



Dhanlaxmi Bank Limited

CIN: L65191KL1927PLC000307

Regd. Off: P.B No. 9, Dhanalakshmi Buildings, Naickanal, Thrissur, Kerala- 680001

Ph: 0487-6617142 / 149, Fax: 0487 -2335367

E-mail: investors@dhanbank.co.in, Website: www.dhanbank.com

NOTICE OF POSTAL BALLOT

Notice is hereby given to the Members of Dhanlaxmi Bank Limited (“the Bank”), pursuant to Sections 108 and 110 of the Companies Act, 2013 (“the Act”) read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (“the Rules”) as amended from time to time including any statutory modification(s) or re-enactment(s) thereof for the time being in force and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and other applicable laws and regulations, if any, that the Bank is seeking consent/approval of the Members for the following proposal to be passed through Postal Ballot process:-

1. Approval for authorizing the Board of Directors of the Bank to appoint Shri. Shivan J.K as Managing Director & CEO of the Bank

The Statement setting out material facts concerning the resolution set out at Item No. 1 of the Notice of Postal Ballot dated December 26, 2020 (“Notice”), pursuant to Section 102 of the Act relating to the resolution is annexed. The Notice will also be available on the websites of the Bank (www.dhanbank.com), KFin (<https://evoting.karvy.com>), National stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com).

The Bank has engaged the services of KFin Technologies Private Limited (“KFin”) as the authorized agency to provide e-voting facilities. Mr. M. Vasudevan, Practising Company Secretary, Surya Gardens Apartments, Paliyam Road, Thrissur – 680001 (FCS 4177/ CP 2437) has been appointed as Scrutinizer for conducting the postal ballot through the e-voting process only in a fair and transparent manner.

In view of the continuing restrictions in the country caused by outbreak of COVID – 19 and as per the guidelines issued by the Ministry of Corporate Affairs vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020 and General Circular No. 33/2020 dated September 28, 2020 (the MCA Circulars), the Notice would be sent in electronic mode only to all those shareholders who have registered their e-mail addresses with the Bank or Depository Participant / Depository / KFin Technologies Private Limited (“KFin”), the Bank’s Registrar & Transfer Agent (RTA). Further, the shareholders would have the option to vote only through electronic voting (“e-voting”) and voting through physical ballot papers will not be provided.

E-voting facility is available at the link <https://www.evoting.kfintech.com/> from Sunday, December 27, 2020, 9.00 AM (IST) onwards to Monday, January 25, 2021, 5.00 PM (IST). Shareholders are requested to read carefully the e-voting instructions given in the Notes forming part of the Postal Ballot Notice, before logging into the e-voting link.

The Scrutinizer will submit his report to the Chairman on January 26, 2021 after completion of the scrutiny. Based on the Scrutinizer's Report, the results of the e-voting will be declared by the Chairman on January 26, 2021 at or before 5.00 PM at the Bank's Registered Office at P.B No. 9, Dhanalakshmi Buildings, Naickanal, Thrissur - 680001, through the website of the Bank viz., www.dhanbank.com. Voting results along with the Scrutinizer's Report will also be available on the websites of the Bank (www.dhanbank.com), KFin (<https://evoting.karvy.com>), National stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com). The resolution, if passed by requisite majority, will be deemed to be passed on the last date specified for e-voting i.e. January 25, 2021.

In case of need for any technical assistance or any grievances connected with e-voting, Members may contact Mr. Raj Kumar Kale, Senior Manager, KFin Technologies Private Limited, "Selenium Tower B", Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032; Phone:1800 345 4001 (toll free). Members who have not received the e-mail of the aforesaid Notice may also contact Mr. Raj Kumar Kale at the above mentioned address / phone number for the e-mail of the Notice.

SPECIAL BUSINESS

1. Approval for authorizing the Board of Directors of the Bank to appoint Shri. Shivan J.K as Managing Director & CEO of the Bank

To consider and, if thought fit, to pass, with or without modification, the following resolution as Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Section 197 read with Schedule V of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 35B and other applicable provisions of Banking Regulation Act, 1949 and the rules, circulars and guidelines issued by Reserve Bank of India and other applicable provisions under any law for the time being in force, including any statutory modification(s) or re-enactment (s) thereof, and applicable provisions of the Articles of Association of the Bank and RBI letter no.DOR.Appt.No.2044/08.37.001/2020-21 dated December 24, 2020, consent of the Shareholders be and is hereby accorded for authorizing the Board of Directors of the Bank (“Board”) to appoint Shri. Shivan J.K, whose candidature was recommended by the Nomination & Remuneration Committee and the Board to the Reserve Bank of India for the position of Managing Director & CEO of the Bank, as Director not be liable to retire by rotation and as Managing Director & CEO of the Bank for a period of three

years with effect from the date on which Shri. Shivan J.K takes charge as Managing Director & CEO, subject to prior approval of Reserve Bank of India.”

“**RESOLVED FURTHER THAT** subject to the provisions of Section 196 of the Companies Act, 2013, Section 197 read with Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions under any law for the time being in force, including any statutory modification(s) or re-enactment (s) thereof, and applicable provisions of the Articles of Association of the Bank, and subject to the prior approval of Reserve Bank of India, consent of the Shareholders be and is hereby accorded for authorizing the Board to fix the remuneration and other terms and conditions of Shri. Shivan J.K as Managing Director & CEO, as set out in the Explanatory Statement under Section 102 (1) of the Companies Act, 2013 annexed to and forming part of the Notice of Postal Ballot dated December 26, 2020 and to approve any revision in the remuneration and other terms and conditions from time to time.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary and desirable for such purpose, including without limitation, filing applications with the appropriate authorities for obtaining requisite approvals and filing of necessary forms / information with regulatory authorities, delegating all or any of the matters or functions for giving effect to the resolutions to any Committee of the Board or any one or more Directors or Key Managerial Personnel as it may think fit.”

Place: Thrissur
Date: December 26, 2020

For and on behalf of the Board,
Sd/-
Venkatesh. H
Company Secretary &
Secretary to the Board

NOTES:

1. In view of the continuing restrictions in the country caused by outbreak of COVID – 19 and as per the guidelines issued by the Ministry of Corporate Affairs vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020 and General Circular No. 33/2020 dated September 28, 2020 (the MCA Circulars), the Notice of Postal Ballot dated December 26, 2020 (“the Notice”) would be sent in electronic mode only to all those shareholders who have registered their e-mail addresses with the Company or Depository Participant / Depository / KFin Technologies Private Limited (“KFin”), the Bank’s Registrar & Transfer Agent (RTA). Further, the shareholders would have the option to vote only through e-voting and voting through physical ballot papers will not be provided.

2. The Notice will also be available on the websites of the Bank (www.dhanbank.com), KFin (<https://evoting.karvy.com>), National stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com).

3. The Notice is being sent to all Members whose names appear in the Register of Members / List of Beneficial Owners as received from the Depositories as on **Friday, December 18, 2020**. A person who is not a Member as on Friday, December 18, 2020 may treat the Notice for information purpose only.

4. Members who have not registered their e-mail address and, therefore, are not able to receive the Notice may temporarily get their email address and mobile number registered with M/s. KFin Technologies Private Limited, the Bank's RTA, by accessing the link https://ris.kfintech.com/email_registration.

5. The cut-off date (i.e. the record date) for the purpose of voting is **Friday, December 18, 2020** and the voting rights will be one vote per Equity Share registered in the name of the shareholders/ beneficial owners as on that date.

6. Pursuant to the provisions of the MCA Circulars, the Bank is offering e-voting facility to its Members in respect of the business to be transacted through Postal Ballot. The Bank has engaged the services of KFin Technologies Private Limited ("KFin") as the authorized agency to provide e-voting facilities. **The e-voting facility will be available from Sunday, December 27, 2020, 9.00 AM (IST) onwards to Monday, January 25, 2021, 5.00 PM (IST)**. The general information and instructions relating to e-voting are provided immediately below these Notes.

7. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special business to be transacted at the meeting is annexed hereto.

8. All relevant documents referred to in the Notice or the Explanatory Statement shall be available for inspection electronically by the Members upto the last date for receipt of votes through the e-voting process. Members seeking to inspect such documents may send an e-mail to investors@dhanbank.co.in.

9. In case of the need for any technical assistance or any grievances connected with e-voting, Members may contact Mr. Raj Kumar Kale, Senior Manager, KFin Technologies Private Limited, "Selenium Tower B", Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032; Phone:1800 345 4001 (toll free). Members who have not received the e-mail of the aforesaid Notice may also contact Mr. Raj Kumar Kale at the above mentioned address / phone number for the e-mail of the Notice.

10. The User ID and Password for e-voting is provided along with the e-mail delivering this Notice.

11. Mr. M. Vasudevan, Practising Company Secretary, Surya Gardens Apartments, Paliyam Road, Thrissur – 680001 (FCS 4177/ CP 2437) has been appointed as Scrutinizer for conducting

the e-voting process in accordance with law. The Scrutinizer's decision on the validity of voting shall be final.

12. The Scrutinizer shall, **on January 26, 2021**, unblock the votes in the presence of at least two witnesses not in the employment of the Bank and make a report of the votes cast in favour of or against the resolution and submit the same to the Chairman.

13. Based on the Scrutinizer's Report, the results of the e-voting will be declared by the Chairman on January 26, 2021 at or before 5.00 PM at the Bank's Registered Office at P.B No. 9, Dhanalakshmi Buildings, Naickanal, Thrissur - 680001, through the website of the Bank viz., www.dhanbank.com.

14. Voting results along with the Scrutinizer's Report will also be available on the websites of the Bank (www.dhanbank.com), KFin (<https://evoting.karvy.com>), National stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com).

15. The resolution, if passed by requisite majority, will be deemed to be passed on the last date specified for e-voting i.e. **January 25, 2021**.

16. These Notes together with the "General information and instructions relating to e-voting" form part of the Notice dated December 26, 2020.

General information and instructions relating to e-voting

1. Members shall use the following URLs for e-voting:- (i) <https://evoting.karvy.com> or (ii) <https://emeetings.kfintech.com>
2. Members to enter the login credentials (i.e., User ID & Password) mentioned in the email, Folio No. / DP ID & Client ID will be the USER ID. Please note that the password is an initial password.
3. Members holding shares either in physical form or in dematerialized form, as on the said cut-off date, may cast their vote electronically.
4. After entering the said details, please click on LOGIN.
5. Members will reach the password change menu wherein they are required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt the Members to change the password and update any contact details like mobile number, email address etc., on first login.

6. Members may also enter the secret question and answer of their choice to retrieve password in case they have forgotten it. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.

7. Members will need to login again with the new credentials.

8. On successful login, the system will prompt the Member to select the EVENT i.e., Dhanlaxmi Bank Limited.

9. On the voting page, Members are requested to enter the number of shares held as on the said cut-off date under FOR/AGAINST or alternately enter any number FOR and any number AGAINST and ensure that the total number of shares cast FOR/AGAINST, does not exceed their total shareholding, as on the said cut-off date. Members may also choose the option ABSTAIN.

10. Members holding multiple folio(s)/demat account(s) shall follow the said voting process separately for each folio(s)/demat account(s).

11. Members may cast their vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once a Member confirms his vote, he will not be allowed to modify his vote subsequently. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

12. The e-voting facility shall be available during the following period:-

Commencement of e-voting: **Sunday, December 27, 2020, 9.00 AM (IST)**

End of e-voting: **Monday, January 25, 2021, 5.00 PM (IST)**

During this period, only those persons whose names appears in the Register of Members or in the Register of beneficial owners, maintained by the Depositories, as on the cut-off date i.e. **Friday, December 18, 2020** shall be entitled to cast their vote through e-voting.

The e-voting facility shall be forthwith disabled by KFIN after expiry of the said period.

13. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned certified true copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., together with attested specimen signature(s) of the duly authorized representative(s) to the Scrutinizer at the e-mail ID mvasufcs@gmail.com with a copy marked to einward.ris.@kfintech.com. They may also upload the same in the e-voting module under their login. The scanned images of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

In case of the need for any technical assistance or any grievances connected with e-voting, Members may contact Mr. Raj Kumar Kale, Senior Manager, KFin Technologies Private Limited, "Selenium Tower B", Plot No. 31 & 32, Financial District, Nanakramguda,

Serilingampally, Hyderabad-500032; Phone:1800 345 4001 (toll free) or mail to einward.ris@kfintech.com / evoting@kfintech.com.

Statement of material facts as required under Section 102(1) of the Companies Act, 2013 annexed to and forming part of the Notice dated December 26, 2020

The Board of Directors of the Bank had recommended a panel of candidates to Reserve Bank of India for appointment as Managing Director & CEO. One of the candidates recommended by the Board was Shri. Shivan J.K. Reserve Bank of India has vide letter no.DOR.Appt.No.2044/08.37.001/2020-21 dated December 24, 2020 directed the Bank to submit a proposal to the Reserve Bank after the appointment of Shri. Shivan J.K as Managing Director & CEO is approved by the Shareholders of the Bank. Therefore, the Board of Directors is placing the proposal for the consent of the Shareholders of the Bank authorizing the Board of Directors of the Bank to appoint Shri. Shivan J.K as Managing Director & CEO of the Bank and as Director not liable to retire by rotation. The consent of the Shareholders is also sought for authorizing the Board of Directors of the Bank to fix the remuneration and other terms and conditions of Shri. Shivan J.K as Managing Director & CEO. The appointment as well as the remuneration and other terms and conditions will be however subject to the prior approval of Reserve Bank of India.

The approval of the resolutions in the Notice of Postal Ballot dated December 26, 2020 by the Shareholders will empower the Board of Directors of the Bank, subject to prior approval of Reserve Bank of India, to appoint Shri. Shivan J.K as Director not liable to retire by rotation and as Managing Director & CEO for a period of 3 years from the date of his taking charge and also to fix his remuneration as detailed in this Explanatory Statement. Therefore, it may be noted that the Bank need not take any further approval from Shareholders for the appointment / remuneration of Shri. Shivan J.K as Director / Managing Director & CEO.

The proposed remuneration and other terms and conditions for Shri. Shivan J.K, framed in accordance with the revised guidelines on 'Compensation of Whole Time Directors/Chief Executive Officers/Material Risk Takers and Control Function staff, etc. issued by RBI vide circular No.DOR.Appt. BC. No.23/ 29.67 .001 / 2019-20 dated November 4, 2019, will be as given below:-

Particulars	Annual Component In lakhs
Part A	
Fixed Pay	
1. Salary	48.00
2. DA	
3. Superannuation benefits	
4. Leave Fare Concession/Allowance	
5. Other Fixed Allowance	

6. Perquisites	
i) Free furnished house and its maintenance/ House rent allowance	4.20
ii) Conveyance allowance/ Free use of Bank car for Official purposes\$	
Personal purposes	0.50
iii) Driver salary	3.00
iv) Club membership	
Reimbursement of medical expenses	
Any other perquisites#	4.30
Total of Fixed Pay (including perquisites)	60.00
Part B	
Variable Pay	
Cash component	25.00
Upfront payment	
Deferred payment (not necessary)	
Total Cash component	25.00
Non Cash Component (share linked instruments)	
Total monetary value of non-cash components	35.00
Total Monetary value of cash and noncash variable pay	60.00
% of cash component in total Variable Pay	41.67
% non-cash component	58.33
% of variable pay to Fixed Pay	100.00
% of variable pay in total Compensation	50.00
Total Compensation (A + B)	120.00

\$ Conveyance Allowance/ Use of Bank's Car for official purposes will be permitted on actuals which are not quantifiable in advance.

Any other Perquisites will include 4 News Papers at residence (1 National daily, 1 Vernacular daily and 2 Business dailies) , High Speed Net Connection with WI-FI , House Keeping Allowance and the amortized value of Car , Furniture & Fixtures, Mobile Device/I-Pad & Laptop provided.

Spreading of the fixed pay of Rs.60 Lakhs under different heads can be decided by the incumbent in consultation with the Bank.

There will be no separate superannuation / retirement benefits such as Provident Fund, Gratuity, and Pension as the appointment is for a fixed period of 3 years. However, if the candidate

voluntarily opts for any of the superannuation / retirement benefits, it will form part of the fixed pay of Rs.60.00 Lakh.

In addition to the above, the Managing Director & CEO of the Bank will be eligible for the following non-quantifiable perquisites:-

1. Reimbursement of Medical Expenses on actuals with Medical Insurance for Rs.9 lakhs for the incumbent as well as for his dependents, as applicable to Officers of the Bank.
2. Corporate Credit Card with a limit of Rs.5 lakhs for official purposes.

Guidelines of Reserve Bank of India provide for Guaranteed Bonus, limited to the first year in the context of hiring new staff. Joining / sign-on bonus shall be in the form of share linked instruments only. Such bonus will neither be considered part of fixed pay nor part of variable pay Subject to regulatory compliance, the new incumbent will be allotted 1,00,000 (One Lakh only) Shares of the Bank at face value with a lock-in-period of 1 year from the date of grant.

The variable pay will be payable in accordance with the scoring parameters approved by the Board, subject to prior approval of RBI.-Scores for different parameters will be determined and reviewed by the Board of Directors in May / June based on the audited figures of the relevant financial year. Cash Component of variable pay will become payable immediately based on the above review. Deferral of Non-Cash variable Pay will be as follows:-

1. One third of eligible amount will vest in May / June immediately based on review by the Board of Directors. Balance two third would vest in the consecutive years equally on the anniversary date of the first vesting. Share linked instruments will be valued by the Bank on the date of grant using Black-Scholes model.
2. If the candidate leaves the organization for any reason (including being asked to leave by the organization) within three years, the deferred portion of the variable pay would lapse.

The above proposed remuneration will also be however subject to prior approval of Reserve Bank of India.

The Nomination & Remuneration Committee has also conducted “due diligence” in accordance with the provisions of the Banking Regulation Act, 1949 and RBI guidelines and found that Shri. Shivan J.K is “fit & proper” to be a Director and Managing Director & CEO of the Bank.

Accordingly, the Directors recommend the Resolution in the Notice for approval.

The additional information on Shri. Shivan J.K as required under SEBI (Listing Obligations and Disclosure Requirements) and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India is as follows:-

Date of Birth and age	04.05.1960 ; 60 years
Qualifications	B. Sc. (Agri.), MBA, CAIIB
Brief Resume, Experience and	Shri. Shivan J.K has over 37 years of experience in State

Nature of expertise in specific functional areas	<p>Bank of India (SBI) and has handled various areas of commercial banking. He has headed corporate banking, international & forex operations and was also involved in retail advances and agriculture credit. He also has experience as Branch/ Regional Head in SBI. Shri. Shivan J.K retired as Chief General Manager of Stressed Assets Resolution Group of SBI.</p> <p>Shri. Shivan J.K was retail branch head for 6 years in Kerala in rural and urban centres of SBI. He has headed geographic areas of Central India stretching from Gujarat to the North East. Later headed sectoral teams handling stressed accounts in the infrastructure and commercial real estate and then in the Airlines, Telecom, Trading, Gem & Jewellery, Food Processing , edible oil processing. He was the Corporate banking Head and has handled credit intensive branches. Shri. Shivan J.K has been involved in the resolution of Stressed Corporate Assets under IBC/ Sale to ARC/ OTR/OTS/ Change of management.</p>
Terms and conditions of appointment / re-appointment along with details of remuneration	Shri. Shivan J.K will be entitled to the remuneration as detailed above in the Explanatory Statement under Section 102(1) of the Companies Act, 2013. He will not be entitled to any sitting fee for attending Board / Committee Meetings.
Details of Remuneration last drawn	Not Applicable
Date of first appointment on Board	Not Applicable
Sector	Majority – Banking
Shareholding in the Bank as on the date of this Notice	Nil
Relationship with other Directors, Manager and Key Managerial Personnel of the Bank	Nil
Number of Board Meetings attended during 2019-20 & 2020-21	Not Applicable
Chairman / Member of Committees of Board of Directors of the Bank as on the date of this Notice	Not Applicable
Directorship in other entities	Nil
Membership / Chairmanship of Committees of Boards of other listed companies as on the date of	Nil

this Notice	
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None of the Directors or Key Managerial Personnel or their relatives are concerned or interested in the Resolution set out in the Notice.

Place: Thrissur
Date: December 26, 2020

For and on behalf of the Board,
Sd/-

Venkatesh. H
Company Secretary &
Secretary to the Board