

NOTICE

Notice is hereby given that the 87th Annual General Meeting of the share holders of Dhanlaxmi Bank Limited will be held at 11.30 am at Vadakke Sammoha Madom, Thrissur on Saturday, the 20th September 2014 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Bank's Audited Balance Sheet as at 31 st March, 2014 and the Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint Statutory Central Auditors for the year 2014-15 and to authorise the Board to fix their remuneration. The present statutory Central Auditors M/S Sagar and Associates, Chartered Accountants, Hyderabad, vacate office at this Annual General Meeting and being eligible for reappointment have given their consent for the same. Reserve Bank of India vide letter Ref DBS.ARS.No.1379/08:08:005/2014-15 has approved their appointment.

"Resolved that M/S Sagar & Associates, Chartered Accountants, Hyderabad, be and are hereby appointed as the Statutory Central Auditors of the Bank for the year 2014-15 and that the Board of Directors be and is hereby authorised to fix their remuneration".

SPECIAL BUSINESS

3. 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 Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other 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, **Mr. K. Srikanth Reddy** (DIN-01433626), be and is hereby appointed as an Independent Director of the Bank in the Minority Sector for the purpose of Section 149(2) of the Companies Act, 2013 with effect from April 1, 2014 and that he shall hold office upto October 28, 2015, and further that he shall not be liable to retire by rotation".

4. 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 Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other 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, **Mr. K. Vijayaraghavan** (DIN-06419305), be and is hereby appointed as an Independent Director of the Bank in the Majority Sector for the purpose of Section 149(2) of the Companies Act, 2013 with effect from April 1, 2014 and that he shall hold office upto November 20, 2015, and further that he shall not be liable to retire by rotation".

5. 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 Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other 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, **Mr. P. Mohanan** (DIN-01463603), be and is hereby appointed as an Independent Director of the Bank in the Majority Sector for the purpose of Section 149(2) of the Companies Act, 2013 with effect from April 1, 2014 and that he shall hold office upto September 30, 2015, and further that he shall not be liable to retire by rotation".

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 Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other 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, **Mr. Chella K Srinivasan** (DIN-01460198), be and is hereby appointed as an Independent Director of the Bank in the Majority Sector for the purpose of Section 149(2) of the Companies Act, 2013 with effect from April 1, 2014 and that he shall hold office upto September

30, 2015, and further that he shall not be liable to retire by rotation”.

7. 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 Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other 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, **Mr. K. Jayakumar** (DIN-01955260), be and is hereby appointed as an Independent Director of the Bank in the Majority Sector for the purpose of Section 149(2) of the Companies Act, 2013 with effect from April 1, 2014 and that he shall hold office upto September 30, 2015, and further that he shall not be liable to retire by rotation”.

8. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

“Resolved that in terms of Section 143 of the Companies Act, 2013, the Board of Directors be and is hereby authorized to appoint from time to time in consultation with the Bank’s Statutory Central auditors, one or more persons qualified for appointment as branch auditors to audit the accounts for the financial year 2014-15, of such of the branch offices of the Bank as are not proposed to be audited by the Bank’s Statutory Central Auditors on such remuneration and subject to such terms and conditions as may be fixed by the Board of Directors.”

9. To consider and if thought fit, to pass, with or without modification, the following resolution as Special Resolution:

“Resolved that pursuant to Section 61 and other applicable provisions, if any, of the Companies Act, 2013, Banking Regulation Act, 1949, the Authorized Capital of the Bank be and is hereby increased from 200,00,00,000 (Rupees Two Hundred crore only) to 300,00,00,000 (Rupees Three Hundred Crore only) by creation of additional 10,00,00,000 (Ten Crore only) shares of 10/- each, ranking for dividend and in all other respects pari passu with the existing equity shares of the Bank when issued and accordingly the existing Clause V of the Memorandum of Association of the Bank be and is hereby amended by substituting the words and figures “₹ 300,00,00,000 (Rupees Three Hundred Crore only) divided into 30,00,00,000 shares of 10/-(Rupees Ten Only) each” for the words and figures “₹ 200 Crore. (Rupees Two hundred Crore only) divided into Twenty Cr. equity shares of 10/-(Rupees Ten only) each”, appearing in Clause V thereof, and Article 2 of Articles of Association of the Bank be and is hereby amended by substituting the words and

figures “₹ 300,00,00,000 (Rupees Three Hundred Crore only) divided into 30,00,00,000 (Thirty Crore Only) equity shares of 10/- (Rupees Ten Only) each” for the words and figures “₹ 200,00,00,000 (Rupees Two Hundred Crore only) divided into 20,00,00,000 (Twenty Crore Only) equity shares of ₹10/-(Rupees Ten Only) each”, subject to the approval of Reserve Bank of India.”

10. To consider and if thought fit, to pass with or without notification, the following resolution as special resolution.

“Resolved that in supersession of the Ordinary Resolution passed under Section 293(1)(d) of the Companies Act, 1956 at the Annual General Meeting of the Bank held on September 28, 1994 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under and as may be amended from time to time, the consent of the Bank be and is hereby accorded to the Board of Directors of the Bank (herein after referred to as the ‘Board’ which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sum of monies, which together with the monies already borrowed by the Bank, may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 100 Crore (Rupees One hundred Crore only).”

11. To consider and if thought fit, to pass, with or without modification, the following resolution as Special Resolutions:

“Resolved that pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, and Rules made there under and any statutory modifications or re-enactment thereof for the time being in force, and subject to the necessary approvals required, if any, in this regard from Reserve Bank of India (“RBI”) and subject further to such other terms, conditions, stipulations, alterations, amendments, or modifications as may be required, specified or suggested by RBI, which terms conditions, stipulations, alterations, amendments or modifications, the Board of Directors (herein after referred to as “the Board”, which term shall include any of its duly authorized Committee or individual Director) is hereby authorized to accept as it may deem fit: consent of the Members of the Bank be and is hereby accorded to the alteration of the Bank’s Articles of Association in the manner and to the extent hereinafter provided:

- (a) Article 1(1) be and is hereby amended and the words “Companies Act, 2013” is substituted for the words “Companies Act, 1956”
- (b) Article 1(1) (a) be and is hereby deleted and in its place the following clause shall be substituted

Any reference to "Act "or the "Companies Act, 1956 ", unless the contest otherwise requires, shall mean the Companies Act, 2013 and its modifications or re-enactments from time to time and any reference to a specific provisions of an Act shall, without repugnant to the contest there of, be construed to be referring to a corresponding provision of an Act that came into existence repealing the former Act. Further, the Sections or provisions bearing reference to the Companies Act, 1956 shall have reference to the corresponding sections or provisions in the Companies ACT, 2013, as applicable

- (c) Article 1 (III) be and is hereby inserted after Article 1(II).

The regulations contained in Table F of Schedule 1 to the Companies Act,2013 shall be applied to this Company except so far as the clauses herein contained modify the same or provide otherwise. Whenever any of these clauses come in to conflict with the provisions of Companies Act, 2013 or any subsequent modifications thereof, the provisions and modifications, as it is may be of the said Act shall prevail.

- (d) Article 33 (II) be and is hereby deleted and in its place the following article shall be substituted.

Thirty members personally present or such other higher number as may be prescribed by the Companies Act, 2013 shall be a quorum for a General Meeting.

- (e) Article 40(b) be and is hereby deleted and in its place the following shall be substituted

On a poll (whether by electronic voting or by postal ballot or otherwise), every member voting so or voting in person or by proxy at a General Meeting, as the case may be, shall exercise e voting right proportionate to the number of fully paid shares held by the share holder in proportion to the paid up capital of the Company, provided however, that no share holder shall exercise voting right in excess ten percentage of the total voting rights of all the share holders of the Company or such other percentage of the total voting right of all members of the Company as may be directed by Reserve Bank of India from time to time .

"Resolved further that the Articles of Association of the Bank duly modified as aforesaid be and is hereby adopted as the Articles of Association of the Bank.

Place : Thrissur
Date : 14.08.2014

By order of the Board
Sd/-
Krishnan K S
CFO & Company Secretary

to attend and vote on a poll (i.e., voting by ballot), instead of himself/herself and the proxy need not be a Member of the Bank. However only such members (and also members who are represented by their respective proxies) who have not exercised their vote by electronic means or by means of postal ballot as described herein will be permitted to vote at the meeting. A person can act as proxy on behalf of Members up to and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Bank. Further, a Member holding more than ten 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 Member. No Proxies will be entertained in respect of those members who cast their votes either by electronic means or by postal ballot prior to the AGM. However, such members can attend the AGM in person.

2. The instrument appointing proxy should, however, be deposited at the Registered Office of the Bank not less than forty eight hours before the commencement of the Meeting.
3. A Statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. 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.
5. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. The Register of Members and Share Transfer Books of the Bank will remain closed from 17th September 2014, to 20th September 2014, (both days inclusive) Transfers received during book closure will be considered only after reopening of the Register of Members.
7. All documents referred to in the notice are open for inspection at the Registered Office of the Bank on all working days between 10.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting
8. Members may please note that there is a facility for nomination, in the prescribed form, of any person to whom shares in the Bank held by such Member shall vest in the event of his / her death.
9. Shares of the Bank are traded in dematerialized form. Members may opt for availing the benefits of electronic holding/ transfer of shares held by them.
10. Members should notify the changes in their address immediately to the Transfer Agents/Depository Participants as the case may be, giving full details in block letters with Pin Code and Post Office along with address proof and photo identity proof.

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (AGM or the Meeting) is entitled to appoint a proxy

11. Members may please note that, a copy of the PAN card of the transferee must mandatorily be submitted along with the transfer deed for registering transfer of physical shares.
12. Members described as "Minors" in the address but who have attained majority of age, may get their status in Register of Members corrected by producing proof of age.
13. Members/proxies should produce the attendance slip at the venue of the meeting.
14. Members holding (physical) shares in identical order of names in more than one folio are requested to write to the Share Transfer Agents to facilitate consolidation of their holdings in one folio.
15. The shareholders and Beneficial Owners who have not so far encashed / claimed the dividends for the financial years 2007-08, 2008-09, 2009-10 and 2010-11, have to submit the dividend warrant(s) if any available with them for revalidation to the Company Secretary, Dhanlaxmi Bank Ltd., Dhanalakshmi Building, Naickanal, Thrissur – 680001.
16. In terms of Section 125 of the Companies Act, 2013 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 up-to 2005-2006 has been transferred to the Fund.
17. The relevant date for the 75,50,000 equity shares of ₹10/- each at a premium of ₹ 40/- aggregating to ₹ 37.75 Cr. through Preferential Allotment was July 26, 2013 and not July 27, 2013 as mentioned in the notice for the 86th AGM held on 27.08.2013. Further pre-preferential holdings of the allottees was locked in for a period of 6 months from the date of latest final trading approval from any Stock Exchange as per SEBI ICDR Regulations and not for a period of 6 months from the date of allotment as was mentioned in the same notice. This is given for the information of the shareholders as directed by the Stock Exchanges.
18. The Bank has already complied with the SEBI Press Release No.12/2014 dated February 13, 2014 in connection with Bank's ESOP Scheme 2013.

E-VOTING:

The Bank is pleased to provide E-voting facility through Karvy Computershare Private Limited 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 87th Annual General Meeting of the Bank dated 20th September 2014. The Bank has appointed Mr. M. Vasudevan, Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and

transparent manner. E-voting is optional. The E-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 15th August 2014.

The procedure and instructions for e-voting are as follows:

- i. Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- ii. Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- • Event no. followed by Folio Number registered with the company
Password	In case of shareholders who have not registered their e-mail addresses, their User-Id and Password is printed on the Postal Ballot Form sent to them by post along with the Notice of Postal Ballot, Notice of Court Convened Meeting and other documents accompanying the same. In case of shareholders who have registered their e-mail addresses, the Password is specified in the email sent to them on behalf of the Company by Karvy.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii. Please contact our toll free No. 1-800-34-54-001 for any further clarifications.
- iv. Members can cast their vote online from 17th September 2014 to 19th September 2014.
- v. After entering these details appropriately, click on "LOGIN".
- vi. Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vii. You need to login again with the new credentials.
- viii. On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- ix. If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company, then your exiting login id and password are to be used.
- x. On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'. 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.
- xi. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xii. Corporate/Institutional Members (corporate /FIs/FILs/Trust/ Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to anandssrao@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_Event no".

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xii) above to cast vote.

- (C) The voting period starts from 9.00 a.m. on 17th September 2014 and ends at 19th September 2014 at 5.00 pm . During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of , may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - (D) 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 under help section or write an email to helpdesk.evoting@cdslindia.com.
20. Members have option to vote either through e-voting or through postal ballot form. If a member has opted for e-voting, then he/she should not vote through the postal ballot form also and vice-a-versa. However, in case of members who have cast their votes both via postal ballot

and also through e-voting, then the votes cast through e-voting shall prevail and the voting done through the physical ballot shall be treated as invalid.

- 21. However, in terms of Clause 35 B of the Listing Agreement, those members, who do not have access to e-voting facility, may send their assent or dissent in writing on the Postal Ballot Form attached with this AGM Notice in the enclosed self-addressed postage pre-paid envelope so as to reach Mr. M. Vasudevan, Practicing Company Secretary, Surya Gardens Apartments, Paliyam Road, Thrissur – 680 001, on or before 19th September 2014 . Any Postal Ballot Form received after this date will be treated as if the reply from the Members has not been received.
- 22. The Results declared along with Scrutinizer's Report(s) will be available on the website of the Bank (www.dhanbank.com) within two (2) days of completion of voting if any at the AGM and communication of the same to the BSE Limited, the National Stock Exchange of India Limited and the Cochin Stock Exchange Ltd.
- 23. In support of the "Green Initiative" announced by the Government of India, electronic copy of the Annual Report and this Notice inter alia indicating the process and manner of e-voting along with Attendance Slip and proxy form are being sent by e-mail to those shareholders whose e-mail addresses have been made available to the Bank / Depository Participants unless member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of this Notice inter alia indicating the process and manner of e-voting along with attendance slip and proxy form and postal ballot form will be sent to them in the permitted mode. Further, in terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company may give notice through electronic mode addressing to the person entitled to receive such e-mail as per the records of the company or as provided by the depository, provided that the company shall provide an advance opportunity atleast once in a financial year, to the member to register his e-mail address and changes therein and such request may be made by only those members who have not got their email id recorded or to update a fresh email id and not from the members whose e-mail ids are already registered.

In view of the above, the Bank hereby request members who have not updated their email IDs to update the same with their respective Depository Participant(s) or M/s Karvy Computershare Private Limited, Share Transfer Agent of the Bank as applicable. Further, members holding shares in electronic mode also requested to ensure to keep their email addresses updated with the Depository Participants/ Share Transfer Agent of the Bank. Members holding shares in physical mode are also requested to update their email addresses by writing to the Share Transfer Agent of the Bank quoting their folio number(s).

EXPLANATORY STATEMENT

Statement of material facts as required under Section 102(1) of the Companies Act, 2013 annexed to and forming part of the Notice date 14th August 2014.

Item No.3

Mr. K. Srikanth Reddy, was inducted to the Board w.e.f. 29.10.2007 and appointed as Director liable to retire by rotation, under Companies Act, 1956 by the Shareholders of the Bank at the Annual General Meeting held on 27.09.2008. Further, in terms of Sections 149, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration made by Mr. K. Srikanth Reddy that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, and the Board is of opinion that he fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management. In terms of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company for a further period of upto five years. Further, in terms of Section 10A(2A) of the Banking Regulation Act, 1949, no director of a banking company, other than its Chairman or whole-time director, by whatever name called, shall hold office continuously for a period exceeding eight years. Accordingly his term will expire on 28.10.2015.

In view of the above provisions and the fact that Mr. K. Srikanth Reddy has held office for the period of six years and five months as on April 1, 2014, your Directors recommend the Resolution for the approval of the shareholders appointing Mr. K. Srikanth Reddy as an Independent Director of the Bank, not liable to retire by rotation upto 28.10.2015.

Further, Mr. K. Srikanth Reddy's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949, and in the opinion of the Board also, he fulfills the conditions specified under the Companies Act, 2013 for such an appointment.

The detailed profile of Mr.K.Srikanth Reddy is included in Corporate Governance Report forming part of the Annual Report and the same be deemed to have been included therein and forms an integral part of this explanatory statement.

None of the Directors or Key Managerial Personnel or their relatives except Mr. K. Srikanth Reddy is concerned or interested in the above Resolution.

Item No. 4

Mr. K. Vijayaraghavan, was inducted to the Board w.e.f. 31.10.2012 and appointed as Director liable to retire by rotation, under Companies Act, 1956 by the Shareholders of the Bank at the Annual General Meeting held on 27.08.2013.

Further, in terms of Sections 149, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration made by Mr. K. Vijayaraghavan that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, and the Board is of opinion that he fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management. In terms of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company for a further period of upto five years. Further, in terms of Section 10A(2A) of the Banking Regulation Act, 1949, no director of a banking company, other than its Chairman or whole-time director, by whatever name called, shall hold office continuously for a period exceeding eight years and RBI vide circular dated September 9, 2002 prescribed the upper age limit for non executive Director holding directorship is 70 years. Accordingly his term will expire on 20.11.2015.

In view of the above provisions and the fact that Mr. K. Vijayaraghavan has held office for the period of one year and five months as on April 1, 2014, your Directors recommend the Resolution for the approval of the shareholders appointing Mr. K. Vijayaraghavan as an Independent Director of the Bank, not liable to retire by rotation upto 20.11.2015.

Further, Mr. K. Vijayaraghavan's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949, and in the opinion of the Board also, he fulfills the conditions specified under the Companies Act, 2013 for such an appointment.

The detailed profile of Mr. K.Vijayaraghavan is included in Corporate Governance Report forming part of the Annual Report and the same be deemed to have been included therein and forms an integral part of this explanatory statement.

None of the Directors or Key Managerial Personnel or their relatives except Mr. K. Vijayaraghavan is concerned or interested in the above Resolution

Item No. 5

Mr. P. Mohanan , was inducted to the Board w.e.f. 31.10.2012 and appointed as Director liable to retire by rotation, under Companies Act, 1956 by the Shareholders of the Bank at the Annual General Meeting held on 27.08.2013.

Further, in terms of Sections 149, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration made by Mr. P. Mohanan that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, and the Board is of opinion that he fulfills the conditions specified in the Companies Act, 2013 and the rules made there under and is independent of the

management. In terms of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company for a further period of upto five years.

In view of the above provisions the proposal for his appointment as Independent Director not liable for retirement by rotation, from 1st April 2014 to 30th September 2015, has been put up for the approval of shareholders.

Further, Mr. P. Mohanan's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949, and in the opinion of the Board also, he fulfills the conditions specified under the Companies Act, 2013 for such an appointment.

The detailed profile of Mr. P. Mohanan is included in Corporate Governance Report forming part of the Annual Report and the same be deemed to have been included therein and forms an integral part of this explanatory statement.

None of the Directors or Key Managerial Personnel or their relatives except Mr. P. Mohanan is concerned or interested in the above Resolution

Item No. 6

Mr. Chella K Srinivasan , was inducted to the Board w.e.f. 17.05.2013 and appointed as Director liable to retire by rotation, under Companies Act, 1956 by the Shareholders of the Bank at the Annual General Meeting held on 27.08.2013.

Further, in terms of Sections 149, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration made by Mr. Chella K Srinivasan that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, and the Board is of opinion that he fulfills the conditions specified in the Companies Act, 2013 and the rules made there under and is independent of the management. In terms of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company for a further period of upto five years.

In view of the above provisions the proposal for his appointment as Independent Director not liable for retirement by rotation, from 1st April 2014 to 30th September 2015, has been put up for the approval of shareholders.

Further, Mr. Chella K Srinivasan's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949, and in the opinion of the Board also, he fulfills the conditions specified under the Companies Act, 2013 for such an appointment.

The detailed profile of Mr. Chella K Srinivasan is included in Corporate Governance Report forming part of the Annual Report and the same be deemed to have been included therein and forms an integral part of this explanatory statement.

None of the Directors or Key Managerial Personnel or their relatives except Mr. Chella K Srinivasan is concerned or interested in the above Resolution.

Item No. 7

Mr. K. Jayakumar , was inducted to the Board w.e.f. 17.05.2013 and appointed as Director liable to retire by rotation, under Companies Act, 1956 by the Shareholders of the Bank at the Annual General Meeting held on 27.08.2013.

Further, in terms of Sections 149, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration made by Mr. K. Jayakumar that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, and the Board is of opinion that he fulfills the conditions specified in the Companies Act, 2013 and the rules made there under and is independent of the management. In terms of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company for a further period of upto five years.

In view of the above provisions the proposal for his appointment as Independent Director not liable for retirement by rotation, from 1st April 2014 to 30th September 2015, has been put up for the approval of shareholders.

Further, Mr. K. Jayakumar's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949, and in the opinion of the Board also, he fulfills the conditions specified under the Companies Act, 2013 for such an appointment.

The detailed profile of Mr. K. Jayakumar is included in Corporate Governance Report forming part of the Annual Report and the same be deemed to have been included therein and forms an integral part of this explanatory statement

None of the Directors or Key Managerial Personnel or their relatives except Mr. K. Jayakumar is concerned or interested in the above Resolution

Item No. 8

As per Section 143 of the Companies Act, 2013, Branch offices of the Bank have to be audited by Statutory Auditors or by other qualified auditors. It is proposed to appoint Branch Auditors in consultation with the Statutory Auditors to audit the branch offices of the Bank, on such remuneration and on such terms and conditions, as may be fixed by the Board of Directors. Such of those branches, which are not proposed to be audited by the auditors of the Bank alone, would fall under this category. Section 143 of the Act requires a resolution of the shareholders of the Bank to empower the Board of Directors to appoint branch auditors and to fix their remuneration. None of the Directors is interested or concerned in this Resolution

Item No.9

The Bank is proposing to increase the Authorised Capital from ₹ 200,00,00,000 to ₹ 300,00,00,000 to meet the requirement of additional capital to prepare for Basel-II & Basel III compliance, subject to the approval of Reserve Bank of India.

Keeping in view the increase in business volumes in future and the requirement of additional capital to prepare for Basel-II & Basle III compliance, it is now proposed to increase the Authorised Capital of the Bank from the present level of ₹ 200,00,00,000 to ₹ 300,00,00,000 for the time being subject to the approval of the Reserve Bank of India. The proposal also involves alteration of the capital clause of the Memorandum of Association.

The Directors recommend the Resolutions at Item No. 9 of the accompanying Notice for the approval of the Members of the Company by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolution.

Item No 10

At the 67th Annual General Meeting held on September 28, 1994 the members had by way of ordinary resolution and in pursuance of the provisions of Section 293(1)(d) of the Companies Act, 1956 authorised the Board of Directors to borrow monies as and when required in excess of the paid up capital and free reserves of the Bank such that the aggregate borrowing of the Bank shall not at any time exceed ₹ 100 Crore(Rupees one hundred crore only).

Under Section 180 of the Companies Act, 2013 the above powers of the Board are required to be exercised only with the consent of the company by a Special Resolution.

The Directors recommend the Resolution at item No.10 of the accompanying notice for the approval of the members of the Company by way of Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolution at item No .10.

Item No 11

A major part of the Companies Act, 2013 has come into force with effect from 1st April, 2014 with notification of 282 sections and related schedules .Accordingly, the corresponding sections of the Companies Act 1956, have been superseded. Hence, in order to align certain important provisions of the Articles of Association of the Bank with that of the Companies Act,2013, it was thought fit to amend certain provisions of the Articles of Association of the Bank.

As per the provisions of Banking Law (Amendment) Act 2012, which have been made effective from January 18, 2013 in subsection (2) of Section 12 of the Banking Regulation Act,1949 the following proviso has been inserted.

"Provided that the Reserve Bank of India may increase, in a phased manner, such ceiling on voting rights from ten percentage to twenty percentage ". In view of the above provision, Article 40(b) has been proposed to be modified making enabling provisions for allowing voting rights exceeding ten percentage.

Similarly, Articles 1(1), 1(1) (a), and 33(II) are amended in tune with the provisions of the Companies Act, 2013.

The Board of Directors has approved the proposed amendments to the Articles of Association of the Bank as above and recommends for the approval of the members by way of a special Resolution at item no 11 of the accompanying notice.

A copy of the existing Articles of Association of the Bank and the proposed amendments thereto will be available for inspection of the members at the Registered Office of the Bank between 10 a.m and 1 p.m on all working days(Monday –Saturday).

None of the Directors, key managerial personnel and their relatives is interested in passing of the resolution at item no 11 .

Place : Thrissur
Date : 14.08.2014

By order of the Board
Sd/-
Krishnan K S
CFO & Company Secretary

ATTENDANCE SLIP

DHANLAXMI BANK LIMITED
87th Annual General Meeting`

Saturday, 20th September, 2014 at 11.30 am at Vadakke Samooha Madom, Thrissur

Name and Address of the Member :

I/We hereby record my/our presence at the Eighty Seventh Annual General Meeting held at Vadakke Samooha Madom, Thrissur.

..... Member's Folio/DP ID Client ID No. Member's Proxy's name in Block Letters Member's /Proxy's Signature

Note:

1. Please complete the Folio/DP ID –Client ID No. and Name, Sign the Attendance Slip and hand it over at the attendance verification counter at the Entrance of the Meeting Hall.
2. Members are requested to bring this slip along with them as duplicate slips will not be issued at the venue of the meeting.



PROXY FORM

Regd. Office: Dhanalakshmi Buildings, Naickanal, Thrissur, Kerala - 680 001
CIN:L65191KL1927PLC000307, website:www.dhanbank.com,
e-mail: investors@dhanbank.co.in.

87th Annual General Meeting`

Saturday,20th September, 2014 at 11.30 am at Vadakke Samooha Madom, Thrissur

I/We being the member(s), holding shares of the above named Company under Folio/DP ID Client ID No hereby appoint

1. Name Address
E-mail Id Signature, or failing him/her,
2. Name Address
E-mail Id Signature

As my /our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 87th Annual General Meeting of the Company, to be held on Saturday, 20th September, 2014 at 11.30 am at Vadakke Samooha Madom, Thrissur and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution		Optional*	
No	Ordinary Business	For	Against
1	To adopt Financial Results for the year ended 31 st March 2014		
2	To appoint M/s. Sagar & Associates as Statutory Auditors and fixing their remuneration		
	Special Business		
3	To appoint Mr. K. Srikanth Reddy as an Independent Director (in Minority Sector)		
4	To appoint Mr. K. Vijayaraghavan as an Independent Director (in Majority Sector)		
5	To appoint Mr. P. Mohanan as an Independent Director (in Majority Sector)		
6	To appoint Mr. Chella K Srinivasan as an Independent Director (in Majority Sector)		
7	To appoint Mr. K. Jayakumar as an Independent Director (in Majority Sector)		
8	To appoint Branch Auditors in consultation with Statutory Auditor		
9	To increase the Authorized Capital and amend the Capital Clause (Clause V) of the Memorandum of Association and Article 2 of Articles of Association of the Bank accordingly.		
10	To pass a special resolution for exercising the borrowing powers of the Bank pursuant to Section 180(1)(c) of the Companies Act, 2013		
11	To Amend the Articles of Association of the Bank in compliance with the new Companies Act, 2013 and amendments in the Banking Regulation Act 1949		

Signed this..... day of 2014

Signature of Proxy holder(s):

Affix Revenue stamp not less than 15 paise

Note

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank, not less than 48 hours before the commencement of the Meeting. Signature of Shareholder
- (2) For Resolutions, Explanatory Statements and Notes, please refer to the Notice of 87th Annual General Meeting.
- (3) It is optional to put (√)in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (4) Please complete all details including details of member (s) in above box before submission.



Regd. Office: Dhanalakshmi Buildings, Naickanal, Thrissur, Kerala - 680 001
CIN:L65191KL1927PLC000307, website:www.dhanbank.com,
e-mail: investors@dhanbank.co.in

POSTAL BALLOT FORM

(To be returned to Scrutinizer appointed by the Dhanlaxmi Bank Ltd. (The "Bank"))

Sl. No.	Particulars	Details
1	Name(s) Members (s) (including joint-holders, if any)	
2	Registered address	
3	Registered Folio No. / *Client ID No. / DP ID No. (*Applicable to investors holding shares in dematerialized form)	
4	No. of share(s) held	

I/We hereby exercise my/our vote in respect of Ordinary Resolution (s)/Special Resolution (s) as specified in the notice of the Bank dated 14.08.2014 to be passed through Ballot for the business stated in the said Notice by conveying my/our assent or dissent to the said resolution in the relevant box below by placing the tick (√) mark at the appropriate box below (tick in both the boxes will render the ballot invalid).

Sl. No.	Description	Types of Resolution	I assent to the resolution (For)	I dissent to the resolution (Against)
1	To adopt Financial Results for the year ended 31 st March 2014	Ordinary		
2	To appoint M/s. Sagar & Associates as Statutory Auditors and fixing their remuneration	Ordinary		
3	To appoint Mr. K. Srikanth Reddy as an Independent Director (in Minority Sector)	Ordinary		
4	To appoint Mr. K. Vijayaraghavan as an Independent Director (in Majority Sector)	Ordinary		

5	To appoint Mr. P. Mohanan as an Independent Director (in Majority Sector)	Ordinary		
6	To appoint Mr. Chella K Srinivasan as an Independent Director (in Majority Sector)	Ordinary		
7	To appoint Mr. K. Jayakumar as an Independent Director (in Majority Sector)	Ordinary		
8	To appoint Branch Auditors in consultation with Statutory Auditor	Ordinary		
9	To increase the Authorized Capital and amend the Capital Clause (Clause V) of the Memorandum of Association and Article 2 of Articles of Association of the Bank of the Bank accordingly.	Special		
10	To pass a special resolution for exercising the borrowing powers of the Bank pursuant to Section 180(1)(c) of the Companies Act, 2013	Special		
11	To Amend the Articles of Association of the Bank in compliance with the new Companies Act, 2013 and amendments in the Banking Regulation Act 1949	Special		

Place :

Date :

(Signature of the Shareholder)

E-mail : # Tel. No.....