June 17, 2015

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Dear Sir

Sub.: Litigation Update on civil suit between Mrs. Madhu Kapur & family Versus YES BANK & its Board of Directors – Disclosure under Clause 36 of the Equity Listing Agreement

We would request you to please take note of the enclosed Press Release issued by the Bank on the Judgment dated June 04, 2015, pronounced by Hon'ble Bombay High Court and made available today.

This is for your information and record.

Thanking you,

Yours faithfully,
For **YES BANK LIMITED**

Neelabja Chakrabarty
SVP- Company Secretarial Department

Encl: As above

June 17th, 2015

PRESS RELEASE

Mrs. Madhu Kapur & family Versus YES Bank & its Board of Directors

YES Bank is pleased to convey that the Hon'ble Bombay High Court has today released its Judgment dated June 4, 2015 on subject Civil Suit.

Key findings of the Hon'ble Bombay High Court:

1. **Re: Articles of Association:**
   The Honourable Court has held that "I have very little doubt that there are Articles that require amendments, both for consistency going forward and also to resolve the present disputes"

2. **Re: Shagun Kapur Gogia's rejection on the Board of YES Bank is final:**
   The Plaintiffs have sought to appoint Shagun Kapur Gogia [*daughter of Madhu Kapur*] on the Board of YES Bank, which was rejected by the Board of Directors of YES Bank, as she did not satisfy the ***'fit and proper'*** guidelines of RBI.

   The Hon'ble Bombay High Court has upheld the decision of the Board of Directors. The Hon'ble Court maintained that "***Whether or not the Board found Shagun's work profile and background commensurate is not for me to assess. This is entirely outside my remit***"

   The Hon'ble Court has also observed that "***the Plaintiffs do not have the right to demand that the 2nd Plaintiff* (Shagun Kapur Gogia) *be accepted onto the Board without Rana Kapoor's concurrence and consent.***"

3. **Re: NO Reservation of a seat for Mrs. Madhu Kapur & her family members on the Board of YES Bank:**

The Hon'ble Court amongst other observations unequivocally held that *"Nothing in the Articles leads to the conclusion that the Plaintiffs are entitled to a 'reserved seat' on YES Bank's Board"*.

"Apart from anything else, a demand for a seat on the Board seems to me to fly in the face of YES Bank's ethos. It is said to be the professional's bank. That necessarily means that it cannot run like a family estate. Consequently, I do not believe it is open to the Plaintiffs to demand that any of them take a seat reserved for them on Yes Bank's Board."

4. **Re: Appointment of Mr. Rana Kapoor as MD & CEO of YES Bank upheld and is final:**

The Hon'ble Court has rejected all the contentions raised by the Plaintiffs against Mr. Rana Kapoor.

The Court has unequivocally held that the appointment of Mr. Rana Kapoor has been approved by the RBI and the shareholders. *"It is not as if YES Bank is operating entirely without shareholder and regulatory oversight. It is not possible to accept the Plaintiffs submission in relation to the appointment of Rana Kapoor"*

The Hon'ble Court has also observed that *"under his (Rana Kapoor) stewardship, in the seven years since Ashok Kapur's death, YES Bank has grown and progressed exponentially, to the benefit of all, not least, the Plaintiffs themselves."*

Further, the Hon'ble Court observed that *"the appointment of a Managing Director is not an 'office or place of profit" per se. Rana Kapoor's appointment is one of the matters in the ordinary course of YES Bank's business. It is an arms-length transaction"*.

NB: The shareholders at the Bank's AGM on June 5, 2015 fully supported the resolutions for reappointment of Mr. Rana Kapoor as the MD & CEO of the Bank for a further period of 3 years.

5. **Re: Appointment of Mr. Diwan Arun Nanda & Mr. Ajay Vohra as Independent Directors:**

The Hon'ble Court has held that the Bank had not procedurally complied with the necessary formalities for appointment of these directors as Independent Directors. However, the Hon'ble Court pointed out that *"whether or not this can be rectified is for YES Bank to determine"*

The Hon'ble Court has further observed that *"YES Bank to take the necessary steps to revalidate, appoint or reappoint the persons in question (subject to them meeting statutory requirements of course, including the age limits). There is no finding of disqualification of any of these directors for want of ability or credentials."*

6. **Re: Appointment of Mr. M.R. Srinivasan & Mr. Ravish Chopra:**

The Hon'ble Court has held that there was a procedural infirmity in these appointments in view of the interpretation regarding the Articles of Association of the Bank. However, the Hon'ble Court has held that *"There is sufficient space and room for YES Bank to correct its course in the time ahead."*

It may also be noted that the Hon'ble Court has clarified that *"YES Bank to take the necessary steps to revalidate, appoint or reappoint the persons in question (subject to them meeting statutory requirements of course, including the age limits). There is no finding of disqualification of any of these directors for want of ability or credentials."*

7. **Re: The Proposed Appointment of Whole-time Directors**

The Hon'ble Court has held that the proposed appointment of the aforesaid Whole-time directors is procedurally improper in view of the interpretation of the existing language of the Articles of Association. The Hon'ble Court itself has suggested that these Articles of Association require redrafting.

**

ACTIONS taken by YES Bank at the 11th AGM held on June 6, 2015:

- Mr. Diwan Arun Nanda and Mr. Ajay Vohra were duly elected as Independent Directors at the 11th AGM held on June 6, 2015.
- Mr. M.R.Srinivasan was also duly re-elected as a director at the 11th AGM held on June 6, 2015.

Thus, procedural infirmities in their appointment which the Hon'ble Court has found (though not admitted by the Bank) would not impede their continuance on the Board as Directors. With regard to Mr. Ravish Chopra, the Bank will be taking appropriate steps, to revalidate his appointment as suggested by the Hon'ble Court.

GOING FORWARD:

The Bank will decide on its further legal course of action in accordance with advice which will be received from their Solicitors-CAM – Cyril Amarchand Mangaldas including as to whether the Articles ought to be amended as suggested by the Hon'ble Court.

The Hon'ble Court has in any event also stayed the operation of its own Judgment for a period of 5 weeks from today i.e., June 17, 2015. Thus, there is no immediate impact whatsoever on the Bank's Board of Directors or its Management . Few procedural infirmities were pointed out by the Hon'ble Court, which are curable, and the Bank and its Board of Directors do not foresee any material impact even in the mid to long term.

CONCLUSION:

It can be noted from the contents of the order, the impact of the operation of the Hon'ble Court's order is minimal on YES Bank's Board of Directors and its Management. The reservations expressed by the Hon'ble Court with respect to the appointment of some of the Directors have already been addressed in the ordinary course, as mentioned above and any further necessary procedural steps, which are required, will be taken in accordance with law.

PLEASE READ THIS IN CONJUNCTION WITH YES BANK'S AGM – PRESS RELEASE DATED JUNE 6TH 2015 (ATTACHED).

About YES BANK

YES BANK, India's fifth largest private sector Bank with a pan India presence across all 29 states and 7 Union Territories of India, headquartered in the Lower Parel Innovation District (LPID) of Mumbai, is the outcome of the professional & entrepreneurial commitment of its Founder Rana Kapoor and its top management team, to establish a high quality, customer centric, service driven, private Indian Bank catering to the future businesses of India. YES BANK has adopted international best practices, the highest standards of service quality and operational excellence, and offers comprehensive banking and financial solutions to all its valued customers.

YES BANK has a knowledge driven approach to banking, and offers a superior customer experience for its retail, corporate and emerging corporate banking clients. YES BANK is steadily evolving as the Professionals' Bank of India with the long term mission of "Building the Finest Quality Bank of the World in India" by 2020.

For further information, please contact:

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Press Release

YES BANK AGM – June 6, 2015
Shareholders fully support all YES BANK Board Resolutions

- ***Approved all 12 resolutions with an overwhelming majority***
- ***Approved Re-appointment of Mr. Rana Kapoor as MD & CEO of the Bank for a period of 3 years***
- ***Approved the appointment of directors, viz., (i) Mr. M R Srinivasan (ii) Mr. Diwan Arun Nanda (iii) Mr. Ajay Vohra under the provisions of the Companies Act, 2013;***
- ***Shareholders also overwhelmingly approved the Bank's Special Resolutions***
  - ***To issue Equity shares aggregating upto USD 1 Billion (approx. INR 6,400 crores)***
  - ***To issue Non Convertible Debentures and Bonds upto INR 10,000 Crores***
  - ***Increase Foreign Portfolio Investors (FPIs) and Foreign Institutional Investors (FIIs) aggregate limit to 74% of paid-up share capital***
- ***Dividend of 90% (INR 9 per share) approved***

Mumbai: June 06, 2015

The General body of the shareholders of YES BANK, India's 5th largest Private sector bank, has approved all the 12 Board resolutions with an overwhelming majority, in the 11th Annual General Meeting (AGM) held on June 06, 2015. The outcome reflects a summation of votes cast during the AGM and through E-voting held from June 2 to June 5, 2015.

1. The shareholders supported the resolutions for reappointment of **Mr. Rana Kapoor as the MD&CEO** of the Bank for a period of 3 years, with an overwhelming majority. This is a reflection of the faith reposed by the

shareholders in Mr. Rana Kapoor's Vision & leadership. The shareholders also fully supported the resolution for the remuneration of the MD&CEO.

2. The shareholders approved the re-appointment of **Mr. M R Srinivasan** (previously the Chairman of YES BANK) with **an overwhelming majority.**

3. The **shareholders also approved the appointments of Diwan Arun Nanda and Mr. Ajay Vohra as Independent Directors.**

4. In line with the Bank's vision of growing YES BANK into a meaningful Large Bank by 2020, as also to further capitalize on the imminent revival in the economic growth cycle, the Bank had also sought approvals for capital raising which was passed with an overwhelming majority.
   - The shareholders have approved through special resolution to raise fresh equity aggregating upto USD 1 Billion.
   - The shareholders also approved through special resolution, the issuance of Non Convertible Debentures and bonds upto a total amount of INR 10,000 crores.
   - The shareholders also approved through special resolution, the increase in the borrowing limits of the Bank to INR 50,000 crore (from the existing limits of INR 30,000 crores).

5. Further to the recent Union Budget proposal, the Bank had also sought approval to increase the combined Foreign Portfolio Investors (FPIs) and Foreign Institutional Investors (FIIs) investment limits to 74% of the paid-up capital of the Bank. The shareholders have approved the same with an overwhelming majority.

6. The Shareholders approved a Dividend of 90% (Rs 9 per share) ***as proposed by the Bank, with an overwhelming majority.*** The Dividend payout by YES BANK, in its 11 years is the highest amongst peer Indian banks in their 11th year of operations.

7. The shareholders also approved balance sheet as at March 31, 2015, for the financial year 2014-15, profit and loss account for the FY 2014-15, and the appointment of M/s S R Batliboi & Co. as the auditors of the bank.

Speaking on the occasion, Ms. Radha Singh, Non Executive Chairperson, YES BANK said, "We are extremely satisfied with the trust and faith shown by the institutional and retail shareholders on the Board of Directors, Bank's performance, growth plans and decisions to maintain the highest professional standards of the Bank's management team. Further, with the enabling approvals in place, YES BANK is fully geared up to capitalize on the renewed economic momentum and achieve its Vision of emerging the finest large bank in India by 2020.

I am satisfied that the Board of the Bank has always upheld highest levels of corporate and management governance and is reflected in the results of the AGM. It is also equally important to note that **Mr. Rana Kapoor, MD&CEO** has reiterated at the AGM, both in his capacity as the MD&CEO, and the promoter, that he is committed to ensuring that YES BANK maintains its organizational character which has evolved as the Professionals' Bank of India".

The 11th AGM of YES BANK held on Saturday, June 06, was attended by 9 of the 10 Board of Directors participating, (Mr. Diwan Arun Nanda was travelling due to prior commitments) including:

- **Ms. Radha Singh** , Non Executive Part-time Chairperson, YES BANK Limited, Chairperson – Corporate Social Responsibility Committee, Former Union Agriculture Secretary, Government of India
- **Mr. Ajay Vohra** Independent Director & Chairman - Audit Committee, YES BANK; Senior Advocate – Delhi High Court, Managing Partner of the Corporate,Tax and Business Advisory Law firm, Vaish Associates
- **Mr. Brahm Dutt** Independent Director & Chairman Nomination & Remuneration Committee ; YES BANK ; Former Secretary, Ministry of Road Transport & Highways, Govt. of India

- **Mr. Diwan Arun Nanda,** Independent Director & Chairman, Stakeholders Relationship Committee and Service Excellence, Branding and Marketing Committee, YES BANK ; Chairman and Managing Director, Rediffusion DY&R
- **Mr. M.R. Srinivasan,** Non Executive Non Independent Director, and Chairman – Risk Monitoring Committee & Board Credit Committee, YES BANK; Former Chief General Manager in charge of Department of Banking Operations & Development (RBI).
- **Lt General (Retd.) Mukesh Sabharwal** Independent Director, YES BANK; Former Lt General and AG in the Indian Army
- **Mr. Saurabh Srivastava** Independent Director & Chairman - IT Strategy Committee, YES BANK ; Co - founder and past Chairman of NASSCOM
- **Mr. Ravish Chopra,** Independent Director, YES BANK; Former Managing Director of HSBC Bank Private (UK) Limited
- **Mr. Vasant V Gujarathi** Independent Director, YES BANK. Ex-partner with PwC India.
- **Mr. Rana Kapoor** Managing Director & CEO YES BANK.



Board of Directors of YES BANK, at the 11th AGM – 6 June, 2015, Mumbai.

(Left to Right): **Lt. Gen (Retd.) Mukesh Sabharwal**, Independent Director **;** **Mr. Ajay Vohra**, Independent Director; **Mr. Saurabh Srivastava**, Independent Director; **Mr. Brahm Dutt**, Independent Director; **Mr. Rana Kapoor**, Managing Director & CEO; **Ms. Radha Singh**, Non-Executive Part-time Chairperson; **Mr. Ravish Chopra**, Independent Director; **Mr. M.R. Srinivasan**, Non-Independent Director; **Mr. Vasant V Gujarathi**, Independent Director

About YES BANK

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YES BANK has a knowledge driven approach to banking, and offers a superior customer experience for its retail, corporate and emerging corporate banking clients. YES BANK is steadily evolving as the Professionals' Bank of India with the long term mission of "Building the Finest Quality Bank of the World in India" by 2020.

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