Proceedings of the 87th Annual General Meeting of Dhanlaxmi Bank Limited held on 20th September 2014, at 11.30 A.M, at Vadakke Samooha Kalyana Mandapam, Thrissur, 680001

ATTENDANCE

MEMBERS PRESENT

In Person	: 58 Members
By Proxy	: 32 Members

DIRECTORS PRESENT

MR.TEKKAR YASHWANTH PRABHU	CHAIRMAN
MR. P.G. JAYAKUMAR	MANAGING DIRECTOR & CEO
MR. K. SRIKANTH REDDY	DIRECTOR
MR. K. VIJAYARAGHAVAN	DIRECTOR (CHAIRMAN OF THE AUDIT COMMITTEE)
MR. P. MOHANAN	DIRECTOR
MR. CHELLA K SRINIVASAN	DIRECTOR
MR. JAYAKUMAR K	DIRECTOR
MR. RAJA SELVARAJ	RBI ADDL. DIRECTOR

CFO & COMPANY SECRETARY

MR. KRISHNAN K.S, A.C.A, A.C.S

STATUTORY CENTRAL AUDITORS

MR. B. SRINIVASA RAO, PARTNER, M/S. SAGAR & ASSOCIATES

SCRUTINIZER

MR. M. VASUDEVAN, PRACTICING COMPANY SECRETARY

Mr. Tekkar Yashwanth Prabhu, Chairman presided over the meeting. Chairman ascertained whether there was proper quorum and on confirmation thereof by CFO & Company Secretary, the Chairman called the meeting to order.

The meeting began with a prayer by Ms. Parvathy Viswanath.

The Chairman requested the members to observe silence for a minute as a mark of respect to the souls of the departed shareholders, Directors, employees and other well-wishers of the Bank.

When called upon by Chairman, Mr. Krishnan K.S, CFO & Company Secretary announced that 32 valid proxies from shareholders holding 2,77,60,181 shares have been lodged. There were no invalid proxies.

Thereafter the Chairman introduced the Directors on the dais.

The Chairman delivering his speech said that the fiscal 2013-14 has been challenging year for the Indian economy. Growth in the Indian economy has remained below 5.0% for the second consecutive year, along with subdued investment activity and consumer demand. Uncertainties regarding the global recovery, concerns over domestic growth and volatility in the financial market were the key features of the macro economic environment in the year under review. Gross Domestic Product (GDP) grew by 4.6% during fiscal 2014. Growth was moderated by a slow down in industry and service sectors. Growth in the industrial sector was 0.6% during fiscal 2014, similar to the corresponding period of fiscal 2013. The service sector grew by 6.7% during fiscal 2014. The agriculture sector recorded an improvement in growth to 3.6% in fiscal 2014. Yet there is a need to have a robust policy framework that balances the priorities of investments and the return there from.

Chairman further observed that the Indian banking industry faced collateral challenges due to the economic slow down, as a result of which asset quality preservation took precedence over growth imperatives, though the warning signals subsequently waned following expectations of improved policy measures and Commercial Banks' sharp focus on quality of assets.

Chairman highlighted the following salient features of the Bank's performance for the financial year ended March 31, 2014:

- The total Deposits of the Bank increased from Rs. 11202 Cr. to Rs. 12133 Cr. as on 31.03.2014
- The total Advances of the Bank increased from Rs.7954 Cr. to Rs. 8206 Cr. as on 31.03.2014
- Achieved operating profit of Rs. 6.07 Cr. for the financial year 2013-14
- Interest expended reduced by Rs. 19.75 Cr. during the financial year 2013-14 as compared to previous FY 2012-13
- Net NPA at 3.80% and Gross NPA at 5.98%.
- Basel II CRAR at 10% and Basel III CRAR at 8.67%.
- Book value per share is Rs. 58.47.

Human Resources policies and practices of the Bank focus on attracting, motivating and retaining qualified and skilled manpower. Concurrent with these objectives, steps are taken to improve manpower efficiency. Given the market challenges, there has been considerable focus on optimizing the existing resources through internal job postings, transfers and skill development initiatives. Training and development has assumed significant importance. The Bank's Staff Training College identifies the skill gap of the personnel and trains them for qualitative improvements.

He stated that the Bank has effectively leveraged technology and introduced several variants of traditional products and new e-based services, tailor made to the diversified needs of customers. Technology services like ATM cards, internet banking, mobile banking etc., have transformed the customer's banking experience from branch banking to anytime, anywhere banking.

The Bank strengthened its endeavours in the area of Corporate Social Responsibility (CSR) during the year. It continued its association with "Walkers Park" in Thrissur. In alliance with Trichur Management Association, it had initiated in the year 2010 scholarship programs for deserving MBA students seeking financial assistance. During the year 2013-14, the bank gave the scholarship to two MBA students.

Chairman informed the shareholders that the Bank had won two prestigious awards from NPCI (National Payments Corporation of India) in the 9th NPCI User Group Meeting held on 27th December 2013-

1. Special Jury Award in the NFS (National Finance Switch) Operational Excellence Award - for excellent performance in key parameters in respect of ATMs and Switch connected to NFS ATM Network
2. Best improvement award in the charge back ratio as an Acquirer in NFS

Chairman concluded his speech by assuring the shareholders that the Bank has put in place appropriate plans and strategies to bring about business growth with quality and profitability. He sought the continued support and patronage of the shareholders to place the Bank in the next higher orbit of excellence.

With the consent of the shareholders present, the Notice of the 87th Annual General Meeting dated 14th August 2014, circulated to the shareholders, was taken as read.

The Chairman proceeded to take up the business items in the order of the notice. The Chairman requested the shareholders to raise their queries, if any, on each item.

1. Item No.1 of Notice: To consider and adopt the Balance Sheet as at 31st March 2014 and Profit and Loss account for the year ended on that date and the Report of the Board of Directors and Auditors thereon

When called upon by Chairman and in compliance with Section 230 of the Companies Act, 1956, Mr. Krishnan K.S, CFO & Company Secretary read out the Auditors' report for the year ended 31 March 2014.

Thereafter, Mr. Venkitachalapathy N.D proposed the following resolution as an Ordinary Resolution, which was seconded by Mr. Mathew Paul-

"RESOLVED THAT the Audited Balance Sheet of the Bank as at 31st March 2014 and Profit and Loss Account for the year ended on that date together with the Report of the Board of Directors dated 14.08.2014 and the report of the auditors there on dated 23.05.2014 be and are here by adopted."

On the basis of consolidated final report submitted by the scrutinizer for e-voting, postal ballot voting and voting at the venue, 53309801 votes were cast in favour and 2580 votes were cast against the resolution. The above resolution was passed as an Ordinary Resolution.

2. Item No. 2 of Notice: To appoint Statutory Central Auditors for the year 2013-14 and to authorize the Board to fix their remuneration

Mr. Unnikrishnan K.G proposed the following resolution as an Ordinary Resolution, which was seconded by Mr. S. Rajagopal-

"**RESOLVED THAT** M/s. Sagar & Associates, Chartered Accountants, Hyderabad, be and is hereby appointed as the Statutory Auditor of the Bank up to the conclusion of the next Annual General Meeting and that the Board of Directors be and is hereby authorized to fix their remuneration".

On the basis of consolidated final report submitted by the scrutinizer for e-voting, postal ballot voting and voting at the venue, 53301824 votes were cast in favour and 5735 votes were cast against the resolution. The above resolution was passed as an Ordinary Resolution.

3. Item No.3 of Notice: Appointment of Mr. K. Srikanth Reddy as an Independent Non Executive Director not liable to retire by rotation

Mr. Sreedharan V.K proposed the following resolution as an Ordinary Resolution, which was seconded by Mr. Parameswaran R-

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 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. K. Srikanth Reddy** (DIN-01433626), be and is hereby appointed as an Independent Director of the Bank in the Minority Sector for the purpose of Section 149(2) of the Companies Act, 2013 with effect from April 1, 2014 and that he shall hold office upto October 28, 2015, and further that he shall not be liable to retire by rotation."

On the basis of consolidated final report submitted by the scrutinizer for e-voting, postal ballot voting and voting at the venue, 53299950 votes were cast in favour and

6589 votes were cast against the resolution. The above resolution was passed as an Ordinary Resolution.

4. Item No.4 of Notice: Appointment of Mr. K. Vijayaraghavan as an Independent Non Executive Director not liable to retire by rotation

Mr. George C Chungath proposed the following resolution as an Ordinary Resolution, which was seconded by Mr. Mathew Paul-

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 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. K. Vijayaraghavan** (DIN-06419305), be and is hereby appointed as an Independent Director of the Bank in the Majority Sector for the purpose of Section 149(2) of the Companies Act, 2013 with effect from April 1, 2014 and that he shall hold office upto November 20, 2015, and further that he shall not be liable to retire by rotation".

On the basis of consolidated final report submitted by the scrutinizer for e-voting, postal ballot voting and voting at the venue, 9340858 votes were cast in favour and 43965671 votes were cast against the resolution. The above resolution was not passed.

5. Item No.5 of Notice: Appointment of Mr P. Mohanan as an Independent Non Executive Director not liable to retire by rotation

Mr. Antony T.A proposed the following resolution as an Ordinary Resolution, which was seconded by Mr. Sundareswaran Nair P -

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 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. P. Mohanan** (DIN-01463603), be and is hereby appointed as an Independent Director of the Bank in the Majority Sector for the purpose of Section 149(2) of the Companies Act, 2013 with effect from April 1, 2014 and that he shall hold office upto September30,2015, and further that he shall not be liable to retire by rotation".

On the basis of consolidated final report submitted by the scrutinizer for e-voting, postal ballot voting and voting at the venue, 53296262 votes were cast in favour and 9265 votes were cast against the resolution. The above resolution was passed as an Ordinary Resolution.

6. Item No.6 of Notice: Appointment of Mr Chella K Srinivasan as an Independent Non Executive Director not liable to retire by rotation

Mr. K.J Nelson proposed the following resolution as an Ordinary Resolution, which was seconded by Mr. K. Jayesh.

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 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. Chella K Srinivasan** (DIN-01460198), be and is hereby appointed as an Independent Director of the Bank in the Majority Sector for the purpose of Section 149(2) of the Companies Act, 2013 with effect from April 1, 2014 and that he shall hold office upto September30,2015, and further that he shall not be liable to retire by rotation".

On the basis of consolidated final report submitted by the scrutinizer for e-voting, postal ballot voting and voting at the venue, 53295334 votes were cast in favour and 10093 votes were cast against the resolution. The above resolution was passed as an Ordinary Resolution.

7. Item No.7 of Notice: Appointment of Mr. K. Jayakumar as an Independent Non Executive Director not liable to retire by rotation

Mr. Harinarayanan M.B proposed the following resolution as an Ordinary Resolution, which was seconded by Mr. Varghese P.J-

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 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. K. Jayakumar** (DIN-01955260), be and is hereby appointed as an Independent Director of the Bank in the Majority Sector for the purpose of Section 149(2) of the Companies Act, 2013 with effect from April 1, 2014 and that he shall hold office upto September30,2015, and further that he shall not be liable to retire by rotation".

On the basis of consolidated final report submitted by the scrutinizer for e-voting, postal ballot voting and voting at the venue, 53297735 votes were cast in favour and 8012 votes were cast against the resolution. The above resolution was passed as an Ordinary Resolution.

8. Item No.8 of Notice: Appointment of Branch Auditors

Mr. Venkitachalapathy N.D advised that the Bank should give preference to auditors from Kerala while appointing branch auditors. Chairman stated that this will be considered while appointing the branch auditors in the next financial year.

Mr. Venkitachalapathy N.D proposed the following resolution as an Ordinary Resolution, which was seconded by Mr. Sreedharan V.K-

"**RESOLVED THAT** in terms of Section 143 of the Companies Act, 2013, the Board of Directors be and is hereby authorized to appoint from time to time in consultation with the Bank's Statutory Central auditors, one or more persons qualified for appointment as branch auditors to audit the accounts for the financial year 2014-15, of such of the branch offices of the Bank as are not proposed to be audited by the Bank's Statutory Central Auditors on such remuneration and subject to such terms and conditions as may be fixed by the Board of Directors."

On the basis of consolidated final report submitted by the scrutinizer for e-voting, postal ballot voting and voting at the venue, 53301994 votes were cast in favour and 6174 votes were cast against the resolution. The above resolution was passed as an Ordinary Resolution.

9. Item No.9 of Notice: To increase the Authorized Capital and amend the Capital Clause (Clause V) of the Memorandum of Association and Article 2 of Articles of Association of the Bank accordingly

Mr. Sundareswaran Nair P proposed the following resolution as a Special Resolution, which was seconded by Mr. T.K Sivaraman-

"**RESOLVED THAT** pursuant to Section 61 and other applicable provisions, if any, of the Companies Act, 2013, Banking Regulation Act, 1949, the Authorized Capital of the Bank be and is hereby increased from 200,00,00,000 (Rupees Two Hundred crore only) to 300,00,00,000 (Rupees Three Hundred Crore only) by creation of additional 10,00,00,000 (Ten Crore only) shares of 10/- each, ranking for dividend and in all other respects pari passu with the existing equity shares of the Bank when issued and accordingly the existing Clause V of the Memorandum of Association of the Bank be and is hereby amended by substituting the words and figures "Rs.300,00,00,000 (Rupees Three Hundred Crore only) divided into 30,00,00,000 shares of 10/-(Rupees Ten Only) each" for the words and figures "Rs.200 Crore. (Rupees Two hundred Crore only) divided into Twenty Cr. equity shares of 10/-(Rupees Ten only) each", appearing in Clause V thereof, and Article 2 of Articles of Association of the Bank be and is herby amended by substituting the words and figures "Rs.300,00,00,000 (Rupees Three Hundred Crore only) divided into 30,00,00,000 (Thirty Crore Only) equity shares of 10/- (Rupees Ten Only) each" for the words and figures "Rs.200,00,00,000 (Rupees Two Hundred Crore only) divided into 20,00,00,000 (Twenty Crore Only) equity shares of Rs.10/- (Rupees Ten Only) each", subject to the approval of Reserve Bank of India."

On the basis of consolidated final report submitted by the scrutinizer for e-voting, postal ballot voting and voting at the venue, 53303378 votes were cast in favour and

4331 votes were cast against the resolution. The above resolution was passed as a Special Resolution.

10. Item No. 10 of Notice: To pass a special resolution for exercising the borrowing powers of the Bank pursuant to Section 180(1) (c) of the Companies Act, 2013

Mr. Venkitachalapathy N.D proposed the following resolution as a Special Resolution, which was seconded by Mr. Antony K.P -

"**RESOLVED THAT** in supersession of the Ordinary Resolution passed under Section 293(1)(d) of the Companies Act,1956 at the Annual General Meeting of the Bank held on September 28,1994 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under and as may be amended from time to time, the consent of the Bank be and is hereby accorded to the Board of Directors of the Bank (herein after referred to as the 'Board' which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sum of monies, which together with the monies already borrowed by the Bank , may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs.100 Crore (Rupees One hundred Crore only)."

On the basis of consolidated final report submitted by the scrutinizer for e-voting, postal ballot voting and voting at the venue, 53297222 votes were cast in favour and 10287 votes were cast against the resolution. The above resolution was passed as a Special Resolution.

11. Item No. 10 of Notice: To Amend the Articles of Association of the Bank in compliance with the new Companies Act, 2013 and amendments in the Banking Regulation Act 1949

Mr. George Joseph proposed the following resolution as a Special Resolution, which was seconded by Mr. Johnson Alapatt -

"**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act,2013, and Rules made there under and any statutory modifications or re-enactment thereof for the time being in force, and subject to the necessary approvals required, if any, in this regard from Reserve Bank of India("RBI") and subject further to such other terms, conditions, stipulations, alterations, amendments, or modifications as may be required, specified or suggested by RBI, which terms conditions, stipulations, alterations, amendments or modifications, 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 as it may deem fit: consent of the Members of the Bank be and is hereby accorded to the alteration of the Bank's Articles of Association in the manner and to the extent hereinafter provided:

(a) Article 1(1) be and is hereby amended that the words "Companies Act, 2013" is substituted for the words "Companies Act,1956"
(b) Article 1(1) (a) be and is hereby deleted and in its place the following clause shall be substituted -

Any reference to "Act "or the "Companies Act, 1956 ", unless the contest otherwise requires, shall mean the Companies Act, 2013 and its modifications or re-enactments from time to time and any reference to a specific provisions of an Act shall, without repugnant to the contest there of, be construed to be referring to a corresponding provision of an Act that came into existence repealing the former Act. Further, the Sections or provisions bearing reference to the Companies Act, 1956 shall have reference to the corresponding sections or provisions in the Companies ACT, 2013, as applicable

(c) Article 1 (III) be and is hereby inserted after Article 1(II).
The regulations contained in Table F of Schedule 1 to the Companies Act,2013 shall be applied to this Company except so far as the clauses herein contained modify the same or provide otherwise. Whenever any of these clauses come in to conflict with the provisions of Companies Act, 2013 or any subsequent modifications thereof, the provisions and modifications, as it is may be of the said Act shall prevail.

(d) Article 33 (II) be and is hereby deleted and in its place the following article shall be substituted.
Thirty members personally present or such other higher number as may be prescribed by the Companies Act, 2013 shall be a quorum for a General Meeting.

(e) Article 40(b) be and is hereby deleted and in its place the following shall be substituted –

On a poll (whether by electronic voting or by postal ballot or otherwise), every member voting so or voting in person or by proxy at a General Meeting, as the case may be, shall exercise e voting right proportionate to the number of fully paid shares held by the share holder in proportion to the paid up capital of the Company, provided however, that no share holder shall exercise voting right in excess ten percentage of the total voting rights of all the share holders of the Company or such other percentage of the total voting right of all members of the Company as may be directed by Reserve Bank of India from time to time .

"Resolved further that the Articles of Association of the Bank duly modified as aforesaid be and is hereby adopted as the Articles of Association of the Bank."

On the basis of consolidated final report submitted by the scrutinizer for e-voting, postal ballot voting and voting at the venue, 53303394 votes were cast in favour and 5005 votes were cast against the resolution. The above resolution was passed as a Special Resolution.

As all business of the notice having been concluded, the meeting was dissolved at 01.00 P.M.

29.09.2014

Sd/-
T Y PRABHU
CHAIRMAN