



MINUTES OF THE 54th ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

HELD ON THURSDAY, THE 5th JUNE, 2014.

1. The 54th Annual General Meeting of the Shareholders of State Bank of Travancore was held at 10.30 am on Thursday, the 05th June, 2014 at A.K.G.MEMORIAL HALL, GAS HOUSE JUNCTION, PALAYAM, Thiruvananthapuram. A total of 356 Shareholders were present in person apart from 15 valid proxies and 2 representatives.
2. The Chairman, Smt. Arundhati Bhattacharya called the Meeting to order after ascertaining the quorum. She introduced Sri.Jeevandas Narayan, Managing Director, State Bank of Travancore and other Directors on the Board of the Bank, namely Sri.Purna Chandra Jena, Sri.Sajen Peter, Sri C Rajkumar, Sri. B.Ramesh Babu, Sri.V Kaliappan, Sri.M.C.Jacob and Sri.P.V.Prasad who were present on the dais.
3. The Chairman requested the Managing Director, Sri.Jeevandas Narayan, to read the notice convening the 54th Annual General Meeting and the Auditors' Report on the Balance Sheet as on the 31st March 2014.
4. Thereupon the Managing Director read out the notice dated the 25th April, 2014 and the corrigendum notice dated the 05th May, 2014 convening the 54th Annual General Meeting to discuss and adopt the Balance Sheet and Profit and Loss Account of the Bank made up to the 31st March, 2014, the report of the Board of Directors and Auditors' Report on the Balance Sheet and Accounts. He then read out the Auditors' Report.
5. The Chairman announced that the Report of the Board of Directors on the working and activities of the Bank, and the Bank's Profit and Loss Account for the year ended 31st March 2014 and the Balance Sheet as at 31st March 2014 have been circulated to the Shareholders and taken as read.



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6 The Chairman extended a hearty welcome to all and delivered her address (abridged version) in English. At the request of the Chairman, Shri Sajen Peter, Director read out the abridged version of the Chairman's speech in Malayalam.

7. The Chairman then requested the Shareholders who may wish to raise questions to write down their questions and send it to her. She requested that the questions should be confined only to the Balance Sheet, the Profit and Loss Account of the Bank for the year ended 31st March 2014, the report of the Board of Directors on the working and activities during the year 2013-2014 and the Auditors' Report on the Balance Sheet and the Accounts. She invited those shareholders who wished to raise their questions orally, to come to the podium one by one and to raise the same. She requested that the questions raised by previous shareholders should not be repeated by subsequent shareholders.

8. The observations/suggestions made by the Shareholders and replies given by the Chairman are detailed below:

a) Shri. Mathew Paul

- NPA management, follow up, etc in the Bank are very good.
- Systems & Procedures are well followed mainly because of the systematic training.
- CSR activities are meagre in Kochi area.
- Bank's charity activities should be published.

b) Shri. Mahadevan

- The Bank's CSR activities are appreciable.
- The end use of donations should be monitored.
- The Bank should be made a tobacco free zone.

c) Shri. Christenson E Sarasam

- Bank to clarify that adequate mandatory notice period has been given for AGM.
- Received abridged version of the Annual Report. Full Annual Report to be sent to shareholders in advance in future.
- Net profit has fallen from ₹615.04 cr. to ₹304.34 cr. compared to last year.
- There was a fall in CD ratio, doubling of Gross NPA and Net NPA deserving more follow up.
- The level of resolution of customer complaints has not improved.



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k) Shri. Dany Anantharaj

- The Bank should think of initiating thrift deposit in line with the chitty business undertaken by KSFE.

l) Shri. R. Hariharan

- The Full Annual Report not received.
- Does the Bank propose to go for Rights issue or Bonus issue to the benefit of the shareholders in the near future?

The Chairman thanked the shareholders for raising the questions in a brief manner and for giving good suggestions and replied as under:-

- NPAs have been a major problem this year and various measures are taken to monitor, control and recover the NPAs such as implementation of Asset Tracking centre, initiating action under Revenue Recovery Act, SARFESI etc. The management is fully on the job and all action, that is possible, is being taken to ensure that the NPAs are brought under control.
- The Customer complaints have gone up which are mainly ATM related especially while using other Bank's ATMs. There is an Open house meet in every branch on 15th of every month. The Bank has evolved modes of lodging complaints through SMS as well as over phone. The Bank is popularizing easier means to lodge complaints to ensure better customer service.
- The bank has been doing CSR activities in Kochi and will continue to cover the entire State (The chairman gave details of some of the CSR activities conducted in Kochi). The CSR activities are done through local Branches. The end use of CSR funds are ensured by these branches.
- The merger of SBT with SBI requires a number of approvals from RBI, GOI, etc. The matter depends on the way the economy goes, as also the view of the Government. However at this point of time, a clear idea cannot be given regarding the timing and modalities.



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d) Shri. Nagappan Nair

- There is a drop in net profit from ₹615.04 cr to ₹304.34 cr compared to last year.
- The total business of the Bank, branch expansion, etc satisfactory

e) Shri. K.S. Pillai

- The Bank to consider issuing bonus shares to the shareholders.
- The dividend given per share is only ₹2.50.
- Annual Report was received late.
- Is there any issue of new shares to shareholders in the near future?
- Status of merger of SBT with SBI.

f) Shri. K. Gopalakrishnan

- Recovery of NPA should be the priority.

g) Shri. P.O. Yatheendra Mohan

- The performance of the Bank in general appreciable.
- The share of business in Kerala declined.
- The gross/net NPA, etc increased.
- Dividend payment has fallen from 200% to 25%.
- Dedicated branches for women customers to be opened.
- If there is more than one ATM in a room, two doors and partition should be provided for the comfort and security of the customers.
- Action taken report should be placed in the ensuing AGM.

h) Shri. M.N. Thampi

- The Bank made the best out of the bad situation.
- The abridged Balance Sheet does not give full details for a meaningful assessment.
- Sub-totals are not given in the balance sheet.

i) Shri. Appukuttan Nair

- Customer Service Committee meetings are to be held at the Branches at Monthly intervals and Customer Meets at quarterly intervals.

j) Shri. Narayanan Nair

- Bank's spending low in Corporate Social Responsibility area.
- The Bank should spend 2% of the profit in social responsibility area.



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- The focus was not on aggressive growth in advances. The bank is low in CASA deposits, hence the bank had to degrow bulk deposits and concentrate more on mobilizing retail deposits. The retail deposit has grown by 18.36% during 2013-14.
- Thrift scheme in line with Chitty of KSFE, was beyond the scope of banking.

9. The Chairman announced that every shareholder who wanted to present his views/raise questions had been given adequate opportunity and as there were no further questions, it was taken that all shareholders present have been given sufficient opportunity in this regard.

10. The Chairman declared that the Balance Sheet, Profit and Loss Account of the Bank made upto the 31st March, 2014, the Report of the Board of Directors and the Auditors Report had been discussed in detail. After seeking permission from the House, she declared the Balance Sheet, P & L account of the Bank made upto the 31st March, 2014, Report of the Board of Directors and the Auditors Report on the Balance Sheet and accounts as adopted by the meeting. She thanked the shareholders, for attending the Annual General Meeting and participating in the proceedings of the Meeting.

11. Shri.P.O.Yatheendramohan, one of the shareholders, proposed vote of thanks and then Chairman declared the Meeting closed.

A. Bhallacharya

CHAIRMAN

Dt. 04.08.2014



- The ATMs currently being installed are smaller in size and without much difficulty, more than one ATM can be accommodated in the same cubicle. However, it is ensured that adequate partitions are provided in between two ATMs so that there is no difficulty in operating the ATMs.
- The Bank is formed by an Act of Parliament and regulated by the Subsidiary Banks General Regulations, 1959. Regulation 17(1) of Subsidiary Banks General Regulations, 1959 states that a 28 days notice be given before the date of the Annual General Meeting which has been adhered to.
- The non receipt of Annual Report may be due to problems in mode of dispatch and delivery. The bank may obtain option from the shareholders for receiving full Annual Report preferably in digital form by obtaining e-mail address to ensure that the same is made available quickly.
- The e-learning platform is to be increasingly used for training, as we are presently in an age of self learning. Self Learning done in digital platform can definitely help in ensuring that people are better trained, and more employees are covered.
- The decline in net profit was due to (1) increase in the NPA provision (2) MTM depreciation on Investment provided as per extant guidelines in an unfavourable market scenario and (3) Provision for superannuation benefits as per latest guidelines.
- Low profitability, apart from the need for additional capital under BASEL III have been the reasons for reduction in the dividend. In the coming year, the Bank will strive for better profitability and consequentially a better dividend.
- The year was not conducive for aggressive lending but was a year of consolidation and the bank had been very choosy in corporate lending. The fall in CD ratio was mainly on account of this factor.
- The Reserve funds cannot be used for giving Bonus shares.
- The Rights Issue is in a very early stage and hence, exactly when and how it will happen cannot be said; however pricing will be worked out as per prevalent guidelines/practices.
- The NPAs in Educational Loan were 12.19%; and 18% of the total Educational Loan NPAs were on account of loans sanctioned for nursing courses. The various aspects for improving recovery in education loans are being looked into.



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