

# Bank of Maharashtra

Head Office: "Lokmangal", 1501, Shivajinagar, Pune-411005

## Notice

Notice is hereby given that the Eleventh Annual General Meeting of the Shareholders of Bank of Maharashtra will be held on Thursday the 26<sup>th</sup> June 2014 at 10.30 A.M at Appasaheb Joag Hall, Bank of Maharashtra, Lokmangal, 1501, Shivajinagar, Pune-411 005 to transact the following business:

### ORDINARY BUSINESS:

1. To discuss, approve and adopt the Balance Sheet of the Bank as at 31<sup>st</sup> March 2014 and the Profit and Loss Account for the year ended 31<sup>st</sup> March 2014, the Report of Board of Directors on the working and activities of the Bank for the period covered by the Accounts and the Auditors' Report on the Balance Sheet and Accounts."
2. To confirm payment of Interim Dividend and declare final dividend, if any, for the year ended 31<sup>st</sup> March 2014.

### SPECIAL BUSINESS:

3. **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 the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, The Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970 and Bank of Maharashtra (Shares and Meetings) Regulations, 2004 as amended from time to time, and subject to the approvals, consents, sanctions, if any, of Reserve Bank of India (RBI), Government of India (GOI), Securities and Exchange Board of India (SEBI), and / or any other authority as may be required in this regard and subject to such terms, conditions and modification/s thereto as may be prescribed by them in granting such approvals and which may be agreed to by the Board of Directors of Bank of Maharashtra (the "Bank") and subject to SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) as amended from time to time and Regulations prescribed by RBI and all other relevant authorities from time to time and subject to the Listing Agreement entered into with the Stock Exchanges where the equity shares of the Bank are listed, consent of the shareholders of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter called "the Board") which shall be deemed to include any Committee which the Board may have constituted or hereafter constitute, to exercise its powers including the powers conferred by this Resolution) to

- a) Create, offer, issue and allot upto 13,33,63,574 equity shares of the face value of Rs. 10/- each for cash at a conversion price of Rs. 44.09 including premium of Rs. 34.09 per share as determined in accordance with Regulation 76(1) of SEBI ICDR Regulations 2009, aggregating to Rs. 587,99,99,977.66 (Rs. Five Hundred Eighty Seven Crore Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred Seventy Seven and Sixty Six paise Only) by conversion of 5,880 PNCPS having face value of Rs. 10,00,000/- each aggregating to Rs. 588 Crore held by Govt. Of India, on preferential basis to Govt. of India.
- b) Create, offer, issue and allot upto 9,07,23,520 equity shares of the face value of Rs. 10/- each (Rs. Ten only) for cash at a price of Rs 44.09 per share including premium of Rs. 34.09 per share as determined in accordance with Regulation 76(4) of SEBI ICDR Regulations 2009 aggregating Rs 400 Crore (Rs Four Hundred Crore only) in Preferential basis to LIC and/or various schemes or LIC of India

**RESOLVED FURTHER THAT** the Relevant Date for determination of the issue Price is May 27, 2014.



**RESOLVED FURTHER THAT** the Board shall have authority and power to accept any modification in the proposal as may be required or imposed by the GOI / RBI / SEBI / Stock Exchanges where the shares of the Bank are listed or such other appropriate authorities at the time of according / granting their approvals, consents, permissions and sanctions to issue, allotment and listing thereof and as agreed to by the Board.

**RESOLVED FURTHER THAT** the said Equity shares to be issued shall rank pari passu with the existing Equity Shares of the Bank and shall be entitled to dividend, declared, if any, in accordance with the statutory guidelines that are in force at the time of such declaration.

**RESOLVED FURTHER THAT** the new equity shares to be issued as aforesaid will be listed on the Stock Exchanges where equity shares of the Bank are listed on the date of allotment of new equity shares.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its discretion deem necessary, proper and desirable and to settle any question, difficulty or doubt that may arise in regard to the issue of the Equity Shares and further to do all such acts, deeds, matters and things, finalize and execute all documents and writings as may be necessary, desirable or expedient as it may in its absolute discretion deem fit, proper or desirable without being required to seek any further consent or approval of the shareholders or authorised to the end and intent that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred on it, to the Chairman and Managing Director or any Executive Directors or such other officer of the Bank or a Committee as it may deem fit to give effect to the aforesaid Resolution”.

4. To elect ONE Director from amongst the shareholders of the Bank, other than the Central Government, in respect of whom valid nominations as prescribed have been received in terms of Section 9 (3) (i) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (hereinafter referred to as “the Act”) read with The Banking Regulation Act, 1949 (hereinafter referred to as “the Regulation Act”) the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 (hereinafter referred to as “the Scheme”) and the Bank of Maharashtra (Shares and Meetings) Regulations, 2004 (hereinafter referred to as “the Regulations”) and Notification No. DBOD. No. BC. No. 46 and 47/29.39.001/2007-08 dated 1<sup>st</sup> November, 2007 read with No.DBOD.BC.No.95/29.39.001/2010-11 dated 23<sup>rd</sup> May, 2011 of Reserve Bank of India (hereinafter referred to as “RBI Notification”) by passing the following resolution:

**“RESOLVED THAT** one Director elected from amongst shareholders other than the Central Government pursuant to Section 9(3)(i) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 read with relevant Scheme, Regulations and Notification made there under and Notification of Reserve Bank of India, be and is hereby appointed as the Director of the Bank to assume office from the date following the date on which he/she is elected/deemed to be elected and shall hold the office for a term of three years.”

By order of the Board of Directors



(S. Muhnot)

Chairman & Managing Director

Date: 26<sup>th</sup> May, 2014

Place: Pune

**Notes:**

1. The Explanatory Statement setting out the material facts in respect of the business to be transacted at the meeting is annexed hereto.
2. In terms of Sub section (2E) of section 3 of the Banking Companies Acquisition and Transfer of Undertakings Act 1970, no shareholder of the corresponding new Bank other than the Central Government shall be entitled to exercise voting rights in respect of any shares held by him/her in excess of ten percent of the total voting rights of all the shareholders of the Bank.

Subject to above, each shareholder, other than the Central Government, who has been registered as a shareholder shall have one vote on show of hands and in case of poll shall have one vote for each share held by him subject to maximum of 10% of the total voting rights

As per Regulation 10 of Bank of Maharashtra (Shares and Meetings) Regulations 2004, if any shares stand in the name of the two or more persons, the person first named in the Register shall, as regards voting, be deemed to be the sole holder thereof.

3. **Appointment of Proxy:**

A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A SHAREHOLDER OF THE BANK.

The Proxy form, in order to be effective, must be received by the Bank at its Head Office at Pune not less than Four Days before the date of the Annual General Meeting i.e., on or before the closure of working hours of the Bank on Saturday , 21<sup>st</sup> June 2014.

4. **Appointment of an Authorised Representative:**

No person shall be entitled to attend or vote at the Annual General Meeting as a duly authorised representative of a Company or any other Body Corporate which is a shareholder of the Bank, unless a copy of the Resolution appointing him / her as a duly authorised representative, certified to be true copy by the Chairman of the meeting at which it was passed, shall have been deposited at the Head office of the Bank at Pune, not less than Four Days before the date of the Annual General Meeting i.e., on or before the closure of working hours of the Bank on Saturday , 21<sup>st</sup> June 2014.

5. **Attendance Slip-cum-Entry pass**

For the convenience of the shareholders, attendance Slip-cum-Entry pass is annexed to this Notice. Shareholders / Proxy Holders / Authorised Representatives are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue. Proxy / Authorised Representative of a shareholder should state on the Attendance-slip-cum Entry Pass as "Proxy" or "Authorised Representative" as the case may be.

6. **Book Closure**

The Register of Shareholders and the Share Transfer Books of the Bank will remain closed from Saturday the 31<sup>st</sup> May 2014 to Monday 2<sup>nd</sup> June 2014 (both days inclusive) for the Purpose of the Eleventh Annual General Meeting and for ascertaining the shareholders entitled for participation in the election of Director and voting at the Annual General meeting or by e-voting..

7. **Unpaid / Unclaimed dividend, if any**

In terms of Section 10B of Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and Financial Institutions Laws (Amedment) Act 2006, (which has come into force from 16.10.2006), any amount of dividend which is

transferred to unpaid dividend account and remains unpaid / unclaimed for a period of seven years from the date of such transfer shall be transferred to "Investor Education and Protection Fund" (EPF) established under section 205C(1) of the Companies Act, 1956 and thereafter, no claim for payment of dividend shall lie in respect thereof either to the Bank or to EPF.

Accordingly, in line with the above provisions, all such amounts of dividend remaining unpaid / unclaimed from the financial year 2003-2004 and onwards will be transferred to "Investor Education and Protection Fund" after seven years from the date on which it has been transferred to 'unpaid dividend account'.

Shareholders who have not received / encashed their dividend upto the financial year 2012-13, are requested to lodge their valid claim(s) with Registrar and Transfer Agent-MCS Ltd.

#### 8. Lodgment of Share Transfer Form/s

Duly executed Share transfer form/s along with the relevant Share Certificates , for transfer of shares, should be forwarded to the Registrar and Share Transfer Agent (RTA) at the address given under para no:9. so as to reach their office on or before the closure of business hours on May 30, 2014 .

#### 9. Change of address

Shareholders holding shares in physical form are requested to intimate changes, if any, in their registered address, to the Registrar and Share Transfer Agent (RTA) of the Bank at the following address:

MCS Limited,  
Unit: Bank of Maharashtra,  
Office No.21/22, Ground Floor,  
Kashiram Jamnadas Bldg., 5, P.D' Mello Road, (Ghadiyal Godi),  
Masjid (E) Mumbai-400 009.  
Tel No: 022-2372 6253-56  
Fax: 022-2372 6252  
Email-uday\_mcs@yahoo.in

Shareholders holding shares in Dematerialized Form are requested to intimate changes, if any, in their address directly to the respective Depository Participants.

#### 10. National Electronic Clearing Services-N-ECS/ Electronic Clearing Services (ECS) and Change in Bank Details

The Bank arranges payment of dividend through N-ECS / ECS facility, wherever available, to all shareholders of the Bank. In the absence of NECS / ECS facility at certain centers, the Bank shall print and send the physical dividend warrants to the shareholders.

Shareholders holding their shares in physical form, who wish to avail ECS facility, may authorize the Bank with their ECS Mandate in the prescribed form annexed to this Report.

Shareholders maintaining account with the Bank are requested to provide to the Bank, CBS Bank account details to credit their accounts towards payment of dividend.

11. Shareholders/Proxy holders/representatives are requested to bring their copies of the Annual Report/Notice to the Annual General Meeting.

12. Shareholders who wish to seek any information on the accounts are requested to write to the **Investor Services Department of the Bank at its Head Office**, so as to reach the Bank at least one week before the date of the Annual General Meeting so as to enable the Management to keep the information ready. Shareholders may note that information / clarification shall be provided only at the Annual General Meeting.

13. **E-Voting:**

The Bank is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Bank to enable them to cast their votes electronically on the resolutions mentioned in the notice of Annual General Meeting of the Bank dated May 26, 2014 (the AGM Notice). The Bank has appointed Mr. Raghavendra Joshi, Practicing Company Secretary (Partner of Apte Joshi & Associates, Company Secretaries, Pune) as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The E-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on May 30, 2014.

**The instructions for members for voting electronically are as under:-**

**A. In case of members receiving e-mail:**

- i. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on "Shareholders" tab to cast your votes.
- iv. Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- v. Now, fill up the following details in the appropriate boxes:

	<b>For Members holding shares in Demat Form</b>	<b>For Members holding shares in Physical Form</b>
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

\* Members who have not updated their PAN with the Bank/Depository Participant are requested to use the default number: "**BOMEV1234Z**" in the PAN field.

# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the value "**01/01/1990**" in the DOB column or the <No of Shares Held> in the Dividend Bank details field. For example, if your are holding 100 shares enter default value as 100 in <No of Shares held>.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ % & \*). Kindly note that this password is to be also used by the demat holders for voting

for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.

- viii. Click on the relevant EVSN on which you choose to vote.
- ix. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- x. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.
- xi. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

B. In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

- a. Please follow all steps from sl. no. (ii) to sl. no. (xiii) above, to cast vote.
- b. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- c. The voting period starts from 10. A.M. on Friday, June 20, 2014 and ends at 05.00 P.M. on Sunday June 22, 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of May 30, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- d. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**C. General Instruction:**

- a. 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 communication(s) regarding CDSL e-voting system in future. The same may be used in case the member forgets the password and the same needs to be reset.
- b. You are advised to cast your vote only through one mode (E-voting or through Poll at the AGM). In case you cast your votes through both the modes, votes cast through E-voting shall only be considered and votes cast at the meeting through Poll would be rejected.



- c. Members, who have registered their e-mail addresses with the Bank or their Depository Participant, are being sent the AGM Notice along with the Annual Report, Attendance Slip & Proxy Form by e-mail and others are being sent by post/courier.
- d. **Scrutinizer's email is:** bomevoting@aptejoshi.com.

**14. Specified Date for the purpose of Ascertainment of Shareholders entitled to Participate in the Election to the office of Shareholder Director.**

As announced vide notice dated 20<sup>th</sup> May 2014, published in the newspaper on 21st May 2014 , 30<sup>th</sup> May 2014 has been fixed as Specified Date in connection with the Annual General Meeting and for the purpose of ascertaining the names of shareholders entitled to participate in the election i.e. to nominate, contest and vote for the election of ONE director representing the shareholders of the Bank other than the Central Government as mentioned in the Notice.

**15. Qualifications required for being Elected as A Director of the Bank**

- In terms of Section 9(3A) of the Act, a candidate being a shareholder of the Bank and who desires to be a Director of the Bank shall
  - (A) have special knowledge or practical experience in respect of the one or more of the following matters namely: -
    - agriculture and rural economy,
    - banking,
    - co-operation,
    - economics,
    - finance,
    - law,
    - small scale industry,

any other matter the special knowledge of, and practical experience in, which would, in the opinion of the Reserve Bank of India is useful to the Bank.
  - (B) represent the interest of depositors; or
  - (C) represent the interest of farmers, workers and artisans.
- In terms of Section 9(3AA) of the Act, a candidate being a shareholder of the Bank and who desires to be a Director of the Bank should possess 'Fit and Proper' status. Further, the elected director should execute the deed of covenants and is required to furnish annual declarations as prescribed by the Reserve Bank of India in this regard.

**16. Disqualifications from being Elected as A Director of the Bank**

In terms of Clause 10 of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, a person shall be disqualified for being appointed as, and for being a Director:

- a) if he has at any time been adjudicated an insolvent or has suspended payment or has compounded with his creditors; or
- b) if he has been found to be of unsound mind and stands so declared by a competent court; or
- c) if he has been convicted by criminal court of an offence which involves moral turpitude or
- d) if he holds any office of profit under any Nationalised Bank or State Bank of India constituted under sub-section (1)



of Section 3 of the State Bank of India Act, 1955 or any subsidiary bank as defined in Section 3 of the State Bank of India (Subsidiary Banks) Act, 1959, except for holding the post of a whole-time Director, including the Managing Director and Directors nominated under clauses (e) and (f) of sub-section (3) of Section 9 of the Act from among the employees of the Bank and

- e) If he is not found to be a fit and proper person in terms of Notification of Reserve Bank of India – No.DBOD.BC.No.46 and 47/29.39.001/2007-08 date 01st November, 2007 and No.DBOD.BC.No.95 /29.39.001/2010-11 dated 23<sup>rd</sup> May, 2011.

#### 17. Tenure of Director

Director elected to fill in the vacancy of shareholder director arisen on the Board of the Bank shall be deemed to have assumed office from 14<sup>th</sup> June 2014 (if only one valid candidate found on scrutiny of nominations on 13/06/2014 ) If more than one candidate were found valid after scrutiny, then the vacancy for one Director will be filled up on the date of the meeting and the new director will assume office from 27<sup>th</sup> June 2014.

As per section 11-B (2) of the Scheme, such elected person shall hold the office for period of 3 (three) years from 27<sup>th</sup> June 2014 i.e. upto 26<sup>th</sup> June 2017.

Attention of shareholders is invited to Section 9(3B) of the Act, on the right of Reserve Bank of India to remove a Director so elected under Section 9 (3) (i) of the said Act, who does not fulfill the requirements of Section 9(3A) of the said Act.

#### 18. List of Shareholders to Contestants

To enable the Shareholders to contest the election, a copy of the complete List of Shareholders as mentioned in Regulation 64 of the Bank of Maharashtra (Shares and Meetings) Regulations, 2004 as of the Specified date i.e., **Friday, 30<sup>th</sup> May 2014** will be available at Investor Services Department, Head Office, Bank of Maharashtra, 'Lokmangal', 1501, Shivajinagar, Pune 411 005 from **Monday 2<sup>nd</sup> June 2014** onwards for purchase by shareholders on a pre-payment of Rs.25,000/- (Rupees twenty five thousand only) for soft copy and Rs1,00,000 (RsOne Lakh only) for hard copy, by way of demand draft /pay order on a Scheduled Bank in favour of '**Bank of Maharashtra**' payable at Pune.

#### 19. Inspection of the Register of Shareholders

The Register of Shareholders is also open for inspection at the Head Office of the Bank on all working days (other than Sundays and Bank holidays) i.e. from Monday to Friday between 3.00 p.m. and 5.00 p.m. and on Saturday between 11.00 a.m. and 1.00 p.m. If any shareholder requires a copy or computer prints of the register or of any part thereof, the same shall be supplied to him/her on pre-payment at the rate of Rs.5/- for every 1000 words or fractional part thereof required to be copied.

#### 20. Participation in Election

Such of those shareholders whose names appear on the Register of Members/Beneficial owners as furnished by NSDL/ CDSL/RTA as on Friday, 30<sup>th</sup> May 2014 shall be entitled to participate i.e. nominate, contest and vote in election of director from amongst Shareholders other than the Central Government.

As per Regulation 68, each shareholder who has been registered as a shareholder on the specified date (i.e. Friday, 30<sup>th</sup> May 2014) prior to the date of a meeting shall have one vote on show of hands and in case of a poll shall have one vote for each share held by him/her subject to overall cap of voting as prescribed under section 3(2E) of the Act.

#### 21. Nomination of Candidates for Election

In terms of Regulation 65 of the Bank of Maharashtra (Shares and Meetings) Regulations, 2004, and in terms of Notification



of Reserve Bank of India-DBOD. No. BC. No.46 and 47/29.39.001/2007-08 dated 1<sup>st</sup> November, 2007 and No.DBOD. BC.No.95/29.39.001/2010-11 dated 23<sup>rd</sup> May, 2011 and other applicable provisions of various Acts, nomination of a candidate for election as a Director will be valid provided:

- a) he is a shareholder holding, as on Friday, 30<sup>th</sup> May 2014, being the Specified date for participating in the election, a minimum of 100 shares in Bank of Maharashtra either in physical mode or in electronic/dematerialised mode, and continues to hold a minimum of 100 shares till Thursday 26<sup>th</sup> June 2014 and thereafter if he is elected.
- b) as on the last date for receipt of nomination i.e. Thursday the 12<sup>th</sup> June 2014 he/she is not disqualified from being a Director under the Banking Regulation Act, 1949 or the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 or the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 or the Bank of Maharashtra (Shares and Meetings) Regulations, 2004 and Notification No. -DBOD. No. BC. No.46 and 47/29.39.001/2007-08 dated 1<sup>st</sup> November, 2007 and No.DBOD.BC.No.95/29.39.001/2010-11 dated 23<sup>rd</sup> May, 2011 of Reserve Bank of India.
- c) there are no calls in arrears in respect of the shares held by him.
- d) the nomination is in writing signed by at least one hundred shareholders entitled to elect Director under the Act or by their duly constituted attorney, provided that a nomination by shareholder who is a company may be made by a resolution of the Directors of the said Company and where it is so made, a copy of the resolution certified to be true copy by the Chairman of the meeting at which it was passed shall be despatched to the General Manager, FMA Department, Head Office, Bank of Maharashtra, 'Lokmangal', 1501, Shivajinagar, Pune-411005 and such copy shall be deemed to be a nomination on behalf of such Company.
- e) The nominations by the shareholders (Minimum 100) is accompanied by a declaration along with his/her personal details by the candidate, as per the specimen forms of nomination and declaration furnished in this Notice, duly signed by the candidate before a Judge, Magistrate, Registrar or Sub-Registrar of Assurances or other Gazetted Officer or an Officer of Reserve Bank of India or any nationalized Bank, that he accepts the nomination and is willing to stand for election, and that he is not disqualified from being a director, either under the Banking Regulation Act, 1949 or the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 or the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 or the Bank of Maharashtra (Shares and Meetings) Regulations 2004 and that he has enclosed his personal details which are true to the best of his knowledge and belief and that he undertakes to keep the Bank fully informed, as soon as possible, of such events which are relevant to the information, subsequent to the declaration.
- f) The Nomination Forms and the Declaration Form are as prescribed by the Regulations and as per the Proforma annexed (the Proforma is also available on the Bank's Website ([www.bankofmaharashtra.in](http://www.bankofmaharashtra.in))).

## 22. Submission of nomination forms.

Shareholders desirous of contesting the election of the Directors of the Bank from amongst the shareholders, other than the Central Government and being qualified as per the conditions mentioned herein may please submit the following in the formats annexed to the Notice, in a sealed envelope and superscribed "**Nomination for Shareholder Director - AGM 2014**" to the General Manager, FMA Department, Head Office, Bank of Maharashtra, 'Lokmangal', 1501, Shivajinagar, Pune 411 005 together with connected/relevant documents complete in all respects, on any working day **not less than fourteen days** before the date fixed for the Annual General Meeting i.e., on or before the closing hours of the Bank i.e. 5.00 pm on Thursday the 12<sup>th</sup> June 2014 failing which, the nominations are liable to be rejected.

- a) Duly filled in Declaration Form



- b) Nominations from minimum of one hundred shareholders entitled to participate in the election;
- c) Personal Information, Declaration and Undertaking ( PDU Form ) together with the connected documents, testimonials viz Bio-data, Certificate of Educational Qualifications, Experience, etc

### 23. Scrutiny of Nominations

- I. Nominations shall be scrutinized on Friday, **13<sup>th</sup> June 2014**, the first working day following the last date fixed for the receipt of the nominations and in case any nomination is not found to be valid, the same shall be rejected after recording the reasons thereof.
- II. Personal Information, Declaration and Undertaking ( PDU Form ) shall be subjected to a Due Diligence Check by the Nomination Committee of the Board in terms of the 'Fit and Proper' Guidelines dated 1st November, 2007 and 23.05.2011 issued by the Reserve Bank of India.
- III. If there is only one valid nomination for the vacancy to be filled by the election, the candidate so nominated shall be deemed to be elected forthwith and his name and address shall be published as so elected. In such an event there shall not be any election at the meeting convened for the purpose and the candidate shall assume office on Saturday 14<sup>th</sup> June, 2014.-
- IV. If the valid nominations are more than the number of Director to be elected, the names of the candidates shall be published in the newspapers and the candidate polling the majority of the votes at the election shall be deemed to have been elected and his name will be announced by the Chairman & Managing Director and also published in newspapers and the candidate shall assume office on 27<sup>th</sup> June 2014.
- V. If there is any dispute, the same will be settled as per Regulation 67 of Bank of Maharashtra (Shares and Meetings) Regulations, 2004.

### 24. Withdrawal of Nominations

If any candidate desires to withdraw his/her nomination, he/she would be entitled to do so by sending a letter or fax at any time prior to closing hours of the Bank i.e. 5.00 pm on Wednesday, 25<sup>th</sup> June 2014.

### 25. Voting Rights

In terms of the provisions of Section 3(2E) of the Act, no shareholder of the corresponding new Bank, other than the Central Government, shall be entitled to exercise voting rights in respect of any shares held by him/her in excess of ten per cent of the total voting rights of all the shareholders of the Bank.

Subject to the above, as per Regulation 68, each shareholder who has been registered as a shareholder on the Specified date (i.e. Friday, 30<sup>th</sup> May 2014) prior to the date of the meeting shall have one vote on show of hands and in case of a poll shall have one vote for each share held by him/her subject to overall cap of voting as prescribed under section 3(2E) of the Act.

As per Regulation 10 of the Regulations, if any share stands in the names of two or more persons, the person first named in the register shall, as regards voting, be deemed to be the sole holder thereof. Hence if shares are in the name of joint holders, **then first named person is only entitled to attend the meeting and is only eligible to vote (by poll or by show of hands) in the meeting**

- 26. Shareholders are requested to bring their copies of the Notice to the meeting.

## EXPLANATORY STATEMENT

### Item No. 3.

#### EXPLANATORY STATEMENT AND DISCLOSURE AS REQUIRED TO BE MADE IN TERMS OF SEBI (ICDR) REGULATIONS, 2009.

##### 1) Objects of the Preferential issue:

In order to comply with Basel II and III requirements relating to capital adequacy, there is an ever increasing need to raise Capital. Bank is maintaining Capital Adequacy as per Basel II and Basel III capital requirements laid down by RBI.

Under Basel II, the Reserve Bank of India requires, Banks to maintain a minimum Capital to Risk- weighted Assets Ratio (CRAR) of 9 %, of which Tier I capital should be at least 6%. As per the Audited Statement of the Bank as of March 31, 2014, the total capital adequacy ratio of the Bank as per Basel II was 12.11% of which Tier I capital adequacy ratio was 7.75%. Under Basel III, for 31.03.2014, requirement of total CRAR was 9% of which Common Equity Tier 1 requirement was 5.00% and Total Tier 1 capital requirement was 6.50%. As per the Audited Statement of the Bank as of March 31, 2014, the total capital adequacy ratio of the Bank as per Basel III was 10.79% of which Tier I capital adequacy ratio was 7.44% (Common Equity Tier I stood at 6.69% and Additional Tier 1 Capital stood at 0.75%).

Under Basel III, the Reserve Bank of India requires Banks to maintain a minimum Capital to Risk-weighted Assets Ratio (CRAR) of 9% for 31.03.2015 and it will increase gradually to 11.50% upto 31.03.2019, of which Common Equity Tier I capital requirement will be 5.50% and Total Tier I capital requirement will be 7.00% from 31.03.2015. With the introduction of Capital Conservation Buffer from 31.03.2016, requirement of capital in the form of Equity Capital increases as buffer requirement increases year on year from 0.625% in 31.03.2016 to 2.50% in 31.03.2019 so the total capital requirement rises from 9% to 11.50%.

Taking into account increasing capital requirements under Basel III in equity capital form, with limited scope in raising IPDI and Tier II Bonds with loss absorption clause, with Basel III caps and to maintain on-going growth in the business, Bank foresees additional requirement of capital and the capital raised will be utilized to strengthen the Capital Adequacy requirement for the business growth.

- a) Government of India now proposes conversion of Perpetual Non-Cumulative Preference Share Capital (PNCPS) held by them into Equity Shares. The proposed Equity Shares after conversion of PNCPS will be allotted to Government of India, the Promoter of the Bank, through preferential issue of Equity Shares.
- b) Bank also proposes to infuse additional equity capital into Bank, to strengthen owned funds of the bank by allotting equity shares through preferential issue to LIC of India and/or various schemes of LIC of India.

- Proposal for conversion of PNCPS aggregating to Rs. 588 crores.

Govt. of India infused capital funds aggregating to Rs.588 crores in the Bank towards Perpetual Non- Cumulative Preference Shares (PNCPS) of the Bank. Bank had issued 5880 Preference shares having face value of Rs. 10,00,000 each with a coupon benchmarked to Repo Rate with spread of 100 basis points to be re-adjusted annually based on prevailing Repo Rate on the relevant date.

Perpetual Non- Cumulative Preference Shares (PNCPS) aggregating to Rs. 588 crore held by Government of India will not be reckoned for 100% weightage under Tier I capital as per Basel III norms. Accordingly, Bank had requested Government of India to consider the proposal for conversion of PNCPS entirely held by it into equity to enable the Bank to meet the Basel III requirements. Further, conversion of PNCPS into equity will also create headroom for raising Basel-III compliant bonds under Tier-I / Tier-II capital and also issuing of equity

through Qualified institutional Placement (QIP) / follow on public offers. The Government of India vide letter F No 11/17/2013-BOA dated April 16, 2014 conveyed approval for conversion of PNCPS into equity shares subject to approval of shareholders, SEBI and other authorities.

The conversion of PNCPS into equity will not result any outflow to the Government of India.

The Capital fund to Risk Weighted Assets as on March 31, 2014 is as under:

Particulars	Amount (Rs.) in Crores	% of capital funds to risk weighted asset (Basel – III)
Risk Weighted Assets	84,384.15	--
Common Equity Capital	5,640.70	6.69
Additional Tier I	635.85	0.75
Tier-I Capital	6,277.54	7.44
Tier-II Capital	2,826.87	3.35
Tier-III Capital	9,104.41	10.79

- a) The issue price is determined in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations, 2009.
- b) Shareholding Pattern of the Bank before and after the Preferential Issue of Equity Shares:

Sr.No	Category	Before the Issue as on March 31, 2014		After the Issue as on June 30, 2014	
		No of Shares held	% share holding	No of shares held	% share holding
<b>A</b>	<b>Promoter Holding</b>				
<b>1.</b>	<b>Promoters</b>				
	Govt. of India	715010200	85.21	848373774	79.80
	Foreign Promoters	-	-	-	-
<b>2.</b>	<b>Persons acting in concert</b>	-	-	-	-
	<b>Sub total</b>	715010200	85.21	848373774	79.80
<b>B</b>	<b>Non Promoter Holding</b>				
<b>3.</b>	<b>Institutional Investors</b>				
A	Mutual funds & UTI	961271	0.11	961271	0.09
B	Banks, Financial Institutions, Insurance Companies, (Central/ State Govt. Institutions/ Non-government Institutions)	58333449	6.95	149056969	14.02
<b>C</b>	<b>FII</b>	4014024	0.48	4014024	0.38
	<b>Sub Total</b>	63308744	7.54	154032264	14.49
<b>4</b>	<b>Others</b>				
A	Private Corporate Bodies	6843222	0.82	6843222	0.64
B	Indian Public	52322411	6.23	52322411	4.92
C	NRI/OCBs	1484150	0.18	1484150	0.14
D	Any Other	127100	0.02	127100	0.01
	<b>Sub Total</b>	60776883	7.25	60776883	5.71
	<b>Grand Total</b>	839095827	100.00	1063182921	100.00

- c) The Bank endeavors to complete the issue process within the prescribed time lines as indicated in SEBI (ICDR) Regulations, 2009.

- d) As the issue is proposed to be made to the Government of India (GOI) the major shareholder and Promoter of the Bank and LIC of India, there would not be any change in control. The Pre and Post issue shareholding of the Government of India would be as under:

	Number of Shares	Percentage of Capital
Pre Issue (as on 31.03.2014)	715010200	85.21
Post Issue	848373774	79.80

The pre and post issue shareholding of LIC of India would be as under:

	Number of Shares	Percentage of Capital
Pre Issue (as on 31.03.2014)	56063963	6.68
Post Issue	146787483	13.81

- e) The equity shares of the Bank have been listed for more than six months and accordingly, provisions of Regulation 76(3) and 78(5) of SEBI (ICDR) Regulations, 2009, are not applicable.
- f) All the shares proposed to be issued and allotted under Preferential Issue to the Government of India (GOI) shall be locked in for a period of three years from the date of 'trading approval' of new equity shares and shares allotted to LIC of India shall be locked in for a period of one year from the date of trading approval of new equity share.
- g) The entire pre-preferential shareholding of Government of India will be locked in for a period commencing from the Relevant Date to a period of six months from the date of 'trading approval' of new equity shares.
- h) The Certificate issued by the Statutory Auditor(s) certifying that the issue is being made in accordance with the requirements of these regulations will be tabled at the Annual General Meeting.
- i) The Bank is in compliance with the conditions of continuous listing of equity shares as specified in the Listing Agreement with the Stock Exchanges where the equity shares of the Bank are listed.
- j) The Government of India has not sold any equity shares of the Bank during the six months preceding the Relevant Date. Further, all the equity shares held by the Government of India (GOI) in the Issuer Bank are held in Dematerialized Form.
- k) The LIC of India being an insurance company with public interest is exempt from the provisions of Regulation 72(2) of SEBI (ICDR) Regulation 2009 relating to non selling of equity shares during the six months preceding the Relevant Date.
- l) The Board of Directors recommends passing of the Special Resolution as mentioned in the notice.
- m) None of the Directors of the Bank is interested or concerned in any manner in the proposal contained in the Resolution.

#### **Item No. 4; ELECTION OF ONE SHAREHOLDER DIRECTOR**

##### **RIGHT OF SHAREHOLDERS TO ELECT DIRECTORS**

Shareholders other than Government of India hold 14.79% of the share capital of the Bank. As per Section 9(3) (i) of the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970, Bank of Maharashtra is entitled to have a maximum of one shareholder Director on the Board of the Bank (other than the Central Government).

The tenure of Dr. Dinesh Shantilal Patel and Dr . R K Agrawal , the two directors elected by shareholders (other than Central Government) was over on January 31, 2014.

Accordingly an item of agenda is included in the Notice for the AGM to pass necessary resolution for election of ONE director representing the shareholders of the Bank.

The shareholders (other than the Central Government) are therefore entitled to send their nominations as per the procedure detailed in various and relevant Act/Scheme/ Regulations/Notification, the relevant portions of which are indicated hereunder.

ACT/SCHEME/REGULATIONS/ NOTIFICATIONS	PROVISIONS	SHORT PARTICULARS
The Banking Regulation Act, 1949	Section 16 (1) Section 20  Section 51	<ul style="list-style-type: none"> <li>• Prohibition of common Directors</li> <li>• Restrictions for granting loan or advance to or on behalf of any of its directors</li> <li>• Applicability of certain sections of Act to a corresponding new bank.</li> </ul>
The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970	Section 3 (2E) Section 9(3)(i) Section 9(3A) (A) to (C) Section 9(3AA) Section 9(3AB) Section 9(3B) Section 13(2)	<ul style="list-style-type: none"> <li>• Restriction on voting rights</li> <li>• No. of directors to be elected by the shareholders</li> <li>• Special knowledge in certain fields</li> <li>• No person shall be eligible to be elected as director unless he is a person found to have fit and proper status based upon track record, integrity and such other criteria as RBI may prescribe.</li> <li>• Right of RBI to remove a director so elected who does not fulfill the requirements of Section 9(3A) and 9(3AA) of the said Act.</li> <li>• Obligation as to fidelity and secrecy</li> </ul>
The Nationalised Banks (Management And Miscellaneous Provisions) Scheme, 1970	Clause 9(4) Clause 10 Clause 11 Clause 11A Clause 11B Clause 12(8)	<ul style="list-style-type: none"> <li>• Term of office of elected directors</li> <li>• Disqualifications from being elected as a Director of the Bank</li> <li>• Vacation of office of Director</li> <li>• Removal from office of an elected Director</li> <li>• Filling of vacancy in the office of elected Director</li> <li>• Disclosure of interest by directors in certain arrangements in which they are interested.</li> </ul>
Bank of Maharashtra (Shares and Meetings) Regulations, 2004	Regulation 10 Regulation 61 Regulation 61A Regulation 61B Regulation 63 Regulation 64 Regulation 65 Regulation 66 Regulation 67 Regulation 68 Regulation 69 Regulation 70	<ul style="list-style-type: none"> <li>• Exercise of rights of joint holders</li> <li>• Voting at General Meetings</li> <li>• Scrutineers at Poll</li> <li>• Manner of taking poll and result thereof</li> <li>• Directors to be elected at General Meetings</li> <li>• List of Shareholders</li> <li>• Nomination of candidates for election</li> <li>• Scrutiny of nominations</li> <li>• Election disputes</li> <li>• Determination of voting rights</li> <li>• Voting by duly authorized representative</li> <li>• Proxies</li> </ul>

RBI Notification No. DBOD. No. BC.No.46 and 47/29.39.001/2007-08 dated 01.11.2007 and No.DBOD. BC.No.95/29.39.001/2010-11 dated 23.05.2011	Pursuant to Section 9(3AA) & Section 9(3AB) of The Banking Companies Acquisition and Transfer of Undertakings) Act, 1970.	Fit and Proper criteria for elected directors on the Board of Nationalized Banks
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For the convenience of the shareholders, the relevant extracts from Regulation Act, the Act, the Scheme as well as RBI Notifications No. DBOD. No. BC.No.46 and 47/29.39.001/2007-08 dated 01.11.2007 and No.DBOD.BC.No.95/29.39.001/2010-11 dated 23.05.2011 are annexed hereto.

One director will be deemed to be elected or elected either after the scrutiny of the nominations ( if the number of valid nominations are equal to the number of vacancy ) and will assume office from Saturday 14<sup>th</sup> June 2014 or in subsequent election on 26<sup>th</sup> June, 2014, if there are more contestants. After such election, he will assume office from 27<sup>th</sup> June 2014 for a period of 3(three) years.

#### **INTEREST OF DIRECTORS**

None of the Directors of the Bank is interested or concerned in the aforementioned item of business except to the extent of their shareholding and those eligible Directors of the Bank who may contest the election.

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## **ELECTION OF DIRECTORS**

### **EXTRACTS OF RELEVANT ACTS, SCHEME AND REGULATIONS ETC.**

#### The Banking Regulation Act, 1949

##### **Prohibition of common Directors – Section 16 (1)**

No Banking Company incorporated in India shall have as a Director to its Board of Directors any person who is a Director of any other Banking Company.

##### **Restrictions on Loans and Advances – Section 20**

- 1) Notwithstanding anything to the contrary contained in Section 77 of the Companies Act, 1956 (1 of 1956), no Banking company shall, -
  - (a) grant any loans or advances on the security of its own shares, or
  - (b) enter into any commitment for granting any loan or advance or advance to or on behalf of
    - (i) any of its Directors,
    - (ii) any firm in which any of its Directors is interested as partner, manager, employee or guarantor, or
    - (iii) any Company not being a subsidiary of the Banking Company or a Company registered under Section 25 of the Companies Act, 1956 (1 of 1956), or a Government Company of which (or the subsidiary or the holding Company of which) any of the Directors of the Banking Company is a Director, Manager, Employee or guarantor or in which he holds substantial interest, or
    - (iv) any individual in respect of whom any of its Directors is a partner or guarantor.
- 2) Where any loan or advance granted by a Banking Company is such that a commitment for granting it could not have been



made if Clause (b) of Sub-section (1) had been in force on the date on which the loan or advance was made, (or is granted by Banking Company after the commencement of Section 5 of the Banking Laws (Amendment) Act, 1968 (58 of 1968), but in pursuance of a commitment entered into before such commencement), steps shall be taken to recover the amounts due to the Banking Company on account of the loan or advance together with interest, if any, due thereon within the period stipulated at the time of the grant of loan or advance, or where no such period has been stipulated, before the expiry of one year from the commencement of the said Section 5;

Provided that the Reserve Bank of India may, in any case on an application in writing made to it by the Banking Company in this behalf, extend the period for the recovery of the loan or advance until such date, not being a date beyond the period of three years from the commencement of the said Section 5 and subject to such terms and conditions, as the Reserve Bank of India may deem fit:

Provided further that this sub-section shall not apply if and when the Director concerned vacates the office of the Director of the Banking Company, whether by death, retirement, resignation or otherwise.

- 3) No loan or advance, referred to in sub-section (2), or any part thereof shall be remitted without the previous approval of the Reserve Bank of India, and any remission without such approval shall be void and of no effect.
- 4) Where any loan or advance referred to in sub-section (2), payable by any person, has not been repaid to the Banking Company within the period specified in that sub-section, then such person shall, if he is a Director of such Banking Company on the date of the expiry of the said period, be deemed to have vacated his office as such on the said date.

**Explanation in this Section –**

- (a) “**Loan or advance**” shall not include any transaction which the Reserve Bank of India may, having regard to the nature of the transaction, the period within which, and the manner and circumstances in which, any amount due on account of the transaction is likely to be realized, the interest of the depositors and other relevant considerations, specify by general or special order as not being a loan or advance for the purpose of this Section;
  - (b) “**Director**” includes a member of any Board or Committee in India constituted by Banking Company for the purpose of managing, or for the purpose of advising it in regard to the management of, all or any of its affairs.
- 5) If any question arises whether any transaction is a loan or advance for the purpose of this Section, it shall be referred to the Reserve Bank of India, whose decision thereon shall be final.

Section 51 of Banking Regulation Act, 1949 mentions the applicability of certain sections of Banking Regulation Act to a corresponding new bank.

**The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970**

**Restrictions on voting rights - Section 3(2E)**

No shareholder of the corresponding new Bank, other than the Central Government, shall be entitled to exercise voting rights in respect of any shares held by him in excess of ten percent of the total voting rights of all the shareholders of the corresponding new Bank.

**Composition of the Board of Directors - Section 9 (3) (i)**

Where the capital issued under clause (c) of sub-section (2B) of Section 3 is: -

- (I) not more than sixteen per cent of the total paid-up capital, not more than one Director.
- (II) more than sixteen per cent but not more than thirty two percent of the total paid-up capital, not more than two Directors.



(III) more than thirty two percent of the total paid-up capital, not more than three Directors to be elected by the shareholders other than the Central Government, from amongst themselves:

Provided that on the assumption of charge after election of any such director under this clause, equal number of directors nominated under clause (h) shall retire in such manner as may be specified in the Scheme.

Provided further that in case the number of directors elected , on or before the commencement of the Banking Companies (Acquisition and Transfer of Undertakings) and Financial Institutions Laws (Amendment) Act, 2006, in a corresponding new Bank exceed the number of directors specified in sub-clause (I) or sub-clause (II) or sub-clause (III), as the case may be, such excess number of directors elected before such commencement shall retire in such manner as may be specified in the scheme and such directors shall not be entitled to claim any compensation for the premature retirement of their term of office

#### **Special Knowledge in certain fields – Section 9(3A)**

The Directors to be elected under the said clause (i) shall-

(A) have special knowledge or practical experience in respect of the one or more of the following matters namely:-

- i. agriculture and rural economy,
- ii. banking,
- iii. co-operation,
- iv. economics,
- v. finance,
- vi. law,
- vii. small scale industry,
- viii. any other matter the special knowledge of, and practical experience in, which would, in the opinion of the Reserve Bank of India is useful to the corresponding new Bank.

(B) represents the interest of depositors; or

(C) represents the interest of farmers, workers and artisans.

#### **FIT and Proper Status**

##### **Section -9(3AA)**

Without prejudice to the provisions of sub-section (3A) and notwithstanding anything to the contrary contained in this Act or any other law for the time being in force, no person shall be eligible to be elected as director under clause (i) of sub-section (3) unless he is a person having fit and proper status based upon track record, integrity and such other criteria as the Reserve Bank may notify from time to time in this regard.

##### **Section 9(3AB)**

The Reserve Bank of India may also specify in the notification issued under sub section 3(AA), the authority to determine the fit and proper status, the manner of such determination, the procedure to be followed for such determination and such other matters as may be considered necessary or incidental thereto.

##### **RIGHT OF RBI TO REMOVE A DIRECTOR - Section 9(3B)**

Where the Reserve Bank is of the opinion that any Director of a corresponding new Bank elected under clause (i) of sub-section (3) does not fulfill the requirements of sub-section (3A) it may, after giving to such Director and the Bank a reasonable opportunity

of being heard, by order, remove such Director and on such removal, the Board of Directors shall co-opt any other person fulfilling the requirements of sub-section (3A) and as a Director in place of the person so removed till a Director is duly elected by the shareholders of the corresponding new Bank in the next Annual General Meeting and the person so co-opted shall be deemed to have been duly elected by the shareholders of the corresponding new Bank as a Director.

**Obligation as to Fidelity and Secrecy - Section - 13(2)**

Every Director, member of a local Board or a Committee, or Auditor, Advisor, Officer or other Employee of a corresponding new Bank shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the Third Schedule.

**The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970**

**Term of office of elected Director -Clause 9(4):**

An elected Director shall hold office for three years and shall be eligible for re-election:

Provided no such Director shall hold office continuously for a period exceeding six years.

**Disqualification of Directors- Clause 10:**

A person shall be disqualified for being appointed as, and for being a Director:

- a) if he has at any time been adjudicated an insolvent or has suspended payment or has compounded with his creditors; or
- b) if he has been found to be of unsound mind and stands so declared by a competent court; or
- c) if he has been convicted by criminal court of an offence which involves moral turpitude.
- d) if he holds any office of profit under any nationalized bank or State Bank of India constituted under sub-section (1) of Section 3 of the State Bank of India Act, 1955 or any subsidiary bank as defined in Section 3 of the State Bank of India (Subsidiary Banks) Act, 1959, except for holding the post of a whole-time Director, including the Managing Director and Directors nominated under clauses (e) and (f) of sub-section (3) of Section 9 of the Act from among the employees of the Bank.

**Vacation of office of Directors -Clause 11:**

1. If a Director becomes subject to any of disqualification specified in clause 10, or is absent without leave of the board for more than three consecutive meetings thereof, he shall be deemed to have vacated his office as such and thereupon his office shall become vacant.
2. The Chairman or a whole-time Director including the Managing Director or a Director referred to in clause (b) or clause (c) of sub-section 3 of Section 9 of the Act may resign his office by giving notice thereof in writing to the Central Government and on such resignation being accepted by that Government shall be deemed to have vacated his office; and any other Director may resign his office by giving notice thereof in writing to the Central Government and such resignation shall take effect on the receipt of the communication of the resignation by the Central Government.
3. Without prejudice to the provisions of the foregoing sub-clauses, the office of the Director referred to in Clause (e) or Clause (f) of sub-section 3 of Section 9 of the Act shall become vacant as soon as the Director ceases to be a workman or an employee, other than a workman of the Nationalised Bank of which he is a Director.
4. Where any vacancy occurs in the office of a Director other than an elected Director, it shall be filled in accordance with sub-section (3) of Section 9 of the Act.

#### **Removal from office of an elected Director -Clause 11A:**

The shareholders, other than the Central Government, may, by a resolution passed by a majority of the votes of such shareholders holding in the aggregate, not less than one half of the share capital held by all such shareholders, remove any Director elected under Clause (i) of the sub-section (3) of Section 9 and elect in his stead another person to fill the vacancy.

Filling of vacancy in the office of elected Director- Clause 11B:

- (1) Where any vacancy occurs before the expiry of the term of office of an elected Director, the vacancy shall be filled by election.

Provided that where the duration of vacancy is likely to be less than six months, the vacancy may be filled in by the remaining Directors.

- (2) A person elected or co-opted, as the case may be, under sub clause (1) shall hold office for the unexpired portion of the term of his predecessor.

#### **Disclosure of interest by Directors- Clause 12(8)**

A Director who is directly or indirectly concerned or interested in any contract, loan, arrangement or proposal entered into or proposed to be entered into by or on behalf of the Nationalised Bank shall, as soon as possible after the relevant circumstances have come to his knowledge, disclose the nature of his interest to the Board and shall not be present at the meeting of the Board when any such contract, loan, arrangement or proposal is discussed unless his presence is required by the other Directors for the purpose of eliciting information and no Director so required to be present shall vote on any such contract, loan, arrangement or proposal:

Provided that nothing contained in this sub-clause shall apply to such Director by reason only of his being:

- (i) a shareholder (other than a Director) holding not more than two percent of the paid-up capital in any public Company as defined in the Companies Act, 1956 (1 of 1956), or any corporation established by or under any law for the time being in force in India or any co-operative society, with which or to which the Nationalised Bank has entered into or made, or proposes to enter into or make, a contract, loan, arrangement or proposal; or
- (ii) an officer or other employee of the Nationalised Bank, if he is a Director (referred to in clause (e) or clause (f) of sub-section (3) of Section 9 of the Act)

#### **Bank of Maharashtra (Shares and Meetings) Regulations, 2004**

##### **Exercise of rights of joint holders**

##### **Regulation 10:**

If any share stands in the names of two or more persons, the first named in the register shall as regards voting, receipt of dividend, service of notices and all or any other matters connected with Bank of Maharashtra except the transfer of shares be deemed to be the sole holder thereof.

##### **Directors to be elected at general meetings**

##### **Regulation 63:**

- (1) A Director under clause (i) of sub-section 3 of Section 9 of the Act shall be elected by the shareholders on the register, other than the Central Government from amongst themselves in the general meeting of the Bank of Maharashtra.

- (2) Where an election of Director to be held at any general meeting, the notice thereof shall be included in the notice convening the meeting. Every such notice shall specify the number of Directors to be elected and the particulars of vacancies in respect of which the election is to be held.

### List of shareholders

#### Regulation 64:

- (i) For the purpose of election of a Director under sub-regulation (i) of Regulation 63 of these regulations, a list shall be prepared of shareholders on the register by whom the Director is to be elected.
- (ii) The list shall contain the names of the shareholders, their registered addresses, the number and denoting numbers of shares held by them with the dates on which the shares were registered and the number of votes to which they will be entitled on the date fixed for the meeting at which the election will take place and copies of the list shall be available for purchase at least three weeks before the date fixed for the meeting at a price to be fixed by the Board or the Management Committee on application at the Head Office.

### Nomination of candidates for election

#### Regulation 65:

- (i) No nomination of a candidate for election as a Director shall be valid unless,
- he is a shareholder holding not less than 100 (one hundred) shares in Bank of Maharashtra ;
  - he is on the last date for receipt of nomination, not disqualified to be a Director under the Act or under the Scheme;
  - he has paid all calls in respect of the shares of Bank of Maharashtra held by him, whether alone or jointly with others, on or before the last date fixed for the payment of the call;
  - the nomination is in writing signed by at least one hundred shareholders entitled to elect Directors under the Act or by their duly constituted attorney, provided that a nomination by shareholder who is a Company may be made by a resolution of the Directors of the said Company and where it is so made, a copy of the resolution certified to be true copy by the Chairman of the meeting at which it was passed shall be dispatched to the Head Office of Bank of Maharashtra and such copy shall be deemed to be a nomination on behalf of such Company;
  - the nomination accompanies or contains a declaration signed by the candidate before a Judge, Magistrate, Registrar or Sub-Registrar of Assurances or other Gazetted Officer or an officer of the Reserve Bank of India or any nationalized Bank, that he accepts the nomination and is willing to stand for election, and that he is not disqualified either under the Act or the Scheme or these regulations from being a Director.
  - No nomination shall be valid unless it is received with all the connected documents complete in all respects and received, at the Head Office of Bank of Maharashtra on a working day not less than fourteen days before the date fixed for the meeting.

### Scrutiny of nominations

#### Regulation 66:

- (i) Nominations shall be scrutinized on the first working day following the date fixed for the receipt of nominations and in case any information is not found to be valid, the same shall be rejected after recording the reason therefore. If there is only

one valid nomination for any particular vacancy to be filled by election, the candidate so nominated shall be deemed to be elected forthwith and his name and address shall be published as so elected. In such an event there shall not be any election at the meeting convened for the purpose and if the meeting had been called solely for the purpose of the aforesaid election it shall stand cancelled.

- (ii) In the event of an election being held, if valid nominations are more than the number of Directors to be elected, the candidate polling the majority of votes shall be deemed to have been elected.
- (iii) A Director elected to fill an existing vacancy shall be deemed to have assumed office from the date following that on which he is, or is deemed to be elected.

### **Election disputes**

#### **Regulation 67:**

- (i) If any doubt or dispute shall arise as to the qualification or disqualification of a person deemed, or declared to be elected, or as to the validity of the election of a Director, any person interested, being a candidate or shareholder entitled to vote at such election, may, within seven days of the date of the declaration of the result of such election, give intimation in writing thereof to the Chairman and Managing Director of the Bank of Maharashtra and shall in the said intimation give full particulars of grounds upon which he doubts or disputes the validity of the election.
- (ii) On receipt of an intimation under sub-regulation (i) the Chairman and Managing Director or in his absence, the Executive Director of Bank of Maharashtra shall forthwith refer such doubt or dispute for the decision of a committee consisting of the Chairman and Managing Director or in his absence, the Executive Director and any two of the Directors nominated under clauses (b) and (c) of sub-section (3) of Section 9 of the Act.
- (iii) The committee referred to in sub-regulation (ii) shall make such enquiry as it deems necessary and if it finds that the election was valid election, it shall confirm the declared result of the election or, if it finds that the election was not a valid election, it shall, within thirty days of the commencement of the enquiry make such order and give such directions including the holding of a fresh election as shall in the circumstances appear just to the committee.
- (iv) An order and direction of such committee in pursuance of this regulation shall be conclusive.

### **Voting Rights of Shareholders**

#### **Determination of voting rights**

#### **Regulation 68:**

- (i) Subject to the provisions contained in Section 3(2E) of the Act, each shareholder who has been registered as a shareholder on the date of the closure of the register prior to the date of a general meeting shall, at such meeting, have one vote on show of hands and in case of a poll shall have one vote for each share held by him.
- (ii) Subject to the provisions in Section 3(2E) of the Act, every shareholder entitled to vote as aforesaid who not being a Company is present in person or by proxy or who being a Company is present by a duly authorised representative, or by proxy shall have one vote on a show of hands and in case of a poll shall have one vote for each share held by him as stated hereinabove in sub-regulation (i)

**Explanation- for this chapter, “Company” means any body corporate.**

- (iii) Shareholders of the Bank entitled to attend and vote at a general meeting shall be entitled to appoint another person (whether a shareholder or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting.

**Voting by duly authorised representative**

**Regulation 69:**

- (i) A shareholder, being the Central Government or a Company, may by a resolution, as the case may be, authorise any of its officers or any other person to act as its representative at any general meeting of the shareholders and the person so authorised (referred to as a “duly authorised representatives” in these regulations) shall be entitled to exercise the same powers on behalf of the Central Government or the Company which he represents, as if he were an individual shareholder of Bank of Maharashtra . The authorization so given may be in favour of two persons in the alternative and in such a case any one of such persons may act as a duly authorised representative of the Central Government / Company.
- (ii) No person shall attend or vote at any meeting of the shareholders of Bank of Maharashtra as the duly authorised representative of the Company unless a copy of the resolution appointing him as a duly authorised representative certified to be true copy by the Chairman of the meeting at which it was passed shall have been deposited at the Head Office of Bank of Maharashtra not less than four days before the date fixed for the meeting.

**PROXIES**

**Regulation 70:**

- (i) No instrument of proxy shall be valid unless, in the case of an individual shareholder it is signed by him/her or his/her attorney, duly authorised in writing or in the case of joint holders, it is signed by the shareholder first named in the register or his / her attorney, duly authorised in writing, or in the case of a body corporate, signed by its officer or an attorney duly authorised in writing.

Provided that an instrument of proxy shall be sufficiently signed by any shareholder, who is, for any reason, unable to write his / her name, if his / her mark is affixed thereto and attested by a Judge, Magistrate, Registrar or Sub- Registrar of Assurances or other Government Gazetted Officer or an Officer of Bank of Maharashtra

- (ii) No Proxy shall be valid unless it is duly stamped and a copy thereof is deposited at the Head Office of the Bank not less than four days before the date fixed for the meeting, together with the power of attorney or other authority, if any under which it is signed or a copy of that power of attorney or other authority certified as true copy by a Notary Public, or a Magistrate unless such a power of Attorney or the other authority is previously deposited and registered with the Bank.
- (iii) No Instrument of Proxy shall be valid unless it is in Form “B”.
- (iv) An instrument of proxy deposited with the Bank shall be irrevocable and final.
- (v) In the case of an instrument of proxy granted in favour of two grantees in the alternative, not more than one form shall be executed.
- (vi) The grantor of an instrument of proxy under this regulation shall not be entitled to vote in person at the meeting to which such instrument relates.



No person shall be appointed as duly authorised representative or a proxy who is an officer or an employee of Bank of Maharashtra.

Notification of Reserve Bank of India – DBOD No. BC NO.46/29.39.001/2007-08 and DBOD No.47/29.39.001 dated 1st November, 2007 and DBOD No. BC No.95/29.39.001/2010- 11 dated May 23, 2011.

The Reserve Bank of India has notified as under:

No nomination shall be valid unless 'Fit and Proper' status is accorded by the Nomination Committee appointed by the Board of Directors of the Bank for this purpose. The nominations should accompany additional information about the candidates to enable the Nomination Committee to decide on the 'Fit and Proper' status with regard to educational qualification, experience and field expertise, track record and integrity of the candidates. Adverse notice of any authority/ regulatory agency or insolvency or default of any loan from any Bank or financial institution would make the respective candidate unfit and improper to be elected as a Director on the Board. (Complete text of the notification is available on the website of the bank under the head Investor Relations)