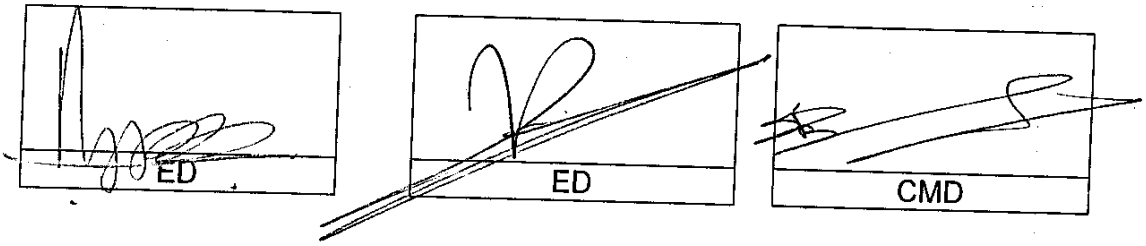
ओरियन्टल बैंक ऑफ कॉमर्स
(भारत सरकार का उपक्रम)

ORIENTAL BANK OF COMMERCE
(A GOVERNMENT OF INDIA UNDERTAKING)

MERCHANT BANKING DIVISION
HEAD OFFICE: NEW DELHI



MINUTES OF THE 19TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF ORIENTAL BANK OF COMMERCE HELD ON 17TH JUNE 2013 AT 10.00 A.M AT PHD CHAMBER OF COMMERCE AND INDUSTRY, PHD HOUSE, 4/2, SIRI INSTITUTIONAL AREA, AUGUST KRANTI MARG, NEW DELHI

The 19th Annual General Meeting of the Shareholders of Oriental Bank of Commerce was held on Monday, 17th June 2013 at 10.00 am at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi – 110016. The following were present:

DIRECTORS

Sh. S. L. Bansal	Chairman & Managing Director
Sh. V. Kannan	Executive Director
Sh. Bhupinder Nayyar	Executive Director
Sh. S. S. Shishodia	Director
Sh. C. P. Singh	Director
Sh. T. Valliappan	Director
Dr. Abha Chaturvedi	Director
Sh. Paras Mal Chopda	Director

Smt. Sreya Guha, Sh. S. Ganesh, Sh. K. S. Sreenivasan and Sh. P. B. Santhankrishnan, Directors could not attend the meeting.

MEMBERS PRESENT

200 Members	In Person
119 Members	By Proxy

(Sh. A. S. Singh, Section Officer, Department of Financial Services, Ministry of Finance was present as representative of Govt. of India)

Sh. P. C. Agiwal of M/s. Agiwal & Associates, Sh. D. K. Kapila of M/s. Jain Kapila Associates and Sh. R. K. Gupta of M/s. Bansal R. Kumar & Asssociates, Central Statutory Auditors of the Bank were also present in the meeting.

Proceedings of Meeting

Sh. S. L. Bansal, Chairman and Managing Director took the Chair and confirmed the quorum. He welcomed the shareholders and introduced the members of the Board to the shareholders.

Sh. A. K. Jain, General Manager, requested Sh. V. Kannan, Executive Director to welcome all the shareholders.

Sh. V. Kannan, Executive Director welcomed all present for participation in the 19th Annual General Meeting of the Bank.

Sh. C. M. Khurana, Chief Financial Officer of the Bank made a presentation on the performance of the Bank during the year 2012-13.

Sh. A. K. Jain, General Manager, then requested the Chairman and Managing Director to address the shareholders.

While addressing the shareholders, the Chairman briefly touched upon the performance of the Bank under various business parameters and global economic & industry scenario. He stated that:

- **Global Economic Scenario**

  Global growth turned weaker in 2012 with slack external demand in advanced economies (AEs), adversely impacting growth in emerging market and developing economies (EMDEs). The US growth accelerated to 2.5% in Q1 of 2013 from 0.4% in Q4 of 2012. Japan's GDP remained flat in Q4 of 2012, after two quarters of contraction. The euro area remained in a contraction mode. The UK narrowly avoided further recession in Q1 of 2013 by expanding at 1.2%. Growth in China was around 7.8% in 2012.

➢ Indian Economic Scenario

The slowdown in the Indian economy persisted, with growth subdued by structural bottlenecks and adverse global conditions. Macro-financial conditions worsened with slowing growth, widening current account deficit (CAD) and persistence of high consumer price inflation. The CAD/GDP ratio rose to a record high during FY 2012-13. The recent fall in global commodity prices (especially of crude oil and gold) provided some relief.

Average headline inflation declined from 9.6% in 2010-11 to 8.9% in 2011-12 and further to 7.3% in 2012-13, with a low of 6.0% in the month of March 2013.

GDP growth decelerated to around 5.0% in FY 2012-13 from growth level of 6.6% during the previous year. Growth in the index of industrial production (IIP) witnessed a slowdown to 1.0% during FY 12-13 compared to 2.9% last year, largely due to infrastructure and input constraints, rising costs and moderation of external demand.

➢ Outlook for FY 2013-14

With global growth unlikely to improve significantly from 2012, growth in services and exports may remain sluggish. Further, with an expected normal monsoon, agriculture growth could return to trend levels. As per RBI estimates, the baseline GDP growth for 2013-14 is projected at 5.7%.

Keeping in view the domestic demand-supply balance, outlook for softening of global commodity prices and the forecast of a normal monsoon, WPI inflation is expected to be around 5.5% during 2013-14 with an endeavour to contain inflation to a level of 5% by March 2014. Consistent with the above growth projections and the Reserve Bank's inflation tolerance threshold, M_3 growth for 2013-14 is projected at 13.0%. Consequently, aggregate deposits of SCBs are projected to grow by 14.0% and the growth in non-food credit of SCBs is projected to grow at 15.0%.

➢ Developments in Indian Banking

Basel III aims to strengthen the stability of the Banking system and the transitional arrangement has come into vogue with effect from 01.04.2013. In the Union Budget for FY 2013-14, the Government has made a commitment to provide adequate capital to PSBs so that all PSBs are BASEL III compliant. Before March 2013, Govt. infused capital of Rs.12,517 crore into 13 PSBs and a further infusion of Rs.14,000 crore has been proposed for FY 2013-14.

➢ **Performance Highlights of the Bank**

- Total Business Mix of the Bank stood at Rs.3,06,084 crore as on March 31, 2013 as against Rs.2,69,015 crore in the previous year reflecting an increase of Rs.37,069 crore (growth of 13.78%). As at end-March 2013, Deposits and Gross Advances stood at Rs.1,75,898 crore and Rs.1,30,186 crore, thereby registering a growth of 12.78% and 15.16% respectively.
- The Core Deposits increased to Rs.1,40,053 crore as on 31st March, 2013 from Rs.1,12,564 crore as on 31st March, 2012, registering a YoY growth of 24.42%.
- CASA deposits has grown by 14.77% from Rs.37,628 crore as on March 2012 to Rs.43,184 crore as on March 2013. As on March 2013, CASA deposits were at 24.55% of total deposits.
- The CD ratio of Bank stood at 74.10% as on March 2013 as against 72.68% as of March 2012. The Advances portfolio of the Bank is well diversified, balanced and the credit needs of productive sectors of the economy have been met.
- The Priority Sector (PS) Advances of the Bank constituted 41.78% of Adjusted Net Bank Credit (ANBC) as against the requirement of 40%. In value terms, PS Advances grew by 15.43% from Rs.40,527 crore as on March 2012 to Rs.46,780 crore as on March 2013.
- Total advances to Agriculture Sector stood at Rs.17,881 crore, out of which advances to Direct Agriculture was Rs.13,866 crore. Total Agriculture Advances grew by 16.03% and Direct Agriculture grew by 16.91%.
- The Operating Profit of the Bank for FY 2012-13 increased to Rs.3,691 Crore from Rs.3,141 crore during FY 2011-12, registering a growth of 17.52%.
- The Net Profit of the Bank for FY 2012-13 increased to Rs.1,328 crore from the level of Rs.1,142 crore during FY 2011-12 registering a growth of 16.33%.
- Bank's Earning per share (EPS) increased to Rs.45.51 during FY 2012-13 from Rs.39.13 in FY 2011-12.
- The Net worth of the Bank increased to Rs.11,757.11 crore from Rs.10,538.29 crore during FY 2012-13.
- The Book Value Per Share stood at Rs.402.97 as on 31st March, 2013 as against Rs. 361.20 as on 31st March, 2012.

➢ Risk Management/Implementation of BASEL II

The Bank is Basel II compliant in terms of the New Capital Adequacy Framework guidelines issued by the Reserve Bank of India and Capital to Risk-Weighted Assets Ratio (CRAR) of the Bank stood at 12.04% (with Tier I ratio of 9.18%) which is well above the minimum requirement of 9% as stipulated by RBI. The Bank has put in place adequate Risk Management Systems which are reviewed and updated periodically in the light of guidelines received from Reserve Bank of India from time to time.

➢ New Corporate Initiatives During FY 2012-13

- The Bank opened 3 new Regional Offices at Jodhpur in Rajasthan, Meerut and Varanasi in Uttar Pradesh. With this the number of Regional Offices of the Bank stands at 33.
- A new Vision & Mission Document of the Bank has been launched which envisages that the Bank will reach a Total Business Mix of Rs.7,50,000 crore by March,2018.
- The Bank waived penalty on premature withdrawal of all fresh Term Deposits w.e.f. 01.01.2013.
- Leading initiative was taken by the Bank in waiving the NEFT Charges on transactions up to Rs. One Lac w.e.f. 15.05.2012. This initiative of the Bank was appreciated by the then Hon'ble Finance Minister.
- The bank has been rewarding the loyalty of customers by offering attractive Retail loan pricing for its products.
- The Bank signed an MoU with M/s Piaggio Vehicles Pvt. Ltd. & M/s Mahindra & Mahindra Vehicles Ltd. for increasing vehicle loan financing.
- The Bank signed an MoU with M/s Bajaj Auto Ltd. for Two Wheeler & Auto Rickshaw Financing.
- The Bank tied up with UTI Asset Management Company Ltd. for selling their Mutual Fund products through all branches of the Bank.

➢ Financial Inclusion Program

A special focus is being laid on Financial Inclusion by way of installation of biometric ATMs, issuing fresh Biometric Cards, enrolling customers under basic banking Accounts, adopting more villages, appointing Business Correspondents and forming new Self Help Groups (SHGs)/Joint Liability Groups (JLGs) during the year.

With a view to providing banking facilities in unbanked villages, the Bank rolled out Financial Inclusion Plan in 569 allotted villages with population more than 2,000 and in 336 villages with population between 1600 - 2000. Bank has covered all the 905 villages under Financial Inclusion Plan as on 31.03.2013. Out of 905 villages, 779 are covered through Business Correspondent model, 63 through brick & mortar Branch Model and remaining 63 through Mobile Branch Model.

- **Implementation of Direct Benefit Transfer (DBT) Scheme of Govt. of India**

Bank received list of 14,341 beneficiaries in 26 districts (out of 43 pilot Districts in Phase- I) and a list of 4,790 beneficiaries in 10 districts (out of 78 additional districts in phase-II). The accounts of all the beneficiaries have been opened.

Apart from the above, the Bank has received a list of 35,764 beneficiaries in other 25 districts and accounts of all beneficiaries have been opened.

Bank has issued ATM debit cards to 23,735 beneficiaries and has seeded Aadhaar number in 16,293 accounts.

Bank has three Lead districts, which are not among 43 (Phase-I) and 78 (Phase-II) districts. However, the initiative has been taken to implement DBT in our Lead districts.

- **Corporate Social Responsibility**

During the FY-2012-13, the Bank contributed Rs.3.92 crore towards different CSR activities. Out of this, an amount of Rs.2.46 crore has been spent towards CSR activities in Rural areas.

Bank installed electricity fans and constructed public conveniences in 461 Primary Schools. Provision has been made for clean drinking water in 299 schools and 21 solar panels installed in schools for uninterrupted power back-up.

In 766 Financial Inclusion Villages and in other rural & semi-rural areas, provision has been made for water purifier, water cooler, schoolbags, hand pump, stitching machines, chairs, eye operation camp etc.

The Bank distributed rice to Poor People through Ambedkar India Social Work Charitable Society, in Amballur, Chottanikkara and Udayamperur of Ernakulam District and provided financial support to Sh. N. A. Easwarappa Pratisthan, Ahmedabad, for maintenance of Mobile Dispensary towards medical treatment to poor patients.

➢ **Technology For Better Customer Service**

In the Bank, business is routed through robust and state of the art Core Banking Solution, which has ISO 27001 Certification. For offering one stop seamless services to customers as well as to ensure business continuity and zero data loss in case of any disaster situation a three way datacenter setup has been created.

More than 76% of the eligible transactions are routed through electronics channels.

The Bank launched RuPay ATM Card and RuPay Kisan Card which shall be working on India's own payment infrastructure and shall meet the needs of different sectors of the society. The RuPay Kisan card shall give further thrust to the Financial Inclusion initiatives of the Bank by offering low cost payment system.

➢ **International Presence**

The Bank made its foray in International arena on 30.03.2009 with the opening of its first representative office at Dubai. Bank's representative office at Dubai has been extending assistance to NRIs and PIOs about business opportunities in India and marketing the Bank's products and services.

➢ **Corporate Governance**

The Bank has been maintaining the highest standards of Corporate Governance by adopting best industry practices. The Bank has been adhering to the corporate governance guidelines laid down by SEBI and RBI. Bank's Corporate Governance policies recognize the accountability of the Board and the impact of its decisions on all our constituents including shareholders, depositors, lenders, customers, employees and the Regulatory authorities.

In line with Ministry of Corporate Affairs "Green Initiative in Corporate Governance" and Listing provisions, soft copies of Annual Report have been sent to all those shareholders who have registered their e-mail addresses with the Bank.

The Chairman also mentioned about the election of shareholder directors of the Bank which was held on 29th September 2011 consequent to which three shareholder directors assumed office from 30th September 2011 for a period of three years. Subsequent to SEBI clarification dated 18.12.2012 received by the Bank, one of the shareholder director has been treated as non-independent as per clause 49 of the Listing Agreement.

By taking this into account, as on 31st March 2013, Bank has 13 Directors on the Board out of which 6 Directors are under the Independent category. Bank is in the process of complying with clause 49 I (A) and has already taken up the matter with Govt. of India to appoint additional non-official part time director under Section 9 (3) (h) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980."

- **Customer Service**

The Bank shares with its customers a long and enduring relationship that is built over the years on trust and an abiding hope that the Bank will always partner for the fulfillment of their dreams in a professional manner.

Taking forward the innovation in customer service, the bank introduced various delivery channels and a number of on line services which makes service delivery efficient, effective and error free besides being timely.

Recruitment of personnel at different cadres and continuous training are some initiatives directed towards building the Team OBC in the service to its customers.

- **Dividend**

The Bank's policy of declaring dividend is to reward the shareholders as well as to plough back sufficient profits for maintaining a healthy capital adequacy ratio and supporting future growth. Accordingly, the Directors proposed a dividend of Rs.9.20 per share (92%) for the year ended 31st March 2013 as against Rs.7.90 per share (79%) of previous year.

- **Looking Forward**

For the year 2013-14, the Bank is looking optimistically. A growth of 15% to 16% in Deposits & Advances with CASA level of more than 25% of total Deposits is estimated. Towards this, Bank has planned to add 125-150 more branches during 2013-14.

The Bank continues to be strong on all major financial parameters as is evident in its consistent performance over the years with a state-of-the-art technology platform to meet the customers' aspirations. The 19.58 Million strong customer base with a committed team force stands testimony to this.

The Annual Report for the year 2012-13 containing the Notice of the meeting e-mailed / dispatched to all the shareholders in advance was taken as read with their consent.

The following resolutions were proposed for consideration and approval:

ITEM NO. 1 APPROVAL AND ADOPTION OF BALANCE SHEET OF THE BANK AS ON 31ST MARCH 2013, PROFIT AND LOSS ACCOUNT OF THE BANK FOR THE YEAR ENDED 31ST MARCH 2013, THE REPORT OF THE BOARD OF DIRECTORS ON THE WORKING AND ACTIVITIES OF THE BANK FOR THE PERIOD COVERED BY THE ACCOUNTS AND THE AUDITORS REPORT ON THE BALANCE SHEET AND ACCOUNTS

"**RESOLVED THAT** the Balance Sheet of the Bank as on 31st March 2013, Profit and Loss account of the Bank for the year ended 31st March 2013, the Report of the Board of Directors on the working and activities of the Bank for the period covered by the Accounts and the Auditors Report on the Balance Sheet and Accounts be and are hereby **approved and adopted**."

The above resolution was put to vote and on show of hands in favour was declared carried unanimously as there was none against.

ITEM NO. 2 DECLARATION OF DIVIDEND ON EQUITY SHARES FOR THE FINANCIAL YEAR 2012 – 13.

"**RESOLVED THAT** the dividend of Rs.9.20 per share (92%) on the equity shares for the financial year ended 2012-13 be and is hereby **declared**."

The above resolution was put to vote and on show of hands in favour was declared carried unanimously as there was none against.

Thereafter, Sh. A. K. Jain, General Manager of the Bank invited the shareholders to express their views / suggestions, if any. The following shareholders present in the meeting expressed their views and their queries were replied by Chairman and Managing Director as under:

1) **Q.** Sh. Prem Chachra – He appreciated the Bank's performance and increase in its business. He said that the Bank should grow in a big way by opening large number of branches and making recruitments / promotions on a large scale. He expressed concern over the fact that the Bank was not expanding its wings in the overseas markets after the opening of Dubai Representative Office.

A. The Chairman said that the Bank achieved various milestones during the year 2012-13. He highlighted that the Bank opened more than 375 branches during the last two years. He further said that the projected number of branches to be opened during 2013-14 has been kept on a lower side, since it was felt that the Bank should first consolidate the present branches before opening new branches. As regards opening of overseas

branches by the Bank, he informed that the Reserve Bank of India is giving permission only to the existing players in the market. However, Bank is exploring the possibility of opening a branch abroad by following the JV Route which is permissible under RBI norms.

2) **Q.** Sh. S. N. Vohra - He commended the growth of the Bank in all the segments and said that the Bank's employee base as well as recruitments during the year was on the lower side vis-a-vis new branches opened. He also expressed concern over the fate of eGTB shareholders.

A. The Chairman replied that it is the only Bank with no part time employees as all had been made full time employees. He also informed that the Bank recruited more than 2000 employees during the last two years and built a strong committed team. As regards, eGTB shareholders, he mentioned that as per the provisions of Amalgamation Scheme pronounced by the Government of India, the surplus amount, if any, after appropriating towards the liabilities of the erstwhile GTB, shall be distributed pro-rata amongst the ordinary share holders of the eGTB after the expiry of 12 years from the prescribed date i.e 14.08.2004 or such earlier period as the Central Govt., may specify for this purpose.

3) **Q.** Sh. Bhupendra Singh – He appreciated the fact that the Bank reached the milestone of over Rs.3 lakh crore business by 31st March 2013. He requested the Management to provide enhanced rate of interest on fixed deposits to the shareholders of the Bank. He also requested that the Bank should waive annual maintenance charges on demat accounts opened / held by the shareholders of the Bank. He suggested that the Bank's Hari Nagar, Delhi Branch should provide foreign exchange services and exchange note facility. He also suggested that the Bank should make more investment in real estate.

A. The Chairman replied that the Reserve Bank of India does not permit enhanced rate of interest on fixed deposits to anyone except the senior citizens. He assured that the request for waiver of annual maintenance charges on demat accounts opened / held by the shareholders of the Bank will be looked into. He also said that buying properties and investment in real estate is difficult for Public Sector Banks who operate in a constrained environment keeping in view the CVC guidelines. He informed that the exchange note facility was available in the West Delhi in Vishal Enclave Branch besides notes in small quantity can be exchanged in all the branches of the Bank. He further informed that Mansarover Garden, Delhi branch is also authorized to deal in foreign exchange, which is quite near to Hari Nagar area.

4) **Q.** Sh. Ashok Gupta – He said that the Bank should consider issuing bonus shares as the book value of share has increased. He also said that increase in dividend is not in proportion to increase in EPS of the Bank.

A. The Chairman replied that increase in dividend is proportionate to increase in profit of the Bank. As regards bonus shares, he said that it is not feasible right now as it will bring down the book value and market value of share. The Bank shall think of it only once the market shows improvement and the share price increases.

The Chairman and Managing Director, thereafter, thanked all the shareholders for their contributions and suggestions given.

Sh. V. Kannan, Executive Director then announced that keeping in view the request of the shareholders, it has been decided to waive annual maintenance charges on demat accounts opened / held by the shareholders of the Bank.

The business before the 19th Annual General Meeting of the Bank having been transacted, Sh. Jain requested Sh. Bhupinder Nayyar, Executive Director to propose vote of thanks.

Sh. Bhupinder Nayyar, Executive Director thanked all present in the meeting and solicited continued patronage of all stakeholders for the overall development of the Institution and concluded the meeting.

Signature		Signature	
Name	HARISH NARANG	Name	A.K.JAIN
Designation	AGM (MBD)	Designation	GM (MBD)