

Secretarial Department

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

SDF-24/ /2016-17

19th July 2016

The National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 051.

Dear Sir,

Sub. : Submission of AGM Notice and E-voting related matters

This is in continuation to our letter dated July 18, 2016 intimating the date of Annual General Meeting (AGM) of the Bank. We hereby submit a copy of the Notice for the 85th AGM of The Federal Bank Limited to be held on Thursday, August 11, 2016 at 10 am at Mahatma Gandhi Municipal Town Hall, Aluva, Ernakulam, Kerala-683101.

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank is providing electronic voting facility to its members for transacting all the items of business as set out in the Notice, through **NSDL's** e-voting platform, which will commence on **Monday, 08 August, 2016 at 9.00 a. m** and end on **Wednesday, 10 August, 2016 at 5:00 p.m.** The e-Voting module will be disabled after **5 p.m on Wednesday, 10 August, 2016.** The facility for voting through ballot paper shall be made available at the meeting and the members who are attending the meeting and have not casted their vote by remote E-voting shall be able to vote at the meeting through "Ballot Paper". A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date i.e **05 August, 2016** only shall be entitled to avail the facility of remote e-voting or voting at the meeting through Ballot Paper at the venue of AGM.

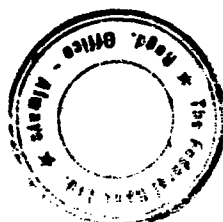
We would also like to inform you that approval of shareholders is being sought vide resolution no.14 of the notice as required under section 42 of the Companies act, 2013 for granting consent to the Bank to borrow funds by way of issue of unsecured Redeemable Non-Convertible Long Term Bonds in the nature of Debentures on private placement basis.

Kindly take the same on record.

Thanking you,
Yours faithfully,

Girish Kumar G

Company Secretary



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L65191KL1931PLC000368

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Eighty Fifth Annual General Meeting (AGM) of The Federal Bank Limited will be held as shown below:

Date: 11.08.2016

Day: Thursday

Time: 10 A.M.

Venue: Mahatma Gandhi Municipal Town Hall, Aluva

To transact the following items of business.

ORDINARY BUSINESS

1. To receive, consider and adopt
 - a) the audited financial statements, including audited Balance Sheet and Profit and Loss Account of the Bank for the financial year ended March 31, 2016 and the Reports of the Board of Directors and the Auditors thereon; and
 - b) the audited consolidated financial statements, including audited consolidated Balance Sheet and Profit and Loss Account of the Bank for the financial year ended March 31, 2016 and the Report of the Auditors thereon;
2. To declare a dividend.
3. To appoint a Director in place of Mr. Shyam Srinivasan, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

To appoint Joint Central Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next AGM and to fix their remuneration.

RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, from time to time and as per the approval from Reserve Bank of India, M/s. B S R & Co. LLP, Chartered Accountants, Mumbai, (ICAI FRN-101248 W) together with M/s M M Nissim & Co, Mumbai, (ICAI FRN-107122 W) be and are hereby appointed as Joint Central Statutory Auditors of the Bank, in place of the retiring auditors M/s Deloitte Haskins & Sells, Chennai and M.P. Chitale & Co, Mumbai, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Bank, on such remuneration as shall be decided by the Board of Directors of the Bank.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution, with or without modification(s) as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 139 and section 143(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, Board of Directors be and is hereby authorised to arrange for the audit of the Bank's branches for the accounting year 2016-17 and to appoint and fix the remuneration of branch auditors in consultation with the Central Statutory Auditors for the purpose."
6. To consider and, if thought fit, to pass the following resolution, with or without modification(s) as an Ordinary Resolution:
"RESOLVED THAT in accordance with the provisions of Sections 149, 160 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, Mr. C Balagopal (DIN- 00430938), who was appointed as an Additional Director pursuant to Section 161 of the Companies Act, 2013, by the Board of the Bank and who holds office up to the date of this Annual General Meeting and in respect of whom the Bank has received a notice in writing, proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Bank, for a period of three (3) years with effect from the date of this AGM"

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

“RESOLVED to approve the payment of remuneration of ₹.15,00,000/- (Rupees Fifteen Lakh only) per annum to Mr.Nilesh Vikamsey (DIN- 00031213), Chairman of the Bank, as approved by the Reserve Bank of India and pursuant to the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, and as per the provisions of Companies Act, 2013 and rules made there under.

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

- a) “RESOLVED THAT pursuant to the provisions of Banking Regulation Act, 1949, Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, if any and other applicable regulations, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the approval accorded by the Reserve Bank of India, the approval of the Members of the Bank be and is hereby accorded for payment of remuneration to Mr. Shyam Srinivasan (DIN- 2274773), Managing Director & Chief Executive Officer of the Bank, with effect from September 23, 2015 as per the terms & condition of appointment provided in the statement pursuant to section 102(1) of Companies Act 2013, mentioned herewith (explanatory statement).
- b) RESOLVED further that the variable pay of Mr. Shyam Srinivasan, Managing Director and Chief Executive Officer of the Bank, as approved by Reserve Bank of India for the year ended 31st March 2015 and shown in the statement pursuant to section 102(1) of Companies Act 2013 mentioned herewith (explanatory statement), be and is hereby approved”.

9. To consider and, if thought fit, to pass the following Resolution, with or without modification(s) as ordinary resolution:

“RESOLVED THAT pursuant to the relevant provisions of the Companies Act, 2013, the Rules made hereunder, (including any amendment, modification, variation or re-enactment thereof) and pursuant to the approval granted by the Reserve Bank of India (RBI) under the relevant provisions of the Banking Regulation Act, 1949 and the Articles of Association of the Bank, approval of the Members of the Bank be and is hereby accorded for appointment of Mr. Ashutosh Khajuria (DIN 05154975) as the Executive Director of the Bank designated as “Executive Director & Chief Financial Officer” of the Bank for a period of 2 years, with effect from 28th January 2016, and he was appointed as an Additional Director pursuant to Section 161 of the Companies Act, 2013, by the Board of the Bank and holds office up to the date of this Annual General Meeting. The Bank has received a notice in writing, proposing his candidature for the office of director.

“RESOLVED FURTHER THAT Mr. Ashutosh Khajuria be paid remuneration by way of salary, allowances and perquisites, as the Executive Director designated as “Executive Director & Chief Financial Officer of the Bank” on the terms and conditions, provided in the statement pursuant to section 102(1) of Companies Act 2013 mentioned herewith (explanatory statement) and pursuant to the approval accorded by the Reserve Bank of India”.

10. To consider and, if thought fit, to pass the following Resolution, with or without modification(s) as ordinary resolution:

“RESOLVED THAT pursuant to the relevant provisions of the Companies Act, 2013, the Rules made hereunder, (including any amendment, modification, variation or re-enactment thereof) and pursuant to the approval granted by the Reserve Bank of India (RBI) under the relevant provisions of the Banking Regulation Act, 1949 and the Articles of Association of the Bank, approval of the Members of the Bank be and is hereby accorded for appointment of Mr. Ganesh Sankaran as the Executive Director of the Bank designated as “Executive Director” with a seat the Board of the Bank for a period of 2 years, with effect from 04th July 2016, and he was appointed as an Additional Director pursuant to Section 161 of the Companies Act, 2013, by the Board of the Bank and holds office up to the date of this Annual General Meeting. The Bank has received a notice in writing, proposing his candidature for the office of director.

“RESOLVED FURTHER THAT Mr. Ganesh Sankaran be paid remuneration by way of salary, allowances and perquisites, as the Executive Director designated as “Executive Director of the Bank” on the terms and conditions, provided in the statement pursuant to section 102(1) of Companies Act 2013 mentioned herewith (explanatory statement) and pursuant to the approval accorded by the Reserve Bank of India”.

11. To consider and, if thought fit, to pass the following Resolution, with or without modification(s) as ordinary resolution:

RESOLVED THAT the variable pay of Mr. Abraham Chacko, erstwhile Executive Director, as approved by Reserve Bank of India for the year 2014-15 and shown in the statement pursuant to section 102(1) mentioned herewith (explanatory statement), be and is hereby approved”.

12. To consider and, if thought fit, to pass the following Resolution, with or without modification(s) as special resolution:

RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, Banking Regulation Act, 1949, Banking Laws (Amendment) Act, 2012, guidelines of Reserve Bank of India (“RBI”) and subject to the necessary approvals required, if any, in this regard from RBI and the approval of Registrar of

Companies (ROC), if any and subject further to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by RBI, the Board of Directors (herein after referred to as "the Board", which term shall include any of its duly authorized Committee or individual Director) is hereby authorized to accept such terms, conditions, stipulations, alterations, amendments or modifications as it may deem fit and consent of the shareholders, be and is hereby accorded to the alteration of the Bank's Memorandum of Association in the manner and to the extent hereinafter provided:

- a) To incorporate the heading **"(A) OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY IMMEDIATELY ON ITS INCORPORATION:"** as words under "clause 3- The objects for which the Company is established are:"
- b) To incorporate the heading **"OBJECTS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE 3.A ARE:"** after sub-clause (h) of clause 3(A)
- c) To insert additional sub-clause "t" after sub-clause "s" under heading "Objects Which Are Necessary for Furtherance of the Objects Specified in Clause 3(A) Are:", as detailed below:

"To provide depository services and to do all such things as may be advised, permitted or required for this purpose and is authorised to undertake activities of a Depository Participant as defined in SEBI (Depositories and Participants) Regulations, 1996."
- d) To modify the wordings of Clause 4 to read as shown below:

"The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them"

13. To consider and, if thought fit, to pass the following Resolution, with or without modification(s) as special resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, Banking Regulation Act, 1949, Banking Laws (Amendment) Act, 2012, guidelines of Reserve Bank of India and subject to the necessary approvals required, if any, in this regard from Reserve Bank of India ("RBI") and the approval of Registrar of Companies (ROC), if any and subject further to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by RBI, the Board of Directors (herein after referred to as "the Board", which term shall include any of its duly authorized Committee or individual Director) is hereby authorized to accept such terms, conditions, stipulations, alterations, amendments or modifications as it may deem fit and the Articles of Association of the Bank be and are hereby altered by replacing /incorporating the amended Articles as per the indicative list included in the statement pursuant to section 102(1) mentioned herewith(explanatory statement)".

14. To consider and, if thought fit, to pass the following Resolution, with or without modification(s) as special resolution:

"RESOLVED THAT pursuant to provisions of Section 42 of the Companies Act, 2013, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Simplified Listing Agreement for Debt Securities, as amended from time to time and other applicable laws, if any, the provisions of the Memorandum and Articles of Association of the Bank and subject to receipt of such approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory or regulatory authority(ies), the approval of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank for borrowing/ raising funds in Indian currency by issue of debt instruments including but not limited to bonds and non-convertible debentures upto ₹ 4,000 crore (Rupees Four Thousand Crore only) in domestic market, under one or more shelf disclosure document and/or under one or more letter of offers as may be issued by the Bank and in one or more tranches, on a private placement basis during a period of one year from the date of passing of this Resolution, within the overall borrowing limits of the Bank approved by way of special resolution under the provisions of Section 180(1) of the Companies Act 2013, at the Annual General Meeting of the Bank held on July 17, 2014 and on such terms and conditions as may be approved by the Board of Directors of the Bank, from time to time"

"RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorized to execute all such agreements, documents, instruments and writings, to settle, questions, difficulties or doubts that may arise with regard to the said matter as it may in its sole and absolute discretion deem appropriate and to do all such acts, deeds, matters and things as may be required to give effect to this resolution".

"RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorized to delegate all or any of its powers herein conferred to any Committee of Board of Directors of the Bank or any one or more of the Directors or Executives of the Bank or any Committee of the Executives of the Bank, for giving effect to this resolution"

By order of the Board of Directors

Place: Aluva
Dated: June 21, 2016

Girish Kumar Ganapathy
Company Secretary

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting (AGM or the Meeting) is entitled to appoint a proxy to attend and vote on a poll, instead of himself/ herself and the proxy need not be a Member of the Bank. The instrument appointing proxy should, however, be deposited at the Registered Office of the Bank not later than forty-eight hours before the commencement of the Meeting. A person can act as proxy on behalf of Members upto and not exceeding fifty.**
2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Members/Proxies should fill the Attendance Slip for attending the Meeting. Proxy shall not have a right to speak at the Meeting and shall not be entitled to vote except on a poll.
4. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
6. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. The register of Members and share transfer books of the Bank would remain closed from Tuesday, 02nd August 2016 to Thursday, 11th August 2016 (both days inclusive).
8. Dividend on equity shares as recommended by the Board of Directors for the year ended March 31, 2016, if approved at the Meeting, will be payable to those eligible Members who hold shares:
 - (a) In dematerialized mode, based on the beneficial ownership details to be received from National Securities Depository Limited and Central Depository Services (India) Limited as on 02nd August 2016.
 - (b) In physical mode, if their names appear in the Bank's Register of Members after giving effect to all valid transfers in physical form lodged with the Bank and its Registrar and Transfer Agents before 02nd August 2016.
9. In support of the "Green Initiative" announced by the Government of India and as per the Listing Agreement executed with Stock Exchanges, electronic copy of the Annual Report and this Notice, inter alia indicating the process and manner of remote e-voting along with attendance slip and proxy form are being sent by e-mail to those Members whose e-mail addresses have been made available to the Bank /Depository Participants unless the Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of this Notice inter alia indicating the process and manner of remote e-voting along with attendance slip and proxy form, will be sent to them in the permitted mode.

The Bank hereby request Members who have not updated their email IDs to update the same with their respective Depository Participant(s) or with M/s. Integrated Enterprises (India) Limited, Chennai, Registrar and Transfer Agent (R&T) of the Bank. Further, Members holding shares in electronic mode are also requested to ensure to keep their email addresses updated with the Depository Participants / R&T of the Bank.
10. Shareholders holding shares in physical form are requested to immediately notify change in their address, if any, to the Registrar and Share Transfer Agents, M/s. Integrated Enterprises (India) Limited, Chennai or to the Registered Office of the Bank, quoting their Folio number(s).
11. Shareholders holding shares in dematerialised mode are requested to intimate all changes pertaining to their Bank details, ECS mandates, email addresses, nominations, power of attorney, change of address/name etc. to their Depository Participant (DP) only and not to the Bank or its Registrar and Share Transfer Agents. Any such changes effected by the DPs will be automatically reflected in the records of the Bank subsequently.
12. The route map to the venue of the Annual General Meeting also forms part of this Notice.

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 Companies Act") the following explanatory statement set out the material facts relating to Item Nos 3,5,6,7,8,9,10,11,12, 13 and 14 of the Notice.

Item No.3

Although not required, the Explanatory Statement is being given in respect of Item No. [3] of the Notice.

In terms of Section 152(6)(a) of Companies Act 2013, not less than two-thirds of the total number of directors of a public company are liable to retire by rotation.

Mr. Shyam Srinivasan was re-appointed as the Managing Director and Chief Executive Officer, by the Board of the Bank for a period of three years, with effect from September,23 2013 to September,22 2016, on the completion of his first term, for which approval from Reserve Bank of India was obtained vide letter No.DBOD No.5155/08.38.001/2013-14 dated September 21,2013, on the existing terms and conditions.

Mr. Shyam Srinivasan took charge as the Managing Director & CEO of Federal Bank on 23rd September 2010. He joined Federal Bank, equipped with the experience of over 20 years with leading multinational banks in India, Middle East and South East Asia, where he gained significant expertise in retail lending, wealth management and SME banking.

Mr. Shyam Srinivasan aged 54 years is an alumnus of the Indian Institute of Management, Kolkata and Regional Engineering College, Tiruchirapally. He has completed a Leadership Development Program from the London Business School and has served on the Global Executive Forum (the top 100 executives) of Standard Chartered Bank from 2004 to 2010.

At Federal Bank, he has been instrumental in implementing various path-breaking initiatives which include : Increasing the presence and visibility of the Bank to a national level, creating an inherent capability within the Bank to reinvent and re-implement processes - especially the customer-critical ones, initiating the Total Quality Management Journey of the Bank, focusing on under-writing quality at every stage right from credit selection, incubating the human resource potential of the Bank and so on. He continues to strive hard to create a culture of Ethics and Excellence in the Bank, which he so believes in. The Bank crossed milestone figure of Rs 1000 Crore in net profit, for the year ended March 2015, during his period.

Mr. Shyam Srinivasan is a director in following companies

- | | |
|---|----------------------------|
| 1. Fedbank Financial Services Limited | - Director |
| 2. IDBI Federal Life Insurance Company Limited | - Director |
| 3. Indian Institute of Banking and Finance(Guarantee Company) | - Governing Council Member |

Currently he is on the committee of the Board of following Companies

- | | |
|---|----------------------------|
| 1. IDBI Federal Life Insurance Company Limited- Chairman(Policy holder Protection Committee) | - Member (Audit Committee) |
| 2. Fedbank Financial Services Limited- Member (Credit Committee, Audit Committee and CSR Committee) | |

Mr. Shyam Srinivasan holds 71500 shares of the Bank as on 31 March 2016, in his personal capacity only. Presently he is the Chairman of Committee to Review Large Value Fraud of the Bank and member of Risk Management Committee, Customer Service and Marketing Strategy Committee, Credit and Investment Raising Capital Committee, Information Technology & Operations Committee, Investor Grievance & Share Transfer Committee, Committee for Human Resource Policy, Corporate Social Responsibility Committee and Performance Review Committee of the Board of the Bank. Mr. Shyam Srinivasan attended nine Board meetings in Financial Year 2015-16, out of total nine Board meetings held during the year.

Mr. Shyam Srinivasan is not related to any other Director of the Bank. The terms and conditions of appointment/re-appointment are detailed in explanatory statement Item No 8 of this Notice.

Accordingly, your Directors recommend the adoption of the Resolution No. 3 of the Notice in accordance with the approval received from RBI.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution No. 3 of the Notice except Mr. Shyam Srinivasan.

Item No.4

Although not required, the Explanatory Statement is being given in respect of Item No. 4 of the Notice.

Deloitte Haskins & Sells, Chartered Accountants, Chennai and M.P. Chitale & Co, Chartered Accountants, Mumbai, who had been reappointed by the shareholders at the Eighty Fourth Annual General Meeting as the Joint Central Statutory Auditors of the Bank for the year 2015-16, would be retiring at the conclusion of the forthcoming Annual General Meeting. They have been statutory auditors of the Bank for four consecutive years, which is the maximum term for statutory auditors of banking companies as per the guidelines issued by Reserve Bank of India. The Audit Committee and the Board of Directors have placed on record their appreciation of the professional services rendered by Deloitte Haskins & Sells, Chartered Accountants, Chennai and M.P. Chitale & Co, Mumbai as Joint Central Statutory Auditors of the Bank during their association with the Bank as auditors.

The Board at its meeting held on 25th May 2016, based on the recommendation of the Audit Committee of the Board, had recommended the appointment by shareholders M/s. B S R & Co. LLP, Chartered Accountants, Mumbai, (ICAI FRN-101248 W) together with M/s M M Nissim & Co, Mumbai, (ICAI FRN- 107122 W), as the Joint Central Statutory Auditors of the Bank, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Bank, as they are found to be qualified for the same. The appointment of the below mentioned firms have been approved by RBI vide letter no. DBS.ARS.No.15083/08.09.005/2015-16 dated June 20,2016.

Accordingly, your Directors recommend the Resolution No.4, for the appointment of M/s. B S R & Co. LLP, Chartered Accountants, Mumbai, (ICAI FRN- 101248 W) together with M/s M M Nissim & Co, Mumbai, (ICAI FRN- 107122 W), as the Joint Central Statutory Auditors of the Bank.

None of the Directors, Key Managerial Personnel of the Bank and their relatives are concerned or interested in the resolution at Item No. 4 of the Notice.

Item No.5

In accordance with the provisions of Section 139 and Section 143(8) of the Companies Act, 2013, RBI and other regulatory requirements, the shareholders of the Bank may authorize its Board of Directors to appoint branch auditors in consultation with the Bank's(Central Statutory) auditors.

Accordingly, your Directors recommend the adoption of the Resolution No. 5 of the Notice.

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

Item No.6

The Board of Directors had appointed Mr. Chandrasekhar Balagopal as an Additional Independent Director at its Board meeting held on 29 June 2015 under Section 161 of the Companies Act,2013. In terms of the said Section, Mr. Chandrasekhar Balagopal vacates office at this meeting.

In terms of section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company for a further period of upto five years. The relevant sections and rules under Banking Regulation Act, 1949 and prescribed by RBI from time to time are applicable to all Directors of the Bank. In view of the above provisions, and as per the terms and conditions of appointment of Mr. Chandrasekhar Balagopal, the proposal for the appointment Mr. Chandrasekhar Balagopal as an Independent Director, for a period of three years has been put up for the approval of shareholders. Mr. Chandrasekhar Balagopal's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949. The terms and conditions applicable to Independent Director(s) of the Bank and hosted in the website of the Bank is applicable to Mr. Chandrasekhar Balagopal also.

Mr. Chandrasekhar Balagopal, aged 64 years is a post graduate in Economics from Madras University. He then joined the Indian Administrative Service in 1977 and worked in various posts in Manipur and Kerala. He resigned from the IAS in 1983, to set up a company to manufacture indigenously developed biomedical devices for the first time in the country. This came to be known as Terumo Penpol Ltd. and is one of the biggest manufacturers and exporters of blood bag systems in the world. Mr. Chandrasekhar Balagopal, is involved in mentoring and investing in startup ventures, community development activities and writing. He is a mentor at the Medical Technology Business Incubator, SCTIMST. He is the Director of Mobilexion Technologies Pvt. Ltd., a startup enterprise engaged in medical device development, and a Director of Enter Technologies Pvt. Ltd. He is a Charter member and first President of TiE Kerala. He is also a member of Ethics Committee of Rajiv Gandhi Center for Biotechnology, Investment Promotion Board of Kerala, and the Technology Development Council of Sree Chitra Thirunal Institute for Medical Science & Technology.

Presently he is the Chairman of Customer Service and Marketing Strategy Committee and Investor Grievance & Share Transfer Committee and member of Credit Committee & Investment and Raising Capital Committee, and Corporate Social Responsibility Committee of the Board of the Bank. Mr. Chandrasekhar Balagopal attended seven Board meetings in Financial Year 2015-16, out of total nine Board meetings held during the year. Mr. Chandrasekhar Balagopal did not hold any shares of the Bank as on 31 March, 2016. Mr. Chandrasekhar Balagopal is not related to any other Director of the Bank.

A notice has been received from a member along with a deposit of Rs.1,00,000/- as required by Section 160 of the Companies Act, 2013, proposing Mr. Chandrasekhar Balagopal as a candidate for the office of the Director of the Bank. Mr. Chandrasekhar Balagopal has consented to act as a Director, if appointed as Director of the Bank. Mr. Chandrasekhar Balagopal is representing the sector of economics as per the requirement of Banking Regulation Act, 1949 and hence found suitable for appointment.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 6 of the Notice except Mr. Chandrasekhar Balagopal. Mr. Chandrasekhar Balagopal does not hold any shares of the Bank as on 31st March 2016 either by himself or on a beneficial basis.

The Board of Directors have reviewed the declaration made by Mr. Chandrasekhar Balagopal and that he meets the criteria of independence as provided in Section 149(6) read with Schedule IV of the Companies Act, 2013, and the Board is of opinion that he fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management.

Accordingly, your Directors recommend the Resolution No.6, for the approval of the shareholders appointing Mr. Chandrasekhar Balagopal as an Independent Director of the Bank, for a period of three years and as approved by the Board of the Bank.

Item No.7

Mr. Nilesh Shivji Vikamsey was appointed as an Additional Independent Director on the Board of the Bank on 24.06.2011 and was elected as a Director at the 80th Annual General Meeting held on 03.09.2011. He was elected as an Independent Director on the Board of the Bank at the Annual General Meeting held on 17.07.2014. He was appointed as the Chairman of the Board of the Bank for a period of two years w.e.f 20th June 2015, for which RBI approval was obtained vide letter no.18592/08.38.001/2014-15 dated June 5, 2015.

The Board of Directors fixed the remuneration payable to Mr. Nilesh Vikamsey as ₹.15,00,000/-(Rupees Fifteen Lakh only) per annum (₹1,25,000/- per month) in addition to payment of sitting fee for attending Board/Committees meetings, for which Reserve Bank of India approval has been obtained vide their letter. DBR Appt No.11006/08.38.001/2015-16 dated March 2, 2016. Before taking charge as Chairman of the Board of the Bank, Mr. Nilesh Vikamsey was paid only sitting fee for attending Board/Committees meetings.

Mr. Nilesh Shivji Vikamsey, aged 52 years is a Chartered Accountant by profession, and holds a Diploma in Information System Audit and was also associated with Business Consultancy Studies Course of Bombay Chartered Accountants Society jointly with Jamnalal Bajaj Institute of Management Studies. He is the senior partner of Khimji Kunverji & Co, Chartered Accountants, a firm which has over 80 years of experience in the areas of Auditing, Taxation, Corporate & Personal Advisory Services, Business & Management Consulting Services, due diligence, valuations, inspections, and investigations. He is a member of the Central Council and Vice President of the Institute of Chartered Accountants of India (ICAI).

Currently he is on the Board of following other Companies:

IIFL Holdings Limited	- Director
IIFL Facilities Services Limited	- Director
SBI Life Insurance Company Limited	- Director
IIFL Wealth Management Limited	- Director
Navneet Education Limited	- Director
HLB Offices and Service Private Limited	- Director
Trunil Properties Private limited	- Director
Barkat Properties Private Limited	- Director
Thomas Cook (India) Limited	- Director
SOTC Travel Services Private Limited	- Director
Extensible Business Reporting Language (XBRL) India	- Director

Currently he is on the committee of the Board of following other Companies

IIFL Holdings Limited	Chairman (Audit Committee) Member (Nomination and Remuneration Committee, Risk Management Committee and CSR Committee)
SBI Life Insurance Company Limited	Chairman (Audit Committee) Member (Investment Committee, Risk Management Committee, Compensation Committee, Policy Holder Protection Committee and Nomination Committee)
IIFL Wealth Management Limited	Chairman (Audit Committee) Chairman (Nomination and Remuneration Committee) Member(CSR Committee)
Navneet Education Limited	Member (Audit Committee)
IIFL Facilities Services Limited	Member (Audit Committee) Member(Nomination and Remuneration Committee) Member(CSR Committee)
Thomas Cook (India) Limited	Chairman (Audit Committee)
SOTC Travel Services Private Limited	Chairman (Audit Committee) Member(Nomination and Remuneration Committee)

Presently he is the Chairman of the Board of the Bank and is a member of Audit Committee, Nomination, Remuneration, Ethics and Compensation Committee, Risk Management Committee, Committee for Human Resource Policy and Committee to Review Large Value Fraud of the Board of the Bank. He does not hold any shares of the Bank as on 31st March 2016. Mr. Nilesh Vikamsey attended nine Board meetings in Financial Year 2015-16, out of total nine Board meetings held during the year. Mr. Nilesh Vikamsey is not related to any other Director of the Bank.

Accordingly, your Directors recommend the Resolution No.7 for payment of remuneration of ₹ 15,00,000/- per annum to Mr. Nilesh Vikamsey, Chairman of the Board of the Bank as approved by Reserve Bank of India, in addition to payment of sitting fee for attending Board/Committees meetings.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 7 of the Notice except Mr. Nilesh S Vikamsey.

Item No.8

Mr. Shyam Srinivasan was re-appointed as the Managing Director and Chief Executive Officer of the Bank, by the Board of the Bank, for a period of three years with effect from September,23 2013 to September,22 2016, on the completion of his first term, for which approval from Reserve Bank of India was obtained vide letter No. DBOD No.5155/08.38.001/2013-14 dated September 21,2013.

The Board of the Bank had at its meeting dated 18th July 2015 approved the revision in remuneration payable to Mr. Shyam Srinivasan to be made effective from 23rd September 2015, for which RBI approval was obtained vide letter No. DBR.Appt.No.6841/08.38.001/2013-14 dated November 18,2015.

No salary revision has been made for Mr. Shyam Srinivasan, since he joined the Bank. There was growth both in the size of the business of the Bank and also on the profitability of the Bank, since he had taken charge as MD & CEO of the Bank. The Bank crossed milestone figure of ₹ 1000 Crore in net profit, for the year ended March 2015, during his period, for the first time in its history.

Total Business position and Profit of the Bank comparison for FY 2011 and FY 2015 is shown below:

	31.03.2010	31.03.2011	31.03.2015
Total Business of the Bank (₹ in Crore)	63008.06	74968.01	122109.98
Net Profit of the Bank (₹ in Crore)	464.55	587.08	1005.75

Remuneration of the Managing Director and Chief Executive Officer, as per the revised terms and conditions in comparison with the existing terms and conditions and as approved by RBI is shown below:

Particulars	Previous Terms and conditions	Revised terms and conditions
1	2	3
1. Remuneration:		
Salary	₹.70,00,000/-per annum	₹.1,20,00,000/- per annum
Dearness Allowance	Nil	Nil
House Rent allowance	Nil	Nil
Conveyance Allowance	Nil	Nil
Entertainment Allowance	During his tenure, he can make use of Bank's corporate membership of one or more clubs	During his tenure, he can make use of Bank's corporate membership of one or more clubs
Total	₹.70,00,000/-p.a.	₹. 120,00,000/-p.a.
Others Allowances-Variable Pay	With Prior approval of RBI	With Prior approval of RBI
2. Perquisites		
Free furnished House	The Bank will provide free furnished accommodation. Bank will bear the cost of furnishing upto ₹. 10 lakh. At the time of leaving the Bank the MD & CEO has the option of taking over the furniture, fittings, appliances etc at the then book value at the Bank's books.	The Bank will provide free and furnished accommodation. Bank will bear the cost of furnishing upto ₹. 10 lakh. At the time of leaving the Bank the MD & CEO has the option of taking over the furniture, fittings, appliances etc at the then book value at the Bank's books.
Free Use of Bank's Car for a. Official Purposes b. For private purposes on compensating the Bank with suitable amount	a. Free use of Bank's car (with driver) for official purposes. b. For personal use, ₹. 250/- per month would be recovered.	a. Free use of Bank's car (with driver) for official purposes. b. For personal use, ₹. 250/- per month would be recovered.
3. Provident Fund	10 % of the pay, to be matched by MD's contribution	10 % of the pay, to be matched by MD's contribution
4. Gratuity	As applicable	As applicable
5. Pension	Not eligible	Not eligible

6. A. Travelling	₹. 1000/- per day if expenses are not claimed	Actual expenses incurred, and certified by self. ₹. 1000/- per day if expenses are not claimed
B. Halting Allowances	₹.2000/- per day if boarding and lodging expenses are not claimed	₹.2000/- per day if both boarding and lodging expenses are not claimed
7. Medical Benefits	During his tenure as MD & CEO reimbursement of actual hospital expenses incurred in full for him and wife and 50% for his dependent parents and children. This is subject to any recoveries made arising out of his previous employments	During MD's tenure actual expenses incurred including hospitalization in full for him, wife and dependent family members. This is however subject to any recoveries made arising out of his previous employment upon the MD & CEO laying down his office after serving atleast three years as MD & CEO, the Bank will pay or reimburse the full premiums payable/paid on the policy or policies issued under a medical insurance plan covering hospitalization and other medical expenses incurred on the MD & CEO and his wife upto ₹. 10 lakh each per annum for life. However, if no Medical insurance plan is available the entire medical expenses for self and his wife would be reimbursed by the Bank.
Leave Encashment	As applicable to other officers of the Bank. Encashment will be allowed once in a year	As applicable to other officers of the Bank. Encashment will be allowed once in a year
Salary of attendant at residence	Reimbursement of actual salary upto ₹. 60,000/- p.a during his tenure in the office	Reimbursement of actual salary upto ₹. 100000/- per annum with effect from 01.06.2015 during his tenure in the office
ESOP	With prior approval of RBI	With prior approval of RBI
Leave fare Concession	The concession will be available once in every year for domestic travel by the highest class whichever mode of travel, but reimbursement limited to the actual expenses incurred. For business class by air on foreign travel, the reimbursement shall be limited to the business class fare between Kochi and Delhi.	-

The Board of Directors of the Bank had in its meeting dated 18th July 2015, approved a variable pay of ₹. 20.00 Lakh for the financial year ended 31 March 2015 to Mr. Shyam Srinivasan, MD & CEO of the Bank, for which approval from Reserve Bank of India was obtained vide its letter DBR.Appt.No.6841/08.38.001/2013-14 dated November 18,2015.

The detailed profile of the Director along with directorship in other Companies and its Committees, number of Board meetings attended during the year are explained in Item No. 3 above.

Accordingly, your Directors recommend the passing of Resolution No 8, in terms of Reserve Bank of India's approval for the revision of remuneration/terms and conditions of appointment with effect from 23 September, 2015 and variable pay to Mr. Shyam Srinivasan, Managing Director & CEO of the Bank.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 8 of the Notice except Mr. Shyam Srinivasan.

Item No.9

The Board of Directors of the Bank at its meeting held on 29th June 2015 had approved the proposal for appointment of Mr. Ashutosh Khajuria as Executive Director of the Bank for a period of two years w.e.f 01st July 2015, for which RBI approval was obtained vide its letter no. DBR. Appt No.9426/08.38.001/2015-16 dated 28th January 2016 and as such Mr. Ashutosh Khajuria took charge as Executive Director & CFO of the Bank w.e.f 28th January 2016 after getting the RBI approval.

Mr. Ashutosh Khajuria, who was acting as Head of Network II & President - Treasury of the Bank was relieved of this responsibility and was assigned with the responsibility of Chief Financial Officer of the Bank w.e.f . 16th September 2015.

Mr. Ashutosh Khajuria aged 56 years is a Graduate in Science and Law and also a Post Graduate in Economics. He has been working as President – Treasury in our Bank since 2011. He has over thirty years of banking experience, having worked in SBI, IDBI Bank Ltd., and had handled forex business, international banking, corporate credit etc. there at. He is an expert in treasury operations and has featured regularly in various television channel discussions and is also a regular invitee as panelist on various topics in Industry level conferences.

Remuneration/Terms and Conditions of Mr. Ashutosh Khajuria, Executive Officer & CFO of the Bank, as approved by RBI is shown below:

Remuneration	Previous Terms and Conditions (As Head of Network II & President - Treasury)	Present Terms and Conditions as Executive Director and CFO and approved by RBI
1	2	3
1. Salary	a. Basic Salary ₹ 15,00,000/- per annum b. Personal Fixed pay ₹ 42,50,000/- per annum	i) Basic Salary ₹ 20,00,000/- per annum ii) Personal Fixed pay ₹ 45,00,000/- per annum
Total	₹. 57,50,000/-per annum	₹. 65,00,000/-per annum
2. House Rent allowance	₹ 16,80,000/-	Leased accommodation @ ₹. 18,50,000/- per annum or own arrangement @ ₹. 14,00,000/- per annum
3. Entertainment Allowance	Bank's Corporate Membership of One club	Bank's Corporate Membership of One club
4. Performance linked incentive	₹. 6,50,000	With prior approval of RBI
Perquisites		
1. Free furnished House	Nil	Nil
2. Driver's Wages	₹. 1,44,000 per annum	₹. 2,20,000/- per annum
3. Free Use of Bank's Car for a. Official Purposes b. For private purposes on compensating the Bank with suitable amount	Entitled to use Bank's car for Official purpose, and for private purpose Rs. 250/- per month will be recovered.	Entitled to use Bank's Car for official purposes and private purposes.
4. Provident Fund	10 % of Basic Salary (₹ 15,00,000) per annum	10 % of Basic Salary (₹ 2,00,000) per annum
5. Pension	Not eligible	Not Eligible
6. Gratuity	As applicable	As applicable
2. A. Travelling B. Halting Allowances	Actual expenses incurred, supported by bills	Actual expenses incurred, supported by bills
8. Medical Benefits	Reimbursement of medical expenses, including hospitalization in full for self & spouse and to the extent of 50 % for dependants.	Reimbursement of medical expenses, including hospitalization in full for self & dependents.
Other Benefits		
9. ESOS	Total granted 14,00,000 options	With prior approval of RBI
10. Official Travel	Highest class by whichever mode within the country and business class by Air on foreign travel.	Highest class by whichever mode within the country and business class by Air on foreign travel.
11. Personal Accident Insurance	Coverage ₹ 30,00,000/-	Coverage ₹ 30,00,000/-
12. Telephone, mobile and Ipad	₹ 1,36,000/-	Actual of cost and call charges.
13. Leave Fare Concession	Once in a year for Domestic travel by highest class by whichever mode of travel. Reimbursement is limited to actual expenses incurred for foreign travel business class by air. Reimbursement is limited to business class fare between Kochi and New Delhi.	Once in a year for Domestic travel by highest class by whichever mode of travel anywhere in India. Once in two years for foreign travel and reimbursement is limited to ₹ 1,25,000/- per person.

Mr. Ashutosh Khajuria is a director in following other companies

IDBI Federal Life Insurance Company Limited - Director

Currently he is on the committee of the Board of following Companies

IDBI Federal Life Insurance Company Limited - Member (Business Development Committee, Investment Committee and Risk Management Committee)

Presently he is a member of Committee to Review Large Value Fraud, Customer Service & Marketing Strategy Committee, Investor Grievance, Share Transfer & Stakeholder Relationship Committee, Corporate Social Responsibility Committee and Performance Review Committee of the Board of the Bank. Mr. Ashutosh Khajuria attended one Board meeting in Financial Year 2015-16 after becoming a Board member. Mr. Ashutosh Khajuria holds 42000 shares of the Bank as on 31 March 2016 in his personal capacity only.

Mr. Ashutosh Khajuria is not related to any other Director of the Bank.

The Bank has received a notice under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose Mr. Ashutosh Khajuria as a candidate for the office of Director of the Bank and the requisite deposit of ₹ 1,00,000 has also been received by the Bank along with such notice

Accordingly, your Directors recommend the passing of Resolution No 9, for the appointment of Mr. Ashutosh Khajuria as the Executive Director & Chief Financial Officer of the Bank as per the terms and conditions of appointment mentioned herewith, for a period of two years, with effect from 28th January 2016, in terms of Reserve Bank of India's approval.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution No. 9 of the Notice except Mr. Ashutosh Khajuria.

Item No.10

The Board of Directors of the Bank at its meeting held on 10th March 2016 had approved the proposal for appointment of Mr. Ganesh Sankaran as Executive Director of the Bank with a seat on the Board of the Bank for a period of two years w.e.f 04th July 2016, for which RBI approval was obtained vide its letter no. DBR. Appt No.163/08.38.001/2016-17 dated 04th July 2016 and as such Mr. Ganesh Sankaran took charge as Executive Director with a seat on the Board of the Bank w.e.f 04th July 2016 after getting the RBI approval.

Mr. Ganesh Sankaran aged 46 years is an alumnus of VJTI Mumbai and also has a Masters degree in Business Administration from Symbiosis Institute of Business Management.

He brings banking experience of over 20 years across Relationship and Risk functions. He has top quality exposure in building corporate relationships and providing strategic direction for managing credit risk across diverse verticals. He was a senior leader in wholesale banking at HDFC Bank and was responsible for managing the balance sheet and profitability for the corporate bank as well as influencing and driving strategic initiatives. He brings firsthand experience to risk dimensions in several key domains such as SME, commercial transportation, agriculture lending, microfinance and sustainable livelihood, large ticket retail lending, risk intelligence & control etc.

At Federal Bank, he will be in charge of creating a robust wholesale and commercial banking as well as bringing senior leadership strategy insight in building a high quality franchise. He is expected to play a significant role in the organization wide maximization & optimization initiatives, for enhancement of stakeholders value. Mr. Ganesh Sankaran represents sectors Banking, credit and risk management as per section 10 A of the Banking Regulation Act, 1949.

Remuneration/Terms and Conditions of Mr. Ganesh Sankaran, Executive Officer of the Bank, as approved by RBI is shown below:

Remuneration	Terms and Conditions as Executive Director and approved by RBI
1	2
1. Salary	i) Basic Salary ₹ 20,00,000/- per annum ii) Personal Fixed pay ₹ 45,00,000/- per annum
Total	₹ 65,00,000/-per annum
2. House Rent allowance	Leased accommodation @ ₹ 18,50,000/- per annum or own arrangement @ ₹ 14,00,000/- per annum
3. Entertainment Allowance	Bank's Corporate Membership of One club
4. Performance linked incentive	With prior approval of RBI
Perquisites	
1. Free furnished House	Nil
2. Driver's Wages	₹ 2,20,000/- per annum

3. Free Use of Bank's Car for a. Official Purposes b. For private purposes on compensating the Bank with suitable amount	Entitled to use Bank's Car for official purposes and private purposes.
4. Provident Fund	10 % of Basic Salary (₹ 2,00,000) per annum
5. Pension	Not Eligible
6. Gratuity	As applicable
7. A. Travelling B. Halting Allowances	Actual expenses incurred, supported by bills
8. Medical Benefits	Reimbursement of medical expenses, including hospitalization in full for self & dependents
Other Benefits	
9. ESOS	With prior approval of RBI
10. Official Travel	Highest class by whichever mode within the country and business class by Air on foreign travel.
11. Personal Accident Insurance	Coverage ₹ 30,00,000/-
12. Telephone, mobile and Ipad	Actual of cost and call charges.
13. Leave Fare Concession	Once in a year for Domestic travel by highest class by whichever mode of travel anywhere in India. Once in two years for foreign travel and reimbursement is limited to ₹ 1,25,000/- per person.
14. Leave Encashment	Once in a year, maximum 30 days. Balance privilege leave is encashable on retirement.

Mr. Ganesh Sankaran does not hold directorship in any other companies. Mr. Ganesh Sankaran is not related to any other Director of the Bank.

The Bank has received a notice under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose Mr. Ganesh Sankaran as a candidate for the office of Director of the Bank and the requisite deposit of ₹ 1,00,000 has also been received by the Bank along with such notice.

Accordingly, your Directors recommend the passing of Resolution No 10, for the appointment of Mr. Ganesh Sankaran as the Executive Director of the Bank as per the terms and conditions of appointment mentioned herewith, for a period of two years, with effect from 04th July 2016, in terms of Reserve Bank of India's approval.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution No. 10 of the Notice except Mr. Ganesh Sankaran.

Item No.11

The Board of Directors of the Bank had in its meeting dated 19th December 2015, approved a variable pay of ₹. 7.00 Lakh for the financial year ended 31 March 2015 to Mr. Abraham Chacko, erstwhile Executive Director of the Bank, for which approval from Reserve Bank of India was obtained vide its letter DBR.Appt.No.11322/08.38.001/2015-16 dated March 10, 2016.

Accordingly, your Directors recommend the passing of Resolution No 11, in terms of Reserve Bank of India's approval for the payment of variable pay to Mr. Abraham Chacko, erstwhile Executive Director the Bank.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 11 of the Notice.

Item No.12

The Board of the Bank had in its meeting dated 30th April 2016, approved the amendment to be made to the Memorandum and Articles of the Bank in line with the new Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, Banking Regulation Act, 1949/ Banking Law (Amendment) Act, 2012 and other regulatory requirements and recommends to the shareholders for approval. The Bank is engaged in the activity of Depository Services and is rendering services as Depository Participant of NSDL since 2000. In order to align the activities undertaken by the Bank, under separate headings it has been mentioned as "objects of the company to be pursued by the Bank immediately on its incorporation" as clause 3.a and "objects which are necessary for furtherance of the objects specified in clause 3.a are" as clause 3.b in the Memorandum of Association.

An additional clause 't' have been added to the ancillary activities undertaken by the Bank to specifically include the services rendered by the Bank as Depository Participant and its related services and as per the guidelines issued by

NSDL to specifically include the Depository Services rendered by the companies in the Memorandum of Association, and as such the same is included. The Liability clause has also been amended to make it in line with the Companies Act, 2013, and all these are now placed for shareholders approval.

Accordingly, your Directors recommend the passing of Resolution No 12, for amendment of Memorandum of Association of the Bank as recommended by the Board of the Bank.

None of the directors/key managerial personnel of the Bank or their relatives are concerned or interested in the resolution.

Item No.13

The Board of the Bank had in its meeting dated 30th April 2016, approved the amendment to be made to the Memorandum and Articles of the Bank in line with the new Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, Banking Regulation Act, 1949/ Banking Law (Amendment) Act, 2012 and other regulatory requirements and recommends the same for shareholders approval.

In order to make the Articles of Association of the Bank in the line with the new regulatory requirements, the material changes that have been proposed in the revised draft of the Articles of Association of the Bank, are reproduced below:

An Indicative list of amendments proposed in the Articles of Association of the Bank is as shown below:

1. Article 1 would be substituted as follows:

"The regulations contained in Table-F in the first schedule of the Companies Act, 2013 shall not apply to this Bank except so far as they or any of them have been adopted in these Articles."

2. Article 1A would be substituted as follows:

"The provisions of the Memorandum and Articles of Association of the Bank are subject to the provisions of the Companies Act, 2013, (hereinafter referred to as the "Companies Act", which includes rules framed under the Companies Act (herein after referred to as "the Rules"), regulations, notifications, orders, circulars made thereunder alongwith any statutory modification or re-enactment thereof for the time being in force) and the Banking Regulation Act, 1949, (herein after referred to as "the B R Act", which includes any statutory modification or re-enactment thereof for the time being in force), which shall have effect notwithstanding anything to the contrary contained in the Memorandum or Articles of Association of the Bank."

3. Sub-clauses g, h and i added in Article 2 as follows:

g- "B R Act" means Banking Regulations Act, 1949 or any statutory modification or re-enactment thereof brought in this Act.

h- "Companies Act" means Companies Act, 2013 or any statutory modification or re-enactment thereof brought in this Act.

i- "Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Article 4A is added after Article 4 as follows:

Article 4A- Paid up and Subscribed Capital

The subscribed capital of the Bank shall not, at any time, be less than one-half of the authorised share capital of the Bank, and the paid-up share capital of the Bank shall not be less than one-half of the subscribed share capital provided that when the capital is increased, the proportion between the subscribed share capital and the authorised share capital and the proportion between the paid-up share capital and the subscribed share capital as aforesaid may, however, be secured within such period as may be determined by the Reserve Bank of India not exceeding two years from the date of such increase.

5. Article 9A is added after Article 9 as follows:

Article 9A-Buy Back of shares

Notwithstanding anything contained in these Articles, but subject to the provisions of Sections 68 to 70 of the Companies Act and any other applicable provision of the Companies Act or any other law for the time being in force, the Bank may purchase its own shares or other specified securities.

6. Article 10 would be substituted as follows:

Subject to the provisions of Section 61, the Bank may in general meeting by ordinary resolution:

(a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) Sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum of Association, so however that in the subdivision the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and the same

proportionate liability shall continue on the shares so reduced or increased as existed on the original shares before such subdivision or consolidation.

c) And cancel shares which at the date of passing of the Resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its issued share capital by the amount of the share so cancelled

Such cancellation of share shall not be deemed to be reduction of share capital within the meaning of the Companies Act.

7. Article 11 would be substituted as follows:

(1) The Bank may exercise the powers of paying commissions conferred by Section 40(6) of the Companies Act, provided that the rate or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and Rules made thereunder.

(2) The rate or amount of the commission shall not exceed the rate or amount prescribed as per the regulatory requirements.

(3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares/ debentures or partly in the one way and partly in the other.

(4) The Bank shall also be entitled to make bulk placement of shares, debentures or debenture stock to national or trans-national financial institutions on such terms and conditions in accordance with the statutory regulations applicable to such issues or placements.

8. Article 13 would be substituted as follows:

Except as required by law, no person shall be recognised by the Bank as holding any share upon any trust, and the Bank shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

9. Article 14 would be substituted as follows:

(1) Share certificates shall be issued in market lots and no fee shall be charged for the same, at the time of allotment.

(2) Every person whose name is entered as a member in the register of members shall be entitled to receive, within two months from the date of allotment or such other period as may be prescribed by law and within fifteen days of receipt by the Bank of request for transfer, after receipt of documents as per the Companies Act, the Rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time:

(a) One or more certificates for all his shares without payment, subject to clause (1) above.

(b) Several certificates, each for one or more of his shares, upon request without making any charge for such splitting or consolidation into market units of trading

(c) Every certificate shall be under seal of the Bank and shall specify the shares to which it relates and the amount paid up thereon.

(d) In respect of any share or shares held jointly by several persons, the Bank shall not be bound to issue more than one certificate, and delivery of a certificate for a share to the person whose name stands first in the register of members of the Bank as one of the joint holders shall be sufficient delivery to all such holders.

Provided that in the issue of share certificates, the Board shall comply with the provisions of the Companies (Share Capital and Debenture) Rules, 2014 and Listing Regulations as amended from time to time.

The Bank shall ensure that transmission requests are processed for securities held in dematerialized mode and physical mode within seven days and twenty one days respectively, after receipt of the specified documents as per the Companies Act, the Rules made thereunder and Listing Regulations as amended from time to time.

10. Article 15 would be substituted as follows:

If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Bank, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Bank and on execution of such indemnity and the payment of out of pocket expenses incurred by the Bank in investigating evidence, as the Directors think fit, a new certificate in lieu thereof shall be given to the party entitled to. Every certificate under this Article shall be issued on payment of such fee as may be permitted under regulations.

11. Article 16 would be substituted as follows:

(1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium).

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(2) Each member shall subject to receiving at least 14 days notice specifying the time or times and place of payment, pay to the Bank at the time or times and place so specified, the amount called on his shares.

(3) A call may be revoked or postponed at the discretion of the Board.

12. Article 29 would be substituted as follows:

The Bank shall keep a book called the "Register of Transfers and Transmission" and therein shall be entered the particulars of every transfer or transmission of any share in the Bank, in accordance with the regulations applicable from time to time. Provided however the Bank may be entitled to keep and maintain such registers through electronic mode in accordance with law.

Subject to the provisions of the Companies Act, the register of members may be closed for any period not exceeding in the aggregate 45 days in a year but not exceeding 30 days at any one time.

(4) The Bank shall also be entitled to make bulk placement of shares, debentures or debenture stock to national or trans-On giving not less than seven working days' previous notice in accordance with Section 91 of the Companies Act, the Rules made thereunder and as per the Listing Regulations, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

13. Sub clause (3) to be added in Article 30 as follows:

(3)The Bank shall comply with the requirements of the Companies Act, the Rules made thereunder and the Listing Regulations in respect of execution of transfers.

14. Article 31 would be substituted as follows:

The Board may decline to register any transfer of shares not being fully paid up, to a person of whom they do not approve and may also decline to register the transfer of shares on which the Bank has a lien. Subject to the provisions of the Companies Act, the Register of Members may be closed for any period not exceeding in the aggregate 45 days in a year, but not exceeding 30 days at any one time. The Bank may decline to register any instrument of transfer:

Unless the instrument of transfer is accompanied by the Certificate of shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

The Bank shall not register transfer when any statutory prohibition or any attachment or prohibitory order of a competent authority restrains it from transferring the securities from the name of the transferor(s).The Bank shall not register the transfer of its securities in the name of the transferee(s) when the transferor(s) objects to the transfer:

Provided that the transferor serves on the Bank, within sixty working days of raising the objection, a prohibitory order of a Court of competent jurisdiction.

Provided that registration of transfer of shares shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Bank on any account whatsoever except a lien on the shares.

15. Article 31A would be substituted as follows:

Acquisition of shares or voting rights therein, by a person directly or indirectly, by himself or acting in concert with any other person which taken together with shares and voting rights, if any, held by him or his Relative or Associate Enterprise or person acting in concert with him, makes the applicant to hold five per cent or more of the paid-up share capital of the Bank or entitles him to exercise five per cent or more of the voting rights in the Bank should be effected by such person(s) after obtaining prior approval of Reserve Bank of India.

For the purpose of this Article-

(a) "Associate Enterprise" means a company whether incorporated or not which

(i) is a holding company or a subsidiary company of the applicant or

(ii) is a Joint Venture of the applicant or

(iii) controls the composition of the Board of Directors or other body governing the applicant or

(iv) exercises in the opinion of the Reserve Bank of India significant influence on the applicant in taking financial or policy decisions or

(v) is able to obtain economic benefits from the activities of the applicant;

(b) "Relative" shall mean relative as defined in the Companies Act as amended from time to time.

(c) Persons shall be deemed to be "acting in concert" who for a common objective or purpose of acquisition of shares or voting rights in excess of the percentage mentioned in Section 12(B) of the B R Act pursuant to an agreement or understanding (formal or informal) directly or indirectly co-operate by acquiring or agreeing to acquire shares or voting rights in the banking company.

(d) "Joint Venture" means a legal entity in the nature of a partnership engaged in the joint undertaking of a particular transaction for mutual profit or an association of persons or companies jointly undertaking some commercial enterprise wherein all contribute assets and share risks.

Before issuing or allotting any share to any person or registering the transfer of shares in the name of any person the Bank shall ensure that the requirements mentioned in the sub-section (1) of section 12(B) of the BR Act are complied with by that person and where the acquisition is with the approval of the Reserve Bank, the Bank shall further ensure that the conditions imposed under sub-section(4) of section 12(B) of the BR Act, if any, of such approval are fulfilled.

16. Article 42 would be substituted as follows:

Not less than clear twenty one days' notice specifying the place, date, day and hour of the meeting and containing a statement of such business to be transacted at the meeting shall be given to the members in the manner prescribed by the Companies Act and the Rules made thereunder. A general meeting may be called at a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meetings.

In case of special business, general nature of such business shall be given to the members in the manner hereinafter provided.

17. Article 44 would be substituted as follows:

(1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(2) The quorum for the general meetings shall be as provided in Section 103 of the Companies Act.

18. Article 45 would be substituted as follows:

(1) The Chairperson of the Board shall preside as Chairperson at every Annual General Meeting of the Bank.

(2) If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairperson of the meeting, the directors present shall elect one of their members to be the Chairperson of the Meeting.

(3) If at any meeting no director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

19. Article 48 would be substituted as follows:

(1) At any general meeting a poll may be ordered to be taken by the Chairperson on his own motion.

(2) A poll shall be ordered to be taken by Chairperson of the meeting on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Bank:

(i) which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution, or

(ii) holding shares on which an aggregate sum of not less than five lakh rupees, or such other amount as may be prescribed from time to time, has been paid-up.

(3) The demand for a poll may be withdrawn at anytime by the person or persons who made the demand.

(4) Unless a poll is demanded as aforesaid, a declaration by the Chairperson that a resolution has been carried or carried by a particular majority, or lost or not carried by a particular majority or an entry to that effect in the book of proceedings of the Bank, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

20. Article 51 would be substituted as follows:

A member may exercise his vote at a general meeting by electronic means in accordance with Section 108 of the Companies Act and shall vote only once.

Subject to any rights or restrictions for the time being attached to any class or classes of shares-

(a) on a show of hands every member present in person shall have one vote;

(b) On a poll or voting through electronic means, the voting rights of members shall be as laid down in the Companies Act subject to the provisions of B R Act and other applicable statutory regulations.

(c) The Bank shall seek approval of the shareholders through postal ballot if so specified under law with respect to the matters specified therein and in manner prescribed in the Rules from time to time and postal ballot shall include voting through electronic means.

(d) A member may exercise his vote by electronic means in accordance with Section 108 of the Companies Act and shall vote only once.

21. Article 63(a) would be substituted as follows:

1. Two-thirds of the total number of Directors shall be persons whose period of office shall be liable to determination by retirement by rotation (hereinafter referred to as “rotational Directors”), and be appointed by the Bank in General Meeting or by way of additional directors. One-third of such Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office at every Annual General Meeting.

For the purpose of this Article, Independent Directors appointed on the Board of the Bank shall not be included for the purpose of calculation of retiring Directors nor shall they be liable to retire by rotation.

2. The Directors to retire by rotation under this Article at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves be determined by lot.

3. At the annual general meeting at which a Director retires as aforesaid, the Bank may fill the vacancy by appointing the retiring Director or some other person thereto in accordance with the applicable provisions of the Companies Act.

4. The Bank shall appoint a woman Director (whether Independent or Non-Independent) on the Board pursuant to provisions of Section 149(1) of the Companies Act and the Rules framed thereunder. The provisions relating to appointment of directors shall be applicable to appointment of woman Director.

5. The Bank shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution of the shareholders appointing him/her. An Independent Director may be appointed to hold office for such term(s) and in such manner as mentioned in the Companies Act and rules framed thereunder from time to time. The provisions relating to retirement of directors by rotation shall not be applicable to the appointment of Independent Directors.

6. The Board is authorised to appoint the remaining Directors (hereinafter referred to as “non-rotational Directors”) including any whole-time Director(s) but excluding Independent Director. Such Directors shall not be liable to retirement by rotation or taken into consideration in determining the retirement of Directors by rotation. Their period of office shall be determined by the Board, provided, however, none of them, other than whole-time Directors, shall hold office as a non-rotational Director for more than three years in one or more terms. A person appointed as a non-rotational Director may, however, offer himself for election as a rotational Director under Article 63 (a) (i), and on appointment as a rotational Director shall cease to be a non-rotational Director. If at any time the number of non-rotational Directors exceeds one-third of the total number of Directors for the time being, then one or more of such non-rotational Directors as the Board may determine shall be liable to retirement by rotation in accordance with the provisions of the Companies Act so that the total number of non-rotational Directors shall not exceed one-third of the total number of Directors for the time being.

22. Article 63A would be substituted as follows:

(1) The Board may appoint one or more additional Directors provided that the total number of Directors, including the additional Director(s), shall not exceed the maximum strength of the Board as provided in the Articles. Such additional Director(s) shall hold office only up to the date of the next Annual General Meeting of the Bank.

(2) The Board may appoint an Alternate Director to act for a Director, and the alternate director shall not be a person holding any alternate directorship for any other director in the Board of the Bank, during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for a longer period than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India.

23. Article 63B newly added after Article 63A as follows:

Article 63B-Foreign Register The Bank may exercise the powers conferred on it by Section 88 of the Companies Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit, with respect to keeping of any such register.

24. 4th para to Article 64 added as follows:

Subject to the provisions of the Companies Act and these Articles, the Directors may be paid such further or additional remuneration (including profit related commission, if any), as the shareholders of the Bank in General Meeting shall, from time to time determine, and such additional or further remuneration shall be divided among the Directors in such proportion and manner as the Board may, from time to time determine.

25. Article 69 would be substituted as follows:

The Directors shall comply with the provisions of Section 170 of the Companies Act, with regard to keeping a register of Directors and Key Managerial Personnel and such personnel, as may be required by law.

26. Article 75 would be substituted as follows:

The Chairperson of the Board shall preside over the meeting. If the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their member to be the Chairperson of the Meeting.

27. Article 78 would be substituted as follows:

(1) No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed and has been approved by a majority of the directors or members, who are entitled to vote on the resolution.

Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a meeting of the Board.

(2) A resolution under above sub-article (1) shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

28. Article 80 would be substituted as follows:

The seal of the Bank, shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the Company Secretary or such other person as the Board may appoint for the purpose; and those two directors and the Company Secretary or other person aforesaid shall sign every instrument to which the seal of the Bank is so affixed in their presence.

The Bank may, by writing under its common seal, authorise any person, either generally or in respect of any specified matters, as its attorney to execute other deeds on its behalf in any place either in or outside India.

29. Article 83 would be substituted as follows:

The Directors shall comply with the provisions of the B R Act and its subsequent amendments as well as the provisions in the Companies Act and amendments thereto or other statutes relating to Companies as to registration and keeping of the copies of the mortgages and charges and keeping of the register of members and sending to the Registrar of Companies the annual list of members, annual filings and summary notices as to the increase of capital, returns of allotments and contracts relating thereto, copies of special resolutions, resolutions pertaining to exercise of power of board at board meetings, and other particulars connected with the above.

30. 2nd para to Article 84A newly added as follows:

“A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.”

31. Article 96 would be substituted as follows:

(1) The Bank in general meeting may declare dividends.

(2) The Board may, before recommending any dividend, set aside out of the profits of the Bank such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Bank may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Bank or be invested in such investments (other than shares of the Bank) as the Board may, from time to time, thinks fit.

(3) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

(4) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Bank, dividends may be declared and paid according to the amounts of the shares.

(5) No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this Article as paid on the share unless it is called up.

(6) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Companies Act. No dividend shall bear interest against the Bank.

32. Article 98 would be substituted as follows:

Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant or by any electronic mode. Shares paid by cheque or warrant may be sent through post to the registered address of the holder or in case of joint holders to, the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant in respect of dividend, interest or other moneys shall be made payable to the order of the persons to whom it is sent.

33. Article 100 would be substituted as follows:

Subject to the provisions of the Act, these presents and any other law for the time being in force, no Director shall be disqualified from his office by contracting with the Bank either as vendor, purchaser, or otherwise, nor shall any such contracts, or any contract or arrangement entered by or on behalf of the Bank in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Bank for any profit realised by any such contract or arrangements by reason of such Director holding that office or the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined on, if his interest then exists or in any other case at the first meeting of the Directors after acquisition of his interest and that no Director shall as a Director vote in respect of any contract or arrangement in which he is so interested as aforesaid, nor shall his presence count for the purpose of forming a quorum at the time of any such vote and if he so does vote, his vote shall not be counted. A general notice that a Director is a member of any specified firm or company and is to be regarded as interested in any subsequent transaction with such firm or company, shall be sufficient disclosure under this Article

34. To add as 2nd para in Article 101 as follows:

The registers and indices maintained pursuant to Section 88 shall be open for inspection during business hours on such reasonable time on every working day as the Board may decide. Any shareholder of the Bank may require a copy of such register maintained pursuant to Section 88, on payment of such fees as may be decided by the Board, within the permissible limits allowed by the Companies Act

35. Article 103 would be substituted as follows:

(1) The Bank in the meeting of shareholders may, upon the recommendation of the Board resolve-

(a) to capitalise any part of the amount for the time being standing to the credit of the Bank's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution among shareholders; and

(b) that such sums be accordingly be set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto if distributed by way of dividend and in such proportion as may be decided.

(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) below, either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively; paying up in full unissued shares of the Bank to be allotted and distributed, credited as fully paid-up to and amongst such members in the proportions aforesaid.

(3) The securities premium account, capital reserve account and also capital redemption reserve account may also for the purposes of this capitalisation of profits be applied in the paying up of unissued shares to be issued to members of the Bank as fully paid bonus shares in addition to the reserves mentioned in clause 1(a) above.

(4) The Board shall give effect to the resolution passed by the Bank in pursuance of this regulation.

Whenever such a resolution as aforesaid shall have been passed, the Board shall-

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

36. To add new clause 107 as follows:

Article 107-Winding Up

Subject to the provisions of the Companies Act and Rules made thereunder—

(i) If the Bank shall be wound up, the liquidator may, with the sanction of a special resolution of the Bank and any other sanction required by the Companies Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Bank, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Accordingly, your Directors recommend the passing of Resolution No 13, for amendment of Article of Association of the Bank as recommended by the Board of Directors of the Bank.

None of the directors/key managerial personnel of the Bank or their relatives are concerned or interested in the resolution.

Item No.14

The Board of Directors of the Bank had at its meeting held on 21st June 2016, approved the issuance of Long Term Bond.

The Bank may need to raise additional funds to meet the needs of its growing business requirements including long term capital for pursuing its growth plans by issue of Non-convertible debentures ("NCDs")/Long Term Bonds. The approval by way of special resolution of the members is, therefore, sought for issue of aforesaid NCDs/ long term bonds in terms of said regulatory guidelines on a private placement basis, in one or more tranches/series and under one or more shelf disclosure documents and/or one or more letters of offer, for a period of 1 (one) year from the date of passing of the resolution, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board, in the prevailing market conditions. The said approval shall be the basis for the Board to determine the terms and conditions of any issuance of NCDs/Long Term Bonds by the Bank for a period of 1 (one) year from the date on which the members have provided the approval by way of a special resolution proposed as per Item No.14 above. The pricing of the NCDs /long term bonds would be in accordance with the applicable statutory guidelines, for cash either at par or premium or at a discount to face value depending upon the prevailing market conditions.

Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that a company can make private placement of securities subject to the condition that such subscription of securities has been previously approved by the shareholders of the company, by a special resolution, for each of the offers or invitations. In case of offer or invitation for subscription of "NCDs", it shall be sufficient if the company passes a special resolution only once in a year for all the offers or invitations for subscriptions of such debentures during the year.

Accordingly, the approval of Members is being sought by way of special resolution as set out at Item No. 14 of this Notice for borrowing/raising funds in Indian currency by issue of debt securities on private placement basis.

Your Directors, therefore, recommend the special resolution, as set forth in Item No. 14 of this Notice, for the approval by Members of the Bank.

None of the directors/key managerial personnel of the Bank or their relatives are concerned or interested in the resolution.

Relevant documents referred to in the accompanying Notice for items 12,13 and other items as may be necessary, are open for inspection and copies thereof shall also be made available for inspection in physical or electronic form to the Members of the Bank at the Registered Office / Corporate Office of the Bank on all working days (Monday to Saturday) between 10.00 A.M. to 5 P.M from 01st August 2016 up to the date of the Annual General Meeting.

By order of the Board of Directors

Place: Aluva
Dated: June 21, 2016

Girish Kumar Ganapathy
Company Secretary

FOR THE ATTENTION OF SHAREHOLDERS

Proxy Form and Attendance Slip

A blank proxy form with an attendance slip is sent along with the Notice. Shareholders are requested to detach the attendance slip and produce it for verification at the venue of the meeting.

Queries at the AGM

Shareholders wishing to make queries at the AGM on the published accounts, Directors' Report or any aspect of the working of the Bank may write to:

The Company Secretary

The Federal Bank Limited

Federal Towers, P.B. No.103, Aluva – 683 101

so as to reach him latest by 01st August 2016 specifying the point/s requiring clarification.

Correspondence

All correspondence relating to shares and dividend should be addressed to the Bank's Registrars and Share Transfer Agents, viz:

Integrated Enterprises (India) Ltd., 2nd Floor, Kences Towers,

No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017.

Phone No: (044) 28140801, 28140802 Fax: 28142479

email : csdstd@integratedindia.in

Unclaimed Dividends

Dividend warrants issued to shareholders are valid for payment for a period of three months from the date of issue.

Until passing of the Companies (Amendment) Act, 1999, shareholders who had not encashed dividend warrants within three years from the date of issue could claim refund from the Registrar of Companies by filing a prescribed return. In terms of the 1999 Act, any money transferred to the unpaid dividend account of a Company which remains unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund of the Central Government (Fund) established under Section 205C(1). Further no claim shall lie against the Fund or the Bank in respect of individual amounts, remaining unclaimed and unpaid for a period of seven years from the dates they became due for payment and no payment shall be made in respect of any such claims. Hence shareholders will not be able to claim the dividend amount after its transfer to the fund. Shareholders who have not encashed their dividend warrants for any of the years 2008-09 to 2014-15 are requested to get the warrants revalidated by the Bank, since the outstanding dividend will be transferred to Government of India.

Change of Address and information on Bank mandate

Where shares are held in the physical mode, change in the shareholder's address(along with proof of address) may be notified to the Registrars and Share Transfer Agents, at the address noted above, by a separate communication showing share folio number. Holders of share in the demat mode may send such requests to their depositories concerned including changes, if any, in the mandate for issue of dividend.

Voting through electronic means.

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44(1) of the Listing Obligation and Disclosure Requirements)Regulation 2015 , the Bank is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 08th August, 2016 (9:00 am) and ends on 10th August, 2016 (5:00 pm). During this period members' of the Bank, holding shares either in physical form or in dematerialized form, as on the cut-off date of 05th August, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. A person who is not a Member as on the cut off date should treat this Notice for information purposes only.

V. The process and manner for remote e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
- (I) Open email and open PDF file viz; "FBL.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Federal Bank".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sivarkn@svjs.in with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM

EVEN (Remote e-voting Event Number)

USER ID

PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 05th August, 2016.
- X. Any person, who acquires shares of the Bank and become member of the Bank after dispatch of the notice and holding shares as of the cut-off date i.e. 05th August, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to csdstd@integratedindia.in
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.

- XIII. Mr. P. Sivakumar, partner, SVJS & Associates, Cochin, Company Secretary in Practice, has been appointed as the Scrutinizer for providing facility to the members of the Bank to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Bank and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.federalbank.co.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai and National Stock Exchange Limited, Mumbai

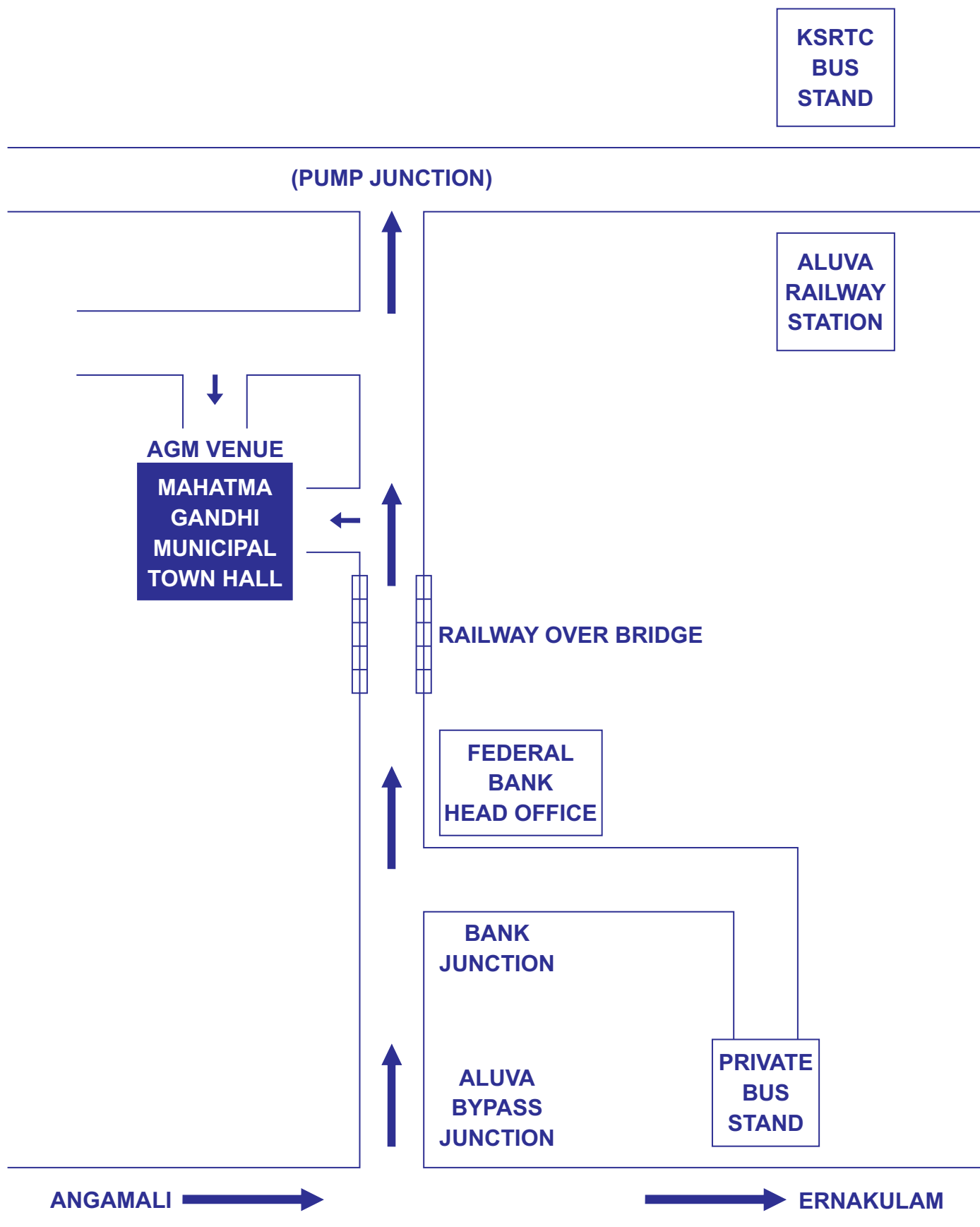
By order of the Board of Directors

Place: Aluva
Dated: June 21, 2016

Girish Kumar Ganapathy
Company Secretary

ROUTE MAP

Venue of the 85th Annual General Meeting of the Federal Bank Ltd
to be held on Thursday August 11, 2016 at Mahatma Gandhi Municipal Town Hall, Aluva.





THE FEDERAL BANK LIMITED

CIN:L65191KL1931PLC000368

Regd. Office: Federal Towers, P B NO 103, Aluva, Ernakulam - 683 101, India.
Tel: + 91(484) 2622263 Fax: +91(484) 2623119.
Email: secretarial@federalbank.co.in, Website: www.federalbank.co.in

ATTENDANCE SLIP

85TH ANNUAL GENERAL MEETING - AUGUST 11, 2016

I certify that I am a member / proxy for the member of the company.

I hereby record my presence at the 85th Annual General Meeting of the Bank, at Mahatma Gandhi Municipal Town Hall, Aluva - 683 101 on Thursday, August 11, 2016 at 10.00 am.

Name of the Member / Proxy (In Block Letters)

Signature of the Member / Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD



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PROXY FORM (Form No. MGT-11)

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):Registered address:

E-mail Id:Folio No/ DP ID No. &Client Id No.:

I/We, being the member (s) of shares of the above named Bank, hereby appoint

1.Name:.....2.Name:.....3.Name:.....

Address:.....Address:.....Address:.....

E-mail Id:.....E-mail Id:.....E-mail Id:.....

Signature:....., or failing him/herSignature:....., or failing him/herSignature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 85th Annual General Meeting of the Bank, to be held on the Thursday, August 11, 2016 at 10.00 A.M. at Mahatma Gandhi Municipal Town Hall, Aluva - 683 101 and at any adjournment thereof in respect of such resolutions as are indicated below:

		Optional*	
Resolution No.	Resolution	For	Against
	Ordinary Business		
1.	a) Adoption of audited financial statement for the year ended March 31, 2016 b) Adoption of audited consolidated financial statement of the Bank including audited consolidated Balance Sheet and Profit and Loss account for the year ended March 31, 2016		
2.	Declaration of Dividend		
3.	Re-appointment of Retiring Director, Mr. Shyam Srinivasan		
4.	Appointment of Joint Central Statutory Auditors, M/s. B S R & Co. LLP, Chartered Accountants, Mumbai together with M/s M M Nissim & Co, Chartered Accountants, Mumbai, as Auditors and fixation of remuneration thereof		
	Special Business(Ordinary Resolution)		
5.	Appoint and to fix the remuneration of branch auditors in consultation with the Central Statutory Auditors for the purpose		
6.	Appointment of Mr. C Balagopal as an Independent Director of the Bank		
7.	Taking on record the approval accorded by RBI to pay honorarium of ₹15,00,000/- (Rupees Fifteen Lakh only) per annum/ ₹1,25,000/- per month to Mr.Nilesh S Vikamsey, Chairman of the Bank.		
8.	Taking on record the approval accorded by RBI for payment of remuneration and variable pay to Mr. Shyam Srinivasan, MD &CEO of the Bank		
9.	Appointment of Mr. Ashutosh Khajuria as Executive Director on the Board of the Bank as per the terms and conditions of appointment approved by RBI		
10.	Appointment of Mr. Ganesh Sankaran as Executive Director on the Board of the Bank as per the terms and conditions of appointment approved by RBI		
11.	Taking on record the approval accorded by RBI for payment of variable pay to Mr Abraham Chacko, erstwhile Executive Director of the Bank		
	Special Business (Special Resolution)		
12.	Approval for amendment of the Memorandum of Association of the Bank		
13.	Approval for amendment of the Articles of Association of the Bank		
14.	Approval of Long Term Bond issuance programme.		

Signed this day of 2016.

Signature of shareholder

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank, not less than 48 hours before the commencement of the Meeting.

* it is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Affix Re 1/-
Revenue
Stamp
Here