



ANNUAL REPORT 2008-2009

# DCB Presence in India



| States             | Andhra Pradesh | Goa | Gujarat | Haryana | Karnataka | Maharashtra | Rajasthan | Tamil Nadu | West Bengal |
|--------------------|----------------|-----|---------|---------|-----------|-------------|-----------|------------|-------------|
| DCB branch network | 10             | 4   | 12      | 1       | 4         | 35          | 1         | 2          | 3           |

| Union Territories  | Daman | Dadra & Nagar Haveli |
|--------------------|-------|----------------------|
| DCB branch network | 1     | 1                    |

| National Capital Territory | New Delhi |
|----------------------------|-----------|
| DCB branch network         | 6         |

Disclaimer: Map not to scale. Only for graphical representation.

## **Vision**

***To be the gold standard  
in customer service in Indian banking.***

## **Mission**

***To be the preferred financial service provider  
amongst the Bank's peers with a passion  
for excellence in service.***

## **Report Junction.com** **C o n t e n t s**

---

|                              |    |
|------------------------------|----|
| DCB Company Information..... | 2  |
| Chairman's Statement .....   | 3  |
| Notice.....                  | 5  |
| Directors' Report .....      | 11 |
| Corporate Governance .....   | 17 |
| Auditors' Report .....       | 29 |
| Balance Sheet .....          | 30 |
| Profit & Loss Account .....  | 31 |
| Schedules .....              | 32 |
| Cash Flow Statement .....    | 55 |
| Basel II .....               | 56 |
| Proxy/Attendance Form.....   | 63 |

## DCB Company Information

---

### Board of Directors

**Mr. Nasser Munjee**

*Chairman*

**Mr. Murali M. Natrajan**

*Managing Director &  
Chief Executive Officer (CEO)*

**Ms. Nasim Devji**

**Mr. A. A. Sabuwala**

**Mr. Anuroop Singh**

**Mr. D. E. Udwadia**

**Mr. Narayan K. Seshadri**

**Mr. R. A. Momin**

**Mr. Shabir Suleman Kassam**

**Mr. Suhail Nathani**

**Mr. Sukh Dev Nayyar**

### Senior Management Team

**Mr. Murali M. Natrajan**

*Managing Director & Chief Executive Officer*

**Mr. Bharat Sampat**

*Chief Financial Officer*

**Mr. K. S. Ramdas**

*Executive Vice President & Head Corporate  
and SME Banking*

**Mr. Parag Patankar**

*Executive Vice President & Chief Technology  
and Operations Officer*

**Mr. Praveen Kuttty**

*Executive Vice President & Head Retail Banking*

**Mr. Rajesh Verma**

*Senior Vice President & Head Treasury and Cash  
Management Services*

**Mr. R. Venkatesh**

*Executive Vice President & Head Human Resources*

**Mr. Susheel N. Kak**

*Executive Vice President & Chief Risk Officer*

### Company Secretary

**Mr. H. V. Barve**

### Statutory Auditors

**S. R. Batliboi & Co.**

## Chairman's Statement

---

### Dear Shareholders,

The year 2008-09 will go down in history as one in which the world economy received an unprecedented shock owing to the melt down of the financial system in the USA and in Europe. The collapse of the housing market triggered a major crisis in the US financial system; the largest home lender in the US, Fannie Mae and Freddie Mac buckled, Investment Banks as we knew them disappeared in a fortnight of upheaval, banks began to fold up in a domino effect as a result of which US households lost some \$8 trillion of wealth. The impact of all this was soon felt in the real sector of economies around the world. Almost every major economy is witnessing negative GDP growth; World Trade will decline by nearly 10% this year; and World GDP will be negative. These are unprecedented times and it will require unprecedented effort, co-operation and time to recover. Capitalism as we know it will need to be redefined with new rules of the game for the future development of financial systems around the world.

India, fortunately, escaped the worst impacts of this crisis. Since our banks were tightly controlled by the RBI, they were less prone to be caught by prevailing orthodoxy in the financial systems of the world. Indian banks remain well capitalized and the Indian economy remains one of the few that is growing steadily at 6.2% per annum. Nevertheless, India just like the rest of the world, has been severely affected by the destruction of demand caused by the extraordinary financial crises that began in early 2008 and was at its full force around the third quarter of 2008. Reflecting the contagion effect of the global recession, growth impulses remained subdued in India. At a global level, in recent months, there are a few positive signals. However, these signals are not strong enough to indicate a firm turnaround. In India too there are some signs of recovery and upturn. Nonetheless, it may be a while before the economy picks up the desired momentum.

Last year, in the Chairman's Statement I was bullish about the prospects for DCB for this year. I suggested that the turnaround of DCB had been consolidated and that we could look forward to a period of "stability, performance and growth" with DCB putting its business model to work. The underlying assumption was that we would continue to be operating in a benign environment. Alas that was not to be.

DCB faced two major problems this year. The first had to do with a deteriorating retail portfolio especially unsecured personal loans that existed before and was grown further in 2007 and the second had to do with the severe credit crunch faced by banks in September and October 2008.

In the first quarter itself we had seen that things might slow down precipitously and we had anticipated that our existing unsecured personal loans portfolio would face stress. We acted quickly and cut off lending in this segment altogether by August 2008. Lucky we did. Our anticipation began to be felt gradually in November 2008 when the portfolio, which was diminishing month by month, began to feel major stress in some geographies. As economic conditions began to worsen, fortunately our SME and Corporate portfolio held up with one serious exception – Subhiksha a victim of the collapse of the capital market. As of March 2009, our net unsecured personal loans advances was down to Rs. 329.64 crores from Rs. 698.65 crores in March 2008. Last year, we had adopted a stringent provisioning norm once our Gross NPAs had fallen from Rs. 314.92 crores in March 2006 to Rs. 63.43 crores in March 2008. This was to ensure discipline of our credit process. All unsecured personal loans over 90 days past due would be provided at 50% and unsecured personal loans over 180 days past due at 100%. Using these provisioning norms we provided Rs. 101.61 crores in this financial year to cover our unsecured personal loans. This level of provisioning gives us a coverage ratio of 76.4% for unsecured personal loans at a capital adequacy of 13.4%. Regrettably, this high level of provisioning has resulted in a Rs. 88.10 crores loss this year. Nevertheless, we felt we should address the problems being faced in an appropriate and aggressive manner. This we have done.

Given the tighter monetary conditions imposed by RBI in the summer of 2008, we decided to restructure DCB's balance sheet by substantially de-risking it rather than growing it. High cost deposits – both corporate and treasury – were repaid and the focus of attention shifted dramatically to grow current and savings accounts (CASA). Total Deposits; as a result fell by 24% to Rs. 4,647 crores with Corporate and Treasury Deposits falling to Rs. 1,396 crores. Future asset growth will be predicated on the growth of low cost deposits ensuring better

spreads. The Balance Sheet contracted from Rs. 7,582 crores to Rs. 5,943 crores, indicating this restructuring. Owing to this strategy, DCB was spared the impact of rapidly tightening monetary conditions that were witnessed from September to November 2008. High levels of liquidity sustained DCB through this turbulent period.

The good news is that our CASA ratio is presently at 31% up from 24% in March 2008. The Balance Sheet is thus beginning to grow again on the basis of low cost deposits rather than expensive and lumpy wholesale funding. Our bancassurance is growing rapidly with Birla Sunlife (we are a fast growing partner). Our secured asset growth will pick up traction during the forthcoming year predicated on low cost liabilities. Provisions have peaked and will decline steadily as asset growth picks up and the unsecured retail portfolio runs off during the next financial year.

DCB's new MD & CEO, Murali M Natrajan, was appointed at the end of April 2009. He brings with him maturity and skills perfectly suited to the Bank and I am sure that under his leadership the Bank will overcome our present difficulties in a short space of time and that next year will witness the "stabilization" I spoke about last year, followed by growth and returns for investors. We are all committed to this outcome and I am certain that with the support of our Promoters – AKFED – and our other major investors we will emerge as a highly profitable niche "community" bank in the private sector serving communities in the vicinity of our branches in the principal states in which we function.

**Nasser Munjee**

*Chairman*

Date: 19 June 2009



# Notice of AGM

## Notice to Members

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of DEVELOPMENT CREDIT BANK LTD. ("the Bank") will be held at Rama Watumall Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020 on Friday, September 18, 2009, at 3.00 p.m. to transact the following:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Bank as at March 31, 2009 and the Profit and Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Narayan K. Seshadri who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. D.E. Udwadia who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Sukh Dev Nayyar who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Statutory Auditors and authorise the Board of Directors of the Bank to fix their remuneration and in that connection to consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT subject to approval of Reserve Bank of India ("RBI") and pursuant to Section 224 and other applicable provisions, if any, of the Companies Act 1956 and any statutory modification or re-enactment thereof for the time being in force ("the Act") M/s. S.R. Batliboi & Co., Chartered Accountants, Mumbai, or such other auditor as may be approved by RBI be and is hereby appointed as the 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 at such remuneration and on such other terms and conditions as may be fixed by the Board of Directors.."

## SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution: -  
"RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, and any statutory modification or re-enactment thereof for the time being in force ("Act") the Board of Directors of the Bank be and is hereby authorised to appoint, in consultation with the Statutory Auditors, such person who is qualified to be appointed as Auditor of the Bank under Section 226 of the Act, as the Branch Auditors as and when required, to audit the Accounts in respect of the Branch Offices of the Bank; at such remuneration and on such other terms and conditions as may be fixed by the Board of Directors."
7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution: -  
"RESOLVED THAT Mr. Suhail Nathani, who was appointed as an Additional Director of the Bank by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and who holds office only upto the date of this Annual General Meeting and in respect of whom a notice in writing under Section 257 of the said Act has been left at the Registered Office of the Bank by a member signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed as a Director of the Bank."
8. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution: -  
"RESOLVED THAT Mr. Murali M. Natrajan who was appointed as an Additional Director of the Bank by the Board of Directors pursuant to

Section 260 of the Companies Act, 1956 and who holds office only upto the date of this Annual General Meeting and in respect of whom a notice in writing under Section 257 of the said Act has been left at the Registered Office of the Bank by a member signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed as a Director of the Bank."

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

"RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and any statutory modification or re-enactment thereof for the time being in force ("the Act"), the applicable provisions of the Foreign Exchange Management Act, 1999 ("FEMA"), the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ("DIP Guidelines"), the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended from time to time and in accordance with applicable rules, regulations guidelines, circulars and clarifications issued by Government of India ("GOI"), Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI") and/or any other competent authorities and subject to (X) any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force), (XX) the enabling provisions of the Bank's Memorandum and Articles of Association, the Listing Agreements entered into by the Bank with stock exchanges on which the Bank's shares are listed, (XXX) any approval, consent, permission or sanction of SEBI and/or Ministry of Finance (Department of Economic Affairs) and/or Ministry of Industry (Foreign Investment Promotion Board/Secretariat for Industrial Assistance), as applicable and required, approvals, consents, permissions or sanctions of other concerned authorities, within or outside India, and (XXXX) such terms, conditions and modifications as may be prescribed by any of them while granting such approvals, consent, permissions or sanctions and which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as "the Board" which term shall include any Committee constituted by the Board), consent of the Bank be and is hereby granted to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Bank as may be permitted), with or without a green shoe option, either in India or in the course of international offering(s) in one or more foreign markets, including by way of a qualified institutional placement under Chapter XIII A of DIP Guidelines such number of Equity Shares, Global Depository Receipts ("GDRs"), Foreign Currency Convertible Bonds ("FCCBs"), and/or any other financial instruments convertible into Equity Shares (including warrants or otherwise in registered or bearer form) and/or any security convertible into Equity Shares and/or securities linked to Equity Shares and/or securities without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares, including the issue and allotment of Equity Shares pursuant to a green shoe option, if any (all of which are hereinafter collectively referred to as "the Securities") or any combination of Securities, in one or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible person, including Qualified Institutional Buyers as defined under Clause 1.2.1 (xxiv a) of DIP Guidelines, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), Venture Capital Funds (foreign or Indian), Foreign Institutional Investors, Indian and/or Multilateral Financial Institutions, Mutual Funds, Non-Resident Indians, stabilizing agents and/or any other categories of investors, whether they be holders of the shares of the Bank or not (collectively called "the Investors") as may be decided by the Board in their discretion and permitted under the applicable laws and regulations, for an aggregate amount not exceeding

Rs.100 crores (Rupees One hundred crores) or equivalent thereof in one or more foreign currency and/or Indian Rupees, inclusive of such premium as may be fixed on such Securities by offering the Securities in one or more countries through public issue(s) by prospectus, private placement(s) or a combination thereof at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, etc., as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency as the Board may in its absolute discretion deem fit or appropriate."

"RESOLVED FURTHER THAT

- (a) the Securities to be offered, issued and allotted in pursuance of this Resolution shall be subject to the provisions of the Bank's Memorandum and Articles of Association; and
- (b) the relevant date for the determination of applicable price for the issue of the Securities shall be as per the guidelines prescribed by SEBI, GOI, RBI through its various departments or any other regulator and the pricing of equity shares issued upon the conversion of the Securities shall be made subject to and in compliance with the applicable rules and regulations and such price shall be subject to appropriate adjustments in the applicable rules/guidelines/statutory provisions."

"RESOLVED FURTHER THAT the issue to the holders of the Securities shall, inter alia, be subject to the following terms and conditions -

- (a) in the event of the Bank making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; and
- (b) in the event of merger, amalgamation, takeover or any other re-organisation or restructuring or any other corporate action, the number of shares, the price and the time period as aforesaid shall be suitably adjusted."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and to approvals, consents or permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the Securities may have such features and attributes or any terms or combination of the terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorised in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed."

"RESOLVED FURTHER THAT in the event of issue of Securities by way of a qualified institutional placement pursuant to DIP Guidelines:

- (a) the relevant date for determination of price of equity shares or such other securities, shall be the date of the meeting at which the Board decides to open the proposed issue of Securities, or such other time as may be permitted under DIP Guidelines from time to time;
- (b) the allotment of Securities shall be completed within 12 months from the date of this Resolution approving the proposed issue or such other time as may be permitted under DIP Guidelines from time to time."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorised to do all such acts, deeds, matters and things including but not limited to finalisation and approval for the draft as well as final offer document(s) determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, premium amount on issue/conversion of the Securities, if any, rate of interest, execution of various transaction documents, creation of mortgage/charge in accordance with Section 293(1)(a) of the Act, in respect of any Securities as may be required either on pari passu basis or otherwise, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilisation of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to engage/appoint the Lead Managers, Legal Advisors, Underwriters, Guarantors, Depositories, Custodians, Registrars, Stabilizing Agent, Trustees, Bankers, Advisors and all such agencies as may be involved or concerned in such offering of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies and to seek the listing of such Securities on one or more national and/or international stock exchange(s)".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering thereof and all Equity Shares so issued and allotted shall be subject to the Bank's Memorandum and Articles of Association and shall rank pari passu with the existing equity shares of the Bank in all respects unless otherwise specified in the relevant terms."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to form a committee or delegate all or any of its powers to any Director(s) or Committee of Directors/Company Secretary/other person authorised by the Board to give effect to the aforesaid Resolutions and is authorised to take such steps and to do all such acts, deed, matters and things and accept any alteration(s) or amendment(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of Equity Shares including but not limited to:

- (a) Approving the draft/final offer documents and filing the same with any other authority or persons as may be required;
- (b) Approving the issue price, the number of Securities to be allotted, the basis of allocation and allotments of Securities;
- (c) To affix the Common Seal of the Bank on any agreement(s)/document(s) as may be required to be executed in connection with the above in accordance with the Bank's Articles of Association;
- (d) Arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of Securities;
- (e) Opening such bank accounts and demat accounts as may be required for the offering;
- (f) To do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transaction;



- (g) To make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
- (h) Making applications for listing of the Equity Shares of the Bank on one or more of the stock exchange(s), within or outside India and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s).

“AND RESOLVED FURTHER THAT in addition to all applicable Indian laws the Securities issued in pursuant of this Resolution shall also be governed by all applicable laws and regulations of any jurisdiction outside India where they may be listed or that may in any other manner apply to such Securities or provided for in the terms of their issue.

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

“RESOLVED THAT in terms of Section 81(1A) and other applicable provisions, if any of the Companies Act, 1956 and any other laws for the time being in force and in accordance with Article 14 of the Articles of Association of the Bank, the guidelines, notifications, regulations and circulars, if any, issued by the Securities and Exchange Board of India (“SEBI”), Reserve Bank of India (“RBI”) and other concerned and relevant authorities, the listing agreements entered into by the Bank with the stock exchanges where the shares of the Bank are listed and subject to the approvals or consents of the Government of India (“GOI”), RBI, SEBI and any other appropriate authorities, institutions or bodies, as may be necessary and such conditions as may be prescribed by any of them while granting any such approval or consent which may be agreed to by the Board of Directors of the Bank (“the Board” which terms shall include any committee constituted by the Board) at its sole discretion, consent be and is hereby granted to the Board for the further issue, offer and allotment of such number of New Equity Shares of Rs. 10/- each, on rights basis, for an aggregate amount not exceeding Rs. 200 crores [Rupees Two Hundred crores] at a price to be determined in accordance with the applicable provisions of the SEBI Guidelines for the time being in force to the Members of the Bank as on the Record Date to be fixed for the purpose and on such other terms and conditions as the Board may at its sole discretion determine.”

“RESOLVED FURTHER THAT the rights offer for New Equity Shares shall be on the following basis:-

- (a) that the full amount for the New Equity Shares shall be payable along with the application therefor in the form prescribed by the Bank;
- (b) the offer of New Equity Shares shall be made to those Members whose name appears in the Register of Members of the Bank or whose name appears as Beneficial Owner in the records of the National Securities Depository Ltd. (NSDL) or Central Depository Services India Ltd. (CDSL) on the Record Date (to be fixed for the purpose).
- (c) the New Equity Shares to be offered on rights basis shall rank pari passu in all respects with the existing equity shares of the Bank.

- (d) Members to whom the offer for New Equity Shares is made shall be entitled to apply for additional new equity shares. Applications for additional New Equity Shares shall be considered for allotment at the sole discretion of the Board, subject to their availability;

- (e) the offer of New Equity Shares shall include a right to renounce the same or any part thereof provide such renunciation is made in the form prescribed by the Bank before the closing of the offer;

- (f) the unsubscribed new equity shares, if any, shall be disposed off by the Board to such person and in such manner as the Board in its sole discretion thinks most beneficial to the Bank.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to determine the number of New Equity Shares to be offered on rights basis, the issue price (including premium), the ratio in which the New Equity Shares may be issued, the treatment to be given to fractional entitlement, if any, opening and closing dates for the rights offer, the appointment of Registrars, Bankers, Advisors and all other agencies or intermediaries and to authorise the negotiations, finalisation and execution on behalf of the Bank of such agreements/arrangements/Memorandum of Understandings/ other documents with any authorities/agencies as the Board may at its sole discretion deem fit and proper and to do all such acts, deed, matters or things as it may deem necessary for the purpose of giving full effect to this Resolution.”

“AND RESOLVED FURTHER THAT the Board be and is hereby authorised to settle any questions, difficulties or doubts that may arise in connection with the rights offer including the issue and allotment of New Equity Shares as aforesaid and the utilisation of the issue proceeds or any part thereof.”

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

“RESOLVED THAT pursuant to the provisions of all applicable laws including in particular the Banking Regulation Act, 1949, and the Companies Act, 1956 and subject to the approvals of the Central Government, consent be and is hereby granted to the payment of a monthly remuneration of Rs. 1,00,000/- (Rupee One Lac only) with effect from August 19, 2008 plus club membership and reimbursement of actual business related expenses to Mr. Nasser Munjee, Chairman of the Bank, and that the Board of Directors (to mean and include any committee thereof constituted by the Board) be and is hereby authorised to do all acts, deeds, matters and things as may be necessary and to accept such terms and conditions as may be prescribed by the Central Government in his behalf.”

Place : Mumbai  
Date : July 25, 2009

By Order of the Board of Directors  
For Development Credit Bank Limited

Registered Office:  
301, Trade Plaza,  
Veer Savarkar Marg,  
Prabhadevi, Mumbai 400025

H. V. Barve  
Company Secretary

## NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE BANK.
- 2) The instrument appointing the proxy, in order to be effective, should be duly stamped, completed and signed and deposited at the Registered Office of the Bank not less than 48 hours before the commencement of the meeting.
- 3) MEMBER/PROXY SHOULD BRING THE ATTENDANCE SLIP SENT HERewith, DULY FILLED IN, FOR ATTENDING THE MEETING.

- 4) An Explanatory Statement, required under Section 173 (2) and other applicable provisions, if any, of the Companies Act, 1956 in respect of the businesses at items 6 to 11 of the Notice is annexed hereto.
- 5) The Register of Members and Share Transfer Books of the Bank will remain closed from Friday, September 11, 2009 to Friday, September 18, 2009 (both days inclusive).
- 6) Any dividend remaining unclaimed/unpaid for a period of seven years from the date it became due for payment will be transferred to Investor Education and Protection Fund (IEPF) and once so transferred, no claim there against shall be entertained. The Balance in the Unpaid Dividend (Interim 2001-

2002) account has already been transferred to IEPF on April 22, 2009. Unclaimed Dividend (Final 2001-2002) account will be due for transfer in November 2009. Other Unclaimed Dividends i.e. (Interim 2002-03), (Final 2002-2003) and (Final 2003-04) will be due for transfer as per above in the month of March 2010, November 2010 and November 2011 respectively. Members are requested to take note thereof and ensure prompt collection of unclaimed dividend, if any.

7) Members holding shares in physical form are requested to address all their correspondence including change of address, mandates etc. to the Registrars viz. M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078. Whereas the Members holding shares in dematerialised form should approach their depository participants for the same.

**Details of Directors seeking appointment / re-appointment in Annual General Meeting scheduled on Friday, September 18, 2009  
(Pursuant to Clause 49 (IV) (E) and 49 (IV) (G) (I) of the Listing Agreement)**

| Name of Director   | Mr. Suhail Nathani  | Mr. Murali M. Natrajan                                  | Mr. Narayan K. Seshadri   | Mr. D.E. Udawadia   | Mr. Sukh Dev Nayyar   |
|--|---|---|---|---|---|
| Date of Birth  | May 3, 1965   | March 23, 1962  | April 13, 1957  | September 27, 1939  | April 15, 1942  |
| Date of Appointment  | January 29, 2009  | April 29, 2009  | September 30, 2004  | January 27, 2007  | August 9, 2007  |
| Expertise in Specific Functional area  | Corporate & Commercial laws, Private Equity and International Trade | Banking, Finance, Strategy, Risk and General Management | Accountancy, Finance and Risk Management, Agriculture, SSI and Rural Economy  | Mergers and Acquisitions, Corporate Law, Foreign Collaboration, Joint Ventures, Project Finance and Financial Restructuring   | Banking, Finance & Risk Management  |
| Qualification  | M.A. in Law from Cambridge University and LLM from Duke University. | B.Com. (Hons.) and FCA                                  | B.Sc. (Hons.) and Fellow of ICAI  | M.A., L.L.B. (Hons.) Solicitor & Advocate, Bombay High Court, Solicitor, Supreme Court of England   | M.Sc. (Physics Hons.)   |
| Board Membership of other Public Limited companies as on March 31, 2009  | Phoenix Mills Ltd.  | None.   | PI Industries Ltd.<br>Magma Fincorp Limited<br>Kalpataru Power Transmission Limited<br>WABCO - TVS (India) Limited                      | ABB Ltd.<br>ADF Foods Ltd.<br>AstraZeneca Pharma India Limited<br>The Bombay Burmah Trading Corporation Ltd.<br>Eureka Forbes Ltd.<br>ITD Cementation India Ltd.<br>JM Financial Ltd.<br>MPS Limited<br>Mechanalysis (India) Ltd.<br>Wabco TVS (India) Ltd.<br>Wyeth Ltd. | Greaves Cotton Ltd.<br>PI Industries Ltd.   |
| Chairman/Member of the Committee of the Board of Directors of the Bank as on March 31, 2009                          | NIL   | NIL   | Chairman of Audit Committee, Risk Management Committee & Fraud Reporting and Monitoring Committee. Member of Capital Raising Committee. | Member of Audit Committee.  | Chairman of Executive & Credit Committee, Member of Risk Management Committee & Nomination Committee. |
| Chairman/member of the Committee of Directors of the other Companies in which he is a Director as on March 31, 2009. | NIL   | NIL   |   | Chairman of AstraZeneca Pharma India Limited<br>Vice-Chairman of Macmillan India Ltd.   |   |