

# Notice

**NOTICE** is hereby given that the Thirty Third Annual General Meeting of Kotak Mahindra Bank Limited will be held on Thursday, 19<sup>th</sup> July 2018, at 4.00 pm at Walchand Hirachand Hall of the Indian Merchants Chamber, 4<sup>th</sup> Floor, Churchgate, Mumbai - 400 020 to transact the following business:

1. To consider and adopt:
  - a) the audited financial statements of the Bank for the financial year ended 31<sup>st</sup> March 2018 and the Reports of the Board of Directors and the Auditors thereon; and
  - b) the audited consolidated financial statements of the Bank for the financial year ended 31<sup>st</sup> March 2018 and the Report of the Auditors thereon.

2. To declare dividend on equity shares.

## **SPECIAL BUSINESS:**

3. To consider and pass the following Resolution as an Ordinary Resolution:

“RESOLVED that Dr. Shankar Acharya (DIN 00033242), 72 years, who was appointed as the Director of the Bank with effect from 20<sup>th</sup> May 2003 and Chairman of the Bank with effect from 20<sup>th</sup> July 2006, retires by rotation at the conclusion of this Annual General Meeting and does not seek re-appointment as he has crossed the age of 70 years. The Members of the Bank resolve that the vacancy created pursuant to Dr. Acharya’s retirement by rotation at the conclusion of this Annual General Meeting be not filled.”

4. To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED that pursuant to Section 35-B and other applicable provisions, if any, of the Banking Regulation Act, 1949 and subject to the approvals, as may be necessary from the Reserve Bank of India and other concerned authorities or bodies and subject to conditions as may be prescribed by any of them while granting such approvals, the approval of the members of the Bank be and is hereby accorded for the appointment of Mr. Prakash Apte as part-time Chairman of the Bank from 20<sup>th</sup> July 2018 till 31<sup>st</sup> December 2020, on the terms of remuneration to be fixed by the Board of Directors of the Bank, on an annual basis such that the remuneration does not exceed ₹36 lakh per annum at any given time.”

“RESOLVED FURTHER that in case of absence or inadequacy of profit in any financial year, the aforesaid remuneration be paid to Mr. Apte as minimum remuneration.”

“RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds and things and to execute any agreements, documents or instructions as may be required to give effect to this resolution.”

5. To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED that pursuant to the relevant provisions of the Memorandum and Articles of Association of the Bank, the provisions of Section 42 and other applicable provisions of the Companies Act, 2013, and any rules, guidelines or circulars issued thereunder, including the Companies (Prospectus and Allotment of Securities) Rules, 2014, the applicable provisions of the Banking Regulation Act, 1949, (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), the rules, guidelines and circulars issued by the Reserve Bank of India from time to time and such other rules and regulations as may be applicable and, the consent of the Members of the Bank be and is hereby accorded to borrowings/raising of funds by the Board of Directors of the Bank (“Board”) by way of issue of securities in the nature of unsecured non-convertible debentures/bonds, in Indian/foreign currencies in the domestic and/or overseas markets for an amount up to ₹ 5,000 crore (Rupees Five Thousand Crore Only), for its general corporate purposes within the overall borrowing limits of the Bank, on a private placement basis in one or more tranches and series, as per the structure and on such terms and conditions as may be determined, from time to time, by the Board.”

“RESOLVED FURTHER that the Board (including any Committee thereof) and any other person duly authorised by the Board be and is hereby severally authorised to do all such acts, matters, deeds and things and give such directions as may be deemed necessary or expedient in connection with or incidental to give effect to the above resolution, including but not limited to filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard.”

6. To consider and if, thought fit, to pass, the following Resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the relevant provisions of the Memorandum and Articles of Association of the Bank, Section 61 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the applicable provisions of the Banking Regulation Act, 1949, the rules, circulars and guidelines issued by the Reserve Bank of India from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the Members of the Bank is hereby accorded to the Authorised Share Capital of the Bank being altered and increased from the present ₹1500,00,00,000 (Rupees Fifteen Hundred Crore Only) consisting of 300,00,00,000 (Three Hundred Crore) Equity Shares of ₹5 (Rupees Five Only) each to ₹1900,00,00,000 (Rupees One Thousand Nine Hundred Crore Only) divided into 280,00,00,000 (Two Hundred Eighty Crore) equity shares of ₹5 (Rupees Five Only) each and 100,00,00,000 (One Hundred Crore) preference shares of ₹5 (Rupees Five Only) each.”

“RESOLVED FURTHER that, the Board of Directors of the Bank (“Board”) and any other person duly authorised by the Board be and is hereby severally authorised to do all such acts, matters, deeds and things and give such directions as may be deemed necessary or expedient in connection with or incidental to give effect to the above resolution, including but not limited to filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard.”

7. To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the relevant provisions of the Memorandum and Articles of Association of the Bank, Section 13 and other applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder, the applicable provisions of the Banking Regulation Act, 1949, the rules, circulars, and guidelines issued by the Reserve Bank of India from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and such approvals as may be necessary, the approval of the Members of the Bank is hereby accorded to substitute the existing Clause V of Memorandum of Association of the Bank relating to the Share Capital be substituted with following clause:

- V. *“The authorised share capital of the Company is ₹1900,00,00,000 (Rupees One Thousand Nine Hundred Crore Only) divided into 280,00,00,000 (Two Hundred Eighty Crore) equity shares of ₹5 (Rupees Five Only) each and 100,00,00,000 (One Hundred Crore) preference shares of ₹5 (Rupees Five Only) each. The Company has power from time to time to increase or reduce or cancel its capital and to attach thereto respectively such preferential, cumulative, convertible, guarantee, qualified or other special rights, privilege condition or restriction, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such right, privilege or condition or restriction in such manner as may for the time being be permitted by the Articles of Association or the legislative provisions for the time being in force in that behalf.*

*Provided however, that the subscribed capital of the Company shall not be less than one-half of the authorised capital and the paid-up capital, if not the same as the subscribed capital, shall not be less than one-half of the subscribed capital and that, if the capital is so increased, the Company shall comply with the conditions prescribed, within such period not exceeding two years as the Reserve Bank of India may allow.”*

“RESOLVED FURTHER that the Board of the Directors of the Bank (“Board”), the Company Secretary of the Bank or any other person duly authorised by the Board be and is hereby severally authorised to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to give effect to the above resolution, including but not limited to agreeing to any changes to the Memorandum and Articles of Association as may be directed by the Reserve Bank of India or any other statutory authority and filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard.”

8. To consider and, if thought fit, to pass, the following Resolution as a Special Resolution:

“RESOLVED that pursuant to the relevant provisions of the Memorandum and Articles of Association of the Bank, Section 14 and other applicable provisions of the Companies Act, 2013, if any, and the rules made thereunder, the applicable provisions of the Banking Regulation Act, 1949, the rules, circulars and guidelines issued by the Reserve Bank of India from time to time (including any amendments, statutory modification(s) and/ or re-enactment(s) thereof for the time being in force) the substitution of Article 11 of the Article of Association of the Bank in the form and manner given below, be and is hereby approved by the Members of the Bank.

*The Company may issue preference shares in accordance with and subject to the provisions of the Act, the Banking Act, the guidelines issued by the Reserve Bank and applicable laws.”*

“RESOLVED FURTHER that the Board of the Directors of the Bank (“Board”), the Company Secretary of the Bank or any other person duly authorised by the Board be and is hereby severally authorised to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to give effect to the above resolution, including but not limited to agreeing to any changes to the Memorandum and Articles of Association as may be directed by the Reserve Bank of India or any other statutory authority and filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard.”

9. To consider and, if thought fit, to pass, the following Resolution as a Special Resolution:

“RESOLVED that pursuant to the relevant provisions of the Memorandum and Articles of Association of the Bank, the applicable provisions of the Companies Act, 2013 and The Banking Regulation Act, 1949 (including any amendments, statutory modification(s) and/ or re-enactment(s) thereof for the time being in force), the provisions of the Foreign Exchange Management Act, 1999, including any amendments, statutory modification(s) and/ or re-enactment thereof and all other applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable, as amended from time to time, and subject to the consents and approvals of any regulatory/statutory authorities and guidelines and clarifications issued thereon from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as the “Board” which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution), the approval of the Members of the Bank be and is hereby accorded to raising of funds by way of Non-Convertible Preference Shares (hereinafter referred to as “NCPS”), in one or more tranches, for cash, at such price or prices, as may be permissible under applicable law and approved by the Board, for an aggregate issuance of up to such number of NCPS of ₹5/- each for an aggregate amount not exceeding ₹500 crore by way of a private placement to such investors that may be permitted to invest in such instruments, whether or not such investors are members of the Bank, to all or any of them, jointly or severally through an offer/placement document and/or other letter or circular as may be deemed appropriate, in the sole discretion by the Board in such manner and on terms and conditions approved by the Board, including the terms of the issuance, tenure (including a fixed or perpetual tenure) and dividend terms (including cumulative or non-cumulative dividend rights) fixing of record date if applicable, and the price of the issuance.”

“RESOLVED FURTHER that:

- a. The claims in respect of the NCPS, subject to applicable law, will rank superior to claims of holders of equity shares;
- b. The NCPS shall be non-participating in surplus funds and in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid;
- c. The payment of dividend on NCPS shall be on cumulative, and/or non-cumulative basis, as may be decided by the Board;
- d. NCPS shall not be convertible into equity shares;
- e. NCPS shall not have voting rights as per Section 12(1) of the Banking Regulation Act, 1949; and

- f. The NCPS may either be perpetual i.e. there is no maturity date, or redeemable with tenure not exceeding 20 years, as may be decided by the Board.

“RESOLVED FURTHER that the Board or any other person duly authorised by the Board be and is hereby severally authorised to file/submit such application(s) to RBI and/or SEBI and/or stock exchanges and/or such other regulatory/statutory authorities, as may be required, for intimating/ seeking their approval in respect of the fund raising through NCPS, to sign such documents as may be required in furtherance of, or in relation to, or ancillary to, the issue of NCPS, and to do all such acts, deeds, matters and things and execute such papers, deeds and documents as may be necessary or expedient for the aforesaid purpose.”

## NOTES

### A. Voting by Electronic means:

The instructions for remote e-voting are as under:

- (1) Remote E-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote by electronic means. The Bank has engaged the services of Karvy Computershare Private Limited (Karvy) to provide e-voting facility on all resolutions set forth in this Notice.
- B. Members whose email IDs are registered with the Bank/Depository Participant(s) will receive an email from Karvy informing them of their user id and password. On receiving the email, members will need to go through the following steps to complete the e-voting process:
- i. Log on to the e-voting website: URL: <https://evoting.karvy.com>.
  - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for remote e-voting, you can use your existing User ID and password for casting your vote.
  - iii. After entering these details appropriately, click on “LOGIN”.
  - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the “EVENT” i.e., Kotak Mahindra Bank Limited.
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option “ABSTAIN”. If the shareholder does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
  - viii. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on “Submit”.

- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.,) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email [rupaldjhaveri@rediffmail.com](mailto:rupaldjhaveri@rediffmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Kotak Mahindra Bank Limited 33<sup>rd</sup> Annual General Meeting".
- C. Members whose email IDs are not registered with the Bank/Depository Participant(s) will receive a physical copy of instructions:
- (i) Remote E-Voting Event Number (EVEN), User ID and Password is provided in the E-voting Form.
  - (ii) Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

**B. Voting at Annual General Meeting (AGM):** The facility for voting by electronic means shall also be made available at the meeting for the Members who have not cast their vote prior to the meeting. In case of any unforeseen technical failure or eventuality resulting in non-functionality of the electronic voting system at the meeting, Members would be provided the ballot paper for casting their votes at the meeting. The Members who have cast their vote prior to the meeting by remote E-voting may also attend the meeting but shall not be entitled to vote again or change their vote at the meeting.

#### **Other Instructions:**

- i. In case of any queries, you may refer Help & FAQ section of <https://evoting.karvy.com> (Karvy Website) or call Karvy on 040-67162222 & Toll Free No.1800 3454 001.
- ii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iii. The remote e-voting period commences on 16<sup>th</sup> July 2018 (9.00 am onwards) and ends on 18<sup>th</sup> July 2018 (till 5.00 pm). 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. 13<sup>th</sup> July 2018, may cast their vote electronically in the manner and process set out herein above. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- iv. Any person, who acquires shares of the Bank and becomes a member of the Bank after dispatch of the notice and holds shares as of the cut-off date i.e. 13<sup>th</sup> July 2018, may obtain the login ID and password by sending a request at [evoting@karvy.com](mailto:evoting@karvy.com). A person who is not a member as on the cut-off date should treat this notice for information purposes only.
- v. However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" option available on <https://evoting.karvy.com> or call Karvy at the following Toll Free No.: 1800 3454 001.
- vi. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Bank as on the cut-off date 13<sup>th</sup> July 2018, subject to applicable laws.
- vii. Ms. Rupal D. Jhaveri, (FCS Membership No.5441 and Certificate of Practice No. 4225), Practicing Company Secretary and in her absence Mr. H.R. Bhagat (F.C.A. No. 104963), Practicing Chartered Accountant, has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
- viii. The scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Bank and within a period not exceeding 48 hours from

the conclusion of the meeting, make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman for counter signature.

- ix. The Results shall be declared either by the Chairman or by an authorized person of the Chairman and the resolution will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).
- x. Immediately after declaration of results, the same shall be placed along with the Scrutinizer's Report on the Bank's website [www.kotak.com](http://www.kotak.com) and on the website of Karvy <https://evoting.karvy.com> and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Bank are listed, for placing the same on their websites.

### **C. General**

1. The relevant Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the Item Nos. 3 to 9 of the Notice dated 19<sup>th</sup> May 2018 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND OR VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent, of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. The instrument appointing a proxy, to be effective, must be duly filled, stamped and signed and must reach the Bank's Registered Office not later than 48 hours before the commencement of the Meeting.
5. Members can submit questions in advance concerning the resolutions to be considered at the Meeting, in writing (disclosing Folio No./DP ID & CL ID & shareholding), to the Company Secretary at the Registered office of the Bank or by email to [general.meetings@kotak.com](mailto:general.meetings@kotak.com), to be received not later then 3 days in advance of the meeting.
6. Members/Proxies should fill the Attendance Slip for attending the Meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting.
7. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
9. Corporate members are requested to send to the Registered Office of the Bank a duly certified copy of the board resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote at the general meeting.
10. The Register of Members and the Share Transfer Books of the Bank will be closed from Friday, 13<sup>th</sup> July 2018 to Thursday, 19<sup>th</sup> July 2018 both days inclusive, for the purpose of payment of dividend.
11. If the dividend on shares, as recommended by the Board of Directors, is declared at the Meeting, payment thereof will be made on or before Monday, 30<sup>th</sup> July 2018, to those members whose names appear on the Register of Members of the Bank as on Friday, 13<sup>th</sup> July 2018. In respect of shares held in dematerialized form in the Depository system, dividend thereon will be paid to the beneficial owners as per the list to be provided by the Depositories.
12. All correspondence regarding shares of the Bank should be addressed to the Bank's Registrar and Transfer Agent, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.

13. Members may avail of the facility for making nominations in respect of the shares held by them. All rights of transfer and/or to amounts payable in respect of the shares shall vest in the nominee in the event of the death of the shareholder. A minor may be a nominee provided that the name of the guardian is mentioned in the Nomination form. The facility of nomination is not available to non-individual members such as bodies corporate, karta of Hindu Undivided Families, partnership firms, societies, trusts and holders of Power of Attorney.
14. A brief profile of all the Directors of the Bank including profile of Directors seeking appointment/reappointment and as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in the Report on the Corporate Governance.
15. All documents referred to in this Notice and Explanatory Statement annexed hereto are available for inspection of the members of the Bank at the registered office of the Bank and also available on its website.
16. The route map of the venue of the Meeting is given at the end of the Notice. The prominent land mark for the venue is 'Churchgate Station'.

**By Order of the Board of Directors**

**Bina Chandarana**

Company Secretary & Sr. Executive Vice President

Place: Mumbai

Date: 19<sup>th</sup> May, 2018

Registered Office:

27 BKC, C 27, G Block,

Bandra Kurla Complex,

Bandra (E), Mumbai – 400 051

CIN: L65110MH1985PLC038137

**STATEMENT SETTING OUT MATERIAL FACTS CONCERNING ITEMS OF SPECIAL BUSINESS:**

In terms of Section 102 of the Companies Act, 2013, the following statement sets out all the material facts relating to Item Nos. 3 to 9 of the Notice dated 19<sup>th</sup> May 2018.

**Item No. 3:**

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

Dr. Shankar Acharya (DIN 00033242), 72 years retires by rotation as a Director at the conclusion of this Annual General Meeting but having completed 70 years of age is not offering himself for re-appointment in line with the Reserve Bank of India policy.

The Bank does not intend to fill this vacancy at this Annual General Meeting.

None of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise in the passing of the Resolution.

**Item No. 4:**

Based on the recommendation of the Nomination and Remuneration Committee at its meeting held on 28<sup>th</sup> April 2018, the Board of Directors of the Bank on 30<sup>th</sup> April 2018 had accorded its approval subject to the approval, of the shareholders, the Reserve Bank of India (RBI) and other concerned authorities or bodies for the appointment of Mr. Prakash Apte as part-time Chairman of the Bank with effect from 20<sup>th</sup> July 2018 till 31<sup>st</sup> December 2020.

Mr. Apte, B.E. (Mechanical), served as Managing Director of Syngenta India Ltd (SIL), a leading agri-business company in India, from November 2000 until April 2011. SIL is a subsidiary of Syngenta Group, one of the largest research based agri-business across the world. Since April 2011 he has been the non-executive Chairman of SIL and also the Chairman of its Audit Committee. He was instrumental in setting up the Syngenta Foundation India which focuses on providing knowledge and support for adopting scientific growing systems to resource poor farmers and enabling their access to market.

Mr. Apte had considerable experience in agricultural sector. In a career spanning over 36 years, he had extensive experience in various areas of management and business leadership. During more than 16 years of successful leadership experience in agriculture business, he has gained varied knowledge in various aspects of Indian agricultural sector and has been involved with many initiatives for technology, knowledge and skills up gradation in this sector, which is vital for India's food security.

Mr. Apte, has been on the Board of the Bank since 2011 as a non-executive Independent Director and is currently the Chairman of the Audit Committee of the Bank. He is also on the board of Kotak Mahindra Life Insurance Company Limited. He is a member of Committee on Frauds, Nomination & Remuneration Committee, Review Committee for classification and declaration of borrowers as wilful defaulters, IT Strategy and Digital Payment Promotion Committee of the Bank.

His long association with the Board of the Bank and also his enormous experience in the corporate sector as executive and Board member will be of immense value to the Bank in his capacity as non-executive part-time chairman.

It is proposed to appoint him as the part-time Chairman with effect from 20<sup>th</sup> July 2018 till 31<sup>st</sup> December 2020, on the terms of remuneration as indicated in the Resolution set out in Item No.4 of the Notice, subject to the approval of the Reserve Bank of India (RBI) and such other concerned authorities, if necessary.

In terms of provisions of Section 149(9) read with Section 197(5) of the Companies Act, 2013, a director is entitled to receive remuneration as may be decided by the Board in addition to sitting fees and profit based commission. Further, in terms of Section 46 of the Companies (Amendment) Act, 2017 (i.e. Section 149 of the Companies Act, 2013) which was notified with effect from 7<sup>th</sup> May, 2018, payment of remuneration to the Independent Director is not construed as having pecuniary relationship with the company.

Accordingly, it is proposed to pay remuneration to Mr. Apte on an annual basis not exceeding ₹ 36 lakh per annum as may be fixed by the Board of Directors of the Bank, from time to time. The Articles of Association of the Bank permits payment of such remuneration subject to the approval of the RBI.



The Directors recommend the Resolution at Item No. 4 for the approval of the Members.

Mr. Apte and his relatives may be deemed to be concerned or interested in the Resolution relating to his appointment and remuneration. None of the other Directors, Key Managerial Personnel of the Bank or their relatives is interested in the said Resolution.

#### **Item No. 5**

Section 42 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 ('the Rules') provides that a company can make private placement of securities subject to the condition that the proposed offer of securities or invitation to subscribe to securities has been previously approved by the shareholders of the company, by a Special Resolution, for each of the offers or invitations. In case of offer or invitation for non-convertible debentures, it shall be sufficient if the company passes a previous Special Resolution only once in a year for all offer(s) or invitation(s) for such debentures during the year.

It is proposed that borrowings by way of securities in the nature of unsecured, perpetual and/or redeemable, non-convertible debentures/bonds be raised not exceeding ₹5,000 crore in Indian/foreign currencies in the domestic and/or overseas markets for an amount which shall be within the overall authorized borrowing limits as per the extant guidelines. The overall borrowing limits of the Bank under Section 180(1)(c) of the Companies Act, 2013 is ₹60,000 crore (Rupees Sixty Thousand Crore) as approved by the Members at the Annual General Meeting held on 20<sup>th</sup> July 2017.

Accordingly, during the validity of this resolution, the Bank proposes to issue securities in the nature of unsecured, perpetual and/or redeemable, non-convertible debentures/bonds by way of private placement. The pricing of the non-convertible debentures/bonds depends primarily upon the rates prevailing for risk free instruments, rates on other competing instruments of similar rating and tenor in the markets, investor appetite for such instruments and investor regulations which enable investments in such instruments.

Considering the above, the Board of Directors at its meeting held on 19<sup>th</sup> May 2018, proposed to obtain the consent of the Members of the Bank for borrowing/raising of funds by way of securities in the nature of unsecured, perpetual and/or redeemable, non-convertible debentures/bonds upto ₹5,000 crore (Rupees Five Thousand Crore Only) on a private placement basis in one or more tranches and series, within the overall borrowing limits of the Bank, as per the structure and on such terms and conditions as may be determined, from time to time, by the Board of Directors of the Bank.

The Directors recommend the Resolution at Item No. 5 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Bank or their relatives is concerned or interested in the said Resolution.

#### **Item No. 6 & 7:**

In view of the proposed resolution enabling issue of the non-convertible preference shares (item no. 9) it is proposed to alter and increase the authorised share capital of the Bank from the existing ₹1500 crore to ₹1900 crore divided into:

280,00,00,000 equity shares of ₹5 each; and

100,00,00,000 preference shares of ₹5 each.

Accordingly Clause V of the Memorandum of Association is sought to be amended to reflect the aforesaid alteration and increase in the authorised share capital of the Bank.

The Board of Directors of the Bank have by a resolution passed on 19<sup>th</sup> May, 2018, approved the proposal to seek approval of the shareholders to increase the authorised share capital of the Bank and accordingly amend Clause V of the Memorandum of Association of the Bank, subject to such statutory/regulatory compliances and approvals as may be necessary.

Accordingly, an ordinary resolution is proposed to be passed to enable the Bank to alter and increase the authorised share capital of the Bank and accordingly amend Clause V of the Memorandum of Association of the Bank.

The Directors recommend the Resolution at Item No. 6 & 7 for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Bank or their relatives is concerned or interested in the said Resolution.

#### Item No. 8

In view of the proposed resolution enabling issue of non-convertible preference shares it is proposed to suitably alter the Bank's Articles of Association.

The Directors recommend the Resolution at Item No. 8 for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Bank or their relatives is concerned or interested in the said Resolution.

#### Item No. 9

The Bank continues to review its funding strategies, and wishes to diversify its funding sources to optimize its mix of liabilities by channelizing funds from alternative sources, at different price points and for varying tenures.

Keeping the above objectives in mind, the Bank wishes to take shareholder approval for raising funds through issue of non-convertible preference shares. This fund raise could lead to following benefits:

1. Better asset-liability management, by tapping funds of different tenures.
2. Access to new sources of funding, thus diversifying funding sources.
3. Tapping funds at different price points and with different tax treatments.

Members may note that this special resolution is to enable the Bank to create, issue, offer and allot Non-Convertible Preference Shares ("NCPS") of ₹ 5/- each for an aggregate amount not exceeding ₹ 500 crore by way of a private placement to such investors that may be permitted to invest in such instruments, in the sole discretion by the Board of Directors in such manner and on terms and conditions as it may deem fit.

The proposed terms and conditions of the NCPS are as follows:

Sr. No.	PARTICULARS	DETAILS
1.	The size of the issue and number of preference shares to be issued and nominal value of each share	Maximum of 100,00,00,000 (One Hundred crores) NCPS of ₹5/- each aggregating to an amount not exceeding ₹ 500 Crore.
2.	The nature of such shares, i.e. cumulative or non-cumulative, participating or non-participating, convertible or non-convertible	Cumulative and/or non-cumulative as may be decided by the Board, non-participating and non-convertible.
3.	The objectives of the issue	Diversify funding sources to optimize mix of liabilities by channelizing funds from alternative sources, at different price points and for varying tenures.
4.	The manner of issue of shares	The said NCPS are proposed to be issued on a private placement basis through circulation of private placement offer letter in accordance with the provisions of Companies Act, 2013.
5.	The price at which such shares are proposed to be issued	₹5 per share
6.	The basis on which the price has been arrived at	The NCPS are proposed to be issued at par i.e. ₹5 per NCPS. Such NCPS will be non-convertible in nature, and the dividend rate on such NCPS, as decided by the Board, shall be reflective of rates prevailing for risk free instruments, rates on other competing instruments of similar rating and tenor in the markets and investor appetite for such instruments at the time of issuance.

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|-----|--|---|
| 7.  | The terms of the issue, including terms and rate of dividend on each share, etc.   | The NCPS shall be cumulative and/or non-cumulative (as may be decided by the Board), non-participating, and non-convertible. NCPS shall not have voting rights as per Section 12(1) of the Banking Regulation Act, 1949.<br><br>The rate of dividend, whether fixed or floating, shall be determined by the Board on the basis of rates prevailing for risk free instruments, rates on other competing instruments of similar rating and tenor in the markets and investor appetite for such instruments, prior to the issuance of such NCPS. |
| 8.  | The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion | The NCPS may either be perpetual i.e. there is no maturity date, or redeemable with tenure not exceeding 20 years, as may be decided by the Board. In case of redeemable NCPS, redemption shall be at face value at the end of the tenure.<br><br>NCPS shall be non-convertible.  |
| 9.  | The manner and modes of redemption   | In case of redeemable NCPS, redemption shall be in accordance with the provisions of Companies Act, 2013 read with relevant rules as amended from time to time.   |
| 10. | The current shareholding pattern of the company  | The shareholding pattern of the Company, as on 31 <sup>st</sup> March, 2018, is provided in Note A below.   |
| 11. | The expected dilution in equity share capital upon conversion of preference shares   | Not applicable since the proposed NCPS to be issued are non-convertible.  |

#### Note A: Shareholding Pattern as of 31<sup>st</sup> March, 2018

Sr. No.	Category	No. of Shares	% to Total
A	Promoter Holding	57,24,65,964	30.0
B	Foreign Institutional Investors	75,38,87,641	39.6
C	Domestic Institutional Investors (including Mutual Funds and Insurance companies)	16,88,40,185	8.9
D	Others - Domestic	26,50,57,599	13.9
E	Others – Foreign	14,53,97,117	7.6
	<b>Grand Total</b>	<b>1,90,56,48,506</b>	<b>100.0</b>

The Directors recommend the Resolution at Item No. 9 for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Bank or their relatives is concerned or interested in the said Resolution.

#### By Order of the Board of Directors

**Bina Chandarana**

Company Secretary & Sr. Executive Vice President

Place: Mumbai

Date: 19<sup>th</sup> May, 2018

Registered Office:

27 BKC, C 27, G Block,

Bandra Kurla Complex,

Bandra (E), Mumbai – 400 051

CIN: L65110MH1985PLC038137

## ROUTE MAP FOR THE VENUE OF THE ANNUAL GENERAL MEETING

