

CITY UNION BANK LIMITED

CIN: L65110TN1904PLC001287

Regd. Off.: 149, T.S.R (Big) Street, Kumbakonam - 612 001.

Phone: 0435 - 2432322 e-mail: shares@cityunionbank.in

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NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the members of **CITY UNION BANK LIMITED** will be held on **Thursday, the 19th day of August, 2021, at 11:00 a.m.** The Annual General Meeting shall be held by the means of Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") on account of continuing COVID -19 pandemic and in accordance with the relevant circulars issued by the Ministry of Corporate Affairs, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Bank for the Financial Year ended 31st March, 2021 and the reports of Directors and Auditors thereon.
2. To confirm the Interim Dividend of 30% (i.e. ₹ 0.30 paise per equity share of face value of ₹ 1/- each fully paid up) approved by the Board of Directors and already paid to shareholders, for the Financial Year 2020-21.
3. To declare Final Dividend of 20% (i.e. ₹ 0.20 Paise per equity share on face value of ₹ 1/- each fully paid up) for the Financial Year 2020-21.
4. Appointment of **M/s Jagannathan & Sarabeswaran**, Chartered Accountants, Chennai and **M/s K. Gopal Rao & Co.**, Chartered Accountants, Chennai as the Joint Statutory Central Auditors of the Bank on a first term for FY 2021-22.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 as may be applicable and the Banking Regulation Act, 1949 (including any statutory modifications or re-enactments thereof for the time being in force), the Rules, Circulars and Guidelines issued by the Reserve Bank of India from time to time and the approval from RBI vide its letter no.CO.DOS.RPD.No.S201/08-13-005/2021-2022 dt.21.06.2021, approval of the members be and is hereby accorded for the appointment of

M/s Jagannathan & Sarabeswaran, Chartered Accountants, Chennai (**FRN.001204S**) and **M/s K. Gopal Rao & Co.**, Chartered Accountants, Chennai (**FRN 000956S**) as the Joint Statutory Central Auditors of the Bank on a first term for FY 2021-22 in the place of retiring auditors M/s. Sundaram and Srinivasan, Chartered Accountants, Chennai from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Bank at an overall remuneration of ₹ 60,00,000/- (Rupees Sixty Lacs only) to be allocated by the Bank between such Joint Auditors as may be mutually agreed by the Bank and such Joint Auditors depending on their respective scope of work and reimbursement of out of pocket expenses that may be incurred by them during the course of Statutory Audit, Tax Audit & LFAR, CSITE audit and issuing other certifications prescribed by the Regulators, with the power to the Board including Audit Committee thereof to alter and vary the terms and conditions of their appointment, remuneration etc., including by reason of necessity on account of conditions as may be stipulated by RBI and / or any other authority, in such manner and to such extent as may be mutually agreed with the Joint Statutory Central Auditors."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Board of Directors of the Bank be and is hereby authorized to appoint, in consultation with the joint Statutory Central Auditors of the Bank, the Branch Auditors who are qualified to act as Auditors, including Statutory Auditors pursuant to Section 139, 143(8) and other applicable provisions of the Companies Act, 2013 and the Rules made there under for the purpose of audit of the branches of the Bank for the Financial Year 2021-22 and to decide the Branch Offices to be audited by such Branch Auditors and to fix their remuneration and reimbursement of out of pocket expenses incurred in connection with the Audit, based on the recommendation of the Audit Committee of the Board."

6. Ratification of payment of Variable Pay to Dr. N. Kamakodi (DIN 02039618), MD & CEO of the Bank for FY 2020 and approval for Remuneration upon reappointment w.e.f. 1st May, 2020

To consider and if thought fit, to pass with or without modification(s), the following resolutions as **Ordinary Resolutions:**

"RESOLVED THAT pursuant to Article 26 of the Articles of Association of the Bank, Section 197 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other applicable rules, applicable provisions of the Banking Regulation Act, 1949 (including any modifications or re-enactments thereof for the time being in force), the payment of ₹ 30 Lacs as Variable Pay for FY 2020 paid to **Dr. N. Kamakodi (DIN 02039618)** during FY 2021 as per the recommendations of Compensation and

Remuneration Committee of the Board, approval of the Board of Directors of the Bank and of RBI vide its letter no. DOR.GOV.No.4068/ 08.42.001/2020-21 dt.26-03-2021, be and is hereby ratified and approved.

"RESOLVED FURTHER THAT pursuant to Section 197 of the Companies Act, 2013 and the relevant rules there under, applicable provisions of the Banking Regulation Act, 1949 (including any modifications or re-enactments thereof for the time being in force), the rules, circular, guidelines and directions, if any, issued by the Reserve Bank in this regard, the Articles of Association of the Bank and the approval accorded by the Reserve Bank of India vide its letter no.DOR.Appt.No.1629/08.42.001/2021-21 dt.03-12-2020, consent of the members be and is hereby accorded for revision in remuneration of Dr. N. Kamakodi effective from the date of his re-appointment i.e., 1st May, 2020 along with such other terms mentioned hereunder."

Sl.No.	Particulars	Amount (in ₹)
PART - A FIXED PAY		
1.	Salary	87,00,000
2.	Dearness Allowance	-
3.	Retiral / Superannuation benefits:	
	a. Provident Fund	8,70,000
	b. Gratuity	4,18,269
	c. Pension	3,48,000
4.	Leave Fare Concession / Allowance	10,00,000
5.	Entertainment Allowance	50,000
6.	Perquisites:	
	i. Free Furnished House & its maintenance / House Rent Allowance	28,80,000
	ii. Conveyance Allowance / Free use of Bank's car:	
	a. Official Purposes	Free use of Bank's two cars

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Sl.No.	Particulars	Amount (in ₹)
PART - A FIXED PAY		
	b. Private Purposes	Reimbursable @ ₹ 250 for journeys not exceeding 750 km per month, beyond which 60% of the RTA rate to be recoverable.
	iii. Driver's salary	36,600
	iv. Club Membership(s)	5,00,000
	v. Subscription to newspapers, journals etc.	12,000
	vi. Insurance Premium	50,000 (coverage of INR 2 crore for official journeys by air/ rail/ road)
	vii. Telephone, mobile and internet facility	1,00,000
	viii. Education allowance	20,00,000 (reimbursable for two children on production of original bills)
TOTAL FIXED PAY		1,69,52,869

Details of expenses to be reimbursed

Sl.No.	Particulars	Amount
1	Travelling and Halting including Boarding	Reimbursement of actual travelling expenses (if by train, equivalent to the highest class / if by air, equivalent to the highest class plus any other transport and incidental expenses incurred while undertaking business travel)
2	Reimbursement of medical expenses	Reimbursement of actual medical expenses for self, spouse, dependent children and parents on production of bills. Superannuation medical benefit: The Bank will reimburse the actual hospitalization and other medical expenses or pay the full premium under suitable medical insurance plan for self and dependent family members.
3	Casual Leave and Encashment of Privilege Leave	As applicable to other executives of the Bank.

“RESOLVED FURTHER THAT approval of the shareholders be and is hereby accorded for payment of Variable Pay to Dr. N. Kamakodi for each financial year as may be approved by RBI within the overall variable Pay ceiling set out below pursuant to RBI guidelines on Compensation of Whole Time

Directors/ Chief Executive Officers / Material Risk Takers and Control Function staff dt. 4th November, 2019 based on the achievement of performance parameters fixed by the Compensation & Remuneration Committee of the Bank.”

Sl.No.	Variable Pay: For each Financial Year / Performance Period - upto 200% of Fixed Pay. This would be paid only after duly evaluating performance in each Financial Year.	
1	Cash Component	Total Cash Component: 50% of Variable Pay
2	Non Cash Component (share-linked instruments)	No. of Share-linked instruments: 50% of Variable Pay

“RESOLVED FURTHER THAT the Board of Directors / concerned Committees be and are hereby authorized to file necessary applications, clarifications or documents from time to time with the RBI for revision of remuneration / modification of any terms and conditions of Dr. N. Kamakodi, MD & CEO and to make payments thereof subject to the condition that the total remuneration shall not exceed the maximum ceiling limit prescribed under Schedule V of the Companies Act, 2013.”

7. Re-appointment of Shri. M. Narayanan (DIN 00682297), Director, as Independent Director on the Board for a second term w.e.f. 22nd August, 2021

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act 2013 read with Rules made there under (“the Act”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (“the SEBI Listing Regulations”), Section 10A(2A) and other relevant provisions of the Banking Regulations Act, 1949 (“Banking Act”) (including any modifications or re-enactments thereof for the time being in force), Rules, Circulars, Guidelines issued by the Reserve Bank of India (“RBI”) as applicable from time to time, provisions of Articles of Association of the Bank and pursuant to the recommendation of the Nomination Committee and the Board of Directors of the Bank, approval of the members be and is hereby accorded for the re-appointment of **Shri. M. Narayanan (DIN 00682297)** as an Independent Director on the Board of the Bank for a second term **w.e.f. 22nd August, 2021** for the remaining period as permitted under the Banking Regulation Act, 1949 from the date of his first appointment in the Bank.”

8. To authorize the Board to offer, issue and allot shares by way of Qualified Institutions Placement

To consider and if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions:**

“RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Bank, the SEBI Listing Regulations, 2015 and subject to the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, the provisions of the Foreign Exchange Management Act, 1999, applicable rules, regulations, guidelines or laws and / or any approval, consent, permission or sanction of the Central Government, Reserve Bank of India, SEBI and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the “appropriate authorities”) and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission and / or sanction (hereinafter referred to as the “requisite approvals”) which may be agreed to by the Board of Directors of the Bank (herein after called the “Board”) which term shall be deemed to include any Committee which the Board may constitute and Board be and is hereby authorized, to offer, issue and allot, by way of Qualified Institutions Placement (QIP), to Qualified Institutional Buyers (QIB), in terms of Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, whether or not such investors are existing members of the Bank, through one or more placements to raise

an amount **not exceeding ₹ 500 crore (Rupees Five hundred crore only)** by issue of Equity shares of ₹ 1/- each at such price or prices, (whether at prevailing market prices or at permissible discount or premium to market prices in terms of applicable regulations) as the Board or the appointed Committee thereof may determine at its discretion in accordance with the relevant guidelines and where necessary in consultation with Lead Managers and / or Co-Managers and other Advisors.

RESOLVED FURTHER THAT the QIP issue shall be completed within 365 days from the date of this resolution. The Bank may in accordance with applicable law, also offer a discount of such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the ICDR Regulations.

RESOLVED FURTHER THAT pursuant to Regulation 176 (1) of SEBI ICDR Regulations, the Bank be and is hereby authorised to offer equity shares at a discount of not more than 5% on the issue price or such other percentage as may be permitted under the applicable laws from time to time.

RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the QIP Securities shall be the date on which the Board of the Bank or the appointed Committee thereof decide to open the proposed issue as the case may be ("Relevant Date").

RESOLVED FURTHER THAT minimum 10% of the equity shares to be issued and allotted under QIP pursuant to Chapter VI of SEBI ICDR Regulations shall be allotted to Mutual Fund(s) and if the Mutual Fund(s) do not subscribe to said minimum percentage or any part thereof, such minimum portion or part thereof may be allotted to other QIBs.

RESOLVED FURTHER THAT such of shares to be issued as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion thinks fit in accordance with the provisions of law.

RESOLVED FURTHER THAT the equity shares so issued shall rank paripassu with the existing Equity shares of the Bank in all respects.

RESOLVED FURTHER THAT the equity shares to be offered and allotted to the QIBs shall be in dematerialized form.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of equity shares the Board or a Committee be and is hereby authorized on behalf of the Bank to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, for entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement document(s) and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT the Board or the Committee be and is hereby authorized to appoint the Lead Managers / Co-Managers / Advisors in the offerings of securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc., with Lead Managers / Co-Managers / Advisors and to seek the listing of such securities.

RESOLVED FURTHER THAT the Board be and is hereby authorized to apply for listing of the new equity shares as may be issued with the BSE Limited and National Stock Exchange of India Limited.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make necessary application(s) to the National Securities Depository Limited and / or Central Depository Services (India) Limited for admission of the above said Equity shares to be allotted on QIP basis.

RESOLVED FURTHER THAT the Board shall have all the powers to modify, reapply, redo, make necessary changes, approach and to do all requisite filings / re-submission of any document(s) and other compliances and to do all such acts and deeds that are necessary to comply with the terms and conditions subject to which approvals, sanction, permission etc., as may be provided by the Stock Exchanges, SEBI, RBI, GOI and any other appropriate authority, without being required to seek any further approval of the members and that the members shall be deemed to have given their approval thereto for all such acts, deeds, matters and / or things expressly by the authority of this resolution.



RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee / Sub-Committee of the Board or the Managing Director and Chief Executive Officer or any other Officer / Authorised representative of the Bank to give effect to the aforesaid resolution(s)."

9. Amendment of Memorandum of Association of the Bank

To consider and if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions**:

"RESOLVED THAT pursuant to the provisions of Section 13 of the Companies Act, 2013 read with Section 49C of the Banking Regulation Act, 1949 and approval of the Reserve Bank of India vide its letter no.DOR.AUT.NO.S146/24.01.002/2021-22 dt.02.06.2021 other applicable provisions read with the Rules and Regulations made there under (including any modifications or re-enactments thereof for the time being in force), and subject to the approval of the Registrar of Companies, Chennai and/or such other authorities under the provisions of the Companies Act, 2013, after the existing clause no.3 (v) of the Memorandum of Association of the

Bank, a new sub clause "w" be and is hereby inserted as follows:-

Clause 3(w): To act as agents for insurance products such as life, health, pension & employees benefit, fire, marine, cargo, marine hull, aviation, oil & energy, engineering, accident liability, motor vehicles, transit & other products and to carry on the business of insurance, re-insurance and risk management either directly or as an insurance agent, corporate agent, insurance broker or otherwise in line with the guidelines issued by the Reserve Bank and other Sectoral Regulators."

"RESOLVED FURTHER THAT Shri. V. Ramesh, Company Secretary of the Bank be and is hereby authorized to carry out necessary alterations, modifications or amendments in the proposed altered Articles of Association as may be suggested / directed by the Registrar of Companies, Chennai and / or such other authorities under the provisions of the Companies Act, 2013, to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters, including, as may be considered necessary, proper or expedient in order to give effect to the above resolution."

By Order of the Board

For **CITY UNION BANK LIMITED**

Sd/-

V. Ramesh

Company Secretary

Place : Kumbakonam

Date : 19th July, 2021



NOTES:

1. In order to follow social distancing norms in respect of Covid-19 pandemic prevalent in the country, the Ministry of Corporate Affairs vide its circular dated 05th May, 2020 read with circulars dated 8th April, 2020, 13th April, 2020 and 13th January, 2021 ("collectively referred to as MCA circulars") directed the companies / issued clarifications / extended relaxations, to hold the Annual General Meetings through video conferencing ("VC") / Other Audio Visual Means ("OAVM") and accordingly the **Annual General Meeting of the Bank will be held through VC/ OAVM only. The physical attendance of members at the AGM venue has been dispensed** and attendance slips are not issued to the shareholders. Also, since AGM will be held through VC / OAVM, the route map is not annexed to this notice.

2. In compliance with the MCA circular dt. 13th January, 2021 and SEBI circular dated 15th January, 2021 on extended relaxations with regard to conduct of AGMs, the Notice of this AGM alongwith the Annual Report 2020-21 is being sent through electronic mode only to those shareholders whose e-mail addresses are registered with the Bank / Depositories. Members may note that the Annual Report together with Notice shall be available in the website of the Bank and stock exchanges viz. www.cityunionbank.com ; www.nseindia.com ; www.bseindia.com.

Attending e-AGM & Remote e-Voting: Members will be provided with a facility to attend the e-AGM through video conferencing platform provided by **National Securities Depositories Limited ("NSDL")**. In terms of Section 108 of the Companies Act, 2013 read with the Rules made there under and Regulation 44 of the SEBI Listing Regulations, the Bank is providing remote e-voting facility to its members holding shares in physical / de-mat mode, as on the cut-off date. Such remote e-voting platform is also provided by NSDL only. The user manual for the above is set out at the end of this notice.

3. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. At the time of logging-in to the system to attend the AGM or during the course of AGM, if a member loses the connection, the same shall not be a ground for complaint.
5. **The Chairman reserves the right to limit the number of Members asking questions depending on either the availability of time or live streaming concerns or any other unforeseen situations if any, at the time of AGM.**

6. PROXY

Since the AGM is being conducted through VC / OAVM, the facility of Proxy form is not applicable. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.

7. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote either through remote e-voting or during the e-AGM. The e-mail may be sent directly to the scrutinizer at scrutinizer@cityunionbank.in with a copy marked at evoting@nsdl.co.in.

8. EXPLANATORY STATEMENT

The relative explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the relevant Ordinary Business and for all the Special Business is annexed hereto.

9. All relevant documents referred to in this Notice requiring the approval of the members at the meeting shall be available for inspection by the members at the registered office of the Bank on all working days between 10:00 a.m. to 12:00 noon up to the previous date of AGM i.e. 18th August, 2021. However, members seeking to inspect are requested to drop an e-mail to shares@cityunionbank.in.

10. MULTIPLE FOLIOS

If any shareholder is holding more than one folio for the same set of names, the shareholder(s) concerned may please write to the Registrars and Share Transfer Agents of the Bank M/s Integrated Registry Management Services Private Limited, Chennai (RTA), so that their holdings can be consolidated into one folio. This would help the shareholder(s) concerned to effectively monitor their holdings.

11. DEMATERIALIZATION OF SHARES

The shares of the Bank have been traded compulsorily in dematerialized form with effect from 25th June, 2001 in the Stock Exchanges. The shareholders who have not so far dematerialized their shares are requested to do so in their own interest having regard to the safety and benefits attached thereto. Further, SEBI has notified that, any investor who is desirous of transferring shares (which are held in physical form) after 01st April, 2019 can do so only after shares are dematerialized.

**12. UNCLAIMED DIVIDENDS / SHARE TRANSFERRED TO IEPF AUTHORITY**

In terms of the relevant provisions of Section 124 and 125 of the Companies Act, 2013 and the relevant Rules of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the unclaimed dividend and the underlying equity shares of the Bank for FY 2012-13 has been transferred to IEPF authority.

The unclaimed dividend for FY 2013-14 will be transferred to IEPF authority and also the underlying shares pursuant to aforesaid provisions. For details on year wise unclaimed dividends to be transferred / shares already transferred to IEPF, kindly refer to the Corporate Governance section of the Annual Report. The shareholders are requested to contact RTA / Bank for claiming their unclaimed Dividend and / or shares transferred to IEPF Authority and also visit the website of the Bank in this regard.

Further, the dividend warrants if any, lying with the shareholders in respect of such period(s) have to be submitted for revalidation to the Company Secretary, City Union Bank Limited, "NARAYANA", Administrative Office, No. 24-B, Gandhi Nagar, Kumbakonam - 612 001.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to our RTA.
14. The shareholders are requested to update their Bank ECS Mandate by way of submitting duly signed copy of PAN card along with cancelled cheque leaf with the Bank / RTA or with their respective Depository Participant (DP).

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013 and Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Item No. 2

Explanatory Statement for this Ordinary Business Item is not required under the provisions of the Companies Act, 2013. However the explanatory statement is being given to add more clarity on the resolution set out in Item No. 2 of the accompanying notice

The Board of Directors of the Bank at its meeting held on 28th May, 2021, declared an Interim Dividend of ₹ 0.30 paise per equity share of face value of ₹ 1/- each fully paid up, for the Financial Year 2020-21. The payment of the Interim Dividend was made on 21st June, 2021. The Members are now requested to confirm the payment of such Interim Dividend for FY 2020-21.

Members may note that in light of the Reserve Bank of India (RBI) circular dated 22nd April, 2021, all Banks were directed to pay dividend on equity shares from the profits for the financial year ended 31st March, 2021, subject to the quantum of dividend not resulting in the dividend pay-out ratio exceeding 50%. Accordingly, the Board of the Bank has declared and paid such interim dividend to shareholders as aforesaid.

The Directors and Key Managerial personnel of the Bank and their relatives may be deemed to be concerned or interested in the passing of this resolution, to the extent of dividend received as per their respective shareholding, if any, in the Bank.

The Board recommends the passing of the Resolution in Item No.2 of the accompanying Notice.

Item No.4

Explanatory Statement for this Ordinary Business Item is not required under the provisions of the Companies Act, 2013. However the explanatory statement is being given pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

The Shareholders at the AGM held on 14th August, 2020 appointed M/s Sundaram & Srinivasan, Chartered Accountants, Chennai as the Statutory Central Auditors of the Bank to hold the office until the conclusion of the ensuing Annual General Meeting of the Bank ('AGM').

The Reserve Bank of India vide its circular no.Ref.No.DoS.CO.ARG / SEC.01 /08.91.001 / 2021-22 dated 27th April, 2021 notified guidelines for appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) applicable w.e.f. FY 2021-22 and onwards as per which, the Bank should appoint minimum two SCAs. As per such guidelines, the Bank has also framed and approved a policy on appointment of Statutory Central Auditors (SCAs) / Statutory Auditors and the same is hosted in the website of the Bank.

Accordingly, in response to the application made by the Bank, the RBI vide its letter no.CO.DOS.RPD.No.S201/08-13-005/2021-2022 dt.21.06.2021, accorded its approval for the appointment of **M/s Jagannathan & Sarabeswaran**, Chartered Accountants, Chennai (**FRN 001204S**) and **M/s K. Gopal Rao & Co.**, Chartered Accountants, Chennai (**FRN 000956S**) as the Joint Statutory Central Auditors of the Bank on a first term for FY 2021-22.

Profile of SCAs / Credentials:

M/s Jagannathan & Sarabeswaran, Chartered Accountants, Chennai (FRN 001204S)	M/s Jagannathan & Sarabeswaran, Chartered Accountants was established in the year 1969 at Chennai. The firm consists of 5 (five) full time partners and 20 professional staffs and has over 52 years of rich experience in diverse sectors viz., Banking, Information Technology, Tourism & Hotels, Hospital, Engineering, Manufacturing etc. The head office is located at Alwarpet, Chennai. The firm also specializes in Tax Audit, Tax Representation and Tax Advisory services. With special reference to professional services in the field of Banking, Finance and Insurance, the firm offers Central Statutory Audit Services, Branch Audits, Concurrent Audits to various Public and Private Sector Banks and also Statutory Central Audit to Foreign Bank. Besides providing above services, they are also specialized in performing credit audits. To mention, they have provided Concurrent Audit to the Reserve Bank of India during the period 2005 to 2008. They have also handled due diligence, project consultancy and financial advisory services.
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**M/s K. Gopal Rao & Co.,
Chartered Accountants,
Chennai (FRN 000956S)**

M/s K. Gopal Rao & Co., Chartered Accountants was established in the year 1978. The firm consists of 12 (Twelve) full time partners and 30 professional staffs. The firm is headquartered at Chennai with branch offices at Tiruvallur and associate offices at Madurai, Trichy, Bangalore, Coimbatore and Hyderabad. The firm offers Audit and Assurance, Tax advisory and consulting services to various sectors. With special reference to Professional Services in the field of Banking, the firm offers Central Statutory Audit services, Branch Audits, Concurrent Audits to various Public & Private sector Banks. As part of Tax advisory services, the firm offers services on International Taxation, Transfer Pricing, Business Tax Advisory, Taxation for Non Profit Organizations and Indirect Taxation. The firm is also a registered Public Accounting firm with the Comptroller and Auditor General of India Office, New Delhi. It has diversified clientele with National and International operations. Apart from Statutory Audits, it also offers Information systems Audit and Internal Audit services. As part of Internal Audit Services, the firm is also experienced to conduct Risk Based Internal Audit of the Banks as per BASEL II norms.

For FY 2020-21, the Bank has paid a total Remuneration of ₹ 33 Lacs to the existing Statutory Central Auditors M/s Sundaram & Srinivasan, Chartered Accountants, Chennai which is as per the approval accorded by the shareholders at its previous meeting held on 14th August, 2020. In addition, a Professional fee of ₹ 7.2 Lacs has been paid to them for Branch Audit and ₹ 20 Lacs for Special Assignment (CSD / CSITE Audit) besides reimbursement of ₹ 9.80 Lacs for Travelling & out of pocket expenses. There is no material change in the fee recommended to the proposed Auditors viz. M/s Jagannathan & Sarabeswaran, Chartered Accountants, Chennai and M/s K. Gopal Rao & Co., Chartered Accountants, Chennai. As aforesaid, from FY 2021-22 onwards, the statutory audit of the Bank should be conducted by minimum 2 Audit firms pursuant to extant RBI guidelines on appointment of Statutory Auditors of Private Sector Banks and accordingly a consolidated remuneration is being recommended to the shareholders for its approval which would be mutually discussed with such Auditors depending upon the scope of work.

The Board is of the view that the rich experience of the aforesaid Auditors in Audit and Consulting field would definitely benefit the Bank as they possess appropriate skills, expertise and competencies in the context of the Banking Industry. In the opinion of the Board, the proposed Auditors are eligible for appointment as the Joint Statutory Central Auditors of the Bank and fulfill all the conditions specified in relevant provisions of the Companies Act, 2013, the guidelines issued by the Reserve Bank of India for appointment of Statutory Auditors of Private Sector Banks and the Banking Regulation Act, 1949. The proposed Auditors are independent of the Management of the Bank. Hence, the Board recommends to shareholders the appointment of **M/s Jagannathan & Sarabeswaran, Chartered**

Accountants, Chennai (FRN 001204S) and M/s K. Gopal Rao & Co., Chartered Accountants, Chennai (FRN 000956S) for a first term to hold the office from the conclusion of the ensuing AGM until the conclusion of the next AGM of the Bank on a total remuneration / fees of ₹ 60 Lacs to be allocated by the Bank between such Joint Auditors as may be mutually agreed by the Bank and such Joint Auditors depending on their respective scope of work. Further, the above remuneration may vary depending upon the number of branches taken up by them for the financial year and also on account of any other special assignments to be handled by them as per the requirements of Regulators, Statutory Authority and reimbursement other out of pocket expenses incurred by them during the course of audit.

None of the Directors and Key Managerial Personnel and their relatives are concerned or interested in this resolution.

The Board recommends the Resolution set out at Item No.4 of the Notice for approval of members by passing ordinary resolution.

Item No.5

In terms of the provisions of the Companies Act, 2013 and the Rules, made there under, the Branch Offices of the Bank have to be audited either by Statutory Central Auditors or by other qualified Auditors as a regular audit work on a yearly basis. Accordingly, the Bank intends to entrust the Audit of its Branch Offices either to the Statutory Central Auditors or to other qualified Auditors in consultation with Statutory Central Auditors on such remuneration and on such terms and conditions as the Board deems fit based on the recommendations of the Audit Committee of the Board.