

THE DHANALAKSHMI BANK LIMITED

Registered Office: Dhanalakshmi Buildings, Naickanal, Thrissur – 680 001.

NOTICE

Notice is hereby given that the 83rd Annual General Meeting of The Dhanalakshmi Bank Limited will be held on Thursday, July 15, 2010 at 11 A. M. at Lu Lu International Convention Centre, Puzhakkal, Thrissur – 680 003 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2010 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend for the year 2009-10.
3. To appoint a Director in place of Mr. Shailesh V Haribhakti (Director in Majority Sector), who retires by rotation and offers himself for re-appointment.

Mr. Shailesh V Haribhakti was appointed as Additional Director on 30.04.2008 and elected as Director at the 81st AGM held on 27.09.2008. The details of Mr. Shailesh V Haribhakti, who retires by rotation and offers himself for re-appointment, required under the Listing Agreement are given below

Mr. Shailesh V Haribhakti is a Chartered Accountant. He was the only Indian Member on the Standards Advisory Council of the International Accounting Standards Board. He was the Chairman, Financial Planning Standards Board, India. He is a Committee member of Futures & Options segment of National Stock Exchange of India and is a member of the SEBI Committee on Disclosure and Accounting Standards. He serves as a member of Managing Committees of ASSOCHAM and IMC, and Corporate Governance Committees of ASSOCHAM and CII and is the Chairman of the Combating Global Warming Committees of IMC. He has been awarded "The Best Non-Executive Independent Director Award – 2007" by the Asian Centre for Corporate Governance & IMC in January 2008.

Date of Birth	12.03.1956
Date of Appointment	30.04.2008
Educational Qualification	B.Com., FCA
Expertise in specific functional area	Accountancy
Directorships held in other Public companies (excluding foreign companies and Section 25 companies)	<ol style="list-style-type: none"> 1. Pantaloon Retail (India) Ltd. 2. Everest Kanto Cylinder Ltd. 3. Mahindra Lifespace Developers Ltd. 4. Blue Star Ltd. 5. Hexaware Technologies Ltd. 6. Hercules Hoists Ltd. 7. Ackruti City Ltd. 8. ACC Ltd. 9. Ambuja Cements Ltd. 10. Future Capital Holdings Ltd. 11. J K Paper Ltd. 12. Fortune Financial Services (India) Ltd. 13. Raymond Ltd. 14. Future Capital Financial Services Ltd.
Memberships/Chairmanships of committees of other public companies (includes only Audit Committee and Shareholders Grievance Committee)	<ol style="list-style-type: none"> 1. Future Capital Holdings Ltd. - Chairman of Audit Committee 2. Hexaware Technologies Ltd. - Chairman of Audit Committee 3. ACC Limited - Chairman of Audit Committee 4. Raymond Ltd - Chairman of Audit Committee 5. Ambuja Cements Ltd - Chairman of Audit Committee, Member of Compensation & Remuneration Committee 6. Pantaloon Retail (India) Ltd - Member of Audit Committee 7. Mahindra Lifespace Developers Ltd - Member of Audit Committee 8. Blue Star Ltd - Member of Audit Committee 9. Ackruti City Ltd - Member of Audit Committee
Number of shares held in the Bank	50,200

4. To appoint a Director in place of Mr. S. Santhanakrishnan (Director in Majority Sector), who retires by rotation and offers himself for re-appointment.

Mr. S. Santhanakrishnan was appointed as Additional Director on 30.06.2008 and elected as Director at the 81st AGM held on 27.09.2008. The details of Mr. S. Santhanakrishnan, who retires by rotation and offers himself for re-appointment, required under the Listing Agreement are given below

Mr. S. Santhanakrishnan was retired as Deputy Managing Director of State Bank of India after serving them 36 years. His notable achievement in the financial sector made him an inevitable choice and he brings with him years of experience, expertise, and industry knowledge. He was also the executive Chairman of Credit Information Bureau Ltd., which provides comprehensive credit information, promoted by all Banks. Mr. Santhanakrishnan has used his expert knowledge from the industry to publish various Articles on Credit.

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Date of Birth	08.11.1944
Date of Appointment	30.06.2008
Educational Qualification	M.Sc, D.S.M, CAIIB, Diploma in T.D
Expertise in specific functional area	Banking
Directorships held in other Public companies (excluding foreign companies and Section 25 companies)	1. ICICI Home Finance Co. Ltd. 2. Easy Access Financial Services Ltd. 3. Reliance Capital Trustee Co. Ltd. 4. Sundaram-Clayton Ltd. 5. TVS Credit Services Ltd.
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Shareholders Grievance Committee)	1. ICICI Home Finance Co. Ltd. - Member of Audit Committee 2. Reliance Capital Trustee Co. Ltd. - Member of Audit Committee
Number of shares held in the Company	700

5. To appoint Statutory Auditors and fix their remuneration.

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 (“Act”), the Board be and is hereby authorized to appoint as Branch Auditors of any branch office of the Bank, whether existing or which may be opened hereafter, in consultation with the Banks Auditors, any person(s) qualified to act as Branch Auditor within the provisions of Section 228 of the Act and to fix their remuneration”.

7. To Consider and if thought fit, to pass with or without any modification, the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to Section 21 of the Companies Act, 1956, and subject to approval of the Central Government the name of the Bank be and is hereby changed from the present **“The Dhanalakshmi Bank Limited”** to **“Dhanlaxmi Bank Limited”**.

“RESOLVED FURTHER THAT after receipt of the fresh certificate of incorporation consequent upon the above change of name, the following changes be made:

- (i) The present Name Clause of Memorandum of Association be substituted by the following:

“The name of the Company is **“Dhanlaxmi Bank Limited”**.”

- (ii) The Article I. (i) (c) of Articles of Association of the Bank be substituted by the following:

the “Bank” or “Company” means **“Dhanlaxmi Bank Limited”**

- (iii) The present name, wherever appears in the Articles of Association of the Bank shall be substituted with **“Dhanlaxmi Bank Limited”**.

8. To Consider and if thought fit, to pass with or without any modification, the following resolution as a Special Resolution.

Issue of Equity Shares to the Qualified Institutional Buyers (QIBs) by a Qualified Institutional Placement (QIP)

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof), the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 (SEBI ICDR Regulations) and such other applicable provisions, Banking Regulation Act, 1949, Foreign Exchange Management Act, 1999 and further subject to the provisions of Listing Agreement entered into by the Bank with the Stock Exchanges in which its shares are listed and further subject to notifications, directions issued by Regulatory Authorities and further subject to the prior in-principle approval of Reserve Bank of India (RBI) and further subject to the Memorandum and Articles of Association of the Bank, the Board of Directors of the Bank (Board) or a Committee of Directors (Committee) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this resolution be and is hereby authorized to issue and allot, by way of Qualified Institutional Placement (QIP), to Qualified Institutional Buyers (QIBs), in terms of Chapter VIII of the SEBI ICDR Regulations, whether or not such investors are existing members of the Bank, through one or more tranches under the same placement document, not exceeding 2.10 crore Equity Shares of Rs.10/- each, at such price or prices including premium on each share, as the Board or the appointed Committee thereof may determine in accordance with the SEBI ICDR Regulations and where necessary in consultation with the Lead Manager and or other Advisors”.

“RESOLVED FURTHER THAT the relevant date for the purpose of determining the floor price of the Securities in accordance with the SEBI ICDR Regulations would be the date in which the Board/Committee decides to open the proposed issue”.

“RESOLVED FURTHER THAT the Equity Shares proposed to be issued shall rank pari passu with the existing Equity Shares of the Bank in all respects”.

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"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares the Board or a Committee be and is hereby authorized on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, for entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement documents(s), and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expense relating thereto and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit".

By order of the Board

Sd/-

Ravindran K Warriar
Secretary to Board &
Company Secretary

Place : Thrissur
Date : 15-06-2010

Notes:

1. The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item Nos. 6 to 8 above, are annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Bank. Proxies, in order to be effective, must be received at the Bank's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolution / authority, as applicable.
3. The Register of Members and Transfer Books of the Bank will be closed from Friday the 9th July to Thursday the 15th July 2010, both days inclusive. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made as under:
 - a) To all Beneficial Owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on 8th July 2010.
 - b) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Bank on or before the close of business hours on 15th July 2010.
4. The Board of Directors of the Bank has recommended a dividend of 10% (Re.1/- per equity share) to the shareholders; subject to the approval of Reserve Bank of India.
5. The Board of Directors of the Bank has sought the approval of Reserve Bank of India for the appointment of Mr. Walker Chandiook & Co., and either M/s. Sharp & Tannan, M/s. Borkar & Muzumdar and M/s. A J Shah & Co., in order of preference as the Joint Central Statutory Auditors of the Bank, pursuant to Section 30 (1A) of the Banking Regulation Act, 1949, upto the conclusion of the next Annual General Meeting.
6. Members holding shares in physical form are requested to advise any change of address, with PINCODE immediately to the Bank's Registrar and Share Transfer Agent, M/s. Karvy Computershare Pvt. Ltd., (Unit: The Dhanalakshmi Bank Limited), Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Bank or the Bank's Registrar and Share Transfer Agent.
7. The shareholders and Beneficial Owners who have not so far encashed / claimed the dividends for the last 7 financial years i.e., from 2002-2003 to 2008-2009, have to submit the dividend warrant(s) if any available with them for revalidation to the Company Secretary, The Dhanalakshmi Bank Ltd., Dhanalakshmi Building, Naickanal, Thrissur – 680 001.
8. In terms of Section 205 C of the Companies Act, 1956 the dividends which are unclaimed for a period of seven years have to be transferred to "Investor Education and Protection Fund" (the Fund) maintained with Central Government and the shareholders/ Beneficial Owners cannot make any claim for the dividends once the unclaimed dividends are transferred to such Fund. The dividends remained unclaimed upto 2001-2002 have been transferred to the Fund.

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)

Item No. 6

In terms of Section 228 of the Companies Act, 1956, the Branch Offices of the Bank have to be audited either by Statutory Auditors or other qualified Auditors. Bank intends to entrust the Audit of Branch Offices either to the Statutory Auditors or to other qualified Auditors in consultation with Statutory Auditors on such remuneration and on such terms and conditions as the Board deems fit. The members are requested to authorize the Board of Directors of the Bank to appoint branch auditors in consultation with the Bank's Auditors and to fix their remuneration.

None of the Directors is concerned or interested in the Resolution under the above item. The Board recommends the passing of the above item as an Ordinary Resolution.

Item No. 7

The Board of Directors have decided to change the name of your Bank from 'The Dhanalakshmi Bank Limited' to 'Dhanlaxmi Bank Limited'. With increased competition in the industry, it is necessary to position the Bank as a young, dynamic and vibrant brand. As your Bank is expanding its footprint across the country it becomes imperative to get a wider acceptability for a brand that has stood for trust and heritage for the last 82 years. To create a connect with the old and the new, your Bank decided to retain

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the name and simplify the spelling to Dhanlaxmi Bank Limited. Goddess Lakshmi, has been an integral part of the logo, keeping true to the sentiments of all we have made Goddess Lakshmi more prominent in the new identity. Your Bank is about trust, wisdom and relationships; hence it was decided to choose 'Purple' - the colour of wealth and prosperity. You would have already taken note of the new vibrant brand 'DhanlaxmiBank' with Goddess Lakshmi, signifying prosperity.

For this purpose your Bank has already obtained approval from Reserve Bank of India (RBI). In the meantime, the Registrar of Companies, Kerala and Lakshadweep (RoC) has made available the new name for being adopted by the Bank subject to completion of compliance requirements in accordance with law.

Pursuant to Section 21 of the Companies Act, 1956 read with Section 16, alteration of the name clause of the Memorandum of Association (MoA) would require approval of shareholders by way of Special Resolution before an application could be made to RoC for their approval. Pursuant to Section 31 of the Companies Act, 1956 alteration of Articles of the Articles of Association (AoA) would also require approval of shareholders by way of Special Resolution and the resolutions under this item may be passed as special resolutions.

The change in name will take place only the date on which RoC will issue a fresh Certificate of Incorporation.

None of the Directors of your Bank is interested or concerned in the resolution under the above item.

Item No. 8

In order to meet the capital adequacy requirements of the Bank analogous with the business expansion and also for augmenting the resources, the Bank is proposing to make a Qualified Institutional Placement [QIP] by issue of not exceeding 2.10 crore equity shares of Rs.10/- each at such price or prices including premium on each share, to Qualified Institutional Buyers (QIBs) and for this purpose seeks your approval to the resolution proposed. QIP means allotment of eligible securities by a listed issuer to QIBs on private placement basis in terms of Chapter VIII of the SEBI ICDR Regulations.

Accordingly, the Bank proposes to make a further issue of shares by way of QIP in terms of SEBI ICDR Regulations. These Securities will be allotted only to QIBs in accordance with the SEBI ICDR Regulations.

The QIP shall be made at a price not less than the average of the weekly high and low of the closing prices of the equity shares of the same class quoted on the stock exchange during the two weeks preceding the relevant date. The prices and other terms of QIP will be in accordance with the SEBI ICDR Regulation.

The Relevant Date means the date of the meeting in which the Board/Committee decides to open the proposed issue.

Our Banks shares have been listed for more than one year in Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), both exchanges having national wide terminals.

Post QIP, the Bank will continue to maintain the minimum public shareholding as per the Listing Agreement.

Pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and those of SEBI ICDR Regulations and in terms of the provisions of the Listing Agreements, the proposal to make a QIP should be approved by the shareholders by means of a Special Resolution.

The proposed QIP issue is in the interest of the Bank and the shareholders and the Board recommends the passing of the above item as a Special Resolution.

As per SEBI ICDR Regulations the Special Resolution under this item will be valid for a period of 12 months from the date of the passing of the Resolution.

The placement under this resolution will be made only after obtaining prior in principle approval from Reserve Bank of India (RBI) and in-principle approval from Stock Exchanges where the shares of the Bank are listed.

None of the Directors of your Bank is interested or concerned in the resolution under the above item.

By order of the Board

Sd/-

Ravindran K Warriar
Secretary to Board &
Company Secretary

Place : Thrissur
Date : 15-06-2010

Wealth is in the things that
bring us happiness.



DhanlaxmiBank 
established 1927

Annual Report 2009-2010

Wealth is in the priceless moments spent with the kids.

Wealth is in the words of praise from a guru.

Wealth is in the little treasures of childhood.

Wealth means a lot to a lot of people.

For us, our wealth is not reflected in the pages that follow.

It is beyond a number defining our bottom line.

It's much more than that. It is what we have earned
over the past eight decades - your faith in us.

Registered & Corporate Office

The Dhanalakshmi Bank Limited, PB No. 9,
Dhanalakshmi Building, Naickanal, Thrissur - 680001.

Mumbai Office

The Dhanalakshmi Bank Limited, Trade View,
2nd floor, Near Gate No. 4, Kamala Mills Compound,
Lower Parel, Mumbai - 400013.

Kindly refer to the website for other offices.

Company Secretary

Ravindran K. Warriar

Auditors

M/S Walker Chandiok & Co., New Delhi
M/S Shah Gupta & Co., Mumbai

Legal Advisors

Amarchand & Mangaldas
Suresh A. Shroff & Co.
Advocates & Solicitors

Major Exchange Houses

UAE Exchange Centre LLC
Al Ahalia Money Exchange Bureau

Foreign Correspondent Banks

Deutsche Bank Trust Company Americas
Wachovia Bank NA - Wells Fargo Company
Commerzbank AG
National Westminster Bank PLC

Stock Exchanges

National Stock Exchange (NSE)
Bombay Stock Exchange (BSE)
Cochin Stock Exchange (CSE)

Registrar & Transfer Agents

Karvy Computer Share 2 T K Ltd. Plot No. 17-24, Vithal Rao
Nagar, Madhapur, Hyderabad - 500081.

Insurance Partner

Bajaj Allianz

Broking Partner

Destimoney Securities Private Ltd.

Mutual Fund Partners

ICICI Prudential AMC Ltd.
Kotak Mahindra Asset Management Co. Ltd.
UTI Mutual Fund
HDFC Asset Management Co. Ltd.
FIL Fund Management Private Ltd.

SME Rating Partner

CRISIL Limited

Financial Inclusion and Outreach Partners**Technology Partner**

A Little World
Financial Information Network and Operations Ltd.

Business Correspondents

Zero Microfinance & Savings Support Foundation
Fino Fintech Foundation

ATM Services

AGS Infotech Private Ltd. / Wincor Nixdorf GmbH

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Board of Directors

1. V. R. Chalasani

2. K. Srikanth Reddy

3. S. Santhanakrishnan

5. Amitabh Chaturvedi
Managing Director & CEO

6. G. N. Bajpai
Chairman

7. Ghanshyam Dass



4. Shallesh V. Haribhakti

Sateesh Kumar Andra
(He was unable to attend the photo shoot)

