bharat Raj calling from Hyderabad. I'm happy to see all safe, healthy and fine. Mr. Ramesh Babu, wonderful to see sir. You have given a wonderful, the entire information you've given in your speech. Madam Chairman, I bring to your notice, there is no senior management in our company, madam, in our bank.

So, you are the Chairman of our bank. So how you take care of this issue, madam? Please groom the senior management in women also, madam. Congratulations, madam Chairman, for the best awards of ESG. Wonderful. I thank the management for the dividend payouts. Madam, with present we are all over India, madam, but there are few states are missing, madam. Jammu, Kashmir, and Northeastern states. What is your future plans to enter into that areas, madam? Please let me know.

Madam, once again, good for the, congratulations for the entire CSR programs. I thank the Secretarial Department in time they send the Annual Report. Mr. Srinivasrao has spoken to me personally and informed me the speaker number. Wonderful Secretarial services, madam Chairman. Chairman, madam, if it is possible, next year we have a Physical AGM so that we can meet face-to-face. Once again best wishes Chairman in this happy occasion madam please send a dry fruit, sweet box to all the shareholders who are the speaker shareholders madam will be more happy in the festival occasion. Thank you very much for giving this opportunity God bless you all.

**Meena Hemchandra:** Thank you very much.

**Moderator:** Thank you sir. We have our next speaker member number 12, Mr. Kirti Shah. Mr. Shah, we have sent a prompt on your screen, please accept that. Please unmute your audio and video and go ahead with your question.

**Kirti Shah:** Hello, Chairman sir. Chairman sir, good afternoon. Chairman.

**Moderator:** Sorry sir there is a connectivity issue at your end, we are unable to hear you, Mr. Kirti Shah please mute your video.

**Kirti Shah:** What is wrong with you, what's the wrong with you.

**Moderator:** Yes Mr. Kirti Shah please go ahead we can hear you now.

**Kirti Shah:** Chairman sir, good afternoon.





- Moderator:** Sorry Mr. Kirti Shah, we are unable to hear you due to connectivity issues.
- Kirti Shah:** Chairman sir can you hear me now?
- Moderator:** Yes sir, I can hear you now.
- Kirti Shah:** There is so many...
- Moderator:** Mr. Shah we are unable to hear you due to possible network issue. We will contact you and if your connectivity improves, we will announce your turn back. We will move to our next speaker member Mr. Gajendran Kalpana number 13. However, the speaker shareholder has not joined the meeting. Hence, we will move to number 14. Mr. Gundluru Reddeppa. Mr. Gundluru, we have sent a prompt on your screen, please accept that. You need to unmute your audio and video. Mr. Gundluru's please go ahead with your question. It seems there is a connectivity issue at Mr. Gundluru's presence. So, we will move to our next speaker member number 15, Mr. Om Prakash Kejriwal. Mr. Kejriwal, we have sent a prompt on your screen, please accept that. You need to unmute your audio and video. Mr. Kejriwal, please unmute your audio.
- Om Prakash Kejriwal:** good afternoon sir ji and good afternoon everybody attending this AGM. Myself Om Prakash Kejriwal your equity shareholder from Kolkata. Thank madam ji for providing me the platform to speak something before you. Thanks to our Secretarial Department for helping me in registration as a Speaker shareholder. Madam, this is my first AGM only due to virtual, though I am your very old shareholder. It is just an opportunity for me to join this AGM sitting in Kolkata.
- Madam, if possible please follow this virtual AGM in next year also so that more and more shareholder could join our AGM and express their views. Madam ji, wow, what a result, mind-blowing performance. For this, I thank you, all the Board of Directors and all the employees for this. Congratulations.
- Madam, you reached far, far ahead of pre-COVID level. In 2019, your revenue was Rs 5,816 crores on external basis. And in 2023, your revenue is Rs 6,516 crores and likewise 2019 net profit was Rs 211 crores and 2023 net profit is Rs 1,106 crores. It means EPS is Rs 13.81 compared to Rs 2.64 in 2019. What a fantastic performance madam ji. Once again many, many thanks for such type of result. How it happened madam ji? Share your views dividend is Rs 2 on face value of Rs 2 it means only 14.50% distribution of net profit it is two less distribution in comparison to 2019. In 2019 dividend was Rs 0.60 paisa per share means 22.70% distribution of net profit. Then in current year why are you distributing only 14.5% of net profit. What is the reason, sir? Are you not optimist for future growth? What is your dividend distribution policy?
- Sirji, I have few queries and suggestions. What is your future prospect, especially in loan growth? What do you think regarding inflation rate and interest rate in coming days? I have one suggestion, split of shares, please split of shares, split our shares in the ratio of 2:1, so that more and more investors who join our company and more investor means more popular company.



So, please split, I will not tell you to issue bonus share. Sirji, in there is three part-time Chairman in our board of directors, what is the reason for having three Chairmans? Please clarify? One suggestion you can say one suggestion or one query regarding re-KYC. Customers continue to face re-KYC issue despite RBI direction. The Reserve Bank of India in January, 2023 said that the re-KYC process can be done remotely, but customers complained that many banks are insisting they come to the branch and physically complete their re-KYC.

Then what are you doing in your branch because RBI has prescribed one page form, annexure one for individual customer and annexure three for legal entity and corporate customer. One page, one page form, it can be submitted and your KYC will be completed. Then have you adopted this format in your all branches because it will be helpful to your customers as well as your shareholders also.

So, I have requested for physical copy of annual report. If possible, please send me one copy of physical report, physical copy of annual report. Early AGM, Sirji, this is last week of August. Please organize our AGM in June and July because SBI also conducted their AGM in July month. So, please expedite our AGM in early days, early time. Sirji, you are a very good bank.

My all family members are your shareholders as well as customers. Your all employees are well behaved and of cooperative nature. At last Sirji, you move ahead. We will remain with you always as a long term investor. Thank you, thank you sir.

**Moderator:** Thank you so much sir. We will move back to our previous speaker shareholder who was not able to connect, Mr. Kirti Shah, we will give them a chance again. Mr. Kirti Shah, we have sent a prompt on your screen. Please accept that. Please unmute your audio and video and you can go ahead with your question.

**Kirti Shah:** Hello. Yes, sir. Chairman sir, good afternoon. Chairman sir, you have shown very good working. Your profit of this year, you have done dividend payout, which many people have done, many shareholders have complained. So, for shareholder benefit, you should give dividend well. Think specially for that. Chairman sir, your other income, that is the major increase, what is the reason for your other income? What is the reason for the increase in the major? What is the recurring income in other income?

Please highlight the other income that will come every year. You have shown a lot of other income. Chairman Sir, now your promoter holding is only 2.28%. What is the reason for such a low promoter holding? Such an old bank and such a low promoter holding is only 2.28% What is the reason for such a low promoter holding? Such an old bank and such a low promoter holding and why don't you want to grow? Why are there so few branches? Why don't you want to spread all over India?

Now there is a lot of money in the market You can take anyone in QIP with a promoter. You can take good investors with you by doing this with your bank. Like Kotak Mahindra took with Mahindraji, so Kotak bank went from here to there. Anand Mahindra and Uday Kotak both went from here to there.



Similarly, there are many groups in South, there are many big groups like Murgappa Group. So you can do JV with it, join it together and make a big bank. Like Modi ji's vision is the 3rd largest economy in the world. So, there is an opportunity to support you. You can do risk sharing well in 1-2 years.

Such an old bank and your price to book value is only 1.50. Why is it so low? What should be your asset value in today's date? Have you ever done valuation of bank, according to me price to book value should be at least four. So think about this and send me the valuation. I have my own PE of 8 and industrial PE of 24. Because of this, I have my share at low PE. Why low PE?

And chairman sir, your ROI is also very low 1.23 only. Why is your ROI so low? 1.23. What do you want to do for 3? It is a little high. How many branches will be there in the next 2 years, how much expansion you want to do? Chairman Sir, you have a 3 in 1 account for shareholder, demat account, trading account, saving account. So, for this, how much shareholder you have, you are giving loan against share, how much money you are charging interest, tell me.

Loan against shares, what is the interest rate? You will highlight that there is a big opportunity and a big business. So think about it, I also want a 20 lakhs loan from you. Loan against shares, so for that also tell me how much loan you can give.

Chairman sir, you have told about a scheme called social security. APY, PMS, PMY, PMJJBY. What is the full form of all these? And what is the scheme of all these? Send me the details. Chairman Sir, as you have been told many negative and positive things. Chairman Sir, what is the cost of fund?

You will highlight that. What benefit have you done for senior citizen in your mortgage bond? Without EMI, without any interest. Money is interest in front of his property. And whenever you sell the property, what do you want to do for that? Is there any new scheme? There is no need to do that. If a senior citizen has a property worth INR1 crores and his age is 60 years. So, his interest should not increase monthly. And whenever this age is over, you can use this property to collect money. Such a scheme should be brought.

Chairman Sir, the page number, the balance sheet you have provided contingent liability as 3,225. But your actual liability is INR10,000 crores. Why have you provided such a low provision? Only 30%? Please tell me the reason for that too. Chairman Sir, your investment of INR18,000 crores, how much is the return in the last 3 years?

Chairman Sir, you have a capital of INR160 crores and reserve INR6,423 crores so you should give bonus and should create value of shareholder should always be with us. I have emailed you, we will reply to all emails wish you all the best, thank you very much.

**Moderator:**

Thank you so much sir we will also go back to our previous speaker no.14 for Mr. Reddeppa Gundluru. Please accept the prompt on your screen and you can go ahead with your question. Please unmute your audio and video. Mr. Gundluru, we have sent a prompt again on your screen. Please accept that. We will wait for the connection for Mr. Gundluru to join in. Mr. Gundluru, please accept the prompt on your screen. We will wait for your connection.

**Reddeppa Gundluru:**

Yeah, finally, what is the service from a Veza is I am unhappy, okay. It's okay. Chairman Meena Hemchandraj. P V Kumar. Mr. Murali Ramaswami and Mr Ramesh Babu and Dynamic Leader, wonderful CEO and Managing Director and J. Natarajanji, M V Srinivasamoorthi, MD Ramesh Murthy, R. Ramkumar Sir, Dr. K. S. Ravichandran and all the executive directors, non-executive directors and also my Company Secretary Srinivasarao M. and other directors and my fellow shareholders in this video conference. Good morning, Namaste, Vanakkam.

My name is Reddeppa Gundluru. I'm from Hyderabad. I'm a financial advisor. Sir, I'm very happy to attend 104 annual general meeting, sir. And also my company started with a prayer, sir. Sir, prayer is always very good, sir. So, I felt very happy. And since the first time this in the corporate companies the meeting started in the this prayer online sir and thank you sir Mr. Ramesh Babu and also sir firstly tribute to visionary founder Sri M. A. Venkataramana, Chettiar, Sri Aathir Krishna Chettiar in 1916 my small town Karur started the business sir.

Now the highest ever net profit today we achieved sir. Tribute and salute to our visionary founders in serving the nation. Sir as a shareholder I am very happy and proud about the company performance financial 23. Chairman sir, Ramesh Babu you have given nice information about my company performance sir. Wonderful sir, you have very good patience What did you eat this morning sir? it might be idly wada dosa, wonderful for my salute to your patience are wonderful information given.

Sir and also sir every page is a unique sir I have I have received the annual report in the e-annual report it was a every page is unique with all the information sir. I'm welcoming Chinnaswamy in with three decades he has experience or all the best Chinnaswamy sir annual report I have gone through this are wonderful numbers, wonderful information sir, thank you so much sir.

Sir in detail speech are covered with the patience legendary board hundred years carrying the legacy sir Mr. Ramesh Babu you are carrying the legacy, sir. Mr. Ramesh Babu, you are carrying the legacy, sir. Salute to you, sir. Sir, I come through all the annual reports, sir. There is a good corporate governance, sir. As usual, in your speech, you told that about the corporate governance. Yes, sir. I also agree with you and also all the shareholders.

There is a good transparency governance, sir. World-class transparency governance, sir. Like ethically, good manner, accountability, especially transparency of accounts, sir overall integrity sir, that's the reason special thanks kudos to you, all the KMPs of management who is working hard in this for my company sir, employees and also sir Mr. CEO, MD Ramesh Babu, you are a great leader sir. From you taking the charge, know some company highest in the last couple of years.

Wonderful performance, sir. I know that. I studied your profile. You are a leader, professional, and with the discipline management of the bank sir. Thank you so much. You have a, you are leading my company. I'm very thankful to you, sir. Financial, sir. Strong operational performance with the concession growth. Thank you sir, INR2 per share, dividend. Happy to see you new branches openings.



Sir wonderful in the annual report. Sir, my company has delivered good profit. CAGR more than 27% in the last month. Wonderful, good profits sir. What a wonderful discipline my company having. salute to all the employees, sir. And also NPA minus 1%. Wonderful NPA, sir. Thanks to you, close to you. And also Rs 1,106 crores, highest ever profit. Growth is amazing. Congrats for the highest ever PAT, PAT, in the bank's history. The business is doubled with higher ROI, delivering value with trust, technology, and teamwork, sir.

Superior banking experience by using technology you are adapting, sir. Every year, year on year, sir, 20th century, sir. So technology is playing a very impact to our banking sector. It is to control the risk management of this parts and all. But my company is maintaining under the leadership of Ramesh Babu, delivering the entire financial products under the one roof, easily available to the customers across the physical and digital connections.

congrats to you sir. Sir, we have a 79 lakhs of customers sir. What a wonderful company it is. Thank you, sir. Sir, congratulations, wonderful numbers posted. My company CEO and team is doing consistent financial performance, quality management with the technical moment, growth mindset you are having. Thank you, sir. Environmental, social, governance also, I found in an annual report. Wonderful. Each and everything the transparent you have given, sir. Thank you so much, sir.

You are doing good to the environment and stuff. Keep it up, sir. Sir, there is the awards and recognition, sir. Congrats for the many awards and achievements, sir. Page number 57, you can see, sir. A multitude of prestigious awards, sir. Technology adapting awards, the so and so's award, blah, blah, blah awards, everything is a commitment to the excellence, sir. Values, values and ethics, sir. No time to tell each and every awards name, not waste time, because senior citizens are coming they don't have any work, that's why talking so long. No need to talk so long. Talk on point only. Thank you sir.

CSR want to say something. Tremendous support we are happy about this, reporting the way of doing the support to the needy people, our health, sanitary. Wonderful, sir. You are doing very wonderful, sir. My personal suggestion is, sir, find out tribal area dropouts, especially girl child, any orphans, children, and provide them vocational courses to them. And also the, especially women, sir. This is my personal suggestions, sir. If any, please implement, sir. This is my only suggestions in CSR.

So here my question is, what is the future vision? We have at least all the almost higher the net profit sir. Here he is a task to you Mr. Ramesh Babu. So, what is your next plans vision in couple of years or 5 years? Sir tell about the CASA, tell about the RMS. Sir I am also interested for the bonus and dividends, sir more dividends sir, Mr. Ramesh sir, your smile always positive, creates a positiveness sir. So, please think about it sir, it is our bread and butter sir.

Sir, one more question, frauds, how you are tracking the frauds, how is this, how does the system is working? Another question, how many branches are planned? 60, if I understand sir. Sir, what is the innovative technology adapted in the customer services newly? Tell me sir.



How many complaints are received? How many resolved? How many is pending sir? What type of complaints manager sir? Tell me sir. How much bad debts are reported sir? Tell me sir.

CASA, how many CASAs opened sir? About tell me sir. How many branches to be opened already? Question sir. Okay sir. These are my observations sir. I love to read the annual report sir. I felt very happy. It is a very colorful sir. Sir, supported all the resolutions are you voted sir. I would like to thank my company secretary Srinivas Rao, his team and Siva and other lady, Called me, given me wonderful services, wonderful this platform.

**Moderator:** I am really sorry. Please restrict your question to three minutes.

**Reddeppa Gundluru:** Sir, it's over. Why are you disturbing me in the last minute? You are from Veza, right?

**Moderator:** Yes, sir.

**Reddeppa Gundluru:** I hate Veza people. Don't disturb me. I already told your people. I am concluding. You are disturbing me. This is right to conclude and disturbing the people. Legend is there. This is not a simple company. 104 Annual General Meeting. I am the shareholder of it. Since 2.5 hour waiting, since morning. You are disturbing me this is not good. I am sorry. Okay.

Sir, about my staff, Shiva and other Srinivas, sir he is wonderful sir. This the people are creating the positiveness towards the company performance. So the way of the behavior is through the company is to create lot of impact on the customer. You know sir? Sir, that is my special thanks to this sir. I wanted to visit Karur. Whenever I visit Karur, I will definitely meet him and the Hyderabad Karachi biscuit will give sir. Physical. Sir, VC is very best sir. I love Karur sir. I need sir, I need one credit card sir. Ask him nearest branch people to call me sir. Sir, I love Tamil, sir. I know some tamil, thank you very much for giving this opportunity.

Thanks once again. I personally believe that our company will achieve many higher awards, recognitions, and reach further heights, and achieve all the financial targets of financial '23, '24. Under the leadership of our chairman, ma'am, under the leadership of Mr. Ramesh, with help of all the Board of Directors, Senior Board of legendary board is there. So I wish all the senior board members to give, God give good health and happiness too and also please continue the society and support the society as you are doing. Please more give support to the society and industry also.

Sir, I am not able to show my face, sir. These are my observations, sir. And final, sir. My speech is over. Sir, one shareholder is asking, send me dry fruits. Sir, my company is giving dividend and also wealth creating. Simple thing asking the dry fruits, his name is Bharat Raj, I think so. Dry fruits and all. I ask Srinivas Rao sir, Don't give any personal numbers to this person. He is also, I mean, don't trap this person sir. Every time he is asking small, small, these things and also disturbing all the KMPs. Please take care of sir. Because I have experience sir. I am the financial advisor, I know this problem. So I support you, sir, Ramesh. So whenever I got a chance to, sir, definitely, I wanted to meet you. I wanted to shake your hand with the bouquet. Thank you so much, sir. God bless you, sir. Stay safe and healthy, sir. Ma'am, Chairman ma'am, Namaskar, ma'am. Namaste, ma'am. Vanakam, to hearing your patience and speech. I love Tamil, ma'am.



- Meena Hemchandra:** Thank you very much.
- Moderator:** That was the last speaker member. I now hand over the proceedings over to the chairperson.
- Meena Hemchandra:** Thank you shareholders. We really appreciate your interest and attachment with the bank. We very much value your feedback and I assure you that your suggestions will be put to careful thought by the management. Please stay connected with us. We will resume shortly. MD and CEO will respond on the queries. Thank you.
- [Video Presentation]
- Moderator:** Over to you chairperson.
- Meena Hemchandra:** Thank you very much. Before I request MD and CEO to respond on the queries, I request company secretary to announce certain general instructions regarding e-voting.
- Srinivasarao M:** Thank you chairperson, pursuant to the provisions of the section 108 of the Companies Act 2013 and regulation 44 of the SEBI listing obligations and disclosure requirements 2015, bank offered e-voting facility to the members through NSDL e-voting platform for resolutions contained in the notice from 18th August 2023 till 22nd August 2023.
- The said e-voting was closed at 5 pm yesterday. Members who have not voted through remote e-voting may cast their votes 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 the Scrutinizer for the e-voting process.
- In terms of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015, the voting results will be announced within two working days and the results will be disseminated on the websites of NSE/BSE and in our Banks website
- Thank you. Over to you Chairperson
- Meena Hemchandra:** I now request MD and CEO to reply to the clarifications and queries served by the shareholders.
- B Ramesh Babu:** Yeah, first of all again a profound thanks to all the speakers. The amount of homework they have done going through our annual report and very pertinent pointed questions as well as the guidance what they have given and sought the clarifications. So that way I will split my responses into different parts. As far as the guidance what all is given, so those points have been noted and our team will work on that what can be done and all will take care of that.
- So coming to few other points where clarifications have been sought. So few other speakers also have mentioned saying that how elaborately our annual report has come up. Maybe it would have skipped the attention of the few of the speakers in going through the annual report those particular points. Otherwise, few of the points are already covered in the annual report.





So, my submission to the speakers is kindly go through the annual report once again. If you are unable to find that information what has been sought, you please feel liberty and you can approach us and we will provide.

So, as regards to few other points where some more clarity is required beyond the annual report, I will start sharing on those points please, thank you. Now, first of all regarding the dividend, few other shareholders have mentioned about the dividend. So, I fully agree with you.

So, when we interact with many investors, so what happens you know, few of them they categorically say that the value of the organization will have to go up, it will be determined by the book value what the organization has, because market also looks at the price to book value and accordingly it prices the share. So, that is the reason they say that you have to retain as much as possible to improve the book value.

Other side when we interact with the few other investors they say that because particularly the retail and smaller investors who are there, they are dependent on the dividend, so they expect, so that is the reason actually we need to strike a balance between all sets of investors. That is the reason compared to last year, we have improved the dividend and we have provided that.

One more thing if you look at it, so the aspiration of many of the speakers will be here. So your bank has to be on a higher pedestal and it must grow very well in the years to come. So, for that growth naturally the backbone of the entire growth is the capital. Whenever we require this capital again if we come back to the investors again for the infusion of this capital. So, I feel that it may not be a tax efficient way because we are paying the tax and you are paying the tax and all you have to pay back the capital whenever we require. So that way we are striking a fine balance between all these things not to dissatisfy any sector or any wing of the investors, simultaneously taking care of the whole bank's requirements. So I think the speakers can very well appreciate the intention behind our approach for the dividend declaration.

Now, coming to the Return on assets, so thank you very much if you have very well appreciated and very kind words spoken about the financials. So, it is encouragement given by each one of you which has brought up to this stage. Now few speakers have expressed an apprehension about whether our sustainability to retain the Return on asset. So Return on asset there are many levers are there, it can be interest, non-interest, cost, credit cost all of them are there.

If you look at progressively last three years, we are able to more or less maintain our net interest margin. Even before our, these rates of interest going up also, we were maintaining a net interest margin of 3.8%. Currently also we are at 4%-plus NIM is going on. Likewise, our other income also, because the numbers are going up, credit and all, the processing fees has gone up.

One of the speaker has mentioned saying that is other income whether it is sustainable or not. It is a very pertinent question what they have mentioned. The other income has to be split into two parts. One is recurring and one is one time. One time if you look at it last year, we have





got a Rs 208 crores, which may or may not be recurring in nature. Though our endeavor is to increase that number this year also because write-off gives us some more opportunity we are putting in all our efforts how to improve that.

So likewise operating cost is concerned so one or two inspect -- the speakers mentioned saying that operating cost needs to be contained. So likewise someone else also has mentioned about the legal cost to be contained. Here I have my submission is on one side when your write-off accounts, bad debts and all you need to recover that is a basic investment we need to make for the legal otherwise your recoveries will be affected. So that is the reason what we are spending on the legal is for a good cause and we are making more money out of what we are spending.

Other expense also if you look at it we can be fit on straight other models what we are starting. So, we have seen various banks where the models have succeeded. If you do not work on those lines, it may involve some amount of cost at this stage, but if you do not incur that stage, the future will be bleak. That is the reason you may not suddenly because one investor, one speaker has mentioned about the feet on street what all are created for the CASA, where did we see the numbers something like that.

So, if you look at it, the number of accounts we are opening have gone up definitely so next thing is these sort of feet on street if you do not develop if you load the branches with all these things they may not be able to do that over a period of time we will be left with the existing customers and all fresh customers may not be available for deepening so that is the reason this cost needs to be incurred because it may not show immediately the result, but in due course it will show.

Next thing is the feet on street what we have got. So, immediate result why it may not be there is, you name a bank every bank more or less we are able to find the people in the feet on street sales people are there. They have brought variety of their expertise from various places. Now when they come is an amalgam actually your products are different, your technology is different, you need to settle down all these things and all. It is not a hit and run case straight away they can come and do it and all. If it is the same bank people can do it, but various banks when they have come and all it requires some time for the people to groom them and have a holistic approach and accordingly everyone will take it forward. We are in the process of the transition and we will take it forward in the years to come you will find the difference out of that.

So, that like coming back to ROA if you look at it, that 1.5 what we did is, agreed it's a challenging number going forward that when the interest costs of the deposits is going up, naturally the yields on the advances may not go up correspondingly because Reserve Bank of India may not increase the rates, that fine balancing act we need to do it. It can be on the interest, non-interest, other income or cost or credit cost whichever is the lever it is a pretty fine balancing act for the team but we will assure you saying that we will try to do our best to see that this 1.5 is there at least it is worth thinking of the 1.5 rather than going for 1.25 thinking on that. So, that way I feel speakers will appreciate saying that our intention is to aim for a bigger number.



Now, coming to the yield on investments one of the speaker has asked on the HTM March our yield is 6.14. So, it is definitely much higher than 5.8 what they are mentioning. So, that way it is June if you look at it further it has gone up and all because the interest rates overall have gone up. So, the reinvestments what all are happening at a higher rate. So, our yields currently what all are there are market related. So, we are looking at the opportunities. You also have seen that our HTM as well as the other maturities are we are keeping at a lower level and all. So, because so that the repricing happens, we should not be caught on the wrong foot.

Now, coming to the operating cost, so operating cost rather than looking at on a standalone basis operating cost, I feel we need to look at the cost to income ratio. So, that sort of a flexibility if the management is having, so then we will be able to show it. In the opening remarks itself I have clearly mentioned that when our cost to income was 50% or 50% to 53% last year, so we have brought it down to 45%, I am not saying that it will be at 45%, it may be between 45% to 50% that is the guidance we have given to the market also, because the cost sometimes if you reduce it without investment, it may cost you a lot later date.

So that is the reason we have given a band of 45% to 50% within which we will be able to maintain the cost positive income ratio. So, that is why we need not get worried on the operating cost what all has gone up, but correspondingly over a period of time the income also will go up that there are ratio will be under control.

Now, technical written-off, agreed, technical written-off we have written it off. So, this year itself compared to last year you would have seen that Rs 208 crores has been recovered. The first quarter results are also out with you, where are less Rs 45 crores to Rs 50 crores we have got and this way if you look at it, so the tempo we have created, but one thing we need to understand. So, majority of the technically written-off accounts are from the consortium and multiple banking where we have no control and many of them are under NCLT, we have filed, we have invoked the personal guarantee also wherever we can invoke, but wherever the securities are there we are actively working on that.

I think that speakers will appreciate that recovery is a difficult process because the borrower naturally he will try to put as many roadblocks as possible by using the legal means to stop the actions and all. So, that way we are overcoming all these obstacles what all we have and despite that we are taking it forward that is the reason compared to '22, the '23 numbers are pretty-pretty good the written-of recoveries. Our intention is to take it forward this way. So, please be assured your bank and our interests are aligned and we will also see that what all money the bank need to get, where we can get, we will fully work on that and we will see that the money is recovered to the extent possible.

Coming to the Lok Adalat, I am really surprised to hear that we are not participating but we have been participating maybe it would have missed the attention of a speaker maybe the particular time when he has gone that particular Lok Adalat we may not have participated otherwise we are very active in that and many of the recoveries have come from the Lok Adalat.



Coming to the SRs, Security Receipts are concerned. So it is very aptly mentioned saying that this Rs 400-odd crores has been written off. We are continuously engaging with the ARCs, the problems what we are facing for the recovery, they are also equally facing because the legal impediments, what they have for the recovery, they're also doing. But if you look at it, the recovery has started coming and this quarter, first quarter of this year also, we have got some sort of recoveries.

We are exerting that pressure on them on an ongoing basis for the recovery. And one good thing is last three years, barring 2020 to '23, Rs 1 crore, we have not sold any asset to an ARC. So that capability internally we have developed and all, what best can be done, let us do it internally. So we have activated our teams and we have taken from the market also who are the people who have some sort of an expertise so that this we can do it internally and the dependence on an external agency will come down.

So now coming to the fraud. Fraud what all mentioned Rs 356 crores. So one thing I want to share many of these accounts are pre-2017. So they were sanctioned 2017 and one of the account was sanctioned in 2013. So out of this if you look at it, 95% of the fraud 95% to 98% of the fraud are consortium as well as multiple banking. I appreciate the speaker he himself has mentioned that if these frauds are coming out of the consortium or multiple banker we have no other go other than to exceed to what the consortium leader says that is what actually we did. You have literally stepped into our shoes and we have imagined what has happened you are truly correct.

So that way, if you look at the operating part, on a Rs 90,000 crores of balance sheet, the fraud amount comes to Rs 0.02 crores. On a Rs 90,000 crores, it is Rs 0.02 crores. Rest is either consortium or this one and all. We have to be in line with them. When 10 banks have done that and all, the Reserve Bank of India guidelines are very clear. But in these courses, what all can be done, all the banks together, we will try to take it forward. So that way, many measures have been taken now to control the frauds, like monitoring mechanism has been improved and early warning signals have been introduced.

Likewise the assessment and gating conditions have been tightened because we clearly thought a stitch in time saves nine. Initially itself if you onboard a proper account subsequently your safety is assured. So that way the current NPAs what all started coming up for the last four years, five years book. If you look at it, it is absolutely under control. So we are still battling with the legacy accounts which we need to do it and all. We will work on that. With all this battle also, your bank could show a ROA of 1.27 by providing because what you said is very correct, frauds, Reserve Bank of India guidelines says 100% provision is required, we have provided for that.

Now coming to the branch expansion policy, I have covered that in my speech, but whatever it is, I'll share with you, because 10 branches we already opened, 40 we are planning, today also a few more branches have been opened, all of you would have seen the advertisements, what all they are coming up. So that way we are looking at different models. Is the branch presence is the only model or the business correspondents suppose he will have his presence that is bank's name will be there in that location, whether you can look at it, whether the scope of



business is there in that area. If really scope is there, it gives us a decent idea to open a branch in the years to come.

So, we are actually working on business correspondence also, if we are working on the technology, if the technology comes up by September, October, we are planning to have during this year itself around 500 business correspondence. So, that these will act as our footprint in different parts of the area of operation where we are working and that gives us a fair idea for opening the branches where we need to open.

Now, coming to the co-lending what I mentioned, yes it is a good source of win-win for both of them because the NBFCs they will not be able to raise the deposits but whereas we will not be able to go deep into that particular hinterland. So we are working with many of them particularly those who have, we have financed the NBFCs we are working with them and the advantage for us is relatively compared to many others digitally we are a shade better. So that way we will be able to compete and integrate our systems with them for end-to-end. So we will work on that by keeping in mind what are the checks and balances required with those things in mind we will try to have as many partnerships as possible.

Now coming to the penalty of Rs 30 lakhs. I agree with you. So but here I just want to clarify to the forum is, RBI had imposed this penalty for delayed reporting of a fraud. So, this reason is within a week from the JLF, Joint Lender Forum, decision is taken within three weeks it is not reported. So, here I would like to clarify to the team forum is it is just an interpretation issue and not an intention. Here the Reserve Bank of India guidelines say below Rs 50 crores and above Rs 50 crores guidelines were given.

So, interpretation what we thought is our exposures are below Rs 50 crores that is the reason we have taken our own call, but whereas overall exposure of the borrower is above Rs 50 crores this is the interpretation when the RBI panel was there, they have clarified the position to us in future what all needs to be done, we have absolutely clarified and entire team on track. So that way intentionally not reporting the fraud, it is not so, it is just an interpretation, but whatever it is, what are the accountability issues for these things, we are on the job and we will take it forward.

Now, so 2017-'18 advances, email something has been received. So in fact, we will look at it, but my only point is, so with much difficulty all of us with the support of each one of you we have repaired the bank. Now instead of going and looking at the past and all what has happened all these things and all the same energies if you put it on the future how we need to grow, how we need to take the bank to the next level so I feel that will be more productive than unproductive going back and digging these things and all.

So I say that -- so 2018 and prior to that I wish to clarify also when 2012-'13 when everyone was talking about India shining, infrastructure is a bedrock for the whole country naturally every bank was embarking on the journey of financing the infrastructure your bank also did that, whoever may be the team member at that time. So, we should not miss an opportunity, had we not financed at that particular time, the members would have told saying that we have missed the opportunity.



So, now hindsight if you look at it saying that we have lost that and all, but we may be missing an opportunity also had we not taken the plunge at the material time. So, that is the reason if you look at it now, along with many other bankers this bank also suffered, but many learnings were there with the learnings what we have done that is material. So, what we are doing is above Rs 150 crores we are not taking and very exceptional exposures we are taking hardly less than 10 exposures are there.

Many of the exposures what we are taking are either sole banking or multiple banking consortium we have brought it down and from the investors report also you can see that analysis. The quality of the portfolio how it has gone up and all, BB and above how much it has gone up you can see that and many of the big investors they give credit to us. The transparency with which we are showing our data to them, many of them they will not do but still we believe in the transparency, we are sharing with everyone what we are doing. That is the reason overall what measures are required from the learnings what we had, we have taken already and we will take it forward this way.

Now coming to the bullion business. So few of the speakers have mentioned about the bullion business. Here I need to clarify one position. I think there is a misnomer amongst the speakers. I need to clarify. There is a product called metal jewel metal loan. So this loan will be given in the form of a metal to the jewelers. So South is having so many jewelers are here. These people they require the metal loan. When the bank is unable to provide this metal loan, naturally we were giving a standby line to them and all letter of credit and people are going. Because of the standby letter of credit, they were taking the metal from other banks.

So what we thought, instead of we sending our customers to other bank over a period of time other banks may wean our customer totally our relationship may be terminated. We thought, if we can offer that particular product also at our end whole bouquet of products we can offer and we can keep our customer with us. With that intention we have done that. If you look at it, the numbers also, gold deliveries, it is not the GML only, that is Gold Metal Loan, that was Rs 1,757 crores. So we have done last year. In addition to that, there's a component of outright sale. People will come and buy and take it. We are one of the big players as far as the outright sale is concerned. This last year the outright sale itself is Rs 5,539 crores we have done that.

So coming to the profitability I can assure the speakers that it is adding to the bottom line, it is not a drain. But one thing basically we need to look at it, we have a two-pronged advantage here. One is many of our customers were able to retain with us that poaching threat is not there and second thing is it is adding to the bottom line, this is regarding the bullion business.

Now coming to the NEO, NEO few apprehensions have been mentioned so all of you must be knowing the intention with which NEO was started was. So we have a branch channel in addition to that non-branch channel also that is for the sourcing the business if you can get that we will be able to exploit that particular business also. So everything what all has been done it is more or less within the framework of the bank.

Now NEO also entire thing passes through the loan origination system what bank has and so that way so there is no overlap between the NEO what they are doing as well as the branch. If



suppose if branch is unable to do it and all NEO will not do, NEO is unable to do will not branch will not do, those checks and balances have been kept there and all. So, all of them are going in tandem, the people are working together. So, lots of opportunities we have created because the LAP, property loans what all we are getting in the NEO, there lies an opportunity for working capital also. On the Smart SBG what we have created, if we can create an umbilical cord between these two and this may work well in the due course.

Now physical to shares to demat so only 1.28% of our shareholding still in the physical mode and our working is still on to meet these people and to educate them to make them demat their shares and all we will continue that effort. Now technology initiatives I have at length covered that in my inaugural speech and all. So data mining and we are working on that and the data we have an analytic cell also in Chennai, how to strengthen it further we are working on that. In fact, the few things what we could do in the analytic cell that has helped us in better monitoring of the loans and early identification of the stress. So, we will further take it forward. We have recruited a Chief Digital Officer during this year and he will work on the AI-ML other things what few speakers have suggested, we will take it forward that way.

Now, coming to the CSR, I thank everyone for the appreciation what we have given and the suggestions what the speakers have given we will note down and in respect of one of the speaker has also mentioned about the gold medals as well as education women and all so girls so we will keep all those things and all our team will examine those things.

So sale of fixed assets so everything what we have been selling, no great things and many things have been sold during this year, but if at all something is done, it is absolutely as per the within the norms and where we feel that it is not going to add further value and unlocking that capital will help us the bank in leveraging that capital for better returns, only those cases we are doing, otherwise we are very sensitive about that particular issue and we will protect that.

Now, IEPF, so that clearly entire thing, what efforts we are making for this one, the dividends, all these things have been narrated in page number 201 of the annual report. My request is kindly go through that one.

Now, coming to the bipartite, few of the members have mentioned that yes, the provision what all is required we have been making from November '22 onwards is not an issue. At the appropriate time and appropriate call will be taken by the board, we will go to the board on that particular issue and all. So now ESOPs are concerned, so rational these things are mentioned, so everything has been narrated and which is as per the board approved policy we have been going on and that way our intention also is to cover as many members as possible within this particular norms.

So coming to the unrest amongst the employees, something has been mentioned about someone, when it is an organization naturally there will be these sort of things will be there and all, but the what I can say, it is a cordial relationship so currently going on. So intention is to improve the productivity of the team overall. So that way some measures what we may take it may temporarily may create a heartburn, but it is good for the whole organization. So that way we could see we could test few other measures what all have been done that have yielded



the results and those employees with head high they are moving there and all it is good for the organization.

Under this I need to share one point when the expectations of the speakers are we have to be a bit ahead of the competition I am also with you so naturally we also need to align our practices it can be many things the productivity, pay, HR, norms, product everything we need to align with that of the market otherwise there may not be any level playing field at all over a period of time the bank may be marginalized.

So we keep this point continuously in mind and wherever we need to align we have been working on that what is a good market practice going on, there is nothing wrong in emulating that practice which we need to do, if we do not do it and all, tomorrow there may be absolute darkness. So that way every step the bank is taking is in the interest of the organization only and nothing we are doing something which is detrimental to the stakeholders.

Now coming to the youngsters and Gen Z, what are the measures bank is taking to attract them? If you look at it the women employees also, our current share is 28.14, which has improved over last year and many of the measures we have taken. Suppose we are encouraging them for their career growth, likewise who are getting promoted, their choice of posting we are trying to give, so likewise many of the measures what we require we are trying to do, many new initiatives for the staff are also taken, performance linked to Exgratia, formation of talent acquisition team and interview committees have been formed and strengthening and creating technology driven assessment because earlier. So the boss feels how he is good and all they were giving, now technology driven assessment. So that the employee can be open and firm he can be assured of what rating he is getting and all. So likewise 1,700 staff members we have taken more or less or relocating few of the staff members from the existing teams also for the sales and service in the branches.

With the COC what we have created Centralized Operations Center, the need for the back offices will come down over a period of time. This continuously we have been gauging based on that. So we have relocated few of the staff members, many of the employee engagement initiatives also we have done during this year and all, to see that employees are all of them are together.

So coming to the, one of the speaker has mentioned about how we are going to compete with others and all, how we are going to make it future ready. So, many strategic initiatives your bank is taking, front line roles. So, one speaker has mentioned even the government departments the role is changing. I fully agree with you sir, what you mentioned is very correct. Front line roles have changed across the banking industry and even in the government departments what you have mentioned.

So, we need to create a future ready organization with efficient workers and all. Our intention is to train them that is the reason if you see the annual report, how many hours of training we have provided and many of the unique training programs also we have conducted and depending upon the weakness or the what they need to get it to support the bank we have been





creating and we also need to build strength from branch level to address the parallel needs of the growing business and providing service to the customer.

So, over a period of time when the branch level transactions migrate to the digital currently itself your bank that number of transactions passing through digital is 95%. So that way which used to be 80%, 82% and all it has gone to 95%. But the service what all branch level is important, we are focusing on those sort of things and all. So service and sales that would be the key, then only we will be able to compete with others. So we are working on those lines.

Now branch expansion I have mentioned re-KYC. Re-KYC some sort of a suggestion has been given we have noted but I need to tell that so they we have provided many enablers to all our customers many of them they need not even come to the branch. So the re-base-KYC can be done through net banking and mobile banking, and we have even activated the video-KYC also. Through video, our representative will be talking to them, we can close that. So maybe some sort of a handholding is required, kindly approach one of our nearest branch, they'll be able to do that. So conduct of the AGM, whether we can do it in June, July, absolutely your point is noted, we will work on that.

So coming to senior citizens, their mortgage, there is already a product by name reverse mortgage is there. So where this more or less the features what you have suggested are there and you can look at our product. If any further improvements are required in their particular product, feel free and let us know, we will be much happy to look at it.

So one of the speaker has mentioned about the contingent liabilities which is Rs 10,000 crores are there. So out of that contingent liability amount if you look at it Rs 49 crores out of Rs 10,000 crores-odd is only the contingent in the sense that, so here we have the legal case against the bank this sort of thing. The rest of the cases whether the LCs we open, guarantees we open, forward contracts we open, which are routine banking transactions what we do which we need to report as a contingent liability which we need to do which we have been doing. So that way we are aware of these things wherever additional measures need to be taken we have been taking on that.

So I think more or less with these things I feel that majority of the questions have been answered. I once again profusely thank all the speakers for the patience what they have and the interest they have in the bank and your interest we will keep always in mind because our interest also is to maximize the shareholder value always. We are your representative working for you. Thank you very much.

**Meena Hemchandra:**

Thank you Mr. Ramesh Babu. I would just like to take one point here. Some of you have raised board related matters. I wish to say that all regulatory requirements have been complied with. The board, and as already mentioned by me in my speech, the board is well diversified, has a very good skill set base, is balanced and is broad based. In the board, we are committed to continue it that way, keeping in account the interests of all stakeholders and the emerging needs that may arise and in the interest of the bank finally.



Thank you. I would now request Shri M.V. Srinivasamoorthi, Director, to propose a few words.

**M V Srinivasamoorthi:** Respected Chairperson, MD and CEO, my colleagues in the Board, past Directors, our Senior Management Team, beloved employees, esteemed shareholders, ladies and gentlemen, a very good noon to all. I feel honoured and privileged to extend word of thanks on this important occasion. I stand here today as a proud and grateful member of KVB family to express my heartfelt thanks to all those who have made this event possible.

First and foremost, I am obliged to thank our founding fathers, Sri M. A. Venkatarama Chettiar and Sri Athi Krishna Chettiar, the two great visionaries who envisioned and engendered this institution. I also thank our former Directors and past senior management of the bank for nurturing and manifesting this institution as what is now.

Dr. Meena Hemchandra, Chairperson presided over the meeting in a methodical manner, a trait inherited from her regulatory vintage with a subtle texture of personal touch and warmth. Madam, your inaugural speech today morning has clearly explained the all-round performance of the bank during previous fiscal, spanning across business, corporate governance, strategies, and ESG aspects. I must also thank you for your able guidance in conducting the affairs of our bank.

Our MD and CEO, Sri B. Ramesh Babu has explained in detail the financial performance of the bank during the previous year, the growth drivers and the focus areas during the year. His enthusiastic replies to the shareholders' questions with logical explanations befittingly reflects his strong understanding of the bank and his determination to take the bank to new heights. Sir, I thank you for bringing on table your cherished wisdom and long years of expertise for scaling up the bank to new levels.

Let me offer my heartfelt thanks to my colleagues in the board for their collective wisdom and guidance in the bank's transformational journey and shaping up its future. I also thank our senior management team and the entire rank and file of our employees for the dedication and hard work which moved the bank to new heights. On behalf of the bank, I express my sincere thanks and gratitude to our shareholders who have stood with us during our testing times and seek your continued support during the years to come.

It's my duty to extend our gratitude for the continued support of all the customers of the Bank. I take this opportunity to thank Reserve Bank of India, SEBI, Central State and Governments, MCA, NSE, BSE, other regulators and business partners. I thank our statutory auditors, M/s. RGN Price and Company, Chartered Accountants and M/s. Sundaram and Srinivasan, Chartered Accountants. We also thank M/s. SAE and Associates LLP, Secretarial Auditors of the Bank and M/s. Bapulal Yasar and Company, Scrutinizer of this Annual General Meeting.

My special thanks and appreciation to the media, police and all the service providers, including NSDL, Veza Events for providing this technological platform. The Bank will continue to focus on improving the business growth, asset quality, profitability and will take all out efforts to sustain the decent performance made during the previous fiscal. I shall assure to all the



shareholders that your Board is very professional, transparent and imparting topmost priority on governance.

Thank you ladies and gentlemen for your patience and sparing your valuable time for attending the meeting. Thank you.

**Meena Hemchandra:**

Thank you Mr. Srinivasamoorthi. As already mentioned, I request the members who have not voted already to e-voting. They may now cast their votes through electronic means in the NSDL platform. E-voting facility at AGM through VC/OAVM will be available after 15 minutes from the conclusion of this meeting. I would now request everybody to rise for the National Anthem please.

[National Anthem]

I now declare the 104th Annual General Meeting of the Bank concluded. Thank you everybody.