

**73rd**

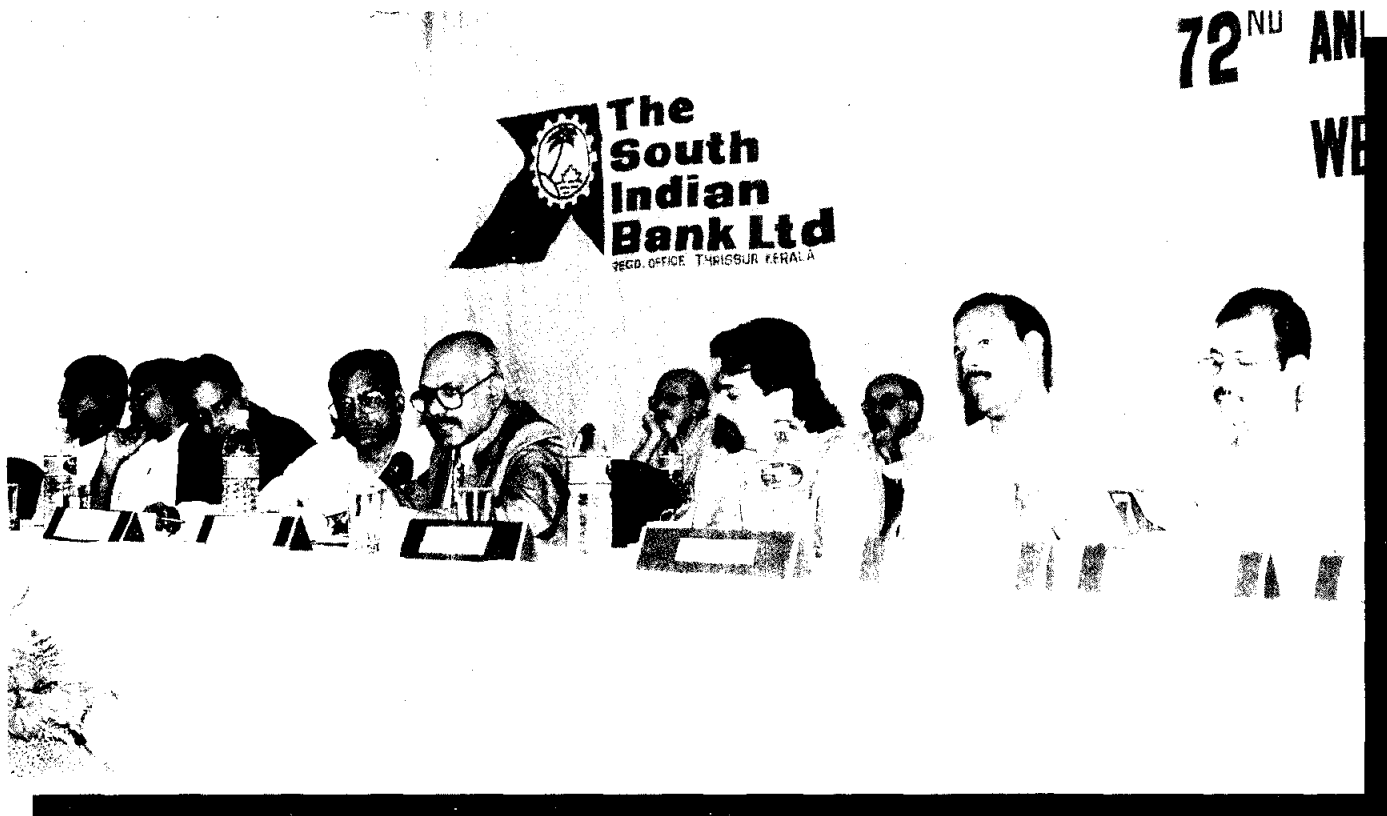
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**2000-2001**



**The  
South  
Indian  
Bank Ltd**  
Regd. Office: Thrissur, Kerala.

ReportJunction.com



Chairman addressing the Shareholders at the 72nd Annual General Meeting

Report  junction.com



Launching of 'SIBERTECH' Project

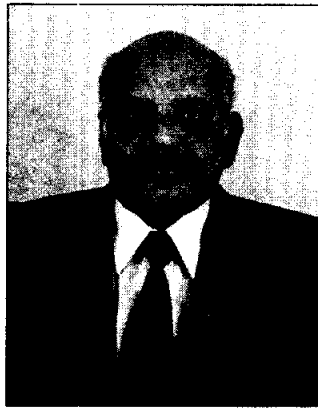
by Sri. N.R. Narayana Murthy, Chairman & CEO Infosys Technologies Ltd.

*Sib tech*

#### SIBERTECH PROJECT - MAIN FEATURES

- \* Introduction of FINACLE, an integrated, on-line enterprise banking solution designed to provide the "e-platform" for the global banking industry, developed by INFOSYS.
- \* A completely web-enabled, centralized solution, providing a new-generation IT architecture.
- \* SIB will be the first Kerala-based Bank to introduce a centralized solution.

## BOARD OF DIRECTORS



Mr. A. Sethumadhavan  
(Chairman)



Mr. P.M. Manuel



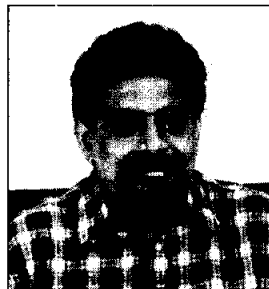
Mr. Tony John Alapatt



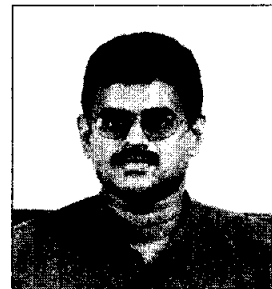
Mr. Jose Pottokaran



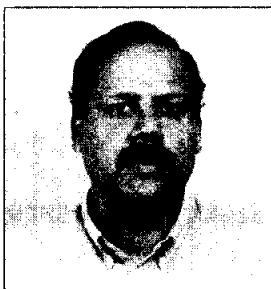
Mr. Thommy P. Chakola



Dr. C. Mathew John



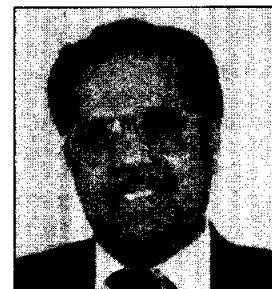
Mr. Paul Chalissery



Mr. Babu Alapatt

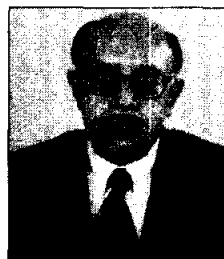


Mr. Mohan Alapatt



Mr. G.A. Shenai

**GENERAL MANAGERS**



Mr. M. Valsan

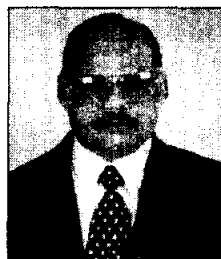


Mr. V.P. Joseph

**DEPUTY GENERAL MANAGERS**



Mr. K.S.S. Rau



Mr. A.F. George



Mr. Cheryan Varkey



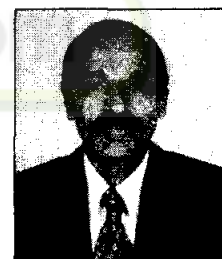
Mr. Alex Mathew



Mr. A.G. Varughese



Mr. T.M. Sunny



Mr. George Davis Thottan

**ASST. GENERAL MANAGERS**

Mr. Thomas Valappila  
Mr. R. Ayyaswamy  
Mr. T. D. Devassia  
Mr. N. V. Ignatius  
Mr. K. S. George  
Mr. P. J. Johnny

Mr. Anto C. Kalliath  
Mr. K. S. Krishnan  
Mr. Joy John Vaidya  
Mr. Varghese John  
Mr. P. J. Jacob  
Mr. V. Ananthanarayanan

Mr. V. J. Thomas  
Mr. Joseph George Kavalam  
Mr. K. C. Francis  
Mr. V. J. Baby  
Mr. P. C. Jose  
Mr. P. R. Radhakrishnan

**SECRETARY**

Mr. A. S. Narayanan

**AUDITORS**

M/s. Fraser & Ross.  
Chartered Accountants,  
Door No 39/690,  
Carrier Station Road, Kochi - 682 016.

**SHARE TRANSFER AGENTS**

M/s. Tata Consultancy Services  
21, Industrial Estate,  
Opp. Sivananda Steels, Ambattur,  
Chennai - 600 058.

## DIRECTORS' REPORT

The Board of Directors of the Bank have great pleasure in presenting to you the 73rd Annual Report together with the audited Balance Sheet as at 31st March 2001 and the Profit and Loss A/c for the financial year ended on that date.

### ECONOMIC AND BANKING ENVIRONMENT

The Indian economy continued to exhibit both growth and resilience that had characterised its performance in the past few years. Overall macro-economic indicators, despite recent developments in the equity market, continue to be favourable for growth with price stability. The GDP growth is likely to be about 6% as compared to 6.4% and 6.6% recorded in the previous years. We have had a second successive year of irregular monsoon resulting in low agricultural growth which was only marginally higher than that of the previous year. World petroleum prices have continued to stay at high levels, placing strain on the economy as a whole. Despite major industrial sector reforms, industrial growth has not accelerated to the double digit level as expected. A welcome feature of macro-economic development last year was good performance of the services sector, particularly of information technology related services. The annual rate of inflation was 4.9% in 2000-01 as against 6.8% a year ago. On the external front, despite the instability in the first half of the year with the rupee depreciating against the US Dollar there was a sharp turn-around in the second half in terms of orderly movement in exchange rates and the successful launch of the IMD scheme also helped in improving the country's foreign currency assets. It is also significant that the exports did well throughout the year. The current account deficit is expected to be well within 2% of GDP.

The annual growth in money supply (M3) on a point-to-point basis was higher at 16.2% as against 14.6% a year ago.

The growth of non-food credit was significantly higher than that of the previous year, partly reflecting in the increase in stocks of fertilisers, sugar, petroleum, etc. and a higher credit flow to infrastructure sector and retail segment.

The Central Government's fiscal deficit remained at 5.1% and revenue deficit at 3.6% of GDP and the fiscal deficit is budgeted at 4.7% of GDP for the year 2001-2002. The stock markets experienced considerable turbulence and uncertainties during March 2001 leading to problems in certain stock exchanges, which in turn affected certain commercial banks also.

The aggregate deposits of the scheduled commercial banks increased by 17.8% as against 17.2% in the previous year. The interest rates, after some hardening in mid-year, softened in the latter part of 2000-01. The overall stance of monetary policy for the year 2001-02 as pronounced by RBI will be provision of adequate liquidity to meet credit growth and support revival of investment demand and to impart greater flexibility to the interest rate regime. The RBI announced a series of measures like rationalisation of interest rates on export credit, freedom for banks to quote below PLR rates in select cases, higher interest rates for CRR balances, separate deposit schemes for senior citizens, flexibility for term deposit etc. Further, with a view to moving towards international best practices, a new 90 days norm for recognition of loan impairment has been announced effective from 31st March, 2004. Similarly, prudential guidelines for credit exposure have also been streamlined.

In view of the recent happenings relating to the banks taking exposure to the capital market, RBI have announced a fresh set of guidelines for regulating the exposures and managing the risk element.

Towards relief for Gujarat earthquake victims a large number of measures have been announced which include interest rate for loans at PLR of SBI, provision of additional limits/rescheduling of existing limits for affected Small Scale Industries (SSI), business, trade and industry etc.

### FINANCIAL PERFORMANCE

The Profit & Loss Account shows a gross profit of Rs.110.21 crores before depreciation, taxes and provisions and a net profit of Rs.41.50 crores as per details infra:-

(Rs.in crores)

Profit before depreciation, taxes and provisions	110.21
Less: Depreciation	3.24
	106.97
Less: Provision for NPAs	39.13
Provision for income-tax/wealth tax	25.25
Provision for standard assets	1.07
Provision for depreciation in the value of Investments:	0.02
	65.47
Net Profit	41.50
Brought forward from last year	4.84
Total	46.34

### APPROPRIATIONS:

(Rs. in crores)

Transfer to Statutory Reserve	10.37
Transfer to Capital Reserve	0.01
Transfer to General Reserve	25.00
Proposed dividend (including tax)	9.83
Carried over to Balance Sheet	1.13
Total	46.34

### DIVIDEND:

Considering the increased profitability of the Bank and having regard to the need to improve the reserves and overall net worth of the Bank, the Board of Directors have recommended a dividend of 25% p.a., tax-free in the hands of shareholders, as against 20% p.a. paid in the year 1999-2000.

### DEPOSITS

The total deposits of the Bank recorded a growth of 20.18% during the year reaching a level of Rs.4669 crores as on 31-03-2001 as against Rs.3885 crores as on 31-03-2000. The Break-up of deposits as on 31-03-2001 is as under:-

	Amount (Rs.in crores)	% to total deposits
1) Current Deposits	226.61	4.85
2) Savings Deposits	718.42	15.39
3) Term Deposits	3723.52	79.76
Total	4668.55	100.00
Out of the above, NRI deposits	1616.99	34.64

The bank is making all out efforts to increase the share of current and savings bank accounts in order to reduce the overall cost of deposits.

### ADVANCES

The total advances of the Bank stood at Rs.2468 crores as on 31-03-2001 as against Rs.2026 crores as on 31-03-2000, thereby achieving a growth of 21.82%. Priority Sector advances constituted 58.91% of the net bank credit as against the mandated level of 40%. The share of various segments of priority sector is as follows:

(Rs. in crores)

Agriculture & allied activities	107.55
S.S.I.	368.27
Other areas in the Priority Sector	258.32
	734.14



## DIRECTORS' REPORT

Advances to exports standing at Rs.208.43 crores constituted 8.44% of net credit as against 12% stipulated by the Reserve Bank of India.

During the year the Bank endeavoured effectively to diversify its advances portfolio by stepping up its retail lendings to trade and such other sectors.

### QUALITY OF LOAN ASSETS

Recovery of Non Performing Assets continued to be a major thrust area for the Bank during 2000-2001. The Recovery Department now under the direct control of a Dy. General Manager has taken effective steps for strengthening the credit monitoring system and streamlining the recovery procedures and as a result of the overall efforts made by the bank, the percentage of Net NPAs to net credit could be brought down to 7.13% as on 31-03-2001 as against 8.67% as on 31-03-2000.

### INVESTMENTS:

The total investments of the Bank increased by Rs.249 crores and reached Rs.1998 crores as on 31-03-2001 from Rs.1749 crores as on 31-03-2000. The income on investments increased from Rs.188 crores on 31-03-2000 to Rs.218 crores as on 31-03-2001, with an average yield of 11.38%, as against 12.18% last year. The Treasury Operations recorded a profit of Rs.25.27 crores as on 31-3-2001 as against Rs.33.33 crores recorded during the previous year, the decline being mainly on account of the unfavourable market conditions during the first half of the year. The total income from the treasury operations including interest on investments amounted to 39.64% of the Bank's total income as against 40.71% recorded during the previous year. Investments have been categorised into (a) Held to Maturity b) Held for trading and c) Available for sale and have been valued in accordance with RBI guidelines. As against the minimum level of 75% prescribed by RBI, the Bank has kept 78.06% of its investments in "Held for trading" and "Available for Sale" categories at market related prices.

### SHARE CAPITAL:

There was no issue of share capital during the year. With some more of the call money arrears being collected the paid up capital has gone up from Rs.35.53 crores to Rs.35.67 crores as on 31-3-2001.

### CAPITAL ADEQUACY:

Bank's capital adequacy ratio as on 31-03-2001 stood at 11.17% as against 10.41% as on 31-03-2000 which is well above the bench mark of 9% prescribed by the Reserve Bank of India.

In order to maintain the capital adequacy ratio at a level above the bench mark of 9% of the Risk Weighted Assets as on 31-3-2001, the Bank allotted in February 2001, 2683 subordinated unsecured debt instruments of Rs.1 lakh each maturing at the expiry of 65 months and carrying a fixed rate of interest at 13% payable annually. The amount of Rs.26,83,00,000/- collected against the Bonds will form part of the Tier II Capital of the Bank. Incidentally, the subordinated debt instruments aggregating Rs.35 crores issued in March 1996 were redeemed in March 2001.

### BRANCH NETWORK

The Bank opened 4 new branches and 7 Extension Counters during the year. One Extension Counter was upgraded into a full fledged branch. With these additions, the total number of branches(including satellite branches) has risen to 372 and Extension Counters to 54. The Bank holds licence to open four more branches at New Delhi, Konni, Guntur and Nellore, which will be opened during the course of the year.

### INNOVATIVE PRODUCTS

A few innovative products were introduced during the year including two new loan schemes, called "GOLD RUSH SCHEME" and "SIBER

LOAN". GOLD RUSH SCHEME has been introduced for the benefit of traders and agriculturists, by which short term loans are extended against pledge of gold for meeting emergency requirements. SIBER LOAN has been launched for assisting the general public and students for the purchase of computer and computer peripherals.

A fast collection system for cheques and drafts of important corporate clients and customers of the Bank has been introduced by which proceeds will be placed to the credit of the accounts according to the needs of our clients. This scheme has been well received. The Bank is also planning to offer depository services to the general public in collaboration with Central Depository Services(India) Ltd. (CDSL) shortly.

### PERSONNEL

As on 31-03-2001 the bank had 3739 personnel on its rolls as against 3742 as on 31-03-2000. Cadre-wise break up is as infra:-

Officers	:	1239
Clerks	:	1778
Subordinate Staff	:	722
Total		3739

Besides, the bank had 328 part-time employees in subordinate cadre on its rolls.

Industrial relations remained cordial throughout the year.

### TRAINING

During 2000-01, our Staff Training College at Thrissur conducted 30 training programmes covering 630 Sibians. The areas covered were: Credit, NPA Management, Organisational Creativity, Bank Marketing and Forex operations apart from general banking programmes. In addition, 193 officers were deputed to institutions such as NIBM Pune, BTC Mumbai, various FEDAI centres and SIBSTC at Bangalore for external training. The training inputs at our College have laid emphasis on imbibing both technical as well as soft skills apart from enhancing knowledge levels. A memorable event in the area of training and development was the signing of a MOU between our bank and the Rajagiri College of Social Sciences at Kalamassery for achieving creative collaboration in various academic areas, for mutual benefit.

Staff Training College facilitated the conduct of "Meeting Ground" - an organisation building event - at Mumbai and Delhi. The monthly "Enrich Yourself" bulletin which is published by the Staff Training College to provide stimulating reading material in the areas of banking, marketing and HRD, entered its 55th issue in March 2001.

### COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

The operations of the bank are not energy intensive. However, the bank has taken all possible measures to control and reduce consumption of energy. The bank continues to undertake sufficient measures for innovation, adaptation and absorption of technology in banking business.

The Company, being a banking company and an authorised dealer of Foreign Exchange, has been taking all possible steps to augment export credit.

### PARTICULARS OF EMPLOYEES

There were no employees who were in receipt of remuneration for which particulars of employees have to be disclosed pursuant to Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and hence they are not applicable.

### SOCIAL CONCERNS:

#### THE SIB STUDENTS' ECONOMIC FORUM:

The Bank published discussion papers on important themes like Banking, Financial & Economic matters taking the total number to date to 110.



## DIRECTORS' REPORT

Copies of the papers are avidly read by academicians and professionals, in addition to the target group of students all over the country.

### **ESSAY COMPETITION FOR SCHOOL AND COLLEGE STUDENTS:**

As many as 1031 students from schools, 218 students from colleges and 281 NRI students participated in the essay writing contest on "THE EMERGING CYBER WORLD - CHALLENGES AND OPPORTUNITIES". The essay contest has now become an event keenly awaited by students.

### **DIRECTORS:**

Shri Jose Pottokaran, Shri Thommy P Chakola and Dr. C Mathew John who retired at the 72nd Annual General Meeting were re-elected as Directors of the Bank.

Shri R Viswanathan, Director representing ICICI Ltd. resigned from the Board with effect from 17.7.2000 and in the resultant casual vacancy Shri G A Shenai was appointed as a director on 24.10.2000.

In accordance with the provisions of Section 256 of the Companies Act, 1956, Shri P M Manuel and Shri Babu Alapatt retire by rotation at the 73rd Annual General Meeting but are eligible for re-appointment. Shri Mohan Alapatt vacates office on the date of the ensuing Annual General Meeting pursuant to Section 262 of the Companies Act, 1956. Proper Notice along with necessary deposit has been received by the Company for his election to the office of a director. The Board recommends his appointment.

The information about the Directors who seek re-appointment at the ensuing Annual General Meeting is given below:-

Shri P M Manuel is an industrialist and looks after a small scale industrial unit engaged in manufacture of wooden products. He is aged 44 years. He was co-opted as a Director on 25-1-1994 and was elected by the General Body on 15-9-1995.

Shri P M Manuel holds Directorship in the following companies:

1. Manuelsons Housing Devpt. Co. (P) Ltd.
2. Manuelsons Exporters (P) Ltd.
3. Manuelsons Financial Enterprises (P) Ltd.
4. Manuelsons Hotels (P) Ltd.
5. Manuelsons Investments & Leasing Co. (P) Ltd.
6. Manuelsons Wood Industries (P) Ltd.
7. Jacobs (P) Ltd.
8. Vijaya Kuries & Loans (P) Ltd.
9. Manuelsons Wood Industries (Partnership).

Shri P M Manuel is a member of the following Committees of the Board of the Bank:

1. Committee to review Irregular Advances.
2. Shareholders/Investors Grievance Committee.
3. Committee on IT Policy.

Of the above Committees, he is the Chairman of the Shareholders/Investors Grievance Committee.

Shri Babu Alapatt is a businessman and is mainly engaged in sale of jewellery. He is aged 43 years. He was co-opted as a Director on 26-2-1997 and was elected by the General Body on 17-8-1998.

Shri Babu Alapatt has interest in the following firms/Company:

1. M/s P T Antony & Sons.
2. M/s Alapatt Fashion Jewellery.
3. M/s Alapatt Watches.
4. M/s Alapatt General Stores.
5. M/s Alapatt Wines.
6. M/s Alapatt Jewels.
7. M/s Alapatt Exports (P) Ltd.

Shri Babu Alapatt is a member of the Audit Committee of Board.

Shri Mohan Alapatt is an Engineer by profession and is aged 37 years. He started his career with Tata Chemicals and was with Titan Industries for the last 11 years of his career. He has held various posts in Titan both in their domestic and International operations. Having resigned from Titan Industries, he has now co-promoted a company Oysterbay Pvt. Ltd., one of the first Venture Capital funded Branded Jewellery companies. He was co-opted to the Board of the Bank on 30-4-1999. He is not a member on any Committee of the Board and is not interested in any other company or firm in any way.

Under Section 262 of the Companies Act, 1956, Shri Mohan Alapatt ought to vacate office at this general meeting as he has been co-opted in the vacancy caused by the resignation of Shri A.F. Ephraim, Director. He has duly filed his nomination expressing his candidature to the office of a Director of the Bank in terms of Section 257 of the Companies Act.

A shareholder has filed a suit before the Munsiff's Court, Thrissur, challenging his continuance in office as a Director beyond the 71st AGM of the Bank. Though the suit was decreed the operation of the judgement has been stayed by the learned Munsiff himself pending filing an appeal before the Appellate Court. Steps are being taken to file an appeal. It must be mentioned that the said judgement will have no bearing on his present appointment as it is following the provisions of Section 257 of the Act, and not as reappointment of a retiring director.

### **AUDITORS:**

The statutory central auditors M/s. Fraser & Ross, Chartered Accountants, Ernakulam vacate office at the end of the Annual General Meeting but are eligible for re-appointment subject to approval by Reserve Bank of India.

### **EXPLANATION FOR AUDITORS' COMMENTS IN THE REPORT**

1. *Non-compliance with Accounting Standards (AS11) in respect of assets and liabilities in foreign currencies including foreign exchange contracts and nostro accounts:*

It is obligatory on the part of the bank to follow the guidelines issued by FEDAI on conversion of foreign currency assets and liabilities, forward exchange contracts, etc., as banks have been advised by Reserve Bank of India to follow such guidelines.

2. *Non-compliance with Accounting Standards (AS15) in respect of leave encashment benefits to employees:*

The liability if any that may arise at the time of retirement of employees towards leave encashment salary is difficult to be ascertained with reasonable accuracy. Hence the same has been accounted on "pay as you go" basis.

3. *Elimination of pending items in inter branch reconciliation including extension counters, inter bank clearing accounts, adjustment of items in sundries accounts and balancing of books in certain branches:*

This is being attended to and considerable progress has been made besides complying with the instructions issued by Reserve Bank of India in the matter.

4. *Non-provision of liabilities towards contribution to pension fund:*  
Para 6(a) of schedule 17 in this regard is self-explanatory.

5. *Non-provision of liabilities towards income tax:*

As legally advised and as supported by judicial pronouncements in the matter, no provision is considered necessary for the disputed income tax liabilities.

### **INFORMATION TECHNOLOGY**

As a major initiative to upgrade the technology, the Bank has entered into a strategic partnership with M/s. Infosys Technologies Ltd. This will involve the implementation of an integrated online banking solution named 'FINACLE' across a network of around 150 key branches, Regional offices and the Head Office of the Bank in a phased manner. The technology is based on a centralized banking solution with control



## DIRECTORS' REPORT

and management from a state-of-the-art Data Centre at Kochi. The Bank will be the first Kerala based bank to implement such a technology.

This overall technology initiative, will position the Bank to achieve some of the key objectives of business growth by introducing anywhere/ anytime banking and improved services and products to meet the expectations of our customers. Major delivery channels such as ATMs, Telephone Banking and Internet Banking services will also be introduced as part of this initiative.

This project, aptly named as 'SIBerTECH' will take the Bank into the era of the new age banking.

### REPORT ON CORPORATE GOVERNANCE

The Company is fully committed to protect the interests of its deposit-holders, customers and shareholders and in its efforts to maintain transparency at all levels, we furnish hereunder all material facts concerning the composition of the Board of Directors of the Company and other Committees of the Board and related information:-

#### 1) BOARD OF DIRECTORS:

##### a) Composition of Board:

There are 10 Directors on the Board of the Company including the Chairman and Chief Executive Officer. As required under Section 10A (2) of the Banking Regulation Act, 1949, 51% of the total number of Members of the Board of Directors, i.e. six directors, in our case, represent Majority Sector as stipulated in the relevant Section. The composition of the Board and the Sector each director represents are given below:-

<u>Name of Director/ Designation</u>	<u>Name of the Sector which the Director represents</u>
1. Shri A Sethumadhavan, Chairman & Chief Executive Officer	Majority - Banking
2. Shri P M Manuel, Director	Majority - SSI
3. Shri Tony John Alapatt, Director	Majority - SSI
4. Shri Thommy P Chakola, Director	Minority
5. Shri Jose Pottokaran, Director	Majority - Accountancy
6. Dr. C Mathew John, Director	Majority - Agriculture & Rural Economy
7. Shri Paul Chalissery, Director	Minority
8. Shri Babu Alapatt, Director	Minority
9. Shri Mohan Alapatt, Director	Minority
10. Shri G A Shenai Director	Majority - Banking.

All Directors excepting the Chairman are Non-Executive Directors. Shri G A Shenai, Director has been nominated by the ICICI Ltd., Mumbai.

##### b) Attendance of each Director at the BOD meetings and at the last AGM:

	<u>BOARD</u>
1. Shri A Sethumadhavan	- 20 Meetings
2. Shri P.M. Manuel	- 20 Meetings
3. Shri Tony John Alapatt	- 17 Meetings
4. Shri Thommy P Chakola	- 18 Meetings
5. Shri Jose Pottokaran	- 18 Meetings
6. Dr. C Mathew John	- 20 Meetings
7. Shri Paul Chalissery	- 20 Meetings

8. Shri Babu Alapatt	- 11 Meetings
9. Shri R Viswanathan	- 4 Meetings
10. Shri Mohan Alapatt	- 10 Meetings
11. Shri G A Shenai	- 11 Meetings

Shri R Viswanathan resigned from the Board with effect from 17-7-2000. Shri G A Shenai was co-opted to the Board in his place on 24-10-2000. The Board places on record its deep appreciation of the valuable services rendered by Shri R Viswanathan during his tenure.

All the Directors excepting Shri Thommy P Chakola and Shri R Viswanathan were present at the last Annual General Meeting (72nd) held on 30th May, 2000.

##### c) No. of Board Meetings held and dates on which held:

20 Board Meetings were held during the year. The dates of the Board Meetings are given below:-

12-04-2000,	29-04-2000,	31-05-2000,	21-06-2000,
17-07-2000,	25-07-2000,	08-08-2000,	31-08-2000,
26-09-2000,	24-10-2000,	22-11-2000,	08-12-2000,
09-12-2000,	12-12-2000,	22-12-2000,	02-01-2001,
22-01-2001,	17-02-2001	09-03-2001,	& 29-03-2001.

##### d) Remuneration of Directors:

No remuneration is paid to Non-executive Directors other than the Sitting Fees for attending each meeting plus actual travelling & out-of-pocket expenses.

The remuneration paid to the Chairman & Chief Executive Officer is given below:-

Salary : Consolidated payment of Rs.50,000/- p.m. Annual increment @ Rs.5,000/-. Increment in Scale shall automatically fall due on annual basis and shall be granted on the first day of the month in which it falls due.

Other Terms and Conditions : As approved by Reserve Bank of India.

#### 2) AUDIT COMMITTEE OF BOARD:

##### a) Brief description of terms of reference:

- 1) To provide direction and oversee the operation of total audit function in the Bank.
- 2) To review the Inspection Reports of specialized and extra large branches and all branches with unsatisfactory ratings.
- 3) To follow up on -
  - a. Statutory/External Audit of the Bank and Inspections of Reserve Bank of India.
  - b. Inter-branch Adjustment Account
  - c. Unreconciled long outstanding entries in Inter-Bank Accounts and NOSTRO Accounts.
  - d. Arrears in balancing of books at various branches.
  - e. Frauds
  - f. All other major areas of House-keeping.

##### b) Composition, name of members and Chairperson:

There are 5 members on the Audit Committee of Board. The names of the members are given below:- 1. Shri Jose Pottokaran 2. Dr. C Mathew John 3. Shri Paul Chalissery 4. Shri Babu Alapatt 5. Shri G A Shenai  
Shri Jose Pottokaran being a Chartered Accountant is the Chairman of the Committee.

##### c) Meetings and attendance during the year:

There were 10 meetings during the year. The dates are: 12-04-2000, 29-04-2000, 21-06-2000, 17-07-2000, 26-09-2000, 24-10-2000, 14-01-2001, 22-01-2001, 16-02-2001 and 09-03-2001.



## DIRECTORS' REPORT

Shri Jose Pottokaran, Dr. C Mathew John and Shri Paul Chalissery attended all the meetings while Shri Babu Alapatt attended 7 meetings. Shri G A Shenai attended 5 meetings he having joined the Board only on 24-10-2000.

### 3) SHAREHOLDERS COMMITTEE:

There are 5 members on the Shareholders/Investors Grievance Committee.

1. Sri P.M. Manuel
2. Sri Tony John Alapatt
3. Sri Jose Pottokaran
4. Dr. C. Mathew John
5. Sri Paul Chalissery

Shri P M Manuel is the Chairman of the Committee.

Shri A S Narayanan, Company Secretary is designated as Compliance Officer.

There are 40 complaints from shareholders on non-receipt of Dividend Warrant, non-receipt of Share Certificates sent for transfer, etc.

All the complaints are being attended to. They will be redressed to the satisfaction of shareholders.

### 4) GENERAL BODY MEETINGS:

The 70th Annual General Meeting of the Shareholders of the Bank was held on 17th August, 1998 at 10.30 A.M. at the Regional Theatre, Chembukkavu, Thrissur.

The 71st Annual General Meeting was held on 15th September, 1999 at 10.30 A.M. at the Regional Theatre, Chembukkavu, Thrissur.

The 72nd Annual General Meeting was held on 30th May, 2000 at 10.30 A.M. at the Casino Cultural Auditorium Ltd., T B Road, Thrissur.

### 5) DISCLOSURES:

We have extended a Bank Guarantee for Rs.30 lacs to M/s Manuclsons Fashion Jewellery, Palakkad, in which Dr. Jose Manuel is interested, whose brother Shri P M Manuel is one of our Directors. The Bank Guarantee is in favour of MMTC for purchasing imported gold.

There are no other material transactions between the company and the promoters or directors or management of the company.

There are no cases of non-compliance of any directive issued by the Stock Exchange or SEBI. No penalties or strictures have been imposed on the company by any Regulatory Authorities on any matter.

### 6) MEANS OF COMMUNICATION:

Unaudited quarterly financial results are normally published in "DEEPIKA", a local Malayalam newspaper and in "BUSINESS LINE" a National newspaper. The company has a Website with its address as <http://www.southindianbank.com> where such results are published.

### 7) GENERAL SHAREHOLDER INFORMATION:

The 73rd Annual General Meeting will be held on Monday, the 16th of July, 2001 at the Casino Cultural Auditorium Ltd. T.B. Road, Thrissur-21.

The financial calendar is from April to March.

The Share Transfer Books of the Company will be closed from 7th of July 2001 to 16th of July 2001 (both days inclusive). Dividend if declared will be distributed to shareholders whose names remain in Register of Members or as the case may be, the Register of Beneficial Owners on 16th July, 2001.

The shares of the Company have been listed on the Cochin Stock Exchange Ltd., The Stock Exchange Mumbai and The National Stock Exchange of India Ltd., Mumbai. The Listing Fees payable to the Stock Exchanges every year have been remitted on time.

Stock Code: The Stock Code No. as allotted by the Stock Exchange Mumbai is 32218.

Market Price data: High/low during each month at the National Stock Exchange of India Ltd. (NSE) in the financial year under review:

Month	High	Low
April 2000	23.65	14.50
May 2000	25.50	14.30
June 2000	18.75	16.25
July 2000	23.00	15.55
August 2000	20.00	17.55
September 2000	19.25	17.40
October 2000	21.30	17.60
November 2000	19.50	18.00
December 2000	26.50	18.10
January 2001	34.70	21.30
February 2001	35.95	27.10
March 2001	31.90	21.00

### Address of our Registrar & Share Transfer Agents:

M/s. Tata Consultancy Services -

Unit: SIB, 21, Industrial Estate,

Opp:Sivananda Steels, Ambattur, CHENNAI-600 058.

Phone : 6256437/6256438/6256439 Fax : 6255199(044)

### Distribution of shareholding(as on 11.5.2001):

Category	Physical		Electronic	
	No. of holders	Shares	No. of holders	Shares
Upto 100 shares	54560	4765170	2578	256650
101 -200 shares	10844	2016460	772	147360
201 -500 shares	13718	4652515	912	328758
501 -1000 shares	4281	3293435	473	371980
1001-5000 shares	2510	4625150	312	641334
5001-10000 shares	266	1813790	38	269850
10001-50000 shares	126	2187000	31	756280
50001 and above	20	2725020	17	6949708
<b>TOTAL</b>	<b>86325</b>	<b>26078540</b>	<b>5133</b>	<b>9721920</b>

Total No. of shareholders both physical and electronic put together is 91458.

The trading on the Company's shares has come under the compulsory demat segment through Stock Exchanges w.e.f. 30th April, 2001.

Break-up of shares in physical & electronic mode as on 31.3.2001:

Mode	No. of holders	No. of shares	% to total shares
Physical	87869	31373900	87.64
Electronic	3777	4426560	12.36
<b>TOTAL</b>	<b>91646</b>	<b>35800460</b>	<b>100.00</b>

The Company's address for correspondence is given below:

The South Indian Bank Ltd.,

"SIB House", Secretarial Department,

Mission Quarters, P.B.No. 28, THRISSUR-680 001,

KERALA. Phone : 0487 - 429333

E-mail : sibshare@md5.vsnl.net.in

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Industry Structure and Developments:

The Company is registered as a Banking Company and has been classified as a scheduled bank by the Reserve Bank of India.