

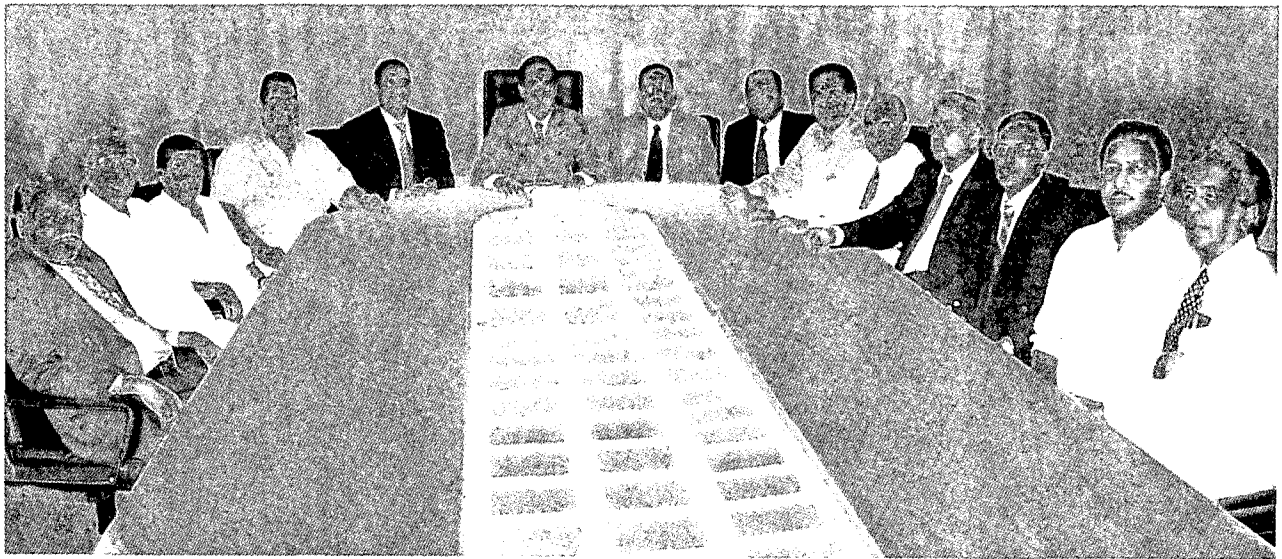
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Catholic Syrian Bank



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Board of Directors adopting the Annual Accounts for 2008-09



Launch of CSB Upahaar, a VISA enabled gift card



The Catholic Syrian Bank Limited

Registered Office: Thrissur

NOTICE OF THE 88th ANNUAL GENERAL MEETING – 2009

NOTICE is hereby given that the 88th Annual General Meeting of the shareholders of The Catholic Syrian Bank Limited will be held at **Kousthubham Auditorium**, Shoranur Road, Thrissur-680 001 **on Friday, the 28th of August 2009 at 10.00 a.m.** to transact the following business: -

1. To receive, consider and adopt the Directors' Report and the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March 2009 and the Auditors' Report thereon.
2. To declare Dividend for the year 2008-09. The Board of Directors have recommended payment of a dividend of 15 (Fifteen) percent on Equity Shares for the year ended 31st March 2009, as per the norms of general permission granted by the Reserve Bank of India.
3. To appoint Joint Statutory Central Auditors for the ensuing year 2009-2010 and, to authorise the Board of Directors to fix their remuneration, to appoint Branch Auditors in consultation with the Joint Statutory Central Auditors and to fix the remuneration of the Branch Auditors. The existing Joint Statutory Central Auditors viz. M/s. Essveeyar, Chartered Accountants, Chennai and M/s. Abraham & Jose, Chartered Accountants, Thrissur, whose term of office expire with the conclusion of the ensuing Annual General Meeting, are eligible for re-appointment and have expressed their willingness for being re-appointed. A certificate has been obtained from the said Auditors vide proviso to Sec. 224 (1) of the Companies Act, 1956 to the effect that the appointment, if made, will be in accordance with the limits specified in Sec. 224 (1B) of the Act. The appointment of Auditors is, however, subject to prior approval of the Reserve Bank of India (RBI).
4. To appoint a Director in the place of Dr.K.A.Menon who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in the place of Shri.George Sebastian K who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:-

"RESOLVED that pursuant to Section 309 (1) of the Companies Act, 1956, Shri.R.Venkataraman who has been recommended by the Board of Directors to Reserve Bank of India pursuant to article 78 of the Articles of Association of the Bank for re-appointing him as the Chairman & CEO on the expiry of his present term of office with

effect from July 31,2009 for a period not exceeding 120 days or until the new Managing Director & CEO assumes the office, whichever is earlier, be paid a present consolidated salary of Rs.1,10,000/- per month with perquisites and other terms as existing at present, as also recommended by the Board of Directors and as may be approved by the Reserve Bank of India, with liberty to the Board of Directors to alter, modify or vary if necessary, the terms and conditions of the said appointment including those relating to remuneration and perquisites, in such manner as may be approved by the Reserve Bank of India, and in accordance with the applicable provisions of the Companies Act, 1956”.

EXPLANATORY STATEMENT

(Pursuant to Sec.173(2) of the Companies Act, 1956)

Item No.6

The present tenure of appointment of Shri. R. Venkataraman as Chairman & CEO of the Bank expires on 30th July 2009. Since the process of appointing new Managing Director & CEO has not been completed, the Board of Directors of the Bank at their meeting held on July 17,2009 decided to seek RBI's prior approval for re-appointing him on the expiry of his present term of office with effect from July 31, 2009 for a period not exceeding 120 days or until the new Managing Director & CEO assumes the office, whichever is earlier. This re-appointment will ensure a smooth transition of work to the new Managing Director & CEO.

The terms and conditions of the re-appointment remain the same as of the earlier appointment. However, during the period of extension, leave can be availed only on pro rata basis.

Since the remuneration payable to Chairman & CEO has not been provided for in the Bank's Articles of Association, the same has to be approved by the Company in General meeting pursuant to section 309(1) of the Companies Act, 1956, and hence the resolution is proposed for approval by the shareholders.

The appointment and fixation of remuneration and other items of perquisites as existing at present is, however, subject to prior approval of the Reserve Bank of India (RBI)

Memorandum of Interest

Chairman & CEO Shri. R.Venkataraman may be deemed to be concerned or interested in the Special Business at Sl. No. 6 as it deals with appointment and fixation of his remuneration . Excepting this , no other Director is concerned or interested in the above item of Special Business.

By Order of the Board

For The Catholic Syrian Bank Ltd.,

Sd/-

(Sijo Varghese)

Asst.Company Secretary

Thrissur,

July 17, 2009.

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Bank. The instrument appointing a proxy, in order to be effective, shall be deposited at the Registered Office of the Bank not less than 48 hours before the time fixed for holding the meeting and in default, the instrument of proxy shall not be treated as valid.
2. The Register of Members and Share transfer Books of the Bank will remain closed from 18th August 2009 to 28th August 2009 (both days inclusive). The arrears of calls on shares, if any, remitted during the book closure period will not be reckoned for the purpose of computing the members' voting rights at the Meeting.
3. Dividend, if declared, will be paid to those members as are entitled thereto whose names appear in the Register of Members of the Bank as on 28th August 2009 or to their mandatories subject to the provisions of Section 206A of the Companies Act, 1956.
4. All dividends remaining unclaimed/unpaid upto and including for the financial year 1993-94 have been transferred to the General Revenue Account of the Central Government. Any claim in respect of the transferred dividends may be made to Registrar of Companies, Kerala, "Company Law Bhavan", B.M.C Road, Thrikkakara P.O., Cochin – 682 021.

In terms of Sec. 205-A(5) of the Companies Act, 1956 as amended with effect from 31st October 1998, all dividends which are remaining unpaid/unclaimed for a period of seven years, have to be transferred to "Investor Education and Protection Fund" established u/s 205C and maintained with Central Government. Accordingly, unpaid/unclaimed dividends for the financial years 1994-95, 1996-97, 1997-98 and 1999-2000 have been transferred to Investor Education and Protection Fund. Members are advised to prefer their claims for unpaid/unclaimed dividends, if any, for the years from 2001-2002 onwards, direct to the Bank. It may be noted that no claim shall lie against the Bank or the Fund established u/s 205C for unpaid/unclaimed dividends once such dividends have been transferred to such Fund.

5. Shareholder/s desirous of availing the nomination facility for shares, may by specific request, obtain from the Bank's Share Department, the prescribed Nomination Form (Form-2B) and submit the same duly filled up and signed, to the Bank.

APPENDIX TO THE DIRECTORS' REPORT

DIRECTORS

Directors Dr. K. A. Menon and Shri. George Sebastian. K, retire by rotation and being eligible have offered themselves for re-appointment.

Director Shri. George Chemmanur, who was co-opted to the Board on 24th July 2008 in the casual vacancy which arose from the vacation of office by Shri. K. R. Thomas, vacates office at the ensuing Annual General Meeting by virtue of Sec. 262 of the Companies Act, 1956.

The Board has decided that the vacancy, which will arise on account of vacation of office by Shri. George Chemmanur at the ensuing Annual General Meeting of the Bank, need not be filled up.

By Order of the Board

Sd/-

Thrissur

(R. Venkataraman)

July 17, 2009

Chairman & CEO

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The Catholic Syrian Bank Limited

Registered Office : P.B. No.502, CSB Bhavan
St.Mary's College Road, Thrissur - 680 020.
Telephone : 0487 - 2333020
www.csb.co.in

BOARD OF DIRECTORS



Sri.R. VENKATARAMAN
Chairman & CEO



Dr. K.A. MENON



Sri. GEORGE SEBASTIAN K.



Sri. AJAY LAL



Sri. S. SWAMINATHAN



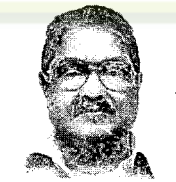
Sri. PRAKASH G. TOLE



Sri. GEORGE CHEMMANUR



Sri. C.F. JOHN



Sri. JOS C. CHAKKO



Sri. C.K. GOPINATHAN



Sri. N.R. ACHAN



Sri S. SANTHANAKRISHNAN



Sri. RAKESH MATHUR
Addl. Director
RBI Nominee



Sri. G. SREEKUMAR
Addl. Director
RBI Nominee

EXECUTIVES

CHIEF GENERAL MANAGER

Sri. Iswardas V.P.

GENERAL MANAGERS

Dr. Giridharan U.R.

Sri. Surendran C.

Sri. Francis C.T.

Sri. Jacob J. Arakal

DEPUTY GENERAL MANAGERS/ ZONAL MANAGERS

Sri. Joseph Bernard Mathew

Sri. Joseph T.B.R.

Sri. Paul Perincherry

Sri. Cherian George

Sri. Joseph C. Varghese

Sri. Ajith Prabhakar

Sri. Antony P.V.

Sri. Bhaskaran V.P.

Sri. Radhakrishnan A.

Sri. Rajagopalan K.R.

ASSISTANT GENERAL MANAGERS/ ZONAL MANAGERS

Sri. Anto M.A.

Sri. Narayanan M.

Smt. Tessy Sebastian

Sri. Paulose A.K.

Sri. Abdul Rahiman A.

Sri. Mohan Menon T.

Sri. Poulase K.C.

Sri. Vincy Louis Pallissery

Sri. Achuthan M.

Sri. Baby P.V.

Sri. Cherian T.J.

Sri. Joseph A.J.

Sri. Paul George P.

Sri. Sebastian A.F.

ASST. COMPANY SECRETARY

Sri. Sijo Varghese



Catholic Syrian Bank



Chairman's Message

I am happy to place before you, your Bank's Annual Report for the year 2008-09. I also wish to share with you the significant achievements and major initiatives of your bank during the year.

At the outset, let me place on record our immense gratitude to you for having reposed your trust in us by subscribing to the Rights Shares. We are confident that the capital accretion provided by the Rights Issue will catapult us to the league with other private banks.

As I thank you for the continuing loyalty and confidence in CSB, I deem it fit to reassure you of our business focus and the fundamentals. During the year 2008-09, your bank crossed major milestones in aggregate business, net worth and Capital Adequacy Ratio [CRAR]. You will be happy to learn that business grew by 16.05% to reach Rs 10017 crore, Net worth grew by 33.71% to record Rs 312.05 crore and CRAR as per Basel II framework is at 12.29%. Another important milestone achieved by your bank recently is the extension of CBS coverage to all the branches of the bank. That this has been achieved in a short span of just over a year is no small achievement.

During the year 2008-09, your bank launched CSB Upahaar, a VISA enabled gift card. For providing financial assistance to farmers, a unique product CSB Kisan Raksha was also launched during the year. In keeping with the bank's corporate social responsibility, coin vending machines have been installed in association with RBI at two major railway stations. Mobile ATMs are now operational at seven centers.

I convey my sincere gratitude to you for your unconditional support and look forward to the same in the future. Given our breadth of resources, capital base, liquidity, dedicated workforce and strong customer base, we are confident that we are well positioned to step into a rapid growth phase and enhance shareholder value in the years to come. The year 2009-10 is dedicated to concentrating on businesses and processes that will maximize income and minimize costs. Our united efforts in this direction will help create a healthier and stronger balance sheet for the year 2010.

I extend my gratitude to my colleagues in the Board, shareholders, bondholders, customers, employees and well wishers for their patronage and support. I also take this opportunity to thank the Reserve Bank of India for their continued guidance and support.

Thank You,

R.Venkataraman,
Chairman & C.E.O



Catholic Syrian Bank



The Catholic Syrian Bank Limited

Registered Office: Thrissur

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Eighty Eighth Annual Report of your Bank with the audited Balance Sheet and Profit & Loss account for the year ended March 31, 2009.

INDIAN ENVIRONMENT IN ECONOMY FRONT

Sub prime crisis in the United States has avalanched into the deepest and most widespread global financial and economic crisis since the Great Depression. With all the advanced economies in simultaneous recession, global GDP is projected to shrink for the first time since the Second World War. After posting Average Real GDP growth rate of 8.9 percent for the last five years (2003-08), India was headed for a cyclical downturn in 2008-09, even without a global economic crisis. Negative impact of the global crisis has accentuated the growth moderation. The full impact of the crisis began to be felt after the bankruptcy of Lehman Brothers in the third quarter, as Real GDP for Q3 recorded a modest growth of 5.3 percent. The services sector, which has been the prime growth driver for the last five years, is slowing. In 2008-09, equity markets weakened in tandem with global stock markets. The BSE Sensex witnessed large swings during the year with intra-year peak of 17600 and trough of 7697. Money supply (M3), increased by 18.4 percent year on year in 2008-09 as against 21.2 percent in 2007-08, reflecting moderation in credit expansion and capital outflows. As capital inflows reduced significantly, the foreign exchange reserves declined by US\$ 57.7 billion from US\$ 309.7 billion as at end-March 2008 to US\$ 252.0 billion by end-March 2009. The Central Government's fiscal deficit more than doubled from 2.7 per cent of GDP in 2007-08 to 6.0 per cent in 2008-09 due to lower than budgeted revenue on account of economic slowdown, effects of fiscal stimulus packages, Sixth pay Commission awards and higher Oil & Fertiliser subsidy bills.

Nevertheless, there have been several silver linings. First, the Indian financial markets, particularly the banks in India, have continued to function normally. Almost all banks of India are reporting operating results which are better than previous year and this is in stark contrast to the global banking giants. Second, headline inflation, as measured by the wholesale price index (WPI) which was in double digits from June to October 2008, has declined sharply and has fallen below 1% by March 2009. Consumer price inflation too has begun to moderate. Third, Real GDP for 2008-09 has grown by 6.7% (as per revised annual estimates released by CSO on 29/05/2009) and Real GDP for 2009-10 is projected to grow by 6% (estimated by RBI in its Annual Policy Statement) and this growth rate, though low by domestic standards is an impressive rate of growth when placed in the global context.

INDIAN BANKING DEVELOPMENTS

The direct effect of the sub-prime crisis on Indian banks/financial sector was almost negligible because of limited exposure to complex derivatives and prudential policies put in place by the Reserve Bank. There was also no direct impact of the Lehman failure on the domestic financial sector in view of the limited exposure of the Indian banks to that entity.

The strong economic growth in the past, low default ratio, absence of complex financial products, regular intervention by central bank, proactive adjustment of monetary policy and so called close banking culture has favoured the banking industry in India in recent global financial turmoil and is well-poised to further the growth agenda of the country, beyond the temporary disruptions caused by the global crisis. However, during the year, keeping with the trend in real sector economic activity, there was moderation in the banking sector development. Growth rate of non-food credit extended by Scheduled Commercial Banks has moderated to 17.5 per cent in 2008-09 from 23.0 percent in 2007-08. The growth in the aggregate deposits of SCBs decelerated to 18.80 per cent from 21.7 per cent in the previous year.

WORKING RESULTS AND APPROPRIATION

As against an environment of global economic recession, resulting highly volatile interest rates, increased delinquency rates and strain on margins faced by the banks in general, your bank has been able to present satisfactory financial performance during the year. Total income during the year amounted to Rs.656 crore as against Rs.542 crore in previous financial year. Total expenditure including provisions and contingencies amounted to Rs.619 crore as against Rs.505 crore in the previous financial year. Bank's total income from Treasury operations and from other banking operations for the year amounted to Rs.188 crore and Rs.468 crore respectively as against Rs.132 crore and Rs.410 crore respectively in the previous financial year. Operating profit of the Bank for the year amounted to Rs. 78.80 crore as against Rs. 73.48 crore in the previous financial year, recording a growth of 7.24 % over the



Catholic Syrian Bank



previous financial year. The Bank's Net profit for the year after providing for an amount of Rs. 28.73 crore towards incremental liability in respect of employee benefits as per AS 15(Revised) and after making the requisite and necessary provisions under Prudential Accounting norms and other usual provisions, amounted to Rs. 37.19 crore as against Rs. 36.56 crore in the previous financial year. With the balance profit amounting to Rs.0.001 crore brought forward from previous year and the transfer of Rs.0.26 crore from the Investment Reserve Account, the total amount available for appropriation is Rs.37.45 crore, from which the following appropriations have been made:-

	Rs. in crore
Capital Reserve	22.34
Statutory Reserve	9.30
General Reserve	0.30
Special Reserve (Sec. 36 1(viii) of IT Act.)	2.15
Investment Reserve	0.74
Charity Fund	0.03
Proposed Dividend (Including Dividend Tax)	2.58

leaving a balance of Rs 0.01 crore to be carried forward to Balance Sheet

CAPITAL ADEQUACY

As per the Basel II capital adequacy framework, the Capital to Risk weighted Assets Ratio (CRAR) as assessed by the Bank as on 31st March 2009 is 12.29 % as against the minimum CRAR of 9% stipulated by the Reserve Bank of India. The Tier I CRAR stood at 8.81%, well above the minimum of 6 %, which is required to be attained by the Bank only on March 31, 2010.

ALLOTMENT OF SHARES ON RIGHTS BASIS

Consequent upon the transfer of 2142736 equity shares to Siam Vidhya Group(SVG) of Thailand on December 5, 2007, your bank released rights shares (comprised in the 1998 Rights Issue and kept in abeyance as per the requirements of Sec. 205A(b) of the Companies Act, 1956) thereon, after obtaining the due regulatory approvals. Accordingly, 3214104 equity shares of Rs. 10 each at a premium of Rs.22 per share were allotted to the eleven members of the Group on August 12, 2008.

During the period under review, your bank has successfully completed the issue of shares on Rights basis, which was oversubscribed by 11.12% .On February 12, 2009, the Bank allotted 15583147 equity shares of Rs. 10 each at a premium of Rs.110 per share. As on March 31, 2009, the Bank has called up Rs.25 per share including share premium of Rs.23 per share.

Consequent to the above, the Paid up Capital and Share Premium Account of the Bank have been increased by Rs. 6,33,07,334 and Rs. 42,91,22,669 respectively and accordingly the Net worth of the Bank has increased to Rs.312.05 crore as on March 31, 2009 from Rs. 233.39 crore as on March 31, 2008.

KEY FINANCIAL RATIOS

The important financial ratios of the Bank are given below:-

Particulars	2008-09	2007-08
Return On Assets (ROA)	0.57%	0.64%
Average Cost of Deposits	6.73%	6.19%
Average Yield on Advances	11.66%	11.21%
Average Yield on Investments	6.27%	6.25%
Net Interest Margin	2.54%	2.86%
Cost-Income Ratio	70.30%	67.28%
EPS (in Rs.)	24.65	30.29



Catholic Syrian Bank

