

POSTAL BALLOT NOTICE

Dear Members,

Notice is hereby given that pursuant to the provisions of Sections 108 and 110 and other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (**“the Rules”**), General Circular No. 11/2022 dated 28.12.2022 read with General Circular No. 14/2020 dated 08.04.2020, No. 17/2020 dated 13.04.2020, No. 22/2020 dated 15.06.2020, No. 33/2020 dated 28.09.2020, No. 39/2020 dated 31.12.2020, No. 10/2021 dated 23.06.2021, No. 20/2021 dated 08.12.2021 and General Circular No. 3/2022 dated 05.05.2022 (**“MCA Circulars”**), Regulations 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI LODR”**), Secretarial Standard on General Meetings (**“SS-2”**) issued by the Institute of Company Secretaries of India and other applicable provisions of the Act, rules, regulations, circulars and notifications thereunder, as amended from time to time (including any statutory modifications or re-enactment thereof for the time being in force), the resolutions appended below are proposed for approval of the members of The Karur Vysya Bank Limited (**“the Bank”**), through postal ballot by way of voting through electronic means (**“remote e-Voting”**):

SPECIAL BUSINESSES:

Item No. 1:

To approve the Re-appointment of Shri B Ramesh Babu (DIN: 06900325) as Managing Director & CEO of the Bank for the second term of three (3) years

To consider and, if thought fit, to give assent/dissent to the following resolution, as an **Ordinary Resolution**:

“RESOLVED THAT subject to the approval of Reserve Bank of India under Section 35B of the Banking Regulation Act, 1949, pursuant to the provisions of Section 196, 203 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable laws, if any, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the approval of the Members of the Bank be and is hereby accorded for the re-appointment of Shri B Ramesh Babu (DIN: 06900325) as the Managing Director & CEO of the Bank, for the second term of three (3) years with effect from July 29, 2023 to July 28, 2026 on the terms, conditions and remuneration mentioned here under:

Details of Remuneration/Compensation of the Managing Director & CEO

Sr. No.	Particulars	Amount (per annum) (In Rs.)
	Part-A:	
	Fixed Pay (including perquisites): w.e.f. 29 th July 2023 up to 28 th July 2026	
1.	Salary	75,00,000
2.	Dearness allowance	Nil
3.	Retiral/Superannuation benefits:	
	a) Provident Fund	7,50,000
	10% of the salary & Dearness allowance will be contributed by the bank with matching contribution by MD & CEO.	
	b) Gratuity	-
	c) Pension	-
4.	Leave Fare Concession/ Allowance	2,00,000
5.	Other fixed allowances, if any (please specify)	
	Entertainment allowance	-
	Special allowance	1,10,69,500

6.	Perquisites:	
	i) Free Furnished House and its maintenance/House Rent Allowance	3,75,000
	ii) Conveyance Allowance/Bank has to provide Car for self and spouse	
	a. Official purposes, private purpose and chauffeur salary	60,000
	b. Private purpose	
	iii) Reimbursement of medical expenses –Medical aid allowance	1,50,000
	iv) Any other perquisites (please specify)	
	1) Telecom charges	50,000
	2) Subscription to newspaper and business Magazines.	40,000
	Total Fixed pay (including perquisites)	2,01,94,500

Eligible for annual increment of 15% on the previous year's Fixed Pay which falls due after completion of one year from the date of re-appointment.

Further he is eligible for the following perquisites which are reimbursable nature without any monetary ceilings:

01	Traveling and halting allowance: Two and fro fare by business/executive class for air travel for official purpose and halting allowances, Boarding and lodging charges as applicable to other directors of the Bank.
02	Reimbursement of medical hospitalization charges to the extent of 100% of self and dependent family members.
03	Entertainment allowance will be reimbursed on actual basis with production of bills.
04	Leave: Casual leave: 12 days, un-availed casual leave will be accumulated upto the end of his term. Privilege leave: 1 day for every 11 days of service. Sick leave: 30 days for each completed year of service. Encashment of accumulated privilege leave at the end of three years tenure/ or on his completion of service.

Part-B:

Variable Pay: Amount of variable pay will be as approved by the RBI from time to time for each financial year as per the achievement of performance parameters fixed by the Nomination and Remuneration Committee of the Bank.

01	Variable Pay: For each FY / Performance period	175% of the fixed pay
02	Cash Component*	50% of variable pay
03	Non Cash Component* (Share-linked instruments / ESOPs)	50% of variable pay

***Note:**

(i.) The variable pay for re-appointment is proposed at 175% of the fixed pay which shall be subject to performance review by the Nomination and Remuneration committee based on the criteria fixed from time to time.

(ii.) Out of the Total variable pay, 50% shall be Cash component and remaining 50% shall be Non-cash component.

(iii.) Further, 50% of the cash component may be paid upfront while the remaining 50% is to be deferred over the next three years in equal tranches. The Non-cash component to be deferred over next three years in tranches of 33.33% each.

(iv.) The deferred compensation would be subject to malus and clawback arrangements as per Bank's Compensation Policy.

RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution and to authorise company secretary to take necessary actions on behalf of the Bank in this regard."

Item No. 2:**To approve the variable pay remuneration of Managing Director & CEO of the Bank Shri B Ramesh Babu (DIN: 06900325) for the FY 2021-22**

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

“RESOLVED THAT pursuant to the approval accorded by Reserve Bank of India under Section 35B of the Banking Regulation Act, 1949, the provisions of Section 196, 203 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and extant guidelines of Reserve Bank of India, compensation Policy of the Bank and other applicable regulations, if any, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the approval of the members of the Bank be and is hereby accorded for the variable pay of Rs. 1,27,89,850/- (Rupees One Crore Twenty Seven Lakhs Eighty Nine Thousand Eight Hundred and Fifty only) with the mix of 50% (Rs. 63,94,925/-) in Cash component and remaining 50% (Rs. 63,94,925/-) in Non-Cash component to Shri B Ramesh Babu, Managing Director & CEO of the Bank for FY 2021-22.”

Item No. 3:**To approve the Re-appointment of Dr Harshavardhan R (DIN: 01675460) as Non-Executive Independent Director for second term of five (5) years**

To consider and, if thought fit, to give assent/dissent to the following resolution, as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149,152 and Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 and the rules, circulars and guidelines issued by the Reserve Bank of India from time to time, Regulation 25(2A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of the Articles of Association of the Bank, Dr Harshavardhan R (DIN: 01675460) be and is hereby re-appointed as Non-Executive Independent Director of the Bank to hold office for the second term of five (5) years with effect from July 30, 2023 to July 29, 2028, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution and to authorise company secretary to take necessary actions on behalf of the Bank in this regard.”

Item No. 4:**To approve the Alteration of Articles of Association of the Bank**

To consider and, if thought fit, to give assent/dissent to the following resolution, as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, of the Companies Act, 2013 and the rules framed thereunder, the applicable provisions of the Banking Regulation Act, 1949 and the rules, circulars and guidelines issued by Reserve Bank of India from time to time, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the Members be and is hereby accorded for alteration of Articles of Association of the Bank ('AoA') as explained in the explanatory statement annexed, to align provisions of the AoA with the extant regulatory provisions and business requirements.

RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution and to authorise company secretary to take necessary actions on behalf of the Bank in this regard.”

Item No. 5:

To approve the Appointment of CA Chinnasamy Ganesan (DIN: 07615862) as Non-Executive Independent Director of the Bank for a period of three (3) years

To consider and, if thought fit, to give assent/dissent to the following resolution, as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulations 17(1C) and 25(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 and the rules, guidelines and circulars issued by the Reserve Bank of India from time to time and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), provisions of the Articles of Association of the Bank, pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Bank, CA Chinnasamy Ganesan (DIN: 07615862), who was appointed as an Additional Director under Independent Category of the Bank in terms of Section 161 of the Act, with effect from April 25, 2023 and holds office as such, be and is hereby appointed as Non-Executive Independent director of the Bank, for a period of three (3) years, with effect from April 25, 2023 to April 24, 2026, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution and to authorise company secretary to take necessary actions on behalf of the Bank in this regard.”

By order of the Board
For **The Karur Vysya Bank Limited**

Srinivasa Rao M

Company Secretary
(Membership No. ACS 19189)

Date: 15.05.2023

Place: Karur

Notes:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Act and disclosure as required pursuant to Regulation 36(3) of the SEBI LODR and SS-2 issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re-appointment also forms part of this Notice.
2. In accordance with the MCA Circulars, this Postal Ballot Notice is being sent only by e-mail to those members whose names appear on the Register of Members / List of Beneficial Owners as on **Friday, May 26, 2023** (“cut-off date”) received from the Depositories and whose e-mail addresses are registered with the Bank’s RTA / Depositories.
3. Pursuant to Sections 108, 110 and other applicable provisions of the Act and the Rules made thereunder, MCA Circulars and Regulation 44 of the SEBI LODR read with SEBI circular on e-voting, dated December 9, 2020, SS-2 and any amendments thereto, the Bank is providing remote e-Voting facility to the members to exercise their right to vote on the proposed resolutions. The Bank has engaged the services of National Securities Depository Limited (“NSDL”) for the purpose of providing remote e-Voting facility to all its members.
4. This Postal Ballot Notice shall be available on the Bank’s website at www.kvb.co.in and also on the website of National Stock Exchange of India Limited at www.nseindia.com, the stock exchange where the Equity Shares of the Bank are listed and on website of e-voting service provider i.e., the e-voting website of National Securities Depository Limited (“NSDL”) at www.evoting.nsdl.com. Physical copies of the Postal Ballot Notice, Postal Ballot Forms and pre-paid business reply envelopes are not being sent to members.
5. Members would be able to cast their votes and convey their assent or dissent to the proposed resolutions only through the remote e-Voting process. Members whose names appear on the Register of Members/List of Beneficial Owners as on cut-off date i.e. **Friday, May 26, 2023** will be considered for the purpose of remote e-Voting. Any person who is not a member as on the cut-off date should treat this notice for information purpose only. The voting rights for Equity Shares are one vote per Equity Share, registered in the name of the members.
6. Voting rights of the Members/Beneficial owners shall be reckoned on the basis of the paid-up value of equity shares held by them as on the cut-off date.

7. The remote e-Voting facility will be available during the following period:

Commencement of e-Voting:	Thursday, June 01, 2023 (10.00 a.m. IST)
Conclusion of e-Voting:	Friday, June 30, 2023 (5.00 p.m. IST)

During this period, members of the Bank holding equity shares either in physical form or in dematerialized form, as on the cut-off date i.e., **Friday, May 26, 2023** may cast their vote electronically. The remote e-Voting facility will be blocked by NSDL immediately after **05.00 p.m. IST** on **Friday, June 30, 2023**. Thereafter the members will not be allowed to cast their votes. Once the vote on a resolution is cast by a member, he or she will not be allowed to change it subsequently.

8. The Bank has appointed Shri R K Bapulal (FCS No. 5893 CP No. 3842), M/s Bapulal Yasar & Associates, Practising Company Secretaries as Scrutinizer for conducting the postal ballot through remote e-Voting process in a fair and transparent manner.
9. Corporate Members are entitled to appoint authorized representatives to vote on their behalf on the resolution proposed in this Postal Ballot Notice. Institutional/Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to byascrutiniser@gmail.com with a copy marked to evoting@nsdl.co.in.
10. After completion of scrutiny of the votes cast, the Scrutinizer will submit his Report to the Chairperson of the Bank, or in her absence, to the Managing Director of the Bank. The Results of remote e-Voting along with Scrutinizer's Report will be announced at the Registered office of the Bank and published on the website of the Bank at www.kvb.co.in and on the website of e-Voting Agency at www.evoting.nsdl.com within two (2) working days from the last day of e-Voting and the same shall also be simultaneously communicated to the Stock Exchange i.e., NSE, where the Bank's Equity Shares are listed.
11. The resolutions, if approved, shall be deemed to have been passed on Friday, June 30, 2023 i.e., the last date specified for receipt of votes through the remote e-Voting process. Resolutions passed by the shareholders through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the shareholders.
12. Documents referred in the Notice shall be made available for electronic inspection without any fee to the members from the date of circulation of this Notice up to the date of closure of remote e-Voting i.e., **Friday, June 30, 2023 (5.00 p.m. IST)**. Members who wish to inspect such documents are requested to send an email to kvb_sig@kvbmail.com mentioning their name, Folio no./ DP ID and Client ID and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the email.
13. The Members of the Bank whose names appear in the Register of Members/List of Beneficial Owners as received from Depositories as on Friday, May 26, 2023 (including those Members who may not have received this Postal Ballot Notice due to non-registration of the email address with the Bank's RTA/Depositories), shall be entitled to vote in relation to the resolutions specified in this Postal Ballot Notice.

14. PROCEDURE TO UPDATE E-MAIL DETAILS, MOBILE NUMBER, PAN, KYC DETAILS AND BANK ACCOUNT MANDATE IN FOLIO NO./DP&Client ID:

In terms of SEBI Circulars dated 03.11.2021, 14.12.2021 and 16.03.2023 on Common and Simplified Norms for processing investor's service request (Physical Shareholders) by RTAs and norms for furnishing PAN, KYC details & Nomination, it shall be mandatory for all holders of physical securities in listed entity to furnish/update PAN, Nomination, Address, Mobile Number, e-Mail Address, Bank Account mandate and Specimen Signature by submitting prescribed Forms viz., ISR-1, ISR-2, SH-13, etc., as the case may be. The format of said Forms are available at www.skdc-consultants.com → Investor Services → Downloads → General → Formats for KYC and also available at www.kvb.co.in → Investor Corner → Share Holder FAQ. The folios wherein any one of the cited document / details are not available on or after October 01, 2023 shall be frozen by the RTA. The RTA shall mark the frozen folios to normal status upon receipt of all the aforesaid documents or dematerialisation of all the securities in such folios.

Hence, we request the members of the Bank, who have not registered their PAN, Nomination, Address, Mobile Number, e-Mail Address, Bank Account mandate and Specimen Signature, to update the same in the following manner:

a) For the shares held in physical form	Submit duly filled Forms viz., ISR-1 (Request for Registering/updating the e-Mail ID, PAN, KYC details, Bank mandate etc.), ISR-2 (confirmation of signature of shareholder by their banker), SH-13 (request for nomination), etc., as the case may be, along with required supporting documents to the Bank's RTA i.e. M/s S.K.D.C. Consultants Ltd, addressed at (Unit: The Karur Vysya Bank Ltd) "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028.
b) For the shares held in electronic form (i.e., Demat)	The details shall be updated with the concerned Depository Participant (DP) where the Demat account is maintained.

15. The details of the process and manner for remote e-voting are given below

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Type of shareholders	Login Method
	<p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <p>   </p>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is A001** and EVEN is 101456 then user ID is 101456A001**

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on **“Forgot User Details/Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to byascrutiniser@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **“Upload Board Resolution / Authority Letter”** displayed under **“e-Voting”** tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@skdc-consultants.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card),

AADHAR (self attested scanned copy of Aadhar Card) to kvb_sig@kvbmail.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

EXPLANATORY STATEMENT

(As required under Section 102(1) of the Companies Act, 2013)

In conformity with Section 102(1) of the Companies Act, 2013 (“the Act”) the following explanatory statement set out the material facts relating to subject matter of the Notice.

Item No. 1 and 2:

Re-appointment of Shri B Ramesh Babu as Managing Director & CEO of the Bank

Reserve Bank of India (“RBI”) vide its e-mail dated July 20, 2020 has accorded their approval for the appointment of Shri B Ramesh Babu, as Managing Director and Chief Executive Officer of the Bank on the terms and conditions recommended by the Bank for a period of three years from the date of his taking charge.

Adverting to the approval of RBI, Board has co-opted Shri B Ramesh Babu as additional director and appointed him as Managing Director & CEO of the Bank as per the terms and conditions approved by the Reserve Bank of India in their meeting held on July 20, 2020 subject to the approval of shareholders of the Bank. Shri B Ramesh Babu had taken charge as Managing Director & CEO on July 29, 2020. Shareholders of the Bank approved the appointment along with the terms and conditions of remuneration consisting both fixed pay and variable pay with a mix of cash and non-cash component.

The first three years term of Shri B Ramesh Babu as Managing Director & CEO would be completed at the close of office hours on 28th July 2023. During his term, Bank has reached the milestone business of Rs. 1,40,806 Cr and Net profit of Rs. 1,106 Cr as on 31st March 2023. He ensured that the topline growth performance remained unperturbed and channelized his focus on growth as also improving the Asset Quality & overall profitability. The growth in business & revenues was even among all the verticals. There was uptick in most of the important parameters and Bank also begun to register negative slippages. He ensured that the collection efficiency remained robust and enhanced the monitoring mechanism, speeding up collections/recovery. As a result, the Bank grew from strength-to-strength, on a quarter on quarter basis. During his term Bank crossed important landmarks such as ROA above 1%, NNPA significantly less than 1% and multi-quarter high Net Profits with increased market valuations.

Currently, he is Chairman of Management Committee of the Board, Special Committee for Fraud Monitoring, Corporate Social Responsibility & Environmental, Social and Governance Committee and Review committee for Wilful Defaulters and Non-Cooperative Borrowers and Member of Risk Management and Asset Liability Management Committee, NPA Management Committee, Customer Service and Stakeholders Relationship Committee, IT Strategy & Digital Transaction Monitoring Committee.

Considering Shri B Ramesh Babu's skills, rich experience, integrity, knowledge, continued valuable contribution, performance during his first term and outcome of performance evaluation by Nomination and Remuneration Committee (NRC), the Board felt that his continued association as Managing Director & CEO would be beneficial to the Bank's growth. Further, NRC in its Meeting held on January 21, 2023 has carried out the due diligence on ‘fit & proper’ criteria in terms of Reserve Bank of India guidelines and recommended the re-appointment & remuneration structure in term of Compensation policy of the Bank. As per recommendation of NRC, the Board in its meeting held on January 23, 2023 have considered and approved the proposal for re-appointment of Shri B Ramesh Babu as the Managing Director & CEO of the Bank with the term and conditions as mentioned in the resolution of Item No:1, for a further period of three (3) years, with effect from July 29, 2023, subject to the approval of the Reserve Bank of India and the Shareholders of the Bank, in terms of the relevant provisions of the Companies Act, 2013, the Rules made thereunder, the SEBI LODR, the Banking Regulation Act, 1949 and the Guidelines issued by the RBI in this regard.

The Bank has made an application with RBI for seeking the approval for the re-appointment of Shri B Ramesh Babu as Managing Director & CEO of the Bank for the second term of three (3) years with effect from July 29, 2023 and the approval is awaited.

The Compensation structure of Managing Director & CEO is in line with Compensation policy of the Bank as per RBI guidelines comprising of Fixed pay & Variable Pay. In terms of RBI Guidelines the Variable Pay component would be part of the overall compensation package and such variable pay shall be at least 100% with a maximum ceiling limit

of 300% of fixed pay. Variable pay shall be in the form of cash/non-cash mode (Share linked instruments). Considering the business growth momentum, improvement in all key business ratios, robust asset quality and improvement in governance perspectives, NRC recommended an increase of 50 % in Fixed Pay and 75 % in Variable Pay from current levels as also annual increment in fixed pay. The variable pay shall be determined by the NRC and the Board of Directors after evaluating performance achievement vis-à-vis defined Key Performance Indicators consisting of qualitative and quantitative parameters, which comprise various aspects including financial performance, asset quality, risk management, compliance, stakeholder relationships, etc. and the variable pay shall be subject to the approval of RBI. The Bank has put in place the provisions with respect to Malus and/or Clawback on part or all of the variable pay including unvested/vested/paid deferred variable pay. The terms and conditions of remuneration structure are furnished in the resolution part of this Notice. The said increase in remuneration is justified considering the overall improvement in the business metrics.

Shri B Ramesh Babu is not disqualified from being appointed as a Director, in terms of Section 164 of the Companies Act, 2013, and he is not debarred from holding the office of Director by virtue of any Securities Exchange Board of India's order or any other such authority. He has given his consent to act as Managing Director & CEO of the Bank.

The Brief Profile of Shri B Ramesh Babu, Managing Director & CEO is set out in the Additional Information forming part of this Explanatory Statement.

Variable Pay remuneration of Managing Director & CEO of the Bank for the FY 2021-22

The Shareholders of the Bank in the 103rd Annual General Meeting held on August 03, 2022 have approved the change in the ratio of cash and non-cash components of variable pay for FY 2020-21.

For the FY 2021-22, NRC in its meeting held on June 13, 2022 has carried out the extensive assessment of performance of the Managing Director & CEO, on the basis of the Key Performance Indicators under qualitative and quantitative parameters fixed by NRC and recommended 95% of the annual fixed pay as variable pay compensation with a mix of cash and non-cash components of 50% each, to the Board for its consent and to seek the approval of Reserve Bank of India. Board in its meeting held on June 14, 2022 approved the same subject to the approval of Reserve Bank of India, pursuant to section 35B of the Banking Regulations Act, 1949.

Reserve Bank of India vide its letter DOR.GOV.No.S5795/08.41.001/2022-23 dated 13.12.2022 has approved the variable pay compensation of Shri B Ramesh Babu, Managing Director & CEO of the Bank for FY 2021-22 amounting to Rs. 1,27,89,850/- with the mix of 50% (Rs. 63,94,925/-) in cash component and remaining 50% (Rs. 63,94,925/-) in non-cash component as recommended by the NRC. Further, 50% of the cash component is paid upfront while the remaining 50% would be deferred over next three years in equal tranches. The non-cash component shall be by way of grant of share-linked instruments. The non-cash component is to be deferred over next three years in tranches of 33.33% each. Accordingly, NRC in its meeting held on December 29, 2022 has granted 59,075 employee stock options at market price with deferral vesting over a period of three years. In terms of RBI guidelines, the Fair Value arrived at as on the date of grant under Black Scholes Model is recognized as an expense in the Books of Accounts.

Pursuant to Section 196 and other applicable provisions of the Companies Act, 2013, a Managing Director shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company. Further, pursuant to Section 110 (1)(b) of the Companies Act, 2013, a company may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, instead of transacting such business at a general meeting. Keeping in view the above referred provisions, the approval of the Members of the Bank is being sought, by way of this Postal Ballot for

- (i) the re-appointment of Shri B Ramesh Babu as Managing Director & CEO of the Bank for the second term of three (3) years
- (ii) the variable pay compensation of Managing & CEO for FY 2021-22

Your Directors, therefore, recommends the re-appointment of Shri B Ramesh Babu as Managing Director & CEO of the Bank for the second term of 3 years with effect from July 29, 2023 as set out in Item No. 01 and Payment of variable compensation for FY 2021-22 as set out in Item No. 02 of this Notice.

Except Shri B Ramesh Babu and his relatives, none of the other Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested in this resolution.

Item No. 3:

Dr Harshavardhan R (DIN: 01675460) was co-opted as an Additional Director under Independent Category of the Bank in the Board Meeting held on July 30, 2020 under the provisions of Section 161 of the Companies Act, 2013 and Article 27 of the Articles of Association of the Bank. Shareholders of the Bank in the 101st Annual General Meeting held on September 23, 2020 have approved his appointment as Non-Executive Independent Director for a period three years with effect from July 30, 2020 to July 29, 2023 as the first term. The first three years term of Dr Harshavardhan R is going to cease at the close of office hours on 29th July 2023.

Dr R Harshavardhan, is one among the multifaceted talent in the Board of the Bank and possesses rich academic knowledge in financial industry and as management consultant with long years of practical experience. Currently, he is the member of Management Committee of the Board, Audit Committee of the Board and Chairman of Risk Management & Asset Liability Management Committee of the Bank. As Chairman of Risk Management Committee & Asset Liability Management Committee, he has focused on reviewing & nurturing the risk management practices, strengthened the risk framework by adopting contemporary procedures and strengthening the risk management in the Bank. As Member of the Board, He has actively engaged in the deliberations of the meetings and contributed valuable inputs to the collective decision making process. He also laid emphasis on strengthening the transparency in conducting the affairs of the Bank, reliable corporate governance practices, boosting the shareholders' confidence and maximizing their wealth. As a Member of Audit Committee, He provided inputs in revamping the audit module and focused on strengthening the internal controls of the Bank. Further as a Member of Management Committee of the Board, he has focused on risk based pricing and improving the overall yield from Advances.

Based on the skills, rich experience, integrity, knowledge, continued valuable contribution, performance during his first term and outcome of performance evaluation of the Independent Directors and other 'fit and proper' criteria, information provided in the Declaration and Undertaking and based on the recommendation made by NRC in its meeting held on May 11, 2023, the Board of Directors of the Bank in its meeting held on May 15, 2023 have approved the re-appointment of Dr Harshavardhan R, as a Non- Executive Independent Director of the Bank for second term of five (5) years, w.e.f. July 30, 2023 to July 29, 2028, subject to the approval of shareholders of the Bank by way of a special resolution.

In terms of section 152(5) and rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, Dr Harshavardhan R has furnished consent for his re-appointment and confirmed that he fulfils the criteria of independence as prescribed under Section 149(6) of the Act and under Regulation 16(1)(b) of the SEBI LODR. Dr Harshavardhan R is not disqualified from being appointed as Director in terms of Section 164 of the Act, and he is not debarred from holding the office of Director by virtue of any Securities Exchange Board of India's order or any other such authority. In the opinion of the Board, he fulfils the conditions specified in the Companies act 2013 and SEBI LODR and is independent of the management of the Bank. During the FY 2022-23 there is no non-audit fee paid to the Statutory Auditors of the Bank.

Pursuant to the provisions of Section 149(10), an independent director shall be eligible for reappointment on passing of a special resolution by the company. Further, pursuant to the provisions of Regulation 25 (2A) of the SEBI LODR, the appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution.

The Brief Profile of Dr Harshavardhan R is set out in the Additional Information forming part of this Explanatory Statement.

Your Directors, therefore, recommends the re-appointment of Dr Harshavardhan R as a Non-Executive Independent Director of the Bank for second term of five (5) years as set out in Item No. 03 of this Notice.

Except Dr Harshavardhan R and his relatives, none of the other Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested in this resolution.

Item No. 4:

Considering the growing complexities in business environment and to align provisions of Articles of Association (“AoA”) of the Bank with the extant regulatory provisions, the Board of Directors of the Bank has proposed certain alterations in Articles of Association.

Summary of proposed amendments in Articles of Association of the Bank:

Modifications	
No. of Modifications proposed in the existing articles	11
Additions	
No. of new clauses proposed to be inserted to the existing articles	07
Deletion	
No. of clauses proposed to be removed from the existing articles	01

The existing Articles of Association provides for appointment of Chairman on whole time basis and Managing Director and CEO. Currently, the Bank has Non-Executive Part time Chairman in terms of statutory requirement and a Managing Director & CEO who is entrusted with the management of whole of the affairs of the Bank.

Further with a view to strengthen the Bank’s Top Management and to cater to the emerging needs of business, implementation of progressive measures as also to focus on specific business segments, etc., necessitates special attention in day to day affairs of the Bank. Therefore, the Board of Directors felt that there is a need for creation of post of Whole Time Director (namely, Executive Director) in the Bank in addition to the Managing Director & CEO’s post.

However, the Bank’s present Articles of Association covers provisions relating to whole time Chairman/ Managing Director/CEO only. Therefore, it is proposed to amend the Articles suitably to create the said post and to delegate powers as may be required from time to time, in addition to other amendments.

The details of Articles proposed to be modified, included and removed are provided below:

(i.) Modifications to Existing Articles:

Existing Article		Amended Article		Justification
Application of Table F				
1.b.	The regulations contained herein shall apply in so far as the said provisions are not inconsistent with the provisions of The Banking Regulation Act, 1949 (10 of 1949) and/or any statutory modifications thereto.	1.b.	The Articles contained herein are subject to the provisions of the Banking Regulation Act, 1949, the Companies Act, 2013, and the rules framed thereunder, and the Regulations issued by the Securities and Exchange Board of India, and appropriate guidelines/ directions issued by the Reserve Bank of India. To the extent of any inconsistency contained in any other provisions of law, the Banking Regulation Act, 1949 shall have overriding effect against all such provisions.	To provide better clarity with respect to overriding effect of Banking Regulation act, 1949 over the Articles & Companies Act, 2013.
Interpretation				
2 (VIII)	(viii) 'Chairman' means a Chairman appointed by the Board either as an Executive Chairman or Non-Executive Chairman.	2 (VIII)	"Chairman" means the Chairman of the Board of Directors appointed on a part- time basis under Section 10B of the Banking Regulation Act, 1949 and includes a person occupying any such position.	Definition has been modified to remove the concept of Executive Chairman as per RBI Circular DBOD.No.11690/29.39.001/2006-07dated May 24, 2007.
2 (IX)	(ix) Managing Director/Chief Executive Officer means the Managing Director/ Chief Executive Officer of the Bank as appointed under Article 24.	2 (IX)	"Managing Director" means the Managing Director of the Bank appointed under Section 10B of the Banking Regulation Act, 1949.	Modified to provide clarity on the definition of Managing Director as per the Banking Regulation Act, 1949.
TRANSFER AND TRANSMISSION OF SHARES				
6	The Board of Directors may subject to the right of appeal conferred by Section 58(3) of the Companies Act, 2013 decline to register any transfer of a share, to a person of whom they do not approve.	6	The Board of Directors may decline to register any transfer of a share, if it is not approved by Reserve Bank, wherever such approval is required.	The existing clause is already available in Table F. In order to avoid duplication and to include requirements of RBI guidelines, the said clause is modified.

VOTING RIGHTS OF MEMBERS			
20 (a)	Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote and on a poll or voting carried out electronically or by postal ballot, the voting rights of members shall be in proportion to his/her share in the paid up equity share capital of the Bank. However, the voting rights shall be subject to ceiling on voting rights as prescribed by the Reserve Bank of India from time to time under Sec 12 (B) of the Banking Regulation Act, 1949, which may be from 10% to 26%.	20 (a)	Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote and on a poll or voting carried out electronically or by postal ballot, the voting rights of members shall be in proportion to his/her share in the paid up equity share capital of the Bank. However, the voting rights shall be subject to ceiling on voting rights as prescribed by the Reserve Bank of India from time to time under Sec 12 (2) of the Banking Regulation Act, 1949, which may be from 10% to 26%.
To correct the typographical error, Section 12(B) of Banking Regulation Act, 1949 dealing with acquisition of shares or voting rights to be replaced with Section 12(2) which deals with the voting rights.			
DIRECTORS			
22	The number of directors of the Bank shall not be less than seven and more than twelve.	22	The number of directors of the Bank shall not be less than seven and more than twelve. The number of Directors for the purpose of this article shall include executive and non-executive directors and excludes the Debenture Directors, Government Directors or RBI nominee Directors.
Modified to incorporate the statutory requirement with respect to appointment of debenture directors as per SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023 dated 02.02.2023 and to provide better clarity on the composition of the Board. Further in terms of Section 36AB of the Banking Regulation Act 1949, RBI nominee directors shall be excluded from the total count. Similarly the Nominee Directors appointed by other regulators have been excluded to deal extraordinary situations.			

24 (a)	Subject to the provisions of these Articles and subject to such approval of the Reserve Bank of India as may be necessary under the Banking Regulation Act, 1949, the Board of Directors of the Bank shall elect or appoint a whole time Chairman and Chief Executive Officer of the Bank. Where he is appointed on wholetime basis, he shall be referred to as the Executive Chairman and shall be entrusted with the management of the whole of the affairs of the Bank and shall exercise his powers subject to the superintendence, control and direction of the Board. The Executive Chairman shall hold office for a term not exceeding five years and be eligible for re-election or re-appointment.	24 (a)	<p>Part-time Chairman: Subject to the provisions of these Articles and subject to such approval of the Reserve Bank of India as may be necessary under the Banking Regulation Act, 1949, the Board of Directors of the Bank shall elect or appoint an Independent Director as Part Time Chairman. The tenure, terms and conditions of appointment of Part Time Chairman may be decided by the Board.</p> <p>The Part time chairman of the Board may be paid remuneration for the performance of duties attached to his office, and allowed payment of incidental expenses as may reasonably be incurred by him in the execution of his duties, subject to and in accordance with the provisions of the Act, the Banking Regulation Act, 1949, approval of shareholders and other applicable Regulations.</p>	<p>Modified to remove the concept of Executive Chairman and to provide clarity on appointment of Part Time Chairman in accordance with RBI Circular DBOD.No.11690/29.39.001/2006-07 dated May 24, 2007.</p> <p>Further in terms of Section 35B of Banking Regulation Act, 1949, the Appointment and Remuneration of Part time chairman shall be with the prior approval of the Reserve Bank of India and the remuneration payable (Other than sitting fees) to Part time chairman shall be subject to shareholders' approval.</p>
24 (b)	Alternatively, the Board of Directors may, subject to such approval of the Reserve Bank of India as may be necessary under the Banking Regulation Act, 1949, appoint or re-appoint one of its members to be the Non-executive Chairman of the Bank for such period or periods as the Reserve Bank may specify while granting such approval and in that event the management of the whole of the affairs of the Bank shall be entrusted to a Managing Director/ Chief Executive Officer of the Bank who shall exercise his powers subject to the superintendence, control and direction of the Board.		<p>Managing Director : The Board of Directors may, subject to such approval of the Reserve Bank of India as may be necessary under the Banking Regulation Act, 1949, appoint or re-appoint one of its members to be Managing Director who shall be entrusted with the management of the whole of the affairs of the Company and shall exercise his powers subject to the superintendence, control and direction of the Board. The Managing Director shall be the Chief Executive Officer of the company in its whole time employment. The Managing Director as the case may be shall have the knowledge and experience as required under section 10B(4) of the Banking Regulation Act, 1949.</p>	<p>Existing Article 24, relating to appointment of Chairman, MD & CEO is modified in line with RBI Circular DBOD.No.11690/29.39.001/2006-07 dated May 24, 2007. The relevant clauses have been segregated into sub-clauses to provide better clarity on the posts of Part-time Chairman and Managing Director.</p>

PROCEEDINGS OF THE BOARD				
30	The quorum for a meeting of the Board shall be one third of its total strength or two Directors whichever is higher.	30	The quorum for the board meetings shall be one-third of the total strength of the board or three directors, whichever is higher and at least half of the directors attending the meetings of the board shall be independent directors or such other quorum as may be specified by applicable laws from time to time.	Modified to add quorum requirement in accordance with RBI Circular DOR.GOV. REC.8/29.67.001/2021-22 dated April 26, 2021.
POWERS OF THE BOARD				
35 (b)	(b) To have the superintendence, control and direction over the Executive or Non-Executive Chairman or Managing Director and Chief Executive Officer, Managers, Officers and all other employees of the Bank.	35 (b)	(b) To have the superintendence, control and direction over the Chairman, Managing Director and Chief Executive Officer, Executive Directors, Managers, Officers and all other employees of the Bank.	To provide better clarity (The words “Executive / Non-executive chairman” were Deleted and the word “Executive Director” is included).
SECRECY				
39	Except to the extent enabled or provided under the provisions of the Companies Act, 2013 or the Banking Regulation Act, 1949 or any other law in force specifically in this behalf, no member or other person (unless he is a Director or other person in management of the affairs of the Bank or an official authorized by the Reserve Bank) shall be entitled to inspect the books and records of the Bank without permission of the Executive or Non-Executive Chairman or Managing Director/Chief Executive Officer or of the Directors of the Bank or to require discovery of or any information respecting any details of the Bank’s business or any matter which is or may be secret or confidential or which relate to conduct of the business of the Bank and which in the opinion of the Board can be inexpedient in the interest of the Bank to communicate with the public.	39	No member or other person (unless he is a Director or an official authorized by the Reserve Bank) shall be entitled to inspect the books and records of the Bank or require discovery of or any information respecting any details of the Bank’s business or any matter which is or may be secret or confidential or which relate to conduct of the business of the Bank and which in the opinion of the Board can be inexpedient in the interest of the Bank to communicate with the public, without prior permission of competent court or other regulatory authority. The Directors shall from time to time determine by a resolution in the Board Meeting, whether and to what extent and at what places and under what conditions or regulations the Books of Account and books and papers of the Bank or any of them shall be open to the inspection of Members not being Directors.	Modified to provide better clarity in line with the regulatory requirements.

(ii.) Addition of New Articles:

Article No.	New Article	Justification
	Directors	
24 (c)	Executive Directors/ Whole Time Directors: Subject to the provisions of these Articles, the Companies Act, 2013, the Banking Regulation Act, 1949 and subject to the approvals as may be necessitated, the Board of Directors is empowered to appoint/reappoint one or more directors in the designation of Executive Director/ Whole time Director or such other designation, apart from the Managing Director. Such Director shall be in the whole-time employment of the company to assist the Managing Director in the management of the company's affairs on such terms and conditions as may be decided by the Board.	To include provisions related to Executive & Whole Time directors. The terms of appointment are subject to approval Reserve Bank of India and Shareholders of the Bank.
24 (d)	Managing Director/ Executive Director of the Bank, shall hold office for such period not exceeding five years as the Board of Directors may fix and subject to the provisions of the Act or the Banking Regulation Act, 1949, on such remuneration as may be determined by the General Meeting and be eligible for re-election or re-appointment, subject to the approval of Shareholders' and RBI but shall not be liable to retirement by rotation.	To include provisions related to Executive & Whole Time directors. The terms of appointment are subject to approval Reserve Bank of India and Shareholders of the Bank.
24 (e)	The Managing Director and Executive Director may, with the sanction of the Board, delegate all or any of his powers to such Managers, Secretaries and other delegates as the Board may think fit and shall have power to grant such Managers, secretaries and other delegates such power of attorney as the Board may think expedient and such powers at pleasure to revoke.	To provide clarity and to include provisions related to Delegation of powers.
24 (f)	Any trust documents covering the issue of debentures or bonds of the Bank may provide for the appointment of a Director (in these presents referred to as the "Debenture Director/ Bond Director") for and on behalf of the holders of the debentures or bonds for such period as is therein provided not exceeding the period for which the debentures/bonds or any of them shall remain outstanding and for the removal from office of such Debenture Director and on a vacancy being caused whether by resignation, death, removal or otherwise for appointment of a Debenture Director in the vacant place. The Debenture Director shall not be liable to retire by rotation or be removed from office except provided as aforesaid.	SEBI has mandated that the issuer entities of debt securities shall ensure that its Articles of Association has a provision that requires to appoint the person nominated by the debenture trustee(s) as a director on its Board, in case of default in payment of interest or repayment of principal amount in respect of listed debt securities. The said proposal by SEBI is to enhance the oversight of the Debenture Trustee over the issuer, thereby improving the governance in the issuer entity. The said article is included to provide for appointment of Debenture Director in line with SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023 dated 02.02.2023.

PROCEEDINGS OF THE BOARD		
32 (2)	The Board may, at its discretion, pay compensation in the form of profit related commission to the non-executive directors (other than the Part-time Chairman), subject to the bank making profits. Such compensation, however, shall not exceed Rs.20 Lakhs per annum for each director or such other amount as may be prescribed under applicable laws for the time being in force. The payment of profit related commission is subject to shareholders approval and RBI approval, if any, in compliance with relevant provisions of the Companies Act, 2013 and related rules.	<p>Considering that the Non-Executive Directors/ Independent Directors play a vital role in bringing objectivity to Corporate Governance initiatives in the Bank, it is essential that they are appropriately compensated. Inclusion of provisions related to Profit related Commission payable to Directors in Articles of Association is proposed.</p> <p>The said payment of profit related commission would be in the event of bank making profits and subject to approval of Shareholders.</p>
Interpretation		
2	Where the context so requires in the AOA, the use of the masculine gender shall include the feminine and/or neuter genders and the singular shall include the plural, and vice versa. The word “person” shall include the Central or State Governments, any corporation, firm, individuals, trusts, societies, partnership, or any other form of association, whether incorporated or not.	To provide better clarity.
2	In these Articles, any reference to specific provisions of Statutes, By-laws, Rules or Regulations shall be deemed to be reference to their modifications, substitutions, replacements or amendments as well, carried out from time to time.	To provide better clarity with respect to the provisions of various acts mentioned in the Articles.

(iii.) Deletion in Articles:

Existing Article		Justification
DIRECTORS		
24(c)	(c) The Executive Chairman or the Managing Director/Chief Executive Officer, as the case may be, shall have the knowledge and experience as required under Sec 10 B(4) of the Banking Regulation Act, 1949. (d) Every Executive Chairman and Chief Executive Officer or alternatively the Non-Executive Chairman or the Managing Director / Chief Executive Officer of the Bank, shall hold office for such period. not exceeding five years as the Board of Directors may fix and on such remuneration as may be determined by the General Body and subject to the provisions of the Act or the Banking Regulation Act, 1949 be eligible for re-election or re-appointment, but shall not be liable to retirement by rotation.	This sub-clause has been modified and included in Article 24(a) and 24(b). Accordingly, this sub-clause is deleted to eliminate duplication / repetition.

In terms of Section 14 of the Companies Act, 2013, any alterations in the Articles of Association of a Bank shall be made with the approval of shareholders by way of passing a Special resolution.

Your Directors, therefore, recommend passing of this resolution, as set out in Resolution No. 04 of this Notice.

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

Item No. 5:

CA Chinnasamy Ganesan (DIN: 07615862) was co-opted as an Additional Director of the Bank under Independent category in the Board Meeting held on April 25, 2023 under the provisions of Section 161 of the Companies Act, 2013 ('the Act') and Article 27 of the Articles of Association of the Bank. NRC at its meeting held on April 06, 2023 carried out the due diligence and scrutinised the Profile and Declaration and Undertaking submitted by CA Chinnasamy Ganesan and found him to be 'fit and proper' in terms of criteria prescribed by the Reserve Bank of India for Directors of Banks and recommended his appointment to the Board of Directors. CA Chinnasamy Ganesan brings with him more than 34 years of experience in the area of audit and assurances.

In terms of section 152(5) and rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, CA Chinnasamy Ganesan has furnished consent for his appointment and confirmed that he fulfils the criteria of independence as prescribed under Section 149(6) of the Act and under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR'). CA Chinnasamy Ganesan is not disqualified from being appointed as Director in terms of Section 164 of the Act, and he is not debarred from holding the office of Director by virtue of any Securities Exchange Board of India's order or any other such authority. In the opinion of the Board, he fulfils the conditions for appointment as an Independent Director of the Bank. He is not associated with the Bank previously in any audit assignment and is independent of the management.

Pursuant to Regulation 25 (2A) of the SEBI LODR, the appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution. In terms of amended Regulation 25(2A) of the SEBI LODR, should in case if the Special Resolution is not passed with requisite majority, but the votes cast in favour of the resolution by the public shareholders exceed the votes cast against the resolution by the public shareholders, then the appointment of CA Chinnasamy Ganesan as an Independent Director with effect from 25th April, 2023 is deemed to have been approved. Moreover, pursuant to Regulation 17 (1C) of the SEBI LODR, the bank shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

The Brief Profile of CA Chinnasamy Ganesan is set out in the Additional Information forming part of this Explanatory Statement.

Yours Directors therefore, recommends the appointment of CA Chinnasamy Ganesan as Non - Executive Independent Director of the Bank for a period of three (3) years with effect from 25th April, 2023 to 24th April, 2026, not liable to retire by rotation, as set out in Item No. 05 of this Notice.

Except CA Chinnasamy Ganesan and his relatives, none of the other Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested in this resolution.

Additional information pursuant to regulation 36 (3) of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and Secretarial Standard-2 (“SS-2”) with respect to the Directors seeking appointment / re-appointment:

Name	Shri B Ramesh Babu
DIN	06900325
Educational Qualification	M. Com., (with specialization in Banking); C.A.I.I.B., Diploma in International Factoring by Factors Chain International, Netherlands
Date of Birth	16-April-1960
(Age in years)	(Age – 63 years)
Brief Profile	<p>Shri B Ramesh Babu is a Strategic planner with comprehensive managerial acumen, offering varied experience in Banking and excelled in every assignment creating high performance organization through various successful HR initiatives and Relationship Management. He has deeper Analytical skills, Managing Crisis effectively, Strong abilities for goal setting, executing result oriented strategic initiatives even under high stress scenarios and tight timelines. He is a Post Graduate in Commerce from Andhra University, Waltair and a Certified Associate of the Indian Institute of Bankers. He has expertise in “International Factoring” with hands on experience in handling Payment and settlement systems and passed with Distinction “Diploma in International Factoring” conducted by Factors Chain International, Netherlands.</p> <p>Prior to joining the Bank as MD & CEO, he was Ex-Deputy Managing Director & Chief Operating Officer in State Bank of India and has experience of developing and overseeing the Retail Business and Banking Operations for more than 21,000 retail branches and 1,20,000 other touch points of the Bank (ATMs/ Customer Service Points) successfully. He has extensive experience in redressing pain-points in Customer Service related areas and furthering Financial Inclusion by actively leveraging the services of Business Correspondents in SBI.</p> <p>He actively involved in Direction setting and Policy formulation by participating in various apex committees of State Bank of India. He has successfully headed the whole business and operations of 1,300 Branches of Chennai Circle of SBI (Branches in Tamil Nadu and Pondicherry) for three years with excellent understanding of business dynamics and man management. He has also vast experience as a Director on the Boards of five Associate Banks of SBI and Invitee on to the Boards of Non-Banking Subsidiaries.</p>
Date of appointment on the Board	July 29, 2020
Nature of his/her experience in specific functional areas	An astute Banker with four decades of all-round experience
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any of the Directors, Manager and Key Managerial Personnel of the Bank.
Shareholding	38,635
No of Board Meetings attended during the year (FY 2022-23) (Conducted/Attended)	15/15 meeting

Terms and conditions of appointment or reappointment including remuneration	Re-appointment as the Managing Director & CEO of the Bank, for a second term of three (3) years with effect from July 29, 2023 to July 28, 2026. Remuneration & other terms - as provided in the Resolution.
Last drawn remuneration (For FY 2022-23)	*Rs. 207.41 Lakh
Names of the entities (other than The Karur Vysya Bank Limited) in which the person also holds the directorship and the membership of Committees of the Board along with listed entities from which the person has resigned in the past three years	Directorships: Nil Memberships of Committees: Not Applicable Listed entities from which the person has resigned in the past three years: Nil
Skills and capabilities required for the role in terms of Section 10A(2) of Banking Regulation Act, 1949.	Majority Sector – Accountancy, Banking, Human Resources, Payment & Settlement Systems and Treasury Operations
The manner in which the proposed Director meets such requirements.	A Strategic planner with comprehensive managerial acumen, offering varied experience in Banking and excelled in every assignment creating high performance organization through various successful HR initiatives and Relationship Management. He has deeper Analytical skills, Managing Crisis effectively, Strong abilities for goal setting, executing result oriented strategic initiatives even under high stress scenarios and tight timelines He has expertise in “International Factoring” with hands on experience in handling Payment and settlement systems.

* Remuneration paid to Shri B Ramesh Babu, MD&CEO during FY 2022-23 includes variable pay payments, i.e., cash component of FY 2021-22, deferral of cash component of FY 2020-21, Exercise of Non-cash component of variable pay (ESOP) pertaining to FY 2021-22 and perquisites as per Income Tax Act, 1961.

Additional information pursuant to regulation 36 (3) of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and Secretarial Standard-2 (“SS-2”) with respect to the Directors seeking appointment / re-appointment:

Name	Dr. R Harshavardhan
DIN	01675460
Educational Qualification	B.E., (Mechanical Engineering), M.B.A., - IIM Kolkata, M.S. (Quantitative Finance), Ph.D., (Business Economics & Strategy).
Date of Birth	23-March-1966
(Age in years)	(Age - 57 years)
Brief Profile	<p>Dr Harshavardhan Raghunath is an Independent business advisor. He was Senior Advisor to leading international management consulting firm Bain & Company and led its financial services practice in India. He joined Bain in 2010 after spending over 14 years with other international consulting firms including the Boston Consulting Group and Arthur Andersen. He has also worked in the Banking industry for about 2 years as an analyst and trader. He has worked primarily in the financial services - Banking - retail and corporate, private banking and wealth management, insurance, asset management, etc., - where he has advised top management of companies in India, North America, Europe, South East Asia and Greater China, on issues of strategy, operations, organisation, risk management, etc. He has hands on experience in management consultancy and his key works include the areas of corporate finance, valuations, Banking / financial services operations viz; process reengineering, cost rationalisation, Business management and payment & settlement systems, etc., private equity and strategic investors, strategic due diligence, etc. He is also Board member of National Commodity Clearing Limited which is responsible for clearing and settlement services of all trades executed on the exchange and provide transparent risk management platform for the collective benefit of the agri-ecosystem.</p> <p>He is actively involved in policy making related to financial services in India and was a member of the Banking Working Group of the Financial Services Legislative Reforms Commission (FSLRC) set up by the Government of India as well as the Dr. P J Nayak Committee on Governance in Banking set up by the RBI. He chaired the committee appointed by the RBI in 2019 to review securitization for housing finance. He has served on CII National Committees for Private Equity, Regulatory Affairs and Commodity Markets. He regularly contributes articles and is quoted frequently in business media on important sector issues.</p> <p>He is a frequently invited speaker at conferences organised by Confederation of Indian Industries (CII), the Indian Banks Association (IBA), Indian Merchants Chambers, Reserve Bank of India (RBI), etc., as well as in business schools. He regularly contributes to articles in academic and business journals.</p> <p>He has a Bachelor degree in Mechanical Engineering from VNIT Nagpur followed by an MBA from IIM Kolkata, and an MS in Quantitative Finance and PhD in Business Economics & Strategy from the Smith School of Business at the University of Maryland, USA.</p>
Date of appointment on the Board	July 30, 2020
Nature of his/her experience in specific functional areas	More than two decades of experience in Management Consultancy.

Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any of the Directors, Manager and Key Managerial Personnel of the Bank.
Shareholding	2,500
No of Board Meetings attended during the year (FY 2022-23) (Conducted/Attended)	15/15 meeting
Terms and conditions of appointment or reappointment including remuneration	Re-appointment as Non-executive Independent Director for second term of five (5) years with effect from July 30, 2023 to July 29, 2028, not liable to retire by rotation, eligible for sitting fees & profit related commission.
Last drawn remuneration (For FY 2022-23)	Rs. 26.25 Lakh as sitting fees
Names of the entities (other than The Karur Vysya Bank Limited) in which the person also holds the directorship and the membership of Committees of the Board along with listed entities from which the person has resigned in the past three years	Directorships: National Commodity Clearing Limited Memberships of Committees: Chairperson - Standing Committee on Technology and Risk Management Committee Member - Audit Committee, Nomination & Remuneration Committee, Independent Directors/Public Interest Directors Committee Listed entities from which the person has resigned in the past three years: Nil
Skills and capabilities required for the role in terms of Section 10A(2) of Banking Regulation Act, 1949.	Majority Sector – Strategic Planning, Risk Management, Business Management and Payment & Settlement Systems
The manner in which the proposed Director meets such requirements.	More than two decades of experience in Management Consultancy and he has hands on experience in management consultancy and his key works include the areas of corporate finance, valuations, Banking / financial services operations viz; process reengineering, cost rationalisation, Business management and payment & settlement systems, etc., private equity and strategic investors, strategic due diligence etc.

Additional information pursuant to regulation 36 (3) of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and Secretarial Standard-2 (“SS-2”) with respect to the Directors seeking appointment / re-appointment:

Name	CA Chinnasamy Ganesan
DIN	07615862
Educational Qualification	B.Com., FCA., DISA (ICAI)
Date of Birth	25-May-1963
(Age in years)	(Age – 59 years)
Brief Profile	<p>CA Chinnasamy Ganesan brings with him more than 34 years of experience in the area of audit. He handled Indian and multinational clients in automotive, auto ancillary, IT/ ITES, BPOs, KPOs, telecom, industrial markets, consumer markets, pharma/ healthcare, transport/ logistics, shipping management, BSRE, oil and gas, plantation, banking, financial services and insurance sector. He was the lead partner for many Indian and multi-national companies and carried out audits, advisory on international financial reporting, taxation, due diligence and other assurance services.</p> <p>CA Chinnasamy Ganesan has more than 25 years of extensive knowledge and experience in carrying out bank audit and in training bank officials in financial reporting. He specialises in Financial Reporting (including Ind AS, IFRS and US GAAP), Company law matters, audit and taxation and was conferred Honorary Doctorate (“honoris causa”) in International Financial Reporting Standards for his extensive contribution to Ind AS and IFRS by a renowned foreign university</p> <p>He is an active resource person for Regional Training Institute of Comptroller and Auditor General of India, Staff training college of Indian Bank, Indian Overseas Bank, Reserve Bank of India and several other banks.</p>
Date of appointment on the Board	April 25, 2023
Nature of his/her experience in specific functional areas	Chartered Accountant having more than 34 years of experience in the area of audit.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any of the Directors, Manager and Key Managerial Personnel of the Bank.
Shareholding	2,500
No of Board Meetings attended during the year (FY 2022-23) (Conducted/Attended)	NA
Terms and conditions of appointment or reappointment including remuneration	Appointment as Non-executive Independent Director for first term of three (3) years with effect from April 25, 2023 to April 24, 2026, not liable to retire by rotation, eligible for sitting fees & profit related commission.
Last drawn remuneration (For FY 2022-23)	Not Applicable

<p>Names of the entities (other than The Karur Vysya Bank Limited) in which the person also holds the directorship and the membership of Committees of the Board along with listed entities from which the person has resigned in the past three years</p>	<p>Directorships: Belstar Microfinance Limited</p> <p>Memberships of Committees:</p> <p>Chairperson - Audit Committee</p> <p>Member - Risk Management Committee and Stakeholders Relationship Committee</p> <p>Listed entities from which the person has resigned in the past three years: Nil</p>
<p>Skills and capabilities required for the role in terms of Section 10A(2) of Banking Regulation Act, 1949.</p>	<p>Majority Sector – Accountancy, Finance, Information Technology, Cyber Security, Audit and Taxation</p>
<p>The manner in which the proposed Director meets such requirements.</p>	<p>CA Chinnasamy Ganesan is a Chartered Accountant having more than 34 years of experience in the area of audit and has more than 25 years of extensive knowledge and experience in carrying out bank audit and in training bank officials in financial reporting. He specialises in Financial Reporting (including Ind AS, IFRS and US GAAP), Company law matters, audit and taxation and he has completed Diploma in Information System Audit from ICAI.</p>