



The Federal Bank Limited, Federal Towers, P O Box No.103, Aluva, Kerala, India 683  
101, CIN:L65191KL1931PLC000368, www.federalbank.co.in, e-mail:secretarial@federalbank.co.in Phone:0484-2622263  
fax:04842623119

### NOTICE TO SHAREHOLDERS

Notice is hereby given that the Eighty Fourth Annual General Meeting (AGM) of The Federal Bank Limited will be held as shown below:

Date: 29.06.2015

Day: Monday

Time: 10 A.M.

Venue: Mahatma Gandhi Municipal Town Hall, Aluva

To transact the following items of business.

### ORDINARY BUSINESS

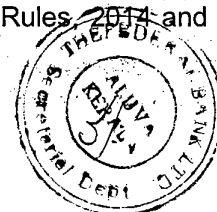
1. To receive, consider and adopt
  - a) the audited financial statements, including audited Balance Sheet and Profit and Loss Account of the Bank for the financial year ended March 31,2015 and the Reports of the Board of Directors and the Auditors thereon; and
  - b) the audited consolidated financial statements, including audited consolidated Balance Sheet and Profit and Loss Account of the Bank for the financial year ended March 31, 2015 and the Report of the Auditors thereon;
2. To declare a dividend.
3. To appoint a Director in place of Mr. Shyam Srinivasan, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Joint Central Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next AGM and to fix their remuneration.

Resolved that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, approval from Reserve Bank of India, other applicable provisions of the Banking Regulation Act, 1949, if any(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, M/s Deloitte Haskins & Sells, Chennai, together with M/s M.P.Chitale & Co, Mumbai be and are hereby appointed as Joint Central Statutory Auditors of the Bank to hold office until the conclusion of the next Annual General Meeting of the Bank, at such remuneration to be fixed by the Board of Directors of the Bank.”

### SPECIAL BUSINESS

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

“RESOLVED that pursuant to the provisions of Section 139 and section 143(8) of the Companies Act,2013 read with the Companies (Audit and Auditors) Rules, 2014 and other



applicable rules, if any, the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or reenactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, Board of Directors be and is hereby authorised to arrange for the audit of the Bank's branches for the accounting year 2015-16 and to appoint and fix the remuneration of branch auditors in consultation with the Central Statutory Auditors for the purpose."

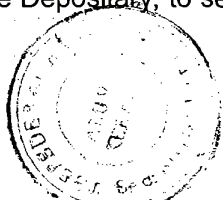
6. To consider and, if thought fit, to pass with or without modification(s) the following resolution(s) regarding ESOS grant to MD & CEO of the Bank as an Ordinary resolution:

**Resolved that** as approved by Reserve Bank of India and as approved by the Board of Directors of the Bank, grant of shares under Employee Stock Option Scheme ( ESOS 2010) to Mr. Shyam Srinivasan, MD & CEO of the Bank, for the year 2014 @ ₹124/- per share be and is hereby approved.

7. To consider and, if thought fit, to pass the following Resolution, with or without modifications as special resolution:

**RESOLVED THAT**, in accordance with Section 63 and other applicable provisions of the Companies Act, 2013, the Companies (Share Capital & Debentures) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the relevant provisions of the Memorandum of Association and Articles of Association of the Bank and the recommendation of the Board of Directors of the Bank (hereinafter referred to as 'the Board', which expression shall be deemed to include a Committee of Directors duly authorized by the Board in this behalf), and subject to the provisions of the Banking Regulation Act, 1949, the Foreign Exchange Management Act, 1999 and Regulations made thereunder, and guidelines issued by the Reserve Bank of India (RBI) and also subject to the guidelines issued by Securities and Exchange Board of India (SEBI), and the listing agreement with the Stock Exchanges where the Bank's equity shares are listed and applicable regulatory authorities, and such permissions, sanctions and approvals as may be required in this regard, consent of the Members be and is hereby accorded to the Board (hereinafter referred to as 'the Board', which expression shall be deemed to include a Committee of Directors duly authorized by the Board in this behalf) for capitalization of such sum standing to the credit of the securities premium / free reserves of the Bank, as may be considered necessary by the Board, for the purpose of issuance of equity shares of ₹2/- (Rupees two only) each, as a bonus issue, credited as fully paid- up shares to the holders of the existing equity shares of the Bank, whose names appear in the Register of Members maintained by the Bank's Registrars and Transfer Agents / List of Beneficial Owners, as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on such date as may be fixed in this regard by the Board as record date, in the proportion of 1(one) equity share for every 1(one) existing equity share held by the Members on such date.

**RESOLVED FURTHER THAT**, consequent to the bonus issue of the equity shares, hereinbefore resolved, in accordance with the relevant provisions of the Memorandum of Association and Articles of Association of the Bank and subject to any other requirement under any applicable law, consent of the Members be and is hereby accorded to the Board (hereinafter referred to as 'the Board', which expression shall be deemed to include a Committee of Directors duly authorized by the Board in this behalf), to request the Depository in respect of its outstanding Global Depository Shares (GDSs), to distribute to the holders of the existing GDSs of the Bank, whose names appear as holders on such date as may be fixed in this regard by the Board, new GDSs in the proportion of 1(one) GDS, for every 1(one) existing GDS (which is represented by one underlying equity share of the Bank) held by the GDS holders and in the event such distribution is not feasible in the opinion of the Depository, to sell the equity shares allotted to the Depository at such price or



prices to such person or persons as the Depository may deem fit and distribute the proceeds to the holders of the GDSs in each case in accordance with the provisions of the deposit agreement.

**RESOLVED FURTHER THAT** no fractional certificates shall be issued in respect of any fractional entitlement if any, but the equity shares in respect of such fractions shall be consolidated and allotted to any person or persons, formed by way of trust for this purpose, appointed by the Board (hereinafter referred to as 'the Board', which expression shall be deemed to include a Committee of Directors duly authorized by the Board in this behalf ) on the express understanding that such person or persons shall sell the equity shares so allotted at such price or prices to such person or persons as they may think fit, as soon as practicable and pay to the Bank the net sale proceeds (after deducting expenses if any, incidental to the sale), which proceeds shall be distributed by the Bank pro rata amongst the members entitled thereto;

**RESOLVED FURTHER THAT**, no allotment letters shall be issued to the allottees of the equity shares but in the case of members who hold equity shares in dematerialized form, the bonus shares shall be credited to the respective beneficiary accounts of the members with their respective Depository Participants and in the case of members who hold equity shares in physical form, the share certificates in respect of the equity shares shall be despatched within such time as prescribed by law and the relevant authorities.

**RESOLVED FURTHER THAT**, the issue and allotment of the said bonus shares to the extent that they relate to Non- Resident Indians (NRIs), Foreign Institutional Investors (FIIs) and Foreign Investors of the Bank, will be subject to the compliance under the applicable regulations of the Foreign Exchange Management Act, 1999 and the rules made thereunder and other applicable laws if any as may be necessary including any approval from the Reserve Bank of India (RBI) and any other regulatory authority, as may be required.

**RESOLVED FURTHER THAT**, the Board (hereinafter referred to as 'the Board', which expression shall be deemed to include a Committee of Directors duly authorized by the Board in this behalf ) be and is hereby authorized to make appropriate adjustments on bonus issue of equity shares as aforesaid, to the outstanding options granted to the employees of the Bank under Employee Stock Option Scheme 2010 (ESOS 2010) ("the Scheme"), pursuant to the Securities and Exchange Board of India (Employee Stock Options and Employee Stock Purchase Scheme) Guidelines, 1999 and/or Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and any amendments thereto from time to time, such that the exercise price for all outstanding options as on the 'record date' (as determined by the Board) (vested and unvested options, including lapsed and forfeited options available for reissue) shall be proportionately adjusted and the number of options which are available for grant and those already granted but not exercised as on 'record date' (as determined by the Board) shall be appropriately adjusted.

**RESOLVED FURTHER THAT**, the equity shares so allotted shall rank pari passu in all respects with the fully paid-up equity shares of the Bank as existing on the 'record date', save and except that they shall not be entitled to any dividend that may be declared before the 'record date'.

**RESOLVED FURTHER THAT**, the equity shares so allotted shall always be subject to the terms and conditions contained in the Memorandum of Association and Articles of Association of the Bank including any amendments made from time to time.

**RESOLVED FURTHER THAT**, for the purposes of giving effect to the bonus issue of equity shares and GDS resolved hereinbefore, the issuance of equity shares and/or GDS or Instruments or Securities representing the same, the Board/Committee of Directors and/or



other designated officers of the Bank, including Company Secretary/Chief Financial Officer be and are hereby authorized on behalf of the Bank to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation, filing of required documents with stock exchanges, listing the additional equity shares and/or GDSs on BSE Limited, The National Stock Exchange of India Limited, London Stock Exchange (LSE) as the case may be, and amending, if necessary, the relevant sections of the agreement entered into between the Bank, Deutsche Bank Trust Company Americas(the depository to the Bank's GDSs) and the Global Depository Receipt Holders ('the Depository Agreement') in connection with the Bank's GDS offering, listing on the LSE and entering into of any depository arrangements in regard to any such bonus as it may in its absolute discretion deem fit.

**RESOLVED FURTHER THAT**, the Board (hereinafter referred to as 'the Board', which expression shall be deemed to include a Committee of Directors duly authorized by the Board in this behalf ) be and is hereby authorized to take all other steps as may be necessary to give effect to the aforesaid resolution and determine all other terms and conditions of the issue of bonus shares as the Board may in its absolute discretion deem fit.

By order of the Board of Directors

Place: Aluva  
Dated: May 16 2015

**Girish Kumar Ganapathy**  
Company Secretary

*/ Certified True Copy /*



For THE FEDERAL BANK LTD.

GIRISH KUMAR G.  
Company Secretary

**GIRISH KUMAR G.**  
Company Secretary

THE FEDERAL BANK LTD.

**NOTES:**

1. **A Member entitled to attend and vote at the Annual General Meeting (AGM or the Meeting) is entitled to appoint a proxy to attend and vote on a poll, instead of himself/herself and the proxy need not be a Member of the Bank. The instrument appointing proxy should, however, be deposited at the Registered Office of the Bank not later than forty-eight hours before the commencement of the Meeting. A person can act as proxy on behalf of Members upto and not exceeding fifty.**
2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Members/Proxies should fill the Attendance Slip for attending the Meeting.
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. 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.
6. 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.
7. The register of Members and share transfer books of the Bank would remain closed from Monday, June 01, 2015 to Friday, June 05, 2015 (both days inclusive).
8. Dividend on equity shares as recommended by the Board of Directors for the year ended March 31,2015, if approved at the Meeting, will be payable to those eligible Members who hold shares:
  - (a) In dematerialized mode, based on the beneficial ownership details to be received from National Securities Depository Limited and Central Depository Services (India) Limited as on May 31, 2015.
  - (b) In physical mode, if their names appear in the Bank's Register of Members after giving effect to all valid transfers in physical form lodged with the Bank and its Registrar and Transfer Agents before May 31, 2015.
8. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Bank on all working days (Monday to Friday) between 10.00 A.M. to 5 P.M and on Saturdays 10.00 A.M to 2 P M from 20<sup>th</sup> June 2015 up to the date of the Annual General Meeting.
9. In support of the "Green Initiative" announced by the Government of India and as well as Clause 32 of the Listing Agreement executed with Stock Exchanges, electronic copy of the Annual Report and this Notice, inter alia indicating the process and manner of remote e-voting along with attendance slip and proxy form are being sent by e-mail to those Members whose e-mail addresses have been made available to the Bank /Depository Participants unless the 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



interalia indicating the process and manner of remote e-voting along with attendance slip and proxy form, will be sent to them in the permitted mode.

The Bank hereby request Members who have not updated their email IDs to update the same with their respective Depository Participant(s) or with M/s. Integrated Enterprises (India) Limited, Registrar and Transfer Agent (R&T) of the Bank. Further, Members holding shares in electronic mode are also requested to ensure to keep their email addresses updated with the Depository Participants / R&T of the Bank. Members holding shares in physical mode are also requested to update their email addresses by writing to the R &T of the Bank quoting their folio number(s).





## **EXPLANATORY STATEMENT**

### **(As required under Section 102(1) of the Companies Act, 2013)**

In conformity with Section 102(1) of the Companies Act, 2013 ("the Companies Act") the following explanatory statement set out the material facts relating to Item Nos 3,5,6, and 7 of the Notice.

#### **Item No.3**

Although not required, the Explanatory Statement is being given in respect of Item No. [3] of the Notice.

In terms of Section 152(6)(a) of Companies Act 2013, not less than two-thirds of the total number of directors of a public company are liable to retire by rotation.

Mr. Shyam Srinivasan was re-appointed as the Managing Director and Chief Executive Officer, by the Board of the Bank for a period of three years, with effect from September,23 2013 to September,22 2016, on the completion of his first term, for which approval from Reserve Bank of India was obtained vide letter No.DBOD No.5155/08.38.001/2013-14 dated September 21,2013, on the existing terms and conditions.

Mr. Shyam Srinivasan took charge as the Managing Director & CEO of Federal Bank on 23rd September 2010. He joined Federal Bank, equipped with the experience of over 20 years with leading multinational banks in India, Middle East and South East Asia, where he gained significant expertise in retail lending, wealth management and SME banking.

Mr. Shyam Srinivasan is an alumnus of the Indian Institute of Management, Kolkata and Regional Engineering College, Tiruchirapally. He has completed a Leadership Development Program from the London Business School and has served on the Global Executive Forum (the top 100 executives) of Standard Chartered Bank from 2004 to 2010.

At Federal Bank, he has been instrumental in implementing various path-breaking initiatives which include : Increasing the presence and visibility of the Bank to a national level, creating an inherent capability within the Bank to reinvent and re-implement processes - especially the customer-critical ones, initiating the Total Quality Management Journey of the Bank, focusing on under-writing quality at every stage right from credit selection, incubating the human resource potential of the Bank and so on. He continues to strive hard to create a culture of Ethics and Excellence in the Bank, which he so believes in.

Mr. Shyam Srinivasan is a director in following companies

1. Fedbank Financial Services Limited Director
2. IDBI Federal Life Insurance Company Limited Director
3. Indian Institute of Banking and Finance(Guarantee Company)-Governing Council Member

Currently he is on the committee of the Board of following Companies

1. IDBI Federal Life Insurance Company Limited- Chairman(Policy holder Protection Committee  
- Member (Audit Committee)
2. Fedbank Financial Services Limited- Member (Nomination Committee, Credit Committee, Risk Management Committee and Audit Committee)



Mr. Shyam Srinivasan did not hold any shares of the Bank as on 31 March 2015. Presently he is the Chairman of Committee to Review Large Value Fraud of the Bank and member of Risk Management Committee, Customer Service and Marketing Strategy Committee, Credit and Investment Raising Capital Committee, Information Technology & Operations Committee, Investor Grievance & Share Transfer Committee, Committee for Human Resource Policy and Corporate Social Responsibility Committee of the Board of the Bank.

Accordingly, your Directors recommend the adoption of the Resolution No. 3 of the Notice in accordance with the approval received from RBI.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution No. 3 of the Notice except Mr. Shyam Srinivasan.

**Item No.5**

In accordance with the provisions of Section 139 and Section 143(8) of the Companies Act, 2013, RBI and other regulatory requirements, the shareholders of the Bank may authorize its Board of Directors to appoint branch auditors in consultation with the Bank's(Central Statutory) auditors.

Accordingly, your Directors recommend the adoption of the Resolution No. 5 of the Notice.

None of the Directors, Key Managerial Personnel or relatives thereof are in any way, concerned or interested in this resolution.

**Item No.6**

The Employee Stock Option Scheme of the Bank (ESOS 2010) was approved by the shareholders through Postal Ballot. As per the Scheme, the Board of Directors in the year 2014, approved the grant of 641375 equity shares of Rs 2/- each to Mr. Shyam Srinivasan, MD & CEO of the Bank, to be granted over 4 years from 2015 to 2018, with 160345(One lakh Sixty thousand Three hundred and Forty five only) shares per year @ Rs 124/- per share for which RBI approval was obtained vide letter DBR. Appt. No.14448/08.38.001/2013-14 dated March 30, 2015.

Accordingly, your Directors recommend the passing of Resolution No 6, in terms of Reserve Bank of India's approval for ESOS Grant to Mr. Shyam Srinivasan, Managing Director & CEO of the Bank.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 6 of the Notice except Mr. Shyam Srinivasan.

**Item No.7**

The Board at its meeting held on May 16, 2015 considered and recommended the issue of bonus shares to eligible shareholders of the Bank in the ratio of one bonus share for every one share held including issue of bonus shares under GDS, as on a record date to be determined by the Board/Committee of Directors.

The equity shares of the Bank are actively traded on The National Stock Exchange of India Limited and the BSE Limited. The bonus issue would reward the shareholders for their continued loyalty to the institution and sustained support for the overall growth and progress of the Bank and will also meet their request made at Annual General Meetings. Moreover the Bank has achieved a milestone of Rs 1000 Crore and above as Net Profit for the first time in its history. As a part of recognizing shareholders support in this regard the Board decided to reward the shareholders.





The ratio of equity shares underlying the GDSs held by the Global Depository Receipt holder will remain unchanged.

The bonus issue of equity shares would, inter alia, require appropriate adjustments as per SEBI guidelines, with respect to all the options under the Employee Stock Option Plan 2010 (ESOS 2010) ("the Scheme") implemented pursuant to the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and any amendments thereto from time to time, such that all the options outstanding (vested, unvested including lapsed and forfeited options available for reissue) as on a record date to be determined by the Board of Directors of the Bank/Committees of Directors, shall be proportionately adjusted.

The Bonus Shares so allotted shall rank pari passu in all respects with the fully paid-up Equity Shares of the Bank as existing on the record date, save and except that they shall not participate in any dividend that may be declared before the 'Record Date'.

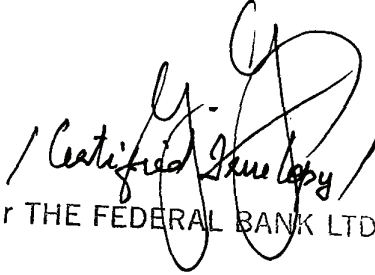
The Board recommends the resolution as set out in Item no: 7 of the Notice as a special resolution for the approval of the members of the Bank.

None of the directors/key managerial personnel of the Bank or their relatives are concerned or interested in the resolution except to the extent of their shareholding /stock options in the Bank.

By order of the Board of Directors

Place: Aluva  
Dated: May 16 2015

  
**Girish Kumar Ganapathy**  
Company Secretary

  
/ Certified True Copy /  
For THE FEDERAL BANK LTD.

GIRISH KUMAR G.  
Company Secretary

