

Secretarial Section

Head Office, 57- V.E. Road,

Thoothukudi – 628 002.

☎: 0461-2325136

e-mail : secretarial@tmbank.in

CIN: L65110TN1921PLC001908

Ref.No.TMB.SE.29/2023-24



12.05.2023

The Manager,
National Stock Exchange of India Ltd,
Exchange Plaza, 5th Floor, Plot No. C/1,
'G' Block, Bandra - Kurla Complex,
Bandra (East), Mumbai - 400 051.

Symbol: TMB

The Manager,
Bombay Stock Exchange limited,
Phiroze Jeejeebhoy Towers,
Dalal Street.
Mumbai – 400 001.

Scrip Code: 543596

Dear Sir/Madam,

Sub: Annual Secretarial Compliance Report for the Financial Year ended March 31, 2023

Pursuant to Regulation 24(A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the relevant Circular(s) issued by SEBI / Exchanges from time to time, we herewith enclose the Annual Secretarial Compliance Report of the Bank for the Financial Year ended March 31, 2023, issued by the Secretarial Auditor of the Bank, SPNP Associates, Practicing Company Secretaries, Chennai.

Kindly take the same on record.

Yours faithfully,

For Tamilnad Mercantile Bank Limited



Prakash Chandra Panda
Company Secretary and Compliance Officer



**SECRETARIAL COMPLIANCE REPORT OF TAMILNAD MERCANTILE BANK LIMITED FOR
THE YEAR ENDED 31ST MARCH, 2023**

I, P. Sriram, Partner of SPNP & Associates have examined:

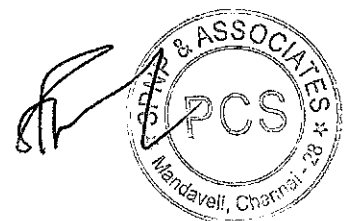
- (a) All the documents and records made available to us and explanation provided by **Tamilnad Mercantile Bank Limited** ("the listed entity"),
- (b) The filings/ submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended 31st March, 2023 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, including:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended



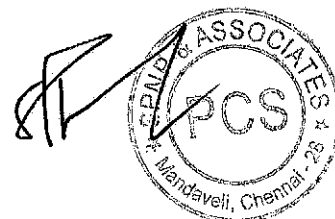
**SPNP & ASSOCIATES
Practising Company Secretaries**

No.10/28, II Floor, 3rd Cross Street, R.K. Nagar, Raja Annamalaipuram, Chennai - 600 028.
spnpassociates@gmail.com # Phone: 044 4215 3510, 4320 1250, Mobile : 95660 33011



- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018,
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *(Not Applicable to the company during the review period)*
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;*(Not Applicable to the company during the review period)*
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021*(Not Applicable to the company during the review period)*
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; as amended
- (h) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (i) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;

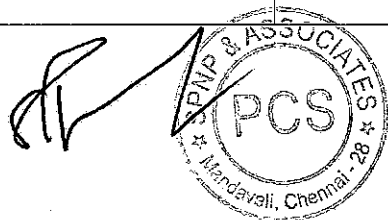
And circulars guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:





(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

S	Compliance Requirement (Regulations/Circulars/Guidelines including specific clause)	Regulation/Circular No.	Deviations	Actions Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practising Company Secretary	Management Response	Remarks
1	Every banking company in existence on the commencement of the Banking Regulation (Amendment) Act shall have one of its directors, who may be appointed on a whole-time or a part-time basis as chairman of its Board of directors, and where he is appointed on a whole-time basis, as chairman of its Board of directors, he shall be entrusted with the management of the whole of the affairs of the banking company	Section 10B of Banking Regulation Act 1949	It is observed that the Bank has not appointed part time Non-Executive Chairperson (PTC) in compliance with Section 10B of Banking Regulation Act 1949	NA	NA	NA	NA	NA	Initially on 20.11.2020, the Bank had sent the proposal for appointment of Mr. A. Niranjan Sankar, Director, as part time non-executive Chairman of the Bank, which was declined by Reserve Bank of India vide their letter dated 30th April 2021 advising the Bank to send the proposal for appointment of an independent part-time Chairman. Subsequently on 05.08.2021, the Bank had sent the revised proposal for appointment of Mr.B.Prabaharan, Independent Director, as part time non-executive Chairman of the Bank, which was declined by Reserve Bank of India vide their letter dated 11th November 2021 stating that the Fit and Proper Criteria was not satisfied. Again on 20.08.2022, the Bank has sent its proposal to RBI for appointment of Mr.B.Vijayadurai, Independent Director, as part time non-executive Chairman of the Bank. However, the same was declined by Reserve Bank of India vide their letter DOR.GOV.No. S3893/08.55.001/2022-23 dated September 19, 2022, quoting that the same has not been found "Fit & Proper". On 08.02.2023, RBI advised the Bank to submit the fresh proposal for appointment of PTC within three months from the date of receipt of the letter and in response bank had requested RBI to permit till the completion of next AGM for submission of fresh proposal for PTC. Till date no response has been received from RBI.	NA

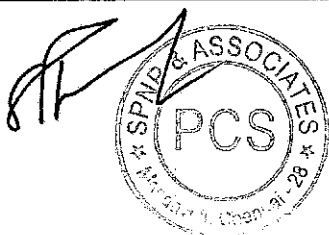


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(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

	Compliance Requirement (Regulations/Circulars /Guidelines including specific clause)	Regulation/ Circular No.	Deviations	Actions Taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the practicing Company Secretary	Management Response	Remarks
1.	Every company other than a One Person Company shall in each year hold in addition to any other meetings, a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one annual general meeting.	Section 96 of the Companies Act 2013	The Company has not convened the Annual General Meeting for the financial year ended 31 st March 2020, 31 st March 2021. The retirement of Directors those ought to have been retired by rotation at the AGM has not taken place for financial year ended 31 st March 2020 and 31 st March 2021. The Board has approved the appointment of Managing Director & CEO, however the same has not been approved by the shareholders.	NA	NA	The Company has not convened the 98 th and 99 th Annual General Meeting for the financial year ended 31 st March 2020, 31 st March 2021 The retirement of Directors those ought to have been retired by rotation for the financial year ended 31 st March 2020 and 31 st March 2022 at the AGM has not taken place for 98 th and 99 th AGM. The Board has approved the appointment of Mr.K.V.Rama Moorthy as Managing Director & CEO w.e.f 03/09/2021 and the same was approved by Reserve Bank of India. However the same has not been approved by the shareholders.	NA	NA	During the period under review the Bank convened 98 th , 99 th and 100 th Annual General Meetings for the financial year ended 31 st March 2020, 31 st March 2021 and 31 st March 2022 respectively on 9 th June 2022 pursuant to the directions of the Hon'ble High Court of Madras dated 22nd April 2022. The Directors liable to retirement by rotation and eligible for re-appointment for the financial year ended 31 st March 2020 and 31 st March 2021 was duly approved by the shareholders in the 98 th , 99 th and 100 th Annual General Meetings respectively held on 9 th June 2022. The approval for appointment and remuneration of Mr.K.V.Rama Moorthy as Managing Director and CEO was sought and approved in the 100 th Annual General Meeting duly held on 9 th June 2022.	NA



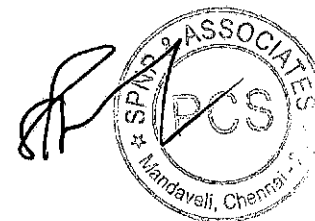
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ADDITIONAL DISCLOSURES:

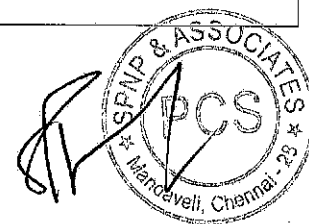
On the basis of Circular No.20230316-1 dated 16th March 2023, the following are the Additional affirmations

Sr. No.	Particulars	Compliance status(Yes /No/NA)	Observations Remarks byPCS*
1.	<p><u>Secretarial Standards:</u></p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)</p>	Yes	
2.	<p><u>Adoption and timely updation of the Policies:</u></p> <ul style="list-style-type: none">• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities• All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI	Yes	
3.	<p><u>Maintenance and disclosures on Website:</u></p> <ul style="list-style-type: none">• The Listed entity is maintaining a functional website• Timely dissemination of the documents/ information under a separate section on the website• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website	Yes	



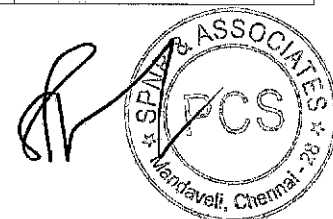


4.	<p><u>Disqualification of Director:</u></p> <p>None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013</p>	Yes	
5.	<p><u>To examine details related to Subsidiaries of listed entities:</u></p> <p>(a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries</p>	Yes	
6.	<p><u>Preservation of Documents:</u></p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	Yes	
7.	<p><u>Performance Evaluation:</u></p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations</p>	Yes	





8.	<p><u>Related Party Transactions:</u></p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee</p>	Yes	
9.	<p><u>Disclosure of events or information:</u></p> <p>The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.</p>	Yes	
10.	<p><u>Prohibition of Insider Trading:</u></p> <p>The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI(Prohibition of Insider Trading) Regulations, 2015</p>	Yes	
11.	<p><u>Actions taken by SEBI or Stock Exchange(s), if any:</u></p> <p>No Actions taken against the listed entity/its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder</p>	Yes	

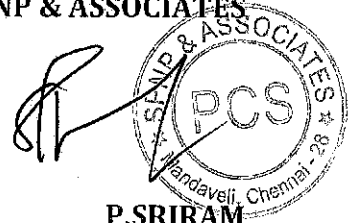




12.	<u>Additional Non-compliances ,if any:</u> No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	NA	
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Place: Chennai
Date: May 09, 2023

FOR SPNP & ASSOCIATES



P.SRIRAM

FCSNo. 4862/CPNo: 3310
PEER REVIEW NO:1913/2022
UDIN:F004862E000218515