

**DCB BANK**

# Emergence

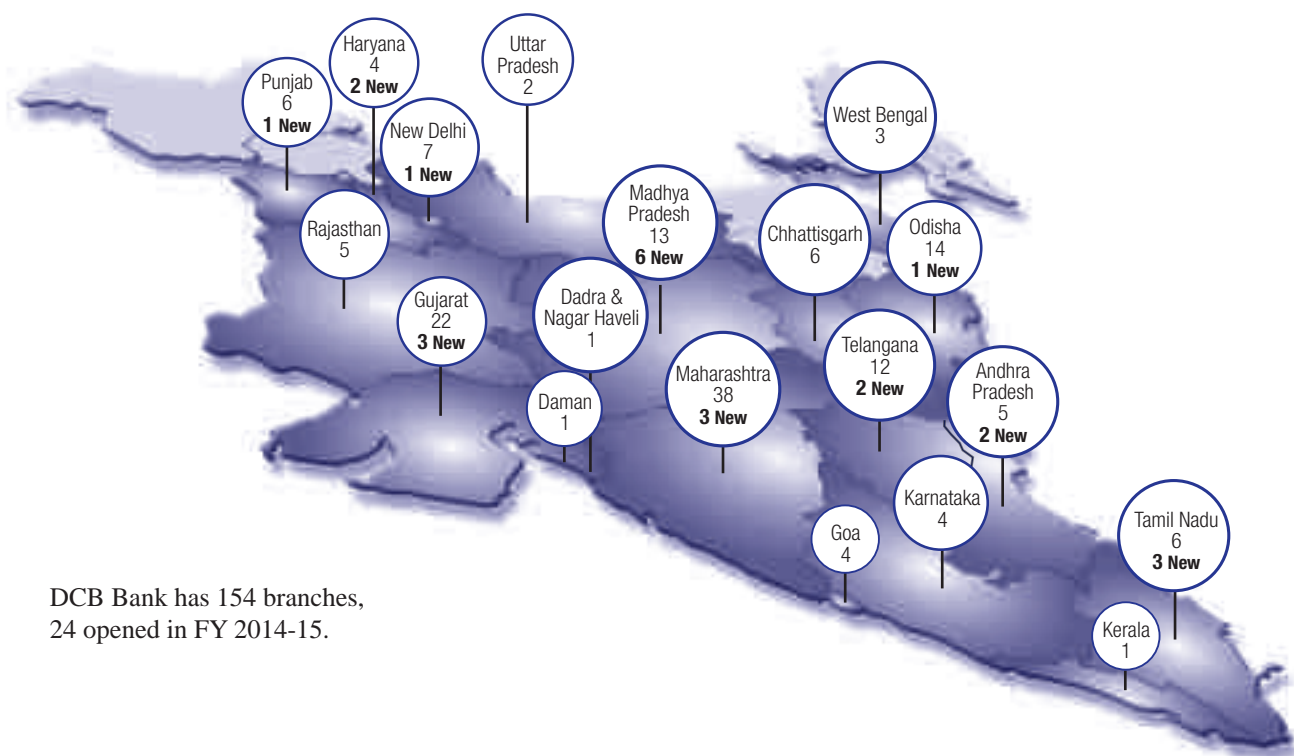


**ANNUAL REPORT 2014-15**

**DCB Bank Limited (Formerly Development Credit Bank Limited)**

# DCB Bank

## now has 154 branches across India



DCB Bank has 154 branches,  
24 opened in FY 2014-15.

Map not to scale. Only for graphical representation.

## Contents

|                              |    |                        |     |
|------------------------------|----|------------------------|-----|
| DCB Bank Company Information | 02 | Balance Sheet          | 52  |
| Chairman's Statement         | 03 | Profit & Loss Account  | 53  |
| Notice to Members            | 04 | Cash Flow Statement    | 54  |
| Directors' Report            | 11 | Schedules              | 55  |
| Corporate Governance         | 33 | Pillar III Disclosures | 94  |
| Auditors' Report             | 50 | Proxy Form             | 111 |

## **DCB Bank Vision**

*Our vision is to be the most innovative and responsive  
neighbourhood community Bank in India serving entrepreneurs,  
individuals and businesses.*

## **DCB Bank Values**

*Treat Everyone with Dignity – Respect*

*Do What is Right – Ethical*

*Be Open & Transparent – Fair*

*Sense of Urgency, Passion & Energy – Dynamic*

*Go the Extra Mile, Find Solutions – Stretch*

*Improve Continuously – Excellence*

*Play as a Team, To Win – Teamwork*

*Support the Society – Contribute*

## **Emergence**



The concept of emergence, at face value, would mean having arrived. It, however, in essence describes collective behaviour. It refers to how collective properties arise from the properties of the parts and how behaviour at a larger scale arises from the detailed structure, behaviour and relationships at a finer scale.

DCB Bank, over many years, has painstakingly concentrated on the parts, the finer scale of a complex structure and the relationships that these entail. The collective whole is a consequence of this effort and we can now see the impact that this effort, which was not at first visible, has made to the Bank. The effort continues, at the finer scale, to ensure that DCB Bank re-invents itself continuously for the benefit of all its stakeholders.

## COMPANY INFORMATION

### Board of Directors

Mr. Nasser Munjee  
Chairman

Mr. Murali M. Natrajan  
MD & CEO

Mr. Altaf Jiwani

Mr. Amin Manekia

Mr. Imran Contractor

Mr. Jamal Pradhan

Mr. Keki Elavia

Mr. Nalin Shah

Mr. C. Narasimhan

Ms. Rupa Devi Singh  
*With effect from 22 January 2015*

Mr. Shaffiq Dharmshi  
*With effect from 13 January 2015*

Mr. S. Sridhar

Mr. Suhail Nathani

Mr. Sukh Dev Nayyar  
*Upto 13 January 2015*

### Senior Management Team

Mr. Abhijit Bose,  
Head – Retail Assets & Strategic  
Alliances

Mr. Aditya Prasad,  
Chief Compliance Officer

Mr. Ajay Mathur,  
Head – Commercial Vehicles &  
Collections

Mr. Atal Agarwal,  
Head – Corporate Banking & FIG

Mr. Bharat Sampat,  
Chief Financial Officer

Mr. Damodar Agarwal,  
Head – Alternate Channels & Retail  
Securitisation

Mr. Gaurav Mehta,  
Head – Marketing, Investor Relations  
& PR

Ms. Hamsaz Vasunia,  
Head – Human Resources

Mr. J. K. Vishwanath,  
Chief Credit Officer

Mr. K. K. Pandey,  
Head – Channel Sales & Emerging  
Markets

Mr. Krishna Ramasankaran,  
Head – Credit (Retail Assets)

Mr. Manoj Joshi,  
Business Head – Trade Finance

Mr. Narendranath Mishra,  
Head – AIB (Agri & Inclusive  
Banking)

Mr. N. C. Kaushal,  
Business Head – SME & MSME

Mr. Pankaj Sood,  
Head – Retail Liabilities, TCB &  
Third Party Distribution

Mr. Praveen Kutty,  
Head – Retail & SME Banking

Mr. R. Venkatesh,  
Head – HR, Technology &  
Operations

Mr. Rajesh Verma,  
Head – Treasury, Trade Finance &  
Cash Management

Mr. Ravi Kumar,  
Chief Operating Officer

Mr. Sameer Jaini,  
Chief Technology Officer

Mr. Sridhar Seshadri,  
Financial Controller

Mr. Suresh Bhowal,  
Head – Mortgages & Loan Against  
Gold

Ms. T. Anuradha,  
Chief Internal Auditor

### Company Secretary

H. V. Barve

### Statutory Auditors

B S R & Co. LLP  
Chartered Accountants, Mumbai  
(Registration  
No.101248W/W-100022)

### Registered Office

DCB Bank Limited  
(Formerly Development Credit Bank  
Limited)  
601 & 602, Peninsula Business Park,  
6th Floor, Tower A,  
Senapati Bapat Marg, Lower Parel,  
Mumbai 400 013

## CHAIRMAN'S STATEMENT 2014 - 15

There comes a time in the life of an institution undergoing transformation, when it emerges from the problems that beset it in the past. This is such a time for DCB Bank. In recognition of this the Bank decided to rebrand ourselves simply as DCB Bank around two years ago. It has taken almost a decade of hard transformative work to emerge as DCB Bank as it is today. A large part of the credit must go to those who made it possible; The Board of Directors who set the objectives and operational imperatives, the CEO (who joined us in 2009) and his management team that created an appropriate strategy and executed it with sensitivity and precision, the employees of DCB who have worked extraordinarily hard in each and every aspect of the Bank. In their own small way, each unit of the Bank has strived for excellence and continuous improvement. This has helped to grow the Bank and deliver consistent, predictable and quality results.

I would also like to sincerely thank our shareholders for their support and regulators for their guidance.

What does all this amount to? DCB Bank is the first bank in the country to announce annual results – within a fortnight of March 31, 2015. This demonstrates transparency and helps to further build our credibility with our stakeholders. Over time we have created a strong finance function that is assuring the board and assisting the management team with timely and accurate information that is so critical for managing a bank.

Through sheer hard-work, innovation and management support, the Human Resources unit has created a unique spirit, what we like to call DCBian. This has helped to keep the organisation together as one team almost like a big family, each contributing to the growth and progress of the Bank. Strong teamwork, passion for excellence, integrity and an ability to drive performance has helped the Bank transform itself. There has been a lot of stability at the middle and senior levels. I have never underestimated “culture” in an organisation. It is the glue that keeps an organisation together, working harmoniously and, therefore, effectively. An organisation cannot aspire to be customer centric until it has mastered the art of culture building, developed a measure of pride and ownership by employees who are ever ready to go the extra mile.

DCB Bank FY 2015 performance is reported in detail in the later pages. We began the transformation process around ten years ago. Since 2009, the Bank has grown steadily and consistently quarter by quarter. We have reached a Balance

Sheet size of ₹ 16,132 crores. Our Advances have crossed ₹ 10,000 crores mark in FY 2015. The focus of DCB Bank has largely been on Retail, MSME and SME for both Deposits and Advances. The Bank has created a diversified portfolio in order to ensure sustainable, predictable and quality performance. This is reflected in our stable Gross and Net NPAs.

Given the current economic conditions, the Bank has been cautious and careful in increasing the portfolio size in MSME, SME and mid/large Corporates. Even though I tend to be overly optimistic by my nature, I have been a realist with regard Indian economy. There are many internal and external challenges which are affecting the pace of economic growth. Wherever possible, in the last few years, the Bank has tried to de-risk large exposures in order to maintain quality of the overall portfolio. I am confident that the Indian economy will turn around soon which will present us with more opportunities in MSME, SME and mid/large Corporates.

DCB Bank has adopted a calibrated approach to branch network expansion. Three years ago our network was hovering around 80 odd branches. DCB Bank now has 154 branches and is present in 94 locations. This is steadily increasing. Our philosophy, as always, has been to ensure that we serve the neighbourhood we are in and become the chosen bank for customers in that location. I am happy to report, despite the presence of many banks, we have been able to grow our business. Our presence is taken seriously by competition. We have also created a successful model of branch expansion into unbanked areas which is helping us to deliver on Priority Sector Lending targets.

Given this progress, we decided to adopt “Emergence” as the theme of this year's annual report. Emergence is a process which is completed after some time period. In many parameters, DCB Bank is experiencing an emergence putting it on a path to steady growth, diversification and technological innovation. Scale matters. We are now approaching a scale of operations when our investments in our operations can be spread and experienced by a greater number of customers. We are confident the process will continue and that, at each stage, DCB Bank will continue to internalise its learnings so that we emerge as a highly respected bank in the Indian banking system in the years to come.

**Nasser Munjee**  
Chairman

April 14, 2015

## NOTICE TO MEMBERS

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of DCB BANK LIMITED (FORMERLY DEVELOPMENT CREDIT BANK LIMITED) ("the Bank") will be held at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020 on Monday, June 1, 2015 at 2.30 p.m. to transact the following:

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2015 and the Audited Profit and Loss Account of the Bank for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To ratify the appointment of the Statutory Auditors of the Bank

### Special Business:

#### **3. To re-appoint Mr. Nasser Munjee (DIN-00010180) as a Director of the Bank liable to retire by rotation.**

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

"RESOLVED THAT pursuant to Section 160 of the Companies Act, 2013, Mr. Nasser Munjee (DIN-00010180) be and is hereby appointed as a Director of the Bank with effect from August 19, 2014 liable to retire by rotation."

#### **4. Honorarium to Mr. Nasser Munjee – Part time Chairman of the Bank**

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

"RESOLVED THAT pursuant to the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, the provisions of the Companies Act, 2013 and rules made thereunder, if any, and the approval accorded by the Reserve Bank of India, the Members of the Bank do hereby take on record the approval accorded by the Reserve Bank of India for re-appointment of Mr. Nasser Munjee (DIN-00010180) as Non Executive Part-time Chairman of the Bank with effect from August 19, 2014 for a period of three (3) Years including the terms of his appointment and approve the payment of honorarium of ₹18.00 Lakh per annum plus reimbursement of actual business related expenses and club membership to Mr. Nasser Munjee in terms of the Reserve Bank of India's approval.

RESOLVED FURTHER THAT the Board (including any duly constituted committee of the Board of Directors) be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents or give instructions as may be required to give effect to this resolution."

#### **5. Ratification of the remuneration paid to Mr. Murali M. Natrajan (DIN-00061194) for FY 2014-15 and Re-Appointment of Mr. Murali M Natrajan as MD & CEO of the Bank with effect from April 29, 2015.**

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

"RESOLVED THAT pursuant to Section 197 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable rules, if any, applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the approval accorded by the Reserve Bank of India, approval of the Members be and is hereby accorded for revision in remuneration to Mr. Murali M. Natrajan, Managing Director & CEO, w.e.f. April 1, 2014 as per the terms mentioned in the explanatory statement forming part of the Notice convening the Meeting.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 203 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, Section 10A and other applicable provisions of the Banking Regulations 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, the Members of the Bank do hereby approve the re-appointment of Mr. Murali M. Natrajan (DIN-00061194) as the Managing Director & CEO of the Bank with effect from April 29, 2015 for a period of three years up to April 28, 2018 on the remuneration and other terms as mentioned in the above.

RESOLVED FURTHER THAT pursuant to Section 197 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and other applicable rules, if any, applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to approval from Reserve Bank of India in this regard, approval of the members be and is hereby given, to authorize the Nomination and Remuneration Committee of the Board to recommend and the Board of Directors of the Bank to decide on the increase in remuneration payable to Mr. Murali M. Natrajan, Managing Director & CEO of the Bank, during his tenure from April 29, 2015 to April 28, 2018 up to 15% per annum.

RESOLVED FURTHER THAT the Board (including any duly constituted Committee of the Board of Directors) be and is hereby authorised to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said re-appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any director(s) and / or officer(s) of the Bank to give effect to this Resolution."

#### **6. Appointment of Mr. Shaffiq Dharamshi (DIN-06925633) as a Director of the Bank liable to retire by rotation**

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

"RESOLVED THAT Mr. Shaffiq Dharamshi (DIN-06925633), be



and is hereby appointed as a Director of the Bank, liable to retire by rotation.”

#### **7. Appointment of Ms. Rupa Devi Singh (DIN-02191943) as an Independent Director**

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

“RESOLVED THAT Ms. Rupa Devi Singh (DIN-02191943) be and is hereby appointed as an Independent Director of the Bank pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, from January 22, 2015 for a period of up to 5 years.”

Place: Chennai  
Date: April 14, 2015

CIN:L99999MH1995PLC089008

Registered Office:  
Peninsula Business Park,  
6th floor, 601 & 602, Tower A,  
Senapati Bapat Marg,  
Lower Parel, Mumbai 400 013.  
Website: [www.dcbbank.com](http://www.dcbbank.com)  
e-mail: [investorgrievance@dcbbank.com](mailto:investorgrievance@dcbbank.com)

By Order of the Board of Directors  
DCB Bank Limited (Formerly  
Development Credit Bank Limited)

**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/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE BANK. A person shall not act as Proxy for more than Fifty (50) members and holding in the aggregate not more than ten percent of the total share capital of the Bank carrying voting rights. A person holding more than 10 percent of the total share capital of the Bank carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- 2) The instrument appointing the proxy (as per the format provided hereinafter), 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 102(1) of the Companies Act, 2013 in respect of the businesses at item nos. 2 to 7 of the Notice is annexed hereto.
- 5) The Register of Members and Share Transfer Books of the Bank will remain closed from May 26, 2015 to June 1, 2015 (both days inclusive).
- 6) Members holding shares in physical form are requested to address all their correspondence including change of address, mandates etc. to the Registrar and Transfer Agents (RTA) viz. M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078, and Members holding shares in dematerialized form should approach their respective Depository Participants for the same.
- 7) Since shares of the Bank are traded on the stock exchanges compulsorily in demat mode, shareholders holding shares in physical mode are strongly advised to get their shares dematerialised.

- 8) The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs, are requested to register their e-mail IDs with their Depository Participant at the earliest, to enable the Bank to use the same for serving documents to them electronically, hereinafter. Shareholders holding shares in physical form may kindly provide their e-mail IDs to the RTA sending an e-mail at [dcbbankgogreen@linkintime.co.in](mailto:dcbbankgogreen@linkintime.co.in) or to the Bank at [investorgrievance@dcbbank.com](mailto:investorgrievance@dcbbank.com).

The Annual Report of the Bank and other documents proposed to be sent through e-mail would also be made available on the Bank's website as under:

<http://www.dcbbank.com/cms/showpage/page/about-us-key-financials>

- 9) E-Voting:

The Bank has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Bank to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 20th Annual General Meeting of the Bank, dated April 14, 2015 (the AGM Notice).

The facility for voting, either through electronic voting system or through ballot / polling paper shall also be made available at the venue of the 20th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Bank has appointed M/s S. N. Ananthasubramanian & Co., Practicing Company Secretaries, Thane as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Bank has fixed May 25, 2015 as the 'Cut-off Date'. The remote e-voting / voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by

them as on the Cut-off Date i.e. May 25, 2015 only.

The instructions for shareholders voting electronically are as under:

- (i) The remote e-voting period begins on May 29, 2015 at 10.00 a.m. (IST) and ends on May 31, 2015 at 05.00 p. m (IST). During this period shareholders of the Bank, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. May 25, 2015 may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting after 5.00p.m (IST) on May 31, 2015.
- (ii) The shareholders should log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user, follow the steps given below:

| For Members holding shares in Demat Form and Physical Form |  |
|--|--|
| <b>PAN</b>   | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* Members who have not updated their PAN with the Company/Depository Participant are requested to use the Sequence Number printed on Attendance Slip, in the PAN Field.</p>   |
| <b>DOB #</b>   | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. There are 2 fields provided viz. DOB and Dividend Bank Details. Any one detail may be entered.   |
| <b>Dividend Bank Details #</b>                             | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p># Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the member id / folio number in the 'Dividend Bank Details' field as mentioned in instruction (iv). Dividend Bank Details means Bank account number which is recorded in the demat account.</p> |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote. In this case, it would be DCB Bank Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If you as a Demat account holder have forgotten the existing password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be



able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

10) Details of Directors seeking appointment in the Annual General Meeting scheduled on Monday, June 01, 2015 (Pursuant to Clause 49 (VIII) (E) of the Listing Agreement) are as under:

| Name of Director  | Mr. Shaffiq Dharamshi  | Ms. Rupa Devi Singh   | Mr. Murali M. Natrajan   | Mr. Nasser Munjee   |
|---|--|---|--|---|
| Date of Birth   | January 23, 1967   | January 1, 1956   | March 23, 1962   | November 18, 1952   |
| Date of Appointment/Re-Appointment  | January 13, 2015   | January 22, 2015  | April 29, 2015<br>(Original Appointment Date – April 29, 2009)   | August 19, 2014<br>(Original Appointment Date – June 29, 2005)  |
| Expertise in Specific Functional area   | Risk Management  | Agricultural Banking, SSI & SBF Financing, Corporate/ Retail Banking, Infrastructure Sector Financing                         | Banking  | Economics, Finance, Banking, Agriculture, Co-operation.   |
| Qualification   | Master of Science In Economics/ Analysis, Design and Management Of Information Systems | B.Sc, LLB, CAIIB  | B.Com (Hons) and FCA   | M.Sc. (Econ)  |
| Board Membership of other Public Limited companies as on March 31, 2015   | None in India  | None  | None   | 9   |
| Chairman/Member of the Committee of the Board of Directors of the Bank as on March 31, 2015                             | Chairman: NIL<br>Member:<br>1.Audit Committee  | Chairman: NIL<br>Member:<br>1.Credit Committee<br>2.Customer Service Committee<br>3.Corporate Social Responsibility Committee | Chairman: NIL<br>Member:<br>1.Capital Raising Committee<br>2.Risk Management Committee<br>3.Fraud Reporting & Monitoring Committee<br>4. Customer Service Committee<br>5.Corporate Social Responsibility Committee | Chairman:<br>1.Executive Committee<br>2.Capital Raising Committee<br>3.Corporate Social Responsibility Committee<br>Member:<br>1.Nomination and Remuneration Committee    |
| Chairman/Member of the Committee of Directors of the other Companies in which he/she is a Director as on March 31, 2015 |  |   |  |   |
| a. Audit Committee  | NIL  | NIL   | NIL  | Chairman:<br>1.ABB India Ltd.<br>2.Britania Industries Limited<br>3.Cummins India Ltd.<br>4.Tata Chemicals Ltd.<br>5.Tata Motors Ltd.<br>Member:<br>1.Ambuja Cements Ltd. |
| b. Stakeholders' Relationship Committee   | NIL  | NIL   | NIL  | NIL   |
| c. Other Committees   | NIL  | NIL   | NIL  | Chairman: 4<br>Member : 12  |
| Number of Shares held in the Bank as on March 31, 2015  | NIL  | NIL   | 100,000  | 4,401   |

**Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 annexed to and forming part of the Notice dated April 14, 2015:**

#### **ITEM NO. 2**

##### **Ratification of the appointment of Statutory Auditors:**

In the 19th Annual General Meeting (AGM) of the Bank held on June 6, 2014, M/s. B S R & Co. LLP, Chartered Accountant (Registration No.101248W/W-100022) have been appointed as the Statutory Auditors of the Bank for a period up to 2 years effective April 1, 2014. In terms of the provisions of the Companies Act, 2013, it is necessary to get the appointment ratified by the shareholders in every Annual General Meeting until the expiry of the period of original appointment.

In view of the above, the Board of Directors recommends your ratification of the appointment of M/s. B S R & Co. LLP (Registration No.101248W/W-100022) as the Statutory Auditors as mentioned at Item No. 2 of the Notice.

#### **ITEM NO. 3 & 4**

##### **Re-Appointment of Mr. Nasser Munjee as a Director and part-time Chairman of the Bank and payment of Honorarium:**

Mr. Nasser Munjee has declared himself as a Non-Independent Director of the Bank.

The Board of Directors at the meeting held on September 5, 2014 had approved and recommended to Reserve Bank of India (RBI) the re-appointment of Mr. Nasser Munjee as Part-time Chairman of the Bank for a further period of 3 years w.e.f. August 19, 2014 till August 18, 2017. RBI has approved the re-appointment of Mr. Nasser Munjee vide its letter DBOD.Appt.No.1828/29.03.001/2014-15 dated July 31, 2014.

The Reserve Bank of India (RBI) vide its letter DBOD.Appt. No.3269/29.03.001/2014-15 dated September 1, 2014 has approved honorarium of ₹ 18.00 Lakhs per annum plus reimbursement of actual business related expenses and club membership. The Board of Directors has recommended shareholders to take on record the aforesaid RBI Approvals and accord their approval for his re-appointment as a director liable to retire by rotation and the honorarium of ₹ 18 Lakh p.a. payable to him. Mr. Munjee has not been / will not be paid any sitting fees for attending meeting of the Board/Committees.

The Bank has received a notice in writing from a member signifying his intention to propose Mr. Nasser Munjee as a candidate for the office of Director.

The Board has recommended the Ordinary Resolutions for approval of the shareholders as under Agenda No. 3 & 4 of the notice.

None of the Directors other than Mr. Nasser Munjee nor any Key Managerial Personnel or relatives thereof are, in any way interested in the Resolutions at Item No. 3 & 4 of the Notice.

#### **ITEM NO. 5**

##### **Re-Appointment of Mr. Murali M. Natrajan as Managing Director & CEO of the Bank with effect from April 29, 2015 and ratification of the remuneration paid to him for FY 2014-15.**

The Board of Directors at the meeting held on April 15, 2014 had approved and recommended to the Reserve Bank of India (RBI) the revision in remuneration of Mr. Murali M. Natrajan - Managing Director & CEO of the Bank, for the year 2014-15 and RBI vide its letter DBR.Appt.No.9023/29.03.001/2014-2015 dated December 18, 2014 had approved the revision in the remuneration and perquisite to Mr. Murali M. Natrajan effective from April 1, 2014 as under: