



TAMILNAD MERCANTILE BANK LIMITED

Regd. Office: 57, V.E.Road, Thoothukudi – 628002

NOTICES OF 88th to 93rd ANNUAL GENERAL MEETINGS

(2010 – 2015)

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NOTICE OF THE 88TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 88th Annual General Meeting of the members of Tamilnad Mercantile Bank Limited (CIN: U65110TN1921PLC001908) will be held on Friday, the 29th of January, 2016 at 10.00 a.m. at Manickam Mahal, 1/1A, Tiruchendur Road, Thoothukudi – 628 003 to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2010 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors along with its annexure and the Auditors thereon
2. To declare dividend
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT the appointment of M/s. Suri & Co., Chartered Accountants, Chennai (Firm Registration Number – 004283S) as the Statutory Central Auditors of the Bank for the financial year ending on March 31, 2011, made pursuant to provisions of Section 224(1) and other applicable provisions, if any, of the Companies Act, 1956, Section 139 (1) of Companies Act, 2013, the Banking Regulation Act, 1949, and approval of Reserve Bank of India under regulation 30(1A) of the Banking Regulation Act, 1949 on a remuneration as fixed by the Board of Directors, be and is hereby ratified.”

SPECIAL BUSINESS

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

“RESOLVED THAT approval/ratification of members be and is hereby accorded for the action of the Board of Directors of having appointed various Branch Auditors to audit the accounts of the branches of the Bank subject to the applicable provisions of Companies Act, 1956, Companies Act, 2013, Banking Regulation Act, 1949 and other regulations and rules and of having paid remuneration and other out of pocket expenses to such Branch Auditors, for the year ended March 31, 2011.”

“RESOLVED THAT pursuant to provisions of Section 309 and other applicable provisions, if any, of Companies Act, 1956, (corresponding provisions of Section 197 of Companies Act, 2013), the provisions of Section 10B, 10BB, 35B and other applicable provisions of Banking Regulation Act, 1949 and in accordance with the respective approvals granted by the Reserve Bank of India vide its Letter Numbers (i) DBOD.No.12397/08.55.001/09-10 dated January 14, 2010,(ii) DBOD.APPTS.20347/08.55.001/09-10 dated May 31, 2010 and (iii) DBOD.12707/08.55.001/2010-11 dated February 11, 2011, the approval of the Members be and is hereby accorded for (i) revision in remuneration paid / payable as per details given below to Shri G. Nagamal Reddy (DIN - 02490682), Managing Director and CEO with effect from January 1, 2010 till May 31, 2010, (ii) reappointment of Shri G. Nagamal Reddy as Managing Director and CEO of the Bank for a further period effective from June 1, 2010 upto September 22, 2010 and (iii) payment of gratuity of `

62,500/- to him for the extended period of service of three completed months on a *pro-rata* basis, respectively.

Details of revised remuneration to Shri G.Nagamal Reddy, Managing Director and Chief Executive Officer(w.e.f., January 1, 2010 to September 22, 2010)

Sr. No.	Items	Remuneration
1.	Salary	₹ 30,00,000/- per annum
2.	Dearness Allowance / FPS / PQA / HRA / Conveyance Allowance	Nil
3.	Entertainment Allowance	Subject to ceiling of ₹ 60,000/- per annum, 25% of which reimbursable on declaration basis. Entertainment allowance will be inclusive of subscription to clubs (maximum two clubs).
	Perquisites	
4.	Residence	Free furnished house will be provided by Bank. Standard rent of ₹ 401.50 per month to be recovered by the Bank.
5.	Use of Bank's car for official / private purposes	Provision of Bank's car with driver for official use. If used for personal purposes, recovery of ₹ 250/- per month upto 750 kms shall be made. For journey exceeding 750 kms, recovery shall be at 60% of the rate fixed by RTA.
6.	Telephone	Provision of Bank's phone at residence
7.	Subscription to news papers	Reimbursement of news papers as required
8.	Provident Fund	12% of pay on contribution basis
	Gratuity	One month's pay for each completed years of service
9.	Mode of travel	Single fare by AC 1 st Class or Air fare business class return fare for travel on official purposes while on duty.
	Lodging & Boarding	Reimbursement of actual expenses inclusive of taxes on production of evidence and out of pocket expenses of ₹ 500/- per day. In case of making own arrangements to stay, the halting allowance payable will be ₹ 750/- per diem for area 'I' and ₹ 500/- in other places.
10.	Medical benefits	1. Reimbursement for self and family upto ₹ 12,000/- p.a. on declaration basis. Hospitalisation charges to be 100% for the MD & CEO and 75% for the dependent family members 2. For domiciliary treatment as applicable to other staff members of TMBL
11.	Sitting fees	Not eligible.
	Leave	
12.	Casual Leave	12 days per year
13.	Ordinary Leave	1 day for every 11 days
14.	Sick Leave	30 days for each completed year of service as MD & CEO
15.	Leave encashment	Ordinary leave at credit at the time of demitting office, Accumulation allowed as applicable to other staff of TMBL
16.	Leave Fare Concession	Air travel for himself and family members once a year to and from any place in India
17.	Insurance cover	Premium for ₹ 15 lakh cover for journey by road, rail or air.
18.	Income Tax	The Bank shall pay the income tax, if any, for non-monetary perquisites

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

"RESOLVED THAT pursuant to provisions of Section 309 and other applicable provisions, if any, of Companies Act, 1956, (corresponding provisions of Section 197 of Companies Act, 2013), the provisions of Section 10B, 35B and other applicable provisions of Banking Regulation Act, 1949 and in accordance with the respective approvals granted by Reserve Bank of India vide its Letters (i)DBOD.3592/08.55.001/2010-11 dated September 2, 2010 and (ii) DBOD.8380/08.55.001/2010-11 dated November 26, 2010, the approval of the members be and is hereby accorded for (i) appointment and payment of remuneration as detailed below to Shri A. K. Jagannathan (DIN - 03273392), Managing Director and CEO with effect from September 23, 2010 for a period of two years for his service as Managing Director and CEO of the Bank and also for revision in boarding and lodging allowances as detailed below with retrospective effect from September 23, 2010, respectively."

Terms and conditions of appointment of Shri A. K. Jagannathan, Managing Director and Chief Executive Officer (w.e.f. September 23, 2010)

Sr. No.	Particulars	Details of remuneration and other perquisites
1.	Salary / Compensation	₹ 30,00,000/- per annum
2.	Dearness Allowance / FPS / PQA / HRA / Conveyance Allowance	Nil
3.	Entertainment Allowance	Subject to ceiling of ₹ 60,000/- per annum, 25% of which is reimbursable on declaration basis. Entertainment allowance will be inclusive of subscription to clubs (maximum two clubs)
4.	Residence	Free furnished house will be provided by Bank. Standard rent of ₹ 401.50 per month to be recovered by the Bank.
5.	Use of Bank's car for official / personal purposes	Provision of Bank's car with driver for official use. If used for personal purposes, recovery of ₹ 250/- per month up to 750 kms, for journey exceeding 750 kms, recovery shall be at 60% of the rate fixed by RTA.
6.	Telephone	Provision of Bank's phone at residence
7.	Subscription to news papers	Reimbursement of news papers as required
8.	Provident Fund Gratuity	12% of pay on contribution basis One month's pay for each completed years of service
9.	Mode of travel Lodging & Boarding**	Single fare by AC 1 st Class or Air fare business class return fare for travel on official purpose while on duty. <i>Reimbursement of actual expenses inclusive of taxes on production of evidence and out of pocket expenses of ₹ 1000 per day; In case of making own arrangements to stay, the halting allowance payable will be ₹ 1500 per day for area 'I' and ₹ 1000 for other places</i>
10.	Medical benefits	Reimbursement for self and family up to ₹ 12,000/- p.a. on declaration basis. Hospitalisation charges to be 100% for the MD & CEO and 75% for the dependent family members. For domiciliary treatment as applicable to other staff of TMBL.
1.	Sitting fees	Not eligible.
12	Casual Leave	12 days per year.
13	Ordinary Leave	1 day for every 11 days.

Sr. No.	Particulars	Details of remuneration and other perquisites
14.	Sick Leave	30 days for each completed year of service as MD & CEO.
15.	Leave encashment	Ordinary leave at credit at the time of demitting office. Accumulation allowed as applicable to other staff of TMBL.
16.	Leave Fare Concession	Air travel for himself and family members once a year to and from any place in India.
17.	Insurance cover	Premium for ` 15 lakh cover for journey by road, rail or air.
18.	Income Tax	The Bank shall pay the income tax, if any, for non-monetary perquisites.

**Modified as follows vide RBI approval dated November 26, 2010 with retrospective effect from September 23, 2010:

Reimbursement of actual expenses inclusive of taxes on production of evidence and out of pocket expenses of ` 1000 per day; In case of making own arrangements to stay, the halting allowance payable will be ` 1500 per day for area 1 and ` 1000 for other places

By order of the Board of Directors
For Tamilnad Mercantile Bank Limited

Thoothukudi
December 20, 2015

Deepak C S
Company Secretary

NOTES:

1. Pursuant to an Order of Injunction granted by the Hon'ble High Court of Madras, Chennai on April 28, 2011 in a Writ Petition No. 11159 of 2011 filed by one Shri M. Sundararaj, a shareholder of the Bank, praying for directions to RBI to amend its order relating to acknowledgment of shareholding of a group of shareholders of the Bank, the Bank has not been able to hold the Annual General Meetings for the years 2010 to 2015 (88th AGM to 93rd AGM).

The Hon'ble Court, recently, vide an order dated November 26, 2015 was pleased to allow the conduct of all the pending Annual General Meetings, subject to the terms and conditions mentioned in the order. This annual general meeting along with the other five annual general meetings is being held on the same day, in pursuance of the said order of the Hon'ble High Court of Madras.

2. The Companies Act, 2013 came into effect from April 1, 2014 and the Annual General Meeting (AGM) is being convened and will be conducted as per the provisions of the said Act.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. The instrument of proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Bank not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent of the total share capital of the Company.
4. The statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed in respect of Item Nos. 4 to 6.

5. The Register of Members and Share Transfer Books of the Bank will remain closed from Saturday, January 23, 2016 to Friday, January 29, 2016 (both days inclusive) for the purpose of the AGM and for determining names of members who will be entitled to dividend, if declared at the 88th Annual General Meeting. The dividend will be paid to those members whose names appear in the Register of members at the closing hours on January 22, 2016. A final dividend @ ` 750/- per share (7500%) has been recommended by the Board of Directors for the year 2009-10, to be declared by the members at the AGM.
6. All documents referred to in the Notice and Statement will be available for inspection during business hours at the Registered Office of the Bank on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the AGM.
7. In terms of the provisions of Section 205 C (1) of the Companies Act, 1956 (Section 125 of Companies Act, 2013) the unpaid dividends for the years 1994-95, 1995-96, 1996-97 to 2002-03, 2003-04, 2004-05 and 2005-06 to 2006-07 have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government and no claims shall lie against the Bank in respect of those dividends.
8. In terms of the order passed by the Hon'ble High Court of Madras on November 26, 2015 in Writ Petition No. 11159 of 2011, Hon'ble Shri Justice R. Balasubramanian (retired), has been appointed as the Chairman of the AGM.
9. Only registered Members carrying their attendance slips and holders of valid proxy forms registered with the Bank are permitted to attend the meeting and they are advised to bring the Annual Report sent to them.
10. Members may please note that, a copy of the PAN card and address proof of the transferee shall be submitted with the transfer deed for registering transfer of physical shares.
11. Members may please note that there is a facility for nomination in prescribed form (Form No. SH-13), which is also available on the website of the Bank – www.tmb.in, of any person to whom shares in the Bank held by such member shall vest in the event of his / her death.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible.
13. Electronic copy of the Annual Report for 2010 is being sent to all the members whose email IDs are registered with the Bank for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2010 is being sent in the permitted mode.
14. Electronic copy of the Notice of the 88th Annual General Meeting of the Bank, *inter alia*, indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Bank for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 88th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
15. Members may note that the Notice of the 88th Annual General Meeting and the Annual Report for 2010 will also be available on the Bank's website: www.tmb.in for downloading. The physical copies of the said documents will also be available at the Company's Registered Office in Thoothukudi for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: secretarial@tmbank.in or shareholders@tmbank.in.
16. With a view to be able to respond to the queries of the members of the Bank, members are requested to send the same to the Bank at its registered address or by email at shareholders@tmbank.in at least four days before the date of the AGM.

17. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, the Bank is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL). The instructions for e-voting are given at the end in a separate page as ‘Electronic voting – General instructions’. **Members may take particular note of Clause No. 9 of the said instructions, regarding the restricted voting rights of certain shareholders.**

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013:

Item No. 4

As per the provisions of Section 228 of the Companies Act, 1956 (Section 143 of Companies Act, 2013), Branch offices of the Bank have to be audited by the Statutory Auditors or by other qualified auditors. The Bank had 233 branches as on March 31, 2011 including branches in Metropolitan cities. Since it is physically not practical for the Statutory Auditors to audit all the Branches which may result in some delay in the finalization of accounts, the Board of Directors considered it expedient to appoint separate Branch Auditors in consultation with the Statutory Central Auditors, to audit branches which were not audited by Statutory Central Auditors so that the work could be done expeditiously. The approval of RBI had been obtained in this regard.

Section 228(3)(a) of the Companies Act, 1956 and Section 143(8) of Companies Act, 2013, require approval by way of an ordinary resolution of the shareholders of the Bank for appointing Branch Auditors and fixing their remuneration. Since the appointment pertains to a past period, the Board of Directors had already appointed 111 number of auditors/firms of auditors as per the list available at the registered office of the Bank for inspection by the members, in anticipation of the approval/ratification by the members. The proposed ordinary resolution is for seeking the approval/ratification of the members.

Accordingly, the Board recommends the resolution as set out under Item No.4 of the Notice for approval of the members.

None of the Directors, Key Managerial Persons or their relatives is concerned or interested in the said resolution.

Item No.5

Shri G. Nagamal Reddy took charge as Managing Director and CEO of the Bank as appointed by the Reserve Bank of India in accordance with Section 10BB of the Banking Regulation Act, 1956 for a period of one year from June 1, 2009 on such terms and conditions as conveyed to the Bank vide Reserve Bank of India Letter DBOD No.20139/08.55.001/2008-09 dated May 27, 2009.

Subsequently, the Board revised the terms of remuneration payable to the Managing Director and CEO with effect from January 1, 2010 and Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949 vide its letter DBOD.No.12397/08.55.001/2009-10 dated January 14, 2010 approved the same. The said approval of RBI was taken note of by the Board in its meeting held on January 25, 2010.

Further, in terms of the provisions contained in the Section 35B of the Banking Regulation Act, 1949, Reserve Bank of India conveyed its approval for re-appointment of Shri G. Nagamal Reddy as Managing Director and Chief Executive Officer of the Bank for a period of three months with effect from June 1, 2010 or till the next Managing Director and Chief Executive Officer was appointed, on the then existing terms and conditions, vide their letter DBOD.APPTS.20347/08.55.001/2009-10 dated May 31, 2010. The above letter was taken on record in the Board Meeting held on June 2, 2010. Shri Nagamal Reddy functioned as the Managing Director & CEO of the Bank till September 22, 2010, until his successor took charge.

Further, in terms of Section 35B of the Banking Regulation Act, 1949 RBI conveyed its approval for payment of gratuity to Shri G. Nagamal Reddy on a *pro-rata* basis for the extended period of service for three completed months amounting to ` 62,500/-.

The provisions of Section 269 of Companies Act, 1956 relating to appointment of managerial persons (corresponding Section 197 of Companies Act, 2013) are not applicable to Banking Companies. However, provisions of Section 309 relating to payment of remuneration (corresponding Section 197 of Companies Act, 2013) are applicable. Therefore, strictly speaking, appointment of Managing Director & CEO, as it is already approved by RBI under Section 35B of Banking Regulation Act, 1949, does not require any specific approval from members. However, the payment of remuneration is required to be got approved by members.

In the proposed resolution, the proposals relating to (i) revision of remuneration, (ii) extension of tenure of appointment and (iii) payment of gratuity, all pursuant to the specific approvals granted by RBI, are sought to be approved.

The members may note that the appointment of Shri Nagamal Reddy as the MD & CEO w.e.f. June 1, 2009 had already been approved by the members in the 87th Annual General Meeting held on January 6, 2010.

Accordingly, the Board recommends the resolution as set out under Item no.5 of the Notice for approval of the members.

None of the Directors, Key Managerial Persons or their relatives is concerned or interested in the said resolution.

Item No.6

The Board of Directors of the Bank at its meeting held on September 23, 2010 appointed Shri A. K. Jagannathan as Managing Director and CEO of the Bank for a period of two years on the terms and conditions as mentioned in Resolution No.6 in the Notice. In terms of the requirement contained in Section 35B of the Banking Regulation Act, 1949 the above appointment of Shri A. K. Jagannathan had been approved by Reserve Bank of India vide their letter No.DBOD.3592/08.55.001/2010-11 dated September 2, 2010.

Subsequently, the Board revised the lodging and boarding allowances payable to the Managing Director and CEO with retrospective effect from September 23, 2010 and the same was also approved by the Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949 vide its letter DBOD.8380/08.55.001/2010-11 dated November 26, 2010 and was taken note of by the Board at their meeting held on November 29, 2010

The provisions of Section 269 of Companies Act, 1956 relating to appointment of managerial persons (corresponding Section 197 of Companies Act, 2013) are not applicable to Banking Companies. However, provisions of Section 309 relating to payment of remuneration (corresponding Section 197 of Companies Act, 2013) are applicable. Therefore, strictly speaking, appointment of Managing Director & CEO, as it is already approved by RBI under Section 35B of Banking Regulation Act, 1949, does not require any specific approval from members. However, the payment of remuneration is required to be got approved by members. As a matter of abundant compliance both the appointment and the payment of remuneration are placed before the members for approval.

In the proposed resolution, the proposals relating to (i) appointment and payment of remuneration and (ii) revision in lodging and boarding allowances, both pursuant to the specific approvals granted by RBI, are sought to be approved.

Accordingly, the Board recommends the resolution as set out under Item no.6 of the Notice for approval of the Members.

None of the Directors, Key Managerial Persons or their relatives is concerned or interested in the said resolution.

By order of the Board of Directors
For Tamilnad Mercantile Bank Limited

Thoothukudi
December 20, 2015

Deepak C S
Company Secretary

NOTICE OF THE 89TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 89th Annual General Meeting of the Members of Tamilnad Mercantile Bank Limited (CIN: U65110TN1921PLC001908) will be held on Friday, the 29th of January, 2016 at 10.30 a.m. or on the conclusion of the 88th Annual General Meeting, whichever is later, at Manickam Mahal, 1/1A, Tiruchendur Road, Thoothukudi – 628 003 to transact the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2011 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors along with its annexure and the Auditors thereon
2. To declare dividend
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT the appointment of M/s Suri & Co., Chartered Accountants, Chennai (Firm Regn No. – 004283S) as the Statutory Central Auditors of the Bank for the financial year ending on March 31, 2012, made pursuant to provisions of Section 224(1) and other applicable provisions, if any, of the Companies Act, 1956, Section 139 (1) of Companies Act, 2013, the Banking Regulation Act, 1949, and approval of Reserve Bank of India under regulation 30(1A) of the Banking Regulation Act, 1949 on a remuneration as fixed by the Board of Directors, be and is hereby ratified.”

SPECIAL BUSINESS

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

“RESOLVED THAT approval and ratification of Members be and is hereby accorded for the action of the Board of Directors of having appointed various Branch Auditors to audit the accounts of the branches of the Bank subject to the applicable provisions of Companies Act, 1956, Companies Act, 2013, Banking Regulation Act, 1949 and other regulations and rules and of having paid remuneration and other out of pocket expenses to such Branch Auditors, for the year ended March 31, 2012.”

By order of the Board of Directors
For Tamilnad Mercantile Bank Limited

Thoothukudi
December 20, 2015

Deepak C S
Company Secretary

NOTES:

1. Pursuant to an Order of Injunction granted by the Hon'ble High Court of Madras, Chennai on April 28, 2011 in a Writ Petition No. 11159 of 2011 filed by one Shri M. Sundararaj, a shareholder of the Bank, praying for directions to RBI to amend its order relating to acknowledgment of shareholding of a group of shareholders of the Bank, the Bank has not been able to hold the Annual General Meetings for the years 2010 to 2015 (88th AGM to 93rd AGM).

The Hon'ble Court, recently, vide an order dated November 26, 2015 was pleased to allow the conduct of all the pending Annual General Meetings, subject to the terms and conditions mentioned in the order. This annual general meeting along with the other five annual general meetings is being held on the same day, in pursuance of the said order of the Hon'ble High Court of Madras.

2. The Companies Act, 2013 came into effect from April 1, 2014 and the Annual General Meeting (AGM) is being convened and will be conducted as per the provisions of the said Act.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. The instrument of proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Bank not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent of the total share capital of the Company.
4. The Statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed in respect of Item No. 4.
5. The Register of Members and Share Transfer Books of the Bank will remain closed from Saturday, January 23, 2016 to Friday, January 29, 2016 (both days inclusive) for the purpose of the AGM and for determining names of Members who will be entitled to dividend, if declared at the 89th Annual General Meeting. The dividend will be paid to those Members whose names appear in the Register of Members at the closing hours on January 22, 2016. A final dividend @ ` 1000/- per share (10000%) has been recommended by the Board of Directors for the year 2010-11, to be declared by the Members at the AGM.
6. All documents referred to in the Notice and Statement will be available for inspection during business hours at the Registered Office of the Bank on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the AGM.
7. In terms of the provisions of Section 205 C (1) of the Companies Act, 1956 (Section 125 of Companies Act, 2013) the unpaid dividends for the years 1994-95, 1995-96, 1996-97 to 2002-03, 2003-04, 2004-05 and 2005-06 to 2006-07 have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government and no claims shall lie against the Bank in respect of those dividends.
8. In terms of the order passed by the Hon'ble High Court of Madras on November 26, 2015 in Writ Petition No. 11159 of 2011, Hon'ble Shri Justice R. Balasubramanian (retired), has been appointed as the Chairman of the AGM.
9. Only registered Members carrying their attendance slips and holders of valid proxy forms registered with the Bank are permitted to attend the meeting and they are advised to bring the Annual Report sent to them.
10. Members may please note that, a copy of the PAN card and address proof of the transferee shall be submitted with the transfer deed for registering transfer of physical shares.
11. Members may please note that there is a facility for nomination in prescribed form (Form No. SH-13), which is also available on the website of the Bank – www.tmb.in, of any person to whom shares in the Bank held by such member shall vest in the event of his / her death.
12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible.

13. Electronic copy of the Annual Report for 2011 is being sent to all the Members whose email IDs are registered with the Bank for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copy of the Annual Report for 2011 is being sent in the permitted mode.
14. Electronic copy of the Notice of the 89th Annual General Meeting of the Bank, *inter alia*, indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Bank for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copy of the Notice of the 89th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
15. Members may note that the Notice of the 89th Annual General Meeting and the Annual Report for 2011 will also be available on the Bank's website: www.tmb.in for downloading. The physical copies of the said documents will also be available at the Company's Registered Office in Thoothukudi for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: secretarial@tmbank.in or shareholders@tmbank.in.
16. With a view to be able to respond to the queries of the members of the Bank, members are requested to send the same to the Bank at its registered address or by email at shareholders@tmbank.in at least four days before the date of the AGM.
17. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, the Bank is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). The instructions for e-voting are given at the end in a separate page as 'Electronic voting – General instructions'. **Members may take particular note of Clause No. 9 of the said instructions, regarding the restricted voting rights of certain shareholders.**

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013:

Item No. 4

As per the provisions of Section 228 of the Companies Act, 1956 (Section 143 of Companies Act, 2013), Branch offices of the Bank have to be audited by the Statutory Auditors or by other qualified auditors. The Bank had 280 branches as on March 31, 2012 including branches in Metropolitan cities. Since it is physically not practical for the Statutory Auditors to audit all the Branches which may result in some delay in the finalization of accounts, the Board of Directors considered it expedient to appoint separate Branch Auditors in consultation with the Statutory Central Auditors, to audit branches which were not audited by Statutory Central Auditors so that the work could be done expeditiously. The approval of RBI had been obtained in this regard.

Section 228(3)(a) of the Companies Act, 1956 and Section 143(8) of Companies Act, 2013, require approval by way of an ordinary resolution of the shareholders of the Bank for appointing Branch Auditors and fixing their remuneration. Since the appointment pertains to a past period, the Board of Directors had already appointed certain auditors (135 in number) as per the list available at the registered office of the Bank for inspection by the Members, in anticipation of the approval/ratification by the Members. The proposed ordinary resolution is for seeking the approval/ratification of the Members.

Accordingly, the Board recommends the resolution as set out under Item No.4 of the Notice for approval of the Members. None of the Directors, Key managerial persons or their relatives is concerned or interested in the said resolution.

By order of the Board of Directors

For Tamilnad Mercantile Bank Limited

Thoothukudi
December 20, 2015

Deepak C S
Company Secretary

NOTICE OF THE 90TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 90th Annual General Meeting of the Members of Tamilnad Mercantile Bank Limited (CIN: U65110TN1921PLC001908) will be held on Friday, the 29th of January, 2016 at 11.00 a.m. or on the conclusion of the 89th Annual General Meeting, whichever is later, at Manickam Mahal, 1/1A, Tiruchendur Road, Thoothukudi – 628 003 to transact the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2012 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors along with its annexure and the Auditors thereon
2. To declare final dividend
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT the appointment of M/s Suri & Co., Chartered Accountants, Chennai (Firm Registration No. 004283S) as the Statutory Central Auditors of the Bank for the financial year ending on March 31, 2013, made pursuant to provisions of Section 224(1) and other applicable provisions, if any, of the Companies Act, 1956, Section 139 (1) of Companies Act, 2013, the Banking Regulation Act, 1949, and approval of Reserve Bank of India under regulation 30(1A) of the Banking Regulation Act, 1949 on a remuneration as fixed by the Board of Directors, be and is hereby ratified.”

SPECIAL BUSINESS

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

“RESOLVED THAT approval and ratification of Members be and is hereby accorded for the action of the Board of Directors of having appointed various Branch Auditors to audit the accounts of the branches of the Bank subject to the applicable provisions of Companies Act, 1956, Companies Act, 2013, Banking Regulation Act, 1949 and other regulations and rules and of having paid remuneration and other out of pocket expenses to such Branch Auditors, for the year ended March 31, 2013.”

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

“RESOLVED THAT pursuant to provisions of Section 309 and other applicable provisions, if any, of Companies Act, 1956, (corresponding provisions of Section 197 of Companies Act, 2013), the provisions of Section 10B, 35B and other applicable provisions of Banking Regulation Act, 1949 and in accordance with the approval granted by Reserve Bank of India vide its Letter Number DBOD. No. 16256/08.55.001/2011-12 dated April 30, 2012, the approval of the Members be and is hereby accorded for revision in remuneration payable as per details given below to Shri A. K. Jagannathan (DIN 03273392), Managing Director and CEO with effect from January 1, 2012.”

Details of revised remuneration to Shri A. K. Jagannathan, Managing Director and Chief Executive Officer (w.e.f. January 1, 2012 to May 12, 2012)

Sr. No.	Items	Remuneration
1.	Salary	₹ 36,00,000/- per annum
2.	Dearness Allowance / FPS / PQA / HRA / Conveyance Allowance	Nil
3.	Entertainment Allowance	Subject to ceiling of ₹ 60,000/- per annum, 25% of which reimbursable on declaration basis. Entertainment allowance will be inclusive of subscription to clubs (maximum two clubs).
	Perquisites	
4.	Residence	Free furnished house will be provided by Bank. Standard rent of ₹ 401.50 per month to be recovered by the Bank.
5.	Use of Bank's car for official / private purposes	Provision of Bank's car with driver for official use. If used for personal purposes, recovery of ₹ 250/- per month upto 750 kms shall be made. For journey exceeding 750 kms, recovery shall be at 60% of the rate fixed by RTA.
6.	Telephone	Provision of Bank's phone at residence
7.	Subscription to news papers	Reimbursement of news papers as required
8.	Provident Fund	12% of pay on contribution basis
	Gratuity	One month's pay for each completed years of service
9.	Mode of travel	Single fare by AC 1 st Class or Air fare business class return fare for travel on official purposes while on duty.
	Lodging & Boarding	Reimbursement of actual expenses inclusive of taxes on production of evidence and out of pocket expenses of ₹ 1000 per day; In case of making own arrangements to stay, the halting allowance payable will be ₹ 1500 per day for area I and ₹ 1000 for other places
10.	Medical benefits	1.Reimbursement for self and family upto ₹ 12,000/- p.a. on declaration basis. Hospitalisation charges to be 100% for the MD & CEO and 75% for the dependant family Members 2.For domiciliary treatment as applicable to other staff Members of TMBL
11.	Sitting fees	Not eligible.
	Leave	
12.	Casual Leave	12 days per year
13.	Ordinary Leave	1 day for every 11 days
14.	Sick Leave	30 days for each completed year of service as MD & CEO
15.	Leave encashment	Ordinary leave at credit at the time of demitting office, Accumulation allowed as applicable to other staff of TMBL
16.	Leave Fare Concession	Air travel for himself and family Members once a year to and from any place in India
17.	Insurance cover	Premium for ₹ 15 lakh cover for journey by road, rail or air.
18.	Income Tax	The Bank shall pay the income tax, if any, for non-monetary perquisites

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

"RESOLVED THAT pursuant to provisions of Section 309 and other applicable provisions, if any, of Companies Act, 1956, (corresponding provisions of Section 197 of Companies Act, 2013), the provisions of Section 10B, 35B and other applicable provisions of Banking Regulation Act, 1949 and in accordance with the respective approvals granted by Reserve Bank of India vide its Letter Number DBOD. 19205/08.55.001/2011-12 dated June 26, 2012, the approval of the Members be and is hereby accorded for appointment and payment of remuneration as detailed below to Shri K. B. Nagendra Murthy (DIN 00359864), Managing Director and CEO for a period of two years and six days for his service with effect from July 3, 2012 as Managing Director and CEO of the Bank."

Terms and conditions of appointment of Shri K. B. Nagendra Murthy, Managing Director and Chief Executive Officer (w.e.f. July 3, 2012)

Sr. No.	Items	Remuneration
1.	Salary	₹ 36,00,000/- per annum
2.	Dearness Allowance / FPS / PQA / HRA / Conveyance Allowance	Nil
3.	Entertainment Allowance	Subject to ceiling of ₹ 60,000/- per annum, 25% of which reimbursable on declaration basis. Entertainment allowance will be inclusive of subscription to clubs (maximum two clubs).
	Perquisites	
4.	Residence	Free furnished house will be provided by Bank. Standard rent of ₹ 401.50 per month to be recovered by the Bank.
5.	Use of Bank's car for official / private purposes	Provision of Bank's car with driver for official use. If used for personal purposes, recovery of ₹ 250/- per month upto 750 kms shall be made. For journey exceeding 750 kms, recovery shall be at 60% of the rate fixed by RTA.
6.	Telephone	Provision of Bank's phone at residence
7.	Subscription to news papers	Reimbursement of news papers as required
8.	Provident Fund Gratuity	12% of pay on contribution basis One month's pay for each completed years of service
9.	Mode of travel Lodging & Boarding	Single fare by AC 1 st Class or Air fare business class return fare for travel on official purposes while on duty. Reimbursement of actual expenses inclusive of taxes on production of evidence and out of pocket expenses of ₹ 1000 per day; In case of making own arrangements to stay, the halting allowance payable will be ₹ 1500 per day for area 1 and ₹ 1000 for other places
10.	Medical benefits	1. Reimbursement for self and family upto ₹ 12,000/- p.a. on declaration basis. Hospitalisation charges to be 100% for the MD & CEO and 75% for the dependent family Members 2. For domiciliary treatment as applicable to other staff Members of TMBL
11.	Sitting fees	Not eligible.
	Leave	
12.	Casual Leave	12 days per year
13.	Ordinary Leave	1 day for every 11 days
14.	Sick Leave	30 days for each completed year of service as MD & CEO
15.	Leave encashment	Ordinary leave at credit at the time of demitting office, Accumulation allowed as applicable to other staff of TMBL

Sr. No.	Items	Remuneration
16.	Leave Fare Concession	Air travel for himself and family Members once a year to and from any place in India
17.	Insurance cover	Premium for ` 15 lakh cover for journey by road, rail or air.
18.	Income Tax	The Bank shall pay the income tax, if any, for non-monetary perquisites

By order of the Board of Directors
For Tamilnad Mercantile Bank Limited

Thoothukudi
December 20, 2015

Deepak C S
Company Secretary

NOTES:

1. Pursuant to an Order of Injunction granted by the Hon'ble High Court of Madras, Chennai on April 28, 2011 in a Writ Petition No. 11159 of 2011 filed by one Shri M. Sundararaj, a shareholder of the Bank, praying for directions to RBI to amend its order relating to acknowledgment of shareholding of a group of shareholders of the Bank, the Bank has not been able to hold the Annual General Meetings for the years 2010 to 2015 (88th AGM to 93rd AGM).

The Hon'ble Court, recently, vide an order dated November 26, 2015 was pleased to allow the conduct of all the pending Annual General Meetings, subject to the terms and conditions mentioned in the order. This annual general meeting along with the other five annual general meetings is being held on the same day, in pursuance of the said order of the Hon'ble High Court of Madras.

2. The Companies Act, 2013 came into effect from April 1, 2014 and the Annual General Meeting (AGM) is being convened and will be conducted as per the provisions of the said Act.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. The instrument of proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Bank not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent of the total share capital of the Company.
4. The Statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed in respect of Item No. 4 to Item No. 6.
5. The Register of Members and Share Transfer Books of the Bank will remain closed from Saturday, January 23, 2016 to Friday, January 29, 2016 (both days inclusive) for the purpose of the AGM and for determining names of Members who will be entitled to dividend, if declared at the 90th Annual General Meeting. The dividend will be paid to those Members whose names appear in the Register of Members at the closing hours on January 22, 2016. A final dividend @ ` 450/- per share (4500%) has been recommended by the Board of Directors for the year 2011-12, to be declared by the Members at the AGM.
6. All documents referred to in the Notice and Statement will be available for inspection during business hours at the Registered Office of the Bank on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the AGM.

7. In terms of the provisions of Section 205 C (1) of the Companies Act, 1956 (Section 125 of Companies Act, 2013) the unpaid dividends for the years 1994-95, 1995-96, 1996-97 to 2002-03, 2003-04, 2004-05 and 2005-06 to 2006-07 have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government and no claims shall lie against the Bank in respect of those dividends.
8. In terms of the order passed by the Hon'ble High Court of Madras on November 26, 2015 in Writ Petition No. 11159 of 2011, Hon'ble Shri Justice R. Balasubramanian (retired), has been appointed as the Chairman of the AGM.
9. Only registered Members carrying their attendance slips and holders of valid proxy forms registered with the Bank are permitted to attend the meeting and they are advised to bring the Annual Report sent to them.
10. Members may please note that, a copy of the PAN card and address proof of the transferee shall be submitted with the transfer deed for registering transfer of physical shares.
11. Members may please note that there is a facility for nomination in prescribed form (Form No. SH-13), which is also available on the website of the Bank – www.tmb.in, of any person to whom shares in the Bank held by such member shall vest in the event of his / her death.
12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible.
13. Electronic copy of the Annual Report for 2012 is being sent to all the Members whose email IDs are registered with the Bank for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copy of the Annual Report for 2012 is being sent in the permitted mode.
14. Electronic copy of the Notice of the 90th Annual General Meeting of the Bank, *inter alia*, indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Bank for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copy of the Notice of the 90th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
15. Members may note that the Notice of the 90th Annual General Meeting and the Annual Report for 2012 will also be available on the Bank's website: www.tmb.in for downloading. The physical copies of the said documents will also be available at the Company's Registered Office in Thoothukudi for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: secretarial@tmbank.in or shareholders@tmbank.in.
16. With a view to be able to respond to the queries of the members of the Bank, members are requested to send the same to the Bank at its registered address or by email at shareholders@tmbank.in at least four days before the date of the AGM.
17. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, the Bank is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). The instructions for e-voting are given at the end in a separate page as 'Electronic voting – General instructions'. **Members may take particular note of Clause No. 9 of the said instructions, regarding the restricted voting rights of certain shareholders.**

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013:

Item No. 4

As per the provisions of Section 228 of the Companies Act, 1956 (Section 143 of Companies Act, 2013), Branch offices of the Bank have to be audited by the Statutory Auditors or by other qualified auditors. The Bank had 320 branches as on March 31, 2013 including branches in Metropolitan cities. Since it is physically not practical for the Statutory Auditors to audit all the Branches which may result in some delay in the finalization of accounts, the Board of Directors considered it expedient to appoint separate Branch Auditors in consultation with the Statutory Central Auditors, to audit branches which were not audited by Statutory Central Auditors so that the work could be done expeditiously. The approval of RBI had been obtained in this regard.

Section 228(3)(a) of the Companies Act, 1956 and Section 143(8) of Companies Act, 2013, require approval of the shareholders of the Bank by way of an ordinary resolution for appointing Branch Auditors and fixing their remuneration. Since the appointment pertains to a past period, the Board of Directors had already appointed 161 auditors/audit firms as per the list available at the registered office of the Bank for inspection by the Members, in anticipation of the approval/ratification by the Members. The proposed ordinary resolution is for seeking the approval/ratification of the Members.

Accordingly, the Board recommends the resolution as set out under Item No.4 of the Notice for approval of the Members.

None of the Directors, Key managerial persons or their relatives is concerned or interested in the said resolution.

Item No. 5

Shri A. K. Jagannathan took charge as Managing Director and CEO of the Bank as appointed by the Reserve Bank of India in accordance with Section 10B and 35 B of the Banking Regulation Act, 1956 for a period of two years from September 23, 2010 on such terms and conditions as conveyed to the Bank vide Reserve Bank of India Letter DBOD.3592/08.55.001/2010-11 dated September 2, 2010. The Members may note that a resolution regarding the appointment and payment of remuneration of Shri Jagannathan is part of the agenda of the 88th Annual General Meeting, scheduled to be held alongwith this Annual General Meeting.

Subsequently, the Board revised the terms of remuneration payable to the Managing Director and CEO with effect from January 1, 2012 and the same had been approved by the Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949 vide its letter DBOD. No. 16256/08.55.001/2011-12 dated April 30, 2012.

The provisions of Section 269 of Companies Act, 1956 relating to appointment of managerial persons (corresponding Section 197 of Companies Act, 2013) are not applicable to Banking Companies. However, provisions of Section 309 relating to payment of remuneration (corresponding Section 197 of Companies Act, 2013) are applicable. Therefore, strictly speaking, appointment of Managing Director & CEO, as it is already approved by RBI under Section 35B of Banking Regulation Act, 1949, does not require any specific approval from Members. However, the payment of remuneration is required to be got approved by Members. As a matter of abundant compliance both the appointment and the payment of remuneration are placed before the Members for approval.

In the proposed resolution, the proposal relating to revision of remuneration payable to Shri Jagannathan pursuant to the specific approvals granted by RBI, is sought to be approved.

Shri A. K. Jagannathan later resigned as the Managing Director & CEO of the Bank on May 12, 2012.

Accordingly, the Board recommends the resolution as set out under Item no.5 of the Notice for approval of the Members.

None of the Directors, Key managerial persons or their relatives is concerned or interested in the said resolution.

Item No. 6

The Board of Directors of the Bank at its meeting held on July 3, 2012 appointed Shri K. B. Nagendra Murthy as Managing Director and CEO of the Bank for a period of two years on the terms and conditions as mentioned in resolution No.6 in the notice. In terms of the requirement contained in Section 35B of the Banking Regulation Act, 1949 the above appointment of Shri K. B. Nagendra Murthy had been approved by Reserve Bank of India vide their letter No. DBOD. 19205/08.55.001/2011-12 dated June 26, 2012.

The provisions of Section 269 of Companies Act, 1956 relating to appointment of managerial persons (corresponding Section 197 of Companies Act, 2013) are not applicable to Banking Companies. However, provisions of Section 309 relating to payment of remuneration (corresponding Section 197 of Companies Act, 2013) are applicable. Therefore, strictly speaking, appointment of Managing Director & CEO, as it is already approved by RBI under Section 35B of Banking Regulation Act, 1949, does not require any specific approval from Members. However, the payment of remuneration is required to be got approved by Members. As a matter of abundant compliance both the appointment and the payment of remuneration are placed before the Members for approval.

In the proposed resolution, the proposal relating to appointment and payment of remuneration to Shri Nagendra Murthy, pursuant to the specific approval granted by RBI, are sought to be approved.

Shri Murthy's tenure would have come to an end on July 2, 2014. However pursuant to the approval granted by Reserve Bank of India under Section 10 B (5 A) of the Banking Regulation Act, 1949, he continued in the office till July 8, 2014 and discharged the functions of the Managing Director & CEO till his successor Shri H. S. Upendra Kamath assumed office on July 9, 2014.

Accordingly, the Board recommends the resolution as set out under Item no.6 of the Notice for approval of the Members.

None of the Directors, Key managerial persons or their relatives is concerned or interested in the said resolution.

By order of the Board of Directors
For Tamilnad Mercantile Bank Limited

Thoothukudi
December 20, 2015

Deepak C S
Company Secretary



TAMILNAD MERCANTILE BANK LIMITED
Regd. Office: 57, V.E.Road, Thoothukudi – 628002

NOTICE OF THE 91ST ANNUAL GENERAL MEETING

NOTICE is hereby given that the 91st Annual General Meeting of the Members of Tamilnad Mercantile Bank Limited (CIN: U65110TN1921PLC001908) will be held on Friday, the 29th of January, 2016 at 11.30 am or on the conclusion of the 90th Annual General Meeting, whichever is later, at Manickam Mahal, 1/1A, Tiruchendur Road, Thoothukudi – 628 003 to transact the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2013 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors along with its annexure and the Auditors thereon
2. To declare final dividend
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT the appointment of M/s Suri & Co., Chartered Accountants, Chennai (Firm Registration No. 004283S) as the Statutory Central Auditors of the Bank for the financial year ending on March 31, 2014, made pursuant to provisions of Section 224(1) and other applicable provisions, if any, of the Companies Act, 1956, Section 139 (1) of Companies Act, 2013, the Banking Regulation Act, 1949, and approval of Reserve Bank of India under regulation 30(1A) of the Banking Regulation Act, 1949 on a remuneration as fixed by the Board of Directors, be and is hereby ratified.”

SPECIAL BUSINESS

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

“RESOLVED THAT approval and ratification of Members be and is hereby accorded for the action of the Board of Directors of having appointed various Branch Auditors to audit the accounts of the branches of the Bank subject to the applicable provisions of Companies Act, 1956, Companies Act, 2013, Banking Regulation Act, 1949 and other regulations and rules and of having paid remuneration and other out of pocket expenses to such Branch Auditors, for the year ended March 31, 2014.”

By order of the Board of Directors
For Tamilnad Mercantile Bank Limited

Thoothukudi
December 20, 2015

Deepak C S
Company Secretary

NOTES:

1. Pursuant to an Order of Injunction granted by the Hon’ble High Court of Madras, Chennai on April 28, 2011 in a Writ Petition No. 11159 of 2011 filed by one Shri M. Sundararaj, a shareholder of the Bank, praying for directions to RBI to amend its order relating to acknowledgment of shareholding of a group of shareholders

of the Bank, the Bank has not been able to hold the Annual General Meetings for the years 2010 to 2015 (88th AGM to 93rd AGM).

The Hon'ble Court, recently, vide an order dated November 26, 2015 was pleased to allow the conduct of all the pending Annual General Meetings, subject to the terms and conditions mentioned in the order. This annual general meeting along with the other five annual general meetings is being held on the same day, in pursuance of the said order of the Hon'ble High Court of Madras.

2. The Companies Act, 2013 came into effect from April 1, 2014 and the Annual General Meeting (AGM) is being convened and will be conducted as per the provisions of the said Act.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. The instrument of proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Bank not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent of the total share capital of the Company.
4. The Statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed in respect of Item No. 4.
5. The Register of Members and Share Transfer Books of the Bank will remain closed from Saturday, January 23, 2016 to Friday, January 29, 2016 (both days inclusive) for the purpose of the AGM and for determining names of Members who will be entitled to dividend, if declared at the 91st Annual General Meeting. The dividend will be paid to those Members whose names appear in the Register of Members at the closing hours on January 22, 2016. A final dividend @ ₹ 250/- per share (2500%) has been recommended by the Board of Directors for the year 2012-13, to be declared by the Members at the AGM.
6. All documents referred to in the Notice and Statement will be available for inspection during business hours at the Registered Office of the Bank on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the AGM.
7. In terms of the provisions of Section 205 C (1) of the Companies Act, 1956 (Section 125 of Companies Act, 2013) the unpaid dividends for the years 1994-95, 1995-96, 1996-97 to 2002-03, 2003-04, 2004-05 and 2005-06 to 2006-07 have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government and no claims shall lie against the Bank in respect of those dividends.
8. In terms of the order passed by the Hon'ble High Court of Madras on November 26, 2015 in Writ Petition No. 11159 of 2011, Hon'ble Shri Justice R. Balasubramanian (retired), has been appointed as the Chairman of the AGM.
9. Only registered Members carrying their attendance slips and holders of valid proxy forms registered with the Bank are permitted to attend the meeting and they are advised to bring the Annual Report sent to them.
10. Members may please note that, a copy of the PAN card and address proof of the transferee shall be submitted with the transfer deed for registering transfer of physical shares.
11. Members may please note that there is a facility for nomination in prescribed form (Form No. SH-13), which is also available on the website of the Bank – www.tmb.in, of any person to whom shares in the Bank held by such member shall vest in the event of his / her death.
12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible.

13. Electronic copy of the Annual Report for 2013 is being sent to all the Members whose email IDs are registered with the Bank for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copy of the Annual Report for 2013 is being sent in the permitted mode.
14. Electronic copy of the Notice of the 91st Annual General Meeting of the Bank, *inter alia*, indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Bank for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copy of the Notice of the 91st Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
15. Members may note that the Notice of the 91st Annual General Meeting and the Annual Report for 2013 will also be available on the Bank's website: www.tmb.in for downloading. The physical copies of the said documents will also be available at the Company's Registered Office in Thoothukudi for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: secretarial@tmbank.in or shareholders@tmbank.in.
16. With a view to be able to respond to the queries of the members of the Bank, members are requested to send the same to the Bank at its registered address or by email at shareholders@tmbank.in at least four days before the date of the AGM.
17. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, the Bank is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). The instructions for e-voting are given at the end in a separate page as 'Electronic voting – General instructions'. **Members may take particular note of Clause No. 9 of the said instructions, regarding the restricted voting rights of certain shareholders.**

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013:

Item No: 4

As per the provisions of Section 228 of the Companies Act, 1956 (Section 143 of Companies Act, 2013), Branch offices of the Bank have to be audited by the Statutory Auditors or by other qualified auditors. The Bank had 370 branches as on March 31, 2014 including branches in Metropolitan cities. Since it is physically not practical for the Statutory Auditors to audit all the Branches which may result in some delay in the finalization of accounts, the Board of Directors considered it expedient to appoint separate Branch Auditors in consultation with the Statutory Central Auditors, to audit branches which were not audited by Statutory Central Auditors so that the work could be done expeditiously. The approval of RBI had been obtained in this regard.

Section 228(3)(a) of the Companies Act, 1956 and Section 143(8) of Companies Act, 2013, require approval of the shareholders of the Bank by way of an ordinary resolution for appointing Branch Auditors and fixing their remuneration. Since the appointment pertains to a past period, the Board of Directors had already appointed certain auditors/audit firms as per the list available at the registered office of the Bank for inspection by the Members, in anticipation of the approval/ratification by the Members. The proposed ordinary resolution is for seeking the approval/ratification of the Members.

Accordingly, the Board recommends the resolution as set out under Item No.4 of the Notice for approval of the Members.

None of the Directors, Key managerial persons or their relatives is concerned or interested in the said resolution.

By order of the Board of Directors
For Tamilnad Mercantile Bank Limited

Thoothukudi

Deepak C S

December 20, 2015

Company Secretary



TAMILNAD MERCANTILE BANK LIMITED

Regd. Office: 57, V.E.Road, Thoothukudi – 628002

NOTICE OF THE 92ND ANNUAL GENERAL MEETING

NOTICE is hereby given that the 92nd Annual General Meeting of the Members of Tamilnad Mercantile Bank Limited (CIN: U65110TN1921PLC001908) will be held on Friday, the 29th of January, 2016 at 12.00 noon or on the conclusion of the 91st Annual General Meeting, whichever is later, at Manickam Mahal, 1/1A, Tiruchendur Road, Thoothukudi – 628 003 to transact the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2014 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors along with its annexure and the Auditors thereon
2. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT the appointment of M/s Maharaj N. R. Suresh & Co., Chartered Accountants, Chennai (Firm Regn. No. 01931S) as the Statutory Central Auditors of the Bank for the financial year ending on March 31, 2015, made pursuant to provisions of Section 224(1) and other applicable provisions, if any, of the Companies Act, 1956, Section 139 (1) of Companies Act, 2013, the Banking Regulation Act, 1949, and approval of Reserve Bank of India under regulation 30(1A) of the Banking Regulation Act, 1949 on a remuneration as fixed by the Board of Directors, be and is hereby ratified.”

SPECIAL BUSINESS

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

“RESOLVED THAT approval and ratification of Members be and is hereby accorded for the action of the Board of Directors of having appointed various Branch Auditors to audit the accounts of the branches of the Bank subject to the applicable provisions of Companies Act, 1956, Companies Act, 2013, Banking Regulation Act, 1949 and other regulations and rules and of having paid remuneration and other out of pocket expenses to such Branch Auditors, for the year ended March 31, 2015.”

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

“RESOLVED THAT pursuant to provisions of Section 309 and other applicable provisions, if any, of Companies Act, 1956, (corresponding provisions of Section 197 of Companies Act, 2013), the provisions of Section 10B, 35B and other applicable provisions of Banking Regulation Act, 1949 and in accordance with the approval granted by Reserve Bank of India vide its Letter Number DBOD. No.17685/08.55.001/2013-2014 dated April 25, 2014, the approval of the Members be and is hereby accorded for revision in remuneration payable as per details given below to Shri K. B. Nagendra Murthy (DIN 00359864), Managing Director and CEO with effect from January 1, 2014.”

Details of revised remuneration to Shri K. B. Nagendra Murthy, Managing Director and Chief Executive Officer (w.e.f. January 1, 2014 to July 8, 2014)

Sr. No.	Items	Remuneration
1.	Salary	₹ 42,00,000/- per annum
2.	Dearness Allowance / FPS / PQA / HRA / Conveyance Allowance	Nil
3.	Entertainment Allowance	Subject to ceiling of ₹ 60,000/- per annum, 25% of which reimbursable on declaration basis. Entertainment allowance will be inclusive of subscription to clubs (maximum two clubs).
	Perquisites	
4.	Residence	Free furnished house will be provided by Bank. Standard rent of ₹ 401.50 per month to be recovered by the Bank.
5.	Use of Bank's car for official / private purposes	Provision of Bank's car with driver for official use. If used for personal purposes, recovery of ₹ 250/- per month upto 750 kms shall be made. For journey exceeding 750 kms, recovery shall be at 60% of the rate fixed by RTA.
6.	Telephone	Provision of Bank's phone at residence
7.	Subscription to news papers	Reimbursement of news papers as required
8.	Provident Fund Gratuity	12% of pay on contribution basis One month's pay for each completed years of service
9.	Mode of travel Lodging & Boarding	Single fare by AC 1 st Class or Air fare business class return fare for travel on official purposes while on duty. Reimbursement of actual expenses inclusive of taxes on production of evidence and out of pocket expenses of ₹ 2000 per day in case of Metro Cities, ₹ 1500 in case of other areas.
10.	Medical benefits	1. Reimbursement for self and family upto ₹ 12,000/- p.a. on declaration basis. Hospitalisation charges to be 100% for the MD & CEO and 75% for the dependent family Members 2. For domiciliary treatment as applicable to other staff Members of TMBL
11.	Sitting fees	Not eligible.
	Leave	
12.	Casual Leave	12 days per year
13.	Ordinary Leave	1 day for every 11 days
14.	Sick Leave	30 days for each completed year of service as MD & CEO
15.	Leave encashment	Ordinary leave at credit at the time of demitting office, accumulation allowed as applicable to other staff of TMBL
16.	Leave Fare Concession	Air travel for himself and family Members once a year to and from any place in India
17.	Insurance cover	Premium for ₹ 15 lakh cover for journey by road, rail or air.
18.	Income Tax	The Bank shall pay the income tax, if any, for non-monetary perquisites

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

"**RESOLVED THAT** pursuant to provisions of Section 309 and other applicable provisions, if any, of Companies Act, 1956, (corresponding provisions of Section 197 of Companies Act, 2013), the provisions of Section 10B, 35B and other applicable provisions of Banking Regulation Act, 1949 and in accordance with the respective approvals granted by Reserve Bank of India vide its Letter Number DBOD. 19563/ 08.55.001/ 2013-2014 dated June 4, 2014, the approval of the Members be and is hereby accorded for appointment and payment of remuneration as detailed below to Shri H. S. Upendra Kamath (DIN 02648119), Managing Director and CEO for a period of three years for his service with effect from July 9, 2014 as Managing Director and CEO of the Bank."

Terms and conditions of appointment of Shri H. S. Upendra Kamath, Managing Director and Chief Executive Officer (w.e.f. July 9, 2014)

Sr. No.	Items	Remuneration
1.	Salary	₹ 42,00,000/- per annum
2.	Dearness Allowance / FPS / PQA / HRA / Conveyance Allowance	Nil
3.	Entertainment Allowance	Subject to ceiling of ₹ 60,000/- per annum, 25% of which reimbursable on declaration basis. Entertainment allowance will be inclusive of subscription to clubs (maximum two clubs).
	Perquisites	
4.	Residence	Free furnished house will be provided by Bank. Standard rent of ₹ 401.50 per month to be recovered by the Bank.
5.	Use of Bank's car for official / private purposes	Provision of Bank's car with driver for official use. If used for personal purposes, recovery of ₹ 250/- per month upto 750 kms shall be made. For journey exceeding 750 kms, recovery shall be at 60% of the rate fixed by RTA.
6.	Telephone	Provision of Bank's phone at residence
7.	Subscription to news papers	Reimbursement of news papers as required
8.	Provident Fund Gratuity	12% of pay on contribution basis One month's pay for each completed years of service
9.	Mode of travel Lodging & Boarding	Single fare by AC 1 st Class or Air fare business class return fare for travel on official purposes while on duty. Reimbursement of actual expenses inclusive of taxes on production of evidence and out of pocket expenses of ₹ 2000 per day in case of Metro Cities, ₹ 1500 in case of other areas.
10.	Medical benefits	1. Reimbursement for self and family upto ₹ 12,000/- p.a. on declaration basis. Hospitalisation charges to be 100% for the MD & CEO and 75% for the dependent family Members 2. For domiciliary treatment as applicable to other staff Members of TMBL
11.	Sitting fees	Not eligible.
	Leave	
12.	Casual Leave	12 days per year
13.	Ordinary Leave	1 day for every 11 days
14.	Sick Leave	30 days for each completed year of service as MD & CEO

Sr. No.	Items	Remuneration
15.	Leave encashment	Ordinary leave at credit at the time of demitting office, accumulation allowed as applicable to other staff of TMBL
16.	Leave Fare Concession	Air travel for himself and family Members once a year to and from any place in India
17.	Insurance cover	Premium for ` 15 lakh cover for journey by road, rail or air.
18.	Income Tax	The Bank shall pay the income tax, if any, for non-monetary perquisites

By order of the Board of Directors
For Tamilnad Mercantile Bank Limited

Thoothukudi
December 20, 2015

Deepak C S
Company Secretary

NOTES:

1. Pursuant to an Order of Injunction granted by the Hon'ble High Court of Madras, Chennai on April 28, 2011 in a Writ Petition No. 11159 of 2011 filed by one Shri M. Sundararaj, a shareholder of the Bank, praying for directions to RBI to amend its order relating to acknowledgment of shareholding of a group of shareholders of the Bank, the Bank has not been able to hold the Annual General Meetings for the years 2010 to 2015 (88th AGM to 93rd AGM).

The Hon'ble Court, recently, vide an order dated November 26, 2015 was pleased to allow the conduct of all the pending Annual General Meetings, subject to the terms and conditions mentioned in the order. This annual general meeting along with the other five annual general meetings is being held on the same day, in pursuance of the said order of the Hon'ble High Court of Madras.

2. The Companies Act, 2013 came into effect from April 1, 2014 and the Annual General Meeting (AGM) is being convened and will be conducted as per the provisions of the said Act.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. The instrument of proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Bank not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent of the total share capital of the Company.
4. The Statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed in respect of Item Nos. 2 to 5.
5. The Register of Members and Share Transfer Books of the Bank will remain closed from Saturday, January 23, 2016 to Friday, January 29, 2016 (both days inclusive) for the purpose of the AGM.
6. All documents referred to in the Notice and Statement will be available for inspection during business hours at the Registered Office of the Bank on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the AGM.

7. In terms of the provisions of Section 205 C (1) of the Companies Act, 1956 (Section 125 of Companies Act, 2013) the unpaid dividends for the years 1994-95, 1995-96, 1996-97 to 2002-03, 2003-04, 2004-05 and 2005-06 to 2006-07 have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government and no claims shall lie against the Bank in respect of those dividends.
8. In terms of the order passed by the Hon'ble High Court of Madras on November 26, 2015 in Writ Petition No. 11159 of 2011, Hon'ble Shri Justice R. Balasubramanian (retired), has been appointed as the Chairman of the AGM.
9. Only registered Members carrying their attendance slips and holders of valid proxy forms registered with the Bank are permitted to attend the meeting and they are advised to bring the Annual Report sent to them.
10. Members may please note that, a copy of the PAN card and address proof of the transferee shall be submitted with the transfer deed for registering transfer of physical shares.
11. Members may please note that there is a facility for nomination in prescribed form (Form No. SH-13), which is also available on the website of the Bank – www.tmb.in, of any person to whom shares in the Bank held by such member shall vest in the event of his / her death.
12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible.
13. Electronic copy of the Annual Report for 2014 is being sent to all the Members whose email IDs are registered with the Bank for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copy of the Annual Report for 2013 is being sent in the permitted mode.
14. Electronic copy of the Notice of the 92nd Annual General Meeting of the Bank, *inter alia*, indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Bank for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copy of the Notice of the 92nd Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
15. Members may note that the Notice of the 92nd Annual General Meeting and the Annual Report for 2014 will also be available on the Bank's website: www.tmb.in for downloading. The physical copies of the said documents will also be available at the Company's Registered Office in Thoothukudi for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: secretarial@tmbank.in or shareholders@tmbank.in.
16. With a view to be able to respond to the queries of the members of the Bank, members are requested to send the same to the Bank at its registered address or by email at shareholders@tmbank.in at least four days before the date of the AGM.
17. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, the Bank is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). The instructions for e-voting are given at the end in a separate page as 'Electronic voting – General instructions'. **Members may take particular note of Clause No. 9 of the said instructions, regarding the restricted voting rights of certain shareholders.**

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013:

Item No. 2

M/s. Suri & Co., Chartered Accountants, Chennai, the then Central Statutory Auditors of the Bank had completed their prescribed term of 4 years and had been granted extension by RBI for the fifth year, as a special case.

M/s. Suri & Co., vide their letter dated June 23, 2014, had expressed their inability to continue as the statutory auditors of the Bank for the financial year 2014-15 as a matter of professional conduct and regulatory compliance. Pursuant to the recommendation made by the Board of Directors of the Bank, Reserve Bank of India vide its letter No.DB.S.ARS.No.4771/08:25:005/2014-15 dated October 20, 2014, had approved the appointment of M/s. Maharaj N R Suresh and Co., Chartered Accountants, Chennai as the Central Statutory Auditors of the Bank for the year 2014-15. The Board of Directors in its meeting held on October 28, 2014 appointed the said firm as the Central Statutory Auditors of the Bank for the year 2014-15, subject to the approval of the Members.

The firm of auditors met the eligibility requirements laid down in Section 141 of Companies Act, 2013 and the Rules made thereunder.

The proposed resolution is for seeking ratification/approval of the Members of the action of the Board of having appointed the aforesaid firm as the Statutory Central Auditors of the Bank for the year 2014-15. The said firm was paid a total remuneration of ₹ 14.25 lakh and other out of pocket expenses for undertaking the audit including limited reviews for the quarters within the year.

Since in the case of Banking companies, specific approval of Reserve Bank of India is required to be taken for appointment of auditors every year in terms of the provisions of Section 30(1A) of Banking Regulation Act, 1949 and the maximum period prescribed by RBI for a firm of auditors to undertake audit of a Banking company is only four years, a proposal recommending appointment of the auditors for a continuous period of five years as required under Section 139(1) of Companies Act, 2013, is not placed.

Accordingly, the Board recommends the resolution as set out under Item No. 2 of the Notice for approval of the Members.

None of the Directors, Key managerial persons or their relatives is concerned or interested in the said resolution.

Item No. 3

As per the provisions of Section 228 of the Companies Act, 1956 (Section 143 of Companies Act, 2013), Branch offices of the Bank have to be audited by the Statutory Auditors or by other qualified auditors. The Bank had 430 branches as on March 31, 2015 including branches in Metropolitan cities. Since it is physically not practical for the Statutory Auditors to audit all the Branches which may result in some delay in the finalization of accounts, the Board of Directors considered it expedient to appoint separate Branch Auditors in consultation with the Statutory Central Auditors, to audit branches which were not audited by Statutory Central Auditors so that the work could be done expeditiously. The approval of RBI had been obtained in this regard.

Section 228(3)(a) of the Companies Act, 1956 and Section 143(8) of Companies Act, 2013, require approval of the shareholders of the Bank by way of an ordinary resolution for appointing Branch Auditors and fixing their remuneration. Since the appointment pertains to a past period, the Board of Directors had already appointed 176 auditors as per the list available at the registered office of the Bank for inspection by the Members, in anticipation of the approval/ratification by the Members. The proposed ordinary resolution is for seeking the approval/ratification of the Members.

Accordingly, the Board recommends the resolution as set out under Item No.3 of the Notice for approval of the Members.

None of the Directors, Key Managerial Persons or their relatives is concerned or interested in the said resolution.

Item No. 4

Shri K. B. Nagendra Murthy took charge as Managing Director and CEO of the Bank as approved by the Reserve Bank of India in accordance with Section 10B and 35 B of the Banking Regulation Act, 1956 for a period of two years from July 3, 2012 on such terms and conditions as conveyed to the Bank vide Reserve Bank of India Letter 19205/08.55.001/2011-12 dated June 26, 2012. The Members may note that a resolution regarding the appointment and payment of remuneration of ShriNagendra Murthy is part of the agenda of the 90th Annual General Meeting, scheduled to be held alongwith this Annual General Meeting.

Subsequently, the Board revised the terms of remuneration payable to the Managing Director and CEO with effect from January 1, 2014 and the same had been approved by the Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949 vide its letter DBOD.17685/08.55.001/2013-2014 dated April 25, 2014. The said approval of RBI was taken note of by the Board in its meeting held on April 29, 2014.

The provisions of Section 269 of Companies Act, 1956 relating to appointment of managerial persons (corresponding Section 197 of Companies Act, 2013) are not applicable to Banking Companies. However, provisions of Section 309 relating to payment of remuneration (corresponding Section 197 of Companies Act, 2013) are applicable. Therefore, strictly speaking, appointment of Managing Director & CEO, as it is already approved by RBI under Section 35B of Banking Regulation Act, 1949, does not require any specific approval from Members. However, the payment of remuneration is required to be got approved by Members. As a matter of abundant compliance both the appointment and the payment of remuneration are placed before the Members for approval.

In the proposed resolution, the proposal relating to revision of remuneration payable to Shri Nagendra Murthy pursuant to the specific approvals granted by RBI, is sought to be approved.

Shri Murthy's tenure would come to an end on July 2, 2014. However pursuant to the approval granted by Reserve Bank of India under Section 10 B (5 A) of the Banking Regulation Act, 1949, he continued in the office till July 8, 2014 and discharged the functions of the Managing Director & CEO till his successor Shri H. S. Upendra Kamath assumed office on July 9, 2014.

Accordingly, the Board recommends the resolution as set out under Item no.4 of the Notice for approval of the Members.

None of the Directors, Key Managerial Persons or their relatives is concerned or interested in the said resolution.

Item No. 5

The Board of Directors of the Bank at its meeting held on June 28, 2014 appointed Shri H. S. Upendra Kamath as Managing Director and CEO of the Bank for a period of three years on the terms and conditions as mentioned in resolution No.5 in the notice. In terms of the requirement contained in Section 35B of the Banking Regulation Act, 1949 the above appointment of Shri H. S. Upendra Kamath had been approved by Reserve Bank of India vide their letter No. DBOD. 19563/ 08.55.001/ 2013-2014 dated June 4, 2014.

The provisions of Section 269 of Companies Act, 1956 relating to appointment of managerial persons (corresponding Section 197 of Companies Act, 2013) are not applicable to Banking Companies. However, provisions of Section 309 relating to payment of remuneration (corresponding Section 197 of Companies Act, 2013) are applicable. Therefore, strictly speaking, appointment of Managing Director & CEO, as it is already approved by RBI under Section 35B of Banking Regulation Act, 1949, does not require any specific approval from Members. However, the payment of remuneration is required to be got approved by Members. As a matter of abundant compliance both the appointment and the payment of remuneration are placed before the Members for approval.

In the proposed resolution, the proposal relating to appointment and payment of remuneration to Shri Upendra Kamath, pursuant to the specific approval granted by RBI, are sought to be approved.

Accordingly, the Board recommends the resolution as set out under Item no.5 of the Notice for approval of the Members.

None of the Directors, Key managerial persons or their relatives of the Bank except Shri H. S. Upendra Kamath himself and his relatives, is concerned or interested in the said resolution.

By order of the Board of Directors
For Tamilnad Mercantile Bank Limited

Thoothukudi
December 20, 2015

Deepak C S
Company Secretary

NOTICE OF THE 93RD ANNUAL GENERAL MEETING

NOTICE is hereby given that the 93rd Annual General Meeting of the Members of Tamilnad Mercantile Bank Limited (CIN: U65110TN1921PLC001908) will be held on Friday, the 29th of January, 2016 at 12.30 p.m. or on the conclusion of the 92nd Annual General Meeting, whichever is later, at Manickam Mahal, 1/1A, Tiruchendur Road, Thoothukudi – 628 003 to transact the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2015 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors along with its annexure and the Auditors thereon
2. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139, 140 and 142 and other applicable provisions and Rules of Companies Act, 2013 and Section 30 of the Banking Regulation Act, 1949, and subject to the approval of Reserve Bank of India under Section 30(1A) of the Banking Regulation Act, 1949, M/s. Maharaj N. R. Suresh & Co., Chartered Accountants, Chennai (Firm Registration No. 01931S) be and is hereby appointed as the Statutory Central Auditors of the Bank for the financial year ending on March 31, 2016, on a total remuneration of ₹ 16,00,000 and other out of pocket expenses.”

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Section 143 and other applicable provisions of Companies Act, 2013 approval of Members be and is hereby accorded for the appointment of various Branch Auditors for conducting the audit of the specified branches for the year ending March 31, 2016 subject to the applicable provisions of Banking Regulation Act, 1949 and other regulations and rules and subject to the approval of Reserve Bank of India at the remuneration and other out of pocket expenses as approved by the Board of Directors.”

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

“RESOLVED THAT pursuant to provisions of Section 197 of Companies Act, 2013 and Rules made thereunder, the provisions of Section 10B, 35B and other applicable provisions of Banking Regulation Act, 1949 and in accordance with the approval granted by Reserve Bank of India vide its Letter Number DBR. Appt. No. 9303/08.55.001/2014-15 dated December 24, 2014, the approval of the Members be and is hereby accorded for revision in the medical facilities available to Shri H. S. Upendra Kamath, Managing Director and CEO (DIN 02648119), as per details given at Item No. 10 of the table given below.”

Terms and conditions of appointment of Shri H. S. Upendra Kamath, Managing Director and Chief Executive Officer (w.e.f. July 9, 2014)

Sr. No.	Items	Remuneration
1.	Salary	₹ 42,00,000/- per annum
2.	Dearness Allowance / FPS / PQA / HRA / Conveyance Allowance	Nil
3.	Entertainment Allowance	Subject to ceiling of ₹ 60,000/- per annum, 25% of which reimbursable on declaration basis. Entertainment allowance will be inclusive of subscription to clubs (maximum two clubs).
	Perquisites	
4.	Residence	Free furnished house will be provided by Bank. Standard rent of ₹ 401.50 per month to be recovered by the Bank.
5.	Use of Bank's car for official / private purposes	Provision of Bank's car with driver for official use. If used for personal purposes, recovery of ₹ 250/- per month upto 750 kms shall be made. For journey exceeding 750 kms, recovery shall be at 60% of the rate fixed by RTA.
6.	Telephone	Provision of Bank's phone at residence
7.	Subscription to news papers	Reimbursement of news papers as required
8.	Provident Fund	12% of pay on contribution basis
	Gratuity	One month's pay for each completed years of service
9.	Mode of travel	Single fare by AC 1 st Class or Air fare business class return fare for travel on official purposes while on duty.
	Lodging & Boarding	Reimbursement of actual expenses inclusive of taxes on production of evidence and out of pocket expenses of ₹ 2000 per day in case of Metro Cities, ₹ 1500 in case of other areas.
10.	Medical benefits*	<i>Full reimbursement of the actual medical expenses incurred by the MD & CEO and his spouse, irrespective of whether the expenses are casual medical expenses or expenses for domiciliary treatment or hospitalization</i>
11.	Sitting fees	Not eligible
	Leave	
12.	Casual Leave	12 days per year
13.	Ordinary Leave	1 day for every 11 days
14.	Sick Leave	30 days for each completed year of service as MD & CEO
15.	Leave encashment	Ordinary leave at credit at the time of demitting office, accumulation allowed as applicable to other staff of TMBL
16.	Leave Fare Concession	Air travel for himself and family Members once a year to and from any place in India
17.	Insurance cover	Premium for ₹ 15 lakh cover for journey by road, rail or air.
18.	Income Tax	The Bank shall pay the income tax, if any, for non-monetary perquisites

Note:

The earlier provision was:

1. *Reimbursement for self and family upto `12,000/- p.a. on declaration basis. Hospitalisation charges to be 100% for the MD & CEO and 75% for the dependent family Members*
2. *For domiciliary treatment as applicable to other staff Members of TMBL*

5. To consider and if thought fit, to pass, with or without modifications the following resolutions as **ordinary resolution**:

- 1) **“RESOLVED THAT** pursuant to the provisions of Section 61 of Companies Act, 2013 and other applicable provisions, the authorized share capital of the Company be and is hereby increased from `10,00,00,000 to `500,00,00,000 by the creation of 49,00,00,000 equity shares of `10 each.
- 2) **RESOLVED THAT** the Bank’s Memorandum of Association be and is hereby altered by substituting the following clause 5 for the existing clause “5”.

“5. The capital of the company is `500,00,00,000 (Rupees five hundred crore only) divided into 50,00,00,000 (fifty crore) equity shares of `10/- (Rupees ten) each.”

6. To consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the Banking Regulation Act, 1949 and other approvals as may be required under any law for time being in force, approval of Members be and is hereby accorded for amending the existing Articles of Association of the Bank in the following manner:

Item No.	Heading	Proposed amendment (The entire set of Articles of Association after giving effect to all the amendments proposed is given in the explanatory statement)
1	Interpretation	<p><u>Article No. 1 (Amendment)</u></p> <p>1.Sub-clause Nos. (i) shall be amended as follows: Wherever reference to “the Act” appears in these regulations, it shall mean the Companies Act, 2013 and the provisions of Companies Act, 1956 which are still in force.</p> <p>2.In sub-clauses (xii) and (xiii) the words “the Companies Act, 1956” shall be replaced by the words “the Act”.</p> <p>3.Sub-clause (ii) shall be replaced with the following: (ii) <i>“The expressions “Bank” or “Company” wherever appearing in these Regulations mean “Tamilnad Mercantile Bank Limited.”</i></p> <p>4.The following words shall be added at the end of sub-clause No. (vi): <i>“and Secretary means the Company Secretary for the time being of the Bank.”</i></p> <p>5.Sub-clause No. (xix) shall be replaced with the following: <i>“(xix) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or the Banking Regulation Act, 1949 or any statutory modification thereof in force at the date on which these regulations become binding on the Company.”</i></p>
2	Preliminary	<p><u>Article No. 2 (Amendment)</u></p> <p>The words “Table A in Schedule I to the Companies Act, 1956” shall be replaced with <i>“Table F in Schedule I to the Companies Act, 2013”</i></p>

Item No.	Heading	Proposed amendment (The entire set of Articles of Association after giving effect to all the amendments proposed is given in the explanatory statement)
3	Capital	<p><u>Article No. 3 (Amendment)</u></p> <p>Article No. 3 shall be replaced with the following: “<i>Article No. 3. The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in Clause 5 of the Memorandum of Association of the Company. The Bank will have the power to subdivide, consolidate and increase or decrease and with power, from time to time, to issue any shares of the original capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be thought fit and upon the subdivision of shares, to apportion the right to participate in profits in any manner as between the shares resulting from subdivision</i>”</p>
4	Allotment	<p><u>Article No. 4 (Amendment)</u></p> <p>Article No. 4 shall be replaced with the following: “<i>Article No. 4. Subject to the provisions of the Act and these Articles and any other law for the time being in force, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.</i>”</p>
5	Increase in capital how carried out	<p><u>Article No. 7 (Amendment)</u></p> <p>The following words shall be inserted after the words “less than fifteen days” and before the words “from the date of”: “<i>and not exceeding thirty days</i>”</p>
6	Reduction of capital	<p><u>Article No. 9 (Amendment)</u></p> <p>The words “the Companies Act, 1956” shall be replaced with “<i>the Act</i>”.</p>
7	Consolidation and sub-division	<p><u>Article No. 10 (Amendment)</u></p> <p>The words “Section 94” appearing in sub-clause (b) shall be replaced with “<i>Section 61</i>”.</p>
8	Commission on shares	<p><u>Article No. 14 (Amendment)</u></p> <ol style="list-style-type: none"> 1. The words “Section 76” appearing in sub-clause (1) shall be replaced with “<i>Section 40(6)</i>”. 2. The words “paid up value of the shares” appearing in sub-clause (2) shall be replaced with “<i>price at which the shares are issued</i>”. 3. Sub-clause (3) shall be deleted.
9	Share certificates	<p><u>Article No. 16 (Amendment)</u></p> <p>The last sentence shall be replaced with the following: “<i>The certificates of shares shall be completed and be ready for delivery within two months after the allotment of shares or within one month after the application for the registration of transfer or transmission or within such other period as per the conditions of issue.</i>”</p>
10	Share certificates how issued	<p><u>Article No. 17 (Amendment)</u></p> <p>The words ‘not exceeding five rupees’ shall be replaced with “<i>of twenty rupees</i>”.</p>
11	Renewal certificate of	<p><u>Article No. 18 (Amendment)</u></p> <p>The words ‘not exceeding five rupees’ shall be replaced with “<i>of fifty rupees</i>”.</p>

Item No.	Heading	Proposed amendment (The entire set of Articles of Association after giving effect to all the amendments proposed is given in the explanatory statement)
12	Endorsement on certificate	<p><u>Article No. 19 (Amendment)</u></p> <p>1.The words ‘not exceeding five rupees’ shall be replaced with “<i>of fifty rupees</i>”.</p> <p>2.The words appearing in bracket “(in addition to the transfer fee)” shall be deleted.</p> <p>3.The words ‘whole time Chairman’ shall be replaced with “<i>Managing Director & CEO</i>”.</p>
13	New Certificate when old is filled with endorsement	<p><u>Article No. 20 (Amendment)</u></p> <p>The words ‘on payment of a fee of Rupee one per every new certificate applied for’ shall be replaced with “<i>free of cost</i>”.</p>
14	Calls on shares	<p><u>Article No. 21 (Amendment)</u></p> <p>1.The words ‘three months’ shall be replaced with “<i>one month</i>”.</p> <p>2.The following sentence shall be added at the end: “<i>Option or right to call of shares shall not be given to any person except with the sanction of the company in general meeting.</i>”</p>
15	Interest due on calls	<p><u>Article No. 23 (Amendment)</u></p> <p>The words ‘twelve percent’ shall be replaced with “<i>ten percent</i>”.</p>
16	Calls in advance	<p><u>Article No. 27 (Amendment)</u></p> <p>1.The words ‘nine percent’ shall be replaced with “<i>twelve percent</i>”.</p> <p>2.The following sentence shall be added at the end: “<i>Any amount paid-up in advance of calls on any share shall not entitle the holder of the share to participate in respect thereof, in a dividend subsequently declared.</i>”</p>
17	Chapter VIII. Share Warrants	<p><u>Deletion of Articles</u></p> <p>Article Nos. 28 to 33 (both inclusive) stand deleted. There will be no renumbering of the subsequent Articles.</p>
18	Bank’s Lien	<p><u>Article No. 34 (Amendment)</u></p> <p>1.In sub-clause (1) after the words “every share” the words “(<i>not being fully paid shares</i>)” shall be inserted.</p> <p>2.Sub-clause No. (2) shall be deleted.</p> <p>3.Sub-clause No. (3) shall be re-numbered as (2) and shall be amended by the insertion of the following words at the end: “<i>and bonuses declared from time to time in respect of such shares.</i>”</p>
19	Liability not withstanding forfeiture	<p><u>Article No. 43 (Amendment)</u></p> <p>The following words shall be inserted after the words “A person whose shares have been forfeited shall” and before the word “notwithstanding”: “<i>cease to be a member in respect of the forfeited shares, but shall,</i>”</p>

Item No.	Heading	Proposed amendment (The entire set of Articles of Association after giving effect to all the amendments proposed is given in the explanatory statement)
20	Approval to be obtained from RBI	<p><u>Article No. 46A (Amendment)</u></p> <p>Article No. 46A shall be replaced with the following: “<i>Article No. 46A. Notwithstanding anything contained in any other Article contained herein, every person who intends to make an acquisition / make an agreement for acquisition which will / is likely to take the aggregate holding of such person together with shares / voting rights / compulsorily convertible debentures / bonds held by him, his relatives, associate enterprises and persons acting in concert with him, to 5 per cent or more of the paid-up share capital of the Bank or entitles him to exercise 5 per cent or more of the total voting rights of the Bank, shall seek prior approval of the Reserve Bank in the manner specified in Chapter III and IV of Reserve Bank of India (Prior approval for acquisition of shares or voting rights in private sector Banks) Directions, 2015 issued in pursuance of Section 12B of the Banking Regulation Act, 1949, or any statutory amendment thereof.</i>”</p>
21	Form of transfer	<p><u>Article No. 47 (Amendment)</u></p> <p>Article No. 47 shall be replaced with the following: “<i>Article No. 47. Shares of the Bank shall be transferred in the form prescribed under Section 56 (1) of Companies Act, 2013 and the related Rules.</i>”</p>
22	Registry be refused if the transferee not approved	<p><u>Article No. 48 (Amendment)</u></p> <p>The words ‘Section 111 A’ shall be replaced with “<i>Section 58</i>”.</p>
23	Nomination facility	<p><u>Article No. 49 A (insertion of a new Article)</u></p> <p>The following Article shall be inserted as a new Article immediately after Article No. 49: “<i>Article No. 49 A. (1) Every share holder or depositor of the Bank, may at any time, nominate a person to whom his shares or deposits shall vest in the event of his death in such manner as may be prescribed under the Act.</i></p> <p><i>(2) Where the shares or deposits of the Bank are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or deposits, as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the Act.</i></p> <p><i>(3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or deposits, the nominee shall, on the death of the shareholder or depositor or as the case may be on the death of the joint holders become entitled to all the rights in such shares or deposits or, as the case may be, all the joint holders, in relation to such shares or deposits, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.</i></p> <p><i>(4) Where the nominee is a minor, it shall be lawful for the holder of the shares or deposits, to make the nomination to appoint any person to become entitled to shares in or deposits of the Bank in the manner prescribed under the Act, in the event of his death, during the minority.</i>”</p>

Item No.	Heading	Proposed amendment (The entire set of Articles of Association after giving effect to all the amendments proposed is given in the explanatory statement)
24	Title to the share of deceased holders	<p><u>Article No. 50 (Amendment)</u></p> <p>Article No. 50 shall be replaced with the following: “<i>Article No. 50. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.</i></p> <p><i>(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</i>”</p>
25	Necessity to produce evidence	<p><u>Article No. 51 (Amendment)</u></p> <p>Article No. 51 shall be replaced with the following: “<i>Article No. 51. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</i></p> <p><i>(a) to be registered himself as holder of the share; or</i></p> <p><i>(b) to make such transfer of the share as the deceased or insolvent member could have made.</i></p> <p><i>(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</i>”</p>
26	Rights of the legal representative	<p><u>Article No. 51 A (insertion of a new Article)</u></p> <p>The following Article shall be inserted as a new Article immediately after Article No. 51: “<i>Article No. 51 A. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</i></p> <p><i>(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</i></p> <p><i>(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</i> “</p>
27	Definitions	<p><u>Article No. 54 A (insertion of a new Article)</u></p> <p>The following Article with its sub-clauses from (1) to (14) shall be inserted as a new Article immediately after Article No. 54: “<i>Article No. 54 A(1). For the purpose of this Article:</i></p> <p><i>“Beneficial Owner” means a person whose name is recorded as such with a Depository.</i></p> <p><i>“SEBI” means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India, Act 1992.</i></p> <p><i>“Depositories Act” means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.</i></p>

Item No.	Heading	Proposed amendment (The entire set of Articles of Association after giving effect to all the amendments proposed is given in the explanatory statement)
		<p><i>“Depository” means a Company formed and registered under the Companies Act, 1956 and which had been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India, 1992</i></p> <p><i>“Member” means the duly registered holder from time to time of the shares of the Bank and includes every person whose name is entered as a Beneficial Owner in the records of the Depository.</i></p> <p><i>“Debenture holder” means the duly registered holders from time to time of the debentures of the Bank.</i></p> <p><i>“Regulations” means the regulations made by SEBI.</i></p> <p><i>“Security” means such security as may be specified by the SEBI.</i></p> <p><i>Words imparting the singular number only include the plural number and vice versa.</i></p> <p><i>Words imparting persons include corporations.</i></p> <p><i>Words and expressions used and not defined in this Article shall have the same meanings respectively assigned to them in the Depositories Act.”</i></p>
28	Bank to recognize interest in dematerialised securities under Depositories Act	<i>“54A (2). Either the Bank or the investor may exercise an option to issue, deal in, hold the Securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which even the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act.”</i>
29	Dematerialisation /Rematerialisation of securities	<i>“54A (3). Notwithstanding anything contained in these Articles, the Bank shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and/or offer its fresh securities in a dematerialized form pursuant to the Depositories Act and the rules framed thereunder, if any.”</i>
30	Securities in Depositories to be in fungible form	<i>“54A (4) All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.”</i>
31	Rights of Depositories and Beneficial Owners	<p><i>“54A(5)(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner.</i></p> <p><i>(ii) Save as otherwise provided in (i) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.</i></p> <p><i>(iii) Every person holding securities of the Bank and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Bank. The Beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.”</i></p>

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32	Allotment of Securities dealt with by a depository	<i>"54A(6) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Bank shall intimate the details thereof to the depository immediately on allotment of such securities."</i>
33	Beneficial Owner deemed as absolute owner	<i>"54A(7) Except as ordered by a court of competent jurisdiction or as required by law, the Bank shall be entitled to treat the person whose name appears on the register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them."</i>
34	Cancellation of certificates upon surrender by a person	<i>"54A(8) Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Bank shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly."</i>
35	Options for investors	<i>"54A(9) Every person subscribing to securities offered by the Bank shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Bank shall, in the manner and within the time prescribed issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Bank shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security."</i>
36	Provisions of Articles to apply to shares held in Depository	<i>"54A(10) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository."</i>
37	Distinctive Number of Securities held in a Depository	<i>"54A(11) The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Bank which are dematerialised or may be dematerialised in future in dematerialised form."</i>
38	Register and Index of Beneficial Owners	<i>"54A(12) The Bank shall cause to be kept a Register and Index of Members and a Register and Index of Debenture holders in accordance with Section 88 of the Act, and the Depositories Act, with details of shares and debentures held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under section 11 of the Depositories Act shall be deemed to be Register and Index of Members and Register and Index of Debenture holders, as the case may be, for the purpose of the Act. The Bank shall have the power to keep in any state or country outside India a branch Register of Members resident in that state or country."</i>

Item No.	Heading	Proposed amendment (The entire set of Articles of Association after giving effect to all the amendments proposed is given in the explanatory statement)
39	Service of Documents	<i>“54A (13) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Bank by means of electronic mode or by delivery of floppies or discs.”</i>
40	Transfer of Securities	<i>“54A(14) Nothing contained in Section 56 of the Act shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.”</i>
41	Annual General Meetings when to be held	<u>Article No. 60 (Amendment)</u> Article No. 60 shall be replaced with the following: <i>“Article No. 60. Annual General Meetings shall be held at least once a year and within fifteen months after the holding of the preceding Annual General Meeting on such day (not being a national holiday) and at such time during the business hours, i.e. from 9 a.m. to 6 p.m., as the Board may, from time to time, determine.”</i>
42	Requisition by Members for Extra Ordinary General Meetings	<u>Article No. 63 (Amendment)</u> The words ‘Section 169’ shall be replaced with <i>“Section 100”</i> .
43	Notice of Meeting	<u>Article No. 67 (Amendment)</u> Article No. 67 shall be replaced with the following: <i>“Article No. 67. Twenty-one clear days’ notice of every General Meeting, specifying the day, the place and the hour of meeting and containing a statement setting out all material facts concerning each item of business to be transacted thereat which is a special business as defined in Section 102 of the Act shall be given and served on every member and other persons entitled to receive the same in the manner in which notice is required to be served by Section 20 of the Act and by these presents, and save as hereinafter mentioned, no business other than such as is specified in such notice shall be transacted thereat.”</i>
44	Notice by whom to be signed	<u>Article No. 68 (Amendment)</u> The words ‘Whole-time Chairman’ shall be replaced with <i>“Managing Director & CEO”</i> .
45	Quorum	<u>Article No. 72 (Amendment)</u> Article No. 72 shall be replaced with the following: <i>“Article No. 72. No business shall be transacted at any General Meeting unless a quorum of Members as prescribed in Section 103 of the Act is present at the time when the meeting proceeds to business.”</i>
46	Adjournment or dissolution of meetings	<u>Article No. 73 (Amendment)</u> The following words shall be inserted after the words “as the Board may determine” and before the words “If at the adjourned meeting”: <i>“subject to giving notice as prescribed under proviso to Section 103 (2) of the Act”</i>
47	Chairman of Meetings	<u>Article No. 74 (Amendment)</u> The words ‘half an hour’ shall be replaced with <i>“fifteen minutes”</i> .
48	Power of Chairman to adjourn meetings	<u>Article No. 76 (Amendment)</u> The word ‘Tuticorin’ shall be replaced with <i>“Thoothukudi”</i> .

Item No.	Heading	Proposed amendment (The entire set of Articles of Association after giving effect to all the amendments proposed is given in the explanatory statement)
49	Voting rights	<p><u>Article No. 78 (Amendment)</u></p> <p>Article No. 78 shall be replaced with the following: “<i>Article No. 78. (1) Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</i></p> <p><i>(a) on a show of hands, every member present in person shall have one vote;</i></p> <p><i>and</i></p> <p><i>(b) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the company.</i></p> <p><i>(2)A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.”</i></p>
50	Votes of lunatic etc.	<p><u>Article No. 82 (Amendment)</u></p> <p>Article No. 82 shall be replaced with the following: “<i>Article No. 82. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.”</i></p>
51	Forms of Proxy	<p><u>Article No. 87 (Amendment)</u></p> <p>Article No. 87 shall be replaced with the following: “<i>Article No. 87. An instrument appointing a proxy shall be in the form as prescribed in the Rules made under Section 105 of the Act.”</i></p>
52	Validity of votes given by proxy	<p><u>Article No. 87 A (insertion of a new Article)</u></p> <p>The following Article shall be inserted as a new Article immediately after Article No. 87: “<i>Article No. 87 A. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</i></p> <p><i>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.”</i></p>
53	Remuneration of Directors	<p><u>Article No. 92 (Amendment)</u></p> <p>The words ‘the Companies Act, 1956’ shall be replaced with “<i>the Act</i>”.</p>
54	Disqualification of directors	<p><u>Article No. 93 (Amendment)</u></p> <p>Article No. 93 shall be replaced with the following: “<i>Article No. 93. A person shall not be eligible for appointment as a director of the Bank, if —</i></p> <p><i>(a) he is of unsound mind and stands so declared by a competent court;</i></p> <p><i>(b) he is an undischarged insolvent;</i></p> <p><i>(c) he has applied to be adjudicated as an insolvent and his application is pending;</i></p> <p><i>(d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:</i></p> <p><i>Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not</i></p>

Item No.	Heading	Proposed amendment (The entire set of Articles of Association after giving effect to all the amendments proposed is given in the explanatory statement)
		<p><i>be eligible to be appointed as a director in any company;</i> <i>(e) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;</i> <i>(f) he has not paid any calls in respect of any shares of the Bank held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;</i> <i>(g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or</i> <i>(h) he has not been allotted a Director Identification Number.</i> <i>(2) If he is already a director of a company which—</i> <i>(a) has not filed financial statements or annual returns for any continuous period of three financial years; or</i> <i>(b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of the Bank for a period of five years from the date on which the said company fails to do so.”</i></p>
55	Vacancy created how	<p><u>Article No. 95 (Amendment)</u></p> <p>Article No. 95 shall be replaced with the following: “Article No. 95. “The office of a director shall become vacant in case— <i>(a) he incurs any of the disqualifications specified in Article No. 93;</i> <i>(b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;</i> <i>(c) he acts in contravention of the provisions of section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;</i> <i>(d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;</i> <i>(e) he becomes disqualified by an order of a court or the Tribunal;</i> <i>(f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months:</i> <i>Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;</i> <i>(g) he is removed in pursuance of the provisions of this Act”</i></p>
56	Being a director not a disqualification to enter into contracts with the Bank	<p><u>Article No. 96 (Amendment)</u></p> <p>Article No. 96 shall be replaced with the following: “Article No. 96. Subject to the provisions of Sections 184 and 188 of the Act, no Director shall be disqualified by his office from entering into or being directly or indirectly concerned or interested in any contract with the Bank.”</p>
57	Retiring directors when automatically re-elected	<p><u>Article No. 101 (Amendment)</u></p> <p>The words ‘Section 256 (4)(b)’ shall be replaced with “Section 152(7)(b)”.</p>
58	Bank’s right to increase or reduce the number of directors	<p><u>Article No. 102 (Amendment)</u></p> <p>The words ‘Sections 252, 255, 258 and 259’ shall be replaced with “Sections 149 and 152”.</p>

Item No.	Heading	Proposed amendment (The entire set of Articles of Association after giving effect to all the amendments proposed is given in the explanatory statement)
59	Powers of the Board	<u>Article No. 105 (Amendment)</u> The words 'the Companies Act of 1956' shall be replaced with " <i>the Act</i> ".
60	Express powers of the Board	<u>Article No. 106 (Amendment)</u> The words 'Sections 292 and 293 of the Companies Act, 1956' appearing in the main clause shall be replaced with " <i>Sections 179 and 180 of the Act</i> " and the words Sections 293 (1)(e) of the Companies Act, 1956" appearing in sub-clause '(o)' shall be replaced with " <i>Section 181 of the Act</i> "
61	Chairman and Chief Executive	<u>Article No. 110 (Amendment)</u> The words 'the Companies Act, 1956' appearing in sub-clause '(i)' shall be replaced with " <i>the Act</i> ". The words 'Section 309 and other applicable provisions of the Companies Act, 1956' appearing in sub-clause '(iii)' shall be replaced with " <i>Section 197 and other applicable provisions of the Act</i> ".
62	Resolution by circulation	<u>Article No. 112 (Amendment)</u> The words "Section 292 of the Companies Act, 1956" and "Section 289 of the Companies Act, 1956" shall be replaced with " <i>Section 179 of the Act</i> " and " <i>Section 175 of the Act</i> " respectively.
63	Committees	<u>Article No. 113 (Amendment)</u> The words 'Sections 292 of the Companies Act, 1956' shall be replaced with " <i>Sections 179 of the Act</i> "
64	Supercession of the Board	<u>Article No. 114 A (insertion of a new Article)</u> The following Article shall be inserted as a new Article immediately after Article No. 114 A: " <i>Article No. 114 A. Reserve Bank of India shall have power to supercede the Board of Directors of the Bank or a total period not exceeding twelve months under such circumstances and in such manner and to administer the Bank in such manner, as provided in Section 36ACA of Banking Regulation Act, 1949.</i> "
65	Chapter XIX	Chapter XIX shall be re-titled as 'KEY MANAGERIAL PERSONS'
66	Key Managerial persons	<u>Article No. 116 (Amendment)</u> Article No. 116 shall be replaced with the following: " <i>Article No. 116. Subject to the provisions of the Act, Article No. 110 and the Banking Regulation Act, 1949 and applicable RBI Guidelines—</i> <i>(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</i> <i>(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</i> "

Item No.	Heading	Proposed amendment (The entire set of Articles of Association after giving effect to all the amendments proposed is given in the explanatory statement)
67	Exclusivity of the actions of key managerial persons	<p><u>Article No. 117 (Amendment)</u></p> <p>Article No. 117 shall be replaced with the following: “<i>Article No. 117. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</i>”</p>
68	Right to set off dividend against dues	<p><u>Article No. 123 (Amendment)</u></p> <p>The words “or on account of any other matter whatsoever” appearing in the end shall be deleted.</p>
69	Unclaimed dividends – transfer to IEPF	<p><u>Article No. 126 (Amendment)</u></p> <p>Article No. 126 shall be replaced with the following: “<i>Article No. 126. Any money transferred by the Bank to the unpaid dividend account pursuant to Section 124 of the Act and which remains unpaid or unclaimed for a period of seven years shall be transferred by the Bank to the fund established by the Central Government under Section 125 of the Act. Further, there will be no forfeiture of unclaimed dividends before the claim becomes barred by law.</i>”</p>
70	Buy back of securities	<p><u>Article No. 132 A (insertion of a new Article)</u></p> <p>The following Article shall be inserted as a new Article immediately after Article No. 132: “<i>Article No. 132 A. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Bank may purchase its own shares or other specified securities.</i>”</p>
71	Auditors	<p><u>Article No. 134 (Amendment)</u></p> <p>The words “provisions of the Companies Act, 1956” shall be replaced with “<i>provisions of the Act</i>”</p>
72	Reopening of accounts	<p><u>Article No. 135 (Amendment)</u></p> <p>Article No. 135 shall be replaced with the following: “<i>Article No. 135. Every financial statement or the report of the Board of Directors when audited or approved by a General Meeting shall be conclusive except as regards any error discovered therein within 3 months next after the approval thereof. Whenever any such error is discovered within that period the accounts shall forthwith be corrected and thenceforth shall be conclusive. However, subject to the provisions of Sections 130 and 131 of the Act, the financial statements may re-opened or revised as prescribed.</i>”</p>
73	Indemnity to directors and other officers	<p><u>Article No. 136 (Amendment)</u></p> <p>Article No. 136 shall be replaced with the following: “<i>Article No. 136. Subject to the applicable provisions of the Act, every Director, Secretary, Key Managerial Persons, Agent, Auditor and other officer or servant of the Bank shall be indemnified by the Bank from all losses and expenses incurred by him respectively in or about the discharge of his respective duties except those arising out of his willful acts or defaults.</i>”</p>

Item No.	Heading	Proposed amendment (The entire set of Articles of Association after giving effect to all the amendments proposed is given in the explanatory statement)
74	Directors' and officers' protection in certain cases	<p><u>Article No. 137 (Amendment)</u></p> <p>Article No. 137 shall be replaced with the following: “<i>Article No. 137. Subject to the applicable provisions of the Act, no Director or officer shall be held liable for joining in any receipt or other act for conformity’s sake or for any loss or expense happening to the Bank by the insufficiency or deficiency of title to any property acquired by other of the Directors for, or on behalf of the Bank or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Bank shall be invested or for any loss or damage arising from the Bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any other loss, damage or misfortune whatsoever which shall happen in the execution of his respective office or in relation thereto unless the same shall happen through his own willful act or default. The Bank may also take insurance cover for protecting its directors and officers.</i>”</p>
75	Notice, when deemed to be served	<p><u>Article No. 141 (Amendment)</u></p> <p>The words “provisions of Companies Act, 1956” shall be replaced with “<i>provisions of the Act</i>”</p>

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

“RESOLVED THAT pursuant to the recommendation of the Board of Directors of the company and Article 131 of the Articles of Association of the Bank and Section 63 and other applicable provisions of the Companies Act, 2013, read with Rule 14 of the Companies (Share Capital & Debentures) Rules, 2014, Banking Regulation Act, 1949 as may be applicable (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other permissions/consents as may be required pursuant to any agreement/law, the Board of Directors of the Company be and is hereby authorised to issue bonus shares to the equity shareholders of the Bank in the ratio of five hundred (500) equity shares of ` 10/- each credited as fully paid up for every one fully paid up equity share held by them on the record date to be fixed by the Board, by capitalizing an amount not exceeding ` 142,22,70,000/- (Rupees one hundred and forty two crore twenty two lakh seventy thousand only) standing to the credit of Capital Reserve Account and General Reserve Account and that accordingly a sum of ` 10,92,73,401/- from the Capital Reserve Account and ` 131,29,96,599/- from the General Reserve Account be transferred to share capital and be set free for distribution as a capital bonus and that accordingly it is hereby declared that a sum of ` 142,22,70,000/- (Rupees one hundred and forty two crore twenty two lakh seventy thousand only) be applied for paying up 14,22,27,000 (fourteen crore twenty two lakh twenty seven thousand only) equity shares of ` 10/- each of the Bank to the Members who on the date decided by the Board, are registered holders of the then existing shares of ` 10/- each (Rupees ten only) of the Bank.

“RESOLVED FURTHER THAT the said equity shares to be issued as fully paid up bonus shares are subject to the Memorandum and Articles of Association of the Bank and shall rank *pari-passu* in all respects with the existing issued and subscribed shares of the Bank.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised 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.”

8. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments, modifications or re-enactment thereof, for the time being in force) (the “Companies Act, 2013”) and the rules made thereunder, the Banking Regulation Act, 1949, the relevant provisions of the Companies Act, 1956, to the extent that such provisions have not been superseded by the Companies Act, 2013 or repealed (the “Companies Act, 1956”), the Securities Contracts (Regulation) Act, 1956, as amended (“SCRA”), and the rules framed thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“SEBI ICDR Regulations”), other applicable laws, rules, regulations, policies or guidelines, including the rules, regulations, guidelines, notifications and circulars, if any, prescribed by the Government of India, the Reserve Bank of India (“RBI”), the Foreign Investment Promotion Board (“FIPB”), Securities and Exchange Board of India (“SEBI”) or any other competent authority (collectively, the “Regulatory Authorities”), from time to time, to the extent applicable, including enabling provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement to be entered into with each of the stock exchanges, where the equity shares of Tamilnad Mercantile Bank Limited (the “Company”) are proposed to be listed (the “Listing Regulations”) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to approvals, consents, permissions and sanctions as might be required from the Regulatory Authorities and other third parties, and subject to such conditions as might be prescribed by them while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include an IPO Committee or any other Committee of the Board), consent of the members of the Company be and is hereby granted for an initial public offering of the equity shares of the Company, and the Board be and is hereby authorized to create, offer, issue and allot equity shares of the face value of ₹ 10 (Rupees Ten only) (the "Equity Shares") each for an aggregate amount of upto ₹ 500 Crores (Rupees five hundred crore only) by way of a fresh issuance of Equity Shares but not exceeding 25% of the post-issue paid-up capital of the Company, out of the authorized share capital of the Company, and the Board is authorized to provide for an offer for sale by the existing shareholders of the Company, at its discretion, of such number of Equity Shares or up to such amount as the Board may decide (provided that such number of additional Equity Shares to the extent of up to 10% of the offer to the public may be issued and allotted and / or transferred, as the case may be, as may be required for the purposes of rounding off, including the issue and allotment of Equity Shares to the stabilizing agent pursuant to the green shoe option, if any, in terms of the SEBI ICDR Regulations), to such person or persons, who may or may not be the members of the Company and as the Board may, at its sole discretion, decide in consultation with the Book Running Lead Managers (“BRLMs”), so appointed including foreign/ resident investors, eligible Foreign Institutional Investors (“FIIs”), Foreign Portfolio Investors (“FPIs”), sub accounts of eligible FIIs/FPIs, Foreign Venture Capital Investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, qualified institutional buyers, eligible employees of the Company, retail investors, bodies corporate, any other company/companies, private or public or other body corporate(s) or entities whether incorporated or not, and such other persons in one or more combinations thereof, and/ or any other categories of investors, including anchor investors, as defined under the SEBI ICDR Regulations (“Anchor Investors”) (“Initial Public Offer”), which shall include, reservation of a certain number of Equity Shares for any category or categories of persons as permitted under applicable laws, including, without limitation, eligible employees, customers and shareholders (the "Reservation"), the price including the premium to be determined through the book building process, in one or more tranches and in the manner, and on the terms and conditions as the Board may, in its absolute sole discretion, decide, in consultation with the BRLMs, whether the price at which the Equity Shares are to be issued, at par or at premium and whether for cash or other consideration, including discount for any category of investors, as permitted under the applicable laws, and the decision to determine the category or categories of investors to whom the offer, issue and allotment/ transfer shall be made to the exclusion of all other categories of investors on such terms and conditions as may be finalized by the Board, in consultation with the BRLMs, and that the Board may finalize all matters incidental thereto as it may in its absolute discretion think fit and to list the equity shares on the stock exchanges as may be decided by the Board from time to time.

RESOLVED FURTHER THAT in accordance with the provisions of section 62(1)(c), section 42 and any other applicable provisions, if any, of the Companies Act, 2013, including the rules framed thereunder, relevant provisions of the Companies Act, 1956 and subject to such further corporate and other approvals as may be required, the Board or a committee thereof be and is hereby in- principally authorized, on behalf of the Company, to allot such number of Equity Shares as may be decided by it, to certain investors prior to the filing of the red herring prospectus with **SEBI (“Pre-IPO Placement”)**, at such price as the Board may, in consultation with the BRLMs, determine in light of the then prevailing market conditions in accordance with the Companies Act 2013, the Companies Act, 1956, the SEBI ICDR Regulations and other applicable laws, regulations, policies or guidelines, and do all such other acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion deem fit and including without limitation, negotiate, finalize and execute any document or agreement, including without limitation any private placement offer letters, placement agreement, term sheet and such other documents or any amendments or supplements thereto and to open any bank account for the purpose if required, and to open any shares or securities account or escrow or custodian accounts as may be required in connection therewith and generally to do all such acts, deeds, matters and things in relation to all matters incidental to the Pre-IPO Placement or in relation to the foregoing and to settle any question, difficulty, or doubt that may arise with regard thereto or in relation to the foregoing. In the event of the consummation of the Pre-IPO Placement, the size of the Initial Public Offer would be reduced to the extent of Equity Shares issued under the Pre-IPO Placement;

RESOLVED FURTHER THAT at its discretion the Board, or any of the Directors, any member of the duly authorized committee, are severally authorized to invite the existing shareholders of the Company to participate in the Initial Public Offer, by making an offer for sale in relation to such number of Equity Shares as held by them, and which are eligible for offer for sale in accordance with the SEBI ICDR Regulations, subject to such conditions as may be prescribed, and in this regard the IPO Committee is authorized to finalize the size and terms and conditions of the offer for sale and the participation of the selling shareholders in the offer for sale, subject to the applicable law, and do all such other acts, deeds, matters and things as the Board may from time to time in its absolute discretion may deem fit, and including without limitation, negotiate, finalize and execute any document or agreement or filings as may be required, obtain consent, approval from any Regulatory Authority, open any shares or securities account or escrow or custodian accounts as may be required and generally to do all such acts, deeds, matters and things in relation to all matters incidental to the offer for sale or in relation to the foregoing and to settle any question, difficulty, or doubt that may arise with regard thereto or in relation to the foregoing.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make available for allocation a portion of the Initial Public Offer to any category or categories of persons as permitted under the SEBI ICDR Regulations, including without limitation, eligible employees, customers and/ or shareholders of the Company at such price or discount as the Board at its discretion deems fit in accordance with the SEBI ICDR Regulations ("Reservation") or other applicable laws, regulations, policies or guidelines; and to take any and all action in connection with any Reservation as the Board may think fit or proper in its absolute discretion, including without limitation, negotiate, finalize and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, think necessary, proper, or desirable; and settle any question, difficulty or doubt that may arise with regard to or in relation to the foregoing;

RESOLVED FURTHER THAT the Board be and is hereby authorized to determine the portion allocable to Anchor Investors and allocate such number of equity shares to various Anchor Investors in accordance with the SEBI ICDR Regulations;

RESOLVED FURTHER THAT the Board be and is hereby authorized to make any alteration, addition or variation in relation to the Initial Public Offer, in consultation with the BRLMs or SEBI or such other authorities as may be required and without prejudice to the generality of the aforesaid, decide the exact Issue structure and the exact component of the issue structure;

RESOLVED FURTHER THAT subject to compliance of all applicable provisions of the Companies Act, 2013, the applicable provisions of the Companies Act, 1956, the Foreign Exchange Management Act, 2000 (“FEMA”) and the rules, circulars and guidelines issued there under from time to time, including the Foreign Exchange Management (Transfer or Issue of Security to a person resident outside India) Regulations, 2000, as amended, the Consolidated FDI Policy Circular of 2014, as amended, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, from time to time (“FDI Policy”), Securities Contracts (Regulation) Act, 1956 (“SCRA”), the SEBI ICDR Regulations, the regulations, guidelines, circulars issued by the Reserve Bank of India, the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015, the Listing Agreement to be entered into by the Company with the stock exchanges upon listing and any other applicable provisions of law if any, the Board, any of the Directors, any member of the duly authorized committee, Shri H. S. Upendra Kamarth, Managing Director & CEO, Shri M. Gunasekaran, General Manager and Shri Deepak C. S., Company Secretary are severally authorised, on behalf of the Company to make necessary applications, letters, filings to any Regulatory Authority, including the Reserve Bank of India, Foreign Investment Promotion Board, as may be required for the purpose of the Initial Public Offer;

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares pursuant to the Initial Public Offer, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of terms and conditions for issuance of the Equity Shares including the number of Equity Shares that may be offered and proportion thereof, timing for issuance of such Equity Shares and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and executing arrangements for managing, underwriting, marketing, listing, trading and providing legal advice as well as acting as depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s), including but not limited to draft red herring prospectus, prospectus and/or offer documents and agreements including filing of registration statements, prospectus and other documents (in draft or final form) with any Indian or foreign regulatory authority or stock exchanges and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Equity Shares pursuant to the Initial Public Offer and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, appointment of intermediaries, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT all the acts, deed, things and matters that have already been undertaken by the Board (including a Committee thereof) or Managing Director or any authorized official of the Company for the purpose of giving effect to any proposed offer, issue or allotment of Equity Shares pursuant to the Initial Public Offer, be and are hereby ratified by the Company;

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares pursuant to the Initial Public Offer, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Equity Shares on one or more stock exchanges in India;

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers herein conferred to any Committee or any one or more executives of the Company;

RESOLVED FURTHER THAT the Equity Shares to be issued by the Company as stated aforesaid shall rank *pari passu* with all existing Equity Shares of the Company in all respects including payment of dividend that may be declared hereafter;

RESOLVED FURTHER THAT Shri Deepak C. S., Company Secretary is hereby appointed as the Compliance Officer in accordance with Regulation 63 of the SEBI ICDR Regulations, SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 and other applicable laws and regulations, framed by SEBI or stock exchanges, for the time being in force, who shall be responsible for monitoring the compliance of the Company with securities laws (the SEBI Act, 1992 the SCRA, the Depositories Act, 1996 and any other rules and regulations made thereunder and the regulations, general or special orders, guidelines or circulars made or issued by the SEBI) and for redressal of investors' grievances;

RESOLVED FURTHER THAT the Board is hereby authorized to form any Committee and is hereby authorized to do all such acts, deeds, matters and things and execute all such other documents, etc. as it may deem fit in its absolute discretion, in order to give effect to the above resolutions in relation to the Initial Public Offering."

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

"RESOLVED THAT in supersession of the resolution passed by the Members of the Bank at their 74th Annual General Meeting held on December 19, 1996, the approval under the provisions of section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 be and is hereby accorded to the borrowings by the Bank from time to time, subject to any restriction imposed by the terms of the agreements as may have been entered into or may be entered into from time to time for grant of any assistance to the Bank, of all moneys deemed by them to be required or proper for the purpose of carrying on business of the Bank; provided however, that the total amount of such borrowings outstanding at any time shall not exceed ` 1,000 crore (Rupees one thousand crore), notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Bank (apart from temporary loans, if any, obtained from the Bankers of the Bank in the ordinary course of business) exceeds the aggregate of the paid up capital of the Bank and its free reserves."

By order of the Board of Directors
For Tamilnad Mercantile Bank Limited

Thoothukudi
December 20, 2015

Deepak C S
Company Secretary

NOTES:

1. Pursuant to an Order of Injunction granted by the Hon'ble High Court of Madras, Chennai on April 28, 2011 in a Writ Petition No. 11159 of 2011 filed by one Shri M. Sundararaj, a shareholder of the Bank, praying for directions to RBI to amend its order relating to acknowledgment of shareholding of a group of shareholders of the Bank, the Bank has not been able to hold the Annual General Meetings for the years 2010 to 2015 (88th AGM to 93rd AGM).

The Hon'ble Court, recently, vide an order dated November 26, 2015 was pleased to allow the conduct of all the pending Annual General Meetings, subject to the terms and conditions mentioned in the order. This annual general meeting along with the other five annual general meetings is being held on the same day, in pursuance of the said order of the Hon'ble High Court of Madras.

2. The Companies Act, 2013 came into effect from April 1, 2014 and the Annual General Meeting (AGM) is being convened and will be conducted as per the provisions of the said Act.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. The instrument of proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Bank not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent of the total share capital of the Company.
4. The Statement pursuant to Section 102 (1) of the Companies Act, 2013 is annexed in respect of Item Nos. 2 to 9.
5. The Register of Members and Share Transfer Books of the Bank will remain closed from Saturday, January 23, 2016 to Friday, January 29, 2016 (both days inclusive) for the purpose of the AGM.
6. In terms of the RBI circular DBOD.No.BC.104/08.139.001/2003-04 dated June 25, 2004 any person proposed to be appointed as a Director on the Board should submit a declaration in the prescribed format (copy enclosed) in order to enable the Bank to undertake the process of due diligence to determine the suitability of the person for appointment as a Director on the Board. The said declaration form should be submitted at the time of submission of notice under Section 160 of Companies Act, 2013 together with an amount of ₹ 1 lakh drawn in the favour of the Bank at least 14 days before the date of the meeting at the Registered Office of the Bank. The Members may note that any notice deposited under Section 160 without accompanying the above declaration form shall be treated as invalid. Based on the information provided in the declaration and diligence conducted by the Bank, the 'Fit and Proper' status of the candidate will be determined by the Nomination Committee of the Board or the Board of Directors. All the persons proposing to be appointed as directors are also required to give their respective consents in form DIR-2 of Companies (Appointment and Qualification of Directors), Rules, 2014 under Section 152(5) of Companies Act, 2013 and declaration in DIR-8 of the said Rules confirming that they are not disqualified to act as directors under Section 164(2) of Companies Act, 2013.
7. All documents referred to in the Notice and Statement will be available for inspection during business hours at the Registered Office of the Bank on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the AGM.
8. In terms of the provisions of Section 205 C (1) of the Companies Act, 1956 (Section 125 of Companies Act, 2013) the unpaid dividends for the years 1994-95, 1995-96, 1996-97 to 2002-03, 2003-04, 2004-05 and 2005-06 to 2006-07 have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government and no claims shall lie against the Bank in respect of those dividends.
9. In terms of the order passed by the Hon'ble High Court of Madras on November 26, 2015 in Writ Petition No. 11159 of 2011, Hon'ble Shri Justice R. Balasubramanian (retired), has been appointed as the Chairman of the AGM.
10. Only registered Members carrying their attendance slips and holders of valid proxy forms registered with the Bank are permitted to attend the meeting and they are advised to bring the Annual Report sent to them.
11. Members may please note that, a copy of the PAN card and address proof of the transferee shall be submitted with the transfer deed for registering transfer of physical shares.
12. Members may please note that there is a facility for nomination in prescribed form (Form No. SH-13), which is also available on the website of the Bank – www.tmb.in, of any person to whom shares in the Bank held by such member shall vest in the event of his / her death.

13. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible.
14. Electronic copy of the Annual Report for 2015 is being sent to all the Members whose email IDs are registered with the Bank for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copy of the Annual Report for 2015 is being sent in the permitted mode.
15. Electronic copy of the Notice of the 93rd Annual General Meeting of the Bank, *inter alia*, indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Bank for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copy of the Notice of the 93rd Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
16. Members may note that the Notice of the 93rd Annual General Meeting and the Annual Report for 2015 will also be available on the Bank's website: www.tmb.in for downloading. The physical copies of the said documents will also be available at the Company's Registered Office in Thoothukudi for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: secretarial@tmbank.in or shareholders@tmbank.in.
17. With a view to be able to respond to the queries of the members of the Bank, members are requested to send the same to the Bank at its registered address or by email at shareholders@tmbank.in at least four days before the date of the AGM.
18. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, the Bank is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). The instructions for e-voting are given at the end in a separate page as 'Electronic voting – General instructions'. **Members may take particular note of Clause No. 9 of the said instructions, regarding the restricted voting rights of certain shareholders.**
19. **The proxy form contains reference to the resolutions currently included in the notice. No nominations from candidates proposed to be elected as directors for the ten vacancies that will be created were received till the date of issue of this notice. Nominations can be given by the proposed candidates upto 14 days before the date of the meeting. Therefore, this notice will be deemed to stand amended by the inclusion of the resolutions relating to such nominations or other resolutions, if any, to be circulated by members pursuant to the provisions of Section 111 of companies Act, 2013. Notices shall be given to members in respect of the resolutions to be included as above, in the prescribed manner. The proxy form, after inclusion of the resolutions as above, shall be made available to members on request at that time. The modified proxy form shall also be placed on the website – www.tmb.in, of the bank. In case a member wishes to exercise his option of indicating the manner in which the proxy is required to cast his votes in respect of all the resolutions to be considered at the 93rd AGM, he may use the modified proxy form to be made available as mentioned above immediately before 7 days of the meeting. Otherwise the proxy form now attached to the notice can be used, which is equally valid.**

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013:

General

Out of the Board strength of 11 Directors, there are ten Directors at present including the Managing Director & CEO. One of the Directors vacated office in September 2015 in terms of Section 167(1)(b) of Companies Act, 2013. There are two nominee directors of Reserve Bank of India (RBI) also on the Board.

The tenure of all the nine Non-Executive Directors would come to an end at the commencement of the Annual General Meetings. As per the requirements of Section 160 of Companies Act, 2013, at least one-third of the directors appointed at a particular Annual General Meeting are required to retire at every Annual General Meeting. That would lead to a situation where the directors elected at the 88th Annual General Meeting would have to retire at the 91st Annual General Meeting and the directors elected at the 89th Annual General Meeting would have to retire 92nd Annual General Meeting and so on. Resultantly, certain directors would have to retire on the same day of their appointment as all the six AGMs were being held on the same day. Further, it would not be possible for the Bank to send the notices of the Annual General Meetings to the Members 21 clear days before the meeting, without knowing the names of the persons being elected and consequently getting retired, both events happening on a future date. On a previous occasion, i.e. when 7 Annual General Meetings of the Bank were held together on March 12, 2004 pursuant to the Hon'ble Company Law Board's order dated August 14, 2003 in CP No. 15 of 2003, a specific permission had been granted for taking up the retirement and appointment of directors only at the 7th AGM and the election of directors was conducted accordingly. Similarly, this time too the election of directors is being taken up at this AGM, being the last of the six AGMs being conducted together.

No nominations have been received by the Bank either from the sitting directors or from other persons till date. The candidatures can be proposed upto 14 days before the date of the meeting. A separate notice shall be sent to the Members after receipt of nominations in the prescribed manner in due course.

The composition of the Board to be compliant with the provisions of the Act would require appointment of Independent Directors and a woman Director. Considering the present Board strength of 11 directors, the Bank is required to appoint a minimum of 2 Independent Directors. Further, once the Bank's shares are listed with the stock exchanges, the Bank will also be required to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As the Chairman of the Bank is expected to be part time non-executive in nature, the Bank would be required to appoint at least 4 independent Directors

Further the Bank is also required to comply with the requirements of Section 10 A (2) of Banking Regulation Act, 1949 which requires that:

Section 10 A (2): Not less than fifty-one per cent, of the total number of Members of the Board of directors of a Banking company shall consist of persons, who— (a) shall have special knowledge or practical experience in respect of one or more of the following matters, namely:—

- (i) accountancy,*
 - (ii) agriculture and rural economy,*
 - (iii) Banking,*
 - (iv) co-operation,*
 - (v) economics,*
 - (vi) finance,*
 - (vii) law,*
 - (viii) small-scale industry,*
 - (ix) any other matter the special knowledge of, and practical experience in, which would, in the opinion of the Reserve Bank, be useful to the Banking company:*
- Provided** that out of the aforesaid number of directors, not less than two shall be persons having special knowledge or practical experience in respect of agriculture and rural economy, co-operation or small-scale industry; and

(b) shall not—

(1) have substantial interest in, or be connected with, whether as employee, manager or managing agent,—

(i) any company, not being a company registered under section 25 of the Companies Act, 1956 (1 of 1956), or

(ii) any firm,

which carries on any trade, commerce or industry and which, in either case, is not a small-scale industrial concern, or

(2) be proprietors of any trading, commercial or industrial concern, not being a small-scale industrial concern.

Further the directors are also required to meet the 'fit and proper' criteria as laid down in RBI circular DBOD.No.BC.104/08.139.001/2003-04 dated June 25, 2004 and are required to submit a declaration in the prescribed format in order to enable the Bank to undertake the process of due diligence to determine the suitability of the person for appointment as a director on the Board.

All the persons proposing to be appointed as directors are required to give their respective consents in form DIR-2 of Companies (Appointment and Qualification of Directors), Rules, 2014 under Section 152(5) of Companies Act, 2013 and declaration in DIR-8 of the said Rules confirming that they are not disqualified to act as directors under Section 164(2) of Companies Act, 2013. They are also required to deposit a Notice under Section 160 of the Companies Act, 2013 along with requisite deposit of ` 1 lakh with the Registered Office of the Bank.

As per Section 10A(2-A) (i) of the Banking Regulation Act, 1949, no director (other than the Chairman, managing or whole – time director) of a Banking company can continuously hold office for a period exceeding 8 years from the date of appointment.

Those proposing to be appointed, as Independent Director has to additionally declare to the effect that he/she meets the criteria of independence as provided in Section 149(6) of Companies Act, 2013.

It is pertinent to note that out of the 10 vacancies that would be created, at least five Directors have to be from the sectors referred to in Section 10 A (2) of Banking Regulation Act, 1949 and one of them should be a woman director and four should be independent directors. All these requirements need not be mutually exclusive, i.e. the five from the majority sector can include the four independent and a woman.

The Nomination Committee of the Board or the Board of Directors shall keeping in mind the requirements of the aforesaid RBI circular, composition of the Board as per the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the diligence conducted by the Bank on the candidates undertake a process of assessment of 'Fit and Proper' criteria of the persons proposing to be appointed as Directors.

The Bank shall then notify the names of candidates to the shareholders.

Item No. 2

Pursuant to the approval of the Board of Directors of the Bank, an application has been made to Reserve Bank of India seeking its approval for the appointment of M/s. Maharaj N R Suresh and Co., Chartered Accountants, Chennai as the Central Statutory Auditors of the Bank for the year 2015-16.

The proposed firm of auditors meets the eligibility requirements laid down in Section 141 of Companies Act, 2013 and the related Rules.

The proposed resolution is for appointing the aforesaid firm as the Statutory Central Auditors of the Bank for the year 2015-16. A total remuneration of ` 16.00 lakh and other out of pocket expenses for undertaking the audit including limited reviews for the quarters within the year, is proposed to be paid.

Since in the case of Banking companies, specific approval of Reserve Bank of India is required to be taken for appointment of auditors every year in terms of the provisions of Section 30(1A) of Banking Regulation Act, 1949 and the maximum period prescribed by RBI for a firm of auditors to undertake audit of a Banking company is only four years, a proposal recommending appointment of the auditors for a continuous period of five years as required under Section 139(1) of Companies Act, 2013, is not placed.

Accordingly, the Board recommends the resolution as set out under Item No. 2 of the Notice for approval of the Members.

None of the Directors, Key managerial persons or their relatives is concerned or interested in the said resolution..

Item No. 3

As per the provisions of Section 143 of Companies Act, 2013, Branch offices of the Bank have to be audited by the Statutory Auditors or by other qualified auditors. The Bank is likely to have 480 branches as on March 31, 2016 including branches in Metropolitan cities. Since it is physically not practical for the Statutory Auditors to audit all the Branches which may result in some delay in the finalization of accounts, the Board of Directors considered it expedient to appoint separate Branch Auditors in consultation with the Statutory Central Auditors, to audit branches which were not audited by Statutory Central Auditors so that the work could be done expeditiously. The approval of RBI is awaited.

Section 143(8) of Companies Act, 2013, requires approval of the shareholders of the Bank by way of an ordinary resolution for appointing Branch Auditors and fixing their remuneration. The proposed ordinary resolution is for seeking the approval of the Members for appointment of 202 numbers branch auditors as per the list, available at the register office for inspection.

Accordingly, the Board recommends the resolution as set out under Item No.3 of the Notice for approval of the Members.

None of the Directors, Key managerial persons or their relatives is concerned or interested in the said resolution.

Item No. 4

Shri H. S. Upendra Kamath took charge as Managing Director and CEO of the Bank as appointed by the Reserve Bank of India in accordance with Section 10B and 35 B of the Banking Regulation Act, 1956 for a period of three years from July 9, 2014 on such terms and conditions as conveyed to the Bank vide Reserve Bank of India Letter DBOD. 19563/ 08.55.001/ 2013-2014 dated June 4, 2014. The Members may note that a resolution regarding the appointment and payment of remuneration of Shri Upendra Kamath is part of the agenda of the 92nd Annual General Meeting, scheduled to be held alongwith this Annual General Meeting.

Subsequently, the Board revised the terms of remuneration payable to the Managing Director and CEO in respect of medical facilities as *'full reimbursement of the actual medical expenses incurred by the MD & CEO and his spouse, irrespective of whether the expenses were casual medical expenses or expenses for domiciliary treatment or hospitalization'*, and was later approved by RBI vide letter No. DBR. Appt. No. 9303/08.55.001/2014-15 dated December 24, 2014. The said approval of RBI was taken note of by the Board in its meeting held on January 9, 2015.

In the proposed resolution, the proposal relating to revision in the medical facilities available to Shri Upendra Kamath, pursuant to the specific approval granted by RBI, is sought to be approved.

Accordingly, the Board recommends the resolution as set out under Item no.4 of the Notice for approval of the Members.

None of the Directors, Key managerial persons or their relatives of the Bank except Shri H. S. Upendra Kamath himself and his relatives, is concerned or interested in the said resolution.

Item No. 5

The present authorized share capital of the Bank is ` 10,00,00,000 (Rupees ten crore) divided into 1,00,00,000 (One crore) equity shares of ` 10/- each. In order to enable the Bank to issue further shares as and when required, it is proposed to increase the authorized share capital of the Bank to ` 500,00,00,000 (Rupees five hundred crore) comprising 50,00,00,000 (fifty crore) equity shares of ` 10/- each. The resolution proposed at item No.5 of the notice is for increasing the authorized capital and for making the requisite amendment to the Memorandum of Association of the Bank.

As per the requirements of Section 13 of Companies Act, 2013, approval of Members by way of an ordinary resolution is required for altering the Memorandum of Association. We have received no –objection from RBI as per Section 49C of Banking Regulation Act, 1949, vide Letter No. dated DBR No. PSBD. 7791/16.01.075/2015-16 dated December 14, 2015, for the proposed amendment in the Memorandum of Association.

None of the Directors, Key Managerial Persons or their relatives is concerned or interested in the said resolution.

Item No. 6

Articles of Association of the Bank are proposed to be amended in view of the following reasons:

- (i) For deletion of the Articles that had become obsolete or inconsistent with the present laws,
- (ii) For amending the Articles that pursuant to the amendments made in the Banking Regulation Act, 1949 in January 2013,
- (iii) For insertion of Articles by way of enabling clauses – like for buyback of shares, dematerialization of shares etc.
- (iv) For making necessary amendments to bring the Articles in consonance with Table F of Schedule I of Companies Act, 2013

The rationale for making the proposed amendments is given in the following table:

Item No. (in the order it appears in the resolution)	Article sought to be amended and the rationale for the amendment
1	<u>Article No. 1 (Amendment)</u> 1.To replace the reference to ‘Companies Act, 1956’ with ‘Companies Act, 2013’ 2.To replace the reference to ‘Companies Act, 1956’ with ‘Companies Act, 2013’. 3.To use both the words interchangeably to denote the Bank 4.The define the term ‘Secretary’ used at many places in the Articles 5.To replace the reference to ‘Companies Act, 1956’ with ‘Companies Act, 2013’
2	<u>Article No. 2 (Amendment)</u> To replace the reference to the Regulations appearing in Companies Act, 1956 with the new set of Regulations appearing in Companies Act, 2013
3	<u>Article No. 3 (Amendment)</u> For substituting Article 3 of the Articles of Association with a new general clause relating to share capital without specifying the figures, so that with every change in capital clause in the Memorandum, Articles need not be amended

Item No. (in the order it appears in the resolution)	Article sought to be amended and the rationale for the amendment
4	<u>Article No. 4 (Amendment)</u> This Article is proposed to be inserted defining general power of the Board with regard to control of the share capital as provided in Table F in Schedule I of Companies act, 2013
5	<u>Article No. 7 (Amendment)</u> To give effect to the corresponding provision in Table F
6	<u>Article No. 9 (Amendment)</u> To replace the reference to Companies Act, 1956 with Companies Act, 2013
7	<u>Article No. 10 (Amendment)</u> To replace the reference to the Section in Companies Act, 1956 with the corresponding Section in Companies Act, 2013
8	<u>Article No. 14 (Amendment)</u> <ol style="list-style-type: none"> 1. To replace the reference to the Section in Companies Act, 1956 with the corresponding Section in Companies Act, 2013 2. To give effect to the amendment made in Section 13 of the Banking Regulation Act, 1949 w.e.f. January 18, 2013
9	<u>Article No. 16 (Amendment)</u> To change the time period prescribed for delivery and issue of certificates, as provided in Section 56 of Companies Act, 2013.
10	<u>Article No. 17 (Amendment)</u> To change the amount chargeable on issue of new share certificate as provided in Companies Act, 2013, Rules and Table F
11	<u>Article No. 18 (Amendment)</u> To change the amount chargeable on issue of new share certificate as provided in Companies Act, 2013, Rules and Table F
12	<u>Article No. 19 (Amendment)</u> <ol style="list-style-type: none"> 1. To change the amount chargeable on issue of new share certificate as provided in Companies Act, 2013, Rules and Table F 2. The charging of fee on transfer and transmission is proposed to be done away with to align with the requirements of stock exchanges, as the Bank intends to get its securities listed in due course. A corresponding reference is proposed to be deleted. 3. The Bank does not have a whole time chairman and has a “<i>Managing Director & CEO</i>”. In terms of the requirements of Banking Regulation Act, 1949, in case of presence of a Managing Director, the Bank need not have a whole time chairman, but only a part time chairman. Therefore the reference is redundant and is sought to be deleted.
13	<u>Article No. 20 (Amendment)</u> It is proposed to issue fresh certificates free of cost when it is necessitated by exhaustion of space for endorsement.

Item No. (in the order it appears in the resolution)	Article sought to be amended and the rationale for the amendment
14	<u>Article No. 21 (Amendment)</u> 1. To give effect to the corresponding provision in Table F. 2. This is to give effect to one of the requirements of Securities Contract Regulation Rules, 1957 for a company proposing to get listed on a stock exchange.
15	<u>Article No. 23 (Amendment)</u> To give effect to the corresponding provision in Table F
16	<u>Article No. 27 (Amendment)</u> 1. To give effect to the corresponding provision in Table F 3. This is to give effect to one of the requirements of Securities Contract Regulation Rules, 1957 for a company proposing to get listed on a stock exchange.
17	<u>Deletion of Articles</u> As there is no provision for issue of warrants under Companies Act, 2013, and since the Bank has not issued any warrants under the earlier Act, the Articles have become redundant and are proposed to be deleted.
18	<u>Article No. 34 (Amendment)</u> 1. To give effect to the corresponding provision in Table F and the requirements of Securities Contract Regulation Rules, 1957 2. Has become redundant in view of Sub-clause No. (1) above. 3. To give effect to the corresponding provision in Table F
19	<u>Article No. 43 (Amendment)</u> To give effect to the corresponding provision in Table F
20	<u>Article No. 46A (Amendment)</u> Reserve Bank of India issued <i>Reserve Bank of India (Prior approval for acquisition of shares or voting rights in private sector Banks) Directions, 2015</i> on November 19, 2015 in pursuance of the provisions of Section 12 B of Banking Regulation Act, 1949, requiring shareholders proposing to acquire shares/voting rights of 5% or more. The amendment in Article is proposed to reflect the new regulatory change.
21	<u>Article No. 47 (Amendment)</u> To replace the reference to the Section in Companies Act, 1956 with the corresponding Section in Companies Act, 2013
22	<u>Article No. 48 (Amendment)</u> To replace the reference to the Section in Companies Act, 1956 with the corresponding Section in Companies Act, 2013
23	<u>Article No. 49 A (insertion of a new Article)</u> To include Articles corresponding to the provision of facility of nomination to shareholders and deposit holders

Item No. (in the order it appears in the resolution)	Article sought to be amended and the rationale for the amendment
24	<u>Article No. 50 (Amendment)</u> To give effect to the corresponding provision in Table F
25	<u>Article No. 51 (Amendment)</u> To give effect to the corresponding provision in Table F
26	<u>Article No. 51 A (insertion of a new Article)</u> To give effect to the corresponding provision in Table F
27 to 40	<p>The equity shares of the Bank are presently held in physical form. The Board of Directors of the Bank, taking into consideration the various advantages available under dematerialisation of shares viz., fungibility, administrative convenience, non applicability of stamp duty on transfer, easy transferability etc., felt necessary to dematerialise the Bank's shares held in physical form. The Articles of Association of the Bank is therefore required to be suitably amended so as to incorporate provision enabling such dematerialization.</p> <p>The amendments are for inserting a clause in the Articles of Association of the Bank, to the above effect.</p>
41	<u>Article No. 60 (Amendment)</u> To give effect to corresponding provision in Table F (Annual General Meetings can now be held even on public holidays, provided it is not a national Holiday, for example on a Sunday)
42	<u>Article No. 63 (Amendment)</u> To replace the reference to the Section in Companies Act, 1956 with the corresponding Section in Companies Act, 2013
43	<u>Article No. 67 (Amendment)</u> To replace the reference to the Section in Companies Act, 1956 with the corresponding Section in Companies Act, 2013
44	<u>Article No. 68 (Amendment)</u> The Bank does not have a whole time chairman and has a " <i>Managing Director & CEO</i> ". In terms of the requirements of Banking Regulation Act, 1949, in case of presence of a Managing Director, the Bank need not have a whole time chairman, but only a part time chairman. Therefore the reference is redundant and is sought to be deleted.
45	<u>Article No. 72 (Amendment)</u> The requirement of quorum as per Companies Act, 2013 is different from what was provided in the erstwhile Act. For a company with more than 5000 shareholders, the requirement of quorum is 30.
46	<u>Article No. 73 (Amendment)</u> To give effect to the corresponding provision in Table F
47	<u>Article No. 74 (Amendment)</u> To give effect to the corresponding provision in Table F
48	<u>Article No. 76 (Amendment)</u>

Item No. (in the order it appears in the resolution)	Article sought to be amended and the rationale for the amendment
	Colloquially ‘Tuticorin’ is referred to as “ <i>Thoothukudi</i> ”. Hence it is proposed to change the reference to the city to the familiar name.
49	<u>Article No. 78 (Amendment)</u> To give effect to the corresponding provision in Table F
50	<u>Article No. 82 (Amendment)</u> To give effect to the corresponding provision in Table F
51	<u>Article No. 87 (Amendment)</u> To give effect to the corresponding provision in Table F
52	<u>Article No. 87 A (insertion of a new Article)</u> To give effect to the corresponding provision in Table F
53	<u>Article No. 92 (Amendment)</u> To replace the reference to Companies Act, 1956 with Companies Act, 2013
54	<u>Article No. 93 (Amendment)</u> To replace the reference to the provisions of the Section concerned in Companies Act, 1956 with the provisions of corresponding Section in Companies Act, 2013
55	<u>Article No. 95 (Amendment)</u> To replace the reference to the provisions of the Section concerned in Companies Act, 1956 with the provisions of corresponding Section in Companies Act, 2013
56	<u>Article No. 96 (Amendment)</u> To replace the reference to the Section in Companies Act, 1956 with the corresponding Section in Companies Act, 2013
57	<u>Article No. 101 (Amendment)</u> To replace the reference to the Section in Companies Act, 1956 with the corresponding Section in Companies Act, 2013
58	<u>Article No. 102 (Amendment)</u> To replace the reference to the Section in Companies Act, 1956 with the corresponding Section in Companies Act, 2013
59	<u>Article No. 105 (Amendment)</u> To replace the reference to Companies Act, 1956 with Companies Act, 2013
60	<u>Article No. 106 (Amendment)</u> To replace the reference to the Section in Companies Act, 1956 with the corresponding Section in Companies Act, 2013
61	<u>Article No. 110 (Amendment)</u> To replace the reference to the Section in Companies Act, 1956 with the corresponding Section in Companies Act, 2013

Item No. (in the order it appears in the resolution)	Article sought to be amended and the rationale for the amendment
62	<u>Article No. 112 (Amendment)</u> To replace the reference to the Section in Companies Act, 1956 with the corresponding Section in Companies Act, 2013
63	<u>Article No. 113 (Amendment)</u> To replace the reference to the Section in Companies Act, 1956 with the corresponding Section in Companies Act, 2013
64	<u>Article No. 114 A (insertion of a new Article)</u> To reflect the statutory change brought about by amendment in Banking Regulation Act, 1949, w.e.f. January 18, 2013, <i>inter alia</i> , providing for powers to Reserve Bank of India to supercede Boards of Banks in certain events
65	To indicate a reference to the concept of ‘key managerial persons’ introduced by Companies Act, 2013
66	<u>Article No. 116 (Amendment)</u> To include provisions regarding ‘key managerial persons’
67	<u>Article No. 117 (Amendment)</u> To include provisions regarding ‘key managerial persons’
68	<u>Article No. 123 (Amendment)</u> The words “or on account of any other matter whatsoever” appearing in the end shall be deleted.
69	<u>Article No. 126 (Amendment)</u> To replace the reference to the Section in Companies Act, 1956 with the corresponding Section in Companies Act, 2013
70	<u>Article No. 132 A (insertion of a new Article)</u> To include enabling provisions or buy back of securities
71	<u>Article No. 134 (Amendment)</u> To replace the reference to Companies Act, 1956 with Companies Act, 2013
72	<u>Article No. 135 (Amendment)</u> To include provisions regarding re-opening and revision of financial statements
73	<u>Article No. 136 (Amendment)</u> To make minor modifications in consonance with Table F
74	<u>Article No. 137 (Amendment)</u> To make minor modifications in consonance with Table F
75	<u>Article No. 141 (Amendment)</u> To replace the reference to Companies Act, 1956 with Companies Act, 2013

Item No. (in the order it appears in the resolution)	Article sought to be amended and the rationale for the amendment
	A provision to cover the directors and officers with directors and officers liability insurance is included. Under the general powers of the Board such a policy has already been introduced in the Bank. However this enabling provision is included as abundant compliance.

THE ARTICLES OF ASSOCIATION AFTER INCORPORATING THE AMENDMENTS STAND AS FOLLOWS:

**Articles of Association
of
Tamilnad Mercantile Bank Limited**

I. INTERPRETATION

II.

1. In the interpretation of the Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context and the marginal notes inserted for convenience shall not affect the construction of these Articles:

- i) Wherever reference to “the Act” appears in these regulations, it shall mean the Companies Act, 2013 and the provisions of Companies Act, 1956 which are still in force.
- ii) “The expressions “Bank” or “Company” wherever appearing in these Regulations mean “Tamilnad Mercantile Bank Limited.”
- iii) “Board” means the Board of Directors of the Bank.
- iv) “Capital” means the Capital for the time being raised or authorised to be raised for the purpose of the Bank.
- v) “Chairman” means the Chairman for the time being of the Board.
- vi) “Directors” means the Directors for the time being of the Bank and Secretary means the Company Secretary for the time being of the Bank.”
- vii) “Dividend” includes **interim dividend**.
- viii) “Meeting” means a meeting of the members of the Bank.
- ix) “Members or Shareholders” means the duly registered holders for the time being of the shares of the Bank.
- x) “Month” means a Calendar month.
- xi) “Office” means the Registered Office for the time being of the Bank.
- xii) “Person” includes a Company registered under the Act or any Act repealed thereby and a Statutory Corporation as well as individuals.
- xiii) The “Register of Members” means the Register of Members kept pursuant to the Act.
- xiv) “Seal” means the Common Seal for the time being of the Company.
- xv) “Shares means the shares into which the Capital is divided.
- xvi) Words importing the masculine gender include the feminine gender.
- xvii) Words importing the singular number include the plural number and vice versa.
- xviii) “In writing” and “written” include printing, typewriting and hand writing and other modes of representing or reproducing words in a visible form.
- (xix) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or the Banking Regulation Act, 1949 or any statutory modification thereof in force at the date on which these regulations become binding on the Company.”**

III. PRELIMINARY

IV.

2. The regulations contained in Table F in Schedule I to the Companies Act, 2013, shall apply to this Company except where and to the extent they are expressly or by implication excluded or varied by these Articles.

III. CAPITAL

Capital	3. The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in Clause 5 of the Memorandum of Association of the Company. The Bank will have the power to subdivide, consolidate and increase or decrease and with power, from time to time, to issue any shares of the original capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be thought fit and upon the subdivision of shares, to apportion the right to participate in profits in any manner as between the shares resulting from subdivision
Allotment	4. Subject to the provisions of the Act and these Articles and any other law for the time being in force, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.”

IV. ALTERATION OF SHARE CAPITAL

Increase in Capital	5. The Bank may from time to time by ordinary resolution, increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.
Conditions of issue of new share	6. The new shares may be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct, and if no direction be given, as the Board shall determine.
Increase in capital how carried out	7. Whenever the Capital of the Bank is to be increased by the issue of further shares, then, unless the Bank in General Meeting shall otherwise determine by a special resolution, such further shares shall be offered to the persons who at the date of offer are holders of equity shares of the Bank in proportion as nearly as circumstances admit, to the Capital paid up on those shares at that date and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time, not being less than fifteen days and not exceeding thirty days from the date of offer, within which the offer, if not accepted, will be deemed to have been declined, and after the expiration of such time or on receipt of an intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of the same in such manner as they think most beneficial to the Bank.
	Provided that the person, to whom an offer as aforesaid is made, shall have the right to renounce the shares offered to him or any of them in favour of any other person and the notice referred to above shall contain a statement of this right.
New Capital	8. Except so far as otherwise provided by the conditions of the issue, any Capital raised by the creation of new shares shall be considered as part of the original capital and shall be subject to the same provisions in all respects as if it has been the original capital.
Reduction of Capital	9. Subject to the provisions of the Act, the Bank may by special resolution reduce its Share Capital or any share premium account in such

	manner as may be deemed necessary.
Consolidation and Sub-division	10. The Bank may from time to time by ordinary resolution. (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares, or (b) Sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of Paragraph (d) of sub-section (1) of Section 61 of the Act, or (c) cancel any shares which at the date of passing of the resolution have not been taken or agreed to be taken by any person.

V . SHARES

Acceptance of shares	11. An application signed by or on behalf of the applicant for shares in the Bank followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these presents and every person, who thus or otherwise accepts any shares, shall for the purposes of these articles be deemed a member .
Money due on allotment	12. The money, if any, which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately after such allotment, become a debt due to and recoverable by the Bank from the allottee thereof and shall be paid by him accordingly.
Liability of Joint share-holders	13. The joint holders of a share or shares shall be jointly and severally liable for the payment of all installments and calls due in respect of such share or shares.
Commission on shares	14. (1) The Bank may exercise the powers of paying commission conferred by section 40(6) of the Act provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner provided in that section. (2) The rate of commission and / or brokerage shall not exceed two and a half per cent of the price at which the shares are issued in respect of which the commission and / or brokerage is paid.
Bank not bound to recognise any but registered shareholders	15. Except as required by law, no person shall be recognised by the Bank as holding any share upon trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these presents or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

VI. SHARE CERTIFICATES

Share Certificates	16. Every person whose name is entered as a member in the Register of Members shall without payment, be entitled to a Certificate or Certificates, under the Common Seal of the Bank, specifying the share or shares held by him and the amount paid thereon. It shall be signed by two of the Directors of the Bank and countersigned by the whole time Chairman or by the Secretary or by any person or persons appointed for the purpose by the Directors. In respect of shares held jointly by several persons, the Bank shall not be bound to issue more than one certificate and delivery of a certificate for a share or shares to one or several joint holders shall be sufficient delivery to all. The certificates of shares shall be completed and be ready for delivery within two months after the allotment of shares or within one month after the application for the registration of transfer or transmission or within such other period as per the conditions of issue.
Share Certificates how issued	17. Every person whose name is entered as a member in the Register of members shall be entitled to receive. a) One certificate for all his shares without payment, or b) several certificates, each for one or more of his shares, upon payment of a sum of twenty rupees for every certificate after the first.
Renewal of Certificate	18. If any such certificate be worn-out, damaged or lost, it may be renewed or replaced on payment of a sum of fifty rupees for every such certificate and on such terms as to evidence and indemnity and the payment of out-of-pocket expenses of the Bank in investigating evidence as the Board thinks fit.
Endorsement on Certificate	19. Every endorsement upon the certificate of any share in favour of any transferee there of shall be signed by the Managing Director & CEO or by the Secretary or some other person for the time being duly authorised by the Board in that behalf. In case any transferee of a share shall apply for a new certificate thereof in lieu of the old or existing certificate, he shall be entitled to receive a new certificate on payment by him of a sum of fifty rupees for each share certificate applied for and upon his delivering up, to be cancelled every old or existing certificate which is to be replaced by a new one.
New Certificate when old is filled with endorsement	20. In the event of a certificate being filled up with endorsements and a further transfer of shares to which it refers being made or required, a new certificate shall be issued free of cost.

VII. CALLS

Calls on Shares	21. The Board may from time to time make calls upon the members in respect of all moneys unpaid on their shares, provided that no call shall exceed one fourth of the nominal amount of the shares or be made payable at less than one month from the date fixed for the payment of the last preceding call; and each members shall (subject to receiving at least fourteen days' notice specifying the time or times of payments) pay to the Bank at the time or times so specified the amount called on his shares. A call may be revoked or postponed at the discretion of the Board. Option or right to call of shares shall not be given to any person except with the sanction of the company in general meeting.
Calls when made	22. A call shall be deemed to have been made at the time when the Board passes a resolution making such a call.

Interest due on Calls	23. If a sum payable in respect of any call or installments be not paid on or before the day appointed for payment thereof, the holder for the time being of the shares from whom the sum is due shall pay interest upon the sum at the rate of ten percent per annum from the day appointed for the payment thereof to the time of actual payment, but the Board may in their discretion waive payment of interest wholly or in part or extend the time for payment of any call or calls as a matter of grace.
Sums deemed to be calls	24. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. In case of non payment of such sum all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
Indulgence no bar for enforcement of forfeiture	25. Neither the receipt by the Bank of any part payments nor any indulgence shown by the Bank in respect of payment of amounts due shall preclude the Bank from thereafter proceeding to enforce forfeiture of shares as herein after provided.
Appropriation of payments	26. Any money due from the Bank to a member may be applied by the Bank in or towards the payment of any money due from him to the Bank for the calls or otherwise.
Calls in advance	27. The Board may in their discretion receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him; and upon all or any of the moneys so advanced (until the same would, but for such advance become presently payable) pay interest at such rate not exceeding twelve percent per annum as may be agreed upon between the member paying the same in advance and the Board. Any amount paid-up in advance of calls on any share shall not entitle the holder of the share to participate in respect thereof, in a dividend subsequently declared.

IX. LIEN

Bank's Lien	34. (1) The Bank shall have a first and paramount lien on every share (not being fully paid shares) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. (2) The Bank's lien on a share shall extend to all dividends payable thereon and bonuses declared from time to time in respect of such shares.
Enforcement of Lien	35. The Bank may sell in such manner as the Board thinks fit, any share on which the Bank has a lien. Provided that no sale shall be made (a) unless the sum in respect of which the lien exists is presently payable or or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the sum in respect of which, the lien exists, has been given to the registered holder for the time being of the share or the person entitled there to by reason of his death or insolvency.
Registration of purchaser	36. (1) To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser.

	(2) The purchaser shall be registered as the holder of such shares notwithstanding any opposition on the part of the holder of such shares. The purchaser shall acquire complete title to the shares by virtue of such sale and registration and his title shall not be affected by any irregularity or invalidity in the proceedings in reference to the sale. The purchaser shall not also be bound to see the application of the purchase money.
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X. FORFEITURE OF SHARES

Notice to shareholder if call not paid	37. If a shareholder fails to pay any call or installment on or before the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of such call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest and expenses which may have accrued. The notice shall name a day (not less than 15 days and not more than two months from the date of notice) and a place at which such amounts aforesaid are to be paid.
Contents of notice	38. The notice shall name a further day (not earlier than the expiry of fifteen days from the date of service) on or before which the payment required by the notice is to be made and shall state that in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.
Effect of non-compliance	39. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given, may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect, without any further notice to, or communication with, such shareholder.
Forfeiture to include dividends	40. Such forfeiture shall include all dividends declared in respect of the forfeited shares.
Transfer cannot invalidate forfeiture	41. No forfeiture shall be invalidated by any transfer of the forfeitable shares by the shareholder whether communicated by the shareholder or his transferee to the Bank before or after such forfeiture.
Effect of forfeiture and annulment.	42. Any share so forfeited shall be deemed to be the property of the Bank and the Board may sell, re-allot or otherwise dispose of the same on such terms and in such manner as they think fit, but at any time before such disposition the forfeiture may be annulled on such terms as the Board thinks fit.
Liability not with standing forfeiture	43. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding the forfeiture be liable to pay and shall forthwith pay the Bank all the moneys which at the date of forfeiture were presently payable in respect of such shares with interest at twelve percent per annum and the Board may enforce the payment if they think fit.
Certificate of forfeiture	44. A declaration in writing by two Directors and counter signed by the Whole time Chairman or by the Secretary or any other person appointed by the Board for the purpose that a share has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts stated therein and that declaration and the receipt of the Bank for the consideration, if any, given for the share on the sale or disposition thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share. His title to the share shall not be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the

	share.
Provisions apply to other amounts also.	45. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share, becomes payable at a fixed time whether on account of the amount of the share or by way of premium.

XI. TRANSFER AND TRANSMISSION OF SHARES

By whom transfer deed to be executed	46. The instrument of transfer of any share in the Bank shall be executed both by the transferor and transferee and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.
Approval to be obtained from RBI	46A. Notwithstanding anything contained in any other Article contained herein, every person who intends to make an acquisition / make an agreement for acquisition which will / is likely to take the aggregate holding of such person together with shares / voting rights / compulsorily convertible debentures / bonds held by him, his relatives, associate enterprises and persons acting in concert with him, to 5 per cent or more of the paid-up share capital of the bank or entitles him to exercise 5 per cent or more of the total voting rights of the bank, shall seek prior approval of the Reserve Bank in the manner specified in Chapter III and IV of Reserve Bank of India (Prior approval for acquisition of shares or voting rights in private sector banks) Directions, 2015 issued in pursuance of Section 12B of the Banking Regulation Act, 1949
Form of Transfer	47. Shares of the Bank shall be transferred in the form prescribed under Section 56 (1) of Companies Act, 2013 and the related Rules.
Registry be refused if the transferee not approved	48. The Board may subject to the right of appeal conferred by Section 58 of the Act, decline to register any transfer of share not being fully paid, to a person of whom they do not approve and may also decline to register any transfer of share on which the Bank has a lien.
Suspension of Registration	49. The registration of transfers may be suspended at such time and for such periods as the Board may from time to time determine. Provided that such registration shall not be suspended for a period exceeding thirty days at a time or for more than forty-five days in the year.
Nomination Facility	49 A.(1) Every share holder or depositor of the Bank, may at any time, nominate a person to whom his shares or deposits shall vest in the event of his death in such manner as may be prescribed under the Act. (2) Where the shares or deposits of the Bank are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or deposits, as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the Act. (3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or deposits, the nominee shall, on the death of the shareholder or depositor or as the case may be on the death of the joint holders become entitled to all the rights in such shares or deposits or, as the case may be, all the joint holders, in relation to such

	<p>shares or deposits, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.</p> <p>(4) Where the nominee is a minor, it shall be lawful for the holder of the shares or deposits, to make the nomination to appoint any person to become entitled to shares in or deposits of the Bank in the manner prescribed under the Act, in the event of his death, during the minority.</p>
Title to the share of deceased holders	<p>50. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.</p> <p>(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>
Necessity to produce evidence.	<p>51. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p>(a) to be registered himself as holder of the share; or</p> <p>(b) to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>
Rights of the legal representative	<p>51 A. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>
Transfer and Transmission fee	<p>52. There shall be paid to the Bank in respect of the transfer or transmission of shares a fee not exceeding Rupees five as the Board may from time to time prescribe.</p>
Right to dividend though not registered	<p>53. A person becoming entitled, to a share by reason of death or other causes aforesaid, of the holder shall be entitled to the same dividend and other advantages to which he will be entitled if he were the registered holder of the share, except that he shall not before being registered as a member in respect of a share, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Bank. The payments of the dividends and other advantages may be deferred until such evidence as is required is produced to the satisfaction of the Board.</p>
Bank not liable for disregard of notice prohibiting transfer	<p>54. The Bank shall incur no liability or responsibility whatever in consequence of registering or giving effect to any transfer of shares made or purporting to be made by an apparent legal owner thereof to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Bank, may have</p>

	had notice of such equitable right, title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Bank, and the Bank shall not be bound or required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability what so ever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Bank, but the Bank shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
Definitions	<p>54 A (1) For the purpose of this Article:</p> <p>“Beneficial Owner” means a person whose name is recorded as such with a Depository.</p> <p>“SEBI” means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India, Act 1992.</p> <p>“Depositories Act” means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.</p> <p>“Depository” means a Company formed and registered under the Companies Act, 1956 and which had been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India, 1992</p> <p>“Member” means the duly registered holder from time to time of the shares of the Bank and includes every person whose name is entered as a Beneficial Owner in the records of the Depository.</p> <p>“Debenture holder” means the duly registered holders from time to time of the debentures of the Bank.</p> <p>“Regulations” means the regulations made by SEBI.</p> <p>“Security” means such security as may be specified by the SEBI.</p> <p>Words imparting the singular number only include the plural number and vice versa.</p> <p>Words imparting persons include corporations.</p> <p>Words and expressions used and not defined in this Article shall have the same meanings respectively assigned to them in the Depositories Act.”</p>
Bank to recognize interest in dematerialised securities under Depositories Act	54A (2). Either the Bank or the investor may exercise an option to issue, deal in, hold the Securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which even the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act.
Dematerialisation /Rematerialisation of securities	54A (3). Notwithstanding anything contained in these Articles, the Bank shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and/or offer its fresh securities in a dematerialized form pursuant to the Depositories Act and the rules framed thereunder, if any.
Securities in Depositories to be in fungible form	54A (4) All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act

	shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.
Rights of Depositories and Beneficial Owners	<p>54A(5)(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner.</p> <p>(ii) Save as otherwise provided in (i) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>(iii) Every person holding securities of the Bank and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Bank. The Beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.</p>
Allotment of Securities dealt with by a depository	54A(6) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the bank shall intimate the details thereof to the depository immediately on allotment of such securities.
Beneficial Owner deemed as absolute owner	54A(7) Except as ordered by a court of competent jurisdiction or as required by law, the Bank shall be entitled to treat the person whose name appears on the register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
Cancellation of certificates upon surrender by a person	54A(8) Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Bank shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.
Options for investors	54A(9) Every person subscribing to securities offered by the Bank shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Bank shall, in the manner and within the time prescribed issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Bank shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
Provisions of Articles to apply to shares held in Depository	54A(10) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of

	shares and transfer and transmission of shares shall be applicable to shares held in Depository
Distinctive Number of Securities held in a Depository	54A(11) The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Bank which are dematerialised or may be dematerialised in future in dematerialised form.
Register and Index of Beneficial Owners	54A(12) The Bank shall cause to be kept a Register and Index of Members and a Register and Index of Debenture holders in accordance with Section 88 of the Act, and the Depositories Act, with details of shares and debentures held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under section 11 of the Depositories Act shall be deemed to be Register and Index of Members and Register and Index of Debenture holders, as the case may be, for the purpose of the Act. The Bank shall have the power to keep in any state or country outside India a branch Register of Members resident in that state or country.
Service of Documents	54A (13) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Bank by means of electronic mode or by delivery of floppies or discs.
Transfer of Securities	54A(14) Nothing contained in Section 56 of the Act shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

XII. CONVERSION OF SHARES INTO STOCK

Conversion and reconversion of shares and stocks	55. The Board with the sanction of the Bank previously given, may in general meeting, convert any paid up shares into stocks and may with like sanction reconvert any stock into paid up shares.
Transfer Regulations to apply to stock	56. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might previous to the conversion have been transferred, or as near thereto as circumstances admit; but the Board may from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum but the minimum shall not exceed the nominal amount of the share from which the stock arose.
Register of Stock-holders	57. The holders of stock, shall according to the amount of the stock held by them have the same rights, privileges and advantages as regards dividends, voting at the meetings of the Bank and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Bank and in the assets on a winding up) shall be conferred on any such aliquot part of stock as would not, if existing in shares, have conferred that privilege or advantage.
Regulations generally apply to stock	58. Such of the regulations of the bank (other than those relating to share warrants) as are applicable to paid up shares shall apply to stock, and the words share and shareholder therein shall include stock and stock holder.

XIII. GENERAL MEETINGS

Place of Meeting	59. All General Meetings whether Annual or Extra-Ordinary shall be held at the Registered Office of the Bank at Thoothukudi or at such convenient place in Thoothukudi as the Board may think fit.
Annual General Meetings when to be held	60. Annual General Meetings shall be held at least once a year and within fifteen months after the holding of the preceding Annual General Meeting on such day (not being a national holiday) and at such time during the business hours, i.e. from 9 a.m. to 6 p.m., as the Board may, from time to time, determine.
Annual and Extra-ordinary General Meetings	61. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings.
Extraordinary General Meeting	62. (1) The Board may convene an Extra-ordinary General Meeting of the Bank whenever they think fit. (2) If at any time there are not within India Directors capable of acting who are sufficient in number to form a quorum any Director or any two members of the company may call an Extra-ordinary General Meeting, in the same manner as nearly as possible, as that in which such a meeting may be called by the Board.
Requisition by members for Extraordinary General Meetings	63. The Board shall, on receipt of a valid requisition in terms of Section 100 of the Act forthwith proceed to call an Extra-Ordinary General Meeting of the Bank.
Requisition to state object.	64. The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office of the Bank and may consist of several documents in like form, each signed by one or more requisitionists.
Directors to convene Meeting on such requisition.	65. Upon the receipt of any such requisition, the Board shall convene an Extra-ordinary General Meeting and if they do not proceed within 21 days from the date of the requisition being so deposited, to cause a meeting to be called on a day not later than 45 days from the date of deposit of the requisition, the requisitionists or a majority of them in value, may themselves call the meeting, but in the latter case, any meeting so called shall be held within 3 months from the date of the deposit of the requisition.
Meetings by requisitionists to be convened in the same manner as meetings by Directors	66. Any meeting called under Article 65 by the requisitionists shall be called in the same manner as nearly as possible as that in which meetings are to be called by Board.

XIV. PROCEEDINGS OF GENERAL MEETINGS

Notice of Meeting	67. Twenty-one clear days' notice of every General Meeting, specifying the day, the place and the hour of meeting and containing a statement setting out all material facts concerning each item of business to be transacted thereat which is a special business as defined in Section 102 of the Act shall be given and served on every member and other persons entitled to receive the same in the manner in which notice is required to be served by Section 20 of the Act and by these presents, and save as hereinafter mentioned, no business other than such as is specified in such notice shall be transacted thereat.
Notice by whom to be signed	68. Every such notice shall be signed by the Managing Director & CEO or a Secretary or such officer of the Bank as the Board may appoint

	except in the case of an Extraordinary General Meeting convened in manner aforesaid by requisitionists under Article 65 when it shall be signed by all the requisitionists or a majority of them in value.
Effect of omission to give notice	69. The accidental omission to give notice to or the non-receipt of notice by any member shall not invalidate the proceedings at any meeting.
Business to be transacted at Annual General Meeting	70. Every Annual General Meeting shall be competent to receive, discuss and pass resolutions regarding any matters mentioned in the Report of the Directors submitted to such meeting and any accounts presented thereto by the Directors and to declare dividends and to elect Directors and to appoint Auditors subject to the provisions of the Banking Regulation Act and to fix the remuneration of Auditors and to transact all or any other business relating to the concerns of the Bank of which special mention shall have been made in the notice convening the meeting.
Necessity for giving notice of business to be transacted	71. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss, or transact any business which has not been mentioned in the notice convening such meeting.
Quorum	72. No business shall be transacted at any General Meeting unless a quorum of members as prescribed in Section 103 of the Act is present at the time when the meeting proceeds to business.
Adjournment or dissolution of meetings	73. If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if convened upon the requisition of shareholders, shall be dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Board may determine subject to giving notice as prescribed under provision to Section 103 (2) of the Act. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum.
Chairman of Meetings	74. The Chairman of the Board of Directors shall, if present and willing, preside at every General Meeting whether Annual or Extra-ordinary, but if there be no such Chairman, or in case of his absence or refusal, some one of the Directors, if any be present, shall be chosen to be Chairman of the Meeting and, if the chair be not taken by the Chairman of the Board or by a Director at the expiration of fifteen minutes from the time appointed for holding the meeting, or if before the expiration of that time all the Directors shall decline to take the chair, or if there be no Director present, the share holders present shall choose one of their own number to be chairman of the Meeting.
Electing Chairman to be first business	75. No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.
Power of Chairman to adjourn Meeting	76. (1) The Chairman on the consent of a majority of the shareholders personally present at any meeting may adjourn such meeting from time to time and from place to place in Thoothukudi, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. (2) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
Resolution how decided	77. In the case of equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place,

	or at which the poll is demanded, shall be entitled to a second or casting vote.
Voting rights	78.(1) Subject to any rights or restrictions for the time being attached to any class or classes of shares,— (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company. (2) A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.
Poll how taken	79. If a poll be duly demanded, the same shall be taken forthwith if on a question of adjournment or on a question of election of the Chairman and shall be taken in any other case at such time not being later than 48 hours from the time when the demand was made, as the Chairman may direct and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded. Two scrutineers shall be appointed by the Chairman from amongst those present at the meeting at which the poll is demanded (not being an officer or employee of the Bank) of whom one shall always be a member present at the meeting and is willing to be appointed. The decision of the Chairman on any differences between the scrutineers shall be conclusive. The demand for a poll may be withdrawn by the person or persons who demanded it.
Meeting to continue notwithstanding demand for poll	80. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

XV. VOTES OF SHAREHOLDERS

Votes of Members	81. No member shall be entitled to vote at any General Meeting unless all calls, interest and expenses on or in connection with every share held by him in respect of which but for this article, he would have been entitled to vote, shall have been paid. Subject as above, every shareholder present in person shall, on a show of hands, have the right to vote on every resolution placed before the meeting. On a show of hands, every member present in person shall have one vote and his voting right, on a poll, shall be in proportion to his share of the paid up equity capital of the Bank, but not in excess of ten (instead of one) percent of the total voting rights of all the shareholders of the Bank or such percentage as may be prescribed in the Banking Regulation Act, 1949 from time to time.
Votes of lunatic etc.,	82. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
Joint-holders how to vote	83. If there be joint registered holders of any share or shares the member whose name stands first on the register and no other shall be entitled to

	<p>speak and vote in respect of such share or shares but the other or others of such joint holders shall be entitled to be present at the General Meeting but not to speak or vote.</p>
Votes how given	84. On a poll votes may be given either personally or by proxy.
Proxy	85. The instrument appointing a proxy shall be in writing and be signed by the appointer, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it. A person holding a general power of attorney from a shareholder shall be entitled to attend and vote in respect of the shares of his principal to the same extent and in the same manner as his principal could vote and provided that such general power of attorney be duly registered and a true copy thereof be left with the Bank.
Instrument of proxy to be registered in Bank	86. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notorially certified copy of that power or authority shall be deposited at the Registered Office of the Bank at least 48 hours before the time appointed for holding the meeting at which the person named in such instrument proposed to vote; and in default the instrument of proxy shall not be treated as valid.
Forms of Proxy	87. An instrument appointing a proxy shall be in the form as prescribed in the Rules made under Section 105 of the Act.
Validity of votes given by proxy	87 A. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
Proxies, with whom to remain	88. All instruments of proxy shall remain in the custody of the Bank permanently or for such time as the Board may determine.

XVI. DIRECTORS

Number of Directors	89. The number of Directors shall not be less than seven and not more than eleven.
Composition of Board	<p>90. Not less than fifty-one percent of the total number of Directors for the time being shall consist of persons who-</p> <p>a) shall have special knowledge or practical experience in respect of one or more of the following matters, namely-</p> <ul style="list-style-type: none"> i) Accountancy ii) Agriculture and Rural Economy iii) Banking iv) Co-operation v) Economics vi) Finance vii) Law viii) Small-Scale Industry ix) Any other matter, the special knowledge of, and practical experience in, which would, in the opinion of the Reserve Bank,

	<p>be useful to the Bank.</p> <p>Provided that out of the aforesaid number of Directors, not less than two shall be persons having special knowledge or practical experience in respect of agriculture and rural economy, co-operation or small scale industry and</p> <p>b) shall not</p> <p>1) have substantial interest in, or be connected with whether as employee, Manager or Managing Agent-</p> <p>i) Any company, not being a company registered under section 25 of the Companies Act 1956 or</p> <p>ii) any firm, which carries on trade, commerce or industry and which in either case is not a small scale industrial concern.</p> <p>EXPLANATION: “Substantial interest” means substantial interest as defined in the Banking Regulations Act.</p> <p>2) be proprietors of any trading, commercial or industrial concern not being a small scale industrial concern.</p>
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XVII. QUALIFICATIONS AND DISQUALIFICATIONS

Qualifications of Directors	<p>91. The qualification of a Director other than the Chairman and those appointed under Article 90 above shall be his holding of Shares of the nominal value of Rs.5,000/- in the Bank registered in his name.</p> <p>91.1.a. In order to be eligible for appointment as a Director of the Bank, a person shall be</p> <p>i. between 35 and 70 years of age;</p> <p>ii. he shall be a graduate except in the case of Directors to be selected for the categories of farmers, depositors, artisans, etc., and</p> <p>iii. he shall not be a Member of Parliament / Member of Legislative Assembly / Member of Legislative Council</p> <p>91.1.b. The Bank shall undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a Director on the Board based on qualification, expertise, track record, integrity and other fit and proper criteria on the basis of information / declaration from the proposed / existing Directors at the time of appointment / renewal of appointment. The Board shall constitute a Nomination Committee consisting of Directors as may be decided by the Board to undertake the process of due diligence. The Nomination Committee shall on the basis of the declaration / information furnished by the proposed Directors and after making necessary enquiry, if deemed necessary, shall decide on the acceptance of the persons as Directors of the Bank.</p> <p>91.1.c. The Bank shall obtain, annually, a declaration as to the change in the information furnished earlier and a Deed of Covenant executed by each Director.</p>
Remuneration of Directors	92. The amount of sitting fees payable to a Director other than the Whole-time Chairman / Managing Director for attending a Board

	<p>Meeting or Committee thereof shall be decided by the Board of Directors from time to time within the limits as may be permissible under the provisions of the Act and the rules framed thereunder. Every Director who is not resident in the place where a meeting of the Board or Committee thereof is held and who proceeds to such place for attending such meeting shall, in addition to the fees for attending such meeting or meetings be entitled to reimbursement of all travelling and staying expenses actually incurred by him subject to such maximum amount as may be determined by the Board of Directors from time to time.</p>
Disqualification of Directors	<p>93 A person shall not be eligible for appointment as a director of the bank, if —</p> <p>(a) he is of unsound mind and stands so declared by a competent court;</p> <p>(b) he is an undischarged insolvent;</p> <p>(c) he has applied to be adjudicated as an insolvent and his application is pending;</p> <p>(d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:</p> <p>Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;</p> <p>(e) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;</p> <p>(f) he has not paid any calls in respect of any shares of the bank held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;</p> <p>(g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or</p> <p>(h) he has not been allotted a Director Identification Number.</p> <p>(2) If he is already a director of a company which—</p> <p>(a) has not filed financial statements or annual returns for any continuous period of three financial years; or</p> <p>(b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of the bank for a period of five years from the date on which the said company fails to do so.”</p>
Continuing Directors right of to act	<p>94. The continuing Directors may act notwithstanding any vacancy in their body but if the number falls below the minimum above fixed, the Directors shall not, except for the purpose of filling vacancies as provided in Articles 103 act so long as the number is below the minimum.</p>
Vacancy how created	<p>95. The office of a director shall become vacant in case—</p> <p>(a) he incurs any of the disqualifications specified in Article No. 93;</p> <p>(b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;</p> <p>(c) he acts in contravention of the provisions of section 184 of the Act</p>

	<p>relating to entering into contracts or arrangements in which he is directly or indirectly interested;</p> <p>(d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;</p> <p>(e) he becomes disqualified by an order of a court or the Tribunal;</p> <p>(f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months:</p> <p>Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;</p> <p>(g) he is removed in pursuance of the provisions of this Act</p>
Being a Director not a disqualification to enter into contracts with the Bank	96. Subject to the provisions of Sections 184 and 188 of the Act, no Director shall be disqualified by his office from entering into or being directly or indirectly concerned or interested in any contract with the Bank.
One-third of the Directors to retire annually	97. At the Annual General Meeting of the Bank in every year, one-third of the Directors for the time being or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office.
Rotation how determined	98. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. The length of time of a Director has been in office shall be computed from his last election or appointment as the case may be.
Retiring Directors eligibility of Bank to fill up vacancies	99. Retiring Directors shall be eligible for re-election.
Retiring Directors when automatically re-elected	100. The Bank at any Annual General Meeting at which any Directors retire in the manner aforesaid may fill up the vacated offices by electing a like number of persons to be Directors and may fill up any other vacancies.
Bank, right of to increase or reduce number of Directors	101. If at any meeting at which an election of Directors ought to take place, the places of the vacating Directors are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place, and if at the adjourned meeting the places of the vacating Directors are not filled up, the vacating Directors or such of them as have not had their places filled up, shall, subject to the provisions of Section 152(7) (b) of the Act be deemed to have been re-elected at the adjourned meeting.
Casual vacancy how filled	102. Subject to the provisions of Sections 149 and 152 of the Act, the Bank may, from time to time, in General Meeting increase or reduce number of Directors.
Appointment of Additional Directors	103. Any casual vacancy occurring among the Directors may be filled up by the Board but any person so chosen shall retain his office so long only as the vacating Director would have retained the same if no vacancy has occurred.
	104. (1) The Board shall have power at any time and from time to time, to appoint a person as an additional Director, provided the

	<p>number of Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p> <p>(2) Such person shall hold office only upto the date of the next Annual General Meeting of the Bank, but shall be eligible for appointment by the Bank as a Director at that Meeting, subject to the provisions of the Act.</p>
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XVIII. POWERS OF DIRECTORS

<p>Power of Board</p>	<p>105. The Management of the business of the Bank shall vest in the Board of Directors who may exercise all such powers of the Board as are not, by the Act or any statutory modification thereof for the time being in force or by these Articles, required to be done by the Bank in General Meeting, subject nevertheless to the provisions of the said Act or any other act or the Memorandum and Articles of Association of the Bank or any regulations not inconsistent therewith and duly made there under including regulations made by the Bank in General Meeting; but no regulation made by the Bank in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.</p>
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Express powers of Board	<p>106. Without prejudice to the general powers conferred by the last preceding clause and to other powers conferred by these presents, and subject to the provisions of Sections 179 and 180 of the Act the following powers and authorities are expressly given to and conferred upon the Board.</p> <ol style="list-style-type: none"> a) To purchase, buy take on lease, or otherwise acquire any land (whether freehold, leasehold or otherwise) from any person with or without a house or houses, building or buildings thereon, in or outside India, and to erect, construct and build or alter any building or buildings thereon for the purposes of a banking house or banking houses, office or offices or as residence for the Secretary, Manager or Chairman or any other person in the employ of the Bank and to pay either in cash or otherwise for such land and buildings whether purchased, leased or acquired or built or constructed by the Bank. b) To purchase all furniture, utensils, and other things necessary for a Banking house, office or residence and to purchase and fit up the Banking premises with all things which the Board may deem necessary for a Banking house, office or residence and to purchase and fit up the Banking premises with all things which the Board may deem necessary or convenient, for carrying on the business of the Bank. c) To authorise or empower the Chairman or other officers for the time being of the Bank to exercise and perform all or any of the powers, authorities, and duties conferred or imposed upon the Board by the Memorandum or Articles of Association subject to such restrictions and conditions, if any, as the Board may think proper, and from time to time to revoke, withdraw or vary all or any of such powers or authorities. d) To appoint, and at their discretion, remove or suspend such managers, secretaries, officers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments, and to require security in such instances and to such amounts as they think fit. e) To raise or borrow money from time to time by bonds, debentures or promissory notes, or by opening current accounts or by receiving advances with or without security or by mortgaging any lands, buildings, machinery, goods or other property of the Bank or by such other means as the Board may deem expedient. f) To make, draw, accept, endorse, negotiate, or sell promissory notes or bills of exchange and other negotiable instruments and other securities. g) To undertake on behalf of the Bank the payment of all rent and the performance of all covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Bank. h) To insure or keep insured, if deemed expedient, all or any other buildings goods, stores, or other property or any securities of the Bank either separately or conjointly for such period and to such extent as the Board may think proper and to sell, assign, surrender, or discontinue any policies of assurance effected in pursuance of this power. i) To purchase the reversion, or reversions, and otherwise to acquire any interest in all or any of the lands for the time being held by the Bank under lease or in any estate held by the Bank which is less than an absolute estate. j) To execute all deeds, agreements, contracts, receipts and other documents that may be necessary or expedient for the purposes of the Bank. k) Subject to Section 20-A of the Banking Regulation Act 1949, to compromise any debt, or claim or to give time to any debtor for the payment of his debt or to refer any matter or dispute to arbitration.
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- l) To act on behalf of the Bank in all matters relating to bankrupts and insolvents.
- m) To commence, institute, prosecute and defend all such actions and suits, as the Board may think necessary or proper to bring or defend on the part of the Bank and to compromise or submit to arbitration any such actions and suits as the Board in their discretion, may think fit. The Board or any person duly authorised by them shall be entitled to make, give, sign and execute all and every warrant to sue or defend on behalf of the Bank and all and every submission to arbitration as may be requisite and for the purposes aforesaid. The Board of Directors shall be empowered to use their own names on behalf of the Bank or the name or names of any person or persons connected with the Bank or duly authorised by the Board, and such Director or Directors or such person whose name shall be so used shall be saved harmless and indemnified out of the funds and property of the Bank from all costs and damages which he or they may incur or be liable to, by reason of his or their names being so used as aforesaid, and such person or persons shall not be entitled to do anything whereby the Board of Directors may be prevented from effectually conducting and bringing to an issue any such action or suit.
- n) Before recommending any dividend, to apply the balance from out of the profits of the Bank after setting apart the sum as prescribed by Section 17 of the Banking Regulations Act, 1949, to meet contingencies or for equalizing dividends or for special dividends or for repairing, improving and maintaining any of the properties of the Bank and for such other purposes as the Board shall, in their absolute discretion, think conducive to the interests of the Bank, and to invest the several sums so set aside (other than on the shares of the Bank) as they may think fit, and from time to time to deal with and vary such investments and dispose of all or any part thereof for the benefit of the Bank with full power to employ the assets constituting the Reserve Fund in the business of the Bank without being bound to keep the same separate from other assets.
- o) Subject to the provisions of Section 181 of the Act, to set apart out of the profits remaining after what has been set apart under the last preceding clause, not more than ten percent for education or other benevolent objects and to apply the same for the said purposes in such manner as they may think fit.
- p) To enter into all such negotiations and contracts, rescind or vary the same and generally to do, sanction, and authorise all such matters and things as may be necessary to be done, authorised, or sanctioned in or about the executing of all or any of the powers herein before conferred on the Board.
- q) And from time to time make, vary and repeal bye-laws for the regulation and conduct of the business of the Bank by the Board or by the Establishment, not inconsistent with the Memorandum and Articles of Association.
- r) At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Bank either wholly or partially in cash or otherwise.
- s) To secure the fulfillment of any contracts or engagements entered into by the Bank by mortgages or charges of all or any of the property of the Bank or in such other manner as they think fit.
- t) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Bank any property belonging to the Bank or in which it is interested or for any other purposes, and to execute and do all such deeds and things as may be requisite in relating to any such trust and to provide for the remuneration of such trustee or trustees.
- u) To undertake executor and Trusteeship business.
- v) To invest, deposit and deal with any of the money of the Bank not immediately required for the purposes thereof in such securities (not being shares of the Bank) and in such manner as they think fit, and from time to time to vary or realise such investments.

Meetings of Directors	107. The Board may meet together for the disposal and dispatch of business, adjourn and otherwise regulate their meetings as they think fit, provided that a meeting of the Board of Directors shall be held at least once in every three calendar months and not less than four meetings shall be held in each year.
Questions how decided	108. The Chairman may at any time and, shall, upon the request of a Director convene a meeting of the Board.
Chairman of Meetings	109. a) The Chairman shall preside over the Meeting of the Board of Directors, if the Chairman is not present at the time appointed for holding the same, the Directors present may choose one among them to be Chairman of such Meeting. b) Questions arising at any meeting of the Board shall be decided by a majority of votes and in the case of an equality of votes the Chairman shall have a second or casting vote.
Chairman and Chief Executive	110. (i) Subject to the provisions of the Act and the Banking Regulation Act, 1949 and the directives issued by the Reserve Bank of India from time to time, the Board may appoint or re-appoint one of them to be Whole-time Chairman and Chief Executive officer of the Bank for such period not exceeding 5 years at any one time, and may from time to time remove or dismiss him from office and appoint any other in his place. Alternatively, the Board of directors may subject to the prior approval of RBI, appoint or reappoint one of them to be the Part-time Chairman of the Bank for such period and subject to such conditions as the RBI may specify, while giving such approval, and that in such event the management of the whole of the affairs of the Bank shall be entrusted to a managing director who shall exercise his powers subject to the superintendence, control and direction of the Board of directors. The Chairman (whether Whole-time or Part-time) shall preside over the meeting of the Board of Directors/ Committee thereof and the General Meeting of the Bank and he shall have the second or casting vote. (ii). A Whole-time Chairman / Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation. But he shall be subject to the provisions of any contract between him and the Bank and be subject to same provisions as to resignation and removal as the other Directors of the Bank and shall ipso facto and immediately cease to be the Whole-time Chairman / Managing Director if he ceases to hold the office of the Director from any cause. (iii)The remuneration of the Whole-time Chairman / Managing Director shall be fixed in accordance with the provisions of Section 197 and other applicable provisions of the Act and the Banking Regulation Act, 1949. (iv) The Whole-time Chairman / Managing Director shall be entrusted with the management of the whole of the affairs of the Bank. (v) Without prejudice to the generality of sub-clause (iv) above, the Board of directors may from time to time entrust to and confer upon the Whole-time Chairman / Managing Director for the time being such of the powers exercisable by law or under these presents by the Directors, as they may think fit except such powers as are by any law required to be exercised

	by the Board of directors and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers either collaterally with or in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.
Directors to act in meetings	111. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested or exercisable by the Board generally by or under the Regulations of the Bank.
Resolution by circulation	112. Subject to provisions of Section 179 of the Act a resolution passed in circulation in the manner as prescribed in Section 175 of the Act shall be as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted.
Committees	113. Subject to the provisions of Sections 179 of the Act, the Board may delegate any of their powers to committees consisting of such members of their body not being less than two in number as they may think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board.
Quorum for a Committee Meeting	113 A. The quorum for the meeting of any committee will be one-third of its total strength (any fraction contained in the one -third being rounded off as one) or two directors, whichever is higher: Provided that where at any time the number of interested directors exceeds or is equal to two-third of the total strength, the number of the remaining directors, that is to say, the number of directors who are not interested present at the meeting being not less than two, shall be the quorum for the meeting.
Acts done at meetings valid notwithstanding defects subsequently discovered	114. All acts done at any meeting of the Board or of a Committee of Directors or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that they or any of them were disqualified, be valid as if every such person had been duly appointed and was qualified to be a Director.
Supercession of the Board	114 A. Reserve Bank of India shall have power to supercede the Board of Directors of the Bank or a total period not exceeding twelve months under such circumstances and in such manner and to administer the bank in such manner, as provided in Section 36ACA of Banking Regulation Act, 1949.
Minutes	115. The Board and any committee appointed by the Board shall respectively cause minutes to be made in books to be provided for the purpose of the following matters: i) of the proceedings of all General Meetings; ii) of the proceedings of all the meetings of the Board of Directors and all Committees appointed by the Board. iii) of the names of all the Directors present at each meeting of the Directors and of the members of the committees appointed by the Board present at each meeting of the committee; iv) of the names of the Directors, if any dissenting from or not concurring in the resolution in the case of each resolution passed at the meeting of the Board of Directors or of the Committee appointed by the Board.

XIX. KEY MANAGERIAL PERSONS

Key Managerial persons	116. Subject to the provisions of the Act, Article No.110 and the Banking Regulation Act, 1949 and applicable RBI Guidelines— (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
Exclusivity of the actions of key managerial persons	117. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

XX. DIVIDENDS AND BONUS

Annual dividends	118. The Bank in General Meeting may declare dividends to be paid to the shareholders in proportion to the amount for the time being called and paid up in respect of their shares but no dividends shall exceed the amount recommended by the Board.
Dividend payable from net profits	119. No dividend shall be paid otherwise than out of the profits of the year or any other undistributed profits.
Ad interim dividend	120. The Board may, from time to time, pay to the members such interim dividends as appear to them to be justified by the profits of the Bank.
Interest not claimable on dividends	121. No interest shall be claimable as against the Bank on any unpaid dividend or interest but the Board shall have power in special cases to award interest at such rate as they may think proper.
Defaulting shareholders not entitled to payment of dividends	122. No shareholder shall be entitled to receive payment of any dividend in respect of his share or shares until all moneys due by or owing from him to the Bank in respect of such share, or shares, or on any other account whatsoever shall have been paid.
Right to set off dividend against dues	123. The Board may deduct from the dividends payable to any shareholder all such sums of money as may be due from him to the Bank on account of any calls or interest due thereon and expenses incurred in respect of the same.
Receipt of dividends	124. Every dividend warrant or cheque may be sent by post to the last registered address of the members whose name, at the date of the declaration of the dividend, appears in the Register of members as the owner of the share and the receipt of such member shall be a good discharge to the Bank in respect of all payments made in respect of such shares.
Loss in transmission	125. The Bank shall not be responsible for loss in transmission of any cheque or warrant sent through post to the registered address of any member.

Unclaimed dividends -Transfer to IEPF	126. Any money transferred by the Bank to the unpaid dividend account pursuant to Section 124 of the Act and which remains unpaid or unclaimed for a period of seven years shall be transferred by the Bank to the fund established by the Central Government under Section 125 of the Act. Further, there will be no forfeiture of unclaimed dividends before the claim becomes barred by law.
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XXI. ACCOUNTS

Accounts to be kept	127. The Board shall cause true accounts to be kept of the paid-up capital for the time being of the Bank and of all sums of money received or expended by the Bank and of the matters in respect of which such receipt or expenditure takes place and of the credits and liabilities of the Bank and generally of all its commercial, financial and other affairs, transactions and engagements and of all other matters necessary for showing the true financial state and condition of the Bank, and the account shall be kept in such books and in such manner; as the Board may deem expedient.
Inspection of accounts	128. The Board shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Bank or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or document of the Bank except as conferred by law or authorised by the Board or by the Bank in General Meeting.
Balance Sheet etc., to be laid before Annual Meeting of shareholders	129. The Board shall, as required and in the manner prescribed by Section 29 of the Banking Regulation Act 1949, cause to be prepared and to be laid before the Bank in General Meeting such Profit and Loss Account, Balance Sheet and reports.
Printed copy of Report, etc., to be sent previous to meetings	130. A Printed copy of such Balance Sheet, Profit and Loss account and Directors' Report together with the Auditor's Report shall be given or sent not less than twenty-one days previous to the meeting, to the registered holders of shares in the manner in which notice are hereinafter directed to be served.
Capitalisation of profits or Reserves	<p>131. (1) The Bank in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>a) to capitalise any part of the amount for the time being standing to the credit of any of the Bank's reserve accounts, or to the credit of the Profit and Loss Account or otherwise available for distribution; and</p> <p>b) that such sum be accordingly set free for distribution in the manner specified in clause (2) here of amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sum aforesaid shall not be paid in cash but shall be applied subject to the provision contained in clause (3) hereof, either in or towards:</p> <p>i) paying up any amounts for the time being unpaid on any shares held by such members respectively.</p> <p>ii) paying up in full, unissued shares of the Bank to be allotted and distributed, credited as fully paid up to and amongst such members in</p>

	<p>the proportions aforesaid, or</p> <p>iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A share premium account may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to the members of the Bank as fully paid bonus shares;</p> <p>(4) The Board shall give effect to the resolution passed by the Bank in pursuance of this Article.</p>
	<p>132. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall</p> <p>a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, if any, and</p> <p>b) generally do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power:</p> <p>a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit for the case of shares becoming distributable in fractions; and also</p> <p>b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Bank providing of or the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization or (as the case may require) for the payment up by the Bank on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p>
Buy back of securities	132 A. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the bank may purchase its own shares or other specified securities.

XXII. AUDIT

Accounts, when to be audited	133. The accounts of the Bank shall be examined every year and the correctness thereof ascertained by one or more auditors. The accounts may also be audited for any period less than a year if the Board think fit.
Auditors	134. The provisions of the Act and the Banking Regulation Act, 1949, shall apply as regards the appointment, removal, tenure of office, remuneration, powers and duties of Auditors.
Reopening of accounts	135. Every financial statement or the report of the Board of Directors when audited or approved by a General Meeting shall be conclusive except as regards any error discovered therein within 3 months next after the approval thereof. Whenever any such error is discovered within that period the accounts shall forthwith be corrected and thenceforth shall be conclusive. However, subject to the provisions of Sections 130 and 131 of the Act, the financial statements may re-opened or revised as prescribed.

XXIII. INDEMNITY

Indemnity to Directors and other officers	136. Subject to the applicable provisions of the Act, every Director, Secretary, Key Managerial Persons, Agent, Auditor and other officer or servant of the Bank shall be indemnified by the Bank from all losses and expenses incurred by him respectively in or about the discharge of his respective duties except those arising out of his willful acts or defaults.
Directors and officers protection of in certain cases	137. Subject to the applicable provisions of the Act, no Director or officer shall be held liable for joining in any receipt or other act for conformity's sake or for any loss or expense happening to the Bank by the insufficiency or deficiency of title to any property acquired by other of the Directors for, or on behalf of the Bank or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Bank shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any other loss, damage or misfortune whatsoever which shall happen in the execution of his respective office or in relation thereto unless the same shall happen through his own willful act or default. The Bank may also take insurance cover for protecting its directors and officers.

XXIV. SEAL

The common seal, its custody and use	138. The Board shall have power to provide a common seal for the purposes of the Bank and, from time to time, to destroy the same and substitute a new seal in lieu thereof and shall provide for the safe custody of the seal for the time being and it shall not be used except by the authority of the Board and in the presence of at least two Directors.
Deeds how executed	139. Every deed or other instrument to which the seal is required to be affixed shall be sealed in the presence of and shall be signed by two Directors and countersigned by the Secretary or the Whole-time Chairman or any other person authorised by the Board in this behalf.

XXV. NOTICES

Notice, how given	140. A notice may be given by the Bank to any member either personally or by sending it by post to him to his registered address and if he has no registered address in India to the address, if any, within India supplied by him to the Bank for the giving of notices to him.
Notice, when deemed to be served	141. Subject to the provisions of the Act, where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and unless the contrary is proved, to have been effected at the time, at which the letter would be delivered in the ordinary course of post, or in the case of a notice of a meeting, at the expiration of 48 hours after the letter containing the same is posted.
Shareholders to give registered address in India	142. Each holder of shares whose registered place of address is not in India shall, from time to time, notify in writing to the Bank an address in India which shall be deemed his registered place of address within the meaning of Article 140.

Service when no registered address in India	143. If a member has no registered address in India and has not supplied to the Bank an address within India for the giving of notices to him, a notice advertised in a newspaper circulating in the neighbourhood of the registered office of the Bank shall be deemed to be duly given to him on the day the advertisement appears.
Notice by shareholders, how given.	144. All notices to be given on the part of a Shareholder shall be left or sent through post to the Registered Office of the Bank.
Notice binding on heirs, etc., of deceased etc.,	145. A notice may be given by the Bank to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.
Notice binding on Registered transferee	146. When any notice or document is delivered or sent in accordance with these presents at or to the registered place of abode of a shareholder or to his agent as above provided, then notwithstanding he be then deceased and whether or not the Bank has notice of his decease, such service of the notice or other document shall for all purposes of these presents be deemed service there of on his heirs, executors, administrators and every one of them.
Notice in case of Joint holders	147. A notice may be given by the Bank to the joint holders of share by giving the notice to the joint holder named first in the members' register in respect of the share.
Calculation of days	148. Where a given number of days' notice or notice extending over any other period is required to be given the day of service shall not be counted in such number of days or other period.
Notice of General Meeting to whom to be given	149. Notice of every General Meeting shall be given in same manner here in before authorised to (a) every member of the Bank (including bearers of share warrants) except those who (having no registered address within India) have not supplied to the Bank an address within India for the giving of notices to them and also to (b) every person entitled to a share in consequence of the death or insolvency of a member, who but for his death or insolvency would be entitled to receive notice of the meeting.

XXVI. SECRECY

Declaration of Secrecy	150. Every Director, Secretary, Auditor, Trustee, Member of a Committee, Manager, Accountant, Officer, Servant, Broker, Clerk and other persons employed in the business of the Bank shall observe strict secrecy respecting all transactions of the Bank with the customers and the state of individual accounts and in matters relating thereto, and shall not reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any General Meeting of the Members or by a court of Law or by the persons to whom such matters directly relate, and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
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XXVII. WINDING UP

Winding up	151. If the Bank shall be wound up and the surplus assets shall be insufficient to repay the whole of the paid up capital, such surplus assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up on the shares held by them respectively at the commencement of the winding up. But this clause is without prejudice to the rights of the holders of shares issued upon special conditions.
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As per the requirements of Section 14 of Companies Act, 2013, approval of Members by way of a special resolution is required for altering the Articles of Association.

Accordingly, the Board recommends the resolution as set out under Item no.13 of the Notice for approval of the Members.

None of the Directors, Key Managerial Persons or their relatives is concerned or interested in the said resolution.

Item No. 7

The Board of Directors of the Bank at its meeting held on December 20, 2015 recommended issue of bonus shares in the proportion of five hundred equity shares for every one equity share held by the Members on the record date to be fixed by the Board, by capitalising the entire amount of Capital Reserve and a part of the General Reserve.

Currently, the book value of the shares is about ` 91000, i.e. as against the total net-worth of ` 2594.31 crore as on March 31, 2015, the share capital is only ` 28.44 lakh comprising 284454 equity shares of ` 10 each. Therefore, in order to align the future issue price with the market, the Board deemed it necessary to recommend issue of bonus shares at such a high ratio, so that the post bonus issue price per share would come down to levels which would be suitable for accessing capital markets in future. The Members may note that the Bank's current share capital may fall short of its minimum capital adequacy requirements as per RBI's prudential norms, in the next one or two years. Therefore it is of utmost importance that the Bank augments its capital base by further issue of shares. The issue of bonus shares is only for facilitating such future capital expansion.

The proposed bonus issue is in compliance with the RBI guidelines on 'Issue and pricing of shares by private sector Banks' dated April 20, 2010. The bonus issue will be made from free reserves built out of genuine profits and it is not made in lieu of dividend. There are no debentures or partly paid shares in the Bank. Further, the proposed bonus issue is made without linkage to rights issue.

The proposed bonus issue is in compliance with Section 63 of Companies Act, 2013 and the related Rules. The Bank has not defaulted in payment of interest or principal of deposits. There are no debt securities issued by the Bank. It has also not defaulted in respect of the payment of statutory dues of the employees.

In terms of Article 131 of the Articles of Association of the Company, Members' approval is required for such capitalisation of reserves of the Company. The proposed resolution is for the same.

Accordingly, the Board recommends the resolutions as set out under Item no.7 of the Notice for approval of the Members.

None of the Directors, Key Managerial Persons or their relatives of the Bank is concerned or interested in the said resolution, except to the extent of their shareholding in the Bank, if any.

Item No. 8

The Board of Directors of the Bank at its meeting held on December 20, 2015 has recommended issue of shares to public by way of an Initial Public Offering (IPO) of a maximum amount of ` 500 crore. This issue will enable the Bank achieve its capital adequacy requirements as stipulated by Reserve Bank of India from time to time.

Commercial banks are required to maintain a minimum amount of capital which includes paid up share capital, reserves and certain other types of sources of funds as prescribed (preference shares, debt instruments etc.), as per the RBI's "Prudential Guidelines on Capital Adequacy and Market Discipline-New Capital Adequacy Framework (NCAF)".

The banks are required to maintain a minimum 'capital to risk-weighted assets ratio' (CRAR) of 9% which is required to be increased to 11.50% as per the new Basel III guidelines, in a time period of 4 years, i.e. starting from as on March 31, 2016 the ratio should be 9.625%. As on March 31, 2019, the minimum capital requirement would be 11.50%.

The CRAR is a cushion provided to partially absorb the shock, in case the advances given by the bank get into default. In fact, while the expected defaults like NPAs are taken care of by the provisions made in the profit and loss account, the unexpected risks are supposed to be taken care of by providing capital for the same.

Though the minimum capital requirement at present is 9% only (which will increase to 11.50% in four years), RBI expects banks to maintain it around 12% to take care of stress situations. The Bank wishes to keep its capital adequacy well above 13% at all times.

In terms of Section 62(1)(c) of the Companies Act, 2013 read with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended till date, approval of members is required by way of a Special Resolution to issue / offer shares to persons who are not members of the Company.

Further approval of RBI is required for making an IPO, as per RBI guidelines on 'Issue and pricing of shares by private sector banks' dated April 20, 2010. RBI has granted its approval vide Letter No. DBR No. PSBD. 8044/16.01.075/2015-16 dated December 18, 2015.

In view of the foregoing, your Directors recommend passing of the Special Resolution as set out in item No. 8 of the Notice of the meeting.

None of the Directors, Key Managerial Persons or their relatives is concerned or interested in the said resolution, except to the extent of their shareholding in the Bank, if any.

Item No. 9

In terms of the provision of Section 180(1)(c) of the Companies Act, 2013, borrowings by the Bank (apart from temporary loans, if any, obtained from the Bankers of the Bank and deposits accepted in the ordinary course of business) in excess of the paid up capital of the Bank and its free reserves, require the approval of the Members by way of a special resolution. The Members of the Bank at their 74th Annual General Meeting held on December 19, 1996 had passed a resolution approving the borrowing limit of ` 200 crores under section 293(1)(d) of the Companies Act, 1956. It has been felt that the said limit is inadequate considering the ever growing requirements of the Bank. The Board has deemed it prudent to increase the above limit adequately. Therefore a resolution proposing to increase the limit for borrowings (subject to the specified exclusions) to ` 1000 crore is placed at Agenda Item No. 9.

Accordingly, the Board recommends the resolutions as set out under Item no. 9 of the Notice for approval of the Members.

None of the Directors, Key Managerial Persons or their relatives is concerned or interested in the said resolution,.

By order of the Board of Directors
For Tamilnad Mercantile Bank Limited

Thoothukudi
December 20, 2015

Deepak C S
Company Secretary

**SPECIMEN OF DECLARATION FORM TO BE SUBMITTED BY THE PROPOSED DIRECTOR
ALONG WITH NOTICE UNDER SECTION 160 OF THE COMPANIES ACT, 2013**

Name of Bank :TAMILNAD MERCANTILE BANK LIMITED

Declaration and Undertaking by Director (with enclosures as appropriate as on _____)	
I	Personal details of director
a.	Full name
b.	Date of Birth
c.	Educational Qualifications
d.	Relevant Background and Experience
e.	Permanent Address
f.	Present Address
g.	E-mail Address / Telephone Number
h.	Permanent Account Number under the Income Tax Act and name and address of Income Tax Circle
i.	Relevant knowledge and experience (Refer Section 10A(2)(a) of the Banking Regulation Act, 1949)
j.	Any other information relevant to Directorship of the Bank
II	Relevant Relationships of director
a.	List of Relatives if any who are connected with the Bank (Refer Section 6 and Schedule 1A of the Companies Act, 1956) <i>(Refer Section 2(77) of Companies Act, 2013 read with Rule 4 of Companies (Specification of Definitions Details) Rules, 2014 also)</i>
b.	List of entities if any in which he / she is considered as being interested (Refer Section 299(3)(a) and Section 300 of the Companies Act, 1956) <i>(Refer Section 2 (49) and Section 184 of the Companies Act, 2013 also)</i>
c.	List of entities in which he / she is considered as holding substantial interest within the meaning of Section 5(ne) of the Banking Regulation Act, 1949 proposed and existing

	d.	Name of Bank in which he / she is or has been a member of the board (giving details of period during which such office was held)	
	e.	Fund and non-fund facilities, if any, presently availed of by him / her and / or by entities listed in II (b) and (c) above from the Bank	
	f.	Cases, if any, where the director or entities listed in II (b) and (c) above are in default or have been in default in the past in respect of credit facilities obtained from the Bank or any other Bank.	
III	Records of professional achievements		
	a.	Professional achievements relevant	
IV	Proceedings, if any, against the Director		
	a.	If the director is a member of a professional association / body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him / her or whether he / she has been banned from entry of at any profession / occupation at any time.	
	b.	Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the proposed director and / or against any of the entities listed in II (b) and (c) above for violation of economic laws and regulations	
	c.	Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the past against the director	
	d.	Whether the director attracts any of the disqualifications envisaged under Section 274 of the Company's Act 1956? <i>(Refer Section 164 of the Company's Act 2013 also)</i>	
	e.	Has the director or any of the entities at II (b) and (c) above been subject to any investigation at the instance of Government department or agency?	
	f.	Has the director at any time been found guilty of violation of rules / regulations / legislative requirements by customs / excise / income tax / foreign exchange / other revenue authorities, if so give particulars	
	g.	Whether the director at any time come to the adverse notice	

	of a regulator such as SEBI, IRDA, DCA. (Though it shall not be necessary for a candidate to mention in the column about orders and findings made by regulators which have been later on reversed / set aside in toto, it would be necessary to make a mention of the same, in case the reversal / setting aside is on technical reasons like limitation or lack of jurisdiction, etc, and not on merit. If the order of the regulator is temporarily stayed and the appellate / court proceedings are pending, the same also should be mentioned).	
V	Any other explanation / information in regard to items I to III and other information considered relevant for judging fit and proper.	

Undertaking

I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the Bank fully informed, as soon as possible, of all events which take place subsequent to my appointment which are relevant to the information provided above.

I also undertake to execute the deed of covenant required to be executed by all directors of the Bank.

Signature of the proposed
director

Place:

Date :

Note: Please note that with regard to the provisions of Companies Act, 1956 referred to in the above format, the corresponding applicable provisions of Companies Act, 2013 would apply. Please note that RBI is yet to revise the format subsequent to the enactment of Companies Act, 2013.

Form DIR-2

Consent to act as a director of a company

[Pursuant to section 152(5) and rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014]

To

Tamilnad Mercantile Bank Limited
57, V. E. Road
Thoothukudi – 628 002

Subject: Consent to act as a director

I,, hereby give my consent to act as director of Tamilnad Mercantile Bank Limited pursuant to sub-section (5) of section 152 of the Companies Act, 2013 and certify that I am not disqualified to become a director under the Companies Act, 2013.

1	Director Identification Number (DIN)	
2	Name (in full)	
3	Father's Name (in full)	
4	Address	
	E-mail id	
6	Mobile no	
7	Income-tax PAN	
8	Occupation	
9	Date of birth	
10	Nationality	
11	No. of companies in which I am already a Director and out of such companies the names of the companies in which I am a Managing Director, Chief Executive Officer, Whole time Director, Secretary, Chief Financial Officer, Manager	
12	Particulars of membership No. and Certificate of practice No. if the applicant is a member of any professional Institute (Specifically state NIL if none)	

Declaration

I declare that I have not been convicted of any offence in connection with the promotion, formation or management of any company or LLP and have not been found guilty of any fraud or misfeasance or of any breach of duty to any company under this Act or any previous company law in the last five years. I further declare that if appointed my total Directorship in all the companies shall not exceed the prescribed number of companies in which a person can be appointed as a Director.

Signature:

Designation: Director

Date:

Place:

Attachments:

- 1. Proof of identity :
- 2. Proof of residence :

FORM 'DIR-8'

Intimation by Director

[Pursuant to Section 164(2) and rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014]

Registration No. of Company : U65110TN1921PL001908
Nominal Capital : ` 10,00,00,000/-
Paid-up Capital : ` 28,44,540/-
Name of the Company : Tamilnad Mercantile Bank Ltd.,
Address of its Registered Office : 57, V. E. Road,
Thoothukudi- 628 002

To

The Board of Directors of Tamilnad Mercantile Bank Limited,

I,, son/daughter/wife of resident of director (*proposed to be*) in the company (bank) hereby give notice that I am/was a director in the following companies during the last three years:-

S.No.	Name of the Company	Date of Appointment	Date of Cessation
1.			
2.			

I further confirm that I have not incurred disqualification under section 164 (2) of the Companies Act, 2013 in any of the above companies, in the previous financial year, and that I, at present, stand free from any disqualification from being a director

Signature :
Name :

Dated day of 2016

Electronic Voting General Instructions

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, the Bank is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the 88th, 89th, 90th, 91st, 92nd and 93rd Annual General Meetings (AGMs) by electronic means and the business may be transacted through e-voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
2. The facility for **tablet based e-voting** shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting to cast vote electronically at the venue using handheld tablets. Use of such tablet based system of electronic voting is user friendly as the shareholders who attend general meetings can now conveniently cast their votes faster as compared to voting by physical ballot papers.
3. The Members who have cast their vote by remote e-voting prior to the AGMs may also attend the AGMs but shall not be entitled to cast their vote again.
4. The remote e-voting period commences on January 26, 2016 (9:00 am) and ends on January 28, 2016 (5:00 pm). During this period, Members of the Bank, holding shares as on the cut-off date of January 22, 2016, may cast their votes by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
5. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL (for Members whose email IDs are registered with the Company/Depository Participants(s)):
 - i. Open email and open PDF file viz; “Tamilnad Mercantile Bank remote e-voting.pdf” with your Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsd.com>
 - iii. Click on Shareholder – Login
 - iv. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - vii. Select “REVEN” of Tamilnad Mercantile Bank Limited. There will be a different REVEN for each of the six AGMs.
 - viii. Now you are ready for remote e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - x. Upon confirmation, the message “Vote cast successfully” will be displayed.
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@snaco.net with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM (for Members whose email IDs are not registered with the Bank or who have requested for physical copy):

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

REVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

6. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
7. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
8. 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).
9. **The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Bank as on the cut-off date of January 22, 2016.**

Please note that in terms of the order passed by the Hon'ble High Court of Madras on November 26, 2015 in Writ Petition No. 11159 of 2011, the voting rights of a particular group of shareholders referred to in that Order, has been curtailed.

The shareholders concerned are advised to exercise their voting rights subject to the restriction imposed in the Court Order. Notwithstanding the manner in which the votes are cast, the final declaration of the results by the Chairman shall be subject to the restrictions imposed in the Court Order.

10. Any person, who acquires shares of the Bank and becomes Member of the Bank after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. January 22, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or secretarial@tmbank.in.
11. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.
12. A person, whose name is recorded in the register of Members as on the cut-off date alone shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
13. Mr. S. N. Ananthasubramanian, Senior Partner or failing him Ms. Malati Kumar, Partner of S N ANANTHASUBRAMANIAN & CO., Company Secretaries and Past President ICSI – 2013 has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
14. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by tablet based e-voting to all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
15. The Scrutinizer shall after the conclusion of voting at the AGM, shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, for each of the Resolutions, to the Chairman, who shall countersign the same and declare the result of the voting forthwith.
16. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.tmb.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing.



TAMILNAD MERCANTILE BANK LIMITED

Regd. Office: 57, V.E.Road, Thoothukudi – 628002

Phone: 0461-2325136, 2321929 (E)

email : secretarial@tmbank.in

CIN: U65110TN1921PLC001908

Form MGT-11 – Proxy Form

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

The 88th Annual General Meeting for the year 2010

Name of the member (s):
Registered address:
E-mail Id:
Folio No.:

I/We being the member(s) of.....shares of the above named Company hereby appoint:

1. Name: Address:
E-mail Id:.....Signature:.....,or failing him
2. Name: Address:
E-mail Id:.....Signature:.....,or failing him
3. Name: Address:
E-mail Id:.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 88th Annual General Meeting of the Bank for the year 2010 to be held at 10.00 a.m. on Friday, **the 29th January, 2016** at Manickam Mahal, 1/1A, Tiruchendur Road, Thoothukudi – 628 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Optional	
Ordinary business	For	Against
1. Adoption of audited annual accounts for March 31, 2010		
2. Declaration of dividend		
3. Appointment of Statutory Central Auditors		
4. Appointment of branch auditors		
Special business		
5. Revision in remuneration, extension of tenure and payment of gratuity to Shri G. Nagamal Reddy, MD & CEO		
6. Appointment and payment of remuneration and revision in remuneration of Shri A. K. Jagannathan, MD & CEO		

Signed thisday of.....2016

Signature of shareholder

Signature of Proxy holder(s)

Please affix Revenue Stamp

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.

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 88th Annual General Meeting.

*3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



TAMILNAD MERCANTILE BANK LIMITED

Regd. Office: 57, V.E.Road, Thoothukudi – 628002

Phone: 0461-2325136, 2321929 (E)

email : secretarial@tmbank.in

CIN: U65110TN1921PLC001908

Form MGT-11 – Proxy Form

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

The 89th Annual General Meeting for the year 2011

Name of the member (s):
Registered address:
E-mail Id:
Folio No.:

I/We being the member(s) of.....shares of the above named Company hereby appoint:

- Name: Address:
E-mail Id:.....Signature:.....,or failing him
- Name: Address:
E-mail Id:.....Signature:.....,or failing him
- Name: Address:
E-mail Id:.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 89th Annual General Meeting of the Bank for the year 2011 to be held at 10.30 a.m. or on the conclusion of the 88th Annual General Meeting, whichever is later on Friday, **the 29th January, 2016** at Manickam Mahal, 1/1A, Tiruchendur Road, Thoothukudi – 628 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Optional	
	For	Against
Ordinary business		
1. Adoption of audited annual accounts for March 31, 2011		
2. Declaration of dividend		
3. Appointment of Statutory Central Auditors		
Special business		
4. Appointment of branch auditors		

Signed thisday of.....2016

Signature of shareholder

Signature of Proxy holder(s)

Please affix Revenue Stamp

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.

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 89th Annual General Meeting.



*3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

TAMILNAD MERCANTILE BANK LIMITED

Regd. Office: 57, V.E.Road, Thoothukudi – 628002

Phone: 0461-2325136, 2321929 (E)

email : secretarial@tmbank.in

CIN: U65110TN1921PLC001908

Form MGT-11 – Proxy Form

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

The 90th Annual General Meeting for the year 2012

Name of the member (s):

Registered address:

E-mail Id:

Folio No.:

I/We being the member(s) of.....shares of the above named Company hereby appoint:

1. Name: Address:.....

E-mail Id:.....Signature:.....,or failing him

2. Name: Address:.....

E-mail Id:.....Signature:.....,or failing him

3. Name: Address:.....

E-mail Id:.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 90th Annual General Meeting of the Bank for the year 2012 to be held at 11.00 a.m. or on the conclusion of the 89th Annual General Meeting, whichever is later on Friday, **the 29th January, 2016** at Manickam Mahal, 1/1A, Tiruchendur Road, Thoothukudi – 628 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Optional	
	For	Against
Ordinary business		
1. Adoption of audited annual accounts for March 31, 2012		
2. Declaration of dividend		
3. Appointment of Statutory Central Auditors		
Special business		
4. Appointment of branch auditors		
6. Revision in remuneration of Shri A. K. Jagannathan, MD & CEO		
6. Appointment and payment of remuneration of Shri K. B. Nagendra Murthy, MD & CEO		

Signed thisday of.....2016

Signature of shareholder

Signature of Proxy holder(s)

Please affix
Revenue
Stamp

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.

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 90th Annual General Meeting.

*3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



TAMILNAD MERCANTILE BANK LIMITED
 Regd. Office: 57, V.E.Road, Thoothukudi – 628002

Phone: 0461-2325136, 2321929 (E)
 email : secretarial@tmbank.in
 CIN: U65110TN1921PLC001908

Form MGT-11 – Proxy Form

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

The 91st Annual General Meeting for the year 2013

Name of the member (s):
Registered address:
E-mail Id:
Folio No.:

I/We being the member(s) of.....shares of the above named Company hereby appoint:

1. Name: Address:.....
 E-mail Id:.....Signature:.....,or failing him
2. Name: Address:.....
 E-mail Id:.....Signature:.....,or failing him
3. Name: Address:.....
 E-mail Id:.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 91st Annual General Meeting of the Bank for the year 2013 to be held at 11.30 a.m. or on the conclusion of the 90th Annual General Meeting, whichever is later on Friday, **the 29th January, 2016** at Manickam Mahal, 1/1A, Tiruchendur Road, Thoothukudi – 628 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Optional	
Ordinary business	For	Against
1. Adoption of audited annual accounts for March 31, 2013		
2. Declaration of final dividend		
3. Appointment of Statutory Central Auditors		
Special business		
4. Appointment of branch auditors		

Signed thisday of.....2016
 Signature of shareholder
 Signature of Proxy holder(s)

Please affix
 Revenue
 Stamp

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.

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 91st Annual General Meeting.

*3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



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 CIN: U65110TN1921PLC001908

Form MGT-11 – Proxy Form

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

The 92nd Annual General Meeting for the year 2014

Name of the member (s):
Registered address:
E-mail Id:
Folio No.:

I/We being the member(s) of.....shares of the above named Company hereby appoint:

1. Name: Address:.....
 E-mail Id:.....Signature:.....,or failing him
2. Name: Address:.....
 E-mail Id:.....Signature:.....,or failing him
3. Name: Address:.....
 E-mail Id:.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 92nd Annual General Meeting of the Bank for the year 2014 to be held at 12.00 noon or on the conclusion of the 91st Annual General Meeting, whichever is later on Friday, **the 29th January, 2016** at Manickam Mahal, 1/1A, Tiruchendur Road, Thoothukudi – 628 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Optional	
Ordinary business	For	Against
1. Adoption of audited annual accounts for March 31, 2014		
2. Appointment of Statutory Central Auditors		
Special business		
3. Appointment of branch auditors		
4. Revision in remuneration of Shri K. B. Nagendra Murthy, MD & CEO		
5. Appointment and payment of remuneration of Shri H. S. Upendra Kamath, MD & CEO		

Signed thisday of.....2016
 Signature of shareholder
 Signature of Proxy holder(s)

Please affix
Revenue
Stamp

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.

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 92nd Annual General Meeting.

*3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



TAMILNAD MERCANTILE BANK LIMITED

Regd. Office: 57, V.E.Road, Thoothukudi – 628002

Phone: 0461-2325136, 2321929 (E)

email : secretarial@tmbank.in

CIN: U65110TN1921PLC001908

Form MGT-11 – Proxy Form

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

The 93rd Annual General Meeting for the year 2015

Name of the member (s):
Registered address:
E-mail Id:
Folio No.:

I/We being the member(s) of.....shares of the above named Company hereby appoint:

- Name: Address:.....
E-mail Id:.....Signature:.....,or failing him
- Name: Address:.....
E-mail Id:.....Signature:.....,or failing him
- Name: Address:.....
E-mail Id:.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 93rd Annual General Meeting of the Bank for the year 2015 to be held at 12.30 p.m. or on the conclusion of the 92nd Annual General Meeting, whichever is later on Friday, **the 29th January, 2016** at Manickam Mahal, 1/1A, Tiruchendur Road, Thoothukudi – 628 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Optional	
	For	Against
Ordinary business		
1. Adoption of audited annual accounts for March 31, 2015		
2. Appointment of Statutory Central Auditors		
Special business		
3. Appointment of branch auditors		
4. Revision in remuneration of Shri Shri H. S. Upendra Kamath, MD & CEO		
5. Increase in authorized share capital from ` 10 crore to ` 500 crore and consequent alteration of memorandum of Association		
6. Alteration in Articles of Association in consonance with Companies Act, 2013 and for other reasons		
7. Issue of bonus shares @ 500:1		
8. Further issue of capital (IPO) for upto ` 500 crore		
9. Grant of authorization to the Board to borrow upto ` 1000 crore		
Any other*		

*Refer Note No. 19 to the 93rd AGM’s notice

Signed thisday of.....2016
Signature of shareholder
Signature of Proxy holder(s)

Please affix Revenue Stamp

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.

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 93rd Annual General Meeting.

*3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Our Vision

To be a progressive bank with strong brand equity, enhancing value for all the stake holders through excellence in performance and good governance

Our Mission

We shall provide exemplary service with highest delivery efficiency, based on ethics, honesty and sincerity with cutting edge technology and emerge as a truly national bank.